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October 30, 2009

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

Re: PUC Docket No. 4113

Dear Ms. Massaro:

Enclosed please find Newport Water's response to the Commission's First Set of Data Requests in the above captioned matter. Please file in your customary manner. An electronic copy of this filing has been provided to the service list.

Thank you for your attention to this matter.

Sincerely,

Joseph A. Keough, Jr.

JAK/kf Enclosure

Response to Public Utilities Commission Data Requests Set I

Comm. 1-1 Question: Please provide monthly consumption figures for each year commencing with FY 2006 to the most recent month available. Utilities are welcome to file additional information for periods prior to 2006 but it is not required.

Response: See attached spreadsheet: Comm Request 1-1

Billing Month

| FY 2005 | July | | August | September | October | November | December | January | February | March | April | May | June | total |
|--------------|------|---------|---------|-----------|---------|----------|----------|---------|----------|---------|-------|-----------|-----------|-----------|
| Commercial | | 61,081 | 55,491 | 54,944 | 45,031 | 45,712 | 44,220 | 45,179 | 40,459 | 44,086 | 38,9 | 94 44,07 | 7 39,893 | 559,167 |
| Governmental | | 7,246 | 195 | 156 | 213 | 6,837 | 115 | 182 | 189 | 3,899 | | 42 14 | 9 140 | 19,463 |
| Navy | | 20,475 | 23,245 | 25,799 | 26,027 | 27,431 | 26,940 | 107,139 | 49,017 | 19,600 | 38,2 | 58 25,08 | 7 28,851 | 417,869 |
| Portsmouth | | 44,160 | 43,640 | 39,850 | 38,540 | 34,260 | 30,630 | 36,140 | 33,385 | 16,480 | 32,5 | 20 34,32 | 0 45,540 | 429,465 |
| Residential | | 25,648 | 74,198 | 74,640 | 85,144 | 45,335 | 61,335 | 66,131 | 75,700 | 39,129 | 53,7 | 87 57,52 | 7 58,063 | 716,037 |
| | | | | | | | | | | | | | | |
| Total | | 158,610 | 196,769 | 195,389 | 194,955 | 159,575 | 163,240 | 254,771 | 198,750 | 123,194 | 163,1 | 01 161,16 | 0 172,487 | 2,142,001 |
| | | | | | | | | | | | | | | |

| 472,160 |
|-----------|
| 21,379 |
| 373,306 |
| 463,253 |
| 749,409 |
| |
| 2,079,507 |
| |

| FY 2007 | July | | August | September | October | November | December | January | February | March | April | Ν | /lay 、 | June | |
|--------------|------|---------|---------|-----------|---------|----------|----------|---------|----------|---------|-------|------|---------|---------|-----------|
| Commercial | | 35,001 | 36,249 | 51,425 | 50,513 | 39,343 | 30,770 | 35,250 | 28,495 | 27,876 | 30 | ,251 | 33,073 | 32,074 | 430,320 |
| Governmental | | 213 | 7,260 | 386 | 489 | 337 | 10,544 | 41 | 80 | 94 | - | ,574 | 32 | 126 | 27,176 |
| Navy | | 30,214 | 31,765 | 26,827 | 30,955 | 27,812 | 30,822 | 18,974 | 23,760 | 23,547 | 20 | ,982 | 21,646 | 14,240 | 301,544 |
| Portsmouth | | 36,980 | 41,930 | 51,270 | 38,477 | 36,348 | 29,860 | 31,000 | 39,880 | 24,350 | 2 | ,210 | 33,500 | 34,830 | 425,635 |
| Residential | | 73,819 | 42,528 | 65,073 | 71,220 | 79,042 | 45,148 | 64,176 | 57,835 | 64,856 | 4 | ,465 | 64,413 | 58,553 | 733,128 |
| | | | | | | | | | | | | | | | |
| Total | | 176,227 | 159,732 | 194,981 | 191,654 | 182,882 | 147,144 | 149,441 | 150,050 | 140,723 | 13 | ,482 | 152,664 | 139,823 | 1,917,803 |
| | | | | | | | | | | | | | | | |

