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May 28, 2010

**Via Electronic Mail and Regular Mail**

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

**Re: Newport Water - Docket No. 4128**

Dear Ms. Massaro:

Enclosed for filing on behalf of Portsmouth Water & Fire District, please find an original and nine copies of Responses of Portsmouth Water & Fire District to Newport Water's Second Set of Data Requests.

Very truly yours,



David M. Marquez

DMM:jlm

Enclosures

cc: RIPUC Service List (electronically only)  
Jon Hagopian (via electronic and first class mail)

1054617 (38210/137951)

**CITY OF NEWPORT WATER DIVISION  
Docket No. 4128**

**Responses of  
Portsmouth Water & Fire District to  
Newport Water's Second Set of Data Requests**

NWD 2-1: In reference to Page 4, lines 7-9 of Mr. Woodcock's testimony, please provide the factual basis for the assertion that pumping costs are allocated exactly the same as treatment costs.

Response: This statement is based on RFC Sch B-2 (rebuttal) and JDM Sch B-2 (direct). On those schedules there are no pumping costs shown under the base or maximum day allocations to customers. It appears that the base and maximum day pumping costs have simply been added back into all other base and maximum day costs (net of T&D) and therefore allocated to Portsmouth. Upon further review I see that instead, the base and maximum day pumping costs had all been removed from the allocation under maximum hour. This too was incorrect because the percentages of costs assigned to Portsmouth are different for base, maximum day and maximum hour costs.

This was corrected in Mr. Mierzwa's surrebuttal schedules.

PREPARED BY: C. Woodcock

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NWD 2-2: Do the regulated utilities that Mr. Woodcock references on Page 4, line 26 of his rebuttal testimony have expense categories similar to Newport's "Customer Service" category, which includes costs associated with maintaining and repairing meters?

Response: Pawtucket Water's Customer Accounts category does track expenses similar to those tracked by Newport's Customer Service category.

The Kent County Water Authority ("KCWA") includes the costs of meter and service repair and maintenance within its T&D costs. The maintenance cost associated with meters approved in KCWA's last rate filing was nearly \$85,000 as compared to just \$11,000 included in Newport's Customer Service category for meter maintenance. KCWA had an additional \$39,000 for labor and materials associated with meters plus more than \$178,000 associated with service maintenance. There are no similar costs for service maintenance listed in Newport Water's expenses.

PREPARED BY: C. Woodcock

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NWD 2-3: In reference to Page 1, lines 19-20 of Mr. Woodcock's testimony, please provide the factual basis for the assertion that "Not all participants in this docket are aware of the history of Newport Water's Cost of Service and Demand Studies." In setting forth the factual basis, please identify each and every participant who is not aware of this history.

Response: As noted in my prefiled testimony, the only participants in this docket that have been personally involved in Newport's rate filings going back to Docket No. 2029 are myself, Mr. Harwig, and Mr. McGlenn.

PREPARED BY: C. Woodcock

**CITY OF NEWPORT WATER DIVISION**  
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NWD 2-4: In reference to Page 2, lines 19-20 of Mr. Woodcock's testimony, he states that "After extensive discovery, some details of Newport's study are available." With regard to this testimony:

- (a) Please state whether Mr. Woodcock contends that there are details that are still unavailable.
- (b) If the answer to subsection (a) is in the affirmative, please state each detail that is still unavailable.
- (c) If the answer to subsection (a) is in the affirmative, please state whether it is Mr. Woodcock's contention that Newport has refused to provide details requested by Portsmouth.
- (d) If Mr. Woodcock's answer to subsection (c) is in the affirmative, please state all facts which support this contention.

Response:

- (a) Yes.
- (b) Referring to PWFD 4-1:
  - a. NWD was asked for an explanation of the Marriott's use with respect to Account 078-20551. Newport responded that it did not know the specific uses of water by the Marriott.
  - b. NWD was asked if it believed that the meter associated with Account 078-20551 "did not use any water on 137 of the 144 days between May 1, 2009 and September 22, 2009. Newport would only go so far as to say that it "[did] not contend that this account did not use any water on 137 of the 144 days between May 1, 2009 and September 22, 2009."
  - c. NWD was asked "was the use exactly 100,000 units on each of one or more specific days and zero on other days or does the 100,000 units represent the accumulated use over several days?" Newport did not provide an answer responsive to this question.

