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July 10, 2009

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

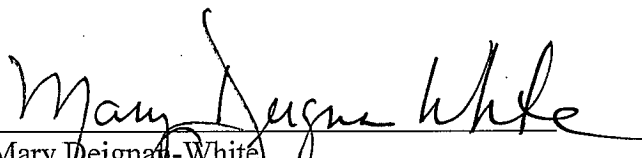
RE: Docket 4061 Division of Public Utilities & Carriers; Set II Responses

Dear Luly:

Enclosed for filing is an original and four copies of Providence Water's responses to the second set of data request from the Division of Public Utilities.

If there are any questions, I can be reached at 521-6300, extension 7217.

Sincerely,


Mary Deignan-White
Regulatory Manager

cc: Dk 4061 Service List

H:\QPW\PUC-Filings\RateFiling2009\LMrespDiv2.wpd

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PROVIDENCE WATER SUPPLY BOARD
Docket No. 4061
Data Requests of the Division of Public Utilities & Carriers
Set 2

- 2-1. With regard to the Injuries & Damages component of insurance expense.
- a. Please explain why the test year expense was negative.
 - b. Please identify actual injuries & damages claims paid in each of the years FY 2006 through FY 2009.
 - c. Please explain the basis for the annual expense claim of \$70,000.

- Answer:
- a. The negative test year expense was the result of a claim filed against Providence Water in 2005 by a vendor for work done in the 90's for an IFR project which Providence Water never paid. When the claim was settled, Providence Water paid the vendor out of Insurance fund instead of the IFR fund. This is simply correcting how the expense was booked.
 - b. The following provides the total amount spent on injuries & damages for the years requested.

FY 2006 - \$ 146,737 (Includes \$61,580 claim from above response a)
FY 2007 - \$ 60,922
FY 2008 - \$ 48,232
FY 2009 - \$ 53,259 (through 4/30/09)
 - c. The annual expense claim of \$70,000 was based on an average of 2006-2008 rounded up.

PROVIDENCE WATER SUPPLY BOARD
Docket No. 4061
Data Requests of the Division of Public Utilities & Carriers
Set 2

2.2. Please update the response to Div 1-9 to reflect actual FY 2009 regulatory commission expense when available.

Answer: Providence Water will update our FY 2009 regulatory commission expense when all expenses have been posted and our fiscal year is closed. This should be available around the end of August 2009.

PROVIDENCE WATER Docket No. 4061
Data Requests Division Set II

Q. Div 2-3 Please provide supporting documentation for the claimed sludge maintenance costs reflected on Schedule HJS-10.

A. The amount was derived by averaging \$520,000, \$1,200,000 and \$520,000, which equals \$746,667. See attached.

Lagoon Maintenance Payment Cycles

Cycle	Year in Cycle	Year	Scheduled Amount	Actual Amount	Invoice Date
1	1	1	400,000	\$400,000	4/30/2004
1	2	2	550,000	\$550,000	9/30/2005
1	3	3	Calculated	\$954,125	11/15/2006
2	1	4	500,000	\$500,000	Oct-07
2	2	5	520,000	\$520,000	9/30/2008
2	3	6	Calculated	\$1,200,000	Spring or Fall of 09
3	1	7	520,000	\$520,000	Spring or Fall of 10
3	2	8	550,000	\$550,000	9/30/2011
3	3	9	Calculated		Spring or Fall of 12
4	1	10	550,000	\$550,000	Spring or Fall of 13
4	2	11	590,000	\$590,000	9/30/2014
4	3	12	Calculated		Spring or Fall of 15
5	1	13	590,000	\$590,000	Spring or Fall of 16
5	2	14	615,000	\$615,000	9/30/2017
5	3	15	Calculated		Spring or Fall of 17
6	1	16	615,000	\$615,000	Spring of 18
6	1	16	Calculated		Fall of 18

PROVIDENCE WATER Docket No. 4061
Data Requests Division Set II

Q. Div 2-4 With regard to the response to Div 1-15:

- a. Please identify the effect of the negotiated increases in the percentage co-share of health costs by Union employees on rate year expense. Provide supporting workpapers.
 - b. Please identify the effect of the identified increase in the percentage co-share of health costs by non-union employees on rate year expense. Provide supporting workpapers.
- A.
- a. Please see attached which was calculated for union employees using the information on page 2 of the agreement with the Union attached to Div 1-15. The union co-share would increase from approximately \$139,209 to 153,986.
 - b. Please see attached Non-union Co-pay calculation.

