

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION**

NARRAGANSETT BAY COMMISSION:

DOCKET NO. 4602

**NARRAGANSETT BAY COMMISSION'S RESPONSES TO THE
SECOND SET OF DATA REQUESTS
BY THE DIVISION OF PUBLIC UTILITIES AND CARRIERS**

DIV. 2-1. As stated in Mr. Bruckner's testimony, NBC selected an alternative to the previously approved CSO Phase III design which, if approved, would extend the construction schedule through 2038 and increase the total pre-design and construction costs to \$815 million in 2018 dollars. What would be the total estimated costs in 2029 dollars which would place the estimate midway through the new construction schedule?

RESPONSE: NBC estimates future costs by assuming a 3% per year inflation rate. Therefore, construction costs of \$815,000,000 in 2018 dollars are \$1,130,000,000 in 2029 dollars.

Prepared by: Thomas Brueckner, P.E.

DIV. 2-2. Has NBC analyzed what the rate impact would be for Phase III through 2038 based on the \$815 million estimate? If so, please provide the estimated impact on rates of the completion of the CSO Phase III Facilities.

RESPONSE: The projected average annual residential user charge at the completion of the CSO Phase III Facilities in 2038 is \$769 in 2014 dollars.

Prepared by: Thomas Brueckner, P.E.

DIV. 2-3. Referring to Mr. Edge's Rate Year Revenue Check in Schedule WEE-6, dividing the total residential consumption units (8,420,893 hcf) by the total dwelling units (118,202) results in an average residential annual usage of 71.2 hcf/yr. Mr. Edge's Rate Payer Impact in Schedule WEE-7 then references an average residential annual consumption of 73.2 hcf. A third reference regarding average residential annual consumption is found in the Proposed Tariffs regarding Residential Well Customers which is based on an average annual usage of 79.61 hcf. Please explain why there are three different calculations or assumptions for the average residential annual consumption.

RESPONSE: There are three different figures because they are based on different numbers. The average usage for residential well customers is in accordance with PUC Order 20313. The revenue check in Schedule WEE-6 is based upon PUC approved rate base units from Docket 4478 and the Rate Payer Impact in Schedule WEE-7, which serves for illustrative purposes only, is based upon an estimated average use of 150 gpd or 73.2 HCF and is carried forward from Docket 4562.

Prepared by: Walter Edge

DIV. 2-4. Please provide a description of the condition of the existing Interceptor Maintenance (IM) Facility and also provide any documentation or studies regarding the condition of the existing IM Facility and/or the need for a new IM Facility.

RESPONSE: The existing IM facility is in very good condition. However, it does not have adequate space for the increased equipment and manpower that will be needed to service local sewers.

Prepared by: Thomas Brueckner

DIV. 2-5. Mr. Edge's Schedule WEE-4 reveals that \$103,686 was expended within the period 4/1/15 and 6/30/15 on the new IM Facility (project number 12100C). Please provide an update regarding the progress of the project.

RESPONSE: The NBC apologizes for the confusion but there were errors in Schedule WEE-4 for the period 4/1/15-6/30/15 and the corrected schedule is attached. Only \$132 related to staff time has been spent to date on this project. As set forth in the response to Div. 2-4, NBC does not plan on moving forward with this project unless the associated legislation is passed.

Prepared by: Walter Edge

Narragansett Bay Commission
Detail of Capital Project Expenses Disbursed From
Restricted Account

