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June 6, 2008

Ms. Luly Massaro, Clerk  
Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

**RE: Pawtucket Water Supply Board – Docket No. 3945**

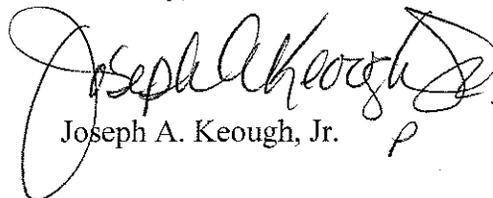
Dear Ms. Massaro:

Enclosed please find the following documents:

- 1) Pawtucket Water Supply Board's Response to the Rhode Island Public Utilities Commission's Data Requests (Set 1);
- 2) Pawtucket Water Supply Board's Response to the Division of Public Utilities & Carriers' Data Requests (Set 1), Response to Division 1-33 Revised.

Thank you for your attention to this matter.

Sincerely,

  
Joseph A. Keough, Jr.

JAK:prc  
Enclosures

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PAWTUCKET WATER SUPPLY BOARD

Docket No. 3945

Pawtucket Water Supply Board's Response to  
the Rhode Island Public Utilities Commission's Data Requests  
Set 1

**COMM 1-1:** Please explain the source of the one-time tax adjustment addressed on page 3, lines 21-22 of Mr. Bebyn's testimony.

**RESPONSE:** The Division of Taxation performed an examination of our sales records and assessed the PWSB for sales tax from commercial customers that were not properly classified as taxable accounts by the PWSB for the period of October 1, 2002 through September 30, 2005.

Prepared by: R. Benson

PAWTUCKET WATER SUPPLY BOARD  
Docket No. 3945

Pawtucket Water Supply Board's Response to  
the Rhode Island Public Utilities Commission's Data Requests  
Set 1

**COMM 1-2:** Please provide an accounting of the O&M reserve account for each year since the last rate decision. Was the account under-funded and if so, how has this affected the bond covenants?

**RESPONSE:** See schedule DIV 1-24.3. The last rate decision was 11/11/2005 and this schedule begins 7/1/2005. This account is fully funded and in compliance with the Bond Covenants.

Prepared by: R. Benson

PAWTUCKET WATER SUPPLY BOARD  
Docket No. 3945

Pawtucket Water Supply Board's Response to  
the Rhode Island Public Utilities Commission's Data Requests  
Set 1

**COMM. 1-3:** On Schedule DGB-1, it appears there was no funding of any restricted accounts other than the IFR account during the test year. Isn't the O&M reserve the first account that has to be funded?

**RESPONSE:** Schedule DGB-1 reconciles the GAAP based financials for the test year to the adjusted test year. The restricted accounts are reported as asset accounts in the GAAP based financials. See Mr. Benson's testimony beginning on page 3 line 10 regarding cash basis revenue. Also, the order of funding per the Trust Indenture is explained beginning on page 3 line 31. It should be noted that the O&M reserve was fully funded for the rate year; no additional deposits were needed.

Prepared by: R. Benson

PAWTUCKET WATER SUPPLY BOARD

Docket No. 3945

Pawtucket Water Supply Board's Response to  
the Rhode Island Public Utilities Commission's Data Requests  
Set 1

**COMM. 1-4:** Why were the customer service charge revenues lower in FY 2007 than in the previous three fiscal years? Shouldn't it be fairly constant?

**RESPONSE:** While reconciling the accounting records for fiscal year 2006, it was noted that the standard monthly accounting entries did not properly record customer account billing adjustments. Beginning with fiscal year 2007 these standard monthly accounting entries were revised to accurately record these billing adjustments. It was also determined not to be cost effective to review the supporting documentation and adjust the accounting records for the fiscal years preceding FY2007.

Prepared by: R. Benson

PAWTUCKET WATER SUPPLY BOARD  
Docket No. 3945

Pawtucket Water Supply Board's Response to  
the Rhode Island Public Utilities Commission's Data Requests  
Set 1

**COMM. 1-5:** Why were employee pension and benefits expenses (604) higher in FY 2007 by over \$10,000 when salaries and wages (601) were lower?

