



552 Academy Avenue
Providence, RI 02908

401-521-6300
www.provwater.com

October 5, 2011

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

The Hon. Angel Taveras
Mayor

Pamela M. Marchand, P.E.
*Chief Engineer &
General Manager*

RE: Docket 4287-Hydrants Commission; Set I Responses

Dear Luly:

Enclosed for filing is an original and four copies of Providence Water's responses to the first set of data request with the exception of Comm 1-2, in Docket 4287.

If there are any questions, I can be reached at 521-6300, extension 7217.

Sincerely,

Mary L. Deignan-White
Senior Manager of Regulatory

cc: service list

BOARD OF DIRECTORS

Brett P. Smiley
Chairman

Joseph D. Cataldi
Vice Chairman

Lawrence J. Mancini
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Michael A. Solomon
City Council President

Michael J. Correia
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Andy M. Andujar
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Carissa R. Richard
Secretary

Fernando S. Cunha, Esq.
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Rhode Island Water Works Assn.
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American Water Works Assn.

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Only Tap Water Delivers

Docket No 4287
COMMISSION'S FIRST SET OF DATA REQUESTS
TO PROVIDENCE WATER SUPPLY BOARD
(Issued September 27, 2011)

- 1-1. Ms. Bondarevskis indicated in her testimony at page 3 that the City of Providence notified the Public Utilities Commission through the filing of Ordinance No. 423 "An Ordinance Setting Fees for the Usage of Fire Hydrants" on August 19, 2011 and stated that "[a]s a result, Providence Water is not able to bill public fire hydrant charges to Providence Water from and after August 19, 2011."
- a. What is the amount due from the City of Providence (whether or not billed or paid) for fire protection service for the period July 1, 2011 through August 18, 2011?
 - b. Has Providence Water Supply Board ("Providence Water") billed the City of Providence for fire service charges for the period July 1, 2011 through August 18, 2011?
 - c. If the response to 1-1(b) is no, why not?
 - d. If the response to 1-1(b) is yes, has Providence Water received payment for fire service charges from the City of Providence for the period July 1, 2011 through August 18, 2011?
 - e. If the response to 1-1(d) is no, what measures has Providence Water taken to collect the amount owed?

Answer:

- a. The amount due would be \$144,308.47 ($3,225 \times \$339.33 / 4 \times 48/91$)
- b. Yes. The City was billed for the quarter from July 1 through September 30 and is owed a credit for the period after 8/18.
- c. N/a
- d. No.
- e. Providence Water collected all hydrant fees from the City through December 2010. We have not reconciled and exchanged checks for the period from January 2011. We do plan to collect the money owed through 8/18/11.

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- 1-3. Please provide electronic copies of the Excel spreadsheets of Ms. Bondarevskis' schedules with the formulas intact. Please also update the formulas on JBB-5, page 2 for the error being returned.

Answer: The files are attached to the response email. The formula has been updated to remove the error.

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- 1-4. Please provide the minutes of Providence Water Supply Board meetings (including any subcommittee meetings) and City Council Meetings wherein there were discussions, presentations, or votes regarding the proposed fire protection charge.

Answer: The Providence Water Supply Board discussed the proposed fire protection charge at the July 13, 2011 meeting and by subcommittee members on August 12, 2011 and then at the next Board meeting on August 17, 2011. The only approved minutes are from July 13th, which are attached. Please note that the Board did approve the proposal filed with the PUC at its August 17, 2011 meeting, but the minutes are not yet finalized, but we will forward them once they are finalized.

The appropriate excerpts from the Council minutes for July 7, 2011 and July 18, 2011, where the fire protection charge issue was discussed or voted on, are also attached. We have also requested the minutes from the Joint Committee on Ordinances and Finance (they are not done yet) and will forward them once they are received.



