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May 7, 2019

Ms. Luly Massaro, Clerk  
Rhode Island Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

**Re: *Docket No. 4890- The Narragansett Bay Commission  
General Rate Filing***

Dear Ms. Massaro:

Enclosed please find an original and nine copies of the following:

1. The Narragansett Bay Commission's Response to the Rhode Island Public Utilities Commission's Data Requests (Set Three).

Please note that this response does not include a response to Comm. 3-4, which will be provided under separate cover. Also, please note that an electronic copy of this document has been provided to the service list.

Thank you for your attention to this matter.

Sincerely,



Joseph A. Keough, Jr.

JAK/kf

cc: Docket 4890 Service List (*via electronic mail*)

**Comm. 3-1:** What is the cost to NBC to process a payment made to NBC via check?

**Response:** NBC accepts checks via lockbox, mail and in person. NBC does not track labor costs for check processing but there are time differentials associated with remote deposit of individual checks processed at NBC versus checks processed through lockbox and received as a file for posting. There are also labor costs associated with returned checks and checks processed through the bank's on-line decision module due to incomplete or illegible information for posting. ACH transactions do not require NBC labor other than the processing of rejected ACH transactions or returns. Third party costs paid by NBC to Invoice Cloud (ACH) and the Bank are as follows:

**Narragansett Bay Commission**  
Comm 3-1 and 3-2

<b>Payment Type</b>	<b>Source</b>	<b>Cost</b>	<b>How Processed</b>
ACH	On-line	\$ 0.40	In File
Check	Mail	1.26	Individually
Check	Cashier	1.26	Individually
Check	Lockbox	0.17	In File

**Prepared by:** Leah Foster and Clara Casimiro

**Comm. 3-2:** What is the cost to NBC to process a payment made to NBC via ACH?

**Response:** See response to Comm. 3-1

**Prepared by:** Leah Foster and Clara Casimiro

**Comm. 3-3:** Referring to the new software from Advanced Utility Systems being utilized by NBC, please provide an itemized list of efficiencies, improvements, cash flow benefits, etc. that NBC is enjoying as a result of the new system. Please include a description of the efficiencies, improvements, cash flow benefits, etc. that have been achieved. Please include a listing of the number of labor hours that are being saved as a result of the new system.

**Response:**

1. One of the most significant efficiencies realized relates to the loading of meter readings. The billing process is more efficient since the Meter Edit List (MEL), a report that indicates a potential billing issue, only has to be looked at one time. Once staff reviews the account and addresses the exception, the system will recognize the change and that same billing issue will not reappear on subsequent reports related to that billing cycle. This results in more efficient and accurate bills. Previously, the legacy system required the manual tracking of each researched account since the accounts appeared on the MEL report every day until they were billed, even after they were fixed.
2. The new system has allowed NBC migrate from billing all 84,500 accounts on the same day to a system of books and cycles that enables NBC to spread out the billings over four weeks. This is more efficient since billing weekly results in the management of fewer accounts at the time of billing and also staggers customer call volume and walk ins. Transition to weekly billing has also smoothed out the cash flow.
3. The new system allows for automatic import of meter files from the water suppliers, which is faster and generates fewer exceptions. For example, the software recognizes meter multipliers so no manual entry is required to load the meter reading.
4. NBC can bill all abatements in one cycle and will enable automatic calculation of abatements.
5. NBC now has the ability to bill customers served by each water board individually. This feature allows us to bill each cycle according to each water board's cycles. This gives NBC more flexibility and does not hold up billing. NBC can also put water board specific messages on bills.

6. When applying payments, AUS gives NBC the ability to balance prior to posting the payments to the account. This reduces misapplied payments and therefore the correction of misapplied payments as well.
7. When property changes hands, the new owner is assigned a unique new customer number for on-line access.
8. Customers have the ability to sign up for e-bills and schedule payments as well as look at their invoices online.
9. The system automatically applies fees to accounts upon closing service orders which eliminates manual tracking and entry.
10. The new system handles customer disputes through a service order, which is more efficient and ensures that the service order is completed.
11. NBC has the ability to run collection activities automatically through a filtering process. For example, water shut-off letters are printed automatically instead of on an individual basis subsequent to manual review.
12. NBC has the ability to make billing arrangements either monthly, weekly, or biweekly to better serve the customer
13. NBC can put exemptions on qualifying accounts to prevent them for collection activity.
14. The new system allows for batch editing of processes prior to posting, reducing errors.
15. On-line payment system and customer interface have been enhanced including scheduled payments, Interactive Voice Response and the storage of payment information and Payment Card Industry compliance is with a third party.
16. Customers can view their account history, print invoices, change their mailing address, submit readings, submit closing requests and contact customer service on-line.

