



552 Academy Avenue  
Providence, RI 02908

**401-521-6300**

[www.provwater.com](http://www.provwater.com)

May 21, 2013

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

RE: Dk 4406 Division of Public Utilities & Carriers; Set 1

Dear Mrs. Massaro:

Enclosed is an original and four copies of Providence Water's responses to the first set of data requests from the Division of Public Utilities.

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

Sincerely,

Mary L. Deignan-White  
Senior Manager of Regulatory

cc: service list

Providence Water Docket 4406

**Data Requests of the  
Division of Public Utilities and Carriers  
Set 1**

DIV 1-1. Please explain in detail and show the derivation of the adjustment to test year payroll expense to account for “payroll volatility.”

Response: Due to changes in staffing, the test-year payroll expense amounts are not an appropriate representation of the payroll expenses Providence Water will incur going forward. To account for these differences, a representative payroll period was selected (the week ending 11/18/2012). This weekly payroll amount was adjusted to reflect changes in staffing (i.e. adjustments 2, 3 and 4) to arrive at a normalized weekly salary (5). This weekly salary was then annualized (7). Added to this were expenses not captured during the 11/18 payroll period, but would be nonetheless incurred on an annual basis by Providence Water (8 and 9). The resulting amount \$14,190,812, represents the total test payroll expense (before any contractual adjustments). The difference between this and the unadjusted test-year payroll expense, \$13,314,287 is \$876,525. This adjustment was pro-rated proportionally to each payroll expense account. Note that one negative adjustment, in the amount of \$74,666 was made to 60180, to account for severance pay made to former Chief Engineer Pamela Marchand. As a result, the total normalizing adjustment to test-year payroll expenses is \$801,859 (\$876,525 – \$74,666). Please see the attached “PWSB Response to DIV 1-1, Derivation of Normalizing Adjustments.”

PWSB Response to DIV 1-1  
 Derivation of Normalizing Adjustments

1) Development of Normalized Payroll

Salaries & Wages	
Payroll week ending 11/18/12	1) \$ 253,221
Less: 848 payroll not charged to operations	2) \$ (6,191)
Add: Workers Comp (5) positions	3) \$ 3,938
Add: Normalizing Adjustments 11 positions	4) \$ 9,549
= (1+2+3+4) Adjusted Weekly Salary	5) \$ 260,517
Weeks per year	6) 52
= (5*6)	7) \$ 13,546,859
Plus: Longevity(paid once a year)	8) \$ 627,639
Plus: Board and Raingauge (not paid on 11/18 payroll)	9) \$ 16,313
= (7+8+9) Total Annualized Salary	10) \$ 14,190,812
Test Year Total Payroll	11) \$ 13,314,287
= (12-10) Difference Between Normalized Payroll and Test Year	12) \$ 876,525

2) Pro-rated Adjustments to Payroll Expense Accounts

	Proportion of Total Payroll Expense Test Year	Proportional Allocation of Adjustment	Additional Adjustments*	Adjustment to Normalize Test-Year
60110 Salaries & Wages - Emp	4%	\$ 38,254	\$ -	\$ 38,254
60120 Salaries & Wages - Emp	3%	\$ 27,689	\$ -	\$ 27,689
60320 Sal & Wages - Officers, Dir	0%	\$ -	\$ -	\$ -
60123 Salaries & Wages - Emp	0%	\$ -	\$ -	\$ -
60126 Salaries & Wages - Emp	0%	\$ -	\$ -	\$ -
60130 Salaries & Wages - Emp	15%	\$ 127,326	\$ -	\$ 127,326
60140 Salaries & Wages - Emp	2%	\$ 20,767	\$ -	\$ 20,767
60150 Salaries & Wages - Emp	7%	\$ 61,058	\$ -	\$ 61,058
60160 Salaries & Wages - Emp	16%	\$ 138,744	\$ -	\$ 138,744
60250 Payroll Clearing	0%	\$ -	\$ -	\$ -
60260 Payroll Clearing	0%	\$ -	\$ -	\$ -
60170 Salaries & Wages - Emp	14%	\$ 118,396	\$ -	\$ 118,396
60270 Payroll Clearing	0%	\$ -	\$ -	\$ -
60180 Salaries & Wages - Emp	39%	\$ 344,291	\$ (74,666)	\$ 269,625
60280 Payroll Clearing	0%	\$ -	\$ -	\$ -
60380 Sal & Wages - Officers, Dir	0%	\$ -	\$ -	\$ -
	100%	\$ 876,525	\$ (74,666)	\$ 801,859

\*Adjustment to remove \$74,666 severance payment to former Chief Engineer Pamela Marchand

Providence Water Docket 4406

**Data Requests of the  
Division of Public Utilities and Carriers  
Set 1**

DIV 1-2. Referring to page 8, lines 5-6 of Mr. Smith's Testimony and Schedule HJS-A1, please explain why both payroll clearing amounts and overhead rate applied amounts are zeroed out in an identical manner given that payroll clearing amounts are reimbursed from the IFR fund but overhead rate applied amounts are not.

Response: While both amounts are zeroed out in HJS-A1, the payroll clearing amount (\$798,115) is accounted for and credited against the overall revenue requirement in the O&M allocation. It is shown as a reduction to the O&M revenue requirements on Schedule HJS-11 ("Less Capital Reimbursement"). This approach is consistent with Providence Water's most recent full rate filing (See P. 5, "HJS Exhibit 2" Update, Docket No. 3832).

Providence Water Docket 4406

**Data Requests of the  
Division of Public Utilities and Carriers  
Set 1**

DIV 1-3. Please explain in detail and provide a breakdown of what costs are included in overhead rate applied amounts and how the amounts of those overheads for the test year were determined.

Answer: The overhead applied amounts are the portion of expenses related to project costs that Providence Water capitalizes. It is captured through work orders or payroll time sheets. In the case of work orders it would represent the vehicles & equipment, fringe overhead on labor, and general overheads on materials, labor, and vehicles & equipment. Payroll time sheets are used to capture the labor associated with the IFR projects that is also capitalized. The overhead associated with these costs would be the fringe overhead on this labor.