| FY 2008 | July | A | ugust | September | October | November | December | January | February | March | April | | May J | lune | |
|--------------|------|---------|---------|-----------|---------|----------|----------|---------|----------|---------|-------|---------|---------|---------|-----------|
| Commercial | | 39,732 | 46,716 | 66,217 | 59,596 | 52,781 | 30,633 | 23,751 | 43,197 | 29,775 | | 27,269 | 27,965 | 38,668 | 486,300 |
| Governmental | | 214 | 5,642 | 385 | 154 | 7,495 | 190 | 148 | 4,906 | 261 | | 186 | 3,607 | 428 | 23,616 |
| Navy | | 17,550 | 12,767 | 30,475 | 18,056 | 19,021 | 17,635 | 16,322 | 26,962 | 24,463 | | 19,561 | 22,792 | 22,124 | 247,728 |
| Portsmouth | | 47,810 | 57,100 | 54,620 | 52,575 | 42,170 | 27,660 | 29,730 | 34,720 | 30,130 | | 28,360 | 33,050 | 31,690 | 469,615 |
| Residential | | 71,048 | 44,877 | 77,430 | 102,297 | 80,141 | 52,768 | 62,823 | 64,323 | 49,284 | | 73,461 | 52,609 | 46,650 | 777,711 |
| | | | | | | | | | | | | | | | |
| Total | | 176,354 | 167,102 | 229,127 | 232,678 | 201,608 | 128,886 | 132,774 | 174,108 | 133,913 | | 148,837 | 140,023 | 139,560 | 2,004,970 |

| FY 2009 | July | | August | September | October | November | December | January | February | March | April | | May 、 | June | |
|--------------|------|---------|---------|-----------|---------|----------|----------|---------|----------|---------|-------|-------|---------|---------|-----------|
| Commercial | | 43,190 | 49,313 | 52,961 | 57,404 | 45,020 | 30,032 | 37,568 | 30,292 | 25,229 | 2 | 6,300 | 26,816 | 41,016 | 465,141 |
| Governmental | | 357 | 6,740 | 813 | 1,686 | 4,196 | 878 | 933 | 3,018 | 875 | | 616 | 3,580 | 1,354 | 25,046 |
| Navy | | 17,059 | 16,220 | 17,019 | 17,629 | 17,950 | 16,407 | 24,641 | 18,459 | 19,657 | 1 | 8,499 | 21,919 | 20,038 | 225,497 |
| Portsmouth | | 54,410 | 58,550 | 47,130 | 41,895 | 34,650 | 33,470 | 28,710 | 30,610 | 32,570 | 2 | 6,820 | 31,680 | 34,280 | 454,775 |
| Residential | | 66,881 | 63,861 | 52,582 | 85,754 | 68,880 | 49,434 | 73,692 | 61,244 | 44,081 | 5 | 6,583 | 48,320 | 44,329 | 715,641 |
| | | | | | | | | | | | | | | | |
| Total | | 181,897 | 194,684 | 170,505 | 204,368 | 170,696 | 130,221 | 165,544 | 143,623 | 122,412 | 12 | 8,818 | 132,315 | 141,017 | 1,886,100 |

| FY 2010 | July | A | August | September | October | November | December | January | February | March | April | May | June | |
|--------------|------|---------|---------|-----------|---------|----------|----------|---------|----------|-------|-------|-----|------|---|
| Commercial | | 41,006 | 37,474 | 49,658 | 45,914 | Ļ | | | | | | | | |
| Governmental | | 806 | 4,129 | 813 | 1,313 | 5 | | | | | | | | |
| Navy | | 14,582 | 15,145 | 16,895 | 11,378 | 5 | | | | | | | | |
| Portsmouth | | 46,840 | 35,810 | 44,600 | 40,020 |) | | | | | | | | |
| Residential | | 68,103 | 60,138 | 45,911 | 67,942 | 2 | | | | | | | | |
| | | | | | | | | | | | | | | |
| Total | | 171,337 | 152,696 | 157,877 | 166,567 | • | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Response to Public Utilities Commission Data Requests Set I

Comm. 1-2 Question:

(a) Please provide a spreadsheet setting forth the following expenses: debt service; IFR (amounts allowed in most recent rate case); payroll, property taxes, all other operating expenses.