The system is new and NBC does not have any information regarding labor hour savings at this time.

**Prepared by:** Brendon McLean, Karen Giebink and Clara Casimiro

**Comm. 3-5:** How does NBC currently pay costs and expenses attributable to the installation or extension of a main sewer line?

- a. Are individual customers currently charged any of these costs and expenses?
- b. How are those costs and expenses calculated?
- c. If individual customers are not charged, explain how NBC recoups or accounts for these expenses.

**Response:** NBC has historically dedicated most of its efforts and capital resources to protection of investments in existing infrastructure and compliance with RIDEM permits and regulations. More recently, NBC considered expansion of its sewer system to un-serviced areas to provide additional access to NBC's treatment and collection system and to assist in the State's goal of economic development. In the past few years, and in accordance with NBC's enabling legislation, NBC has new constructed interceptors in the Town of Johnston to expand access to NBC sewers. The new interceptors will provide collection and treatment to those parties that are dependent on failing septic systems as well as areas earmarked for future development. As part of the Johnston Facilities Plan Update approved by the Rhode Island Department of Environmental Management (RIDEM) on September 12, 2011, the size and location of the proposed interceptors were developed. The plan is based on flow projections from unsewered areas of the Town of Johnston and are based on 20-year land-use forecasts defined in Johnston's 2007 Comprehensive Community Plan and RIDEM's Flow Estimation Policy for Design of Sanitary Sewers.

- a. In certain cases, NBC has negotiated a contract with a third party to pay for or reimburse all or a portion of the costs associated with the installation or extension of a sewer line.
- b. The cost and expense allocations are calculated on a case-by-case basis.
- c. See answer to item a.

**Prepared by:** Rich Bernier

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET 4890

Response of Narragansett Bay Commission  
to the Rhode Island Public Utilities Commission's  
Data Requests  
Set 3  
April 24, 2019

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**Comm. 3-6:** How much has NBC spent (on a yearly basis) installing or extending main sewer lines in each of the last five (5) years? Please identify on a yearly basis all main sewer lines installed or extended over the last five (5) years and provide the cost for each installation or extension.

**Response:** NBC has completed construction of two interceptor extension projects in the last five (5) years:

Contract 304.60: Johnston Sewer Improvements/Greenville Ave. - \$7.3 million

Contract 304.64: Johnston Sewer Improvements/Hartford Ave. - \$3.3 million

**Prepared by:** Rich Bernier

**Comm. 3-7:** How does NBC currently pay costs and expenses incidental to the installation and connection of the building sewer?

- a. Are customers currently charged any of these costs and expenses?
- b. If so, how are those costs and expenses calculated?

**Response:** A new customer pays all costs incidental to the installation and connecting to NBC's sewer.

- a. A new user would pay for the installation and connection to NBC's sewer.
- b. A new user would pay this fee directly to the drainlayer or contractor that they employ for this purpose.

**Prepared by:** Rich Bernier

- Comm. 3-8:** Referencing proposed changes to 835-RICR-20-00-1.4.16, how does NBC intend to calculate the costs and expenses attributable to the installation of a main sewer line?
- a. How does NBC intend to determine which owners "may" be responsible for paying these costs and expenses?
  - b. If the costs and expenses attributable to the installation of a main sewer line are collected from individual customers, how does NBC intend to account for these collected funds?

- Response:** NBC plans to calculate a cost/developable acre by dividing interceptor construction cost by the square acreage of the developable land on adjacent parcels.
- a. NBC will determine a cost per square acre as described above. NBC plans to charge new customers who choose to connect to the NBC system a fee based on their parcel size prior to allowing their connection to NBC's system.
  - b. NBC deposits any capital reimbursements into the Grant and Project Reimbursements Account in the Project Fund to finance capital projects.

**Prepared by:** Karen Giebink

**CERTIFICATION**

I hereby certify that on May 7, 2019, 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 hand delivery.

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