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January 11, 2010

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

**Re: *City of Newport, Utilities Department, Water Division
Docket 4128***

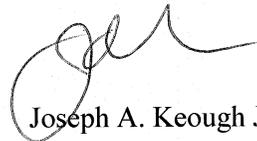
Dear Ms. Massaro:

Enclosed please find an original and nine copies of Newport Water's response to Portsmouth Water and Fire District's Second Set of Data Requests.

Please note that electronic copies of these documents have been provided to the service list.

Thank you for your attention to this matter.

Sincerely,



Joseph A. Keough Jr.

JAK/kf
Enclosures

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
DOCKET NO. 4128
City Of Newport - Utilities Division - Water Department
Response to
Portsmouth Water and Fire District's Data Requests
Set 2

PWFD 2-1: Regarding the response to Division data request 1-4. If the city pays the public fire charge in advance, does Newport Water send an additional bill if rates are revised later in the year? If so, please provide evidence of such additional payments and include a copy of the monthly PUC report that evidences such payments.

Response: If the public fire charge is revised after the City of Newport has paid its bill, Newport Water sends an additional bill to the City of Newport. Enclosed are copies of the invoice to the city for the additional charges and the cash flow for October 2007.

Prepared by: R. Esten

City of Newport - Water Division

Invoice

PUBLIC FIRE PROTECTION

Service Date: 10/02/2007

Invoice Number:	S007-02088
Total Amount Due:	\$37,749.60
Date Due:	ON RECEIPT
Amount Enclosed:	

Bill To: NEWPORT, CITY OF COMP OFFICE
43 BROADWAY
NEWPORT RI 02840

Please Remit Payment To:
City of Newport - Water Division
Collections Dept 43 Broadway
Newport, R. I. 02840

Invoice Printed : 12/31/2009

RETURN ABOVE PORTION WITH PAYMENT TO THE ABOVE ADDRESS

Item Type	Description	Quantity	Type	Rate	Sales Tax?	Amount
Miscellaneous	OTHER CHARGES Per Docket 3818, Hydrant fees increased from \$ 675.00 to \$ 752.00 per annum. This bill reflects the increase effective September 1,2007.	588.0000	Units	6.42		3,774.96
Miscellaneous	OTHER CHARGES October 1,2007.	588.0000	Units	6.42		3,774.96
Miscellaneous	OTHER CHARGES November 1,2007	588.0000	Units	6.42		3,774.96
Miscellaneous	OTHER CHARGES December 1,2007	588.0000	Units	6.42		3,774.96
Miscellaneous	OTHER CHARGES January 1, 2008	588.0000	Units	6.42		3,774.96
Miscellaneous	OTHER CHARGES February 1 , 2008	588.0000	Units	6.42		3,774.96
Miscellaneous	OTHER CHARGES March 1 ,2008	588.0000	Units	6.42		3,774.96
Miscellaneous	OTHER CHARGES April 1,2008	588.0000	Units	6.42		3,774.96
Miscellaneous	OTHER CHARGES May 1 2008	588.0000	Units	6.42		3,774.96
Miscellaneous	OTHER CHARGES June 1,2008	588.0000	Units	6.42		3,774.96

PUBLIC FIRE PROTECTION		Invoice Number:	S007-02088
Bill To: NEWPORT, CITY OF COMP OFFICE 43 BROADWAY NEWPORT RI 02840		Date Due:	ON RECEIPT
		Remit Payment To: City of Newport - Water Division Collections Dept 43 Broadway Newport, R. I. 02840	

UNAUDITED

CITY OF NEWPORT, RHODE ISLAND

**MONTHLY CASH FLOW RECONCILIATION
WATER FUND
FOR THE MONTH ENDED October 31, 2007**

	PRIOR YEAR MONTHLY ACTUAL	CURRENT MONTHLY ACTUAL	VARIANCE	PERCENT VARIANCE	Reason/Comment
BEGINNING CASH	392,038	252,576			
Adjustment					
OPERATING REVENUES:					
Customer Charges	54,485	67,589	13,104	24.05%	
Retail Consumption	567,909	704,337	136,428	24.02%	
Wholesale/Bulk Sales	202,181	0	(202,181)	-100.00%	
Public Fire Protection	22,894	37,750	14,856	64.89%	
WPC Share of Data Collection	0	319,491	319,491		
Miscellaneous	7,947	6,103	(1,844)	-23.21%	
TOTAL OPERATING REVENUES	855,415	1,135,269	279,854	32.72%	
OPERATING EXPENSES:					
Water Administration	107,099	123,181	16,082	15.02%	
Customer Accounts	43,245	79,822	36,577	84.58%	
Source of Supply - Island	34,211	62,238	28,027	81.92%	
Source of Supply - Mainland	698	33,035	32,337	4632.39%	
Treatment & Pumping - Newport Plant	84,966	160,187	75,221	88.53%	
Treatment & Pumping - Lawton Valley	74,893	113,943	39,050	52.14%	
Water Laboratory	18,057	26,551	8,494	47.04%	
Transmission & Distribution Maintena	43,310	103,304	59,994	138.52%	
Fire Protection/ other	484	1,067	582		
			0		
TOTAL OPERATING EXPENSES	406,963	703,329	296,366	72.82%	
OTHER:					
Transfer to Restricted Electricity	36,184	35,154	(1,031)		
Transfer to Restricted Chemicals	27,750	44,870	17,120		
Transfer to Restricted Repayment	20,833	20,833	0		
Transfer to Restricted Debt Service	114,897	75,021	(39,876)		
Transfer to Restricted Capital Outlays	105,591	108,600	3,009		
Transfer to Restricted Retiree Insurance	17,469	17,506	37		
Transfer to Restricted Accrued Benefits	5,833	5,833	0		
Reimbursement From Electricity	(27,683)	(62,363)	(34,680)	125.27%	
Reimbursement From Chemicals	(28,251)	(45,000)	(16,749)	59.28%	
Reimbursement From Repayment			0		
Reimbursement From Debt Service			0		
Reimbursement From Capital	(258,772)	(98,163)	160,610	-62.07%	
Reimbursement From Retiree Insurance	(16,647)	(19,592)	(2,945)		
Reimbursement From Accrued Benefits		(1,810)	(1,810)		
Reimbursement From DOT Escrow			0		
Debt Service			0		
Capital Outlays	293,772	89,723	(204,049)		
TOTAL OTHER	290,975	170,611	(120,364)	0.00%	
TOTAL EXPENSES	697,938	873,940	176,002	0.00%	
OPERATING RESERVE					
TOTAL COST OF SERVICE	697,938	873,940	0	0.00%	
NET CASH FLOW	157,476	261,328	0	0.00%	
ENDING CASH	549,515	513,905			

