



PROVIDENCE WATER

Tap Water Delivers

July 14, 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: Providence Water Docket 4571

BOARD OF DIRECTORS

Xaykham Khamsyvoravong
Chairperson

Joseph D. Cataldi
Vice Chairperson

Michael J. Correia
Councilperson

Sabina Matos
Councilperson

Lawrence J. Mancini
Ex-Officio

Andy M. Andujar
Member

Kerri Lynn Thurber
Member

Carissa R. Richard
Secretary

William E. O’Gara, Esq.
Legal Advisor

Dear Mrs. Massaro:

As discussed at the pre-hearing conference on June 30, 2015, Providence Water’s Motion to Reopen Dk 4460 would be redocketed as an abbreviated filing, and additional items under the Commission’s Rules of Practice and Procedure need to be filed in the above matter. I have enclosed an original and nine copies of the following items requested by the Commission Counsel to be filed.

1. Item 2.10(d)(3) Comparative Statement of Revenues and Expenditures for Fiscal Years 2012, 2013 and 2014.
2. Item 2.10(d)(7) Summary of Rate Case Expenses.
3. Item 2.10(d)(8) Summary of Compliance Reporting required by previous Commission orders.
4. Item 2.10(d)(9) An Accounting Summary of all Restricted Funds.

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

Sincerely,



 Mary L. Deignan-White
 Senior Manager of Regulatory

cc: Dk 4406 Service List(via email)
File

MEMBER

Rhode Island Water Works Assn.
New England Water Works Assn.
American Water Works Assn.
Water Research Foundation

An EPA WaterSense Partner

(401) 521-6300

552 Academy Avenue
Providence, RI 02908

www.provwater.com

 Follow us @provwater

 Like us at:
facebook.com/Providencewater

Providence Water Docket 4571

**Index and Responses in Compliance Rhode Island Public Utilities
Commission's Rules of Practice and Procedure, Part II**

Item 2.10(d)(3) **A comparative statement of revenues and expenditures for the past three fiscal years.**

Response Please See attached Statement of Revenues and Statement of Expenditures for FY12, FY13 and FY14.

PROVIDENCE WATER
COMPARATIVE SCHEDULE OF REVENUES

	FISCAL YEAR 06/30/12	FISCAL YEAR 06/30/13	FISCAL YEAR 06/30/14
<u>Metered Revenue</u>			
Residential	\$ 21,321,575	\$ 20,816,299	\$ 22,067,140
Commercial	10,380,245	10,677,654	9,621,261
Industrial	449,862	434,073	451,631
Sub-total Retail	<u>\$ 32,151,682</u>	<u>\$ 31,928,026</u>	<u>\$ 32,140,032</u>
Wholesale	\$ 16,777,164	\$ 15,788,788	\$ 16,852,460
Sub-total Metered	<u>\$ 48,928,846</u>	<u>\$ 47,716,814</u>	<u>\$ 48,992,492</u>
<u>Non-metered Water Revenue</u>			
Service Charge	\$ 5,784,692	\$ 5,747,571	\$ 6,727,314
Providence Fire Protection	633,480	995,784	1,044,814
Private Fire Supply	2,346,504	2,371,767	2,465,002
Public Fire Supply	1,104,443	960,643	1,039,002
Sub-total Non-metered	<u>\$ 9,869,119</u>	<u>\$ 10,075,765</u>	<u>\$ 11,276,132</u>
Total Water Revenue	\$ 58,797,965	\$ 57,792,579	\$ 60,268,624
Miscellaneous Revenue	\$ 1,229,134	\$ 1,359,074	\$ 928,638
Grand Total Revenue	<u><u>\$ 60,027,099</u></u>	<u><u>\$ 59,151,653</u></u>	<u><u>\$ 61,197,262</u></u>