It is also unclear how the substitute accounts were determined, who made the final determinations, what the problems with the initial accounts were, and why none of the other participants that had input to this study were not advised of such a significant change.

In addition, based on discussions with meter suppliers and a review of the meter specifications, it appears that the Marriott meter has 6 dials and only 4 digits or dials are recorded on the profiler. As a result, the meter report only provides use to the nearest 100,000 gallons. As a result, the reported peak use days of 100,000 are not a daily use, but an accumulation over many days. Newport did not provide this information.

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- (c) It is my contention that Newport did not provide the details requested nor did Newport provide full responses to PWFD's data requests.
- (d) See response to NWD 2-4(b) above.

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**CITY OF NEWPORT WATER DIVISION**

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NWD 2-5: In reference to Page 8, lines 7-9 of Mr. Woodcock's testimony, does Mr. Woodcock contend that there is any deficiency in the Navy's demand data collected by Newport? If so, please set forth the factual basis for this contention.

Response: The referenced testimony stated that only Portsmouth provided detailed demand data to Newport Water. I am unaware of any deficiencies in the data collected from the Navy meters. I have noted that five of the nine meters were listed as "manual read," and of those that are read automatically two report no use for much of the time. It is unclear if the manual read meters are read at the same time each day. I did note that the manual read meters:

- account for 70% of the total Navy use
- seem to have larger daily variations from the average than those read automatically, and
- tend to have higher maximum day to average day ratios than those read automatically.

I have not looked into this matter anymore than that to determine if the manual reads may have some deficiencies.

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NWD 2-6: In reference to Page 9, lines 18-20 of Mr. Woodcock's testimony, he indicates that he contacted the Kent County Water Authority, Providence Water, Pawtucket Water, East Providence and Portsmouth regarding estimated readings. With regard to this testimony, please identify the following:

- (a) The date and time Mr. Woodcock made these contacts; and,
- (b) The name of the person(s) Mr. Woodcock spoke with.

Response:

- (a) The contacts were all April 29-30, 2010, with two asked the evening of April 29 (approx. 6:10 pm) and the others asked the morning of April 30 (between 8:30 am and 11:00 am)
- (b) Kent County Water: Cindy Heard  
Providence Water: Jeanne Bondarevskis  
Pawtucket Water: Robert Benson  
East Providence: Ken Booth  
Portsmouth Water: William McGlinn

PREPARED BY: C. Woodcock

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NWD 2-7: In reference to Page 14, lines 28-30 of Mr. Woodcock's testimony, he indicates that Newport failed to answer PWFD 4-1. Please state the manner in which Newport failed to answer the question asked.

Response: Please see the response to NWD 2-4.

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NWD 2-8: In Mr. Woodcock's response to NWD 1-2, he indicates that he "did not use daily consumption data derived specifically from the client or utility to estimate residential class peaking factors in any" of the 125 studies he identified in his response to NWD 1-1. Mr. Woodcock further stated that in some of the studies identified in his response to NWD 1-1 he "derived daily demand data from studies by others." Please state why it is appropriate to use demand data from studies by "others" rather than demand data from the utility for which the cost of service study is being prepared.

Response: There may be many reasons why it is appropriate to use demand data from studies by "others." It may be that the demands are not in contention. For example, the study results may not impact customers outside the corporate bounds of the owning utility and there may not be an interest or need for that level of detail. It may also be that such a study would be a largely academic exercise, because a utility may have a fairly homogenous customer base. Lastly, it may be that a utility is similar to another utility that already conducted a study. The results of such a study may be applicable or transferable. Often, this circumstance arises when cost of service studies are prepared for small municipalities that do not have the funds to conduct such a study or the need for that level of expense; rather they are only looking to approximate the cost of service with their rates.

PREPARED BY: C. Woodcock

**Docket 4128 - City of Newport Water Division – Cost of Service Study/Rate Design  
Updated 12/29/09**

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