**RESPONSE:** The salaries and wages (601) reported on Schedule DGB-2 were prepared from the GAAP based financial records. The account balances reported on this Schedule do not include the capitalized labor for the installation of new services, hydrant repairs, new meter installations and transmission & distribution main repairs. See Schedule DGB-1 for the regulatory adjustments adding the capitalized labor back to salary and wage accounts in the test year. In addition, employee benefit expenses are increasing at a higher annual rate than the annual salary and wage increases.

Prepared by: R. Benson

PAWTUCKET WATER SUPPLY BOARD  
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Pawtucket Water Supply Board's Response to  
the Rhode Island Public Utilities Commission's Data Requests  
Set 1

**COMM 1-6:** Why were purchased power expenses lower in FY 2007 than in the prior fiscal years?

**RESPONSE:** The amount of purchased power consumed in FY2007 was 5,821,261 KWH which was 1,148,150 less than FY2006. See the revised attached schedule DIV 1-33 Revised. The original schedule included the new electric account for the new water treatment plant. The electric consumption of 1,282,000 KWH was paid by Earth Tech as a cost of the construction of the new facility. Also due to the average daily pumping levels, the horsepower required to meet the actual maximum daily demand was down significantly from prior years.

Prepared by: R. Benson

PAWTUCKET WATER SUPPLY BOARD			Schedule DIV 1-33 Revised			
UTILITIES--ELECTRIC ACCOUNTS			KWH			
NATIONAL GRID		Service For / Purpose	FY07	FY06	FY05	FY04
NEW ACCOUNT #	OLD ACCOUNT #	Source of Supply				
40584-02005	64300-70230-06	Reservoir RD Security Lighting - Diamond Hill Gate House	1,961	1,966	1,973	1,962
15697-17005	64300-71450-06	Dexter St APT F Security Lighting - Robin Hollow Gate House	1,961	1,966	1,973	1,962
53044-32009	64300-72100-06	N Attleboro RD LT BSTR Security Lighting - Arnolds Mill Gate House	5,883	5,898	4,293	1,962
63081-13006	64305-09760-26	Reservoir RD Pole 36 Diamond Hill Reservoir Gate House	25,259	765	375	263
50618-79002	64307-35340-26	Dexter St Apt 2F Pole 34 Robin Hollow Reservoir Gate House	77	204	48	0
14142-11001	64307-35350-26	Off Dexter St PUMP6 BWEL Pole 33A4 Well # 6	5,955	25,901	28,739	62,244
26589-01003	64307-35360-26	Off Dexter St PUMP7 BWEL Pole 33A9 Well # 7	60,719	38,956	44,204	53,847
39058-12001	64307-35370-26	Dexter St PUMP Pole 33A14 Well # 8	31,827	32,661	38,070	62,243
51523-36005	64307-35380-26	Dexter St WATER BPUMP Pole 33A Well # 9	74,813	33,613	47,534	56,015
38153-71006	64309-01070-26	N Attleboro LOT P5A6 Pole 5-1A Arnolds Mill Reservoir Gate House	0	0	1	0
<b>Pumping Station</b>						
NA	64300-81680-05 Account closed	20 RALCO WAY Security Lighting - Spring St. Pump Station				1,962
25673-16001	64308-01820-26	20 RALCO WAY Pole 15A Pump Station # 3	0	0	0	0
15698-24005	64700-70090-06	85 Branch St Security Lighting	7,844	7,864	4,360	4,024
02145-01005	64788-04100-00	85 Branch St Pole 11A1A Pump Station # 4 & Admin Offices	4,950,400	5,416,600	4,341,400	5,401,200
<b>Treatment Plant</b>						
01744-07008	NA	118 MILL ST POLE 15 (was 120 Mill St Pole 15) Raw Water Pump Station				
02147-44000	64710-04145-00	Branch St. Pole 11-51 New Water Treatment Facility	1,282,000			
76459-27007	64308-01640-26	Mill St Pole 15A Standby power Mill St WTP	231,000	430,800	41,200	800
01739-18002	64308-01660-26	20 Ralco Way Pole 15A Mill St WTP & Pump Station # 3	316,800	858,000	1,735,200	1,860,000
<b>Transmission &amp; Distribution</b>						
15282-80007	64715-04835-00	School St. Temp Temporary T&D Office	27,227	33,412	32,115	
52630-17004	64715-13080-29	279 School St. Pole 36A1A3 Temporary T&D Storage Garage	36,771	43,387	32,500	
90435-21007	64500-70380-06	Reservoir Ave. Lincoln Stump Hill Security Lighting	3,922	3,932	3,946	3,924
78268-23006	64517-05770-26	Reservoir Ave. Pole 48A1 Stump Hill Storage Tank Chlorination Building	38,842	33,486	36,861	29,520
<b>Annual Power Consumption (KWH)</b>			<b>7,103,261</b>	<b>6,969,411</b>	<b>6,394,792</b>	<b>7,541,928</b>
Less electric consumption billed to EarthTech during construction phase of new WTP			(1,282,000)	0	0	0
<b>Annual Power Consumption (KWH)</b>			<b>5,821,261</b>	<b>6,969,411</b>	<b>6,394,792</b>	<b>7,541,928</b>

