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September 25, 2009

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

RE: Providence Water Supply Board Docket 4061 Plant Effluent/Consumption update for hearing on September 29, 2009

Dear Luly:

In an effort to provide the Commission with updated consumption information in advance of the September 29th hearing on the proposed Stipulation/Settlement Agreement in this docket, Providence Water has prepared this letter and the attached exhibit for the Commission's consideration.

Over 80% of Providence Water's revenues are derived from consumption based revenues. This has been a concern of ours for many years. The Commission has agreed with this and has previously allowed the establishment of a restricted Revenue Reserve fund to mitigate any shortfalls in revenue due to reduced consumption.

Unfortunately, the disturbing downward trend in plant effluent and consumption evidenced by a very low FY 2009 consumption figures has continued into FY 2010. Please see the attached Exhibit JB-2 which depicts actual plant effluent from FY1996 through August 2009, the beginning of FY 2010.

Please note that as shown on JB-2, Page 1, part 2, the July 2009 (FY 2010) effluent was the lowest July ever in the period covered and the August 2009 (FY 2010) effluent was the second lowest, just barely above the lowest. The cumulative effluent through August 2009 (4,345.50 million gallons) is the worst ever since FY 1996, and is even worse than where we were at this same time last year FY2009 (5,229.22 million gallons), which turned out to be the worst year ever.

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Based on how this trend is going, FY 2010 could be even worse than FY 2009, and the worst year in recent history. For example, even if Providence Water produced average volumes for the rest of FY 2010 (September 2009 through June 2010), FY 2010 would end at 1,092.92 million gallons, or 4.41% below average!

We also prepared the most recent 12 months ending August 2009 and compared this to the average. This shows that plant effluent was 2,960.10 million gallons below average (see Exhibit JB-2, Page 3).

Enclosed for filing is an original and nine copies of this letter. Providence Water will be prepared to answer questions regarding the attached at the upcoming hearing on September 29.

Sincerely,



Jeanne Bondarevskis
Director of Finance

cc: Dk 4061 Service List

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**Providence Water
Plant Effluent
Monthly and Cumulative (Million Gallons)**