The overhead rates used in FY 2012 were calculated as follows:  
At the end of each fiscal year the Direct Labor overhead rate and the Administrative overhead rates are calculated for the next fiscal year. So the overhead rates used in fiscal year 2012 are based on the actual data for the fiscal year ending June 30, 2011.

(1) For Direct Labor overhead rate, the following costs are used:

Total Salary and Wages: \$13,307,968

Total Fringe Benefits: \$6,024,521.

Based on this data, the direct labor overhead rate is **45.27%** of labor cost charged.

(2) For Administrative Overhead rate the following cost are used:

The total cost of operating cost for the fiscal year 2011 is \$33,407,158

The total cost of administrative cost which includes Administration, Finance, Support and Engineering is \$11,987,186.

Base on this data, the administrative overhead rate is **35.88%** of the total operating cost of the organization.

Please see the attached breakdown for the FY 2012 Overhead Applied amounts.

Providence Water

Analysis of Overhead Applied Test Year FY 2012

60550 Trans. & Distrib.	Overhead Applied	604,033.76
60570 Customer Accounts	Overhead Applied	377,448.77
60580 General Admin.	Overhead Applied	<u>221,235.88</u>

Total 1,202,718.41

Overhead applied is from T&D work orders, Commercial Services work orders for the installation of Meters & ERT's and Mlogs, General Admin fringes on labor charged to IFR projects.

Overhead on Materials	360,907.46
Fringes on Labor	340,124.32
Overhead on Labor	111,017.12
Vehicles & Equipment	286,648.49
Overhead on Vehicles & Equipment	<u>104,021.03</u>

Total 1,202,718.41

For D4406 Div 1-3

Providence Water Docket 4406

**Data Requests of the  
Division of Public Utilities and Carriers  
Set 1**

DIV 1-4. Please provide a schedule showing expenses for FY 2010, FY 2011, FY 2012, and FY 2013 to date by account similar to Schedule HJS-A1.

Answer: Please see attached worksheet showing expenses for FY's 10, 11, 12 and 13 through 12/31/12.

**PROVIDENCE WATER  
COMPARATIVE SCHEDULE OF EXPENSES**

ACCOUNT	TITLE	FISCAL YEAR 06/30/10	FISCAL YEAR 06/30/11	FISCAL YEAR 06/30/12	PERIOD ENDING 12/30/13
<b>Source of Supply</b>					
	Salaries + Wages - Emp	632,266	608,420	581,072	254,051
	Salaries + Wages - Emp	466,004	515,865	420,589	209,926
	Payroll Clearing -Emp		(1,474)		
	Sal. + Wages - Officers, Dir				
	Employee Pension + Ben	190,660	184,061	168,591	116,523
	Employee Pension + Ben	174,757	195,337	188,577	143,598
	Purchase Power				
	Fuel for Power Purch				
	Material + Supplies	24,948	25,892	18,958	2,677
	Material + Supplies	36,394	75,671	73,286	288,938
	Contractual Services - Engineer	4,898	1,295	2,460	
	Contractual Services - Engineer				
	Contract Services -Legal			18,238	
	Contractual Services - Mgt. Fees				
	Contractual Services - Other	430,089	444,560	419,915	165,989
	Contractual Services - Other	22,237	25,714	31,771	20,914
	Rental of Equipment				
	Rental of Equipment				
	Transportation Exp.	3,713	2,817	146	723
	Transportation Exp.				
	Misc. Expenses	5,813	99,393	69,132	6,081
	Misc. Expenses	14,062	7,075	4,550	9,553
	<b>Total Source of Supply Expense</b>	<b>2,005,842</b>	<b>2,184,626</b>	<b>1,997,284</b>	<b>1,218,973</b>
<b>Pumping Expenses</b>					
	Salaries + Wages - Emp		-	-	
	Salaries + Wages - Emp		-		
	Employee Pension + Ben		-		
	Employee Pension + Ben		-		
	Purchase Power	753,878	852,085	778,684	300,327
	Fuel for Power Purch				
	Material + Supplies				
	Material + Supplies				
	Contractual Services - Engineer				
	Contractual Services - Engineer				
	Contractual Services - Other	25,963	18,835	11,629	2,277
	Contractual Services - Other				
	Rental of Equipment				
	Rental of Equipment				
	Transportation Exp.				
	Misc. Expenses				
	Misc. Expenses				
	<b>Total Pumping Expenses</b>	<b>779,841</b>	<b>870,920</b>	<b>790,313</b>	<b>302,604</b>
<b>Water Treatment Expenses</b>					
	Salaries + Wages - Emp	2,040,697	1,905,015	1,934,063	866,808
	Salaries + Wages - Emp	306,131	220,960	315,454	177,308
	Employee Pension + Ben	568,043	576,480	606,264	471,631
	Employee Pension + Ben	138,677	91,573	134,901	109,638
	Purchase Power	215,951	244,896	226,424	87,807
	Fuel for Power Purch	197,452	243,122	230,829	81,711
	Chemicals				
	Material + Supplies	102,449	124,907	124,833	75,723



