

SUEZ WATER RHODE ISLAND, INC.
Docket No. 4800
Ninth Set of Data Requests of the
Division of Public Utilities and Carriers
May 9, 2018

9-11
(Prettyman)

- 9-11** How much income tax expense was allowed in the Company's last Rate case, Docket No.4434? Please identify the amount, and provide a breakout showing the amounts for each of the following:
- a) Current federal income tax expense (also provide the amount of federal taxable income and the FIT rate used).
 - b) Current state income tax expense (also provide the amount of state taxable income and the state income tax rate used).
 - c) Deferred federal income tax expense (also provide each book-tax difference for which deferred federal income tax expense was computed and identify the FIT rate used).
 - d) Deferred state income tax expense (also provide each book-tax difference for which deferred state income tax was computed the state income tax rate used)
 - e) Investment tax credit amortization.
 - f) Any other components of income tax expense (identify, quantify and explain in detail).

Response: Please see 9-11 Attachment which details the as-allowed Federal income tax calculation. Included in the attachment is the details of tax depreciation.

Docket No. 4434
Exhibit 1 (Joint Settlement) Schedule 4

UNITED WATER RHODE ISLAND, INC.

Calculation of Current Income Tax
Rate Year Ended December 31, 2014

	Amount per Company at Present Rates (A)	Settlement Adjustments (B)	Adjusted per Settlement at Present Rates (C)	Revenue Increase/ (Decrease) (D)	Amounts After Revenue Increase (E)
Operating Revenue	\$ 3,670,266	\$ 46,067	\$ 3,716,333	\$ 1,208,601	\$ 4,924,934
O&M Expense	2,301,468	(75,121)	2,226,347	3,785	2,230,132
Depreciation Expense	600,370	-	600,370	-	600,370
Property Tax	315,024	(8,192)	306,832	-	306,832
Payroll Tax	59,265	(499)	58,766	-	58,766
Gross Receipts Tax	45,878	576	46,454	15,108	61,561
Operating income Before Income Taxes	\$ 348,261	\$ 129,303	\$ 477,564	\$ 1,189,708	\$ 1,667,273
Interest Expense	447,247	(7,605)	439,642	-	439,642
Excess Tax Depreciation	337,539	-	337,539	-	337,539
Current Federal Taxable Income	(436,525)	136,908	(299,617)	1,189,708	890,092
Federal Income Tax at 35%	\$ (152,784)	\$ 47,918	\$ (104,866)	\$ 416,398	\$ 311,532
Deferred Federal Income Tax	118,139	-	118,139	-	118,139
Investment Tax Credit Amortization	(4,662)	-	(4,662)	-	(4,662)
Total Federal Income Tax	\$ (39,307)	\$ 47,918	\$ 8,611	\$ 416,398	\$ 425,009

Notes:

(1) Calculation of Interest Deduction

Rate Base	\$ 15,859,819		\$ 15,645,640	\$ 15,645,640
Weighted Cost of Debt	2.82%		2.81%	2.81%
Interest Deduction	\$ 447,247	\$ (7,605)	\$ 439,642	\$ 439,642

Federal Income Tax Effect at 35%
Interest Synchronization Adjustment

	2,662
	\$ 2,662

	Jan-2014	Feb-2014	Mar-2014	Apr-2014	May-2014	Jun-2014	Jul-2014	Aug-2014	Sep-2014	Oct-2014	Nov-2014	Dec-2014	Total 2014	2014 Depr Rate	2014 Tax Depr
PUP	5,000	12,658	22,578	22,150	401,698	650,658	43,140	41,899	50,641	64,144	29,605	29,150	1,373,322	2.00%	27,466
Comp Sftwre	0	0	0	0	0	0	0	0	670	0	0	119,117	119,787		3,383
Other Pers Prop	0	0	0	8,000	5,500	0	0	0	9,597	5,500	0	0	28,597	14.29%	4,085
Comp Hdwre/Transp	0	0	0	0	0	0	0	0	0	0	0	0	0	20.00%	0
Non-Depr Structures	0	0	0	0	0	0	0	0	0	0	0	0	0		
	5,000	12,658	22,578	30,150	407,199	650,658	43,140	41,899	60,907	69,644	29,605	148,267	1,521,706		34,935
	68	73	78	83	88	93	98	103	108	113	118	123			
<u>Comp Sftwre</u>															
Jun-2013						0	0	0	0	0	0	0	0		
Sep-2013									19	19	19		19		74
Dec-2013												3,309	3,309		
	0	0	0	0	0	0	0	0	19	19	19	3,327	3,383		
Other 2014 Additions	2,629	2,629	2,629	2,629	2,629	2,629	2,629	2,629	2,629	2,629	2,629	2,629	31,552		
2013 Additions	20,816	20,816	20,816	20,816	20,816	20,816	20,816	20,816	20,816	20,816	20,816	20,816	249,789		
Pre-2013 Assets	54,432	54,432	54,432	54,432	54,432	54,432	54,432	54,432	54,432	54,432	54,432	54,432	653,185		
	77,877	77,877	77,877	77,877	77,877	77,877	77,877	77,877	77,896	77,896	77,896	81,205	937,909		

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9-12
(Prettyman)

- 9-12** Does the Company have a cost of service study file in Excel from its last rate case, Docket No. 4434? If so, please provide it, with formulas and cross references intact. Please provide a copy of that COSS in Excel. Also, please address the following for each COSS:
- a) How were income taxes allocated among rate classes in the cost of service study in the Company's last rate case? Explain fully and show allocations in detail.
 - b) How were the Company's ADIT balances allocated among rate classes in the cost of service study in the Company's last rate case? Explain fully and show allocations in detail.

