

**Rebuttal Testimony**  
**of**  
**David G. Bebyn CPA**

**For**  
**Pawtucket Water Supply Board**  
**City of Pawtucket**

**Docket No. 3945**

**August 2008**

1 **Q. Please state your name and business address for the record.**

2 A. My name is David G. Bebyn CPA and my business address is 21 Dryden Lane,  
3 Providence, Rhode Island 02904.

4

5 **Q. Mr. Bebyn, are you the same David Bebyn who filed prefiled direct testimony in**  
6 **this Docket No. 3945 in February of 2008?**

7 A. Yes.

8

9 **Q. What is the purpose of your rebuttal testimony?**

10 A. I have read the prefiled direct testimony of Andrea C. Crane, which she prepared for  
11 the Division of Public Utilities and Carriers (DPU) regarding revenue requirement in this  
12 docket. This rebuttal testimony presents my comments relating to Ms. Crane's  
13 recommendation relating to PWSB's pro forma retail revenue and surcharge revenue.

14

15 **Pro Forma Retail Revenue**

16 **Q. Mr. Bebyn what are your comments regarding the PWSB's pro forma retail**  
17 **revenue?**

18 A. Ms. Crane's approach agrees with the PWSB position of using a four year average on  
19 residential and the most recent year for industrial. Ms. Crane however uses a four year  
20 average for small commercial customers while the PWSB position was to use the most  
21 recent year. Furthermore, Ms. Crane has updated the four year average for residential  
22 based on the data response to DIV 4-1. The small commercial customers and industrial  
23 were not updated for FY 2008 figures since the originally filed DIV 4-1 did not breakdown  
24 these classes of customer. Ms. Crane did, however, indicate that she would utilize these FY  
25 2008 figures once they were made available.

26

27 **Q. What was the retail consumption for FY 2008?**

28 A. Schedule DGB-R-1a presents the 2005 - 2008 data in a format consistent with the data  
29 response to DIV 4-1. This schedule includes the breakout of cycles 7 & 11.

30

1 **Q. Mr. Bebyn what is the PWSB's position on pro forma retail revenue?**

2 A. The PWSB agrees with Ms. Crane's approach of using a four year average updated for  
3 FY 2008 on residential and the most recent year for industrial. The industrial uses FY 2008  
4 since this data is now available. The PWSB is also in agreement with utilizing a four year  
5 average for small commercial customers since by using the FY 2008 figure; the average  
6 was close to the originally filed PWSB position. My adjustment is shown on schedule  
7 DGB-R-1 and DGB-R-1A.

8

9 **Q. Mr. Bebyn, has Ms. Crane made any other customer growth adjustments besides**  
10 **her averaging approach previously discussed?**

11 A. Yes, she has calculated an additional growth adjustment on her schedule ACC-3.

12

13 **Q. Mr. Bebyn do you agree with Ms. Crane's adjustment to additional customer**  
14 **growth on her schedule ACC-3?**

15 A. No, I do not. I believe that the additional residential growth adjustment as calculated  
16 on schedule ACC-3 is unnecessary. Ms. Crane has utilized this approach in past PSWB  
17 dockets and as a result had overestimated the impact on consumption from new  
18 connections. The data response by the Division to PWSB 1-1 details that the Division  
19 position in both Dockets 3497 and 3674 had been overestimated. While some of this  
20 overestimation was due to the yearly average, the use of this growth adjustment only  
21 exacerbates the issue. Please refer to Mr. Woodcock's rebuttal for greater detail regarding  
22 this issue.

23

24 **Surcharge Revenues**

25 **Q. What is your position regarding the adjustment to State Surcharge Revenue?**

26 A. Since the rebuttal position has changed the retail consumption from the originally filed  
27 position it is necessary to adjust the surcharge revenue. This adjustment is just a pass  
28 through based on retail consumption. My adjustment utilizes the adjustment to retail  
29 consumption noted above. My adjustment is shown on schedule DGB-R-2.