PROVIDENCE WATER
COMPARATIVE SCHEDULE OF EXPENDITURES

ACCOUNT	TITLE	FISCAL YEAR 06/30/12	FISCAL YEAR 06/30/13	FISCAL YEAR 06/30/14
Source of Supply				
	Salaries + Wages - Emp	581,072	472,861	477,992
	Salaries + Wages - Emp	420,589	395,317	323,938
	Payroll Clearing -Emp			
	Payroll Clearing -Emp			(6,115)
	Sal. + Wages - Officers, Dir			
	Employee Pension + Ben	168,591	225,760	239,996
	Employee Pension + Ben	188,577	271,432	202,864
	Overhead Rate Applied		(9,893)	(4,881)
	Overhead Rate Applied		(7,401)	
	Purchase Power			
	Fuel for Power Purch			
	Material + Supplies	18,958	8,164	24,119
	Material + Supplies	73,286	41,300	57,426
	Contractual Services - Engineer	2,460		3,590
	Contractual Services - Engineer			
	Contract Services -Legal	18,238		0
	Contractual Services - Mgt. Fees			
	Contractual Services - Other	419,915	23,972	64,557
	Contractual Services - Other	31,771	48,833	72,082
	Rental of Equipment			
	Rental of Equipment			
	Transportation Exp.	146	(0)	
	Transportation Exp.			
	Misc. Expenses	69,132	697	1,692
	Misc. Expenses	4,550	9,653	7,126
	Total Source of Supply Expense	\$ 1,997,284	\$ 1,480,694	\$ 1,464,385
Pumping Expenses				
	Salaries + Wages - Emp	-		
	Salaries + Wages - Emp			
	Employee Pension + Ben			
	Employee Pension + Ben			
	Purchase Power	778,684	622,575	628,808
	Fuel for Power Purch			
	Material + Supplies			
	Material + Supplies			
	Contractual Services - Engineer			
	Contractual Services - Engineer			
	Contractual Services - Other	11,629	8,621	9,679
	Contractual Services - Other			
	Rental of Equipment			
	Rental of Equipment			
	Transportation Exp.			
	Misc. Expenses			
	Misc. Expenses			
	Total Pumping Expenses	\$ 790,313	\$ 631,196	\$ 638,487
Water Treatment Expenses				
	Salaries + Wages - Emp	1,934,063	1,799,485	1,977,622
	Salaries + Wages - Emp	315,454	405,135	405,138
	Payroll Clearing -Emp		(1,559)	
	Payroll Clearing -Emp		(2,734)	
	Employee Pension + Ben	606,264	1,080,334	1,024,825
	Employee Pension + Ben	134,901	249,621	243,784
	Overhead Rate Applied		(31,739)	
	Overhead Rate Applied		(7,247)	
	Purchase Power	226,424	195,320	191,181
	Fuel for Power Purch	230,829	260,559	315,746

**PROVIDENCE WATER
COMPARATIVE SCHEDULE OF EXPENDITURES**

ACCOUNT	TITLE	FISCAL YEAR 06/30/12	FISCAL YEAR 06/30/13	FISCAL YEAR 06/30/14
	Chemicals			
	Material + Supplies	124,833	158,665	145,479
	Material + Supplies	67,060	66,257	70,146
	Contractual Services - Engineer			
	Contract Services - Acctg			
	Contractual Services - Mgt. Fees			
	Contractual Services - Other	141,797	143,870	151,442
	Contractual Services - Other	85,680	136,845	94,778
	Rental Buildg/Real Prop			
	Rental of Equipment			
	Rental of Equipment			
	Transportation Exp.	5,806		
	Insurance Vehicle			
	Insurance - W/C			
	Insurance - W/C			
	Regularoty Com Exp. -Other			
	Misc. Expenses	96,719	139,249	109,821
	Misc. Expenses	2,027		
	Total Treatment Expense	\$ 3,971,857	\$ 4,592,062	\$ 4,729,962
Transmission + Dist. Expense:				
	Salaries + Wages - Emp	927,462	513,484	501,104
	Salaries + Wages - Emp	2,107,495	2,767,778	3,171,590
	Payroll Clearing -Emp		-	(0)
	Payroll Clearing -Emp	(216,355)	(229,438)	(261,572)
	Employee Pension + Ben	241,316	362,965	189,093
	Employee Pension + Ben	846,629	1,517,462	1,575,475
	Overhead Rate Applied		0	-
	Overhead Rate Applied	(604,034)	(736,999)	(735,243)
	Purchase Power	12,019	12,916	12,727
	Material + Supplies	269,822	299,502	309,806
	Material + Supplies			
	Inventory Clearing			
	Contractual Services - Engineer	36,120	52,768	10,286
	Contractual Services - Engineer			
	Contractual Services - Legal T&D0			
	Contractual Services - Mgt. Fees			
	Contractual Services - Other	453,727	741,732	781,401
	Contractual Services - Other	65,018		
	Rental Buildg/Real Prop			
	Rental Buildg/Real Prop			
	Rental of Equipment			
	Rental of Equipment			
	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	37,994	33,018	36,352
	Misc. Expenses			
	Total Transmission & Distribution	\$ 4,179,962	\$ 5,335,189	\$ 5,591,018
Customer Accounts Expense:				
	Salaries + Wages - Emp	1,798,417	1,706,701	1,832,043
	Payroll Clearing -Emp	(93,057)	(93,825)	(54,629)
	Employee Pension + Ben	721,692	1,169,355	1,181,014
	Overhead Rate Applied	(377,449)	(426,563)	(200,554)
	Fuel for Power Purch			
	Material + Supplies	2,467	4,932	5,707
	Contractual Services - Legal		202,823	
	Contractual Services - Other	10,979	1,167	225
	Transportation Exp. -CAO	1,012		