Response: A cost of service study was not performed in Docket No. 4434. The proposed increase in the last rate case was an across-the-board increase to all classes of customer.

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9-13
(Gil)

- 9-13** CIAC. Refer to the response to Division 3-8.
- a) Did the Company receive any collection of taxable CIAC during 2017?
 - b) If "yes" please identify the amounts of taxable CIAC and explain to which plant accounts the CIAC amounts relate.
 - c) Does the Company have an opinion on whether any of the CIAC collected in 2017 will be required to be included as taxable income on its federal income tax return for tax year 2017? If not, explain fully why not. If "yes" please explain the opinion and the basis for it.
 - d) Did the Company reflect any amounts of federal income tax for CIAC received in 2017? If so, please identify such amounts. If not, explain fully why not.

Response:

- a) Per Attachment 3-8 the Company didn't receive any additional contribution in 2017
- b) N/A
- c) N/A
- d) N/A

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9-14
(Gil)

- 9-14** CIAC. Did the Company receive any collection of CIAC during 2018 through April 30?
- a) If "yes" please identify the amounts of CIAC and explain to which plant accounts the CIAC amounts relate.
 - b) Does the Company have an opinion on whether any of the CIAC collected in 2018 will be required to be included as taxable income on its federal income tax return for tax year 2018? If not, explain fully why not. If "yes" please explain the opinion and the basis for it.
 - c) Did the Company reflect any amounts of federal income tax for CIAC received in 2018? If so, please identify such amounts.

Response:

- a) Per Attachment 9-14 the Company didn't receive any additional contribution as of April 2018.
- b) As a result of the TCJA effective December 22, 2018 all CIAC will be taxable.
- c) N/A

CIAC

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
January	3,321,207	3,324,634	3,350,575	3,355,575	3,355,575	3,532,575
February	3,321,207	3,324,634	3,350,575	3,355,575	3,355,575	3,532,575
March	3,321,207	3,324,634	3,350,575	3,355,575	3,355,575	3,532,825
April	3,321,207	3,324,634	3,350,575	3,355,575	3,355,575	3,583,325
May	3,321,207	3,324,634	3,350,575	3,355,575	3,392,325	3,584,325
June	3,321,207	3,345,134	3,350,575	3,355,575	3,393,325	3,585,325
July	3,321,207	3,347,465	3,350,575	3,355,575	3,469,325	3,586,325
August	3,321,207	3,349,795	3,350,575	3,355,575	3,469,825	3,586,825
September	3,321,207	3,349,795	3,350,575	3,355,575	3,532,075	3,637,075
October	3,321,207	3,376,517	3,350,575	3,355,575	3,532,575	
November	3,321,207	3,350,575	3,350,575	3,355,575	3,532,575	
December	3,324,634	3,350,575	3,355,575	3,355,575	3,532,575	

Notes:

Actual January 2014 through April 2018

Projected May 2018 through September 2019

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9-15
(Gil)

- 9-15** CIAC. Refer to the response to Division 3-8.
- a) Does the Company anticipate receiving any collection of taxable CIAC during 2018 or through September 2019?
 - b) If "yes" please identify the amounts of taxable CIAC and explain to which plant accounts the CIAC amounts relate.
 - c) Does the Company have an opinion on whether any of the CIAC collected in 2018 or 2019 will be required to be included as taxable income on its federal income tax return for tax years 2018 and 2019? If not, explain fully why not. If "yes" please explain the opinion and the basis for it.
 - d) Did the Company reflect any amounts of federal income tax for CIAC received in 2018 or 2019? If so, please identify such amounts.

Response:

- a) Yes, the Company anticipates receiving \$281,500 from May 2018 through September 2019
- b)

CIAC Account	Amount
343 Mains	\$267,000
345 Services	14,500
Total	\$281,500

- c) As a result of the TCJA effective December 22, 2018 all CIAC will be taxable.
- d) The Company didn't reflect any federal income tax for CIAC in 2018 or 2019 since any applicable tax would be paid for by the developer.

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9-18
(Prettyman)

9-18 Identify each regulatory filing, including each filing for each surcharge or rider rate adjustment, that the Company plans to file in 2018.

Response: In terms of regulatory filings with the Commission, the Company does not anticipate any filings other than the current rate case. There are no surcharge or riders currently available to the Company.

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9-19
(Prettyman)

9-19 When does the Company plan to file its next Rhode Island base rate case?

Response: The Company is not able to determine when the next rate case would be filed. It would depend upon the outcome of this proceeding, the amount of future capital investment and whether the Company's DSIC proposal was accepted.

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9-21
(Arp)

9-21 Rate Case Expense. Has the Company included in operating expenses or rate base any amounts of rate case expense from prior rate cases? If so, identify, quantify and explain each such amount.

Response: The rate case expense included in operating expenses is the total estimated cost to process the current rate case and the proposed amortization period of 3 years for an annual amortization of \$60,333 as shown on Exhibit 3, Schedule 15.