**PROVIDENCE WATER  
COMPARATIVE SCHEDULE OF EXPENSES**

ACCOUNT	TITLE	FISCAL YEAR 06/30/10	FISCAL YEAR 06/30/11	FISCAL YEAR 06/30/12	PERIOD ENDING 12/30/13
	Material + Supplies	81,034	58,030	67,060	
	Contractual Services - Engineer				
	Contract Services - Acctg				
	Contractual Services - Mgt. Fees				
	Contractual Services - Other	249,101	113,334	141,797	37,294
	Contractual Services - Other	84,014	49,811	85,680	22,243
	Rental Buildg/Real Prop				
	Rental of Equipment				
	Rental of Equipment	2,270			
	Transportation Exp.			5,806	
	Insurance Vehicle				
	Insurance - W/C				
	Insurance - W/C				
	Regularoty Com Exp. -Other				
	Misc. Expenses	3,482	72,139	96,719	23,456
	Misc. Expenses	714		2,027	
	<b>Total Treatment Expense</b>	<b>3,990,015</b>	<b>3,700,267</b>	<b>3,971,857</b>	<b>1,953,619</b>
	<b>Transmission + Dist. Expense:</b>				
	Salaries + Wages - Emp	965,957	1,011,461	927,462	450,507
	Salaries + Wages - Emp	2,132,463	1,867,293	2,107,495	1,065,637
	Payroll Clearing -Emp	(64,936)	(279,167)	(216,355)	(102,164)
	Payroll Clearing -Emp				
	Employee Pension + Ben	257,153	271,568	241,316	224,926
	Employee Pension + Ben	894,710	776,358	846,629	595,191
	Overhead Rate Applied	(197,766)	(811,616)	(604,034)	(301,361)
	Overhead Rate Applied				
	Purchase Power	14,643	14,445	12,019	4,275
	Material + Supplies	405,078	341,235	269,822	246,210
	Material + Supplies				
	Inventory Clearing				
	Contractual Services - Engineer		20,043	36,120	15,183
	Contractual Services - Legal T&D0				
	Contractual Services - Mgt. Fees				
	Contractual Services - Other	37,505	312,640	453,727	397,491
	Contractual Services - Other	783,930	26,444	65,018	
	Rental Buildg/Real Prop				
	Rental Buildg/Real Prop				
	Rental of Equipment				
	Rental of Equipment	2,782			2,383
	Transportation Exp. T&D			2,748	
	Insurance W/C				
	Insurance W/C				
	Insurance Other				
	Regulatory Com Exp - Other T & D				
	Regulatory Com Exp - Other T & D				
	Misc. Expenses	47,119	38,106	37,994	16,071
	Misc. Expenses				
	<b>Total Transmission &amp; Distributio</b>	<b>5,278,638</b>	<b>3,588,810</b>	<b>4,179,962</b>	<b>2,614,349</b>
	<b>Customer Accounts Expense:</b>				
	Salaries + Wages - Emp	1,922,541	1,826,717	1,798,417	835,598
	Payroll Clearing -Emp	742,390		(93,057)	(24,019)
	Employee Pension + Ben		737,780	721,692	529,533
	Overhead Rate Applied	(165,379)	(30,666)	(377,449)	(106,451)

**PROVIDENCE WATER  
COMPARATIVE SCHEDULE OF EXPENSES**

ACCOUNT	TITLE	FISCAL YEAR 06/30/10	FISCAL YEAR 06/30/11	FISCAL YEAR 06/30/12	PERIOD ENDING 12/30/13
	Fuel for Power Purch				
	Material + Supplies	3,959	(50,128)	2,467	816
	Contractual Services - Legal				
	Contractual Services - Other	81,940	47,519	10,979	13,503
	Transportation Exp. -CAO			1,012	1,167
	Insurance - Other				
	Insurance Other				
	Bad Debt Expense - CAO	720,206	(524,135)	445,333	
	Misc. Expenses	139,490	409,883	194,180	63,247
	<b>Total Customer Accounts</b>	<b>3,445,146</b>	<b>2,416,970</b>	<b>2,703,575</b>	<b>1,313,393</b>
<b>Administrative and General</b>					
	Salaries + Wages - Emp	5,336,480	5,014,514	5,229,735	2,525,904
	Payroll Clearing -Emp	(461,201)	(568,495)	(488,703)	(197,627)
	Salaries + wages - Officers, Dir.	14,208	15,221		
	Employee Pension + Ben	3,920,137	4,588,712	4,605,608	1,240,891
	Overhead Rate Applied	(251,691)	(306,238)	(221,236)	(104,011)
	Purchase Power	118,635	120,287	113,972	44,233
	Fuel for Power Purch				
	Material + Supplies	371,894	444,812	515,672	234,455
	Contractual Services - Engineer	139,587	30,357	45,262	89,596
	Contract Services - Acctg				
	Contractual Services - Legal	176,056		50,841	
	Contractual Services - Mgt. Fees				
	Contractual Services - Other	668,018	875,444	982,614	503,170
	Rental Buildg/Real Prop				
	Rental of Equipment	498			843
	Transportation Exp.	17,155		6,390	3,004
	Ins. Gen. Liability				
	Insurance - W/C				
	Insurance Other				
	Advertising Expense	2,594			
	Reg Com Exp - Amort of Rate Case				
	Regulatory Com Exp. -Other	288,972	235,386	227,469	41,300
	Misc. Expenses	283,010	403,077	358,418	20,528
	<b>Total Administration + General</b>	<b>10,624,352</b>	<b>10,853,078</b>	<b>11,426,042</b>	<b>4,402,286</b>
	<b>Total Operation &amp; Maintenance</b>	<b>26,123,835</b>	<b>23,614,671</b>	<b>25,069,033</b>	<b>11,805,224</b>
<b>Source of Supply</b>		2,005,842	2,184,626	1,997,284	1,218,973
<b>Pumping</b>		779,841	870,920	790,313	302,604
<b>Treatment</b>		3,990,015	3,700,267	3,971,857	1,953,619
<b>Transmission &amp; Distrib.</b>		5,278,638	3,588,810	4,179,962	2,614,349
<b>Customer Accounts</b>		3,445,146	2,416,970	2,703,575	1,313,393
<b>Administration &amp; General</b>		10,624,352	10,853,078	11,426,042	4,402,286
<b>Total Operation &amp; Maintenance</b>		<b>26,123,835</b>	<b>23,614,671</b>	<b>25,069,033</b>	<b>11,805,224</b>
<b>Capitalized Overheads</b>		614,836	1,148,520	1,202,718	511,823
<b>Full Operation &amp; Maint. Operating Fund</b>		<b>26,738,671</b>	<b>24,763,191</b>	<b>26,271,751</b>	<b>12,317,048</b>
<b>857 Insurance Fund</b>					
	Insurance W/C - WTM				
	Insurance W/C - CAO				
	Materials + Supplies - A&GO	21,754	36,627	17,602	3,040