PAWTUCKET WATER SUPPLY BOARD

Docket No. 3945

Pawtucket Water Supply Board's Response to  
the Rhode Island Public Utilities Commission's Data Requests  
Set 1

**COMM. 1-7:** Please explain in further detail, the increase in police detail from FY 2006 to FY 2007? How were the police detail expenses handled prior to FY 2006?

**RESPONSE:** The scheduled road work in FY07 included permanent road patching from prior fiscal years. As a result, the number of detail hours paid to the Pawtucket Police department increased from 736 hours in FY06 to 1537.5 hours in FY07, which accounts for approximately \$24,000 of the \$29,059 increase from FY06 to FY07. The remainder is attributable to police details in the Town of Cumberland.

As for the handling of police detail expenses, there has been no change to how they were handled prior to FY06. City of Pawtucket police details are expensed to the PWSB through the payroll system. The T&D department must approve the officer's detail slip at the conclusion of each detail and the approved slip is processed weekly through payroll for the officer to be paid. Cumberland police details are billed the town to the PWSB and processed through the payable system.

Prior to the PWSB purchasing the Central Falls system, all police details were the responsibility of the Central Falls Public Works Department. Now that the PWSB owns the Central Falls distribution system, Central Falls is billing the PWSB directly. As set forth in my direct testimony, Central Falls is requiring police details for *any* work done in the City. This is above and beyond the policies for police details required by the City of Pawtucket and the Town of Cumberland.

In addition, we believe that the amount Central Falls is charging is excessive. For example, the Central Falls Police Department has informed the PWSB that hourly fees for details include a \$4.00 per hour administration charge. In the Pawtucket and Cumberland this fee is usually charged per invoice and not on an hourly basis. In addition, the Central Falls Police Department has informed the PWSB that they will charge an overtime rate for *any* job that is not arranged more than 24 hours prior to the work commencing. Unfortunately, much of the PWSB's work is unplanned emergency work and is not always able to be scheduled in advance. So even if the work is done during a regular work week and during work hours, the PWSB would have to pay overtime if notice is not given 24 hours in advance.

Prepared by: R. Benson

PAWTUCKET WATER SUPPLY BOARD  
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Pawtucket Water Supply Board's Response to  
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Set 1

**COMM 1-8:** Please explain the increase in materials and Supplies from FY 2006 to FY 2007.

**RESPONSE:** On page 2 of 4 on Schedule DGB-2 the Engineering Materials and Supplies increase from FY06 to FY07 includes the DIG SAFE contractual services of \$9,645. In the prior fiscal years DIG SAFE contractual services expense was included in miscellaneous expense. Miscellaneous expense – engineering in FY07 was \$0, FY06 \$9,916, FY05 \$9,572 and FY04 \$9,634.

Prepared by: R. Benson

PAWTUCKET WATER SUPPLY BOARD  
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Pawtucket Water Supply Board's Response to  
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Set 1

**COMM 1-9:** Why is there a negative expense in FY 2007 for repairs and maintenance of hydrants?

**RESPONSE:** The payments received from insurance companies for claims to damaged hydrants were recorded against the repairs & maintenance expense account. The actual costs to replace the damaged fire hydrants were capitalized and added to the hydrant fixed asset account.

