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June 24, 2019

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

*Re: City of Newport, Utilities Department, Water Division
Docket 4933*

Dear Ms. Massaro:

Enclosed please find an original and nine copies of:

1. City of Newport, Utilities Division, Water Department's Response to the United States Navy's Data Request (Set 3).

Please note that an electronic copy has been sent to the service list. Thank you for your attention to this matter.

Sincerely,



Joseph A. Keough, Jr.

JAK:prc
Enclosure
cc: Docket 4933 Service List (*via electronic mail*)

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 4933
Response Of The City Of Newport,
Utilities Division, Water Department
To The United States Navy's
Data Requests
Set 3

Navy 3-1: With respect to NWD's response to NAVY 2-6, please provide all workpapers in electronic format with all formulas intact used to calculate the revenue requirement adjustment of \$2,456,405.

Response: The Excel file entitled "Newport COS Model Dkt4933 Supplemental Updated Navy Meters.xlsx" will be provided electronically.

Prepared by: Harold Smith

Navy 3-2: With respect to NWD's response to NAVY 2-6, NWD states the following:

Rates were calculated using the previously approved COS model. The two revisions described above resulted in rate year revenue at existing rates being approximately \$75,000 lower than in the supplemental model. Additionally, all rates, with the exception of the PWFD Base Charge increased slightly.

Please provide the calculated rates for all rate classes that produce the revenue requirement adjustment of \$2,456,405. Please include all workpapers in electronic format with all formulas intact that support the rate calculations.

Response: The information requested can be found on HJS Schedule A-2A in the Excel file provided in responses to Navy 3-1.

Prepared by: Harold Smith

Navy 3-3: With respect to NWD's response to NAVY 2-6, NWD states the following:

The meters for the 26 wheeling accounts were removed from the Non-Residential class to reflect that these meters will no longer be the responsibility of NWD.

Please provide the rate base adjustment resulting from the removal of the meters associated with the 26 wheeling accounts. Please include all workpapers in electronic format with all formulas intact that support the adjustment.

Response: Please see the Excel file provided in responses to Navy 3-1.

Prepared by: Harold Smith

Navy 3-4: With respect to NWD's response to NAVY 2-6, NWD states the following:

Projected rate year demand for the Navy was increased by an amount equal to the average consumption for the wheeling accounts in FY 16 - FY 18 and projected rate year demand for the Non-Residential class was reduced by the same amount.

Please provide the revised rate year demands for the Navy and the Non-Residential class identified above. Please include all workpapers in electronic format with all formulas intact that support the rate year demand adjustments.

Response: Please see the Excel file provided in responses to Navy 3-1.

Prepared by: Harold Smith

Navy 3-5: With respect to NWD's response to NAVY 2-12, NWD states the following:

If the Navy wishes to continue using these meters, then NWD would require compensation for the meters. If not, then NWD would remove the meters.

Please provide the estimated compensation in dollars required by NWD if Navy continued to use NWD's meters.

Response: Any compensation for the meters would have to be negotiated in an amendment to the Navy's Water Contract with the City of Newport as would transferring responsibility for the wheeling accounts to the Navy. These contractual issues are not before the Commission in this Docket. However, compensation for the meters is estimated to be approximately \$20,000.

Prepared by: Julia Forgue

Navy 3-6: With respect to NWD's supplemental response to DIV. 1-1, please provide the following information:

1. Please confirm that the Navy's Max Hour Demand Factor utilized in both the original cost of service study and the revised cost of service study is the same, 2.46.
2. Please explain why the Navy's Max Hour Demand Factor is 2.46 in HJS Schedule B-8 of NWD's revised cost of service study. Please reconcile this value with the Navy Max Hour Demand Factor of 2.26 calculated in the Excel file, "Navy Hourly Usage Raftelis Analysis.xlsx".

Response:

1. The Navy's Max Hour Demand Factor utilized in the original cost of service study and the revised cost of service study was 2.46.
2. The Navy's Max Hour Demand Factor used in the cost of service study should have been 2.26. This error will be corrected in my rebuttal testimony.

Prepared by: Harold Smith

CERTIFICATION

I hereby certify that on June 24, 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 regular mail.

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STATE OF RHODE ISLAND
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Set 3

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