**PROVIDENCE WATER  
COMPARATIVE SCHEDULE OF EXPENSES**

ACCOUNT	TITLE	FISCAL YEAR 06/30/10	FISCAL YEAR 06/30/11	FISCAL YEAR 06/30/12	PERIOD ENDING 12/30/13
	Contractual Services-Engineer				
	Contract Services - Legal A&GO	-		(11,163)	
	Contract Services - Other A&GO				
	Injuries and Damages	83,024	28,851	54,528	21,891
	Ins. Gen. Liability				
	Insurance-Other A&GO	1,299,511	753,247	1,006,353	1,031,119
	Insurance - W/C	546,501	837,689	874,015	681,050
	Bad Debt Expense-CAO				
	Misc. Expense		1,800	7,150	640
<b>Total Insurance Fund</b>		1,950,790	1,658,213	1,948,484	1,737,741
<b>878 Chemical and Sludge Maintenance Fund</b>					
	Chemicals - WTO	1,660,930	1,801,907	2,572,273	1,109,511
	Materials + Supplies WTO				
	Materials + Supplies T&DO				
	Contract Services - Other WTM	2,177,780	535,644	552,692	1,500,000
	Contract Services - Other A&G				
<b>Total Chemical and Sludge Maintenance Fund</b>		3,838,710	2,337,551	3,124,965	2,609,511
<b>Full Operation and Maintenance</b>		32,311,918	29,606,617	32,143,315	16,988,110
<b>City Services</b>		839,167	839,167	839,167	559,445
<b>Property Taxes- Other Local Govern.</b>					
	Town of North Providence	238,053	239,090	266,581	139,962
	Town of Glocester	53,363	49,380	51,478	26,769
	Town of West. Glocester	3,932	3,932	3,708	1,854
	Town Harmony	155	155	164	82
	Town Chepachet	120	-	251	217
	Town Scituate	5,572,995	4,974,437	5,087,356	2,543,678
	Town Warwick		-	-	-
	Town of Johnston	88,777	86,695	90,117	45,059
	Town of Foster	322,994	331,673	331,673	153,347
	City of Cranston	105,624	107,568	110,522	59,565
	City of West. Warwick	4,714	3,761	3,761	1,881
<b>Total Property Taxes</b>		6,390,728	5,796,691	5,945,612	2,972,413
	Full Operation & Maint.	32,311,918	29,606,617	32,143,315	16,988,110
	City Services	839,167	839,167	839,167	559,445
	Total Property Taxes	6,390,728	5,796,691	5,945,612	2,972,413
	Capitalized Labor & Overhead	398,583	1,996,182	2,000,833	835,633
<b>Grand Total</b>		39,940,396	38,238,657	40,928,927	21,355,600

Providence Water Docket 4406

**Data Requests of the  
Division of Public Utilities and Carriers  
Set 1**

Div 1-5. Please provide the number of general water service customers by meter size, private line service customers by meter size, and the number of public hydrants by municipality as of June 30, 2009; June 30, 2010; June 30, 2011; and at the end of each subsequent calendar quarter through the most recent quarter available. Include a copy in Excel format.

Answer: Providence Water will provide this information as soon as possible, data is currently unavailable.

Providence Water Docket 4406

**Data Requests of the  
Division of Public Utilities and Carriers  
Set 1**

Div 1-6. Please provide miscellaneous revenue for each of the years FY 2009 through FY 2012 broken down by revenue source/type.

**Answer:** The following list breaks down miscellaneous revenue by category for Fiscal Years 2009 through 2012.

<u>CATEGORY</u>	<u>FY 2012</u>	<u>FY 2011</u>	<u>FY 2010</u>	<u>FY 2009</u>
Admin Fee-NBC	25,000	36,924	19,322	25,000
Forest Product Sales	28,809	32,455	96,340	13,560
Interest Delinquent Accts.	472,048	389,249	474,814	421,216
Miscellaneous State Revenue	189,348	191,699	192,659	202,717
Other Miscellaneous	210,795	178,719	314,242	237,281
New Water Meter	38,443	41,707	63,141	66,754
Shut off/on Revenue	<u>214,726</u>	<u>121,968</u>	<u>205,606</u>	<u>316,985</u>
Total Miscellaneous	1,179,169	992,721	1,366,124	1,283,513

Providence Water Docket 4406

**Data Requests of the  
Division of Public Utilities and Carriers  
Set 1**

DIV 1-7. Please provide a breakdown of sales volumes as shown on Schedule HJS-S23 for each of the years FY 2009 through FY 2012 by month, and also show monthly sales volumes for FY 2013 to date. Include a copy in Excel format.

Answer: Please see attached. There are some small variances when the reports are now run on a monthly basis.

Providence Water  
Water Sales (hcf) FY 2009

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total	Amount on HIS-523	Variance	%
Residential	684,097.04	926,923.07	1,109,230.63	927,456.57	672,103.69	863,716.70	801,949.65	638,273.53	595,579.65	626,567.81	648,697.48	827,087.82	9,322,083.64	9,201,454.00	120,629.64	1%
Commercial	350,111.65	337,529.81	702,465.25	340,070.54	264,965.15	524,335.74	428,808.51	374,966.07	340,125.41	363,340.23	338,342.47	374,951.80	4,740,012.63	4,636,996.00	103,016.63	2%
Industrial	15,014.90	23,174.50	17,080.01	14,951.57	17,132.41	17,119.79	19,305.06	13,797.03	13,155.04	15,715.85	15,391.22	16,812.70	198,650.08	198,132.00	518.08	0%
Total Retail	1,049,223.59	1,287,627.38	1,828,775.89	1,282,478.68	954,201.25	1,405,172.23	1,250,063.22	1,027,036.63	948,860.10	1,006,023.89	1,002,431.17	1,218,852.32	14,260,746.35	14,036,582.00	224,164.35	2%
Wholesale	1,802,597.79	1,279,192.95	1,340,643.53	1,163,318.35	722,620.12	904,429.80	1,240,610.22	895,052.30	781,420.63	1,012,660.61	1,013,191.16	1,051,975.26	13,207,712.72	13,207,713.00	(0.28)	0%
Total Consumption	2,851,821.38	2,566,820.33	3,169,419.42	2,445,797.03	1,676,821.37	2,309,602.03	2,490,673.44	1,922,088.93	1,730,280.73	2,018,684.50	2,015,622.33	2,270,827.58	27,468,459.07	27,244,295.00	224,164.07	1%