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THE CITY OF PROVIDENCE
WATER SUPPLY BOARD
JULY 13, 2011 MINUTES

BOARD MEMBERS PRESENT:

Mr. Brett P. Smiley, Chairman
Councilman Correia, Board Member
Mr. Andy Andujar, Board Member
Mr. Richard Kerbel, Ex-Officio

Mr. Fernando S. Cunha, Esq., Legal Advisor
Ms. Pamela Marchand, Chief Engineer and General Manager
Ms. Carissa Richard, Board Secretary

BOARD MEMBERS ABSENT:

Mr. Joseph D. Cataldi, Vice Chairman
Council President Michael A. Solomon, Board Member
Ms. Joan Badway, Board Member

PROVIDENCE WATER SUPPLY BOARD STAFF ATTENDING:

Mr. Boyce Spinelli, Deputy General Manager of Administration
Mr. Michael Covellone, Director of Water Supply
Ms. Jeanne Bondarevskis, Director of Finance
Mr. Joseph Spremulli, Director of Support Services
Mr. Kenneth Booth, Director of Transmission and Distribution
Mr. Paul Titzmann, Director of Special Projects
Mr. David DelSesto, Director of Information Systems
Ms. Lynn Roberts, Senior Manager of Personnel
Mr. Steve Santaniello, Manager of Capital Programs
Mr. Dennis Salema, Senior Administrative Assistant

OTHERS ATTENDING:

None

The Hon. Angel Taveras
Mayor

Pamela M. Marchand, P.E.
*Chief Engineer &
General Manager*

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The Providence Water Supply Board met in the David F. Walsh Memorial Board Room of the Providence Water Supply Board building located at 552 Academy Avenue, Providence, Rhode Island.

1. **CALL TO ORDER:**

Chairman Smiley called the meeting to order at 5:00 p.m. Chairman Smiley led the assemblage in the Pledge of Allegiance to the Flag of the United States of America.

2. **ROLL CALL:**

A quorum was established by calling attendance of all Board members.

3. **APPROVAL OF MINUTES OF PREVIOUS MEETING:**

3.1 **June 22, 2011 Meeting**

A motion by Mr. Andujar, seconded by Councilman Correia to approve Agenda Item 3.1, was made. All members present were in favor of the motion. The motion passed 4 to 0.

4. **REPORTS:**

- 4.1 Chief Engineer's Report
- 4.2 Financial and Operating Report
- 4.3 Personnel Report
- 4.4 Overtime Report
- 4.5 Payroll and Receiving Report
- 4.6 Procurement and Project Status Report

Chief Marchand provided the Board with a summary of the information contained in Item 4.1.

A motion by Mr. Kerbel, seconded by Mr. Andujar, to approve Agenda Items 4.1, 4.2, 4.3, 4.4, 4.5 and 4.6 concurrently, was made. All members present were in favor of the motion. The motion passed 4 to 0.

5. **OLD BUSINESS:**

None

6. **NEW BUSINESS:**

6.1 **Request to Approval - Change in Providence Water Hours of Operation**

Chief Marchand informed the Board that Providence Water was looking at changing its standard hours of operation from 8:30 a.m. - 4:30 p.m. to 8:00 a.m. - 4:00 p.m. This change would better accommodate many customers, who are often waiting outside for the doors to open at 8:30 a.m. Most of the staff is in favor of the change. Approval is still needed from the City Administration and the Union.

The Board agreed that the change seemed to be beneficial to customers and staff, but wished to have feedback from the Union and City Administration before voting on the issue. The Board requested that Chief Marchand come back to the Board for approval after discussions with the Union and City.

6.2 PUC Matters

Legislation which would allow some municipalities to shift the cost of hydrant fees, per the enactment of a municipal ordinance, was passed by the General Assembly and signed by the Governor in early July. The related municipal ordinance was expected to receive final passage by the Providence City Council by the end of the month. As such, Providence Water will be presenting a proposal to the Public Utilities Commission pertaining to the reallocation of Providence hydrant fees.