CORRECTED WEE-4

Restricted Activity 4/1/15-6/30/15

Restricted Activity 7/1/15-12/31/15

Project Number	Project Name	Amount	Project Number	Project Name	Amount
10901C	FPWWTF NITROGEN REMOVAL CONST.	9,089	10901C	FPWWTF NITROGEN REMOVAL CONST.	82,491
10907C	FP - BLOWER IMPROVEMENTS	423,812	10907C	FP - BLOWER IMPROVEMENTS	1,419,982
10908D	FPWWTF BLOWER IMPROV. PHASE II - D	7,796	10908D	FPWWTF BLOWER IMPROV. PHASE II - D	97,110
1140100	RIVER MODEL DEVELOPMENT	227	1100000	SITE SPECIFIC STUDY	35,570
1140300	GREEN HOUSE GAS STUDY	4,300	1140100	RIVER MODEL DEVELOPMENT	31,765
11602D	FPWWTF - TUNNEL PUMP STATION IMPROV - D	10,604	1140300	GREEN HOUSE GAS STUDY	7,024
12000D	BP WWTF - BIOGAS REUSE - D	340	1140400	EVALUATION OF NBC FACILITIES FOR CLIMATE RESILIENCY	2,335
12000C	BP WWTF - BIOGAS REUSE	69,452	11602D	FPWWTF - TUNNEL PUMP STATION IMPROV - D	3,528
12100C	FP WWTF WIND TURBINE PROJECT CONSTRUCTION	103,686	11602C	FPWWTF - TUNNEL PUMP STATION IMPROV. - C	478
12400D	NEW IM FACILITIES -DESIGN	132	12000D	BP WWTF - BIOGAS REUSE - D	170
12700D	FP ELECTRICAL SUBSTATION - DESIGN	77	12000C	BP WWTF - BIOGAS REUSE	11,242
12700C	FP WWTF ELECTRICAL SUBSTATION NO. 1	14,658	12100C	FP WWTF WIND TURBINE PROJECT CONSTRUCTION	2,500
12900P	FP WWTF OP AND LAB BLDG REUSE	1,482	12500C	UTILITY RELIABILITY IMPROVEMENT AT FP	73,149
30301D	PHASE II CSO FACILITIES-DESIGN	356,669	12600C	FPWWTF LAND ACQUISITION/SITE DEMO	26,630
30303C	PHASE II CSO WCSOI MAIN	51,577	12700D	FP ELECR SUBSTATION - DESIGN	264
30307C	PHASE II CSO FACILITIES - OF 037 SOUTH	26,240	12700C	FP WWTF ELECTRICAL SUBSTATION NO. 1	108,327
30310C	Phase II CSO WCSOI NORTH	85,237	12900P	FP WWTF OP AND LAB BLDG REUSE	1,127
30311C	Phase II CSO WCSOI WEST	61,626	13000D	FP WWTF FINAL CLARIFIER IMPROV. - D	17,589
30312C	Phase II CSO SCSOI REGULATOR	14,213	13000C	FP WWTF FINAL CLARIFIER IMPROV. - C	2,813
30444D	MOSHASSUCK VALLEY INT. DESIGN	7,007	30221D	HYDRAULIC SYSTEMS MODELING - DESIGN	138
30455C	IMPROV TO INTERCEPTORS	328	30301D	PHASE II CSO FACILITIES-DESIGN	30,658
30456C	BUTLER HOSPITAL INTERCEPTOR LINING	2,063	30303C	PHASE II CSO WCSOI MAIN	8,000
30457P	PROVIDENCE RIVER SIPHON REHAB - P	28,209	30304C	PHASE II CSO SCSOI MAIN	7,324
30458P	DOUGLAS/BRANCH AVE. INT. RELIEF - P	971	30305C	PHASE II CSO OF 027	205,410
30459C	IMPROV. TO INTERCEPTORS FY 2015	25,732	30438D	INTERCEPTOR EASEMENTS - DESIGN	37,674
30471M	78" INTERCEPTOR OFF ALLENS AVE.	4,202	30444D	MOSHASSUCK VALLEY INT. DESIGN	34,415
30472M	PROVIDENCE AND LINCOLN IIC	8,079	30456C	BUTLER HOSPITAL INTERCEPTOR LINING	355
30501D	INTERCEPTOR EASEMENTS - NBC BVI	1,245	30457P	PROVIDENCE RIVER SIPHON REHAB - P	47,595
30600D	FLOATABLES CONTROL FACILITIES - DESIGN	1,550	30457D	PROV RIVER SIPHON REHAB	24,268
30600C	FLOATABLES CONTROL FACILITIES	59,112	30458P	DOUGLAS/BRANCH AVE. INT. RELIEF - P	4,237
70800C	OMEGA PUMP STATION IMPROVEMENT - CONSTRUCTION	255	30459C	IMPROV. TO INTERCEPTORS FY 2015	50,346
80900D	BPWWTF NITROGEN REMOVAL DESIGN	501	30470M	NORTH PROVIDENCE INT. INSP.	1,102
81000P	BPWWTF UV DISINFECTION IMPROVEMENT	12,542	30471M	78" INTERCEPTOR OFF ALLENS AVE.	3,072
81100C	BPWWTF EFFLUENT PUMPS REHAB.	163,785	30472M	PROVIDENCE AND LINCOLN IIC	144,007
		1,556,796	30473M	LOCKBRIDGE EASEMENT & VALLEY ST. CLEANING & INSP.	1,826
	Balance per schedule WEE-3		30501D	INTERCEPTOR EASEMENTS - NBC BVI	3,832
		<u>(1,556,796)</u>	30600D	FLOATABLES CONTROL FACILITIES - DESIGN	101
	Variance	\$ (0)	30600C	FLOATABLES CONTROL FACILITIES	102,860
			70800P	OMEGA PUMP STATION IMPROVEMENT - P	1,250
			70800C	OMEGA PUMP STATION IMPROVEMENT - C	25,188
			80900D	BPWWTF NITROGEN REMOVAL DESIGN	879
			80900C	BPWWTF NITROGEN REMOVAL CONST.	1,500
			81000P	BPWWTF UV DISINFECTION IMPROV.	8,992
			81300C	BPWWTF FLOOD PROTECTION	6,422
					<u>2,675,547</u>
				Balance per schedule WEE-3	<u>(2,675,547)</u>
				Variance	\$ (0)

