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June 16, 2009

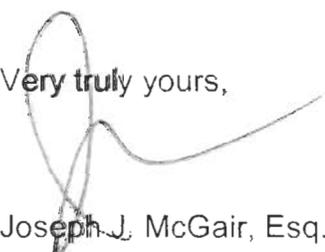
Luly E. Massaro  
Commission Clerk  
Rhode Island Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

Re: PUC Docket No. 4061  
Providence Water Supply Board

Dear Ms. Massaro,

Enclosed herewith you will find an original and nine copies of Kent County Water Authority Motion to Pass Through Water Wholesale Rate Increase/Compliance Filing with attached testimony of Christopher Woodcock together with exhibits in support of the Motion. The same was e-mailed to the attached service list today. If you have any questions, please feel free to contact me.

Very truly yours,

  
Joseph J. McGair, Esq.

JJM:dd  
Enc.  
HAND-DELIVERED  
Cc: Electronic service list

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION

IN RE: Kent County Water Authority        )  
      Motion to Pass Through            )  
      Wholesale Rate Increase         )        Docket No. 4061

**MOTION TO PASS THROUGH WATER WHOLESALE RATE  
INCREASE/COMPLIANCE FILING**

Now comes the Kent County Water Authority ("KCWA") and hereby files this its request to pass through the wholesale rate increase requested by Providence Water Supply Board ("PWSB") in Docket No. 4061.

KCWA makes this Motion to Pass Through A Wholesale Rate Increase pursuant to Rhode Island General Laws 39-3-38.1 which provides as follows:

"Regulated water supply boards which purchase wholesale water from another regulated supply board may impose a retail rate increase provided the Public Utilities Commission has approved the wholesale rate increase. The total amount of the retail rate so imposed shall not exceed the amount of the wholesale rate increase. The proposed retail rate increase to be applied by the wholesale purchaser shall be submitted no less than thirty (30) days prior to its effective date to the Public Utilities Commission for its review and approval."

Attached hereto and made part hereof is testimony of Christopher Woodcock together with exhibits in support of this Motion as well as proposed rate schedules and revenue schedules, each of which is incorporated herein by reference. This Motion to Pass Through A Wholesale Rate Increase is based upon the compliance filing of the

PWSB for general rate relief which would increase wholesale price of water from \$1,455.77 per million gallons to \$1,602.52 per million gallons, which will result in increased purchased water expenses of \$428,215.00 per year. As detailed in the attached documents and testimony, the proposed pass through will result in a rate increase in KCWA's metered rates in order to meet increased annual expenses.

WHEREFORE, KCWA requests, pursuant to Rhode Island General Laws §39-3-38.1, that the Public Utilities Commission grant a pass through of the wholesale increase to be granted to the PWSB in its Docket 4061, such pass through relief to be effective the 1st day of July, 2009 from the Order of PUC Docket No. 4061.

Respectfully submitted,  
Kent County Water Authority  
By its Attorneys,

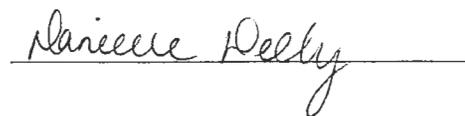


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Joseph J. McGair, Esq. #0304  
Petrarca and McGair, Inc.  
797 Bald Hill Road  
Warwick, RI 02886  
(401) 821-1330

**CERTIFICATE OF SERVICE**

In accordance with the Rules of Practice and Procedure of the Public Utilities Commission, I hereby certify that on the 16<sup>th</sup> day of June 2009, a copy of the within Motion was mailed electronically to the attached service list.



Docket No. 4061 - Providence Water Supply Board - Rate Application  
 Service List updated 5/20/09

Parties/Address	E-mail Distribution	Phone/Fax
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File original and nine (9) copies w/ Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick RI 02888	<a href="mailto:lmassaro@puc.state.ri.us">lmassaro@puc.state.ri.us</a>	401-780-2107
	<a href="mailto:cwilson@puc.state.ri.us">cwilson@puc.state.ri.us</a>	
	<a href="mailto:sccamara@puc.state.ri.us">sccamara@puc.state.ri.us</a>	

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**PREFILED TESTIMONY OF  
CHRISTOPHER P.N. WOODCOCK**

**Q: Please state your name and business address?**

A: My name is Christopher P.N. Woodcock and my business address is 18 Increase Ward Drive, Northborough, Massachusetts 01532.

**Q: By whom are you employed and in what capacity?**

A: I am the President of Woodcock & Associates, Inc. a consulting firm specializing in water and wastewater rate and financial studies.

