

STATE OF RHODE ISLAND
AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

DIRECT
TESTIMONY

of

PAMELA M. MARCHAND, P.E.
EXECUTIVE DIRECTOR & CHIEF ENGINEER
BRISTOL COUNTY WATER AUTHORITY

IN RE:

PROVIDENCE WATER SUPPLY BOARD

DOCKET 4994

MAY 11, 2020

1 **I. Introduction**

2 **Q. Please state your full name and by whom you are employed?**

3 A. Pamela M. Marchand, P.E., and since February, 2012 I have been the Executive
4 Director and Chief Engineer of the Bristol County Water Authority ("BCWA").

5

6 **Q. Would you please state your education, work history, and professional
7 associations?**

8 A. I have a MS in Environmental Engineering and Public Administration and a BS in
9 Environmental Engineering from Syracuse University, and an AAS in Chemical
10 Technology from Onondaga County Community College.

11

12 I have been General Manager and Chief Engineer for the Pawtucket Water Supply
13 Board and the Providence Water Supply Board, and Executive Engineer for the
14 Onondaga County Water Authority in Syracuse, NY.

15

16 I am Past-President of the Rhode Island Water Works Association, past Director-at-
17 Large of the American Water Works Association (AWWA), former member of the
18 AWWA Standards Council, and serve, and have served, on a number of committees of
19 the AWWA and the New England Water Works Association.

20

21 **Q. Have you testified before any regulatory agencies in your current or previous
22 positions?**

23 A. Yes, I have testified before the Rhode Island Public Utilities Commission and the
24 Rhode Island Division Of Public Utilities And Carriers ("Division") in numerous dockets
25 for the Pawtucket Water Supply Board, the Providence Water Supply Board and the
26 Bristol County Water Authority.

27

1 **II. Summary**

2 **Q. What is the purpose of your testimony in this Docket?**

3 A. I am providing testimony on issues that affect the BCWA in my role as Executive
4 Director and Chief Engineer.

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6 **Q. Have you reviewed the filings to date in this Docket?**

7 A. Yes, I reviewed the filings in this Docket with a focus on how Providence's proposed
8 increase will affect wholesale customers in general, and the BCWA and its customers
9 in particular.

10

11 **Q. Please provide an overview of your observations after reviewing the filings to date
12 in this Docket.**

13 A. The BCWA purchases all of its water supply from Providence Water and will be
14 impacted by Providence's requested rate increase. Providence's filing requested a
15 20.67% increase for wholesale customers in FY21; a 7.26% increase in FY22; and, a
16 3.94% increase in FY23.

17

18 After reviewing the docket filings, I will address the following issues on behalf of the
19 BCWA:

20

1. Providence's Cost of Service Study.

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2. Providence's allocation of unidirectional flushing costs to wholesale
22 customers.

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23

3. Providence's allocation of transmission and distribution labor costs.

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4. Providence's chemical expense.

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1 **III. Providence's Cost of Service Study**

2 **Q. Does the BCWA have a position on Providence's cost of service study?**

3 A. In Docket 4618, the Commission ordered Providence to submit a new cost of service
4 study in its next general rate filing. However, the cost of service study prepared by
5 Providence continues to charge the same rate to each wholesale customer rather
6 than individual rates.

7
8 The BCWA engaged Michael Maker of NewGen Strategies and Solutions, LLC to
9 evaluate Providence's cost of service study, and his direct testimony has been
10 submitted contemporaneously with mine. As set forth in his testimony, there are
11 numerous reasons why separate rates should be charged to Providence's wholesale
12 customers. The BCWA agrees with the conclusions reached by Mr. Maker and takes
13 the position that Providence should charge separate rates to its wholesale customers.
14

15 **IV. Unidirectional Flushing Program**

16 **Q. Why is unidirectional flushing an issue with the BCWA?**

17 A. Flushing programs, including unidirectional flushing, are only effective in the
18 distribution system. It is not possible to develop enough velocity in the larger mains
19 to flush any sediment. Since the transmission system is a constant supply, and does
20 not have static periods, there is no need to flush for water quality. Furthermore,
21 according to PWSB's response to Div. 5-1, it is allocating unidirectional flushing costs
22 to wholesale customers because it flushes all mains in the system that are 12 inches
23 and below and some wholesale customers are fed by 8 inch and 12 inch mains. BCWA
24 is not one of these customers and should not be allocated any of these costs. As such,
25 any contractor, operational, employee, overhead, or other expense related to
26 flushing should be removed from the wholesale allocation.
27

1 **V. Transmission and Distribution Labor Costs**

2 **Q. Do you have any concerns with Providence’s allocation of Transmission and**
3 **Distribution Labor Costs to wholesale customers?**

4 A. Yes. T&D Labor costs (HJS-13d) have been allocated based on inch miles of
5 Transmission pipe vs. Distribution pipe (HJS13-c). However, with most water utilities,
6 the proportion of in-house maintenance performed on transmission pipes (classified
7 by Providence as pipes larger than 12 inches) is considerably less than maintenance
8 performed on distribution pipes (classified by Providence at 12 inches and smaller).
9 In my experience, most water systems hire outside contractors for maintenance and
10 repair of pipes larger than 12” because such work requires a substantial investment
11 in equipment, spare parts and training for work that is performed infrequently.
12 Therefore, only a small portion, if any portion at all, of Transmission and Distribution
13 Labor Costs should be assigned to wholesale customers. The BCWA has issued a data
14 request regarding this issue, and I may address this further it in my surrebuttal
15 testimony.

16
17 **VI. Chemical Costs**

18 **Q. Do you have any concerns with Providence’s Chemicals Costs?**

19 A. Yes. According to Mr. Smith’s testimony he states that Providence “anticipates adding
20 Orthophosphate, beginning this year at pilot scale, then ramping up to full scale by
21 FY20.” At this time, we don’t know the results of the pilot or whether Providence has
22 ramped up to full scale in FY20. The BCWA has issued a data request regarding this
23 issue, and I may address it in my surrebuttal testimony.

1 **VII. Conclusion**

2 **Q. Do you have any additional issues you would like to address?**

3 A. Not at this time, but I reserve the right to address any further changes Providence
4 makes in this filing. In addition, I expect that the Division and other intervenors will
5 raise certain issues in their respective testimonies, and I will examine and comment
6 on these issues in my surrebuttal testimony. Also, to the extent that any further
7 issues are raised through ongoing data requests, I will address these issues as well in
8 my surrebuttal testimony.

9

10 **Q. With these exceptions, does this conclude your direct testimony?**

11 A. Yes. It does.