(b) Please indicate what you believe is the current ratio of fixed to variable costs.

Response:

(a) See attached spreadsheet. Comm Request 1-2a(b) Newport Water Division expenses per Docket 4025 are 87.7% fixed and 12.3% variable.

Newport Water Division Docket 4113 Commission Request 1-2a Backup

Payroll & Benefits

| Accrued Benefits Buyout | \$175,000 |
|--------------------------------|-------------|
| Permanent Part-Time | \$13,000 |
| Salaries & Wages | \$2,293,500 |
| Overtime | \$206,418 |
| Holiday Pay | \$39,100 |
| Temporary Salaries | \$58,100 |
| Standby Salaries | \$12,500 |
| Employee Benefits | \$1,185,491 |
| Retiree Insurance Coverage | \$347,200 |
| Workers Compensation Insurance | \$114,000 |
| Annual Leave Buyback | \$31,100 |
| | |
| | |

Total

\$4,475,409

Newport Water Division Docket 4113 Comm Request 1-2a

Expenses per Docket 4025

| Debt Service | \$2,010,823.00 |
|------------------------------|-----------------|
| IFR | \$1,146,918.00 |
| Payroll & Benefits | \$4,475,409.00 |
| Property Taxes | \$229,000.00 |
| All other operating expenses | \$3,422,703.00 |
| | |
| Total Expenses | \$11,284,853.00 |

Response to Public Utilities Commission Data Requests Set I

Comm. 1-3 Question: Please provide the company's revenue stream as percentages broken down into two categories, fixed & variable.

Response: The Newport Water Division's revenue stream per Docket No. 4025 is as follows:

| Revenue Item | % | Fixed/Variable |
|----------------------------|---------|----------------|
| Water Commodity Charge | 74.3% | Variable |
| Water Penalty | .4% | Variable |
| Investment Income | .3% | Variable |
| WQP Charge | .2% | Variable |
| Sundry/ Miscellaneous | 1.3% | Variable |
| Total Variable | 76.5% | |
| Fire Protection Charges | 10.8% | Fixed |
| Billing Charges | 8.5% | Fixed |
| Customer Service Cost Shar | re 3.5% | Fixed |
| Rental Income | .7% | Fixed |
| Total Fixed | 23.5% | |

Response to Public Utilities Commission Data Requests Set I

Comm. 1-4 Question: Please provide the difference between the revenues allowed in the utility's most recent rate case and the amount billed during the first quarter of FY 2010. Please be sure to provide the approved revenue requirement as part of the answer.

Response: Revenues allowed in the Docket 4025 are \$11,537,876 for the full year. First quarter billings are as follows:

| | Docket 4025 | Q1 FY 2010 |
|----------------------------|--------------|-------------|
| Billing charges | \$ 978,003 | \$ 238,085 |
| Retails Water Sales | \$ 6,512,098 | \$1,491,586 |
| Bulk Water Sales | \$ 2,060,387 | \$ 451,719 |
| Public Fire Protection | \$ 868,131 | \$ 597,003 |
| Private Fire Protection | \$ 378,880 | \$ 379,024 |
| Other | \$ 740,378 | \$ 64,509 |
| Total | \$11,537,876 | \$3,221,926 |

Response to Public Utilities Commission Data Requests Set I

Comm. 1-5 Question: Please provide a current copy of a customer bill..

Response: See attached copy of bill.



CITY OF NEWPORT. RI DEPARTMENT OF UTILITIES www.cityofnewport.com/departments/utilities/home.cfm For Billing Inquiries Call (401) 845-5604

| | Account Number: | л. Д | |
|--|-----------------------|---------|----------|
| | Due Date: | 10/ | 8/2009 |
| | Bill Date: | 9/8 | /2009 |
| | Meter Info | mation | |
| Hhumbellarbalattaan Illastada da kata ahada ah | Number | 358776 | 04 |
| | Previous Reading/Date | 0 | 07/28/09 |
| | Current Reading/Date | 3,365 | 08/13/09 |
| Service Address: | Consumption | 10,145 | |
| | Type of Reading | ACTUA | L |