The Company include the unamortized rate case expense in rate base as discussed in the response to 9-22.

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9-22
(Gil)

9-22 Rate Case Expense. Has the Company included in rate base any amounts of rate case expense for the current rate case? If so, identify, quantify and explain each such amount.

Response: Yes the Company included the average balance of rate case expense, net of deferred tax, as shown on Exhibit 4, Schedule 1, page 1 of 5.

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9-23
(Prettyman)

9-23 Rate Case Expense. How long does the Company anticipate that the rates established in this rate case will be in effect?

Response: Please see response to 9-19.

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9-24
(Jacobs)

9-24 Lead. During 2016, 2017 and 2018 have any portions of the Company's water utility system not been in full compliance with federal and state maximum levels of lead? If so, explain fully.

Response: No. SWRI is in full compliance with federal and state maximum lead levels.

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9-25
(Jacobs)

9-25 Lead. Explain in detail how the Company tests for levels of lead in the water that it provides.

Response: The Company follows all federal and state Lead and Copper Rules. The Company is currently on a reduced monitoring schedule that requires the Company to test for lead and copper every three (3) years. The last test was performed in 2015 and is next due in 2018. The last test results for 2015 was fully compliant and did not exceed the lead and copper maximum limits.

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9-26
(Arp)

9-26 Power Costs. Provide copies of the monthly power cost invoices for each month of 2017 and 2018.

Response: The Company has a contract with ECOVA to manage the power invoices. Please refer to Attachment 9-26 for the summary of 2014, 2015, 2016, 2017 and 2018 YTD.

Summary of Power Invoices

2014		
Row Labels	KWH	Sum of Cost
Constellation NewEnergy/4640	1,484,800	\$ 137,821
1/1/2014	111,200	\$ 10,304
2/1/2014	96,000	\$ 8,898
3/1/2014	88,400	\$ 8,370
4/1/2014	95,200	\$ 8,841
5/1/2014	124,800	\$ 11,579
6/1/2014	150,800	\$ 13,985
7/1/2014	210,400	\$ 19,477
8/1/2014	212,800	\$ 19,710
9/1/2014	171,800	\$ 15,919
10/1/2014	121,400	\$ 11,270
11/1/2014	102,000	\$ 9,467
National Grid - Rhode Island/1173	1,783,039	\$ 109,136
12/1/2013	1,249	\$ 234
1/1/2014	125,201	\$ 8,640
2/1/2014	107,910	\$ 7,886
3/1/2014	97,053	\$ 7,160
4/1/2014	102,046	\$ 7,068
5/1/2014	150,767	\$ 7,530
6/1/2014	164,419	\$ 9,889
7/1/2014	226,366	\$ 12,361
8/1/2014	228,235	\$ 12,370
9/1/2014	187,634	\$ 11,006
10/1/2014	145,149	\$ 8,770
11/1/2014	123,160	\$ 7,984
12/1/2014	123,852	\$ 8,237
Grand Total	3,267,839	\$ 246,957

2016		
Row Labels	KWH	Sum of Cost
Constellation NewEnergy/4640	1,679,800	\$ 145,535
12/1/2015	16,000	\$ 1,387
1/1/2016	104,600	\$ 9,063
2/1/2016	101,000	\$ 8,751
3/1/2016	107,000	\$ 9,271
4/1/2016	93,800	\$ 8,126
5/1/2016	113,800	\$ 9,859
6/1/2016	204,800	\$ 17,742
7/1/2016	247,800	\$ 21,468
8/1/2016	223,400	\$ 19,354
9/1/2016	181,600	\$ 15,865
10/1/2016	169,000	\$ 14,643
11/1/2016	117,000	\$ 10,006
National Grid - Rhode Island/1173	2,062,905	\$ 129,770
1/1/2016	132,900	\$ 8,438
2/1/2016	131,436	\$ 8,505
3/1/2016	135,992	\$ 8,621
4/1/2016	122,086	\$ 8,708
5/1/2016	141,598	\$ 9,670
6/1/2016	238,278	\$ 13,367
7/1/2016	283,794	\$ 15,456
8/1/2016	257,318	\$ 14,342
9/1/2016	214,730	\$ 12,682
10/1/2016	140,058	\$ 11,848
11/1/2016	139,658	\$ 9,427
12/1/2016	125,058	\$ 8,705
Grand Total	3,742,705	\$ 275,305

2018 YTD		
Row Labels	KWH	Sum of Cost
Constellation NewEnergy/4640	105,400	\$ 19,820
1/1/2018	105,400	\$ 19,820
ENGIE Resources	250,200	\$ 19,424
2/1/2018	80,400	\$ 6,192
3/1/2018	68,000	\$ 5,330
4/1/2018	101,800	\$ 7,901
National Grid - Rhode Island/1173	508,293	\$ 40,506
12/1/2017	2,444	\$ 265
1/1/2018	129,022	\$ 10,250
2/1/2018	125,668	\$ 10,010
3/1/2018	124,285	\$ 10,059
4/1/2018	126,874	\$ 9,921
Grand Total	863,893	\$ 79,751