Providence Water  
Water Sales (hcf) FY 2010

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total	Amount on HIS-523	Variance	%
Residential	688,136.99	932,202.01	876,365.92	680,066.65	614,681.08	642,335.42	476,335.59	563,917.75	900,520.14	445,804.74	553,835.21	980,794.45	8,354,995.95	8,482,954.00	(127,958.05)	-2%
Commercial	415,320.91	444,955.95	431,991.52	356,929.00	367,193.44	318,965.84	256,665.35	262,366.44	543,022.26	196,800.73	243,225.91	605,661.23	4,443,018.58	4,465,417.00	(22,398.42)	-1%
Industrial	16,712.91	16,678.81	18,233.95	16,481.51	14,618.49	16,562.08	10,445.14	16,851.75	16,309.07	12,061.93	17,608.92	17,340.68	189,905.25	190,880.00	(974.75)	-1%
Total Retail	1,120,170.81	1,393,836.77	1,326,591.39	1,053,477.16	996,493.01	977,863.34	743,446.08	843,135.95	1,459,851.47	654,667.40	814,670.04	1,603,716.36	12,987,919.78	13,139,251.00	(151,331.22)	-1%
Wholesale	1,159,133.50	1,233,734.02	1,322,046.14	943,243.62	661,996.68	1,147,480.16	880,490.50	819,527.39	689,437.49	1,153,100.17	1,091,439.27	1,314,049.03	12,415,677.97	12,415,678.00	(0.03)	0%
Total Consumption	2,279,304.31	2,627,570.79	2,648,637.53	1,996,720.78	1,658,489.69	2,125,343.50	1,623,936.58	1,662,663.34	2,149,288.96	1,807,767.57	1,906,109.31	2,917,765.39	25,403,597.75	25,554,929.00	(151,331.25)	-1%



Providence Water  
Water Sales (hcf) FY 2011

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total	Amount on HIS-523	Variance	%
Residential	654,357.03	880,373.98	430,437.08	1,536,983.29	650,652.89	840,818.16	463,053.53	585,575.26	839,696.11	422,543.87	531,575.92	909,164.99	8,753,132.11	8,745,316.00	7,816.11	0%
Commercial	243,008.33	298,336.02	387,964.96	646,731.87	295,935.47	507,053.45	204,748.72	246,290.49	475,476.36	207,536.83	228,664.28	540,646.31	4,282,395.09	4,284,895.00	(2,499.91)	0%
Industrial	13,244.55	20,497.42	12,663.23	18,516.31	18,300.36	12,948.47	14,049.69	17,337.45	17,439.68	9,289.81	19,759.72	7,791.24	181,837.93	181,838.00	(0.07)	0%
Total Retail	910,609.91	1,199,207.42	831,065.27	2,202,231.47	964,888.72	1,368,820.08	681,851.94	849,203.20	1,332,612.15	639,370.51	779,999.92	1,457,604.54	13,217,365.13	13,212,049.00	5,316.13	0%
Wholesale	1,794,248.28	1,599,799.79	1,473,991.36	844,406.04	943,992.90	863,815.46	987,837.42	863,717.33	880,721.49	916,831.51	963,730.35	1,432,587.41	13,525,669.34	13,525,669.00	0.34	0%
Total Consumption	2,704,858.19	2,799,007.21	2,305,056.63	3,046,637.51	1,908,871.62	2,232,635.54	1,669,689.36	1,712,920.53	2,213,233.64	1,556,202.02	1,743,730.27	2,890,191.95	26,743,034.47	26,737,718.00	5,316.47	0%

Providence Water  
Water Sales (hcf) FY 2012

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total	Amount on HIS-523	Variance	%
Residential	561,613.47	828,033.35	1,058,918.02	858,721.51	624,227.24	849,243.55	457,957.16	497,030.91	811,415.87	411,511.84	577,022.17	952,607.08	8,486,302.17	8,487,320.00	982.17	0%
Commercial	235,804.72	320,100.81	688,990.01	306,039.48	259,151.20	536,803.45	201,200.87	209,988.88	487,961.15	214,127.08	289,163.87	662,135.42	4,391,466.94	4,392,712.00	(1,245.06)	0%
Industrial	5,075.36	42,763.05	15,727.56	15,802.07	18,075.23	17,415.04	10,562.28	15,985.33	13,355.18	11,519.20	19,519.73	15,447.30	201,227.33	201,227.00	0.33	0%
Total Retail	802,493.55	1,190,897.21	1,763,635.59	1,180,563.06	901,453.67	1,403,462.04	669,720.31	722,985.12	1,312,732.20	637,158.12	865,705.77	1,630,189.80	13,080,996.44	13,081,259.00	(262.56)	0%
Wholesale	1,651,189.61	1,441,176.54	1,072,173.44	1,101,572.44	825,499.29	939,470.76	997,265.17	846,335.35	893,680.27	1,004,825.50	1,030,493.39	1,410,007.08	13,213,688.84	13,213,689.00	(0.16)	0%
Total Consumption	2,453,683.16	2,632,073.75	2,835,809.03	2,282,135.50	1,726,952.96	2,342,932.80	1,666,985.48	1,569,320.47	2,206,412.47	1,641,983.62	1,896,199.16	3,040,196.88	26,294,685.28	26,294,948.00	(262.72)	0%

Providence Water

Water Sales (hcf) FY 2013 to date

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Residential	658,526.23	816,778.54	1,039,578.96	753,922.64	613,360.80	835,345.81	455,372.84	531,948.94	797,711.72				6,502,546.48
Commercial	252,170.39	336,900.62	688,962.55	261,730.85	271,902.54	510,425.95	278,423.05	293,918.49	500,234.77				3,394,669.21
Industrial	12,795.66	19,178.65	15,342.36	14,515.33	15,680.45	15,003.11	14,210.15	15,148.65	15,999.58				137,873.94
Total Retail	923,492.28	1,172,857.81	1,743,883.87	1,030,168.82	900,943.79	1,360,774.87	748,006.04	841,016.08	1,313,946.07				10,035,089.63
Wholesale	1,562,663.79	1,533,855.58	1,213,528.23	996,396.69	773,161.75	882,959.37	1,055,521.83	869,983.39	809,422.46				9,697,493.09
Total Consumption	2,486,156.07	2,706,713.39	2,957,412.10	2,026,565.51	1,674,105.54	2,243,734.24	1,803,527.87	1,710,999.47	2,123,368.53				19,732,582.72

Providence Water Docket 4406

**Data Requests of the  
Division of Public Utilities and Carriers  
Set 1**

Div 1-8. Please identify the number of employees in each month of FY 2012 and FY 2013 to date.

