



PROVIDENCE WATER

Tap Water Delivers

July 16, 2015

The Hon. Jorge O. Elorza
Mayor

Ricky Caruolo
General Manager

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

RE: Docket 4571-Commission Set 1

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William E. O'Gara, Esq.
Legal Advisor

Dear Mrs. Massaro:

Enclosed for filing an original and nine copies of Providence Water's responses to the first set of data requests from the Commission.

If you have any questions I can be reached at 521-6300, extension 7217.

Sincerely,

Mary L. Deignan-White
Senior Manager of Regulatory

cc: Dk 4571 Service List
File

MEMBER

Rhode Island Water Works Assn.
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(401) 521-6300

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PROVIDENCE WATER SUPPLY BOARD
Docket No. 4571

Data Requests of the
RI Public Utilities Commission - Set 1
July 9, 2015

1-1: Please advise whether the projects completed referenced in Providence Water Infrastructure/Capital Program Report 1996-2015, specifically the Academy Avenue building projects listed on pages 48 through 51, are the same repairs and upgrades referred to in Mr. Carulo's pre-filed testimony at pages 3 and 4 as being needed in the future if Providence Water were to remain at Academy Avenue.

Response: The projects identified in pages 48 through 51 of the *Infrastructure/Capital Program Report (1996-2015)* are projects that have been completed and funded utilizing Infrastructure Funds since 1996. A listing of the completion dates and costs for the completed repairs is included on page 74 of the *Infrastructure/Capital Program Report*.

The projects identified in Mr. Caruolo's testimony are projects that have not been completed but need to be addressed in the near future. It is important to note that the heating system and roof repairs mentioned in the *Infrastructure/Capital Program Report* were completed in the late 1990's and were only partial repairs to those systems.

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1-2: Please provide a list of repairs/upgrades made to the Academy Avenue building over the past five years, the total cost for each, and to what account this cost was charged.

Response: Please see the attached list of repairs/upgrades completed at the Academy Avenue facility since 2010.

DATE	ACCOUNT	COST	DESCRIPTION	VENDOR
1/1/2010	Operations	\$283	electrical repairs	Jefferson Electric
1/18/2010	Operations	\$1,200	electrical repairs	Jefferson Electric
1/18/2010	Operations	\$949	boiler repair	Industrial Burner
1/21/2010	Operations	\$480	electrical repairs	Jefferson Electric
2/2/2010	Operations	\$768	driveway entry card reader upgrade	BCM
2/10/2010	Operations	\$165	boiler repair	Industrial Burner
2/10/2010	Operations	\$75	electrical repairs	Jefferson Electric
2/10/2010	Operations	\$165	emergency repair	Industrial Burner
2/11/2010	Operations	\$130	electrical repairs	Jefferson Electric
3/1/2010	Operations	\$443	HVAC	Arden Eng. Corp
3/1/2010	Operations	\$173	HVAC	Arden Eng. Corp
3/1/2010	Operations	\$335	HVAC	Arden Eng. Corp
3/1/2010	Operations	\$246	HVAC	Arden Eng. Corp
3/1/2010	Operations	\$281	HVAC	Arden Eng. Corp
3/1/2010	Operations	\$389	HVAC	Arden Eng. Corp
3/1/2010	Operations	\$195	electrical repairs	Jefferson Electric
3/1/2010	Operations	\$1,708	boiler repair	Parma Door
3/9/2010	Operations	\$343	electrical repairs	Jefferson Electric
3/9/2010	Operations	\$150	electrical repairs	Jefferson Electric
3/10/2010	Operations	\$2,329	boiler repair	Industrial Burner
3/15/2010	Operations	\$240	electrical repairs	Jefferson Electric
3/15/2010	Operations	\$2,329	boiler repair	Industrial Burner
4/1/2010	Operations	\$1,254	boiler repair	Industrial Burner
4/1/2010	Operations	\$2,355	boiler repair	Industrial Burner
4/1/2010	Operations	\$1,232	boiler repair	Industrial Burner
4/1/2010	Operations	\$1,254	boiler repair	Industrial Burner
4/1/2010	Operations	\$2,355	boiler repair	Industrial Burner
4/1/2010	Operations	\$1,232	boiler repair	Industrial Burner
6/11/2010	Operations	\$312	electrical repairs	Jefferson Electric
6/22/2010	Operations	\$1,920	electrical repairs	Jefferson Electric
6/22/2010	Operations	\$1,920	boiler repair	Jefferson Electric
6/24/2010	Operations	\$1,276	boiler repair	Industrial Burner
6/24/2010	Operations	\$1,276	boiler repair	Industrial Burner

DATE	ACCOUNT	COST	DESCRIPTION	VENDOR
6/30/2010	Operations	\$834	HVAC	Arden Eng. Corp
6/30/2010	Operations	\$432	HVAC	Arden Eng. Corp
6/30/2010	Operations	\$324	electrical repairs	Jefferson Electric
6/30/2010	Operations	\$345	electrical repairs	Jefferson Electric
6/30/2010	Operations	\$167	generator repair	Walco
6/30/2010	Operations	\$330	HVAC	Arden Eng. Corp
7/5/2011	Operations	\$3,000	for repairs and general maintenance to the boiler at Academy Avenue facility	Industrial Burner
7/6/2011	Operations	\$500	plumbing and heating supplies for various repairs to PWSB facilities	Grainger
7/6/2011	Operations	\$2,000	electrician services Academy & Cran	Jefferson Electric
7/7/2011	Operations	\$500	for various electrical/data/phone supplies to be used to make necessary repairs	Northeast Electric
7/7/2011	Operations	\$500	welding services	Wright's Welding
7/9/2011	Operations	\$20	pvc plumbing parts for sink repair	Bell-Simon Co
7/11/2011	Operations	\$171	railings to installed to prevent thru-traffic in mechanics area	Fastenal
7/20/2011	Operations	\$590	purchase one drinking fountain	Grainger
7/28/2011	Operations	\$500	vinyl base molding & adhesive	AMP Supply
8/3/2011	Operations	\$474	funds for vinyl privacy slats for rear chain link fence at Academy Avenue facility	N. Smithfield Fence Co.
8/4/2011	Operations	\$200	various plumbing materials	Bell-Simon Co
8/4/2011	Operations	\$5,000	services from Automatic Temperature Controls Inc.	Automatic Temp. Control
8/24/2011	Operations	\$7,850	repair leaks to the Academy Avenue boiler (Industrial Burner has informed us that while the boiler may last the heating season, they cannot guarantee much)	Industrial Burner
9/6/2011	Operations	\$2,000	services performed by Jefferson Electric	Jefferson Electric
9/7/2011	Operations	\$1,095	funds needed to replace obsolete double hung windows starting on the second floor southern facing side, replacing four units	Venture Home Works
9/16/2011	IFR	\$22,000	furnish and install a new fabric cover for structure located at Academy Avenue facility	Tower Construction

DATE	ACCOUNT	COST	DESCRIPTION	VENDOR
10/26/2011	Operations	\$500	various tools & hardware	Grainger
11/16/2011	Operations	\$2,422	to install dedicated circuit for two wall mounted monitors in CS	Jefferson Electric
11/30/2011	Operations	\$103	service call to repair overhead door in Academy garage	Overhead Door
12/20/2011	Operations	\$500	various electrical materials	NE Electric
1/9/2012	Operations	\$200	various plumbing parts & materials	Bell-Simon Co
2/7/2012	Operations	\$58	purchase two parking signs for Academy Avenue parking lot	Myparkingsign.com
2/28/2012	Operations	\$500	various electrical materials	Northeast Electric
3/28/2012	Operations	\$81	purchase three parking signs for Academy Avenue parking lot	Myparkingsign.com
3/29/2012	Operations	\$1,000	various electrical supplies	Northeast Electric
4/5/2012	Operations	\$1,980	scheduled maintenance and needed repairs to the split and rooftop air conditioners on Academy Ave	Automatic Temp. Control
4/9/2012	Operations	\$1,559	service calls and maintenance to boiler at Academy Avenue	Industrial Burner
4/20/2012	Operations	\$1,154	goods and service rendered to install circuits and outlets for chargers on CS	Jefferson Electric
5/1/2012	Operations	\$535	replace defective and improperly matched pa speakers at Academy Avenue facility	Graybar
5/14/2012	Operations	\$750	repairs to veeder root fuel tank monitoring system	TMC Environmental
5/24/2012	Operations	\$4,200	T&D access addition	BCM
5/25/2012	Operations	\$480	remove existing carpet in the mail room on Academy Avenue, prepare sub-floor and install new carpet	Sal Rossi
5/30/2012	Operations	\$54	purchase two parking signs for Academy Avenue parking lot	Myparkingsign.com
6/26/2012	Operations	\$100	various base board material	AMP Supply
6/26/2012	Operations	\$624	emergency boiler repairs in February	Industrial Burner
7/1/2012	Operations	\$3,000	goods and services involved in boiler maintenance	Industrial Burner
7/2/2012	Operations	\$135	services provided on July 1, 2012	Jefferson Electric
7/3/2012	Operations	\$500	various plumbing and back flow repairs	Winwater Warwick

