

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

**IN RE: PROVIDENCE WATER SUPPLY BOARD'S :  
APPLICATION TO CHANGE RATES : DOCKET NO. 4618**

**ERRATA ORDER**

WHEREAS, Pursuant to 810-RICR-00-00-1.29.A, Rules of Practice and Procedure, the Public Utilities Commission (PUC) through this notice of erratum corrects "clerical mistakes" contained in PUC Order No. 23666, previously issued in this docket, on September 16, 2019; and

WHEREAS, Page 1, paragraph 1, first sentence which reads:

“On April 16, 2016, the Providence Water Supply Board (Providence Water) filed with the Public Utilities Commission (PUC or Commission) a request to increase its rates.<sup>1</sup>”

is hereby corrected to read:

“On May 16, 2016, the Providence Water Supply Board (Providence Water) filed with the Public Utilities Commission (PUC or Commission) a request to increase its rates.<sup>2</sup>”; and

WHEREAS, Page 7, paragraph 1, second sentence which reads:

“He opined that Providence Water had overstated the number of employees reasonably expected in the rate year and recommended that Providence Water’s request for fourteen additional employees be rejected and its proposed payroll reduced by \$623,020.<sup>3</sup>”

is hereby corrected to read:

“He opined that Providence Water had overstated the number of employees reasonably expected in the rate year and recommended that Providence Water’s request for fourteen additional employees be rejected and its proposed payroll reduced by \$643,020.<sup>4</sup>”; and

WHEREAS, Page 8, paragraph 1, third sentence which reads:

“Mr. Smith favored a requirement for Providence Water to place those funds in a Property Tax Refund Account and that Providence Water be required to credit customers

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<sup>1</sup> All filings in this docket are available at the PUC offices located at 89 Jefferson Boulevard, Warwick, Rhode Island or at [http://www.ripuc.org/eventsactions/docket/4618-PWSB-Application-FilingRequirement\\_5-16-16.pdf](http://www.ripuc.org/eventsactions/docket/4618-PWSB-Application-FilingRequirement_5-16-16.pdf).

<sup>2</sup> All filings in this docket are available at the PUC offices located at 89 Jefferson Boulevard, Warwick, Rhode Island or at [http://www.ripuc.org/eventsactions/docket/4618-PWSB-Application-FilingRequirement\\_5-16-16.pdf](http://www.ripuc.org/eventsactions/docket/4618-PWSB-Application-FilingRequirement_5-16-16.pdf).

<sup>3</sup> *Id.* at 8.

<sup>4</sup> *Id.* at 8.

annually \$175,000 for a period of nine years and \$290,000 in year ten, for a total of approximately \$1.87 million.”

is hereby corrected to read:

“Mr. Smith favored a requirement for Providence Water to place those funds in a Property Tax Refund Account and that Providence Water be required to credit customers annually \$175,000 for a period of nine years and \$298,982.58 in year ten, for a total of approximately \$1.87 million.”; and

WHEREAS, Page 24, paragraph 3, sentence 3 that continues on to page 25 which reads:

“The impact fees are used to pay the debt service on bonds that were issued to upgrade sections of the system in 2009 and to cover the costs of cash funded projects as well.”

is hereby corrected to read:

“The impact fees are used to pay the debt service on bonds that were issued to upgrade sections of the system in FY 2002 and to cover the costs of cash funded projects as well.”

WHEREAS, Page 48, paragraph 21 which reads:

“Providence Water Supply Board’s Compliance Tariffs filed on February 17, 2017 are hereby approved for effect February 20, 2017. The Cost of Service Summary and Summary of Compliance Adjustments, filed on February 17, 2019, are attached to this Order as Exhibit A and incorporated herein.”

is hereby corrected to read:

“Providence Water Supply Board’s Compliance Tariffs filed on February 17, 2017 are hereby approved for effect February 20, 2017. The Cost of Service Summary and Summary of Compliance Adjustments, filed on February 17, 2017, are attached to this Order as Exhibit A and incorporated herein.”

Accordingly, it is hereby,

(23724) ORDERED:

That the corrections described herein are adopted by the Public Utilities Commission and shall constitute permanent amendments to Order No. 23666 issued in Docket No. 4618.

EFFECTIVE AT WARWICK, RHODE ISLAND ON FEBRUARY 20, 2017 AND  
DATED NOVEMBER 21, 2019.

PUBLIC UTILITIES COMMISSION



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Margaret E. Curran, Chairperson



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Marion Gold, Commissioner



APPENDIX A

Attachment  
E.

