

KEOUGH + SWEENEY, LTD.

ATTORNEYS AND COUNSELORS AT LAW

41 MENDON AVENUE

PAWTUCKET, RHODE ISLAND 02861

TELEPHONE (401) 724-3600

FACSIMILE (401) 724-9909

www.keoughsweeney.com

RAYNHAM OFFICE:
90 NEW STATE HIGHWAY
RAYNHAM, MA 02109
TEL. (508) 822-2813
FAX (508) 822-2832

JOSEPH A. KEOUGH JR.*
JEROME V. SWEENEY III*

SEAN P. KEOUGH*

JEROME V. SWEENEY II
OF COUNSEL

*ADMITTED TO PRACTICE IN
RHODE ISLAND & MASSACHUSETTS

BOSTON OFFICE:
171 MILK STREET
SUITE 30
BOSTON, MA 02109
TEL. (617) 574-0054
FAX (617) 451-1914

October 7, 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 Rhode Island Public Utilities Commission's October 2, 2019 Hearing Record Requests.

Thank you for your attention to this matter.

Sincerely,



Joseph A. Keough, Jr.

JAK:prc

Enclosure

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

RR 1-1: Please explain the increase in the allocated amount for City Solicitor Expense in this Docket (\$37,118) as compared to the amount allocated in Docket 4595 (\$26,096)

Response: After examining the basis for the increase, it was discovered that the \$37,118 allocation was made in error.

In Docket 4595, we deducted the salaries and benefits for the assistant city solicitor that handles municipal court, the probate court judge and the municipal court judges from the City Solicitor's budget. Then 50% of the remaining budget (\$192,872) was allocated to the Water Fund. The allocator in Docket 4595 was 13.53%, which was derived from the comparison of the Water Fund's FY 2017 budget to the combined total FY 2017 budgets of all the enterprise funds and the general fund.

In this Docket, we mistakenly forgot to deduct the salaries and benefits for the assistant city solicitor that handles municipal court, the probate court judge and the municipal court judges before allocating 50% of the remaining budget. As set forth in the attached schedule, the allocation to the Water Fund should have been \$27,329 (see attached). This number is slightly higher than the amount allocated in Docket 4595 because the overall budget (\$200,067) and the allocation factor are slightly higher (13.66%).

Prepared by: Laura Sitrin

PUC RR 1-1 Attachment

City Solicitor

Based on FY2019 Adopted Budget

Total City Solicitor FY 2019 Budget	543,449
Less:	
Salaries and Benefits Municipal Court Assistant Solicitor, Municipal Court Judge and Probate Judge	143,315
Total	400,134
Allocate 50% of Budget	200,067
Multiplied By Budget Allocator of 13.66%	27,329

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 4933
Response Of The City Of Newport,
Utilities Division, Water Department
To The State of Rhode Island
Public Utilities Commission's
October 2, 2019 Hearing Record Requests

RR 1-2: Please itemize the \$803,756 increase in the total amount of City of Newport MIS costs from Docket 4595 (\$1,708,504) to this Docket (\$2,512,260) a portion of which was allocated to Newport Water.

Response: The itemization of the increase is set forth in the attached schedule.

Prepared by: Laura Sitrin

PUC Record Request 1-2 Attachment

Note that the below identifies major cost changes from the total FY2019 MIS numbers used in Docket 4933 versus the total FY2017 MIS numbers used in Docket 4595. The specific line item detail does not include the effect of any amounts removed from the allocation for purposes of the PUC filing (i.e. ERP costs allocated to the schools). That number would be reflected in the miscellaneous and allocated costs.

	FY2017	FY2019	Difference
Information Technology Director	162,857	163,277	420
Help Desk Coordinator .5 FTE in 2017 and 2.0 FTE in 2019	53,405	212,932	159,527
Communications Officer	-	143,378	143,378
GIS Coordinator	-	96,019	96,019
The City outsources most of the IT helpdesk and IT engineering and oversight functions	345,325	406,667	61,342
Contracts/Licensing Related to ERP System	414,982	475,504	60,522
Website and Purchasing Contracts/Licensing	10,546	30,550	20,004
Phone and IT Communications Infrastructure line leasing and contracts	337,841	366,050	28,209
Miscellaneous and allocated costs			(51,717)
Capital Projects **	231,500	517,552	<u>286,052</u>
Net Change			<u><u>803,756</u></u>

** The significant increases in capital are due to:

Website Replacement	110,000
Redundant Core Switch Replace	31,000
Reduction in equipment replacement	(12,214)
Virtual Desktop Server Updates	<u>157,266</u>
	<u>286,052</u>

- RR 1-3:** Please provide the following information regarding Newport Water's customers:
- a. The number of customers that were 30 days or more delinquent in paying their water bill in 2018 and 2019 (year to date).
 - b. How many customers were shut-off for non-payment in 2018 and 2019 (year to date), and how long were they shut-off.
 - c. The number of customers that were on a payment plan in 2018 or 2019 (year to date), the length of the payment plan, and whether the customer completed the payment plan.
 - d. Whether Newport Water has any customers that have "protected" status (i.e., elderly, infant, disabled, welfare, unemployed, or seriously ill), and if so, the number of accounts in each category.