DATE	ACCOUNT	COST	DESCRIPTION	VENDOR
7/5/2012	Operations	\$5,000	funds for the repair and maintenance of facilities HVAC system	Automatic Temp. Control
7/17/2012	Operations	\$5,000	funds for maintenance and repair of HVAC units	Automatic Temp. Control
7/19/2012	Operations	\$6,020	lightning damage, 2 cameras, 1 door controller & labor	BCM
7/25/2012	Operations	\$1,665	materials and labor in replacing 200 amp circuit breaker on main panel in Providence	Jefferson Electric
8/2/2012	Operations	\$348	purchase six pa system speakers	Graybar
8/2/2012	Operations	\$200	purchase plumbing supplies	Ardent Supply
8/7/2012	Operations	\$150	lightning damage, door module repair charges	BCM
8/7/2012	Operations	\$1,175	lightning damage, 1 door controller & labor	BCM
8/9/2012	Operations	\$200	plumbing materials	Bell-Simon Co
8/30/2012	Operations	\$102	to purchase one power outage alarm auto dialer to be connected to the generator	EZ Cyber Quest Inc.
8/31/2012	Operations	\$450	repairs to gate controller	BCM
9/1/2012	Operations	\$1,327	services rendered to install dimmer switches in the Chief's office	Jefferson Electric
9/10/2012	Operations	\$500	materials for building maintenance & repairs	Grainger
9/14/2012	Operations	\$347	purchase of twelve assigned parking signs and four sign posts	Myparkingsign.com
9/17/2012	Operations	\$2,400	alteration & installation of interior fencing in Academy Ave garage	United Fence
9/20/2012	Operations	\$500	remove two trees on CS fence line	Warwick Tree Service
9/24/2012	Operations	\$500	electrical parts & lighting	North East Electrical
9/25/2012	IFR	\$4,950	to furnish and install a 40 amp, three phase, manual transfer switch	Amity Electric
10/1/2012	Operations	\$190	purchase of ten parking sign for Academy Ave parking lot	Asmartsignstore
10/12/2012	Operations	\$1,000	fees incurred for plumbing repairs	Aero Mechanical
10/30/2012	Operations	\$200	funds to purchase various plumbing supplies	Bell-Simon Co
11/29/2012	Operations		fees incurred to repair material shelter in Academy Ave parking lot	Tower Construction

DATE	ACCOUNT	COST	DESCRIPTION	VENDOR
12/11/2012	Operations	\$650	one interior door into Joe Spremulli & Ricky Caruolo's office (no other options for an estimate meeting the specifications of the existing doors in the building	Columbus Door
1/2/2013	Operations	\$5,000	funds for materials & services	Automatic Temp. Control
1/7/2013	Operations	\$290	installation of laminated glass in CS	RI Glass
1/7/2013	Operations	\$82	purchase four packages of prohibited parking signs	Asmartsignstore
1/14/2013	Operations	\$227	purchase twelve reserved parking signs	Asmartsignstore
2/7/2013	Operations	\$385	sliding window for MIS	Mt. Pleasant Hardware
2/15/2013	Operations	\$256	replacement door frame for T&D entrance	Liberty Door
2/15/2013	Operations	\$276	materials & labor	Jefferson Electric
4/1/2013	Operations	\$200	purchase parts for fuel tanks & fill	JW Kennedy
4/2/2013	Operations	\$936	material and labor in repairing rubber roof at Academy Ave facility	Furey Roofing
4/19/2013	Operations	\$1,000	goods and services in maintaining the Academy Ave heating unit	Industrial Burner
5/10/2013	Operations	\$1,224	labor and materials needed to repair heating system at Academy Ave	Industrial Burner
6/11/2013	Operations	\$288	purchase of two a frame signs with four removable left turn signs	BORI Graphix
6/11/2013	Operations	\$288	purchase of two a frame signs with four removable left turn signs	BORI Graphix
7/8/2013	Operations	\$5,000	service and material needed for heating and boiler repair	Industrial Burner
7/9/2013	Operations	\$5,000	services & materials needed for air conditioner maintenance	Automatic Temp. Control
7/12/2013	Operations	\$2,285	materials and services rendered in the installation of outlets in the MIS area on Academy Avenue	Jefferson Electric
7/15/2013	Operations	\$440	removal of one tree in Academy Avenue parking lot	North-Eastern Tree Service
7/23/2013	Operations	\$2,918	services and materials used in repairing electrical outlets in CS on Academy Avenue	Jefferson Electric
7/30/2013	Operations	\$1,000	unexpected electrical issues	Jefferson Electric
7/31/2013	Operations	\$200	funds for various plumbing supplies	Bell-Simon Co

DATE	ACCOUNT	COST	DESCRIPTION	VENDOR
8/8/2013	Operations	\$500	funds for various electrical supplies	Northeast Electric
8/13/2013	Operations	\$3,595	replace a one ton ductless split air conditioner in the security room at Academy Avenue	All Seasons Heating & Air
8/29/2013	Operations	\$1,348	materials & services needed to make electrical repairs	Jefferson Electric
9/17/2013	Operations	\$500	purchase of concrete blocks to repair the retaining wall around the material storage bins at Academy Avenue facility	Greenville Ready Mix
9/19/2013	Operations	\$300	to purchase four signs for use in A-frames	BORI Graphix
9/29/2013	Operations	\$200	materials needed to repair fuel storage tanks and pumps	JW Kennedy
10/21/2013	Operations	\$3,595	purchase a one ton ductless split air conditioner for the server room on Academy Avenue	All Seasons Heating & Air
11/1/2013	Operations	\$500	funds for compressor repair and maintenance at Academy Ave	Cal Supply
11/6/2013	Operations	\$300	various building repair products	Omega Industry Supply
12/2/2013	Operations	\$973	materials and labor in emergency repair to compressor at Academy Ave	Cal Supply
12/27/2013	Operations	\$500	electrical materials and services	Jefferson Electric
1/14/2014	Operations	\$500	electrical products and hardware	Graybar
1/23/2014	Operations	\$2,900	material and labor to repair Academy Avenue roof	Dimeo Const.
2/3/2014	Operations	\$500	to purchase electrical parts and fixtures	N.E. Electrical
2/7/2014	Operations	\$900	electrical work in the Academy Avenue work shop	Jefferson Electric
2/14/2014	Operations	\$85	services and equipment required to remove obstruction in storm drain in the Academy Avenue parking lot	Gem Plumbing
3/10/2014	Operations	\$207	services rendered in repairing the overhead garage door at the Academy Avenue facility	Overhead Door
3/13/2014	Operations	\$450	labor and material needed to fix north garage door at Academy Avenue facility	Parma Doors
3/13/2014	Operations	\$1,138	for the completion of the overhead door repair at the Academy Avenue facility	Parma Doors

DATE	ACCOUNT	COST	DESCRIPTION	VENDOR
3/19/2014	Operations	\$1,079	purchase one Elkay wall mount drinking fountain and bottle filling station	applianceconnection.com
3/26/2014	Operations	\$1,200	services rendered in the removal of asbestos encased pipes in the laborers lavatory ceiling	Atlantic Abatement
4/2/2014	Operations	\$401	service call to Academy Avenue for overhead door repair	Overhead Door
4/9/2014	Operations	\$701	materials and services needed to repair laborers room ceiling	Custom Drywall
4/10/2014	Operations	\$112	eight one way signs for Academy Avenue parking lot	Myparkingsign.com
4/17/2014	Operations	\$2,285	materials ordered for overhead door repair	Overhead Door
4/30/2014	Operations	\$1,830	materials and services rendered in the removal and replacement of Gen. Managers toilet & sink	Aero Mechanical
5/2/2014	Operations	\$188	materials and labor in repairing overhead door	Parma Door
5/2/2014	Operations	\$2,229	to purchase one commercial multi-station hand sink	Best Sheet Metal Inc.
5/8/2014	Operations	\$2,600	materials and service in the repair and maintenance of Prov & Cran air conditioning units	Automatic Temp. Control
5/29/2014	Operations	\$295	purchase of one partition for the first floor men's room at Academy Avenue	Chamberlin of RI
6/6/2014	Operations	\$4,400	purchase and installation of one Mitsubishi air conditioner in the security server room at Academy Avenue facility	Regan Heating & Air
8/13/2014	Operations	\$1,222	emergency repairs to the Academy Avenue compressor (repairs were needed immediately and Cal was the only known vendor from previously scheduled work	Cal Supply
9/2/2014	Operations	\$2,500	materials and labor needed to repair the exhaust system on Academy Avenue generator (Walco is the maintenance company for the generator and is the only vendor equipped to do this type of work, no other vendor would come out to the site	Walco
9/22/2014	Operations	\$5,000	services rendered in the repair and maintenance of the heating system at Academy Avenue	Industrial Burner

