

PROVIDENCE WATER SUPPLY BOARD
Docket No. 4406

RESPONSES TO
Data Requests of the
Division of Public Utilities and Carriers
to Kent County Water Authority
Set II

DIV-2: KCWA-1. Please provide copies of the three most recent pieces of testimony sponsored by Mr. Woodcock which address the concept of gradualism.

ANSWER: A computer search on the words “gradualism”, “gradual”, and “phase-in” resulted in two such testimonies at the RI PUC. See:

1. Pennichuick East NHPUC Doc. 13-126:

<http://www.puc.state.nh.us/Regulatory/Docketbk/2013/13-126/INITIAL%20FILING%20-%20PETITION/13-126%202013-05-31%20PEU%20DIRECT%20PREFILED%20TESTIMONY%20C%20WOODCOCK.PDF> and

2. Pawtucket Water RI PUC Doc. 4171: [http://www.ripuc.org/eventsactions/docket/4171-PWSB-Woodcock\(4-14-10\).pdf](http://www.ripuc.org/eventsactions/docket/4171-PWSB-Woodcock(4-14-10).pdf)

In both cases the testimony related to gradualism or phasing-in of rates or charges involved retail rates only and did not impact outside or wholesale rates.

- DIV-2: KCWA-2.
- a. Has Mr. Woodcock ever previously testified that a group or class of customers should not receive a rate decrease at a time when overall, rates are increasing?
 - b. If yes, please provide copies of the three most recent pieces of testimony sponsored by Mr. Woodcock which address the issue discussed in part (a).

ANSWER: I am unaware of any, although an exhaustive search of every such instance is not possible. The situation with the current docket is rather unique. There were three major factors (an incorrect asset listing, the revised allocation of lost water, and the incorrect assignment of 12" distribution lines to wholesale customers) that resulted in the existing charges to the Kent County Water Authority (and other wholesalers) being in excess of their costs. If those three factors had been properly reflected in Providence Water's current wholesale rates and charges, the rate currently charged to Kent County would have been significantly lower and it is possible that there would NOT be any decreases proposed. In evaluating the situation posed in the question, the Commission (and the Division) should consider that the Kent County Water Authority has been subsidizing service to retail customers for the period of time that Providence Water has utilized an incorrect asset listing to assign capital costs, has been charging the Kent County Water Authority for system water losses that properly belong to the retail class, and has been assigning costs of retail mains to wholesale customers. That the Division and Providence suggest that leaks between the curb stop and the customer's meter should be ignored only perpetuates the subsidy of water losses by the wholesale customers.

- DIV-2: KCWA-3.
- a. Has Mr. Woodcock ever previously testified that a group or class of customers should receive a rate decrease at a time when overall, rates are increasing?
 - b. If yes, please provide copies of the three most recent pieces of testimony sponsored by Mr. Woodcock which address the issue discussed in part (a).

ANSWER: An exhaustive search of every such possible instance (even the last three) would be quite time consuming, particularly considering the overly broad question posed. That said, I suspect there have been times when I testified (or wrote a report recommending) in favor of some reduction to a rate or charge. One such scenario could be the adoption of a new increasing block rate structure in place of a uniform rate. In that case, some group or class (small volume users) could see such a reduction. Another scenario could involve a reduction to some private fire service customers – most likely in a case where there was a flat or uniform private fire service charge or charges based on numbers of sprinkler heads and this was replaced with private fire service charges based on service size. In that case, the group of smaller size fire services could see a reduction.

Please see response to DIV-2:KCWA-3.