**Prior Experience**

**Q: Please describe your qualifications and experience.**

A: I have undergraduate degrees in Economics and in Civil Engineering from Tufts University in Medford, Massachusetts. After graduating in 1974, I was employed by the environmental consulting firm of Camp, Dresser, and McKee Inc. (CDM). For approximately 18 months I worked in the firm's environmental engineering group performing such tasks as designing water distribution and transmission pipes, sewer collection and interception systems, pumping facilities and portions of a wastewater treatment facility. From approximately January 1976, I worked in the firm's management and financial consulting services group, gaining increasing responsibility. At the time of my resignation, I was a corporate Vice President and appointed the leader of the group overseeing all rate and financial studies. In my career, I have worked on close to 400 water and wastewater rate and financial studies, primarily in the United States, but also for government agencies overseas. I have also worked on a number of engineering and financial feasibility studies in support of revenue bond issues, I have helped draft and review revenue bond indentures, and I worked on several valuation studies, capital improvement financing analyses, and management audits of public works agencies. In addition to my professional expe-

1        rience I have also held elected and appointed positions on municipal boards over-  
2        seeing public works functions.

3

4        **Q: Have you previously testified before state regulatory commissions or courts**  
5        **on rate related matters?**

6        A: Yes, I have provided testimony on rate related matters before utility commissions in  
7        Rhode Island, Maine, Connecticut, New York, New Hampshire, Texas, and Alberta,  
8        Canada. I have also been retained as an expert witness on utility rate related mat-  
9        ters in proceedings in state courts in Arkansas, Florida, Massachusetts, Michigan,  
10       New Jersey, Maryland, Ohio, and Pennsylvania, as well as the Federal Court in  
11       Michigan. I have been selected to several arbitration panels related to disputes  
12       over water rates and charges, I have provided testimony on rate related matters to  
13       the Michigan and Massachusetts legislatures, and I have provided testimony at ad-  
14       ministrative hearings on a number of occasions.

15

16       **Q: Do you belong to any professional organizations or committees?**

17       A: Yes, I am a member of the Water Environment Federation, the Rhode Island Water  
18       Works Association, the Massachusetts Water Works Association, the New England  
19       Water Works Association, and the American Water Works Association. For the Wa-  
20       ter Environment Federation, I was a member of the committee that prepared their  
21       manual on Wastewater Rates and Financing. For the New England Water Associa-  
22       tion, I am past chairman and a current member of the Financial Management Com-  
23       mittee. In my capacity as President-Elect for the New England Water Works Asso-  
24       ciation I also sit on the Executive Committee and the Board of Directors as well as  
25       chairing and sitting on a number of other administrative committees. For the Ameri-  
26       can Water Works Association, I am past chairman of the Financial Management  
27       Committee and the Rates and Charges Committee that has prepared the manuals  
28       on Revenue Requirements, Water Rates, Alternative Rate Structures, and Water  
29       Rates and Related Charges. I have been reappointed to and am currently a mem-  
30       ber of the Rates & Charges Committee.

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**Q: Are you the same Christopher Woodcock that has prefiled testimony on behalf of the Kent County Water Authority in other rate filings?**

A: Yes I am.

**Q: What is the purpose of your testimony in this docket?**

A: This testimony includes four schedules which present the calculation of new rates for the Authority that include the cost of the Providence Water Supply Board's (Providence Water) proposed new wholesale rates that were filed April 30, 2009 (Docket 4061), the impacts on various customers, and a comparison of the existing rates and the rates with the pass through increase.

**Q: What is the impact of the increase proposed by Providence Water on the Kent County Water Authority?**

A: The increase in Providence Water's wholesale rate from \$1,455.77/mg to the proposed \$1,602.52/mg will result in increased purchased water expenses of \$428,215 per year as shown on CPNW Schedule 1.

**Q: What level of water purchases have you used?**

A: The wholesale water purchases presented in this filing are based on those submitted in the Kent County Water Authority's most recent rate filing (Docket 3942).

**Q: What level of retail water sales have you used in this filing?**

A: I have used the retail sales that were included in Docket 3942 as well.

**Q: How does the Kent County Water Authority propose to recover these additional costs?**

A: The Authority proposes to increase its metered water rates by 2.53% as shown in CPNW Schedule 2.

1 **Q: Does the Authority propose to adjust any other of its rates and charges?**

2 A: No, as in the past, the Authority is only proposing to increase the metered water  
3 rates for this pass through increase. In conformance with the Authority's cost of  
4 service study, nearly all of the purchased water costs are allocated to the base, me-  
5 tered water rates. As a result, only the metered water rates would be impacted by  
6 the pass through.