30

1 **Q. Does that conclude your testimony?**

2 **A. Yes.**

**REVENUE ANALYSIS--METERED SALES REVENUE  
PAWTUCKET WATER SUPPLY BOARD**

**Schedule DGB-R-1  
(Rebuttal)**

	<u>Rebuttal Test Year Consumption</u>	<u>Docket 3674 Rates</u>	<u>Rebuttal Test Year Revenue</u>
Small 5/8", 3/4" & 1"	3,001,584	2.903	8,713,598
Med 1-1/2" & 2"	661,262	2.709	1,791,358
Large 3" & 4"	209,874	2.544	533,918
X Large 6" and above	138,694	2.544	352,838

<b>Total Rebuttal Metered Sales Revenue</b>	<b>11,391,711</b>
<b>Total originally filed position on Metered Sales Revenue</b>	<b>11,422,942</b>
<b>Rebuttal Adjustment</b>	<b>\$ (31,231)</b>

	<u>Cycles 1-6</u>	<u>Cycles 7</u>	<u>Cycles 11</u>	<u>Rebuttal All Cycles</u>
5/8-inch meter	2,765,343	20,281	496	2,786,120
3/4-inch meter	43,503	17,379	155	61,037
one-inch meter	91,198	60,479	2,750	154,427
	<b>2,900,044</b>	<b>98,139</b>	<b>3,401</b>	<b>3,001,584</b>
1-1/2-inch meter	43,883	79,704	4,340	127,927
two-inch meter	64,486	371,009	97,840	533,335
	<b>108,369</b>	<b>450,713</b>	<b>102,180</b>	<b>661,262</b>
three-inch meter	463	41,297	121,996	163,756
four-inch meter	-	23,722	22,396	46,118
	<b>463</b>	<b>65,019</b>	<b>144,392</b>	<b>209,874</b>
6-inch meter	-	850	137,844	138,694
8-inch meter	-	-	-	-
	<b>-</b>	<b>850</b>	<b>137,844</b>	<b>138,694</b>
	<b>3,008,875</b>	<b>614,721</b>	<b>387,817</b>	<b>4,011,413</b>

**REVENUE ANALYSIS—METERED SALES REVENUE  
PAWTUCKET WATER SUPPLY BOARD**

Schedule DGB-R-1A  
(Rebuttal)

<i>Consumption History Cycles 1-6</i>					Rebuttal Position	Originally	Difference
	FY 2005	FY 2006	FY 2007	FY 2008	4 year average	Filed Test Year	
5/8-inch meter	2,851,380	2,857,664	2,654,765	2,697,563	2,765,343	2,798,150	
3/4-inch meter	45,943	44,180	42,217	41,671	43,503	44,243	
one-inch meter	93,731	94,840	86,011	90,210	91,198	93,094	
	<u>2,991,054</u>	<u>2,996,684</u>	<u>2,782,993</u>	<u>2,829,444</u>	<u>2,900,044</u>	<u>2,935,487</u>	<u>(35,443)</u>
1-1/2-inch meter	43,140	45,760	42,320	44,310	43,883	42,996	
two-inch meter	58,708	64,069	61,686	73,481	64,486	60,205	
	<u>101,848</u>	<u>109,829</u>	<u>104,006</u>	<u>117,791</u>	<u>108,369</u>	<u>103,200</u>	<u>5,168</u>
three-inch meter	-	-	-	1,850	463	-	
four-inch meter	-	-	-	-	-	-	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,850</u>	<u>463</u>	<u>-</u>	<u>463</u>
6-inch meter	-	-	-	-	-	-	
8-inch meter	-	-	-	-	-	-	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>3,092,902</u>	<u>3,106,513</u>	<u>2,886,999</u>	<u>2,949,085</u>	<u>3,008,875</u>	<u>3,038,687</u>	<u>(29,812)</u>