**Answer:** See attached worksheet detailing employees by month for FY 2012 and FY 2013 to date.

Number of personnel employed as of the last payroll week for each month from July 2011 through April 2013.

Month	Permanent *	Part - Time	Temporary	Total
July 2011	238	11	12	261
August 2011	241	11	12	264
September 2011	240	11	3	254
October 2011	241	11	3	255
November 2011	237	11	0	248
December 2011	229	11	0	240
January 2012	230	11	0	241
February 2012	231	11	0	242
March 2012	230	11	0	241
April 2012	232	11	0	243
May 2012	231	11	0	242
June 2012	231	11	5	247
July 2012	230	11	4	245
August 2012	237	11	2	250
September 2012	239	11	0	250
October 2012	240	11	0	251
November 2012	239	11	0	250
December 2012	239	11	0	250
January 2013	239	11	0	250
February 2013	237	11	0	248
March 2013	236	11	0	247
April 2013	236	11	0	247

Providence Water Docket 4406

**Data Requests of the  
Division of Public Utilities and Carriers  
Set 1**

Div 1-9. Please provide a breakdown of total salaries and wages by month for FY 2012 and FY 2013 to date according to non-union salaries, union regular pay, non-union overtime, union overtime and other costs (specify). Also, identify the amount charged to clearing each month. Include a copy in Excel format.

Answer: Please see attached breakdown of total salaries and overtime by month for FY 2012 through March 31, 2013. Providence Water is unable to separate between union and non-union salaries. Also, attached is the amount charged to clearing each month as requested.



Providence Water  
 Payroll Clearing  
 FY 2012 & FY 2013 to date

	Transmission & Engineering/G Distribution	en'l Admin.	Customer Accounts	Total
July			6,383.11	6,383.11
August			9,114.87	9,114.87
September			11,116.35	11,116.35
October			7,383.86	7,383.86
November			2,677.66	2,677.66
December	112,814.83	188,493.82	33,558.57	334,867.22
January			1,108.93	1,108.93
February			1,217.13	1,217.13
March	49,305.17	90,525.93	1,487.59	141,318.69
April			2082.63	2,082.63
May			1622.83	1,622.83
June	<u>54,235.01</u>	<u>209,682.93</u>	<u>15303.71</u>	<u>279,221.65</u>
<b>FY 2012</b>	<b>216,355.01</b>	<b>488,702.68</b>	<b>93,057.24</b>	<b>798,114.93</b>
July				
August				
September	42,455.16	100,273.90	12,075.90	154,804.96
October				
November				
December	59,708.45	97,352.97	11943.28	169,004.70
January				
February				
March	<u>49,316.85</u>	<u>106,928.73</u>		<u>156,245.58</u>
<b>FY 2013 TD</b>	<b>151,480.46</b>	<b>304,555.60</b>	<b>24,019.18</b>	<b>480,055.24</b>

For Div 1-9



Providence Water Docket 4406

**Data Requests of the  
Division of Public Utilities and Carriers  
Set 1**

DIV 1-10. Please explain why no adjustment was made to the capital reimbursement for wages to reflect the increases in wages and salaries on July 1, 2013 and July 1, 2014.

Response: Payroll clearing amounts represent capitalized labor, which is reimbursed from the IFR fund. As a result, they *should* be adjusted per the contractual adjustments. The capital reimbursement will be revised to account for contractual adjustments in my rebuttal testimony.

Providence Water Docket 4406

**Data Requests of the  
Division of Public Utilities and Carriers  
Set 1**

DIV 1-11. Please provide an explanation and show this derivation of the FY 2014 and FY 2015 Scituate property taxes that were calculated per the Tax Treaty.

Answer: Providence Water's Tax Treaty with the Town of Scituate assumed that the Town would raise the tax levy by the Statutory cap each year. An adjusted payment amount was then worked into the agreement whereby Providence Water would pay more in years 1 and 2 and less in years 3 through 5, resorting back to the non-adjusted amounts for years 6 through 10.

In years 1 through 3, FY 2009 – FY 2011, Scituate billed and Providence Water paid per the agreement. In years 4 and 5, Scituate did not raise its levy to the full amount, only increasing by 2.27% and 0%. Providence Water was therefore charged by Scituate for a 2.27% and 0% increase above the year 3 amount.

Providence Water did consult with the Scituate Tax Assessor regarding the proposed Fiscal Year 2014 (Tax Year 2013 & Year 6 of the agreement) Tax amount. We were told that it would be \$5,760,833 if there was no tax increase, and it would be \$5,991,266 if there were a 4% tax increase. Therefore, Providence Water assumed that the FY 2014 amount would be \$5,991,266, and the FY 2015 amount would be \$6,230,917 ( $\$5,991,266 \times 1.04$ ). We then prorated this for the Operational portion derived from rates of 95.66% (the balance is from non-rate Water Quality Protection Funds), or \$5,731,246 and \$5,960,495, and averaged the amounts to equal the \$5,845,870 pro-forma amount. This information was provided to Raftelis to include in the filing.

See attached work paper, email from Scituate Tax Assessor and schedule from Tax Assessor.

Providence Water did request an update from the Scituate Tax Assessor on May 1<sup>st</sup> and was informed that the estimated 2013 (FY 2014) taxes are \$5,818,442. The operational portion, subject to rates, would be 95.66% of this, or \$5,565,922.