2015		
Row Labels	KWH	Sum of Cost
Constellation NewEnergy/4	1,750,400	\$ 157,040
Jan	105,200	\$ 9,721
Feb	101,200	\$ 9,368
Mar	94,000	\$ 8,708
Apr	101,200	\$ 9,408
May	138,200	\$ 12,831
Jun	178,400	\$ 16,550
Jul	209,800	\$ 18,584
Aug	227,000	\$ 19,637
Sep	192,000	\$ 16,621
Oct	122,800	\$ 10,663
Nov	102,800	\$ 8,918
Dec	177,800	\$ 16,031
National Grid - Rhode Islar	1,952,527	\$ 112,686
Jan	130,230	\$ 8,704
Feb	115,646	\$ 7,578
Mar	108,010	\$ 7,078
Apr	113,330	\$ 7,223
May	153,114	\$ 8,581
Jun	210,046	\$ 11,875
Jul	243,496	\$ 13,134
Aug	262,490	\$ 12,901
Sep	223,902	\$ 11,581
Oct	149,392	\$ 8,965
Nov	125,598	\$ 7,239
Dec	117,276	\$ 7,826
Grand Total	3,702,927	\$ 269,726

2017		
Row Labels	Sum of Billed Quantity	Sum of Cost
Constellation NewEnergy/4	1,660,400	\$ 126,821
12/1/2016	102,800	\$ 8,907
1/1/2017	93,800	\$ 7,170
2/1/2017	88,800	\$ 6,788
3/1/2017	92,600	\$ 7,012
4/1/2017	107,200	\$ 8,098
5/1/2017	108,200	\$ 8,174
6/1/2017	153,200	\$ 11,573
7/1/2017	211,600	\$ 15,985
8/1/2017	212,400	\$ 16,045
9/1/2017	174,800	\$ 13,205
10/1/2017	156,600	\$ 11,830
11/1/2017	54,800	\$ 4,140
12/1/2017	103,600	\$ 7,897
National Grid - Rhode Islar	1,879,835	\$ 136,827
12/1/2016	924	\$ 112
1/1/2017	121,370	\$ 9,418
2/1/2017	113,516	\$ 8,829
3/1/2017	117,002	\$ 8,944
4/1/2017	132,314	\$ 9,738
5/1/2017	131,018	\$ 9,915
6/1/2017	180,834	\$ 12,023
7/1/2017	247,289	\$ 16,084
8/1/2017	246,978	\$ 16,122
9/1/2017	204,174	\$ 14,074
10/1/2017	184,524	\$ 13,473
11/1/2017	78,104	\$ 8,333
12/1/2017	121,788	\$ 9,764
Grand Total	3,540,235	\$ 263,648

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9-27
(Arp)

9-27 Power costs. Identify the amount of power supply costs recorded in each account by month for January 2014 through April 2018.

Response: Please refer to the response and attachment to 9-26

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9-28
(Arp)

9-28 Power Costs. Does the Company record power costs in any other accounts besides 50620 and 50610? If so, in which other accounts are power costs recorded?

Response: The power cost from invoices are in accounts 50610 and 50620.

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9-29
(Jacobs)

9-29 Tank painting. What actual tank painting has the Company conducted in each year, 2013 through 2017 and to-date in 2018? Explain fully and identify each tank that was painted, the related cost, when the painting was completed, and over what period the Company is amortizing the cost.

Response: No tanks were painted between 2013 and present. Last tank painted was Boston Neck tank in 2012.

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9-30
(Arp)

9-30 Tank painting. What expected tank painting is the Company estimating will occur in 2018? Explain fully and identify each tank that is expected to be painted, the related cost, when the painting is expected to be completed, and how the Company proposes to amortize the cost.

Response: The Company is not painting any additional tanks in 2018. Please refer to Exhibit 3 Schedule 9 for the list of tanks currently being amortized.

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9-31
(Gil)

9-31 Tank painting. Has the Company included any tank painting cost or tank painting amortization expense in its request for cash working capital? If "yes" identify the amounts and show the impact on the Company's cash working capital request.

Response: Yes the Company included the 1/8 amount of Tank Painting Amortization (\$19,812 x 1/8= \$2,477) in the Cash Working Capital in Rate Base.

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9-32
(Jacobs)

9-32 Well efficiency testing. How much expense has the Company recorded for well efficiency testing in each year, 2014 through 2017, by account?

Response: Please refer to the response to 9-33

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9-33
(Jacobs)

9-33 Well efficiency testing. How much expense has the Company recorded for well efficiency testing by account:

- a) in the test year? \$4,100
- b) in the rate year? \$2,405

Response:

SWRI Contractor well testing costs								
2014		2015		2016		2017	Test Year	Rate Year
Well	Cost	Well	Cost	Well	Cost	None		
1	\$900	1	\$900	3	\$1,000			
		2	\$1,100	5	\$1,367		\$1,367	
		4	\$1,100	6	\$1,367		\$1,367	
				7	\$1,367		\$1,367	
1	\$900	3	\$3,100	4	\$5,100	\$0.00	\$4,101	\$2,405
Well 3 estimated as part of rehab								

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9-34
(Arp)

9-34 Inflation factors.

- a) Identify each inflation factor used by the Company in its application and the source for each such factor.
- b) Does the Company have more current information (e.g., Blue Chip Economic Indicators, etc.) for any of the inflation factors that it used in its application?
- c) If the answer to part b is "yes" identify and provide the most current information for each inflation factor.