**PROVIDENCE WATER
COMPARATIVE SCHEDULE OF EXPENDITURES**

ACCOUNT	TITLE	FISCAL YEAR 06/30/12	FISCAL YEAR 06/30/13	FISCAL YEAR 06/30/14
	Insurance - Other			
	Insurance Other			
	Bad Debt Expense - CAO	445,333	(1,320,107)	53,844
	Misc. Expenses	194,180	185,360	356,030
	Total Customer Accounts	\$ 2,703,575	\$ 1,429,843	\$ 3,173,678
Administrative and General				
	Salaries + Wages - Emp	5,229,735	5,241,154	5,529,147
	Payroll Clearing -Emp	(488,703)	(430,947)	(640,931)
	Salaries + wages - Officers, Dir.			
	Employee Pension + Ben	4,605,608	4,283,006	4,814,081
	Overhead Rate Applied	(221,236)	(224,918)	(363,417)
	Purchase Power	113,972	107,435	108,482
	Fuel for Power Purch			
	Material + Supplies	515,672	470,738	543,456
	Contractual Services - Engineer	45,262	23,159	0
	Contract Services - Acctg			
	Contractual Services - Legal	50,841	68,472	66,350
	Contractual Services - Mgt. Fees			
	Contractual Services - Other	982,614	858,186	1,174,862
	Rental Buildg/Real Prop			
	Rental of Equipment			
	Transportation Exp.	6,390		
	Ins. Gen. Liability			
	Insurance - W/C			
	Insurance Other			
	Advertising Expense			
	Reg Com Exp - Amort of Rate Case			
	Regulatory Com Exp. -Other	227,469	341,504	506,283
	Misc. Expenses	358,418	282,894	283,857
	Total Administration + General	\$ 11,426,042	\$ 11,020,684	\$ 12,022,169
	Total Operation & Maintenance	\$ 25,069,033	\$ 24,489,667	\$ 27,619,700
	Source of Supply	1,997,284	1,480,694	1,464,385
	Pumping	790,313	631,196	638,487
	Treatment	3,971,857	4,592,062	4,729,962
	Transmission & Distrib.	4,179,962	5,335,189	5,591,018
	Customer Accounts	2,703,575	1,429,843	3,173,678
	Administration & General	11,426,042	11,020,684	12,022,169
	Total Operation & Maintenance	\$ 25,069,033	\$ 24,489,667	\$ 27,619,700
	Capitalized Overheads	\$ 1,202,718	\$ 1,444,760	\$ 1,304,095
	Full Operation & Maint. Operating Fund	\$ 26,271,751	\$ 25,934,427	\$ 28,923,795
857 Insurance Fund				
	Insurance W/C - WTM			
	Insurance W/C - CAO			
	Materials + Supplies - A&GO	17,602	10,494	9,007
	Contractual Services-Engineer			
	Contract Services - Legal A&GO	(11,163)		
	Contract Services - Other A&GO			
	Injuries and Damages	54,528	131,266	63,567
	Ins. Gen. Liability			
	Insurance-Other A&GO	1,006,353	1,076,603	946,457
	Insurance - W/C	874,015	780,150	446,304
	Bad Debt Expense-CAO			
	Misc. Expense	7,150	11,799	(9,027)
	Total Insurance Fund	\$ 1,948,484	\$ 2,010,312	\$ 1,456,308
878 Chemical and Sludge Maintenance Fund				