Providence Water  
Analysis of Total Scituate Taxes

Tax Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total	Difference
Pd Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018			
<b>Per Agreement</b>	5,145,964	5,390,397	5,632,965	5,872,366	6,107,261	6,351,551	6,605,613	6,869,837	7,144,631	7,430,416		62,551,001	
Increase \$		244,433	242,568	239,401	234,895	244,290	254,062	264,225	274,793	285,785		2,284,452	
Increase %		0.0475	0.0450	0.0425	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400			
Total 1st 5 years					28,148,952								
Per Agree	5,824,651	5,824,651	5,199,933	5,439,334	5,674,228	6,351,551	6,605,613	6,869,837	7,144,631	7,430,416		62,364,846	186,155
w/Adj pmt		-	(624,718)	239,401	234,894	677,323	254,062	264,225	274,793	285,785		1,605,765	
Increase %		0.00%	-10.73%	4.60%	4.32%	11.94%	4.00%	4.00%	4.00%	4.00%		26.13%	
Total 1st 5 years	(678,687)	(1,112,941)	(679,909)	(246,877)	186,155								186,155
					27,962,797								

<b>Actual Tax</b>	5,145,964	5,390,397	5,632,965	5,760,833	5,760,833	5,991,266	6,230,917	6,480,154	6,739,360	7,008,934		60,141,624	
Increase \$		244,433	242,568	127,868	-	230,433	239,651	249,237	259,206	269,574		1,862,970	
Increase %		4.75%	4.50%	2.27%	0%	4%	4%	4%	4%	4%		758%	
Total 1st 5 years					27,690,992								
Annual Tax bill	5,824,651	5,824,651	5,199,933	5,317,971	5,317,971	5,991,266	6,230,917	6,480,154	6,739,360	7,008,934		59,935,810	205,814
w/Adj pmt		-	(624,718)	118,038	-	673,295	239,651	249,237	259,206	269,574		1,184,283	
Increase %		0.00%	-10.73%	2.27%	0.00%	12.66%	4.00%	4.00%	4.00%	4.00%			
Total 1st 5 years	(678,687)	(1,112,941)	(679,909)	(237,047)	205,814								205,814
					27,485,178								

Operational Portion 95.66% based on FY 2013  
Average of FY 2014 & FY2015 for rate filing purposes  
\$ 5,731,246 \$ 5,960,495  
**\$ 5,845,870**

FY 2013 Scituate Taxes	
Operational	\$5,087,357 95.66%
WQPF	\$ 230,615 4.34%
Total	\$5,317,972 100.00%

**Jeanne Bondarevskis - Re: ProvWater - Scituate**

---

**From:** "Karen Beattie" <beattiek@scituateri.org>  
**To:** "Jeanne Bondarevskis" <jbondarevskis@provwater.com>  
**Date:** 1/31/13 9:11 AM  
**Subject:** Re: ProvWater - Scituate

---

Hi Jeanne,

It was nice to see you yesterday! I just wanted to get back to you about your email; yes I suppose that would be the minimum and maximum range in taxes for 2013; \$5,760,833 to \$5,991,266. The Budget Committee is still working on the FY 14 Budget so I won't know what the change will be until they finish their work and we have the Annual Financial Town Meeting (April 2nd). I can let you know what the change will be at that time.

thanks,  
 Karen

> Karen,

> Thanks for sending the sheet. It explains it very well.

>

> Just one question. The 2013 amount would be \$5,760,833 only if your

> tax levy had another 0% increase. If you raised your levy by 4%,

> wouldn't the tax bill be

> \$5,991,266 (\$5,760,833 x 1.04)?

>

> Jeanne

>

>>>> "Karen Beattie" <beattiek@scituateri.org> 1/29/13 2:04 PM >>>

>

> Hi Jeanne,

>

> It was nice speaking with you today. Iâ€™m glad you called to discuss

> the real estate taxes so that we are all on the same page. Iâ€™ve

> attached a spreadsheet I prepared, comparing the figures from the

> Agreement with the actual tax increase each year. Since Scituate did

> not increase taxes to the maximum allowed by law in 2011 and 2012, the

> payments are not aligned with the Agreement, and actual bills were

> reduced accordingly.

>

> In 2013, if there is no tax increase, I estimate ProvWaterâ€™s real

> estate taxes to be \$5,760,833. Again, this is an estimate at this

> point. The Budget Committee is working on the 2013/2014 Budget and I

> wonâ€™t be able to give you a better figure until the end of March.

>

> Iâ€™m ccâ€™ing the Council President and Treasurer on this email so they

> have this information as well.

>

> Take care,

> Karen

>

- > Karen S Beattie, RICA
- > Assessor / Deputy Treasurer
- > Town of Scituate, RI
- >
- > Ph: 401-647-2547 x124
- > Fax: 401-647-5960
- > 195 Danielson Pike
- > PO Box 328
- > North Scituate, RI 02857
- >
- >

**PROJECTIONS IN AGREEMENT WITH PROV WATER**

Tax Year	Projected Tax	% incr	\$ incr	Adj pymt w/payback	Difference between Projected and Adjusted
2008	5,145,964			5,824,651	678,687
2009	5,390,397	4.75%	244,433	5,824,651	434,254
2010	5,632,965	4.50%	242,568	5,199,933	(433,032)
2011	5,872,366	4.25%	239,401	5,439,334	(433,032)
2012	6,107,261	4.00%	234,895	5,674,228	(433,033)
2013	6,351,551	4.00%	244,290	6,351,551	-
2014	6,605,613	4.00%	254,062	6,605,613	-
2015	6,869,838	4.00%	264,225	6,869,838	-
2016	7,144,631	4.00%	274,793	7,144,631	-
2017	7,430,416	4.00%	285,785	7,430,416	-
	<u>62,551,002</u>			<u>62,364,846</u>	<u>(186,156)</u>

**ACTUAL TAX INCREASES AND PAYMENTS**

Tax Year	Tax at Actual % incr	Total Annual Tax Bill	Difference between Actual and Billed
2008	5,145,964	5,824,651	678,687
2009	5,390,397 4.75%	5,824,651	434,253
2010	5,632,965 4.50%	5,199,933	(433,032)
2011	5,760,833 2.27%	5,317,971	(442,862)
2012	5,760,833 0.00%	5,317,971	(442,862)
2013	5,760,833 <i>not known yet</i>	5,760,833	(0)
2014	<i>not known yet</i>		
2015	<i>not known yet</i>		
2016	<i>not known yet</i>		
2017	<i>not known yet</i>		
	<u>33,451,827</u>	<u>33,246,009</u>	<u>(205,817)</u>

**Jeanne Bondarevskis - RE: ProvWater - Scituate**

---

**From:** "Karen Beattie" <beattiek@scituateri.org>  
**To:** "Jeanne Bondarevskis" <jbondarevskis@provwater.com>  
**Date:** 5/3/13 2:34 PM  
**Subject:** RE: ProvWater - Scituate  
**CC:** "Sharon Johnson" <treasurer@scituateri.org>

---

Hi Jean,

The Town budget committee recommended a 1% levy increase. After bringing ProvWater taxes back up to current level and then increasing by another 1%, the estimated 2013 taxes are \$5,818,442.