Response:

- a) Please refer to Exhibit 3 Schedule 17B for the computation of the inflation factor
- b) The most current information that the Company has is Blue Chip Financial Forecasts Vol. 37, No. 5, May 1, 2018
- c) The factors are still the same as originally projected.

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9-35
(Arp)

9-35 Management fee. How much management fee expense is the Company requesting?
Show amounts by account.

Response: Please refer to Exhibit 3 Schedule 14 and 14A for the Management and Services
fee and the account.

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9-36
(Arp)

9-36 Management fee. What services are provided for in the management fee? Explain fully.

Response: Please refer to MFR 2.89 (e) for copy of the Agreements between SUEZ Water Management and Services and SUEZ Water Rhode Island that describe the services provided.

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9-37
(Arp)

9-37 Management fee. Identify and provide management fee invoices for each month in 2016, 2017 and 2018 to date.

Response: Per agreement attached in MFR 2.8 (e) M&S allocates the cost through transfers not through invoices. Please see below the monthly allocations for 2016, 2017 and 2018 to date.

Account 90850	2016	2017	2018
January	\$ 35,729	\$ 40,349	\$ 43,718
February	36,301	34,294	35,370
March	50,973	38,859	36,346
April	44,844	37,081	36,937
May	28,312	43,979	
June	28,647	38,202	
July	36,027	38,101	
August	38,710	36,415	
September	37,521	46,524	
October	45,289	39,761	
November	40,233	30,319	
December	40,903	37,891	
Total	\$ 463,490	\$ 461,774	\$ 152,371

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9-38
(Arp)

- 9-38** Property Tax Expense.
- a) Identify the test year and rate year amount of property tax expense that is reflected in the Company's application.
 - b) Identify the amount of property tax expense, by account, for each year 2014 through 2017.

Response: a & b Please refer to Exhibit 3 Schedule 18 for the Property Tax Expense.

CUSTOMER #: 7890271

*401 398 0591
Vendor #
36938*

589000

UNITED WATER
SUEZ WATER
17 ARNOLD ST
WAKEFIELD, RI 02880-0429
HOME: CONT:N/A
BUS: CELL:

INVOICE

PAGE 1

SERVICE ADVISOR: 7776 MALLORY THETONIA

COLOR	YEAR	MAKE/MODEL	VIN	LICENSE	MILEAGE IN/OUT	TAG	
WHITE	11	FORD F150	1FTMF1EM6BKD92992		73269/73269	TB739	
DEL DATE	PROD. DATE	WARR. EXP.	PROMISED	PO NO.	RATE	PAYMENT	INV. DATE
01JAN16 IS			17:00 29DEC16		VAR	CASH	30DEC16
R.O. OPENED	READY	OPTIONS: DLR:04005 ENG:3.7 Liter					

10:36 20DEC16 09:05 30DEC16

LINE	OPCODE	TECH	TYPE	HOURS	LIST	NET	TOTAL
------	--------	------	------	-------	------	-----	-------

A REPAIRS TO FRONT

RPE REPAIR PER ESTIMATE

391	CB					694.69	694.69
1	9L3Z*17757*	CPTM BUMPER ASY - FRONT		492.53	492.53	492.53	492.53
1	9L3Z*17B984*	A PLATE - BUMPER MOUNTING		61.18	61.18	61.18	61.18
1	9L3Z*17B985*	A PLATE - BUMPER MOUNTING		61.18	61.18	61.18	61.18
1	9L3Z*17C886*	A BRACKET		32.10	32.10	32.10	32.10
1	9L3Z*17C887*	A BRACKET		32.10	32.10	32.10	32.10
1	9L3Z*17754*	B BRACKET - BUMPER MOUNTING		9.98	9.98	9.98	9.98
1	9L3Z*17755*	B BRACKET - BUMPER MOUNTING		9.15	9.15	9.15	9.15
1	9L3Z*17C947*	A REINFORCEMENT - BUMPER SECURIN		23.78	23.78	23.78	23.78
1	DL3Z*17D957*	C COVER		278.65	278.65	278.65	278.65
1	9L3Z*17E26*	B PANEL		137.68	137.68	137.68	137.68
1	9L3Z*17E810*	BCP KIT - BUMPER REPAIR		46.29	46.29	46.29	46.29
1	9L3Z*17A385*	A BRACKET - LICENSE PLATE		18.30	18.30	18.30	18.30
1	9L3Z*5D058*	AA BRACKET - BUMPER MOUNTING		76.32	76.32	76.32	76.32
1	9L3Z*5D059*	AA BRACKET - BUMPER MOUNTING		76.32	76.32	76.32	76.32

REF REFINISH

582	CB					273.00	273.00
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MISC PAINT AND MATERIALS

	CBMAT					117.60	117.60
--	-------	--	--	--	--	--------	--------

PARTS: 1355.56 LABOR: 967.69 OTHER: 117.60 TOTAL LINE A: 2440.85

B** 9004.62115 MICHELIN DEFENDER LTX M/S 265/70/17 115T

MB4 MOUNT AND BALANCE FOUR TIRES

929	CQL					60.00	60.00
4	9004*62115*	265/70R17		214.00	214.00	856.00	856.00
4	TD	TIRE DISPOSAL		2.00	2.00	8.00	8.00
4	STEMS	VALVE STEMS/TPMS KIT		5.00	5.00	20.00	20.00