Ms. Bondarevskis provided the Board with information on reallocation options. Mr. Kerbel stated that he would like for Board to vote on the hydrant fee reallocation options proposed to the Public Utilities Commission for consideration. Mr. Kerbel felt that more analysis was needed before a decision could be made. Chairman Smiley suggested that an ad hoc subcommittee meet to analyze the issue. The Board agreed that the subcommittee, consisting of Chairman Smiley, Councilman Correia, and Mr. Kerbel, would present their findings to the Board at the August meeting.

7. OTHER BUSINESS:

None

8. ADJOURNMENT:

A motion by Mr. Andujar, seconded by Councilman Correia and Mr. Kerbel, to adjourn the meeting, was made. All members present were in favor of the motion. The motion passed 4 to 0. The meeting was adjourned at 5:35 p.m.

ATTEST: A true attest.


Carissa R. Richard, Board Secretary

CITY OF PROVIDENCE

RHODE ISLAND

CITY COUNCIL

JOURNAL OF PROCEEDINGS

No. 23 City Council Regular Meeting, Thursday, July 7, 2011, 7:00 o'clock P.M. (E.D.T.)

PRESIDING

**COUNCIL PRESIDENT
MICHAEL A. SOLOMON**

ROLL CALL

PRESENT: **COUNCIL PRESIDENT SOLOMON,
COUNCILMEN APONTE, CORREIA, HASSETT,
IGLIOZZI, JACKSON, JENNINGS, LUNA,
COUNCILWOMAN MATOS, COUNCILMEN
NARDUCCI, SALVATORE, SANCHEZ, YURDIN
and ZURIER – 14.**

ABSENT: **COUNCILMAN PRINCIPE – 1.**

ALSO PRESENT: **Anna M. Stetson, City Clerk, Lori L. Hagen, Second
Deputy City Clerk Tina Mastroianni, Assistant Clerk
and Jeffrey M. Padwa, City Solicitor.**

COMMITTEE ON ORDINANCES
COUNCILMAN SETH YURDIN, Chairman
and
COMMITTEE ON FINANCE, JOINTLY
COUNCILMAN JOHN J. IGLIOZZI, Chairman

Transmits the Following with Recommendation the Same be Severally Adopted, As Amended:

An Ordinance in Amendment of Certain Sections of Chapter 9, Article IV of the Code of Ordinances, Entitled: "Connection of Private Alarm Systems with City System."

An Ordinance in Amendment of Chapter 17, Article VI of the Code of Ordinances, Entitled: "Retirement System."

Transmits the Following with Recommendation the Same be Adopted:

An Ordinance Setting Fees for the Usage of Fire Hydrants.

COUNCILMAN YURDIN Moves to Dispense with the Reading of the foregoing matter and Moves Passage of the Several Ordinances the First Time, seconded by COUNCILMAN NARDUCCI, by the following Roll Call Vote:

Read and Passed the First Time, on Motion of COUNCILMAN YURDIN, seconded by COUNCILMAN NARDUCCI, by the Following Roll Call Vote:

AYES: COUNCIL PRESIDENT SOLOMON, COUNCILMEN APONTE, CORREIA, JACKSON, JENNINGS, LUNA, COUNCILWOMAN MATOS, COUNCILMEN NARDUCCI, SALVATORE, SANCHEZ, YURDIN and ZURIER – 12.

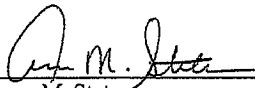
NAYES: NONE.

ABSENT: COUNCILMEN HASSETT, IGLIOZZI and PRINCIPE – 3.

The Motion for Passage of the Several Resolutions the First Time is Sustained.

ADJOURNMENT

There being no further business, on Motion of **COUNCILMAN YURDIN**, seconded by **COUNCILMAN NARDUCCI**, it is voted to adjourn at 7:45 o'clock P.M. (E.D.T.), to meet again **THURSDAY, JULY 14, 2011 at 5:30 o'clock P.M. (E.D.T.)**



Anna M. Stetson
City Clerk

CITY OF PROVIDENCE
RHODE ISLAND
CITY COUNCIL
JOURNAL OF PROCEEDINGS

No. 25 City Council Special Meeting, Monday, July 18, 2011, 5:30 o'clock P.M. (E.D.T.)