Schedule HJS-1 Compliance  
Cost of Service Summary  
Rate Year Ending December 31, 2017

Revenue	Adjusted Test Year	Combined Adjustments	Pro-Forma Old Rates	Additional Revenue Generated	Pro-Forma New Rates
Service Charge	\$ 7,367,470	\$ 236,052	\$ 7,603,522	\$ (219,304)	\$ 7,384,218
East Smithfield Debt Surcharge	-	-	-	84,650	84,650
Retail Sales	38,173,132	646,336	38,819,469	4,492,167	43,311,637
Wholesale Sales	17,732,706	(1,039,313)	16,693,393	721,337	17,414,729
Private Fire Protection	2,576,961	-	2,576,961	386,495	2,963,456
Retail FPSC	1,252,391	-	1,252,391	187,859	1,440,250
Public Fire Protection	1,124,390	-	1,124,390	168,659	1,293,049
Miscellaneous Revenue	1,083,232	350,379	1,433,611	-	1,433,611
Other	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>\$ 69,310,282</b>	<b>\$ 193,456</b>	<b>\$ 69,503,738</b>	<b>\$ 5,821,862</b>	<b>\$ 75,325,600</b>
Total Rate Revenues	\$ 68,227,050	(156,923)	68,070,127	\$	73,891,989
<b>Expenses</b>					
<b>Operations</b>					
Operations and Maintenance	\$ 30,843,233	\$ 1,810,473	\$ 32,653,706	\$	\$ 32,653,706
Insurance	1,802,547	499,566	2,302,113		2,302,113
Chemical & Sludge	4,500,000	(1,700,000)	2,800,000		2,800,000
City Service	839,167	-	839,167		839,167
Property Taxes	6,540,728	416,455	6,957,183		6,957,183
Payment in Lieu of Taxes	-	-	-		-
Capital Reimbursement	(2,143,087)	(118,727)	(2,261,814)		(2,261,814)
Net Operations	\$42,362,588	\$907,766	\$43,290,354	\$	\$43,290,354
<b>Capital</b>					
Capital Fund	\$ 2,127,000	\$ -	\$ 2,127,000	\$	\$ 2,127,000
Western Cranston	62,069	(22,069)	40,000		40,000
Infrastructure Replacement Fund	24,000,000	3,300,000	27,300,000		27,300,000
Cash-Funded AMR/Meter Repl. Fund	1,000,000	(500,000)	500,000		500,000
Equipment Replacement Fund	600,000	-	600,000		600,000
Revenue Reserve Fund (Restricted)	335,611	26,508	362,119		362,119
Capital	\$28,124,680	\$2,804,439	\$30,929,119		\$30,929,119
<b>TOTAL EXPENSES</b>	<b>\$70,507,268</b>	<b>\$3,712,205.18</b>	<b>\$74,219,473</b>		
Operating Reserve (Unrestricted)	\$1,039,150		\$1,086,356		\$1,086,356
Total Revenue Requirements Including Reserve Funding	\$71,546,418		\$75,305,829		\$75,305,829
<b>Revenues Over (Under) Expenses</b>	<b>(\$2,236,135.89)</b>		<b>(\$5,802,091)</b>		<b>\$19,770.94</b>
Total Increase to Break-Even			\$	5,821,862	8.35%
Rate Revenue Increase to Break-Even					8.52%

Notes:  
Operating Reserve is ((A-B+C)-(D+E))\* .01  
Revenue surplus results from rounding

**Schedule HJS-1A Compliance  
Summary of Compliance Adjustments  
Rate Year Ending December 31, 2017**

<u>Revenue</u>	Revenues Under Rebuttal Rates	Compliance Adjustments	Revenues Under Compliance Rates
Service Charge	\$ 7,629,003	\$ (244,785)	\$ 7,384,218
East Smithfield Debt Surcharge	85,217	(568)	84,650
Retail Sales	45,165,779	(1,854,143)	43,311,637
Wholesale Sales	17,459,645	(44,915)	17,414,729
Private Fire Protection	2,963,505	(49)	2,963,456
Retail FPSC	1,440,250	-	1,440,250
Public Fire Protection	1,292,992	57	1,293,049
Miscellaneous Revenue	1,141,911	291,700	1,433,611
Other	-	-	-
<b>TOTAL REVENUE</b>	<b>\$ 77,178,302</b>	<b>\$ (1,852,702)</b>	<b>\$ 75,325,600</b>
Total Rate Revenues	\$ 76,036,391	\$ (2,144,402)	\$ 73,891,989

<u>Expenses</u>	Rebuttal Expenses	Compliance Adjustments	Compliance Expenses
<u>Operations</u>			
Operations and Maintenance	\$ 33,676,332	\$ (1,022,626)	\$ 32,653,706
Insurance	2,336,782	(34,669)	2,302,113
Chemical & Sludge	2,800,000	-	2,800,000
City Service	957,400	(118,233)	839,167
Property Taxes	6,957,183	-	6,957,183
Payment in Lieu of Taxes	326,000	(326,000)	-
Capital Reimbursement	(2,261,814)	-	(2,261,814)
Net Operations	\$ 44,791,882	\$ (1,501,528)	\$ 43,290,354
<u>Capital</u>			
Capital Fund	\$ 2,127,000	-	\$ 2,127,000
Western Cranston	62,069	(22,069)	40,000
Infrastructure Replacement Fund	27,600,000	(300,000)	27,300,000
Cash-Funded AMR/Meter Repl. Fund	500,000	-	500,000
Equipment Replacement Fund	600,000	-	600,000
Revenue Reserve Fund (Restricted)	372,695	(10,576)	362,119
Capital	\$ 31,261,764	\$ (332,645)	\$ 30,929,119
<b>TOTAL EXPENSES</b>	<b>\$ 76,053,646</b>	<b>\$ (1,834,173)</b>	<b>\$ 74,219,473</b>