Exhibit JB2
P. 1, part 1

Month	95-96	CUMUL.	96-97	CUMUL.	97-98	CUMUL.	98-99	CUMUL.	99-00	CUMUL.	00-01	CUMUL.	01-02	CUMUL.	02-03	CUMUL.	03-04	CUMUL.
J	2,916.86	2,916.86	2,522.37	2,522.37	3,069.98	3,069.98	2,643.79	2,643.79	3,033.04	3,033.04	2,752.87	2,752.87	2,710.54	2,710.54	3,329.25	3,329.25	2,657.87	2,657.87
A	2,858.05	5,774.91	2,500.33	5,022.70	2,366.18	5,436.16	2,552.72	5,196.51	2,635.74	5,668.78	2,327.15	5,080.02	2,655.85	5,366.39	3,000.28	6,329.53	2,507.85	5,165.72
S	2,340.06	8,114.97	2,057.07	7,079.77	2,080.86	7,517.02	2,148.98	7,345.49	2,143.79	7,812.57	2,138.32	7,218.34	2,304.54	7,670.93	2,220.66	8,550.19	2,239.78	7,405.50
O	2,000.60	10,115.57	1,946.56	9,026.33	1,986.33	9,503.35	1,850.60	9,196.09	1,928.85	9,741.42	2,009.22	9,227.56	2,053.93	9,724.86	2,038.29	10,588.48	2,073.85	9,479.35
N	1,762.73	11,878.30	1,787.54	10,813.87	1,792.42	11,295.77	1,698.68	10,894.77	1,818.33	11,559.75	1,790.73	11,018.29	1,803.09	11,527.95	1,809.74	12,398.22	1,860.48	11,339.83
D	1,793.43	13,671.73	1,618.81	12,432.68	1,812.59	13,108.36	1,740.52	12,635.29	1,807.04	13,366.79	1,806.29	12,824.58	1,834.18	13,362.13	1,855.28	14,253.50	1,899.18	13,239.01
J	1,838.34	15,510.07	1,642.72	14,075.40	1,788.14	14,896.50	1,771.99	14,407.28	1,820.31	15,187.10	1,834.63	14,659.21	1,846.36	15,208.49	1,857.84	16,111.34	1,945.05	15,184.06
F	1,728.04	17,238.11	1,527.80	15,603.20	1,594.15	16,490.65	1,582.88	15,990.16	1,688.21	16,875.31	1,644.53	16,303.74	1,661.84	16,870.33	1,714.36	17,825.70	1,881.79	17,065.85
M	1,813.10	19,051.21	1,707.75	17,310.95	1,745.38	18,236.03	1,782.02	17,772.18	1,766.10	18,641.41	1,798.00	18,101.74	1,820.59	18,690.92	1,875.32	19,701.02	1,890.38	18,956.23
A	1,786.21	20,837.42	1,677.12	18,988.07	1,762.27	19,998.30	1,809.20	19,581.38	1,723.38	20,364.79	1,822.16	19,923.90	1,881.41	20,572.33	1,854.77	21,555.79	1,884.11	20,840.34
M	2,067.89	22,905.31	1,882.27	20,870.34	2,094.77	22,093.07	2,266.02	21,847.40	2,037.10	22,401.89	2,541.49	22,465.39	2,139.44	22,711.77	2,120.32	23,676.11	2,259.44	23,099.78
J	2,507.75	25,413.06	2,591.95	23,462.29	2,077.02	24,170.09	3,040.36	24,887.76	2,264.35	24,666.24	2,555.52	25,020.91	2,368.83	25,080.60	2,210.18	25,886.29	2,634.24	25,734.02