PRESIDING

**COUNCIL PRESIDENT
MICHAEL A. SOLOMON**

ROLL CALL

PRESENT: **COUNCIL PRESIDENT SOLOMON,
COUNCILMEN APONTE, CORREIA, HASSETT,
IGLIOZZI, JACKSON, JENNINGS, LUNA,
COUNCILWOMAN MATOS, COUNCILMEN
NARDUCCI, PRINCIPE, SALVATORE, SANCHEZ,
YURDIN and ZURIER – 15.**

ABSENT: **NONE.**

ALSO PRESENT: **Lori L. Hagen, Second Deputy City Clerk, Sheri A.
Petronio, Assistant Clerk and Jeffrey M. Padwa, City
Solicitor.**

COUNCILMAN YURDIN Moves to Dispense with the Reading of the foregoing matters and Moves Passage of the Several Ordinances the Second Time, seconded by COUNCILMAN NARDUCCI, by the Following Roll Call Vote:

AYES: COUNCIL PRESIDENT SOLOMON, COUNCILMEN APONTE, CORREIA, HASSETT, IGLIOZZI, JACKSON, JENNINGS, LUNA, COUNCILWOMAN MATOS, COUNCILMEN NARDUCCI, PRINCIPE, SALVATORE, SANCHEZ, YURDIN and ZURIER – 15.

NAYES: NONE.

RECUSE: COUNCILMAN SALVATORE Recuses himself from voting on “An Ordinance in Amendment of Chapter 27 of the Code of Ordinances of the City of Providence Entitled: “The City of Providence Zoning Ordinance”, Approved June 27, 1994, As Amended, to change the zoning designation of Lots 693, 694, 695, 701, 702 and 828 on the Tax Assessor’s Plat 22 from an R-3 Three Family Zone to an M-1 Industrial Zone. (16, 18 & 22 Harold Street)” – 1.

ABSENT: NONE.

The Motion for Passage of the Several Ordinances the Second Time is Sustained.

An Ordinance in Amendment of Certain Sections of Chapter 9, Article IV of the Code of Ordinances, Entitled: “Connection of Private Alarm Systems with City System.”

Insert 12.

An Ordinance in Amendment of Chapter 17, Article VI of the Code of Ordinances, Entitled: “Retirement System.”

Insert 13.

An Ordinance Setting Fees for the Usage of Fire Hydrants.

Insert 14.

COUNCILMAN ZURIER Recuses himself from voting on this matter.

COUNCILMAN YURDIN Moves to Dispense with the Reading of the foregoing matters and Moves Passage of the Several Ordinances the Second Time, seconded by COUNCILMAN NARDUCCI, by the Following Roll Call Vote:

AYES: COUNCIL PRESIDENT SOLOMON, COUNCILMEN APONTE, CORREIA, HASSETT, IGLIOZZI, JACKSON, JENNINGS, LUNA, COUNCILWOMAN MATOS, COUNCILMEN NARDUCCI, PRINCIPE, SALVATORE, SANCHEZ and YURDIN and ZURIER – 15.

NAYES: NONE.

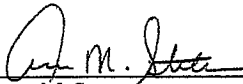
RECUSE: COUNCILMAN ZURIER Recuses himself from voting on “An Ordinance Setting Fees for the Usage of Fire Hydrants” – 1.

ABSENT: NONE.

The Motion for Passage of the Several Ordinances the Second Time is Sustained.

ADJOURNMENT

There being no further business, on Motion of **COUNCILMAN YURDIN**, seconded by **COUNCILMAN NARDUCCI**, it is voted to adjourn at 6:55 o'clock P.M. (E.D.T.), to meet again **FRIDAY, JULY 29, 2011 at 5:30 o'clock P.M. (E.D.T.)**



Anna M. Stetson
City Clerk

Docket No 4287
COMMISSION'S FIRST SET OF DATA REQUESTS
TO PROVIDENCE WATER SUPPLY BOARD
(Issued September 27, 2011)

- 1-5. On page 5, lines 6-13, Ms. Bondarevskis discusses the calculation used to develop the modified equivalency factor for allocating the lost revenue by meter size. Please explain how the weighting factor was developed and calculated.