- Response:**
- a. During both calendar year 2018 and YTD 2019, Newport Water had approximately 15,000 customers who received monthly bills. Of these accounts, an average of 2,150 accounts or 14% had a past due balance exceeding 30 days in 2018 and an average of 2,800 accounts or 19% had a past due balance exceeding 30 days in YTD 2019.
 - b. In calendar year 2018 there were 225 shutoffs. Approximately 75%, or 169 accounts, were turned on the same day as the shutoff day. Approximately 20% were turned on within the next 1-3 days and 5% remained off beyond 3 days.

In calendar year 2019 there were 149 shutoffs. Approximately 70%, or 103 accounts, were turned on the same day as the shutoff day. Approximately 25% were turned on within the next 1-3 days and 5% remained off beyond 3 days.
 - c. At the beginning of calendar year 2018 there were 97 payment plans in effect. During the year, 172 plans were added and 216 plans were completed. In calendar year 2019, Newport Water started with 53 active plans, added 117 new plans and completed 112 plans, thereby leaving 58 active plans as of the end of September 2019. The standard length of Newport Water's payment plans is 90 days.

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 4933
Response Of The City Of Newport,
Utilities Division, Water Department
To The State of Rhode Island
Public Utilities Commission's
October 2, 2019 Hearing Record Requests

d. Newport Water does not have a formal "protected class" customer status in its system. If a customer advises us that they are seriously ill, disabled, elderly, etc., that documentation is stored in the person's account and a description of the issue is included in the account "Notes" section. Prior to any shutoff notice, customer notes are reviewed, and Newport Water provides those customers in need with referrals to non-profit Assistance Agencies for financial support and are offered payment terms that they can reasonably accommodate.

Prepared by: Julia Forgue

CERTIFICATION

I hereby certify that on October 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 regular mail.

Parties/Address	E-mail Distribution	Phone
Julia Forgue, Director of Public Works Newport Water Department 70 Halsey St. Newport, RI 02840	jforgue@cityofnewport.com ;	401-845-5601
	lsitrin@CityofNewport.com ;	
	rschultz@CityofNewport.com ;	
	wyst@CityofNewport.com ;	
Harold Smith Raftelis Financial Consulting, PA 511 East Blvd. Charlotte, NC 28203	Hsmith@raftelis.com ;	704-373-1199
Tiffany Parenteau, Esq. Christy Hetherington, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	Chetherington@riag.ri.gov ;	401-222-2424
	TParenteau@riag.ri.gov ;	
	pat.smith@dpuc.ri.gov ;	
	John.bell@dpuc.ri.gov ;	
	al.mancini@dpuc.ri.gov ;	
	Mfolcarelli@riag.ri.gov ;	
Jerome Mierzwa Lafayette Morgan Exeter Associates, Inc. 10480 Little Patuxent Parkway, Suite 300 Columbia, MD 21044	jmierzwa@exeterassociates.com ;	410-992-7500
	lmorgan@exeterassociates.com ;	
Dept. of Navy (DON) Kenneth M. Racette, Jr. Kelsey A. Harrer, Assistant Counsel Department of the Navy, Office of the General Counsel 6506 Hampton Blvd. Norfolk, VA 23508-1278	Kelsey.a.harrer@navy.mil ; kenneth.racette@navy.mil	757-322-4119

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 4933
Response Of The City Of Newport,
Utilities Division, Water Department
To The State of Rhode Island
Public Utilities Commission's
October 2, 2019 Hearing Record Requests

Dr. Kay Davoodi, Director Larry Allen, Public Utilities Specialist Utilities Rates and Studies Office NAVFAC HQ, Department of the Navy 1322 Patterson Avenue SE Suite 1000 Washington Navy Yard, D.C. 20374	Khojasteh.davoodi@navy.mil ;	
	Larry.r.allen@navy.mil ;	
Maurice Brubaker Brian Collins Brubaker and Associates, Inc. PO Box 412000 St. Louis, MO 63141-2000	mbrubaker@consultbai.com ;	401-724-3600
	bcollins@consultbai.com ;	
Portsmouth Water & Fire District (PWFD) Adam M. Ramos, Esq. Christine E. Dieter, Esq. Hinckley, Allen & Snyder 100 Westminster St., Suite 1500 Providence, RI 02903	aramos@haslaw.com ;	
	cdieter@hinckleyallen.com ;	
	cwhaley@hinckleyallen.com ;	
	stroke@hinckleyallen.com ;	
Jessica C. Lynch, PWFD	jlynch@portsmouthwater.org ;	
Christopher P.N. Woodcock	Woodcock@w-a.com ;	508-393-3337
David Bebyn	dbebyn@gmail.com ;	
Town of Middletown (Middletown) Peter Regan, Esq. Mark Boivin, Esq. Sayer Regan & Thayer, LLP 130 Bellevue Ave. Newport, RI 02840	Pregan@SRT-law.com ;	401-849-3040 x-233
	mboivin@srt-law.com ;	
	arichardson@srt-law.com ;	
David Russell, P.E. Russell Consulting LLC	Davidrussell015@comcast.net ;	

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 4933
Response Of The City Of Newport,
Utilities Division, Water Department
To The State of Rhode Island
Public Utilities Commission's
October 2, 2019 Hearing Record Requests



Joseph A. Keough, Jr., Esquire # 4925
KEOUGH + SWEENEY, LTD.
41 Mendon Avenue
Pawtucket, RI 02861
(401) 724-3600 (phone)
(401) 724-9909 (fax)
ikeoughjr@keoughsweeney.com