Union Co-pay calculation

#	Health Type	Actual Salary	Current Healthcare	Current Co-pay	15% of Healthcare	% of Salary	lower
1	bcfu	\$ 34,757	\$ 12,907	\$ 886	\$ 1,936	\$ 956	\$ 956
1	bcfu	\$ 42,619	\$ 12,907	\$ 1,087	\$ 1,936	\$ 1,172	\$ 1,172
1	bcfu	\$ 40,560	\$ 12,907	\$ 1,034	\$ 1,936	\$ 1,115	\$ 1,115
1	bcfu	\$ 40,560	\$ 12,907	\$ 1,034	\$ 1,936	\$ 1,115	\$ 1,115
1	bcfu	\$ 40,560	\$ 12,907	\$ 1,034	\$ 1,936	\$ 1,115	\$ 1,115
1	bcfu	\$ 40,560	\$ 12,907	\$ 1,034	\$ 1,936	\$ 1,115	\$ 1,115
1	bcfu	\$ 40,560	\$ 12,907	\$ 1,034	\$ 1,936	\$ 1,115	\$ 1,115
1	bcfu	\$ 40,560	\$ 12,907	\$ 1,034	\$ 1,936	\$ 1,115	\$ 1,115
1	bcfu	\$ 40,560	\$ 12,907	\$ 1,034	\$ 1,936	\$ 1,115	\$ 1,115
1	bcfu	\$ 40,560	\$ 12,907	\$ 1,034	\$ 1,936	\$ 1,115	\$ 1,115
1	bcfu	\$ 40,560	\$ 12,907	\$ 1,034	\$ 1,936	\$ 1,115	\$ 1,115
1	bcfu	\$ 40,560	\$ 12,907	\$ 1,034	\$ 1,936	\$ 1,115	\$ 1,115
1	bcfu	\$ 40,560	\$ 12,907	\$ 1,034	\$ 1,936	\$ 1,115	\$ 1,115
1	bcfu	\$ 40,560	\$ 12,907	\$ 1,034	\$ 1,936	\$ 1,115	\$ 1,115
1	bcfu	\$ 43,678	\$ 12,907	\$ 1,114	\$ 1,936	\$ 1,201	\$ 1,201
1	bcfu	\$ 32,014	\$ 12,907	\$ 816	\$ 1,936	\$ 880	\$ 880
1	bcfu	\$ 33,597	\$ 12,907	\$ 857	\$ 1,936	\$ 924	\$ 924
1	bcfu	\$ 33,594	\$ 12,907	\$ 857	\$ 1,936	\$ 924	\$ 924
1	bcfu	\$ 33,597	\$ 12,907	\$ 857	\$ 1,936	\$ 924	\$ 924
1	bcfu	\$ 48,004	\$ 12,907	\$ 1,224	\$ 1,936	\$ 1,320	\$ 1,320
1	bcfu	\$ 48,004	\$ 12,907	\$ 1,224	\$ 1,936	\$ 1,320	\$ 1,320
1	bcfu	\$ 48,004	\$ 12,907	\$ 1,224	\$ 1,936	\$ 1,320	\$ 1,320
1	bcfu	\$ 48,004	\$ 12,907	\$ 1,224	\$ 1,936	\$ 1,320	\$ 1,320
1	bcfu	\$ 48,004	\$ 12,907	\$ 1,224	\$ 1,936	\$ 1,320	\$ 1,320
1	bcfu	\$ 48,004	\$ 12,907	\$ 1,224	\$ 1,936	\$ 1,320	\$ 1,320
1	bcfu	\$ 48,004	\$ 12,907	\$ 1,224	\$ 1,936	\$ 1,320	\$ 1,320
1	bcfu	\$ 48,004	\$ 12,907	\$ 1,224	\$ 1,936	\$ 1,320	\$ 1,320
1	bcfu	\$ 48,004	\$ 12,907	\$ 1,224	\$ 1,936	\$ 1,320	\$ 1,320
1	bcfu	\$ 39,021	\$ 12,907	\$ 995	\$ 1,936	\$ 1,073	\$ 1,073
1	bcfu	\$ 44,364	\$ 12,907	\$ 1,131	\$ 1,936	\$ 1,220	\$ 1,220
1	bcfu	\$ 44,364	\$ 12,907	\$ 1,131	\$ 1,936	\$ 1,220	\$ 1,220