PARTS: 856.00 LABOR: 60.00 OTHER: 28.00 TOTAL LINE B: 944.00

73269 MOUNT AND HIGH SPEED BALANCE FOUR TIRES

CUSTOMER PAY EPA COMPLIANCE FOR REPAIR ORDER 20.00

"THANK YOU"		DESCRIPTION	TOTALS
FLOOD FORD SERVICE DEPT. HOURS MON. - FRI. 7:30 AM - 6:00PM SAT. 7:30 AM - 4:30 PM	FROM FLOOD FORD OF EAST GREENWICH <small>NOT RESPONSIBLE FOR LOSS OR DAMAGE TO CARS OR ARTICLES LEFT IN CARS IN CASE OF FIRE, THEFT OR ANY OTHER CAUSE BEYOND OUR CONTROL. I hereby authorize the repair work hereinafter set forth to be done along with the necessary material and hereby grant you and/or your employees permission to operate the car or truck herein described on streets, highways or elsewhere for the purpose of testing and/or inspection. An express mechanic's lien is acknowledged on above car or truck to secure the amount of repairs thereto. I further authorize FLOOD FORD to repair my auto per insurance company estimate, including any supplementary claims and I hereby assume personal liability for payment in full for any and all work done on said motor vehicle. I ACKNOWLEDGE RECEIPT OF THE PARTS AND LABOR LISTED ABOVE.</small>	LABOR AMOUNT	
		PARTS AMOUNT	
		GAS, OIL, LUBE	
		SUBLETY AMOUNT	
		MISC./ENVIRONMENTAL	
		TOTAL CHARGES	
		SALES TAX	
		PLEASE PAY THIS AMOUNT	



2545 South County Trail • P.O. Box 310
EAST GREENWICH, RI 02818
Tel: (401) 884-4000
Direct Service Line: (401) 558-2176
e-mail: egservice@floodauto.com
www.floodauto.com

CUSTOMER #: 7890271

589000

INVOICE

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UNITED WATER
SUEZ WATER
17 ARNOLD ST
WAKEFIELD, RI 02880-0429

HOME: CONT:N/A
BUS: CELL:

SERVICE ADVISOR: 7776 MALLORY THETONIA

COLOR	YEAR	MAKE/MODEL	VIN	LICENSE	MILEAGE IN/OUT	TAG
WHITE	11	FORD F150	1FTMF1EM6BKD92992		73269/73269	TB739

DEL DATE	PROD DATE	WARR EXP	PROMISED	PO NO	RATE	PAYMENT	INV DATE
01JAN16 IS			17:00 29DEC16		VAR	CASH	30DEC16

R.O. OPENED	READY	OPTIONS:	DLR:04005 ENG:3.7 Liter
10:36 20DEC16	09:05 30DEC16		

LINE	OPCODE	TECH	TYPE	HOURS	LIST	NET	TOTAL
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YOU MAY BE SELECTED TO RECEIVE A SURVEY FROM FORD MOTOR COMPANY, WE HOPE WE HAVE EARNED "COMPLETELY SATISFIED" AND "EXCELLENT" FOR ALL SURVEY QUESTIONS, IF WE HAVE NOT, PLEASE BE SURE TO CONTACT US AT 401-558-2176 OR EGSERVICE@FLOODAUTO.COM



FLOOD FORD SERVICE DEPT. HOURS MON. - FRI. 7:30 AM - 5:00PM SAT. 7:30 AM - 4:30 PM	"THANK YOU" FROM FLOOD FORD OF EAST GREENWICH <small>NOT RESPONSIBLE FOR LOSS OR DAMAGE TO CARS OR VEHICLES LEFT IN CARS IN CASE OF FIRE, THEFT OR ANY OTHER CAUSE BEYOND OUR CONTROL. I hereby authorize the repair work hereinafter set forth to be done along with the necessary material and hereby grant you and/or your employees permission to operate the car or truck herein described on streets, highways or elsewhere for the purpose of testing and/or inspection. An express mechanic's lien is acknowledged on above car or truck to secure the amount of repairs thereto. I further authorize FLOOD FORD to repair my auto per insurance company estimate, including any supplementary claims and I hereby assumed personal liability for payment in full for any and all work done on said motor vehicle. I ACKNOWLEDGE RECEIPT OF THE PARTS AND LABOR LISTED ABOVE.</small>	FLOOD FORD PARTS DEPT. HOURS MON. - FRI. 8:00 AM - 5:00PM SAT. 7:30 AM - 4:30 PM	DESCRIPTION	TOTALS
			LABOR AMOUNT	1027.69
PARTS AMOUNT	2211.56			
GAS, OIL, LUBE	0.00			
SUBLET AMOUNT	0.00			
MISC./ENVIRONMENTAL	165.60			
TOTAL CHARGES	3404.85			
SALES TAX	157.61			
PLEASE PAY THIS AMOUNT	3562.46			

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9-39
(Arp)

9-39 Vehicle accident. Refer to the response to Division 3-14(g). Show in detail how the Company accounted for the cost of repairing the vehicle that was in an accident which caused the Maintenance and Repair amount for the test year to be so much higher than in preceding years. Include the journal entries and show the amounts by account.