Prepared by: Robert Benson

PAWTUCKET WATER SUPPLY BOARD  
Docket No. 3945

Pawtucket Water Supply Board's Response to  
the Rhode Island Public Utilities Commission's Data Requests  
Set I

**COMM 1-10:** Please explain what is included in Other Utilities and the increase in FY 2007.

**RESPONSE:** Other Utilities in Admin expenses consists of telephone service, sewer charges and heating (oil) expenses.

	<u>2006</u>	<u>2007</u>	<u>Explanation</u>
Telephone	18,603	15,345	
Oil Heat	18,649	26,796	In FY06 Nov & Dec 05 wee much warmer than usual and rising oil prices in FY07
Electric refund (1,748)	-0-		misposted electric reimbursement from Earth Tech
Sewer Charges	<u>2,964</u>	<u>3,063</u>	
Total	38,468	45,205	

Prepared by: R. Benson

PAWTUCKET WATER SUPPLY BOARD  
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Pawtucket Water Supply Board's Response to  
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Set 1

**COMM. 1-11:** What is included in miscellaneous expense (Cust. Svc.) Account (675) and what was the cause of the increase in FY 2007?

**RESPONSE:** The one time sales tax adjustment of 19,817. See my response to COMM. 1-1.

Prepared by: R. Benson

PAWTUCKET WATER SUPPLY BOARD  
Docket No. 3945

Pawtucket Water Supply Board's Response to  
the Rhode Island Public Utilities Commission's Data Requests  
Set 1

**COMM. 1-12:** Why might PWSB budget be higher than approved rates (CPNW, p. 12)?

**RESPONSE:** The Water Supply Board sets a budget each fiscal year. The rate year in this case is a calendar (Jan 1, 2009 – Dec. 31, 2009) year and spans two fiscal (July – June) years. With normal inflation, it is not unreasonable to think that the Board's budget for FY 2010 (July 1, 2009 – June 30, 2010) would be higher than the previous fiscal year (July 1, 2008 – June 30, 2009). The rate year is a blend of the two fiscal years and with normal inflationary impacts would typically be somewhat higher than FY 2009 and somewhat lower than FY 2010.

The required deposits to the O&M reserve are based on the adopted budget.

Prepared by: C. Woodcock

PAWTUCKET WATER SUPPLY BOARD  
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Pawtucket Water Supply Board's Response to  
the Rhode Island Public Utilities Commission's Data Requests  
Set 1

**COMM 1-13:** Has PWSB suffered any consequences under its Trust Indentures because of its funding of restricted accounts?

**RESPONSE:** No. The PWSB has generally funded the various accounts and funds with amounts specified in the Trust Indenture to the amounts required. In some cases, the funding has not been completed until after the close of the fiscal year. Other restricted funds established by the PUC were not fully funded (such as Central Falls O&M or Calgon UV License) because of insufficient revenues; however, these funds are not specified in the Trust Indenture or specific amounts are not identified in the Trust Indenture.

Prepared by: R. Benson

PAWTUCKET WATER SUPPLY BOARD  
Docket No. 3945

Pawtucket Water Supply Board's Response to  
the Rhode Island Public Utilities Commission's Data Requests  
Set 1

**COMM 1-14:** If Commission approves salary increases before a labor contract is negotiated, will PWSB agree to restrict funding until contract approved?

**RESPONSE:** Yes, any revenue approved by the Commission for salary increases can be deposited by the PWSB to a restricted account to be setup in the general operating fund pending contract approval.

Prepared by: R. Benson

PAWTUCKET WATER SUPPLY BOARD  
Docket No. 3945

Pawtucket Water Supply Board's Response to  
the Rhode Island Public Utilities Commission's Data Requests  
Set 1

**COMM. 1-15:** When will actual property tax, health insurance premiums and MERS rates be set and available?

**RESPONSE:** The actual property tax, health insurance premiums and MERS rates are expected shortly and they are for the fiscal year beginning July 1, 2008 through June 30, 2009. The actual rates that will be paid in the second half of the rate year (July 1, 2009 through December 31, 2009) will not be known until the same time next year when the fiscal year 2009 information becomes available. The information that is available is addressed as follows:

1. Property Taxes - All of the PWSB's actual property tax expense for fiscal year 2009 will not be known until all the local property and fire district tax bills are received.

