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Providence, RI 02908

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November 19, 2013

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

The Hon. Angel Taveras
Mayor

Boyce Spinelli
General Manager

RE: Dk 4406 Kent County Water Authority: Set 10

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Legal Advisor

Dear Mrs. Massaro:

Enclosed are an original and seven copies of Providence Water's responses to the 10th set of data requests from KCWA.

If you have any questions you can contact me at extension 7217.

Sincerely,

Mary L. Deignan-White
Senior Manager of Regulatory

cc: service list

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Providence Water Docket 4406

Data Requests of the
Kent County Water Authority
Set 10 (Issued October 29, 2013)

KCWA 10-1. Ms. Marchand's Surrebuttal Testimony states that some or all of the 90 inch pipe on Schedule HJS Exhibit 14 is associated with the plant intake or supply and not with the transmission/distribution system.

- a. Please confirm or deny Ms. Marchand's testimony in this regard.
- b. If confirmed, how much of the 4.47 miles is associated with the supply line or intake?

Answer: Mr. Woodcock's interpretation of Ms. Marchand's Surrebuttal testimony is wrong. Ms. Marchand suggests that the 90" pipe is a tunnel and should not be included in the UFW calculation. However, the entire 4.47 miles of 90" discussed, is a transmission tunnel that runs from the plant to the siphon chamber in Cranston, it is not a supply line or intake. Moreover, this tunnel is subject to leakage, just like other transmission mains.

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**Data Requests of the
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KCWA 10-2. Regarding the October 24, 2013 response to Div 7-2:

- a. On the number of Providence water meters as of September 30, 2013, please break down by monthly vs. quarterly billing.
- b. On the updated to Div 1-5 (retail meters): please break these down by monthly and quarterly billing per Mr. Smith's HJS S-10 as of Sept. 30, 2013.

Answer:

Please see attached worksheet with break downs:

- a. Providence water meters as of 9/30/13 for quarterly and monthly billing.
- b. Retail meters as of 9/30/13 for quarterly and monthly billings.

KCWA 10-2

a.) Providence Meters billed as of September 30, 2013 on a monthly and quarterly basis.

	Total Meters Billed	Meters Billed Monthly	Meters Billed Quarterly
5/8"	25,271	1	25,270
3/4"	4,266		4,266
1"	1,988		1,988
1.5"	902		902
2"	881	27	854
3"	50	11	39
4"	20	6	14
6"	31	12	19
8"	13	8	5
10"	1		1
12"			
Total	33,423	65	33,358

b.) Retail Meters billed as of September 30, 2013 on a monthly and quarterly basis.

	Total Retail Meters Billed	Retail Meters Billed Monthly	Retail Meters Billed Quarterly
5/8"	52,908	1	52,907
3/4"	10,662		10,662
1"	5,052	2	5,052
1.5"	1,501		1,499
2"	1,474	34	1,440
3"	66	13	53
4"	32	8	24
6"	60	17	43
8"	33	8	25
10"	2		2
12"	1	1	
Total	71,791	84	71,707

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KCWA 10-3. Regarding the response to Div 8-6:

- a. Please explain why there are due from operations balances in the various restricted accounts as of June 30, 2013.
- b. Does Providence Water have the cash on hand to fund these accounts?
- c. Is it correct that the Revenue Reserve Fund was fully funded on 6-30/13? If so please explain what order that Providence chooses to fund the restricted accounts.
- d. What are the fund balances as of 9-30-2013?
- e. Has Providence Water asked the Commission to use the Revenue Reserve Fund to reimburse other restricted funds that were not fully funded as of 6-30-2013? If not, why not?

Answer:

- a. Providence Water did not have sufficient cash to fund the restricted accounts on June 30, 2013, as testified on 11/13/13.
- b. Providence Water currently has cash to clear out the due from balances as of June 30, 2013.
- c. Yes. Providence Water follows the funding order required by the Bond Indenture as was explained at the hearing on 11/13/13.
- d. Please see attached as of 10/31/13. Providence Water will be filing our restricted report for this time period in the near future.
- e. No. It is our understanding that the revenue reserve fund was intended to be used for shortfalls caused by drops in consumption as per Report and Order # 20160, item 3.

KcWA 10-3(d)

Providence Water Restricted Funds Reconciliation For the period ending 10/31/13 *