Response: Please refer to 9-39 Attachment for copy of the repair invoice for \$3,562.46

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9-40
(Gil)

9-40 Customer Information System (CIS).

- a) Show in detail how the Company has amortized the cost of the CIS, including the amount of amortization for each year, and the remaining unamortized balance as of December 31 of each year.
- b) Refer to page 50 of the Decision in Docket No. 4255. When did the Company start recording the \$59,042 per year amortization for the CIS based on Docket No. 4255 which used a 2010 test year and a 2012 rate year, and which was to be amortized over an 8-year period?
- c) As of December 31, 2017 did the Company have any remaining unamortized balance for the CIS? If so, identify, quantify and explain that balance, and show how it was produced based on the amortization schedule being used by the Company.
- d) Did the Company record any accumulated deferred income tax associated with the CIS?
 - i) If "yes" identify the amount of ADIT at December 31, 2017 associated with the CIS and show in detail how the state and federal income tax rates that were applied to derive that amount of ADIT.

Response:

a, b,c. &d Please refer to 9-40 Attachment

CUSTOMER INFORMATION SYSTEM (CIS)

	Date	CCB Amount	Depreciation 12.5%	Balance
		552,856		
	12/31/2011		8,782	544,074
1	12/31/2012		67,341	476,733
2	12/31/2013		69,766	406,967
3	12/31/2014		69,766	337,202
4	12/31/2015		69,766	267,436
5	12/31/2016		69,766	197,670
6	12/31/2017		69,766	127,904
7	12/31/2018		69,766	58,138
8	12/31/2019		58,138	0

Tax Depr 33.3%	Tax Balance
46,071	506,785
184,285	322,499
184,285	138,214
138,214	0
	0
	0
	0
	0
	0
	0

Book vs Tax	Accumulated Diff
(37,289)	37,289
(116,945)	154,234
(114,520)	268,753
(68,448)	337,202
69,766	267,436
69,766	197,670
69,766	127,904
69,766	58,138
58,138	0

12/31/2017 Accumulated Deferred Tax @ 35%

44,766 (127,904 x 35%)

12/31/2017 Accumulated Deferred Tax @ 21%

26,860 (127,904 x 21%)

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9-41
(Arp)

9-41 Identify each affiliate that charged or allocated cost to SWRI during the test year, and show the amount of cost allocated by each affiliate, by account.

Response: SUEZ Water New York-Labor transfer in Account 50110 \$ 7,578
As shown on Exhibit 3 Schedule 2

SUEZ Water Management and Services Account 90850 \$480,678
As shown on Exhibit 3 Schedule 14

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9-42
(Arp)

9-42 Identify each affiliate for which SWRHI has reflected cost during the rate year, and show the amount of cost that SWRHI has requested in the rate year from each affiliate, by account.

Response: SUEZ Water New York-Labor transfer in Account 50110 \$ 10,023
As shown on Exhibit 3 Schedule 2

SUEZ Water Management and Services Account 90850 \$509,952
As shown on Exhibit 3 Schedule 14

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9-43
(Arp)

9-43 Does SWRI receive invoices from any affiliates? If so, identify and provide the invoices for charges from each affiliate in the test year and for each month subsequent to the test year for which such invoices are available.

Response: Please refer to the response to 9-37

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9-44
(Gil)

9-44 Has the Company added any customers since the end of the test year? If so, identify the number of customers added in each rate class by month through April 30, 2018.

Response: The Company hasn't added or lost any specific amount of customers. The Company has approximately 300 seasonal customers that connect in the summer depending on the weather. Please refer to 9-44 Attachment for the updated MFR 2.8h "Billed Consumption by Customer Class (in '000 Gallons) and number of Meters in Service"

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9-45
(Gil)

9-45 Has the Company lost any customers since the end of the test year? If so, identify the number of customers lost in each rate class by month through April 30, 2018.

Response: Please refer to the response to 9-44.

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9-46
(Gil)

9-46 Water sales. Identify the annual water sales in total, and by rate class, for each year, 2012 through 2017. Include related Excel files with your response.

Response: Please refer to MFR 2.8h “Billed Consumption by Customer Class (in '000 Gallons) and number of Meters in Service” and to the excel format in response to DIV 2-1

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9-47
(Gil)

9-47 Water sales. Identify water sales, in total, and by rate class, for the test year and estimated for the rate year. Include related Excel files with your response.

Response: Please refer to the MFR 2.8h “Billed Consumption by Customer Class (in '000 Gallons) and number of Meters in Service” for the consumption by class for Test Year and MFR 2.8h “Residential Water Consumption Trend” and MFR 2.8h “Water Consumption Projection” for the Water Projection by Class for the Rate Year.

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9-48
(Gil/Jacobs)

- 9-48** Page 26 of the Commission's Decision in Docket No. 4434 stated that: "It is, therefore, incumbent upon the utility to explore alternatives to address declining consumption that will not continue to financially stress its ratepayers."
- a) Since the 2012 test year in Docket No. 4434, did the Company experience declining consumption? If so, identify the amount of consumption in total per year 2012 through 2017, and explain the cause of any year-over-year declines.
 - b) Identify, quantify and explain each action taken by SWRHI since that case (Docket No. 4434) to address declining consumption.
 - c) For each action listed in response to part b, please explain the impact on SWRI's request for a rate increase in the current rate case.