DATE	ACCOUNT	COST	DESCRIPTION	VENDOR
9/23/2014	Operations	\$5,000	repair and maintenance of HVAC system in Prov & Cran	Automatic Temp. Control
9/24/2014	Operations	\$162	services rendered in the installation of one temperature actuated cooling switch in the Academy Avenue phone room	Jefferson Electric
11/3/2014	Operations	\$1,134	service and materials required in the replacement of valves in the Providence facility	Aero Mechanical
1/2/2015	Operations	\$1,800	funds for parts and labor required to repair one overhead door at Academy Avenue	Overhead Door
2/6/2015	Operations	\$500	services rendered in materials and electrical repairs	Jefferson Electric
2/23/2015	Operations	\$131	six clean out covers	Winwater Warwick
2/24/2015	Operations	\$500	funds to make needed repairs to the fuel pumps at Academy Avenue facility	JW Kennedy
2/27/2015	Operations	\$638	materials and labor in the repair of the overhead door at Academy Avenue	Overhead Door
3/5/2015	Operations	\$4,450	materials and services needed to replace the customer service door assembly at Academy Avenue	Guaranty Glass & Mirror
3/10/2015	Operations	\$1,190	replacement of two damaged picnic tables at the Providence facility	Global Industrial
3/30/2015	Operations	\$2,900	fees and materials in the re-installation of the motor assembly and location of the overhead door at Academy Avenue	Jefferson Electric
4/2/2015	Operations	\$2,076	fees and materials needed in the replacement of the overhead door motor at Academy Avenue	Overhead Door
4/29/2015	Operations	\$602	materials and labor in the ongoing repair of the overhead door at Academy Avenue	Overhead Door
5/19/2015	Operations	\$649	for the purchase of one 36" manhole for emergency repairs at Academy Avenue	JW Kennedy
5/29/2015	Operations	\$839	purchase of a valve assembly to be installed in the gas pump at Academy Avenue	John W. Kennedy Co

DATE	ACCOUNT	COST	DESCRIPTION	VENDOR
6/2/2015	Operations	\$200	funds to purchase materials to replace inadequate drain in front of customer service at Academy Avenue	Winwater Warwick
6/3/2015	Operations	\$200	funds to purchase asphalt to repair drain replacement at customer service entrance	Narragansett Improvement
7/13/2015	Operations	\$155	various wiring products to upgrade data lines in CS	Graybar
Total spent:		\$227,358		

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1-3: Please provide a list of all necessary repairs/upgrades needed to the Academy Avenue building, and the anticipated cost estimates for these fixes.

Response: Because Providence Water has been actively looking for a new Central Operating Facility (COF) for the last several years, we have not focused on planning/evaluating or implementing any major repairs or upgrades at the Academy Avenue facility. As such, Providence Water has only focused on any repairs/upgrades that are required to maintain operations at the Academy Avenue facility. As stated in Mr. Caruolo's testimony, the facility assessment conducted as part of the CDM Phase I report is the last time a full assessment was completed on the Academy Avenue facility. The repairs/upgrades that are included in Mr. Caruolo's testimony are in addition to any repairs/upgrades included in the CDM Phase I report and are preliminary estimates based on Providence Water's collective experience.

To summarize, below are a list of necessary repairs/upgrades at the Academy Avenue facility.

Roof Repairs - \$300,000 to \$800,000
Parking Lot Drainage Repairs - \$600,000
Heating System Repairs - \$300,000
Window Repairs/Upgrades - \$300,000
Internal Plumbing/Drainage Repairs - \$200,000
Electrical Repairs/Upgrades - \$300,000 to \$450,000
Repair to Skylights - \$125,000
UST/AST Compliance - \$200,000

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1-4: Will there be any further repairs/upgrades done to Academy Avenue if PUC rate approval is granted in this docket? If so, please itemize and explain why the work needs to be completed prior to Providence Water's vacating the property.

Response: It is my understanding, at this time, that there will be no major repairs/upgrades (as summarized in PUC 1-3) to the Academy Avenue facility if PUC rate approval is granted. It is expected that there will be some unforeseen repairs needed to the Academy Avenue facility, to facilitate continued Providence Water operations, prior to vacating the property.

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1-5: With regard to Providence Water receiving approval from all applicable state and local regulatory and financial authorities, please provide a list of all necessary approvals needed, the dates approval was received or is expected to be received.

Response: Please see the attached list of known applicable state and local approvals and an estimate of when approval may be granted.

<i>Agency</i>	<i>Approval</i>	<i>Date</i>
Rhode Island Department of Health	Certificate of Approval	Received July 16, 2015
Clean Water Finance Agency	Financing	Received June 23, 2015
City of Providence City Council	Approval for Purchase and Renovation	Estimated August 2015
Rhode Island Public Utilities Commission	Approval for rates to pay for COF	Estimated late August 2015
Rhode Island Division of Public Utilities and Carriers	Approval of Debt Service	Estimated September 2015
Rhode Island Department of Environmental Management	Approval of work within Wetlands Setback	Estimated December 2015
City of Providence Board of Contract and Supply	Approval to Advertise CMAR Bid	Estimated September 2015
City of Providence Board of Contract and Supply	Approval to Award CMAR Contract	Estimated November 2015
City of Providence Inspection & Standards	All Applicable Building Permits	Estimated February 2016
City of Providence Inspection & Standards	Certificate of Occupancy	Estimated April 2017

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PUC 1-6: Do approved rates in this docket need to be effective on September 1, 2015 or is there a later date when new rates can be made effective? Please explain.

RESPONSE:

Providence Water believes that the approved rates need to be effective September 1, 2015. PWSB will need to make deposits into the debt service fund each month to ensure that annual principal and interest payments can be made on time. Delaying the effective date would decrease the amount of time between when Providence Water can begin adding to the fund and when the first payment is due. Assuming 1/12th of the annual payment is contributed each month, the debt service fund could run a deficit if the effective date is delayed.

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PUC 1-7: Following on BCWA's first data request, please provide a proposal for a rate plan that would phase in rates necessary to make the debt service payments. The first effective date should be the same as that used in the response to PUC-1-6. For guidance, please see PUC Docket No. 4243: In re: City of Newport Water Division—Multi-year rate plan application.

RESPONSE:

The requested cost of service schedule, rates, and bill comparisons are attached. The Commission's response to BCWA's request 1-1 stated that RICWF loans require that the borrower demonstrate that approved rates are sufficient to generate revenues that will ensure a 1.25 debt service coverage ratio for the current fiscal year and the three following fiscal years. [This should have stated for the **three** fiscal years following the issuance of the bonds.] Our bond counsel and fiscal advisor have confirmed to me that the 1.25x coverage will be required. Attached are the pertinent portions of our Trust Indenture that reflect the funding and coverage requirements for debt. [See § 205 at page 21 and § 603 at pages 46-47.]

The attached Revenue Requirements schedule, Rate Impact schedules, and Typical Bill Comparison schedule are based on a rate year revenue requirement of \$2,401,397 in the first year of rates (September 1, 2015 –August 31, 2016), and an additional revenue requirement of \$233,408 in the second year to provide the required 125% debt coverage. Providence Water is not requesting an increase in revenues above the \$2,448,000 presented in our original filing. We also do not propose reducing the requested revenue increase down to \$2,401,397. The difference of \$46,603 is not a significant amount, and it will help meet the 1.25x coverage requirement for the second fiscal year of debt service. The requirement for the issuance of bonds is for the 1.25x coverage to be shown for the three fiscal years after issuance.

The initial year revenue requirement of \$2,401,397 is derived from the fiscal year 2017 (first fiscal year after bond issuance) debt payment amounts that total \$1,883,449 increased by 25%. [See revised debt service schedule in response to Commission request 1-8, at page 5.] This amount (\$2,354,311) is then increased by a combined 2% for the Revenue Reserve (0.5%) and the Operating Reserve (1.5%). The second year revenue requirement is calculated in the same manner based on the fiscal year 2018 debt service payment amount of \$2,066,514.