845	Capital	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865			
	Beginning Cash Balance 7/1/13	\$ 6,446,770	\$ 6,055,651	\$ 1,182,218	\$ 4,174,406	\$ 1,026,741	\$ 420,615	\$ 1,480,567	\$ 1,542,636	\$ 1,431,161	\$ (1,990,049)	\$ 161,592												
	Due From 601	2,450,000	5,943,646	1,489,999	887,823	0	307,416	62,069																
	Due from 643																							
	Due from 645																							
	Due from 648																							
	Due from 649																							
	Due from 678	1,000,000																						
	Due To 645																							
	Due To 648																							
	Due to 601											0												
	Due To 643												1,190											
	Due To 645																							
	Due To 648																							
	Due To 643	-3,318	-1,555,179																					
	Due To 845																							
	Due To 848	0																						
	Due To 877	0																						
	Sub-total Cash & Due To/From Balances	\$ 9,893,452	\$ 10,444,116	\$ 2,682,217	\$ 2,701,225	\$ 4,174,406	\$ 1,334,155	\$ 420,615	\$ 1,542,636	\$ 1,431,161	\$ (1,990,049)	\$ 161,592												
	Funding																							
	Tr of Docket Revenue	816,667	5,333,333	333,333	692,354	371,284	200,000	20,690																
	Reimbursements from other Funds																							
	Interest Income		310																					
	Interest Income Others**	79,307	84,810	119,467																				
	Sale of Land																							
	Impact Fees																							
	Sub-total Funding	\$ 896,973	\$ 6,491,690	\$ 452,801	\$ 692,354	\$ 371,284	\$ 200,000	\$ 38,977	\$ 18,287	\$ 38,977	\$ 1,190,931	\$ -												
	Expenses																							
	Debt Service Principal	301,154	2,656,000	481,846																				
	Debt Service Interest	14,387	708,324	23,020																				
	Line of Credit		3,000,000	8,651																				
	Interest on Line of Credit			8,651																				
	Sub-total Debt	\$ 315,541	\$ 6,372,975	\$ 504,866	\$ 350,000	\$ -	\$ -	\$ 150,451	\$ -	\$ -	\$ -	\$ -												
	Salary & Fringes		157,608																					
	Payroll Reimbursement																							
	Impact Fees																							
	Autos and Trucks																							
	Chemicals/Judge Maintenance						31,696																	
	Insurance											778,698												
	Claims																							
	Computers/Communication Equip																							
	Legal												1,908											
	Project Costs																							
	Land																							
	Private Contractors																							
	Maintenance & Services																							
	Repairs to Streets																							
	Misc Expenses																							
	Materials/Equipment																							
	Office Furniture																							
	Property Tax Reimbursement																							
	Sub-total Expenses	\$ 132,743	\$ 4,082,089	\$ 901,157	\$ 922,948	\$ -	\$ 41,685	\$ -	\$ -	\$ -	\$ -	\$ -												
	Ending Cash & Due To/From Balance 10/31/13	\$ 10,341,141	\$ 2,599,995	\$ 6,480,743	\$ 2,020,632	\$ 4,545,690	\$ 1,492,570	\$ 420,615	\$ 1,431,161	\$ (1,990,049)	\$ 161,592													

** Loan principal forgiveness on CWFA FY09 Bonds * Please note using unaudited financial statements

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KCWA 10-4. Regarding the response to DIV 8-8:

- a. Did Providence Water ask Partridge Snow & Hahn to investigate how the Commission has required revenues from conversions to monthly billing to be used? If not, why not?
- b. Please provide copies of every report from Partridge Snow & Hahn regarding its research or review of PUC decisions or policies that may impact Providence Water from October 11, 2011 up to and including October 3, 2013.

Answer: a. & b. No. Partridge Snow & Hahn was not asked to do these tasks. Partridge, Snow and Hahn (P S & H) has been working with Providence Water on the primary recommendation in the strategic plan, which was for Providence Water to become more autonomous from the City of Providence. P S & H recommends that autonomy be accomplished through a legislative reorganization to a Regional Water Authority.

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KCWA 10-5. Regarding the response to KCWA 9-1 (a):

- a. If customers arrange for and pay for the repairs to services on “their side of the curb stop” why would Providence Water book any asset value for the customers’ property?
- b. How did Providence Water determine what a customer paid for the repair on their side of the service?
- c. The footnote (“**”) on the spreadsheet provided with Div 3-1 suggests that the entire \$26,614,776 of contributed capital was for service pipes. Please clarify if this was for only service pipes or for all assets (with \$5,645,788 of contributions being for service pipes).
- d. Provide a listing or backup for the \$26,614,776 or \$5,645,788 of customer owned service pipe repairs on their side of the curb stop that Providence Water has removed as contributed assets.

Answer:

- a. The original response should have said “our” not “their”.
- b. n/a
- c. As explained in the response to KCWA 9-1a, the entire \$26,614,8776 was deducted from Service pipes, consistent with how it was done in Docket 3163, and approved by the Commission.
- d. This will be done if the settlement agreement is approved by the Commission as filed (see paragraph 10 of the settlement agreement), and if the records are still available.

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KCWA 10-6. The footnote to the attachment to KCWA 9-1 (b) says that the 1987 records broke down the contributed asset values of transmission and distribution mains. Please provide the detail of the 1987 records that showed those broken down contributions.

Answer: The schedule attached to KCWA 9-1 (b) was prepared in 2000 in response to data requests issued in Docket 3163. It was then updated in 2007 in response to data requests issued in Docket 3832. Providence Water will provide the details if the settlement agreement is approved by the Commission as filed (see paragraph 10 of the settlement agreement), and if the records are still available.