Total days		366		365		365		365		366		365		365		365		366
annual MGD		69.43		64.28		66.22		68.19		67.39		68.55		68.71		70.92		70.31

Month	04-05	CUMUL.	05-06	CUMUL.	06-07	CUMUL.	07-08	CUMUL.	08-09	CUMUL.	09-10	CUMUL.	Monthly Actual Average	Max	Min	W/out 09-10 Avg	Variance From Prior Average
J	2,667.37	2,667.37	3,025.80	3,025.80	2,652.22	2,652.22	2,673.31	2,673.31	2,831.60	2,831.60	2,016.61	2,016.61	2,766.90	3,329.25	2,016.61	2,820.49	-803.88
A	2,493.01	5,160.38	3,121.76	6,147.56	2,590.40	5,242.62	2,639.87	5,313.18	2,397.62	5,229.22	2,328.59	4,345.20	2,598.36	3,121.76	2,327.15	2,617.63	-289.04
S	2,271.07	7,431.45	2,430.96	8,578.52	2,024.69	7,267.31	2,398.45	7,711.63	2,067.75	7,296.97	2,204.78	6,549.98	2,204.78	2,430.96	2,024.69	2,204.78	
O	2,025.88	9,457.33	2,104.15	10,682.67	1,892.38	9,159.69	2,011.08	9,722.71	1,838.50	9,135.47	1,982.87	8,532.86	1,982.87	2,104.15	1,838.50	1,982.87	
N	1,811.85	11,269.18	1,834.13	12,516.80	1,763.38	10,923.07	1,697.89	11,420.60	1,618.85	10,754.32	1,774.99	10,307.85	1,774.99	1,860.48	1,618.85	1,774.99	
D	1,846.83	13,116.01	1,807.43	14,324.23	1,725.82	12,648.89	1,719.01	13,139.61	1,650.38	12,404.70	1,779.77	12,087.62	1,779.77	1,899.18	1,618.81	1,779.77	
J	1,849.03	14,965.04	1,792.82	16,117.05	1,786.76	14,435.65	1,748.83	14,888.44	1,675.61	14,080.31	1,799.89	13,887.50	1,799.89	1,945.05	1,642.72	1,799.89	
F	1,727.80	16,692.84	1,605.17	17,722.22	1,648.96	16,084.61	1,617.09	16,505.53	1,523.48	15,603.79	1,653.29	15,540.80	1,653.29	1,881.79	1,523.48	1,653.29	
M	1,891.12	18,583.96	1,796.56	19,518.78	1,794.90	17,879.51	1,697.22	18,202.75	1,597.52	17,201.31	1,784.00	17,324.79	1,784.00	1,891.12	1,597.52	1,784.00	
A	1,878.76	20,462.72	1,814.10	21,332.88	1,769.42	19,648.93	1,777.66	19,980.41	1,627.62	18,828.93	1,790.58	19,115.38	1,790.58	1,884.11	1,627.62	1,790.58	
M	2,016.37	22,479.09	2,094.21	23,427.09	2,220.47	21,869.40	2,016.89	21,997.30	1,990.26	20,819.19	2,124.78	21,240.16	2,124.78	2,541.49	1,882.27	2,124.78	
J	2,753.59	25,232.68	2,349.74	25,776.83	2,512.01	24,381.41	2,568.04	24,565.34	1,889.46	22,708.65	2,451.65	23,691.81	2,451.65	3,040.36	1,889.46	2,451.65	
Total days		365		365		365		366		365		365					
annual MGD		69.13		70.62		66.80		67.12		62.22		64.91					-1,092.92