As of this date, the PWSB has only received the Town of Cumberland's 2008 Tax Bills. The PWSB's taxes for real property in the Town of Cumberland is \$603,513.87, and the taxes for tangible property is \$4,791.16. The PWSB has a \$200,000 credit that will be applied to these taxes pursuant to the settlement agreement referenced in Mr. DeCelles direct testimony.

The remainder of the PWSB's property tax bills are expected to be received as follows:

All other municipalities – July 2008  
Fire Districts – September 2008

2. Health Insurance Premiums - The employees of the PWSB are covered under the health and dental plans provided by the City of Pawtucket. The City is self insured with Blue Cross/Blue Shield of RI. Therefore, the fiscal year health insurance premiums will not be finalized until the City's annual operating budget is ratified by the City Council. The budget and these health insurance premiums for the period of July 1, 2008 through June 30, 2008 will be set and available by the end of June 2008.
3. MERS - See the PWSB's response to DIV 1-13.

Prepared by: R. Benson

PAWTUCKET WATER SUPPLY BOARD  
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Pawtucket Water Supply Board's Response to  
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**COMM 1-16:** Is PWSB in possession of any policies from Central Falls relative to police detail regarding road work prior to or subsequent to PWSB's purchase of the Central Falls distribution system? If so, please provide copies.

**RESPONSE:** The PWSB is not in possession of any policies from Central Falls regarding the use of police details for water works repair or construction in the public roadway. We have had several meetings with officials from Central Falls regarding this issue in which we were informed that the need for a detail officer would be decided on a case by case basis. The determination is made by the Central Falls police.

Prepared by: James DeCelles

PAWTUCKET WATER SUPPLY BOARD  
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**COMM 1-17:** Is Earth Tech required to maintain any property or casualty insurance on the Water Treatment Plant?

**RESPONSE:** Earth Tech is required to maintain the following types of insurance at all times during the contract term:

- Workers compensation
- Commercial general liability
- Commercial automobile liability
- Professional liability
- Pollution legal liability
- Builders risk insurance

In addition, the PWSB is required to be listed as "additional insured" on the Earth Tech certificate of insurance with respect to commercial general liability, commercial automobile liability, and environmental impairment insurance.

Prepared by: James DeCelles

PAWTUCKET WATER SUPPLY BOARD  
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**COMM 1-18:** Has the old water treatment plant been taken out of idle mode?

**RESPONSE:** Yes, the old water treatment plant was taken out of the "idle" mode on or about April 19, 2008, after the one month operation milestone of the new plant was reached.

Prepared by: James DeCelles

PAWTUCKET WATER SUPPLY BOARD  
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Set 1

**COMM 1- 19:** Please provide a timeline for decommissioning of the old water treatment plant.

**RESPONSE:** The decommissioning of the old water treatment plant has already begun. Earth Tech began removing residual chemicals and equipment as soon as the plant came out of service. The immediate goal is to remove any chemicals or equipment that are considered dangerous and make the site as safe as possible. Earth Tech has relocated two construction related employees to the site for the duration of the slip lining project to allow for the removal of the portable trailers from the Branch Street location.

As required under our contract with Earth Tech, we have begun preliminary discussions about the timeline and plans for the relocation of the T&D staff and equipment to the old treatment plant. As soon as Earth Tech is able to complete the design plans for the relocation, we will be able to establish a firm timeline for the completion of the required work. It is expected that this work will proceed in the coming months.

Prepared by: James DeCelles

PAWTUCKET WATER SUPPLY BOARD  
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**COMM 1-20:** How much money was saved by eliminating the position of floater clerk, including salary and benefits?

**RESPONSE:** The salary and benefits saved by eliminated this position was \$47,452.

Prepared by: R. Benson

PAWTUCKET WATER SUPPLY BOARD  
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**COMM. 1-21:** What is the total cost of salary and benefits for the proposed new "Collections Assistant?"