DIV. 2-6. Referring to Mr. Edge's Schedule WEE-4, please explain why the new IM Facility (project number 12100C) has a different project number and expended costs than the New IM Facility Design and Construction (Project 12400D and 12400C) listed in the Capital Project Compliance Reporting in Tab 8 of this filing.

RESPONSE: Please refer to corrected schedule WEE-4 provided in response to DIV 2-5 and note that there are no inconsistencies based on the corrected schedule.

Prepared by: Walter Edge

DIV. 2-7. Referring to NBC's most recent Capital Improvement Program 2016-2020, the new IM Facility Project 12400 description explains that a new facility would be needed if NBC is required by legislation to assume responsibility of system-wide laterals in addition to the larger interceptors. Is there currently legislation before the General Assembly that would require NBC to assume responsibility for system-wide sewer laterals? If so, please provide the legislative history and/or applicable bill number(s) and status.

RESPONSE: To date, there is no legislation before the General Assembly that would require NBC to assume responsibility for system-wide sewer laterals.

Prepared by: Thomas Brueckner

DIV. 2-8. Please explain the RIIB Refunding Savings Credit listed in Mr. Edge's Schedule WEE-2 Debt Service Coverage.

RESPONSE: The RIIB refunded certain bond issues, and in accordance with the January 1, 2014 Memorandum of Agreement between NBC and the RIIB (formerly the Rhode Island Clean Water Finance Agency), "the Agency will establish a policy to give Clean Water SRF Borrowers, including the NBC, 25% of the savings achieved in future refundings of Agency Water Pollution Control Revolving Fund bonds. The 25% savings referenced herein will be distributed by the Agency pro-rata to those Clean Water SRF Borrowers included in any Series of Agency Water Pollution Control Revolving Fund bonds which are refunded". The credits represent the savings passed along to NBC.

Prepared by: Walter Edge

CERTIFICATION

I hereby certify that on March 16, 2016, I sent a copy of the within to all parties set forth on the attached Service List by electronic mail and copies to Luly Massaro, Commission Clerk, by electronic mail and regular mail.

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