PROVIDENCE WATER

Cumulative Plant Effluent actual thru August 2009

Million Gallons

Exhibit JB2

P. 2

	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	Max	Min	96-09 Avg	09-10 vs. Avg
J	2,916.86	2,522.37	3,069.98	2,643.79	3,033.04	2,752.87	2,710.54	3,329.25	2,657.87	2,667.37	3,025.80	2,652.22	2,673.31	2,831.60	2,016.61	3,329.25	2,016.61	2,820.49	-803.88
A	5,774.91	5,022.70	5,436.16	5,196.51	5,668.78	5,080.02	5,366.39	6,329.53	5,165.72	5,160.38	6,147.56	5,242.62	5,313.18	5,229.22	4,345.20	6,329.53	4,345.20	5,438.12	-1,092.92
S	8,114.97	7,079.77	7,517.02	7,345.49	7,812.57	7,218.34	7,670.93	8,550.19	7,405.50	7,431.45	8,578.52	7,267.31	7,711.63	7,296.97	6,549.98	8,578.52	6,549.98	7,642.90	-1,092.92
O	10,115.57	9,026.33	9,503.35	9,196.09	9,741.42	9,227.56	9,724.86	10,588.48	9,479.35	9,457.33	10,682.67	9,159.69	9,722.71	9,135.47	8,532.86	10,682.67	8,532.86	9,625.78	-1,092.92
N	11,878.30	10,813.87	11,295.77	10,894.77	11,559.75	11,018.29	11,527.95	12,398.22	11,339.83	11,269.18	12,516.80	10,923.07	11,420.60	10,754.32	10,307.85	12,516.80	10,307.85	11,400.77	-1,092.92
D	13,671.73	12,432.68	13,108.36	12,635.29	13,366.79	12,824.58	13,362.13	14,253.50	13,239.01	13,116.01	14,324.23	12,648.89	13,139.61	12,404.70	12,087.62	14,324.23	12,087.62	13,180.54	-1,092.92
J	15,510.07	14,075.40	14,896.50	14,407.28	15,187.10	14,659.21	15,208.49	16,111.34	15,184.06	14,965.04	16,117.05	14,435.65	14,888.44	14,080.31	13,887.50	16,117.05	13,887.50	14,980.42	-1,092.92
F	17,238.11	15,603.20	16,490.65	15,990.16	16,875.31	16,303.74	16,870.33	17,825.70	17,065.85	16,692.84	17,722.22	16,084.61	16,505.53	15,603.79	15,540.80	17,825.70	15,540.80	16,633.72	-1,092.92
M	19,051.21	17,310.95	18,236.03	17,772.18	18,641.41	18,101.74	18,690.92	19,701.02	18,956.23	18,583.96	19,518.78	17,879.51	18,202.75	17,201.31	17,324.79	19,701.02	17,201.31	18,417.71	-1,092.92
A	20,837.42	18,988.07	19,998.30	19,581.38	20,364.79	19,923.90	20,572.33	21,555.79	20,840.34	20,462.72	21,332.88	19,648.93	19,980.41	18,828.93	19,115.38	21,555.79	18,828.93	20,208.30	-1,092.92
M	22,905.31	20,870.34	22,093.07	21,847.40	22,401.89	22,465.39	22,711.77	23,676.11	23,099.78	22,479.09	23,427.09	21,869.40	21,997.30	20,819.19	21,240.16	23,676.11	20,819.19	22,333.08	-1,092.92
J	25,413.06	23,462.29	24,170.09	24,887.76	24,666.24	25,020.91	25,080.60	25,886.29	25,734.02	25,232.68	25,776.83	24,381.41	24,565.34	22,708.65	23,691.81	25,886.29	22,708.65	24,784.73	-1,092.92
																			-4.41%
	366	365	365	365	366	365	365	365	366	365	365	365	366	365	365				
Annual MGD	69.43	64.28	66.22	68.19	67.39	68.55	68.71	70.92	70.31	69.13	70.62	66.80	67.12	62.22	64.91	70.92	62.22	68.28	-6.07
YTD MGD	52.20	47.43	49.96	48.69	51.07	49.59	51.21	53.98	51.93	50.91	53.48	48.98	49.73	47.13	47.47	53.98	47.13	50.71	-1.72
Jul-Dec MGD	74.30	67.57	71.24	68.67	72.65	69.70	72.62	77.46	71.95	71.28	77.85	68.74	71.41	67.42	65.69	77.85	67.42	71.96	-4.54
Avg changed	4.87	3.29	5.02	0.48	5.25	1.15	3.91	6.54	1.64	2.15	7.23	1.95	4.29	5.20	0.78	7.23	0.48	3.67	

Bristol County Water Authority starts purchasing water Jan '99
Estimated based on YTD cumulative plus previous average monthly amount

Conversion to HCF

	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	Max	Min	96-09 Avg	09-10 vs. Avg
Annual HCF	33,974,679	31,366,698	32,312,955	33,272,406	32,976,257	33,450,414	33,530,214	34,607,340	34,403,770	33,733,529	34,461,003	32,595,468	32,841,364	30,359,158	31,673,538	34,607,340	30,359,158	33,134,661	-2,775,503

**Providence Water
Plant Effluent**

Exhibit JB2

P. 3

Monthly and Cumulative (Million Gallons)

	12 months Ending August 2009	Average FY 1996 - FY 2009	Variance From Average
S '08	2,067.75	2,204.78	-137.03
O '08	1,838.50	1,982.87	-144.37
N '08	1,618.85	1,774.99	-156.14
D '08	1,650.38	1,779.77	-129.39
J '09	1,675.61	1,799.89	-124.28
F '09	1,523.48	1,653.29	-129.81
M '09	1,597.52	1,784.00	-186.48
A '09	1,627.62	1,790.58	-162.96
M '09	1,990.26	2,124.78	-134.52
J '09	1,889.46	2,451.65	-562.19
J '09	2,016.61	2,820.49	-803.88
A '09	2,328.59	2,617.63	-289.04
MG	21,824.63	24,784.73	-2,960.10
HCF	29,177,313	33,134,661	-3,957,348.17

Red indicates minimum FY '96 - FYTD Aug '09