**RESPONSE:** The total cost of salary and benefits for this proposed position is \$61,888. See schedule RB-06.

Prepared by: R. Benson

PAWTUCKET WATER SUPPLY BOARD  
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Pawtucket Water Supply Board's Response to  
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**COMM. 1-22:** Please provide or describe PWSB's bad debt write-off policy.

**RESPONSE:** In accordance with State Law, the mailing of a water bill creates a lien on the real property. Therefore, the PWSB does not write off bad debts unless the real estate lien is no longer valid in accordance with state law or the debt has been discharged in settlement of a bankruptcy or receivership proceeding.

Prepared by: R. Benson

PAWTUCKET WATER SUPPLY BOARD  
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**COMM 1-23:** Please provide a timeline of the collections procedure from the initial notice through shut-off.

**RESPONSE:** The timeline for the collections procedure to shut-off water service to delinquent accounts is three weeks from the initial notice.

Prepared by: R. Benson

PAWTUCKET WATER SUPPLY BOARD

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Pawtucket Water Supply Board's Response to  
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**COMM 1– 24:** Please provide a listing of specific delays/deferrals of maintenance projects as referenced on page 9 of Mr. DeCelles' testimony and describe any effect on service quality.

**RESPONSE:** Page 9 of Mr. DeCelles' testimony states that *if* the PWSB continues to be under funded for approved expenses and accounts are funded in the order as established by our bond indentures, then IFR restricted account will suffer from a lack of funding. Naturally, under funding this account will eventually result in a delay/deferral of IFR projects such as water main replacement, cleaning and lining, dam rehab and repair, well repairs, and etc. Logic dictates that the PWSB cannot undertake, and complete, all of its capital and maintenance projects if it does not collect the amount of revenue authorized by the Commission.

By way of example, the PWSB has not been able to implement a system wide leak detection program due to lack of funding. While our inability to implement this program has not impacted service quality, it is a program that would be beneficial.

It is not the intent of the PWSB to cut any of our maintenance programs. Our maintenance programs, such as flushing, hydrant inspections, valve inspections, and leak detection are essential to the safe and efficient operation of our system and are unable to be eliminated. Thankfully, the PWSB's service quality has not been compromised. However, simply because the PWSB's service quality has not yet been compromised does not mean that the PWSB can continue to underfund its IFR account. Eventually, there will be repercussions.

The mission of the PWSB is to provide our customers with a level of service that will ensure a safe and reliable supply of drinking water both now and in the future. We are concerned that the continued underfunding of PWSB maintenance efforts could eventually compromise our ability carry out our mission and meet the needs of our customers.

Prepared by: James DeCelles

PAWTUCKET WATER SUPPLY BOARD  
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**COMM 1-25:** Do the projected property tax expenses for the rate year include the Cumberland credit?

**RESPONSE:** A \$200,000 credit has been shown as miscellaneous revenue or a revenue offset on CPNW Sch. 1.0, page 4 and subsequent calculations of the proposed rates (e.g. CPNW Sch. 3.0 page 4 of 4). Accordingly, the expense shows the full projected tax expense, but it has been offset with the \$200,000 of miscellaneous revenue in the rate year.

Prepared by: C. Woodcock

PAWTUCKET WATER SUPPLY BOARD

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**COMM. 1-26:** Is the FY 2008 Cumberland tangible tax assessment in dispute? If the bills have not been received yet, please respond to this question upon receipt of that bill.

**RESPONSE:** It is unlikely that the PWSB will appeal its tangible tax assessment for the 2008 tax year. The assessed value of the PWSB's tangible property in Cumberland decreased by approximately \$19,806,496 from \$20,000,000 (assessed value as of 12/31/06) to \$193,504 (assessed value as of 12/31/06). However, the PWSB plans to appeal the Cumberland's tax assessment for its real property for the tax year 2008. The assessed value of the PWSB's real property in Cumberland increased by approximately \$26,407,200 from a total valuation of approximately \$22,341,900 (assessed value as of 12/31/06) to \$48,749,100 (assessed value as of 12/31/07).

Prepared by: James DeCelles

PAWTUCKET WATER SUPPLY BOARD  
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Set 1

**COMM. 1-27:** With regard to Mr. Bebyn's normalizing adjustments, why is it appropriate to increase Test Year expenses to amounts allowed by the Commission?