PWSB Response to Commission 1-7
Revenue Requirements

Revenue	Existing Rates		Adjustment		Rates	
	Second Revised Settlement	Step 1	Effective 9/1/2015	Step 2	Effective 9/1/2015	Effective 9/1/2016
Service Charge	7,425,283	-	7,425,283	-	7,425,283	7,425,283
Retail Sales	37,194,486	\$ 2,401,397	39,595,883	\$ 233,408	39,829,291	39,829,291
Wholesale Sales	16,702,792	-	16,702,792	-	16,702,792	16,702,792
Private Fire Protection	2,630,126	-	2,630,126	-	2,630,126	2,630,126
Retail FPSC	1,276,826	-	1,276,826	-	1,276,826	1,276,826
Public Fire Protection	1,118,074	-	1,118,074	-	1,118,074	1,118,074
Miscellaneous Revenue	1,179,169	-	1,179,169	-	1,179,169	1,179,169
Other	-	-	-	-	-	-
TOTAL REVENUE	67,526,756	\$ 2,401,397	69,928,153	\$ 233,408	70,161,561	
Total Rate Revenues	66,347,587	\$ 2,401,397	68,748,984	\$ 233,408	68,982,392	
Expenses						
Operations and Maintenance	28,974,912	-	28,974,912	-	28,974,912	
Insurance	1,802,547	-	1,802,547	-	1,802,547	
Chemical & Sludge	4,500,000	-	4,500,000	-	4,500,000	
City Service	839,167	-	839,167	-	839,167	
Property Taxes	6,487,515	-	6,487,515	-	6,487,515	
Capital Reimbursement	(2,091,772)	-	(2,091,772)	-	(2,091,772)	
Net Operations	40,512,369	-	40,512,369	-	40,512,369	C
Capital Fund	50,000	\$ 2,354,311	2,404,311	\$ 228,831	2,633,142	
Western Cranston	62,069	-	62,069	-	62,069	
Infrastructure Replacement Fund	24,000,000	-	24,000,000	-	24,000,000	
Cash-Funded AMR/Meter Repl. Fund	1,000,000	-	1,000,000	-	1,000,000	
Equipment Replacement Fund	600,000	-	600,000	-	600,000	
Property Tax Refund Fund	-	-	-	-	-	
Revenue Reserve Fund (Restricted)	325,226	11,772	336,998	1,144	338,142	B
Capital	26,037,295	\$ 2,366,083	28,403,378	\$ 229,975	28,633,353	A
TOTAL EXPENSES	66,549,664	\$ 2,366,083	68,915,747	\$ 229,975	69,145,722	
Operating Reserve (Unrestricted)	975,679	\$ 35,315	1,010,994	\$ 3,432	1,014,426	
Total Cost of Service	67,525,343	\$ 2,401,398	69,926,740	\$ 233,408	70,160,148	
Revenues Over (Under) Expenses	1,413	\$	1,413	\$	1,413	
Total Increase to Break-Even			3.55%		0.33%	
Rate Revenue Increase to Break-Even			3.62%		0.34%	

Notes:

Revenue Reserve Restricted is ((A-B+C)-(D+E)) .005

Operating Reserve (Unrestricted) is ((A-B+C)-(D+E)) .015

*Revenue surplus results from rounding

PWSB Response to Commission 1-7
Rates and Impacts

Rates and Impacts
Multi-Year Increase

Billing Unit	Proposed Units of Service	Current Rates	Rates Effective 9/1/2015 Step 1	Rates Effective 9/1/2016 Step 2	% Increase Step 1	% Increase Step 2
Monthly Service Charges						
5/8"	53,152 \$	7.89 \$	7.89 \$	7.89 \$	0.00%	0.00%
3/4"	10,645 \$	8.32 \$	8.32 \$	8.32 \$	0.00%	0.00%
1"	5,067 \$	9.58 \$	9.58 \$	9.58 \$	0.00%	0.00%
1.5"	1,495 \$	11.27 \$	11.27 \$	11.27 \$	0.00%	0.00%
2"	1,536 \$	15.91 \$	15.91 \$	15.91 \$	0.00%	0.00%
3"	106 \$	50.10 \$	50.10 \$	50.10 \$	0.00%	0.00%
4"	39 \$	62.77 \$	62.77 \$	62.77 \$	0.00%	0.00%
6"	76 \$	92.31 \$	92.31 \$	92.31 \$	0.00%	0.00%
8"	44 \$	126.08 \$	126.08 \$	126.08 \$	0.00%	0.00%
10"	2 \$	156.68 \$	156.68 \$	156.68 \$	0.00%	0.00%
12"	2 \$	187.28 \$	187.28 \$	187.28 \$	0.00%	0.00%
Total	72,164 \$	7,425,283 \$	7,425,283 \$	7,425,283 \$	0.00%	0.00%

Billing Unit	Units of Service	Fire Service Charge	Fire Service Charge	Fire Service Charge	Fire Service Charge	Fire Service Charge
Monthly Service Charges						
5/8"	25,267 \$	1.20 \$	1.20 \$	1.20 \$	0.00%	0.00%
3/4"	4,207 \$	1.80 \$	1.80 \$	1.80 \$	0.00%	0.00%
1"	1,998 \$	4.48 \$	4.48 \$	4.48 \$	0.00%	0.00%
1.5"	896 \$	11.95 \$	11.95 \$	11.95 \$	0.00%	0.00%
2"	901 \$	28.66 \$	28.66 \$	28.66 \$	0.00%	0.00%
3"	69 \$	77.62 \$	77.62 \$	77.62 \$	0.00%	0.00%
4"	19 \$	131.35 \$	131.35 \$	131.35 \$	0.00%	0.00%
6"	30 \$	268.67 \$	268.67 \$	268.67 \$	0.00%	0.00%
8"	16 \$	405.99 \$	405.99 \$	405.99 \$	0.00%	0.00%
10"	1 \$	620.93 \$	620.93 \$	620.93 \$	0.00%	0.00%
12"	- \$	1,026.91 \$	1,026.91 \$	1,026.91 \$	0.00%	0.00%
Total	33,404	\$1,276,826	\$1,276,826	\$1,276,826	0.00%	0.00%
Total Retail Service Charge Revenue		\$	8,702,109 \$	8,702,109 \$	0.00%	0.00%

**PWSB Response to Commission 1-7
Rates and Impacts**

	Rates and Impacts Multi-Year Increase	
Retail Consumption Charges		
Residential (HCF)	2.880	\$3,066
Commercial (HCF)	2.744	\$2,922
Industrial (HCF)	2.695	\$2,869
Total	37,194,486 \$	39,595,883 \$
		39,829,291
		6.46%
		6.46%
		6.46%
		0.59%
		0.58%
		0.59%

	Rates and Impacts Multi-Year Increase	
Wholesale Charges		
<i>Volume Charge</i>		
Consumption (HCF)	1.294904	\$1,294,904
Consumption (MG)	1,731.16	\$1,731.16
Total Consumption Charge Revenue	\$53,897,278	\$56,298,675
		\$56,532,083
		4.46%
		4.46%

Service	Monthly		Monthly		Monthly		Monthly	
	Pvt. Fire Charge	Pvt. Fire Charge	Pvt. Fire Charge	Pvt. Fire Charge	Pvt. Fire Charge	Pvt. Fire Charge	Pvt. Fire Charge	
3/4"	3 \$	7.51 \$	7.51 \$	7.51 \$	7.51 \$	7.51 \$	0.00%	
1"	10 \$	8.88 \$	8.88 \$	8.88 \$	8.88 \$	8.88 \$	0.00%	
1-1/2"	3 \$	10.93 \$	10.93 \$	10.93 \$	10.93 \$	10.93 \$	0.00%	
2"	50 \$	16.21 \$	16.21 \$	16.21 \$	16.21 \$	16.21 \$	0.00%	
4"	349 \$	69.28 \$	69.28 \$	69.28 \$	69.28 \$	69.28 \$	0.00%	
6"	1,272 \$	112.95 \$	112.95 \$	112.95 \$	112.95 \$	112.95 \$	0.00%	
8"	254 \$	171.07 \$	171.07 \$	171.07 \$	171.07 \$	171.07 \$	0.00%	
10"	4 \$	238.31 \$	238.31 \$	238.31 \$	238.31 \$	238.31 \$	0.00%	
12"	17 \$	319.69 \$	319.69 \$	319.69 \$	319.69 \$	319.69 \$	0.00%	
16"	1 \$	531.68 \$	531.68 \$	531.68 \$	531.68 \$	531.68 \$	0.00%	
Total	1,963	\$2,630,126	\$2,630,126	\$2,630,126	\$2,630,126	\$2,630,126	0.00%	

Public Fire Service Charges	Proposed		Proposed		Proposed	
	Rate	Rate	Rate	Rate	Rate	Rate
Hydrants	2,832 \$	394.80 \$	394.80 \$	394.80 \$	394.80 \$	0.00%

Total Fire Protection Charge Revenue		Total Fire Protection Charge Revenue	
	\$3,748,200	\$3,748,200	\$3,748,200
Miscellaneous Revenues	(\$1,179,169)	(\$1,179,169)	0.00%
Total Rate Revenues	\$66,347,587	\$68,748,984	3.62%
Total Revenues	\$67,526,756	\$69,928,153	3.56%
Additional Revenues		\$2,401,397	\$233,408