**PROVIDENCE WATER
COMPARATIVE SCHEDULE OF EXPENDITURES**

ACCOUNT	TITLE	FISCAL YEAR 06/30/12	FISCAL YEAR 06/30/13	FISCAL YEAR 06/30/14
	Chemicals - WTO	2,572,273	2,048,124	1,762,770
	Materials + Supplies WTO			
	Materials + Supplies T&DO			
	Contract Services - Other WTM	552,692	1,515,117	2,151,109
	Contract Services - Other A&G			
Total Chemical and Sludge Maintenance Fund		\$ 3,124,965	\$ 3,563,241	\$ 3,913,879
Full Operation and Maintenance		\$ 32,143,315	\$ 32,266,482	\$ 35,251,115
City Services		\$ 839,167	\$ 839,167	\$ 839,167
Property Taxes- Other Local Govern.				
	Town of North Providence	266,581	266,581	268,174
	Town of Glocester	51,478	53,537	55,679
	Town of West. Glocester	3,708	3,708	3,708
	Town Harmony	164	164	164
	Town Chepachet	251	133	133
	Town Scituate	5,087,356	5,087,356	5,566,124
	Town Warwick	-		
	Town of Johnston	90,117	84,517	94,919
	Town of Foster	331,673	306,694	307,901
	City of Cranston	110,522	118,597	112,596
	City of West. Warwick	3,761	3,761	3,682
Total Property Taxes		\$ 5,945,612	\$ 5,925,048	\$ 6,413,080
	Full Operation & Maint.	32,143,315	32,266,482	35,251,115
	City Services	839,167	839,167	839,167
	Total Property Taxes	5,945,612	5,925,048	6,413,080
	Capitalized Labor & Overhead	2,000,833	2,203,262	2,261,229
Grand Total		\$ 40,928,927	\$ 41,233,958	\$ 44,764,591

Providence Water Docket 4571

Index and Responses in Compliance Rhode Island Public Utilities Commission's Rules of Practice and Procedure, Part II

Item 2.10(d)(7) **A summary of rate case expenses incurred and to be incurred.**
Response Please see below.

Dk 4406 Rate Case and Regulatory Expense	\$352,440*
Amortized through January 2014 through December 2014	(176,220)
Amortized through June 2015	<u>(88,110)</u>
Dk 4406 Unamortized Rate Case and Regulatory Expense	\$ 88,100
This Filing:	
Abbreviated Rate Filing	\$37,850
Legal	35,818
Print & Translation Costs for Mailings	10,000
Division of Public Utilities	15,000
Providence Journal/Transcript	<u>3,000</u>
Estimated Rate Case Expense this Filing	\$101,668

*Amortized over 2 years

Providence Water Docket 4571

Index and Responses in Compliance Rhode Island Public Utilities Commission's Rules of Practice and Procedure, Part II

<u>Item 2.10(d)(8)</u>	A summary on the status of compliance reporting required by prior Commission Orders.	
Response	Providence Water is in compliance with all prior Commission orders.	
	1. IFR/CIP Status Report as of 12/31/2014 Addendum Reports: a. Engineering Positions Savings Report b. Main Replacement Status Report c. CIP Status Report	Filed
	2. R&O #19145 Restricted Funds as of 2/28/2015 Addendums Reports: a. Status of Restricted Transfers Report	Filed
	3. Semi Annual Report as of 12/31/2014 Addendums Reports: a. Fund 876 Reconciliation, Capitalized Labor & Fringes, PW & City Pension Contribution and GASB 43/45 b. Capitalized Labor & Fringes c. PW & City Pension Contribution and GASB 43/45 d. Consumption Year to Date e. Accounts Receivable Balance Report	Filed
	4. Annual Report to PUC 6/30/2014	Filed

Providence Water Docket 4571

**Index and Responses in Compliance Rhode Island Public Utilities
Commission's Rules of Practice and Procedure, Part II**

Item 2.10(d)(9) An accounting summary of restricted accounts.

Response Please see attached.