7

8 **Q: Have you prepared a schedule which shows the reconciliation of revenues  
9 under your proposed pass through rates?**

10 A: Yes, the bottom portion of CPNW Schedule 2 presents the calculation of revenues  
11 under the proposed rates. Because the rates are rounded to the nearest \$0.001, the  
12 revenues do not match exactly.

13

14 **Q: Have you prepared a schedule showing the impacts on various customers?**

15 A: Yes, CPNW Schedule 3 presents the impacts at various uses and meter sizes. Be-  
16 cause no change to the fire protection or service charges is proposed, the impacts  
17 vary. Fire service accounts see no increase. Smaller volume customers will see  
18 increases less than the average because a portion of their quarterly bill is due to the  
19 service charge where there is no change proposed. As usage increases and the  
20 metered water rate portion of the bill becomes larger, the percentage impacts ap-  
21 proach the increase in the metered rates that were calculated.

22

23 **Q: Have you prepared a comparison of the current and proposed rates?**

24 A: Yes I have. CPNW Schedule 4 presents the current and proposed rates and shows  
25 the percentage change in each.

26

27 **Q: Does this conclude your testimony?**

28 A: I expect that the rates requested by Providence Water may be revised after investi-  
29 gation by the parties and the Commission. After a final wholesale rate is deter-  
30 mined by the Commission, I expect to file additional testimony presenting that im-

1     pact on the Kent County Water Authority's rates. As we have done in the past, we  
2     are filing this pass through increase now, so the Commission and Division have an  
3     opportunity to review this proposal in advance. The Authority will need its pass  
4     through increase to coincide with that effective date of Providence Water's new  
5     rates in order to be assured it has sufficient revenues to pay Providence Water for  
6     any increased cost.

**KCWA - Increased Purchased Water Cost**

	<u>Rate (\$/mg)</u>	<u>Purchases (mg) *</u>	<u>Cost</u>
Current PWSB Rate (/mg)	\$1,455.77	2,917.987	\$4,247,918
Proposed PWSB Rate (/mg)	\$1,602.52	2,917.987	\$4,676,133
Proposed Fixed Charge	\$0		<u>\$0</u>
Total Proposed			\$4,676,133
Increase (Percent)			10.08%
Increase (Amount)			\$428,215

\* Based on sales in KCWA Docket 3942

**KCWA - Calculation of Proposed Rates**

**CURRENT RATES**

	100 Cu Ft 4/06 - 3/07	Current Rates	Current Revenue
Small (5/8-2" meters)	3,340,276	\$4.643	\$15,508,900
Medium (3&4" meters)	129,867	\$3.957	513,883
Large (6" & up meters)	<u>260,293</u>	\$3.373	<u>877,970</u>
	3,730,436		\$16,900,753

Increased Annual Revenue Required	\$428,215
Percent Increase Required	2.53%

**PROPOSED RATES**

	Current Rates	% Increase	Proposed Rates
Small (5/8-2" meters)	\$4.643	2.53%	\$4.761
Medium (3&4" meters)	\$3.957	2.53%	\$4.057
Large (6" & up meters)	\$3.373	2.53%	\$3.458

Revenues	Proposed Rates	Consumpt. (CCF)	Revenue
Small (5/8-2" meters)	\$4.761	3,340,276	\$15,903,053
Medium (3&4" meters)	\$4.057	129,867	\$526,870
Large (6" & up meters)	\$3.458	260,293	<u>\$900,095</u>
			\$17,330,017

Required Revenues			
	Current	\$16,900,753	
	Increase	<u>\$428,215</u>	
	Total		\$17,328,968