**RESPONSE:** The Test Year expenses referred to in this question relate to the restricted accounts. As previously addressed in the response to COMM 1-3 Schedule DGB-1 reconciles the GAAP based financials for the test year to the adjusted test year. Some of the expenditures listed in this account have been capitalized instead of expensed. In addition increasing the test year expenses reflect the funding of these restricted accounts to the level previously allowed by the Commission. See Mr. Benson's testimony beginning on page 3 line 10 regarding these restricted accounts.

Prepared by: D. Bebyn

PAWTUCKET WATER SUPPLY BOARD  
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Pawtucket Water Supply Board's Response to  
the Rhode Island Public Utilities Commission's Data Requests  
Set 1

**COMM 1- 28:** Has PWSB contacted Cumberland for a projection of Rate Year sales volumes? If so, what was the response? If not, why not?

**RESPONSE:** Yes. Cumberland has indicated that they will purchase approximately the same amount of water as last year.

Prepared by: James DeCelles

PAWTUCKET WATER SUPPLY BOARD  
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Pawtucket Water Supply Board's Response to  
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Set 1

**COMM. 1-29:** Please provide a breakdown of estimated rate case expense by category (legal, consultant, Division, etc.).

**RESPONSE:** The preliminary estimate of the breakdown is:

Legal	\$65,000
Consultant	\$100,000
Division	\$25,000
Other	\$10,000

Prepared by: C. Woodcock

PAWTUCKET WATER SUPPLY BOARD  
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Set 1

**COMM. 1-30:** Why is it appropriate for Mr. Bebyn to remove interest from the restricted accounts when normalizing the Test Year?

**RESPONSE:** It is appropriate to remove interest from RIPUC restricted accounts since the interest remains with that restricted account and is not available to offset the general revenue requirement. The interest has however been taken into consideration in the restricted account balances which does impact the amounts the PWSB is requesting for restricted funding. With regard to the monies held in the restricted accounts required by the Rhode Island Clean Water Finance Agency (RICWFA) this interest is restricted by bond covenants for the defeasance of debt. The interest has however been taken into consideration in the debt service stabilization and debt service accounts (See Schedule RB-11 in Mr. Benson's testimony) which does impact the amounts the PWSB is requesting for restricted funding.

Prepared by: D. Bebyn

PAWTUCKET WATER SUPPLY BOARD  
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**COMM. 1-31:** Why does PWSB expect regulatory expense to increase at the rate of inflation?

**RESPONSE:** The fee has been changing over the years at a rate that appears greater than the inflation rate. We have no better idea as to how PWSB's revenues will compare to others or how the Commission's costs may change. We are open to alternative suggestions such as the % increase in revenues.

Prepared by: C. Woodcock

PAWTUCKET WATER SUPPLY BOARD  
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**COMM. 1-32:** What was the amortization period allowed for rate case expenses in Docket No. 3674?

**RESPONSE:** Based on Ms. Crane's surrebuttal schedule ACC-11 and Mr. Woodcock's compliance schedules it appears that a 1.5 year amortization may have been agreed to. The Order in that Docket does not provide any further guidance. The \$173,333 allowance was based on \$200,000 of rate case expenses amortized over 1.5 years (\$133,333) plus \$35,000 of PUC fees plus \$5,000 of other.

Prepared by: C. Woodcock

PAWTUCKET WATER SUPPLY BOARD

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**CERTIFICATION**

I hereby certify that I sent by electronic mail a copy of the within to all parties set forth on the attached Service List on June 6, 2008, and that I mailed one original, and nine copies via first class mail to Luly Massaro, Clerk, Rhode Island Public Utilities Commission.

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PAWTUCKET WATER SUPPLY BOARD  
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**PAWTUCKET WATER SUPPLY BOARD**  
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**DIV 1-33:** Please identify the PWSB's electric usage (kwh) for the test year and each of the three preceding years.