Response:

- a) Yes the Company is experience a declining consumption in all classes, especially in Residential and Resale as shown on MFR 2.8h "Residential Water Consumption Trend", "Water Consumption Projection" also explained in Ms. Gil testimony pages 6 through 8.
- b) While the Company is always concerned about lost water whether it be from unaccounted for water, leaks or theft, it appears that the largest decline is with the resale customers. The Company has tried to determine the reason for this but as of today the Company have been unsuccessful. The Company will continue to review this situation.

The Company routinely performs, testing of large meters and promotes conservation and wise use of water. Since the last rate case, the Company has a new Manager and other than the general items previously mentioned, nothing specific has been addressed,

- c) See response to b.

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9-49
(Arp)

9-49 Conversion to monthly billing. Identify all costs, by account, that the Company has included in its requested rate year revenue requirement relating to the conversion to monthly billing.

Response: The only additional cost included in the rate year revenue requirement is related to additional postage. This could be found on Exhibit 3 Schedule 11 and 11A. The additional amount would be \$94,538.

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9-50
(Prettyman)

- 9-50** Conversion to monthly billing. Will the conversion to monthly billing reduce the Company's cash working capital requirement?
- a) If not, explain fully why not.
 - b) If so, identify, quantify and explain the reduction. Include supporting workpapers.

Response: If the Company performed a full lead/lag study, an adjustment would have been made, however the Company did not perform such a study. Because the Company is relatively small, in order to keep costs lower, the Company utilized the 1/8th method to calculate cash working capital. As such it is not able to quantify the impact.

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9-51
(Arp)

9-51 Incentive compensation.

- a) Identify the amount of incentive compensation that the Company has included in its recorded test year balances, by account and amount.
- b) Identify, quantify and explain all amounts of incentive compensation that the Company has removed from its recorded test year balances, by account and amount, in arriving at its requested rate year revenue requirement.
- c) Identify the amount of incentive compensation that the Company has included in its requested rate year revenue requirement, by account and amount.
- d) Referring to the Company's response to part c, are there any amounts for incentive compensation for the Company's exempt employees included in the amounts identified in response to part c?
 - i) If so, identify, quantify and explain those amounts, by account.
- e) Has the Company included any amounts of incentive compensation associated with meeting financial performance goals for its exempt employees in its requested rate year revenue requirement?
 - i) If "yes" explain fully and identify the amounts, by account and amount.
- f) Provide a listing of exempt employees for the test year and rate year.
- g) For each exempt employee, identify their total compensation for the test year and rate year.
- h) For each exempt employee, identify the amount of incentive compensation for the test year and rate year, in total and by account.
- i) For each exempt employee, identify the amount of incentive compensation related to meeting financial performance goals, for the test year and rate year, in total and by account.

Response:

- a) Please refer to the response to 3-3 part a and b.
- b) c) d) Please refer to the response to 3-3 part c and d.
- e) i) Please refer to the response to 3-3 part e.
- f) g) h) Please refer to Exhibit 3 Schedule 2A

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9-52
Page 1 of 2
(Arp)

9-52 Chemicals.

- a) Identify each type of chemical that the Company uses in the water treatment process.
- b) For each chemical identified in response to part a, identify the quantity of the chemical used in each year, 2012 through 2017, and for the test year and rate year.
- c) For each type of chemical identified in response to part a, identify the amount requested by the Company in the test year, including:
 - i) the quantity requested
 - ii) the unit price requested
 - iii) the total expense requested, by account.
- d) For each type of chemical identified in response to part a, identify the amount requested by the Company in the rate year, including:
 - i) the quantity requested
 - ii) the unit price requested
 - iii) the total expense requested, by account.
- e) For each type of chemical identified in response to part a, identify and provide the three most recent invoices.
- f) Does the Company maintain any inventory of chemicals?
- g) If the response to part f is "yes" provide the following monthly information for each chemical inventory for each month of 2016, 2017 and 2018 to date:
 - i) beginning quantity
 - ii) beginning total cost
 - iii) beginning unit cost
 - iv) monthly purchases (quantity and cost)
 - v) ending quantity, total cost and unit cost
- h) Include related Excel files for your responses.

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9-52
Page 2 of 2
(Arp)

- Response:**
- a), b), c), d) Please refer to Exhibit 3 Schedule 5 and 5A
 - e) Please refer to the response to COM 1-25
 - f) Yes the Company maintains an inventory of Chemicals
 - g) The Company does an inventory and reconciliation once a year.
 - h) Please refer to the response to 2-1

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9-53
(Jacobs)

- 9-53** Chemicals. Has the Company identified any relationship between the quantity of chemical use and the quantity of water treated and supplied to customers?
- a) If not, explain fully why not.
 - b) If so, identify the relationship between the quantity of treated water and the quantity of each chemical used by the Company in the treatment process. Include supporting explanations and workpapers. Include related Excel files.

Response: The Company's chemical usage has a direct correlation with quantity of water treated. The Company's raw water from its wells maintains consistent characteristics which rarely fluctuate. So as water production increases so does chemical usage. Seasonal temperature also has an effect on sodium hypochlorite (CL2) dosage. As the temperature of the water increases in the summer time the dosage of CL2 needs to increase to ensure proper disinfection residuals in the Company's tanks and distribution system.