1	bcfu	\$ 44,364	\$ 12,907	\$ 1,131	\$ 1,936	\$ 1,220	\$ 1,220
1	bcfu	\$ 44,364	\$ 12,907	\$ 1,131	\$ 1,936	\$ 1,220	\$ 1,220
1	bcfu	\$ 44,364	\$ 12,907	\$ 1,131	\$ 1,936	\$ 1,220	\$ 1,220
1	bcfu	\$ 44,364	\$ 12,907	\$ 1,131	\$ 1,936	\$ 1,220	\$ 1,220
1	bcfu	\$ 37,438	\$ 12,907	\$ 955	\$ 1,936	\$ 1,030	\$ 1,030
1	bcfu	\$ 37,438	\$ 12,907	\$ 955	\$ 1,936	\$ 1,030	\$ 1,030
1	bcfu	\$ 37,438	\$ 12,907	\$ 955	\$ 1,936	\$ 1,030	\$ 1,030
1	bcfu	\$ 37,438	\$ 12,907	\$ 955	\$ 1,936	\$ 1,030	\$ 1,030
1	bcfu	\$ 36,190	\$ 12,907	\$ 923	\$ 1,936	\$ 995	\$ 995
1	bci	\$ 43,884	\$ 5,278	\$ 483	\$ 792	\$ 603	\$ 603
1	bci	\$ 43,884	\$ 5,278	\$ 483	\$ 792	\$ 603	\$ 603
1	bci	\$ 43,884	\$ 5,278	\$ 483	\$ 792	\$ 603	\$ 603
1	bci	\$ 63,326	\$ 5,278	\$ 697	\$ 792	\$ 871	\$ 792
1	bci	\$ 46,572	\$ 5,278	\$ 512	\$ 792	\$ 640	\$ 640
1	bci	\$ 39,957	\$ 5,278	\$ 440	\$ 792	\$ 549	\$ 549
1	bci	\$ 39,957	\$ 5,278	\$ 440	\$ 792	\$ 549	\$ 549
1	bci	\$ 39,957	\$ 5,278	\$ 440	\$ 792	\$ 549	\$ 549
1	bci	\$ 39,957	\$ 5,278	\$ 440	\$ 792	\$ 549	\$ 549
1	bci	\$ 39,957	\$ 5,278	\$ 440	\$ 792	\$ 549	\$ 549
1	bci	\$ 39,957	\$ 5,278	\$ 440	\$ 792	\$ 549	\$ 549
1	bci	\$ 39,957	\$ 5,278	\$ 440	\$ 792	\$ 549	\$ 549
1	bci	\$ 43,092	\$ 5,278	\$ 474	\$ 792	\$ 593	\$ 593
1	bci	\$ 39,027	\$ 5,278	\$ 429	\$ 792	\$ 537	\$ 537
1	bci	\$ 39,027	\$ 5,278	\$ 429	\$ 792	\$ 537	\$ 537
1	bci	\$ 39,027	\$ 5,278	\$ 429	\$ 792	\$ 537	\$ 537
1	bci	\$ 39,027	\$ 5,278	\$ 429	\$ 792	\$ 537	\$ 537
1	bci	\$ 39,027	\$ 5,278	\$ 429	\$ 792	\$ 537	\$ 537
1	bci	\$ 39,027	\$ 5,278	\$ 429	\$ 792	\$ 537	\$ 537
1	bci	\$ 39,027	\$ 5,278	\$ 429	\$ 792	\$ 537	\$ 537
1	bci	\$ 39,027	\$ 5,278	\$ 429	\$ 792	\$ 537	\$ 537
1	bci	\$ 42,259	\$ 5,278	\$ 465	\$ 792	\$ 581	\$ 581
1	bci	\$ 48,651	\$ 5,278	\$ 535	\$ 792	\$ 669	\$ 669
1	bci	\$ 44,675	\$ 5,278	\$ 491	\$ 792	\$ 614	\$ 614
1	bci	\$ 34,757	\$ 5,278	\$ 382	\$ 792	\$ 478	\$ 478
1	bci	\$ 24,918	\$ 5,278	\$ 274	\$ 792	\$ 343	\$ 343
1	bci	\$ 24,918	\$ 5,278	\$ 274	\$ 792	\$ 343	\$ 343
1	bci	\$ 40,560	\$ 5,278	\$ 446	\$ 792	\$ 558	\$ 558
1	bci	\$ 40,560	\$ 5,278	\$ 446	\$ 792	\$ 558	\$ 558