PWSB Response to Commission 1-7
 Typical Bill Comparison

Comparison of Typical Annual Charges
 Rate Year Ending December 31, 2014

	Current Rates	Rates Effective 9/1/2015	Rates Effective 9/1/2016	% Change Step 1	% Change Step 2
Residential - (5/8" Meter, 100 HCF)					
Service Charge	\$ 94.68	\$ 94.68	\$ 94.68	0.00%	0.00%
Volume Charge	\$ 288.00	\$ 306.60	\$ 308.40	6.46%	0.59%
Total	\$ 382.68	\$ 401.28	\$ 403.08	4.86%	0.45%
Commercial - (2" Meter, 2,000 HCF)					
Service Charge	\$ 190.92	\$ 190.92	\$ 190.92	0.00%	0.00%
Volume Charge	5,488.00	5,844.00	5,878.00	6.49%	0.58%
Total	\$ 5,678.92	\$ 6,034.92	\$ 6,068.92	6.27%	0.56%
Industrial - (6" Meter, 10,000 HCF)					
Service Charge	\$ 1,107.72	\$ 1,107.72	\$ 1,107.72	0.00%	0.00%
Volume Charge	\$ 26,950.00	\$ 28,690.00	\$ 28,860.00	6.46%	0.59%
Total	\$ 28,057.72	\$ 29,797.72	\$ 29,967.72	6.20%	0.57%

TRUST INDENTURE

Between

CITY OF PROVIDENCE, RHODE ISLAND

and

U.S. BANK NATIONAL ASSOCIATION, as Trustee

securing

WATER SYSTEM REVENUE BONDS

Dated June 5, 2008

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"System" shall mean the system of water supply, treatment and distribution facilities of the City, together with any Capital Improvements or other additions to the System and substitutions for any part thereof heretofore or hereafter acquired or made by or on behalf of the City, and all other water supply facilities (as such terms are defined in the Act) of the City used in, or necessary or desirable for, the operation of such system, including but not limited to, artesian wells, reservoirs, dams, pipelines, treatment plants and related equipment;

"Trust Estate" means all right, title and interest of the City and the Board in and to (i) all Revenues, and (ii) all monies, securities and Reserve Deposits in all funds and accounts established by or pursuant to the Indenture, except the Operating Fund, the Rebate Fund, and the Unrestricted Fund, if established;

"Trustee" means the trustee appointed in accordance with Section 801, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Indenture;

"Unrestricted Fund" shall mean the fund so designated created by Section 502;

"Water Quality Protection Charges" shall have the meaning ascribed to such term pursuant to the Public Drinking Water Supply Act of 1997; and

"Western Cranston Account" shall mean an account in the Project Fund established pursuant to Section 502.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 201. Authority for the Indenture. The Indenture is adopted pursuant to the Act and Ordinance Number 2008-7 of the City Council of Providence adopted on March 26, 2008.

Section 202. Indenture to Constitute Contract. In consideration of the purchase and acceptance of the Bonds and Subordinated Bonds by those who shall own the same from time to time, the Indenture shall constitute a contract between the City and the Holders from time to time of the Bonds and Subordinated Bonds, and the pledge made in the Indenture and the covenants and agreements therein set forth to be performed by or on behalf of the City and the Board shall be, subject to the provisions of Section 209, for the equal benefit, protection and security of the Holders of any and all of the Bonds and Subordinated Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof or of any of the Subordinated Bonds over any other thereof, except as expressly provided in or permitted by the Indenture.

Section 203. Authorization of Bonds.

(1) There is hereby authorized one or more Series of Bonds of the City to be designated as "Water System Revenue Bonds," which Bonds may be issued as hereinafter provided from time to time, without limitation as to amount except as provided in the Indenture or as limited by law. Bonds may be issued in accordance with this Section for the purpose of (i) paying all or a portion of the Cost of any Project (including the refinancing thereof), (ii) the making of deposits in all funds and accounts, excluding the Unrestricted Fund, established hereunder, (iii) the payment of Costs of Issuance and the discount, if any, payable upon issuance of such Series of Bonds, (iv) the payment of the principal of and interest and premium, if any, on notes issued in anticipation of such Bonds, (v) the securing of the City's repayment obligations with respect to, or sale to the Agency pursuant to, one or more Agency Loan Agreements or (vi) any combination of the foregoing. The Bonds may, if and when authorized by the City pursuant to one or more Supplemental Indentures, be issued in one or more Series, and within a Series, in one or more subseries or lots, and the designation thereof, in addition to the name "Water System Revenue Bonds," may include such further appropriate designations added to or incorporated in such title for the Bonds of any particular Series, subseries or lots as the City may determine. The Bonds may be issued as Fixed-Rate Bonds, Variable Rate Bonds, Tender Bonds, Compound Interest Bonds, or Discount Bonds or any combination thereof in accordance with applicable provisions set forth below and the applicable Supplemental Indenture.

(2) The City may issue Bonds hereunder which bear a fixed rate or rates of interest during the term thereof ("Fixed-Rate Bonds"). The applicable Supplemental Indenture shall specify the rate or rates of interest borne by such Bonds and the interest payment dates thereof.

(3) The City may issue Bonds which provide for the addition of all or any part of accrued and unpaid interest thereon to the principal due thereon upon such terms with respect thereto determined by an applicable Supplemental Indenture ("Compound Interest Bonds"). The City may issue Bonds which either bear a zero stated rate of interest or bear a stated rate of interest such that such Bonds are sold to the public on original issuance at a price less than the aggregate Principal Amount thereof in order to provide such yield thereon as deemed appropriate and desirable thereon by the City ("Discount Bonds"). In the applicable Supplemental Indenture for any Compound Interest Bonds or Discount Bonds, the City shall provide for the method of determination of the Principal Amount and "interest" payable on such Bonds as of any date of calculation and for the purposes hereof such terms with respect to such Bonds shall have the meanings given in such applicable Supplemental Indenture.

(4) For purposes of this Section, Bonds shall include Subordinated Bonds.

Section 204. [RESERVED].

Section 205. General Provisions for Issuance of Bonds:

(1) Bonds of any Series shall be authorized by a Supplemental Indenture which shall specify:

- (i) the authorized Principal Amount, designation, manner of numbering and lettering and Series of such Bonds;
- (ii) the date of such Bonds and the date or dates of maturity thereof;
- (iii) the Redemption Price or Prices and the time or times and other terms of redemption, if any, of any of such Bonds;
- (iv) the amount and date of each Sinking Fund Payment, if any, required to be paid for the retirement of any of such Bonds of like maturity;
- (v) the manner in which the proceeds, if any, of such Bonds are to be applied;
- (vi) the Project or Projects, if any, to be financed by such Bonds and the designation of a Project Account, if any, for the Bonds of such Series;
- (vii) the form or forms of the Bonds of such Series;
- (viii) the Series Debt Service Reserve Fund Requirement applicable to the Bonds of such Series;
- (ix) if the Bonds are Agency Bonds, the Required Debt Service Fund Deposits to be made to the Debt Service Fund in compliance with the applicable Agency Loan Agreement, taking into account any principal or interest subsidies available to the City in connection with such Agency Loan Agreement;
- (x) the minimum denomination, if any, applicable to the Bonds of such Series; and
- (xi) any other provisions deemed advisable by the City not in conflict with the Indenture.

(2) The Bonds of each Series shall be executed by the City and delivered to the Authenticating Agent for such Series of Bonds and by it authenticated and delivered to or upon the order of the City, but only upon receipt by the Trustee of:

- (i) written order signed by an Authorized Officer of the City as to the authentication and delivery of such Bonds;
- (ii) a copy of the applicable Supplemental Indenture executed by an Authorized Officer;
- (iii) an amount of moneys or Reserve Deposits in a stated amount such that following the issuance of such Bonds and application of their proceeds, the amounts on deposit in and the aggregate stated and unpaid amount of all Reserve Deposits held as part of the Debt Service Reserve Fund shall equal the Debt Service Reserve Fund Requirement; provided, however, that the applicable Supplemental

Indenture may provide that the Series Debt Service Reserve Fund Requirement attributable to any Series of Agency Bonds may be funded in substantially equal monthly installments over a period of time after issuance as specified in the applicable Supplemental Indenture (which period shall not exceed 24 months);

- (iv) a certificate of a Consulting Engineer or Certified Public Accountant selected by the Board and satisfactory to the Trustee (a) setting forth the estimated annual Net Revenues for each of the three full Fiscal Years following the issuance of such Bonds (including the Fiscal Year in which such Bonds are issued), after giving effect to any increases or decreases in Rates and Charges projected to be in effect for such period, and to the Series Debt Service Reserve Fund Requirement attributable to such Bonds and to any additional Revenues projected to be available during such period, and (b) showing for each of such Fiscal Years that the estimated annual Net Revenues for such Fiscal Year together with amounts in the Stabilization Account, if any, available in such Fiscal Year (as calculated by an Authorized Officer at the time of issuance of such Bonds) will be at least equal to (i) one hundred percent (100%) for any Agency Bonds issued on or before March 23, 2005 and (ii) for all other Bonds, one hundred twenty-five percent (125%) (or such higher amount as may be set forth in the Supplemental Indenture authorizing the issuance of such Series of Bonds) of the Debt Service Requirement for such Fiscal Year (based on debt service net of any interest rate subsidy); provided that the Consulting Engineer's or Certified Public Accountant's certificate shall not project any increase in Rates and Charges during the first full Fiscal Year of the projection period which has not been adopted by the Board and approved by the Public Utilities Commission for such Fiscal Year on or before the date of such certificate;
- (v) if on the date of issuance of such Series of Bonds the City has any outstanding obligation to replenish the Debt Service Reserve Fund under Section 508(4), evidence that the City has made at least one monthly payment with respect to such obligation on or before the date required thereunder; and
- (vi) a certificate of an Authorized Officer stating that, as of the date of delivery of such Bonds, no Event of Default, as described in Section 701, has occurred and is continuing.
- (vii) evidence that all regulatory approvals required to issue the Bonds or to collect fees and charges sufficient to pay the Bonds have been obtained.