Answer: Providence Water considered various alternatives in order to propose a fire protection service charge that would be as equitable as possible, address the concerns raised by the Division and Commission in prior years, and be as easy to understand and implement as possible. One of the options looked at was the use of the AWWA Meter Flow Capacity factor and the impact this would have on tax exempt properties. This option resulted in less revenue being generated than the option that would have split the charge between a fixed and volume charge (50/50 option). Therefore we weighted the factors to modify the AWWA Meter Flow Capacity factor and increase the impact on larger size meters that would have a larger overall total bill.

We initially considered 3 sets of weighting factors and reviewed the results. The Chief Engineer then requested an analysis of 2 additional sets of weighting factors and the last one was selected. Please see the attached table of the weighting factors and results.

**Providence Water
Docket 4287
Comm DR 1-5**

	<u>5/8"</u>	<u>3/4"</u>	<u>1"</u>	<u>1.5"</u>	<u>2"</u>	<u>3"</u>	<u>4"</u>	<u>6"</u>	<u>8"</u>	<u>10"</u>	<u>12"</u>	<u>Impact on Tax Exempts</u>	<u>Impact on Single Family</u>
Initially considered Weights													
	1	1	1	1	1	2	2	3	3	3	3	\$ 135,561.04	\$ 322,655.00
	1	1.25	1.5	1.5	2	2	3	3	4	4	5	\$ 151,423.56	\$ 291,037.92
	1	1	1.5	1.5	1.5	2	2	3	3	4	4	\$ 142,267.96	\$ 306,850.08
Chief Suggested Weights													
	1	1	1.5	1.5	2	3	4	5	5	5	5	\$ 174,265.52	\$ 264,844.96
	1	1	1.5	2	3	4	4	4	4	4	4	\$ 177,862.68	\$ 253,893.40

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- 1-6. Please show the calculation explained on page 5, lines 6-13 using a one inch meter and three inch meter.

Answer: See attached.

**Providence Water
Docket 4287
Comm DR 1-6**

	1 inch meter		3 inch meter	
	<u>Quarterly</u>	<u>Monthly</u>	<u>Quarterly</u>	<u>Monthly</u>
# of Meters by Size in Providence	2,009	1	55	11
Calculated Meter Flow Capacity	50/20	50/20	(300+350/2)/20	(300+350/2)/20
or	2.5	2.5	16.25	16.25
times	\times	\times	\times	\times
Applied Weighting Factor	1.5	1.5	4	4
equals	=	=	=	=
Modified Meter Equivalency Factor	3.75	3.75	65	65
times	\times	\times	\times	\times
# of Meters by Size (from above)	2,009	1	55	11
equals	=	=	=	=
Equivalent meters	7,534	4	3,575	715

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1-7. What is the projected cost of modifying the bill format of Providence customers' bills to itemize the proposed Fire Protection Charge?

Answer: Providence Water's Director of MIS estimates that it will be between \$1,000 to \$15,000.

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- 1-8. Assuming the Tariff is approved for effect November 1, 2011, when would the first bills showing the new charge be sent to customers?

Answer: Fortunately, the Providence cycles are scheduled to be billed as follows:
Cycle 70 November 21, and Cycle 71 – 74 between December 20 – 26. Therefore we have time to implement the charge.

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COMMISSION'S FIRST SET OF DATA REQUESTS
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- 1-9. Please provide the bill notice that will appear on Providence customers' first bills that include the Fire Protection Charge.

Answer: "Your water bill includes a new Fire Protection Service Charge that was required due to a change in law that prohibits Providence Water from charging the City of Providence for hydrant fees. City of Providence ratepayers will now be charged for Fire protection directly, based on the size of your water meter. This charge was approved by the RI Public Utilities Commission in October 2011. "