

Docket 4618
Division's Response to Record Request 9

RR-9. (Division – Mierzwa) Please review and show the cost of service for public fire protection in Docket Nos. 3832 and 4406 and the rate approved. What percentage of the cost of service was approved? Have the public fire charges been moving closer to their cost of service over time?

RESPONSE:

The table below summarizes, for Docket Nos. 3832, 4406, and 4618, the overall increase requested by Providence Water; the existing public hydrant rate at the time of filing; the proposed public fire hydrant rate and the cost of service rate reflected in Providence Water's initial application; if applicable, a corrected proposed public hydrant rate and cost of service rate (correcting errors in the initial cost of service study); the actual Commission-approved public hydrant rate and cost of service rate; and the percent of the public fire cost of service recovered through the approved rate.

Year	Docket No.	Proposed Overall Increase %	Hydrant Rate					
			Existing	Proposed	Corrected Proposed	Approved	Cost of Service	Cost of Service %
2007	3832	19%	\$250.49	\$218.73	N/A	\$291.06	\$291.06	100%
2013	4406	24%	\$339.33 ^[1]	\$486.84	\$394.80	\$394.80	\$533.22	74%
2016	4618	12%	\$394.80	\$454.00	N/A	\$454.00 ^[2]	\$707.59 ^[2]	64% ^[2]

^[1] Rate approved in Providence Water's abbreviated application in Docket No. 4061.
^[2] Reflects proposed settlement without PILOT approval.

The public hydrant rate provided for under the proposed Settlement, exclusive of the PILOT, will recover 64 percent of the cost of service rate identified in the Settlement. This reflects a decline of 10 percent from the cost of service percentage from Docket No. 4406. However, since Docket No. 4406, the hydrant cost of service rate has increased 33 percent. This compares to a system average increase under the Settlement of 9 percent. The increase in the public fire hydrant rate under the Settlement is 15 percent, and provides for the recovery of a greater percentage of the public fire hydrant cost of service than would a system average increase.