Please let me know if you have any other questions!

Thanks,

Karen

---

**From:** Jeanne Bondarevskis [mailto:jbondarevskis@provwater.com]  
**Sent:** Wednesday, May 01, 2013 11:21 AM  
**To:** Karen Beattie  
**Subject:** Re: ProvWater - Scituate

Hi Karen,

Have you had the Annual Town Meeting and do you have the amount of the FY 14 Tax bill to Providence Water?

Thanks,

Jeanne B

>>> "Karen Beattie" <[beattiek@scituateri.org](mailto:beattiek@scituateri.org)> 1/31/13 9:11 AM >>>

Hi Jeanne,

It was nice to see you yesterday! I just wanted to get back to you about your email; yes I suppose that would be the minimum and maximum range in taxes for 2013; \$5,760,833 to \$5,991,266. The Budget Committee is still working on the FY 14 Budget so I won't know what the change will be until they finish their work and we have the Annual Financial Town Meeting (April 2nd). I can let you know what the change will be at that time.

thanks,

Karen

> Karen,

> Thanks for sending the sheet. It explains it very well.

Providence Water Docket 4406

**Data Requests of the  
Division of Public Utilities and Carriers  
Set 1**

DIV 1-12. Please indicate when the FY 2014 property tax bills are expected to be received.

Answer: The majority of the tax bills are received between June 22 and July 31. Some of the much smaller Fire District bills are received later in the year.



Providence Water Docket 4406

**Data Requests of the  
Division of Public Utilities and Carriers  
Set 1**

Div 1-13. Please provide a breakdown of insurance expenses for the years FY 2010 and FY2011 according to the activities shown on Schedule HJS-S5.

Answer: Please see attached worksheet for breakdown of activities for FY 2010 and FY 2011.

**PROVIDENCE WATER**  
**Insurance Expense**

	<u>FY 2010</u>		<u>FY 2011</u>
Worker's Compensation	\$ 546,501	\$	837,689
Injuries and Damages	\$ 83,024	\$	28,851
Property and Casualty	\$ 1,299,511 *	\$	753,247
Program Expense		\$	1,800
Safety Supplies & Other	\$ 21,754	\$	36,627
Total Expenses	<u>\$ 1,950,790</u>	<u>\$</u>	<u>1,658,214</u>

\* FY2010 Property & Casualty includes a deposit of \$258,662.53 for the FY2011 expense.

Providence Water Docket 4406

**Data Requests of the  
Division of Public Utilities and Carriers  
Set 1**

Div 1-14. To the extent available, please provide the insurance premiums for worker's compensation, injuries and damages, and property and casualty insurance for FY 2013.

Answer: Listed below are the premiums for worker's compensation and property and casualty insurance for FY 2013. Injury and damage claims vary year to year. So far this year, Providence Water has processed \$109,666 in claims and the three year average of 2010-2012 for claims is approximately \$60,776.

Property & Casualty Insurance	\$925,385.60
Commercial Auto	\$123,848.00
Underground Storage Tank	\$1,301.20
Pollution Liability	\$9,459.58
Terrorism Insurance	\$435.15
Water Craft	<u>\$1,660.00</u>
	\$1,062,089.53
Worker's Compensation	\$848,550.00

Providence Water Docket 4406

**Data Requests of the  
Division of Public Utilities and Carriers  
Set 1**

Div 1-15. Please state when Providence Water will be taking bids for insurance contracts and when the results are expected to be available.

Answer: Providence Water advertised for competitive bids for insurance coverage on March 25, 2013. The bids are scheduled to be opened on May 20, 2013 and awarded by mid - June.

Providence Water Docket 4406

**Data Requests of the  
Division of Public Utilities and Carriers  
Set 1**

Div 1-16. Please state when Providence Water expects to receive FY 2014 working rates for its health and dental insurance contracts.

Answer: Providence Water expects to receive working rates for health and dental insurance by the end of June 2013.

Providence Water Docket 4406

**Data Requests of the  
Division of Public Utilities and Carriers  
Set 1**

Div 1-17. Please provide a breakdown of pension and other benefits expenses comparable to that shown on Schedule HJS-S6 for FY 2010 and FY 2011.

Answer: Please see attached worksheet which details pension and benefit expenses for FY2010 and FY 2011.

DIV 1-17

Pension and Other Benefits

**PROVIDENCE WATER**  
**Pension and Other Benefits**

<u>FRINGE BENEFIT</u>	<u>FY 2010</u>	<u>FY 2011</u>
1 1033 Union Combined Benefits	\$ 583,804	\$ 557,072
2 Union Pension	360,966	329,504
3 Death Benefit Insurance	1,915	1,948
4 Educational Classes/Certification		24,245
4 FICA	1,035,391	975,972
5 State Unemployment Compensation	41,274	10,557
6 Healthcare EE Cash Payment	1,500	5,000
7 1/2% Wage Assignment	39,165.10	38,161.87
8 Blue Cross	2,663,458	2,572,442
Less Employee Co-Share	(332,310)	(348,927)
9 Delta Dental	247,843	239,351
10 GASB 43/45 Reserve Required	1,018,261	1,476,069
11 City Retirement	2,788,304	1,624,195
Total	<u>\$ 8,449,571</u>	<u>\$ 7,505,590</u>