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Set 2

PWFD 2-2: Regarding Div 1-5, are service pipes included in the response? If not, please provide the length of service pipes owned by Newport Water (or an estimate if not available) plus an estimate of the length of service pipe owned by customers.

Response: As requested in Division 1-5, only transmission and distribution mains were included in the response. Service pipes owned by Newport Water include piping from the main, up to and including the curb stop. The property owner is responsible for piping downstream of the curb stop. Newport Water does not keep a database of service pipes owned by the division, however estimates that it owns approximately 216,000 feet of service pipe. Newport Water has no estimate available for the length of service pipe owned by customers.

Prepared by: K. Mason

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PWFD 2-3: Regarding the response to Div 1-9, does Mr. Smith believe that the costs presented in Newport's response to Div 1-8 could be used as a basis? If not, why not? Please explain what is meant by "significant bill impact differentials"? Does Mr. Smith believe that such differentials would not be based on cost of service principles?

Response: It is possible that the costs presented in the response to Div 1-8 could be used as the basis for developing base charges by meter size; however, it must be recognized that these costs are only representative of the costs associated with replacing meters as part of the remote radio read project and are not necessarily representative of the historical costs associated with the meters installed in the past.

As for the differential bill impacts, preliminary calculations using the data presented in Div 1-9 indicate that some residential customers could experience a 19% decrease in their bills, while others could experience a 100% increase in their bill. To the extent that the meter cost data is representative of the costs associated with the meters currently in place, these differential would be cost of service based, but that does not mean that these differentials would not lead to customer confusion.

Prepared by: Harold J. Smith

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PWFD 2-4: Regarding the response to Div 1-14 and 1-15, does Newport Water acknowledge that Portsmouth Water receives service directly from the Lawton Valley treatment facility storage reservoir and does not use any of Newport's transmission or distribution system to obtain water from the Lawton Valley treatment facility? Over the past twenty (20) years how much water has PWFD taken from each of: (i) the 2MG standpipe, and (ii) the Mitchell's Lane connection? Under what circumstances did PWFD use the 2MG standpipe and/or the Mitchell's Lane connection?

Response: Newport Water acknowledges that PWFD receives service at the 4 Mgal reservoir at the Lawton Valley Treatment plant prior to Newport Water's transmission and distribution system. As detailed in Div 1-15, two additional connections, the 2MG standpipe and the Mitchell's Lane emergency connection, do utilize the Newport transmission and distribution system as well as the 2.5 MGD booster pumps located at Station 1.

According to interviews with current staff members, the 2MG Lawton Valley Standpipe has been used by PWFD once during the last twenty years. From March 30, 1999 through April 15, 1999, during the cleaning of the 4MG reservoir, approximately 11,000,000 gallons of water was drawn from the 2MG standpipe for use by PWFD.

Newport Water does not have any records indicating the Mitchell's Lane emergency connection has been used by PWFD over the last twenty years.

Prepared by: K. Mason

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PWFD 2-5: Please reconcile the Navy water use in response Div 1-16 and that presented in RFC B-6.

Response: The response to Navy water use in Div 1-16 was based upon calendar year 2008 water use. RFC Schedule B-6 is based upon fiscal year water use which runs from July 1st to June 30th.

Prepared by: K. Mason

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

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City Of Newport - Utilities Division - Water Department

Response to

Portsmouth Water and Fire District's Data Requests

Set 2

CERTIFICATION

I hereby certify that on January 11, 2009, I sent a copy of the within to all parties set forth on the attached Service List by electronic mail and copies to Luly Massaro, Commission Clerk, by electronic mail and regular mail.

Parties/Address	E-mail Distribution	Phone/Fax
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	Larry.r.allen@navy.mil	
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City Of Newport - Utilities Division - Water Department

Response to

Portsmouth Water and Fire District's Data Requests

Set 2

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File an original and nine (9) copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	lmassaro@puc.state.ri.us	401-780-2107 401-941-1691
	cwilson@puc.state.ri.us	
	anault@puc.state.ri.us	



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