| Current Billing Informatio | on . | Usage History | | | | |
|--|--|--|--|--|--|--|
| Previous Balance Customer Charge Water/Sewer Penalty Charge Water Usage Charge Water Quality Protection Surcharge Sewer Charge CSO Fixed Charge Sales Tax Miscellaneous Fees Previous Credit TOTAL DUE | $\begin{array}{c} 0.00\\ 15.31\\ 0.00\\ 53.26\\ 2.96\\ 66.45\\ 26.00\\ 0.00\\ 0.00\\ 0.00\\ \hline 8163.98\end{array}$ | Date 08/13/09 05/19/09 02/06/09 11/24/08 08/26/08 05/08/08 02/08/08 11/23/07 | Gallons Used 10,145 8,000 7,902 26,511 30,587 49,000 15,400 19,600 | | | |

SPECIAL COMMENTS:

RETAIN TOP PORTION FOR YOUR RECORDS - FEES WILL APPLY FOR ADDITIONAL COPIES - REFER TO REVERSE SIDE FOR CUSTOMER INFORMATION

WATER BILL

Service Address:

Name/Address



Account Number: DUE DATE: 10/8/2009

| Previous Balance | 0.00 |
|------------------------------------|-------|
| Customer Charge | 15.31 |
| Water/Sewer Penalty Charge | 0.00 |
| Water Usage Charge | 53.26 |
| Water Quality Protection Surcharge | 2.96 |
| Sewer Charge | 66.45 |
| CSO Fixed Charge | 26.00 |
| Sales Tax | 0.00 |
| Miscellaneous Fees | 0.00 |
| Previous Credit | 0.00 |
| | |

\$163.98



Remit payment and make check payable to :

City of Newport Water Collection 43 Broadway Newport, RI 02840

PLEASE RETURN THIS STUB WITH PAYMENT

TOTAL DUE

<u>Billing Information</u> The current water rate structure for billing:

Customer Charge \$ 15.31 / bill Water Charge \$ 5.25 / 1000 gal

How to compute a bill

Customer Charge: The cost of providing customer related services such as metering, meter reading and billing. These fixed costs are unaffected by the amount of water consumption.

Water Usage Charge: Multiply the total consumption by \$0.00525

Water Quality Protection Surcharge: Multiply the total consumption by \$ 0.000292

If you are a homeowner age 65 or older, you may be exempt from paying the Water Quality Protection Surcharge portion of the water bill for your residence. Applications are available at the Water Department, 70 Halsey St, as well as the Collections Division in City Hall, 43 Broadway. Please call the Billing Office (401)845-5604 for details. If you have previously applied in the past there is no need to reapply.

If you believe your bill is inaccurate, contact the Billing Clerk at (401)845-5604. Billing Department hours of operation are 8am to 4 pm daily. If a mutually satisfactory settlement of the matter cannot be reached, you have the right to submit the matter to:

Division of Public Utilities and Carriers 89 Jefferson Boulevard, Warwick, RI 02888 Telephone 401- 780-9700

The current sewer rate structure for Newport customers:

Sewer Charge\$ 6.80 / 1000 galCSO fixed chargeAssessed by meter size

Sewer Charge: Multiply total water consumption by \$ 0.00680

CSO Fixed Charge (Sewer): An annual flat fee based on water meter size for costs associated with the City of Newport CSO Long-Term Capital Plan. This is an annual fee and is prorated based on your billing cycle.

Additional information on sewer rates available at www.cityofnewport.com/departments/utilities/pollution_control/home.cfm

All past due accounts: Penalties accrue daily 18% per annum Credit card payments are accepted as follows: <u>www.officialpayments.com</u> or call toll free 1-800-272-9829 -VISA card is not accepted For phone payments use Jurisdiction Code 4908. Confirmation numbers should be kept for your records Official Payments charges a nominal convenience fee for this service

ESTA NOTICIA MUITO IMPORTANTE. FACA FAVOR DE TRADUZIR IMEDIATAMETE.

A VISO IMPORTANTE. POR FAVOR PIDA QUE LO TRADUZCAN LOS MAS PRONTO POSIBLE