<i>Consumption History Cycle 7 (Quarterly Business)</i>					Rebuttal Position	Originally	Difference
	FY 2005	FY 2006	FY 2007	FY 2008	4 year average	Filed Test Year	
5/8-inch meter	23,363	21,038	18,027	18,696	20,281	18,027	
3/4-inch meter	15,583	15,189	23,135	15,608	17,379	23,135	
one-inch meter	66,545	65,492	56,391	53,489	60,479	56,391	
	<u>105,491</u>	<u>101,719</u>	<u>97,553</u>	<u>87,793</u>	<u>98,139</u>	<u>97,553</u>	<u>586</u>
1-1/2-inch meter	80,167	83,965	77,525	77,169	79,704	77,525	
two-inch meter	387,694	390,783	362,523	343,037	371,009	362,523	
	<u>467,861</u>	<u>474,748</u>	<u>440,048</u>	<u>420,196</u>	<u>450,713</u>	<u>440,048</u>	<u>10,665</u>
three-inch meter	41,617	44,015	43,087	36,470	41,297	43,087	
four-inch meter	25,419	24,419	25,171	19,878	23,722	25,171	
	<u>67,036</u>	<u>68,434</u>	<u>68,258</u>	<u>56,348</u>	<u>65,019</u>	<u>68,258</u>	<u>(3,239)</u>
6-inch meter	940	910	890	660	850	890	
8-inch meter	-	-	-	-	-	-	
	<u>940</u>	<u>910</u>	<u>890</u>	<u>660</u>	<u>850</u>	<u>890</u>	<u>(40)</u>
	<u>641,328</u>	<u>645,811</u>	<u>606,749</u>	<u>564,997</u>	<u>614,721</u>	<u>606,749</u>	<u>7,972</u>

<i>Consumption History Cycle 11 (Monthly Business)</i>					Rebuttal Position	Originally	Difference
	FY 2005	FY 2006	FY 2007	FY 2008	FY 2008	Filed Test Year	
5/8-inch meter	11,070	1,514	371	496	496	371	
3/4-inch meter	2,529	1,977	309	155	155	309	
one-inch meter	1,810	1,900	3,130	2,750	2,750	3,130	
	<u>15,409</u>	<u>5,391</u>	<u>3,810</u>	<u>3,401</u>	<u>3,401</u>	<u>3,810</u>	<u>(409)</u>
1-1/2-inch meter	3,070	3,260	3,600	4,340	4,340	3,600	
two-inch meter	166,404	138,340	93,621	97,840	97,840	93,621	
	<u>169,474</u>	<u>141,600</u>	<u>97,221</u>	<u>102,180</u>	<u>102,180</u>	<u>97,221</u>	<u>4,959</u>
three-inch meter	238,688	196,690	149,445	121,996	121,996	149,445	
four-inch meter	41,209	36,230	25,168	22,396	22,396	25,168	
	<u>279,897</u>	<u>232,920</u>	<u>174,613</u>	<u>144,392</u>	<u>144,392</u>	<u>174,613</u>	<u>(30,221)</u>
6-inch meter	176,620	112,964	98,981	137,844	137,844	98,981	
8-inch meter	-	-	-	-	-	-	
	<u>176,620</u>	<u>112,964</u>	<u>98,981</u>	<u>137,844</u>	<u>137,844</u>	<u>98,981</u>	<u>38,863</u>
	<u>641,400</u>	<u>492,875</u>	<u>374,625</u>	<u>387,817</u>	<u>387,817</u>	<u>374,625</u>	<u>13,192</u>
	<u>4,375,630</u>	<u>4,245,199</u>	<u>3,868,373</u>	<u>3,901,899</u>	<u>4,011,413</u>	<u>4,020,061</u>	

REVENUE ANALYSIS--SURCHARGE REVENUE  
PAWTUCKET WATER SUPPLY BOARD

Schedule DGB-R-2  
(rebuttal)

	<i>Test Year</i>	Percent Subject to surcharge	Consumption net of Elderly Exemption	Surcharge Revenue portion	Surcharge Revenue
<i>Small 5/8", 3/4" &amp; 1"</i>	3,001,584	92.0%	2,761,457	\$ 0.01511	\$ 41,725
<i>Med 1-1/2" &amp; 2"</i>	661,262	100.0%	661,262	0.01511	9,991
<i>Large 3" &amp; 4"</i>	209,874	100%	209,874	0.01511	3,171
<i>X Large 6" and above</i>	138,694	100%	138,694	0.01511	<u>2,096</u>
<i>Total Rebuttal Surcharge Revenue</i>					\$ 56,983
<i>Total Originally filed Position on Surcharge Revenue</i>					<u>57,071</u>
<i>Rebuttal Adjustment</i>					<u>\$ (88)</u>