

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: PROVIDENCE WATER SUPPLY :
BOARD ABBREVIATED RATE FILING : DOCKET NO. 4571

INTERVENOR CITY OF WARWICK'S POSITION STATEMENT

Now comes the City of Warwick ("Warwick"), by and through its City Solicitor, and hereby provides this Position Statement concerning the Providence Water Supply Board's Abbreviated Rate Filing, Docket No.: 4571 ("PWSB") to revise its present rate structure to obtain \$2,400,000 in additional annual revenue for debt service payments to establish a new \$30 million dollar Central Operating Facility (the "COF Petition"). As set forth in the COF Petition, PWSB seeks to obtain this revenue increase from their retail customers, not their wholesale water purchasers. On the basis of the representations set forth in PWSB's COF Petition, Warwick has no present objection to the establishment of a new COF. However, because of the need to finance the COF for twenty years, at least, a possibility exists whereby PWSB may file supplemental or new rate increase requests seeking to raise wholesale customers' rates to reduce debt service costs on retail customers for the COF. It is this possibility that obliges Warwick, as a wholesale purchaser from the PWSB, to cautiously approach this COF Petition.

The underlying dilemma for Warwick and the other wholesale water purchasers is that once the COF is built, annual debt service will increase by the estimated \$2.4 million dollars, as will operation maintenance expenses for the COF. While PWSB estimates that a typical retail customer will only be subject to a \$19.00 annual payment increase—other cost escalators are in play. All said, pressure will undoubtedly mount to diversify to capital costs for the COF on all system users. Warwick, as will other wholesale water purchases, will be exposed to payment,

and resultantly, budgetary uncertainty as each rate hike request is submitted in the future by PWSB.

Warwick does not plan to call any witnesses or offer any evidence in this matter due to the representations contained in the COF Petition stating, in relevant part, that the new debt service revenue costs sought will not result in any increased water purchase rate for wholesale water purchasers. Warwick does intend to attend all hearings on the COF Petition and reserves its right to cross-examine witnesses to ensure a thoughtful due diligence of the COF Petition before the PUC.

Respectfully submitted,
CITY OF WARWICK,
By and Through Its Attorney,

/s/ Peter D. Ruggiero
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Dated: August 18, 2015

CERTIFICATION

I, the undersigned, do hereby certify that I did forward a copy of the within Warwick's Position Statement via e-mail to all on the following service list on the 18th day of August, 2015.

**Docket No. 4571 - Providence Water Supply Board – Abbreviated Rate Filing
Service List updated July 21, 2015**

***Requested to receive hard copy of all data responses.**

/s/ MaryAnn Leonardo