Union Co-pay calculation

#	Health Type	Actual Salary	Current Healthcare	Current Co-pay	15% of Healthcare	% of Salary	lower
1	bci	\$ 40,560	\$ 5,278	\$ 446	\$ 792	\$ 558	\$ 558
1	bci	\$ 43,678	\$ 5,278	\$ 480	\$ 792	\$ 601	\$ 601
1	bci	\$ 46,894	\$ 5,278	\$ 516	\$ 792	\$ 645	\$ 645
1	bci	\$ 33,594	\$ 5,278	\$ 370	\$ 792	\$ 462	\$ 462
1	bci	\$ 33,027	\$ 5,278	\$ 363	\$ 792	\$ 454	\$ 454
1	bci	\$ 48,004	\$ 5,278	\$ 528	\$ 792	\$ 660	\$ 660
1	bci	\$ 48,004	\$ 5,278	\$ 528	\$ 792	\$ 660	\$ 660
1	bci	\$ 39,021	\$ 5,278	\$ 429	\$ 792	\$ 537	\$ 537
1	bci	\$ 24,918	\$ 5,278	\$ 274	\$ 792	\$ 343	\$ 343
1	bci	\$ 44,364	\$ 5,278	\$ 488	\$ 792	\$ 610	\$ 610
1	bci	\$ 47,337	\$ 5,278	\$ 521	\$ 792	\$ 651	\$ 651
1	bci	\$ 37,438	\$ 5,278	\$ 412	\$ 792	\$ 515	\$ 515
1	bci	\$ 36,190	\$ 5,278	\$ 398	\$ 792	\$ 498	\$ 498
1	bluef	\$ 25,341	\$ 11,383	\$ 646	\$ 1,707	\$ 697	\$ 697
1	bluef	\$ 45,531	\$ 11,383	\$ 1,161	\$ 1,707	\$ 1,252	\$ 1,252
1	bluef	\$ 81,994	\$ 11,383	\$ 1,350	\$ 1,707	\$ 2,255	\$ 1,707
1	bluef	\$ 34,757	\$ 11,383	\$ 886	\$ 1,707	\$ 956	\$ 956
1	bluef	\$ 34,757	\$ 11,383	\$ 886	\$ 1,707	\$ 956	\$ 956
1	bluef	\$ 33,731	\$ 11,383	\$ 860	\$ 1,707	\$ 928	\$ 928
1	bluef	\$ 42,619	\$ 11,383	\$ 1,087	\$ 1,707	\$ 1,172	\$ 1,172
1	bluef	\$ 34,757	\$ 11,383	\$ 886	\$ 1,707	\$ 956	\$ 956
1	bluef	\$ 40,560	\$ 11,383	\$ 1,034	\$ 1,707	\$ 1,115	\$ 1,115
1	bluef	\$ 40,560	\$ 11,383	\$ 1,034	\$ 1,707	\$ 1,115	\$ 1,115
1	bluef	\$ 32,015	\$ 11,383	\$ 816	\$ 1,707	\$ 880	\$ 880
1	bluef	\$ 36,190	\$ 11,383	\$ 923	\$ 1,707	\$ 995	\$ 995
1	bluei	\$ 46,419	\$ 4,359	\$ 511	\$ 654	\$ 638	\$ 638
1	bluei	\$ 43,035	\$ 4,359	\$ 473	\$ 654	\$ 592	\$ 592
1	bluei	\$ 43,035	\$ 4,359	\$ 473	\$ 654	\$ 592	\$ 592
1	bluei	\$ 40,764	\$ 4,359	\$ 448	\$ 654	\$ 561	\$ 561
1	bluei	\$ 34,757	\$ 4,359	\$ 382	\$ 654	\$ 478	\$ 478
1	bluei	\$ 32,047	\$ 4,359	\$ 353	\$ 654	\$ 441	\$ 441
1	bluei	\$ 34,757	\$ 4,359	\$ 382	\$ 654	\$ 478	\$ 478
1	bluei	\$ 24,918	\$ 4,359	\$ 274	\$ 654	\$ 343	\$ 343
1	bluei	\$ 31,559	\$ 4,359	\$ 347	\$ 654	\$ 434	\$ 434

160 \$ 1,664,752 \$ 139,209 \$ 249,713 \$ 154,612 \$ 153,986

Current co-pay calculated at .011 of base wage for individual plans and .0255 for family
 15% healthcare is 15% of current healthcare cost
 % of salary is .01375 (avg of FY09 .013 and FY10 .0145) of base wage for individual plans
 and .0275 (avg of FY09 .0265 and FY10 .0285) of base wage for family plans