Difference	\$1,050
Percentage	0.006%

**IMPACT OF PROPOSED RATES**

	MTR SIZE	QUARTERLY USE - CU FT	<---QUARTERLY BILL--->		\$ INCREASE	
			CURRENT RATES	PROPOSED RATES		
<u>Small</u>	5/8	2,000	\$102.35	\$104.71	\$2.36	2.31%
	5/8	2,500	\$125.57	\$128.52	\$2.95	2.35%
	5/8	3,500	\$172.00	\$176.13	\$4.13	2.40%
	5/8	4,000	\$195.21	\$199.93	\$4.72	2.42%
	5/8	5,000	\$241.64	\$247.54	\$5.90	2.44%
	5/8	6,000	\$288.07	\$295.15	\$7.08	2.46%
	5/8	6,666	\$318.99	\$326.86	\$7.87	2.47%
	5/8	8,000	\$380.93	\$390.37	\$9.44	2.48%
	5/8	10,000	\$473.79	\$485.59	\$11.80	2.49%
	5/8	12,000	\$566.65	\$580.81	\$14.16	2.50%
	5/8	14,000	\$659.51	\$676.03	\$16.52	2.50%
	5/8	15,000	\$705.94	\$723.64	\$17.70	2.51%
	5/8	20,000	\$938.09	\$961.69	\$23.60	2.52%
	5/8	25,000	\$1,170.24	\$1,199.74	\$29.50	2.52%
	1	30,000	\$1,405.45	\$1,440.85	\$35.40	2.52%
	1	40,000	\$1,869.75	\$1,916.95	\$47.20	2.52%
	1	46,666	\$2,179.25	\$2,234.32	\$55.07	2.53%
	1	75,000	\$3,494.80	\$3,583.30	\$88.50	2.53%
	2	100,000	\$4,666.27	\$4,784.27	\$118.00	2.53%
	2	200,000	\$9,309.27	\$9,545.27	\$236.00	2.54%
	2	300,000	\$13,952.27	\$14,306.27	\$354.00	2.54%
	2	400,000	\$18,595.27	\$19,067.27	\$472.00	2.54%
	2	600,000	\$27,881.27	\$28,589.27	\$708.00	2.54%
<u>Medium</u>	3	200,000	\$7,943.77	\$8,143.77	\$200.00	2.52%
	3	400,000	\$15,857.77	\$16,257.77	\$400.00	2.52%
	3	600,000	\$23,771.77	\$24,371.77	\$600.00	2.52%
	4	800,000	\$31,698.40	\$32,498.40	\$800.00	2.52%
	4	1,000,000	\$39,612.40	\$40,612.40	\$1,000.00	2.52%
	4	1,200,000	\$47,526.40	\$48,726.40	\$1,200.00	2.52%
<u>Large</u>	6	400,000	\$13,562.35	\$13,902.35	\$340.00	2.51%
	6	600,000	\$20,308.35	\$20,818.35	\$510.00	2.51%
	6	800,000	\$27,054.35	\$27,734.35	\$680.00	2.51%
	6	1,200,000	\$40,546.35	\$41,566.35	\$1,020.00	2.52%
	6	1,333,333	\$45,043.67	\$46,177.01	\$1,133.33	2.52%
	8	2,000,000	\$67,578.96	\$69,278.96	\$1,700.00	2.52%
	8	5,000,000	\$168,768.96	\$173,018.96	\$4,250.00	2.52%
	8	10,000,000	\$337,418.96	\$345,918.96	\$8,500.00	2.52%
	8	24,000,000	\$809,638.96	\$830,038.96	\$20,400.00	2.52%
Municipal Fire Service		300 hydrants	\$35,523.15	\$35,523.15	\$0.00	
Private Fire Service		8 Inch Service	\$280.57	\$280.57	\$0.00	

**COMPARISON OF CURRENT AND PROPOSED RATES**

<b><u>Metered Rates (\$/100 cu ft)</u></b>		<b><u>Current</u></b>	<b><u>Proposed</u></b>	<b><u>% Change</u></b>
	Small (5/8 - 2" meters)	\$4.643	\$4.761	2.5%
	Medium (3 & 4" meters)	\$3.957	\$4.057	2.5%
	Large (6" & up meters)	\$3.373	\$3.458	2.5%
<b><u>Service Charges</u></b>				
Quarterly	5/8 & 3/4	\$9.49	\$9.49	0.0%
	1	\$12.55	\$12.55	0.0%
	1 1/2	\$18.29	\$18.29	0.0%
	2	\$23.27	\$23.27	0.0%
	3	\$29.77	\$29.77	0.0%
	4	\$42.40	\$42.40	0.0%
	6	\$70.35	\$70.35	0.0%
	8 & up	\$118.96	\$118.96	0.0%
	Monthly	5/8 & 3/4	\$6.83	\$6.83
1		\$7.38	\$7.38	0.0%
1 1/2		\$8.40	\$8.40	0.0%
2		\$9.29	\$9.29	0.0%
3		\$10.46	\$10.46	0.0%
4		\$12.71	\$12.71	0.0%
6		\$17.70	\$17.70	0.0%
8 & up		\$26.39	\$26.39	0.0%
<b><u>Fire Service</u></b>				
Public	/hydrant	\$118.39	\$118.39	0.0%
	/bill	\$6.15	\$6.15	0.0%
Private	4 in	\$51.67	\$51.67	0.0%
	6 in	\$135.98	\$135.98	0.0%
	8 in	\$280.57	\$280.57	0.0%
	10 in	\$500.15	\$500.15	0.0%
	12 in	\$803.32	\$803.32	0.0%
	hydrant	\$135.98	\$135.98	0.0%