Section 206. Special Conditions Precedent to the Delivery of Refunding Bonds.

- (1) One or more Series of Refunding Bonds may be issued in accordance with this Section for the purpose of refunding all or any part of the Bonds of one or more Series Outstanding.

moneys, securities, Reserve Deposits and funds pledged under the Indenture and all the rights of the Bondholders under the Indenture against all claims and demands of all persons whomsoever.

Section 602. [RESERVED]

Section 603. Covenant as to Rates and Charges. To the extent not otherwise provided by a Supplemental Indenture,

(1) So long as any Bonds are Outstanding, the City and the Board each will take all actions within its power to establish and maintain Rates and Charges adequate at all times, with other available funds, to provide Revenues and other moneys including amounts from the Stabilization Account, at least sufficient to pay or provide for, as the same become due or are payable (i) all Operating Expenses, (ii) all payments of Principal Installments and Redemption Price of and interest on the Bonds and all other bonds, notes or other evidences of indebtedness of or assumed by the City which are payable from Revenues of the System, (iii) all amounts, if any, payable to the Operation and Maintenance Reserve Fund, the Debt Service Reserve Fund, and, if any, the Insurance Reserve Fund, (iv) all repairs, replacements, and renewals of the System deemed necessary by the City and the Board which are payable from Revenues of the System and (v) all other amounts which the City and the Board may by law order of the Public Utilities Commission or contract be obligated to pay from Revenues of the System. Provided the City complies with Section 504(5) and has complied or is diligently proceeding to comply with the requirements of subsection (3) and (4) of this Section 603, the Trustee shall take no action pursuant to Section 701 or Section 703 on account of any failure by the City or the Board to comply with the requirements of this subsection; provided that the setting of Rates and Charges shall, to the extent required by law, be subject to the approval of the Public Utilities Commission.

(2) Without limiting the generality of the foregoing, the City and the Board will each take all actions within its power to establish and maintain Rates and Charges at levels sufficient so that total Net Revenues in each Fiscal Year during which Bonds are Outstanding, shall equal at least (a) one hundred percent (100%) for Bonds issued on or before March 23, 2005 and (b) for all other Bonds, one hundred twenty-five percent (125%) of the Debt Service Requirement during such Fiscal Year (based on debt service net of any interest rate subsidiary) with respect to all Bonds Outstanding as of the first day of such Fiscal Year. Failure by the City or the Board to comply with the requirements of this subsection (2) shall not be considered an Event of Default under the Indenture so long as the City and the Board have complied or is diligently proceeding to comply with the requirements of subsection (3) and (4) of this Section 603; provided that the setting of Rates and Charges shall to the extent required by law, be subject to the approval of the Public Utilities Commission.

(3) On or before the day which is six months prior to the last Business Day of each Fiscal Year the City and the Board shall review the adequacy of the City's Rates and Charges to satisfy the requirements of this Section for the next succeeding Fiscal Year. If such review indicates that the Rates and Charges are, or are likely to be, insufficient to meet the requirements of this Section for the next succeeding Fiscal Year, or if it otherwise appears at any time during such Fiscal Year that Rates and Charges are or are likely to be insufficient to meet such requirements, the and the Board shall promptly take such steps as are permitted by law and as are

necessary to cure or avoid the deficiency, including but not limited to, making an emergency request to the Public Utilities Commission to raise its Rates and Charges. ✓

(4) Within one hundred and eighty days of the close of each Fiscal Year while Bonds are Outstanding, the City and the Board shall deliver to the Trustee a certificate of an Authorized Officer (which may be based on unaudited financial statements) stating, if such was the case, that the City satisfied the requirements of subsections (1) and (2) of this Section 603 in such Fiscal Year or, if such was not the case, specifying in reasonable detail the corrective steps taken by the City and the Board so that the City it will comply with such requirements in the then current Fiscal Year. If such certificate is based on unaudited financial statements, then within 270 days of the close of each Fiscal Year while the Bonds are Outstanding, the City and the Board shall deliver to the Trustee an additional certificate based on audited financial statements. Any certificate based on audited financial statements shall be accompanied by a certificate of the independent public accountant or firm of accountants regularly auditing the books of the or the Board in accordance with Section 609 setting forth the Net Revenues for the preceding Fiscal Year.

Section 604. Sale, Lease or Encumbrance of System.

(1) Except as provided in this Section and Section 607(3), no part of the System shall be sold, leased (with the City or the Board as lessor) or otherwise disposed of or encumbered.

(2) To the extent permitted by law, the City may sell or exchange or otherwise dispose of at any time or from time to time any property or facilities constituting part of the System which either (i) are worn out or obsolete or (ii) in the written opinion of the City or the Board are no longer useful in the operation of the System and, if the market value of such property or facilities as determined by the City or the Board is in excess of \$500,000, the City delivers to the Trustee a certificate of an Authorized Officer stating, in the opinion of the signer, that the sale, exchange or other disposition of such property or facilities will not impair the ability of the City to satisfy the requirements of Section 603 in the then current or any future Fiscal Year. To the extent permitted by law, any proceeds of such sale, exchange or other disposition not used to replace the property so sold, exchanged or disposed of shall be deposited in the Revenue Fund.

(3) To the extent permitted by law, the City may sell, mortgage, grant security interests in, or otherwise encumber any real or personal property included in the System, or may lease as lessee any real or personal property to be used in the operation of the System; provided that the City shall deliver to the Trustee a written report satisfactory to the Agency (A) stating that such action shall not impede the City's ability to comply with all the covenants set forth in Article VI of this Indenture for so long as any Bonds or Subordinated Bonds shall remain Outstanding and (B) including a certificate of a Consulting Engineer or a Certified Public Accountant (a) setting forth the estimated annual Net Revenues for each of the five full Fiscal Years following the action (including the Fiscal Year in which such action is taken), after giving effect to any increases or decreases in Rates and Charges projected to be in effect for such period and to any additional Revenues projected to be available during such period, and (b) showing for each of such Fiscal Years that the estimated annual Net Revenues for such Fiscal Year will be at

PROVIDENCE WATER SUPPLY BOARD
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- 1-8. It appears from Mr. Massaro's testimony that Clean Water Finance will issue the bonds in March 2016. Please provide an update to TM-2 to reflect an issuance by Clean Water Finance in March 2016.

RESPONSE:

Please see attached.

**Rhode Island Clean Water Finance Agency
2015 Drinking Water Program Admin Funds Loan
Rates as of 5/6/2015 Plus 50 BP**

**Calculation of Borrower Rate
Providence WSB- \$30.0M Admin Funds**

Borrower:	Providence WSB	Highest Rating:	AA
Rate Lock Date:	05/06/15	MMD Scale:	Revenue-AA
Closing Date:	02/17/16	Zero% Subaldy:	-
Pledge:	Revenue	DSR Required:	Yes

Maturity	Market Rate	Less 25% Subsidy	Subsidized Rate	Loan Rate	Plus Admin. Fee	Total Borrower Billing Rate
2016	0.970%	-0.240%	0.730%	0.730%	0.600%	1.230%
2017	1.580%	-0.400%	1.180%	1.180%	0.500%	1.680%
2018	2.130%	-0.530%	1.600%	1.600%	0.500%	2.100%
2019	2.400%	-0.600%	1.800%	1.800%	0.500%	2.300%
2020	2.470%	-0.620%	1.850%	1.850%	0.500%	2.350%
2021	2.600%	-0.650%	1.950%	1.950%	0.500%	2.450%
2022	2.790%	-0.700%	2.090%	2.090%	0.500%	2.590%
2023	3.000%	-0.750%	2.250%	2.250%	0.500%	2.750%
2024	3.150%	-0.790%	2.360%	2.360%	0.500%	2.860%
2025	3.140%	-0.790%	2.350%	2.350%	0.500%	2.850%
2026	3.470%	-0.870%	2.600%	2.600%	0.500%	3.100%
2027	3.710%	-0.930%	2.780%	2.780%	0.600%	3.280%
2028	3.880%	-0.970%	2.910%	2.910%	0.600%	3.410%
2029	4.000%	-1.000%	3.000%	3.000%	0.500%	3.500%
2030	4.110%	-1.030%	3.080%	3.080%	0.500%	3.580%
2031	4.190%	-1.050%	3.140%	3.140%	0.500%	3.640%
2032	4.250%	-1.060%	3.190%	3.190%	0.500%	3.690%
2033	4.050%	-1.010%	3.040%	3.040%	0.500%	3.540%
2034	4.070%	-1.020%	3.050%	3.050%	0.500%	3.550%
2035	4.440%	-1.110%	3.330%	3.330%	0.500%	3.830%