Providence Water Restricted Funds Reconciliation For the period ending 6/30/2015*												
		845	848	849	857	874	875	876	877	878		
		Capital	Infrastructure	AMR/Mater	Insurance	Rev. Reserve	Equipment	Property Tax	WCHDS	Chemical/Sudged		
		7,598,035	4,714,090	2,300,817	1,361,336	5,110,762	1,305,649	403,249	1,279,297	1,156,843		
Beginning Cash Balance 3/1/15		\$ 7,598,035	\$ 4,714,090	\$ 2,300,817	\$ 1,361,336	\$ 5,110,762	\$ 1,305,649	\$ 403,249	\$ 1,279,297	\$ 1,156,843		
Due From 601 Operating Fund		1,220,833	8,622,490	860,959	1,038,261	0	357,415			323,231		
Due from 843 Water Quality Protection Fund												
Due from 845 Capital Fund												
Due from 848 IFR Fund												
Due from 849 Meter Fund												
Due from 873 Chemical Fund		1,000,000										
Due to 848 IFR Fund												
Due to 801 Operating Fund			-2,468,403		-3,806							
Due to 843 Water Quality Protection Fund												
Due to 845 Capital Fund												
Due to 848 IFR Fund												
Due to 877 Western Cranston Fund												
Sub-total Cash & Due To/From Beginning Balances		\$ 9,817,450	\$ 10,868,177	\$ 3,161,776	\$ 2,395,791	\$ 5,110,762	\$ 1,657,698	\$ 403,249	\$ 1,315,503	\$ 480,075		
Funding												
Tit of Docket Revenue		16,667	8,000,000	333,333	600,849	108,409	200,000		20,690	1,500,000		
Bond Reimbursements												
Reimbursements from/ to other Funds												
Interest Income												
Interest Income Others**												
Sale of Land												
Impact Fees												
Sub-total Funding		\$ 16,667	\$ 8,000,000	\$ 333,333	\$ 600,849	\$ 108,409	\$ 200,000	\$ -	\$ 20,690	\$ 1,500,000		
Expenses												
Debt Service Principal												
Debt Service Interest												
Letter of Credit												
Sub-total Debt		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Salary & Fringes			161,511									
Labour & Overhead Reimbursement												
Fees not Classified												
Autos and Trucks												
Chemicals/Sudged Maintenance												550,398
Insurance					283,665							
Claims					52,911							
Computers/Communication Equip												
Legal												
Project Costs			388,767									
Return the DSFR for FY2005 Bond												
Land												
Maintenance & Services					23,347							
Repairs to Streets												
Misc Expenses												
Material/Equipment					60,874							
Office Furniture												
Sub-total Expenses		\$ 388,767	\$ 4,518,969	\$ 139,745	\$ 341,353	\$ -	\$ 4,800	\$ -	\$ 302,680	\$ 550,398		
Ending Cash & Due To/ Due From Balance 6/30/15		\$ 9,445,349	\$ 14,349,608	\$ 3,355,365	\$ 2,655,288	\$ 5,219,171	\$ 1,752,354	\$ 403,249	\$ 1,033,513	\$ 1,429,677		
Ending Cash Balance 6/30/15		7,620,349	10,020,963	2,505,366	1,766,243	5,246,273	1,296,161	403,249	992,134	2,081,446		
Due From 601 Operating Fund		1,220,000	5,622,490	849,999	889,044	-27,102	457,414		41,379	-51,769		
Due from 843 Water Quality Protection Fund												
Due from 845 Capital Fund												
Due from 848 IFR Fund												
Due from 849 Meter Fund												
Due from 873 Chemical Fund		600,000										
Due to 801 Operating Fund			-1,293,846									
Due to 843 Water Quality Protection Fund												
Due to 845 Capital Fund												
Due to 848 IFR Fund												
Due to 877 Western Cranston Fund												
Ending Cash & Due To/ Due From Balance 6/30/15		\$ 9,445,349	\$ 14,349,607	\$ 3,355,365	\$ 2,655,288	\$ 5,219,171	\$ 1,752,354	\$ 403,249	\$ 1,033,513	\$ 1,429,677		

* Please note using unaudited financial statements, Fiscal Year Ending 6/30/2015 is still in process of closing out year.