**RESPONSE:** See Attached Schedule.

**REVISED RESPONSE:** See Attached Schedule Div. 1-33 Revised.

Prepared by: R. Benson

PAWTUCKET WATER SUPPLY BOARD			Schedule DIV 1-33 Revised			
UTILITIES--ELECTRIC ACCOUNTS			KWH			
NATIONAL GRID		Service For / Purpose	FY07	FY06	FY05	FY04
NEW ACCOUNT #	OLD ACCOUNT #					
		<b>Source of Supply</b>				
40584-02005	64300-70230-06	Reservoir RD Security Lighting - Diamond Hill Gate House	1,961	1,966	1,973	1,962
15697-17005	64300-71450-06	Dexter St APT F Security Lighting - Robin Hollow Gate House	1,961	1,966	1,973	1,962
53044-32009	64300-72100-06	N Attleboro RD LT BSTR Security Lighting - Arnolds Mill Gate House	5,883	5,898	4,293	1,962
63081-13006	64305-09760-26	Reservoir RD Pole 36 Diamond Hill Reservoir Gate House	25,259	765	375	263
50618-79002	64307-35340-26	Dexter St Apt 2F Pole 34 Robin Hollow Reservoir Gate House	77	204	48	0
14142-11001	64307-35350-26	Off Dexter St PUMP6 BWEL Pole 33A4 Well # 6	5,955	25,901	28,739	62,244
26589-01003	64307-35360-26	Off Dexter St PUMP7 BWEL Pole 33A9 Well # 7	60,719	38,956	44,204	53,847
39058-12001	64307-35370-26	Dexter St PUMP Pole 33A14 Well # 8	31,827	32,661	38,070	62,243
51523-36005	64307-35380-26	Dexter St WATER BPUMP Pole 33A Well # 9	74,813	33,613	47,534	56,015
38153-71006	64309-01070-26	N Attleboro LOT P5A6 Pole 5-1A Arnolds Mill Reservoir Gate House	0	0	1	0
		<b>Pumping Station</b>				
NA	64300-81680-05 Account closed	20 RALCO WAY Security Lighting - Spring St. Pump Station				1,962
25673-16001	64308-01820-26	20 RALCO WAY Pole 15A Pump Station # 3	0	0	0	0
15698-24005	64700-70090-06	85 Branch St Security Lighting	7,844	7,864	4,360	4,024
02145-01005	64788-04100-00	85 Branch St Pole 11A1A Pump Station # 4 & Admin Offices	4,950,400	5,416,600	4,341,400	5,401,200
		<b>Treatment Plant</b>				
01744-07008	NA	118 MILL ST POLE 15 (was 120 Mill St Pole 15) Raw Water Pump Station				
02147-44000	64710-04145-00	Branch St. Pole 11-51 New Water Treatment Facility	1,282,000			
76459-27007	64308-01640-26	Mill St Pole 15A Standby power Mill St WTP	231,000	430,800	41,200	800
01739-18002	64308-01660-26	20 Ralco Way Pole 15A Mill St WTP & Pump Station # 3	316,800	858,000	1,735,200	1,860,000
		<b>Transmission &amp; Distribution</b>				
15282-80007	64715-04835-00	School St. Temp Temporary T&D Office	27,227	33,412	32,115	
52630-17004	64715-13080-29	279 School St. Pole 36A1A3 Temporary T&D Storage Garage	36,771	43,387	32,500	
90435-21007	64500-70380-06	Reservoir Ave. Lincoln Stump Hill Security Lighting	3,922	3,932	3,946	3,924
78268-23006	64517-05770-26	Reservoir Ave. Pole 48A1 Stump Hill Storage Tank Chlorination Building	38,842	33,486	36,861	29,520
<b>Annual Power Consumption (KWH)</b>			<b>7,103,261</b>	<b>6,969,411</b>	<b>6,394,792</b>	<b>7,541,928</b>
Less electric consumption billed to EarthTech during construction phase of new WTF			(1,282,000)	0	0	0
<b>Annual Power Consumption (KWH)</b>			<b>5,821,261</b>	<b>6,969,411</b>	<b>6,394,792</b>	<b>7,541,928</b>

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I hereby certify that I sent by electronic mail a copy of the within to all parties set forth on the attached Service List on June 6, 2008, and that I mailed one original, and nine copies via first class mail to Luly Massaro, Clerk, Rhode Island Public Utilities Commission.

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