Rhode Island Clean Water Finance Agency
 2015 Drinking Water Program Admin Funds Loan
 Rates as of 5/6/2015 Plus 50 BP

Sources & Uses

Providence WSB- \$30.0M Admin Funds

Sources:

Admin Funds	30,000,000.00
Fed Direct - Prin Forgiveness Funds	-
Total Sources	<u>30,000,000.00</u>

Uses:

Admin Loan - Deposit to Construction Fund	27,484,433.30
Principal Forgiveness Funds	-
Deposit to DSRF	2,066,566.70
Capitalized Interest	-
Loan Origination Fee (1.0%)	300,000.00
Costs of Issuance - Local Level	150,000.00
Total Uses	<u>30,000,000.00</u>

Providence WSB - Admin Loan Statistics (Exclusive of Fees):

Weighted Average Maturity (Years)	11.0077
Market Yield on the Loan:	3.871%
Effective Yield* on Total Admin Loan	2.842%
Net Effective Subsidy:	28.676%

*Effective Yield incorporates:

* 26% DWSRF Interest Rate Subsidy

Rhode Island Clean Water Finance Agency
 2015 Drinking Water Program Admin Funds Loan
 Rates as of 5/6/2015 Plus 50 BP

Construction Fund Cash Flow
 Providence WSB- \$30.0M Admin Funds

Date	Beginning Balance	Loan Proceeds Deposit	Cost of Issuance	Admin Loan Draws	DSRF & Cap-I	Total Draws	Ending Fund Balance	6-Month Const Draws	% Spent
02/17/16	-	30,000,000.00	450,000.00	10,000,000.00	2,065,566.70	12,515,566.70	17,484,433.30		
03/01/16	17,484,433.30	-	-	1,955,000.00	-	1,955,000.00	15,529,433.30		
04/01/16	15,529,433.30	-	-	1,955,000.00	-	1,955,000.00	13,574,433.30		
05/01/16	13,574,433.30	-	-	1,955,000.00	-	1,955,000.00	11,619,433.30		
06/01/16	11,619,433.30	-	-	1,955,000.00	-	1,955,000.00	9,664,433.30		
07/01/16	9,664,433.30	-	-	1,955,000.00	-	1,955,000.00	7,709,433.30		
08/01/16	7,709,433.30	-	-	1,955,000.00	-	1,955,000.00	5,754,433.30	21,730,000.00	79%
09/01/16	5,754,433.30	-	-	1,955,000.00	-	1,955,000.00	3,799,433.30		
10/01/16	3,799,433.30	-	-	1,955,000.00	-	1,955,000.00	1,844,433.30		
11/01/16	1,844,433.30	-	-	1,844,433.30	-	1,844,433.30	-		
12/01/16	-	-	-	-	-	-	-		
01/01/17	-	-	-	-	-	-	-		
02/01/17	-	-	-	-	-	-	-	5,754,433.30	100%
03/01/17	-	-	-	-	-	-	-		
04/01/17	-	-	-	-	-	-	-		
05/01/17	-	-	-	-	-	-	-		
06/01/17	-	-	-	-	-	-	-		
07/01/17	-	-	-	-	-	-	-		
08/01/17	-	-	-	-	-	-	-		
09/01/17	-	-	-	-	-	-	-	-	100%
10/01/17	-	-	-	-	-	-	-		
11/01/17	-	-	-	-	-	-	-		
12/01/17	-	-	-	-	-	-	-		
01/01/18	-	-	-	-	-	-	-		
02/01/18	-	-	-	-	-	-	-		
03/01/18	-	-	-	-	-	-	-	-	100%
04/01/18	-	-	-	-	-	-	-		
05/01/18	-	-	-	-	-	-	-		
06/01/18	-	-	-	-	-	-	-		
07/01/18	-	-	-	-	-	-	-		
08/01/18	-	-	-	-	-	-	-		
09/01/18	-	-	-	-	-	-	-	-	100%
10/01/18	-	-	-	-	-	-	-		
11/01/18	-	-	-	-	-	-	-		
12/01/18	-	-	-	-	-	-	-		
01/01/19	-	-	-	-	-	-	-		
02/01/19	-	-	-	-	-	-	-	-	100%
03/01/19	-	-	-	-	-	-	-		
04/01/19	-	-	-	-	-	-	-		
05/01/19	-	-	-	-	-	-	-		
06/01/19	-	-	-	-	-	-	-		
		<u>30,000,000.00</u>	<u>450,000.00</u>	<u>27,484,433.30</u>	<u>2,065,566.70</u>	<u>30,000,000.00</u>		<u>27,484,433.30</u>	

**Rhode Island Clean Water Finance Agency
2015 Drinking Water Program Admin Funds Loan
Rates as of 5/6/2015 Plus 50 BP**

Loan Balance
Providence WSB- \$30.0M Admin Funds

Date	Admin Loan Draws	Admin Loan Principal Paid	Admin Loan Balance	Interest (1) Accrued @ 2.520%	Semiannual Interest Requirements	Loan Fees @ 0.500%	Semiannual Loan Fees Payable
02/17/16	12,516,200.00	-	12,516,200.00	-	-	-	-
03/01/16	1,955,000.00	-	14,471,200.00	12,265.88	12,265.88	2,433.71	2,433.71
04/01/16	1,955,000.00	-	16,426,200.00	30,389.52	-	6,029.67	-
05/01/16	1,955,000.00	-	18,381,200.00	34,496.02	-	6,844.25	-
06/01/16	1,955,000.00	-	20,336,200.00	38,600.52	-	7,658.83	-
07/01/16	1,955,000.00	-	22,291,200.00	42,706.02	-	8,473.42	-
08/01/16	1,955,000.00	-	24,246,200.00	48,811.52	-	9,288.00	-
09/01/16	1,955,000.00	(1,170,000.00)	25,031,200.00	50,917.02	243,919.82	10,102.58	48,388.75
10/01/16	1,955,000.00	-	26,986,200.00	52,565.52	-	10,429.67	-
11/01/16	1,843,800.00	-	28,830,000.00	58,671.02	-	11,244.25	-
12/01/16	-	-	28,830,000.00	60,543.00	-	12,012.50	-
01/01/17	-	-	28,830,000.00	60,543.00	-	12,012.50	-
02/01/17	-	-	28,830,000.00	60,543.00	-	12,012.50	-
03/01/17	-	-	28,830,000.00	60,543.00	351,408.54	12,012.50	69,723.82
04/01/17	-	-	-	-	-	-	-
05/01/17	-	-	-	-	-	-	-
06/01/17	-	-	-	-	-	-	-
07/01/17	-	-	-	-	-	-	-
08/01/17	-	-	-	-	-	-	-
09/01/17	-	-	-	-	-	-	-
10/01/17	-	-	-	-	-	-	-
11/01/17	-	-	-	-	-	-	-
12/01/17	-	-	-	-	-	-	-
01/01/18	-	-	-	-	-	-	-
02/01/18	-	-	-	-	-	-	-
03/01/18	-	-	-	-	-	-	-
04/01/18	-	-	-	-	-	-	-
05/01/18	-	-	-	-	-	-	-
06/01/18	-	-	-	-	-	-	-
07/01/18	-	-	-	-	-	-	-
08/01/18	-	-	-	-	-	-	-
09/01/18	-	-	-	-	-	-	-
10/01/18	-	-	-	-	-	-	-
11/01/18	-	-	-	-	-	-	-
12/01/18	-	-	-	-	-	-	-
01/01/19	-	-	-	-	-	-	-
02/01/19	-	-	-	-	-	-	-
03/01/19	-	-	-	-	-	-	-
04/01/19	-	-	-	-	-	-	-
05/01/19	-	-	-	-	-	-	-
06/01/19	-	-	-	-	-	-	-
	<u>30,000,000.00</u>	<u>(1,170,000.00)</u>		<u>607,594.04</u>	<u>607,594.04</u>	<u>120,554.37</u>	<u>120,554.37</u>

(1) Interest rate represents the weighted average loan rate for the entire loan amortization.