For Div 2-4a

Providence Water
 Non-Union Co-pay calculation

#	Health Type	Monthly Rate	Annual Rate	Annual Cost	Current Co-pay	Projected 20% Co-pay
5	bcfm	1343.8	\$ 16,125.60	\$ 80,628.00	\$ 6,780.81	\$ 16,125.60
1	bcim	540.5	\$ 6,486.00	\$ 6,486.00	\$ 692.70	\$ 1,297.20
44	uhfm	1327.96	\$ 15,935.52	\$ 701,162.88	\$ 54,129.77	\$ 140,232.58
14	uhim	542.67	\$ 6,512.04	\$ 91,168.56	\$ 8,168.70	\$ 18,233.71
2	mubcf	1254.01	\$ 15,048.12	\$ 30,096.24	\$ 2,672.55	\$ 6,019.25
1	mubci	506.91	\$ 6,082.92	\$ 6,082.92	\$ 630.80	\$ 1,216.58
17	muuhf	1238.18	\$ 14,858.16	\$ 252,588.72	\$ 20,560.72	\$ 50,517.74
1	muuhi	491.08	\$ 5,892.96	\$ 5,892.96	\$ 528.01	\$ 1,178.59
85				\$ 1,174,106.28	\$ 94,164.07	\$ 234,821.26

for Div 2-4b



Finance Department

David N. Cicilline, Mayor | Bruce T. Miller, Finance Director

MEMORANDUM

TO: Jeanne Bondarevskis
FROM: Eleanor Padula *EP*
SUBJECT: Health Insurance Rate Increase for 7/09 – 6/2010
DATE: June 22, 2009

		INDIVIDUAL	FAMILY
NON-UNION	United Health		
	Non-Union	\$524.67	\$1,327.96
	Non-Bargaining	\$491.08	\$1,238.18
NON-UNION	B/C Plan 200	\$540.50	\$1,343.80
	Plan 200 -		
	Non-Bargaining	\$506.91	\$1,254.01
UNION	B/C Healthmate		
	Coast-to-Coast	\$439.86	\$1,075.58
UNION	B/C Blue Chip		
	(New Hire 10/1/04)	\$363.24	\$948.61
UNION	Delta Dental	\$33.12	\$102.19
NON-UNION	Delta Dental	\$32.12	\$102.19

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PROVIDENCE WATER Docket No. 4061
Data Requests Division Set II

Div 2-5 With regard to the responses to Div 1-16 and 1-17, please explain what Stimulus funds are expected to be available to Providence Water, what additional projects are being considered and how the Stimulus funds would affect Providence Water's overall capital spending and the amounts that would be funded from debt and/or current revenue.

A. Providence Water requested \$13,250,000 in Stimulus funds. Please see attached letter to Anthony Simeone dated May 13, 2009, which indicates the projects to be funded with Stimulus funds.

All of the projects would be bonded and the debt would impact Providence Water's restricted funds. The debt service on the Mlog system would be funded from Capital. The debt service on the water meters would be funded from the AMR/Meter Replacement fund. The debt service on the hydrant locks would be funded from Capital. The debt service on the water mains would be funded from the IFR fund.

There is the potential for up to 15% principal forgiveness, Providence Water is waiting for the amount from RI Clean Water Finance Agency in order to revise our Sources and Uses schedules.

PROVIDENCE WATER Docket No. 4061
Data Requests Division Set II

Div 2-6 With regard to the response to Div 1-18:

- a. Please explain how the reduced level of cash expenditures for FY 2009 (\$11.81 million) versus those projected for FY 2009 (\$18.975 million per Schedule HJS-12A) affect the need for additional IFR funds in FY 2010 and FY2011.
- b. Please update Schedule HJS-12A for the IFR fund to reflect the results discussed in this response.

A.

- a. The projected amount of cash funded projects of \$18.975 million, included both cash funded IFR **and** bond funded IFR. The description on the schedule should have been "Total Projects", not "Cash Funded Projects". Therefore, there is projected to be an increased level of expenditures for FY 2009 of \$23,660,435 (-\$626,160+\$24,286,595).
- b. We are not able to update this at this time. We need the percentage of the principal forgiveness from RI Clean Water Finance Agency and would like to update the FY 2009 amounts with actual amounts.