**Rhode Island Clean Water Finance Agency
2015 Drinking Water Program Admin Funds Loan
Rates as of 5/8/2015 Plus 50 BP**

**Loan Debt Service
Providence WSB- \$30.0M Admin Funds**

Date	Principal	Loan Rate	(1) Interest	Net Fees @ 0.500%	Total Fees & Interest	Total Net Debt Service	Annual Net Debt Service & Fees
02/17/16							
03/01/16	-	-	12,265.88	2,433.71	14,699.59	14,699.59	-
09/01/16	1,170,000.00	0.730%	243,919.62	48,396.75	292,316.37	1,462,316.37	1,477,015.96
03/01/17	-	-	351,408.54	69,723.02	421,132.46	421,132.46	-
09/01/17	1,184,000.00	1.180%	374,154.85	72,075.00	446,229.85	1,830,229.85	2,051,362.31
03/01/18	-	-	367,169.25	69,115.00	436,284.25	436,284.25	-
09/01/18	1,204,000.00	1.600%	367,169.25	69,115.00	436,284.25	1,640,284.25	2,076,566.50
03/01/19	-	-	357,537.25	66,105.00	423,642.25	423,642.25	-
09/01/19	1,229,000.00	1.800%	357,537.25	66,105.00	423,642.25	1,652,642.25	2,076,284.50
03/01/20	-	-	346,476.25	63,032.50	409,508.75	409,508.75	-
09/01/20	1,257,000.00	1.850%	346,476.25	63,032.50	409,508.75	1,666,508.75	2,076,017.50
03/01/21	-	-	334,849.00	69,890.00	394,739.00	394,739.00	-
09/01/21	1,287,000.00	1.950%	334,849.00	69,890.00	394,739.00	1,681,739.00	2,076,478.00
03/01/22	-	-	322,300.75	56,872.50	378,973.25	378,973.25	-
09/01/22	1,319,000.00	2.090%	322,300.75	56,872.50	378,973.25	1,697,973.25	2,076,946.50
03/01/23	-	-	308,517.20	53,375.00	361,892.20	361,892.20	-
09/01/23	1,353,000.00	2.250%	308,517.20	53,375.00	361,892.20	1,714,892.20	2,076,784.40
03/01/24	-	-	293,295.95	49,992.50	343,288.45	343,288.45	-
09/01/24	1,390,000.00	2.380%	293,295.95	49,992.50	343,288.45	1,733,288.45	2,076,575.90
03/01/25	-	-	276,893.95	46,517.50	323,411.45	323,411.45	-
09/01/25	1,430,000.00	2.350%	276,893.95	46,517.50	323,411.45	1,753,411.45	2,076,822.90
03/01/26	-	-	260,091.45	42,942.50	303,033.95	303,033.95	-
09/01/26	1,470,000.00	2.600%	260,091.45	42,942.50	303,033.95	1,773,033.95	2,076,067.90
03/01/27	-	-	240,981.45	39,267.50	280,248.95	280,248.95	-
09/01/27	1,518,000.00	2.730%	240,981.45	39,267.50	280,248.95	1,796,248.95	2,076,497.90
03/01/28	-	-	219,909.05	35,477.50	255,386.55	255,386.55	-
09/01/28	1,566,000.00	2.910%	219,909.05	35,477.50	255,386.55	1,821,386.55	2,076,773.10
03/01/29	-	-	197,123.75	31,662.50	228,686.25	228,686.25	-
09/01/29	1,619,000.00	3.000%	197,123.75	31,662.50	228,686.25	1,847,686.25	2,076,372.50
03/01/30	-	-	172,838.75	27,515.00	200,353.75	200,353.75	-
09/01/30	1,676,000.00	3.080%	172,838.75	27,515.00	200,353.75	1,876,353.75	2,076,707.50
03/01/31	-	-	147,028.35	23,325.00	170,353.35	170,353.35	-
09/01/31	1,736,000.00	3.140%	147,028.35	23,325.00	170,353.35	1,906,353.35	2,076,706.70
03/01/32	-	-	119,773.15	18,985.00	138,758.15	138,758.15	-
09/01/32	1,799,000.00	3.190%	119,773.15	18,985.00	138,758.15	1,837,758.15	2,076,516.30
03/01/33	-	-	91,079.10	14,487.50	105,566.60	105,566.60	-
09/01/33	1,865,000.00	3.040%	91,079.10	14,487.50	105,566.60	1,970,566.60	2,076,133.20
03/01/34	-	-	62,731.10	9,825.00	72,556.10	72,556.10	-
09/01/34	1,931,000.00	3.050%	62,731.10	9,825.00	72,556.10	2,003,556.10	2,076,112.20
03/01/35	-	-	33,283.35	4,997.50	38,280.85	38,280.85	-
09/01/35	1,989,000.00	3.330%	33,283.35	4,997.50	38,280.85	2,037,280.85	2,075,561.70
	<u>30,000,000.00</u>		<u>9,285,607.09</u>	<u>1,618,799.37</u>	<u>10,904,306.46</u>	<u>40,904,306.46</u>	<u>40,904,306.46</u>

(1) Interest during construction is calculated based on the timing of expected draws and the overall weighted average loan rate of 2.520%.

PROVIDENCE WATER SUPPLY BOARD
Docket No. 4571

Data Requests of the
Public Utilities Commission- Set 1
July 9, 2015

PUC 1-9. If the \$30 million bond is issued and the total cost of purchase and remodeling is lower than currently anticipated, what will happen to the excess funds?

Response:

If Providence Water does not utilize all of our loan proceeds for this project, we can use these loan proceeds for another project such as; the Cleaning and Lining project which has already been issued a Certificate of Approval from the Department of Health. However, Providence Water would have to go back to the City Council and have the ordinance amended. Providence Water's other option is to use excess proceeds to pay down interest on Bond.

PROVIDENCE WATER SUPPLY BOARD
Docket No. 4571

Data Requests of the
Public Utilities Commission- Set 1
July 9, 2015

PUC 1-10. Is there any prepayment penalty on the bonds?

Response:

Bonds cannot be prepaid as part of the SRF program restrictions.

PROVIDENCE WATER SUPPLY BOARD
Docket No. 4571

PUBLIC UTILITIES COMMISSION'S FIRST SET OF DATA REQUESTS DIRECTED TO
PROVIDENCE WATER SUPPLY BOARD

(Issued July 9, 2015)

PUC 1-11: In the past five years, has any official from the City of Providence provided Providence Water with any notification that it will be evicted from the Academy Avenue property or otherwise urged Providence Water to find a new property?

Response: No. I am not aware of a notification to evict Providence Water from Academy Avenue nor am I aware of Providence Water being urged to find a new property.

PROVIDENCE WATER SUPPLY BOARD
Docket No. 4571

PUBLIC UTILITIES COMMISSION'S FIRST SET OF DATA REQUESTS DIRECTED TO
PROVIDENCE WATER SUPPLY BOARD

(Issued July 9, 2015)

PUC 1-12: Has Providence Water approached the City of Providence to determine whether there is another property that Providence Water could move to under the same conditions as the Academy Avenue property? If so, when and what was the result? If not, why not?

Response: Yes. Over the past several years we have had conversations with the Alan Sepe, the Director of Operations for the City of Providence, who is in charge of all public properties. Mr. Sepe is aware of our current issues at Academy Avenue and our needs and requirements for a new facility. The City does not own any property that meets our requirements.

PROVIDENCE WATER SUPPLY BOARD

Docket No. 4571

Data Requests of the
RI Public Utilities Commission - Set 1
July 9, 2015

1-13: Please provide an explanation and timeline of the bidding process that Providence Water will need to complete for remodeling should the rates be approved.

Response: In addition to the response to BCWA 1-22, below is an estimated timeline for the bidding process that Providence Water will need to complete for remodeling the COF.

July 2015 – Award contract to Pare Corporation for 35% design of renovation to the Central Operations Facility.

July 2015 through October 2015 – Prepare 35% design and bidding documents for Construction Management at Risk (CMAR)

October 2015 – Seek approval from the City of Providence Board of Contract and Supply (BOC) to advertise a request for proposals (RFP) for CMAR.

October 2015 through December 2015 – Receive proposals from CMAR firms.

December 2015 through January 2016 – Evaluate CMAR proposals and select successful bidder.

January 2016 – Seek approval from BOC to award contract to successful CMAR bidder.

PROVIDENCE WATER SUPPLY BOARD

Docket No. 4571

Data Requests of the
RI Public Utilities Commission - Set 1
July 9, 2015

1-14: Please provide the timeline from closing to remodeling and through to occupancy.

Response: The closing date for the purchase of 125 Dupont Drive is currently set for December 29th, 2015. It is anticipated that the remodeling work will begin sometime in April or May of 2016. Providence Water is estimating that we will occupy the COF sometime in April or May of 2017. It is important to note that these dates are estimates and are subject to change due to unforeseen delays in approvals or during the renovation process. A more specific timeline will be developed as part of the design process.

PROVIDENCE WATER SUPPLY BOARD
Docket No. 4571

PUBLIC UTILITIES COMMISSION'S FIRST SET OF DATA REQUESTS DIRECTED TO
PROVIDENCE WATER SUPPLY BOARD

(Issued July 9, 2015)

PUC 1-15: Will there be any offsets to the cost for the sale of any of the assets located on any of Providence Water's other properties that will no longer be necessary as a result of the Central Operations Facility? If so, please provide an itemization. If not, why not?

Response: No. The Cranston trailers will be broken down and removed from the property. However, we are unsure if they have any residual value at this time. We plan to utilize the office furniture in Cranston at the 125 Dupont Drive site.

Providence Water does not plan on selling the land in Cranston as stated in the response to BCWA 1-9.