

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

IN RE: PROVIDENCE WATER SUPPLY BOARD :
: Docket No. 4994
:

**GREENVILLE WATER DISTRICT AND LINCOLN WATER COMMISSION'S
REPLY TO BCWA'S AND PROVIDENCE WATER'S POST-HEARING MEMORANDA**

I. INTRODUCTION

Greenville Water District ("Greenville") and Lincoln Water Commission ("Lincoln") respectfully submit this reply memorandum to address certain points raised in Bristol County Water Authority's ("BCWA") and Providence Water's ("Providence") post-hearing memoranda.

II. ARGUMENT

A. Providence Water's Memorandum

All parties, including Providence agree that the hydraulic study is imperfect and not the only way to perform the new Cost of Service Study ("COSS"). *See* Providence's Post-Hearing Memorandum at p. 7 ("Providence Water is not arguing that its new COSS is perfect in every way, or that using a hydraulic study was the only possible way to perform the new COSS."). Yet, Providence continues to dispel Greenville and Lincoln's recommendation to conduct an Extended Period Simulation ("EPS"), arguing that running an EPS would be more expensive, time consuming, technically challenging, and would provide the same results as the Steady State analysis. *Id.* at p. 7. Providence asserts that the drawbacks of an EPS are "undisputed." *Id.* This is incorrect. Greenville and Lincoln's expert, Dr. Ivor Ellul, testified that running an EPS would not be expensive or time consuming and would produce much better data than the steady state analysis. *See* Feb. 16th Tr. at 85:16-24; 86:1-23. Greenville and Lincoln agree with Providence that an EPS would generate more data, but the EPS would also produce *better* data at relatively

low cost. *Id.* at 86:1-23. As Dr. Ellul explained, there are programs that can complete a back-tracing analysis and automate it and programs that can run data analytics at “the press of a button.” *Id.* Providence failed to provide any rational justification for their resistance to running an EPS.

B. BCWA’s Memorandum

In its post-hearing memorandum, BCWA argues that Greenville and Lincoln cannot overturn the Commission’s order on the grounds of “buyer’s remorse.” *See* BCWA Post-Hearing Memorandum at p. 9. Greenville and Lincoln are unregulated utilities that have historically relied on Providence’s studies and believed them to be reasonable and fair. Greenville and Lincoln reasonably concluded that the other parties, including other wholesale customers, who were advocating for the traditional approach of a single rate for all wholesale customers adequately represented their interests in the initial proceeding. If Greenville and Lincoln had thought otherwise, they would have intervened. Even once the Commission ordered the creation of individual, separate wholesale rates for each wholesale customer, and directed Providence to create a new COSS for purposes of setting those rates, Greenville and Lincoln reasonably awaited the outcome of that new COSS, particularly considering the expectation that Providence would consult with the wholesale customers, including Greenville and Lincoln, when it created that new COSS. That expected collaboration never materialized, and once Providence generated the new COSS to implement individual wholesale rates, Greenville and Lincoln reviewed that filing and intervened to raise their concerns. BCWA’s assertion that Greenville and Lincoln “sat on their hands” is an unfair mischaracterization. Once Greenville and Lincoln realized that their interests were no longer adequately represented, they immediately intervened. This measured

approach to participation in these proceedings reflects the fiscally responsible manner in which Greenville and Lincoln manage their utility operations and customer dollars.

III. CONCLUSION

For all of these reasons and the reasons set forth in Greenville/Lincoln's Post-Hearing Memorandum, the PUC should (i) order Providence to implement the single wholesale rate set forth in the initial Settlement Agreement in this matter, and (ii) direct Providence to complete a more comprehensive new COSS that fully considers all the factors necessary to develop individual wholesale rates, including more comprehensive hydraulic modeling and consideration of system-wide benefits, to be submitted with its next base rate case. Alternatively, the PUC should order Providence to establish individual wholesale rates using the peaking factors developed from its hydraulic model across all cost allocations.

Respectfully submitted,

GREENVILLE WATER DISTRICT and
LINCOLN WATER COMMISSION

By and through their counsel:

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Dated: March 18, 2022

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that an original and nine (9) copies of the within document was mailed to the Commission Clerk for filing, and a true copy of the within document was served via electronic mail upon all parties set forth in the Service List on the 18th day of March, 2022.

/s/ *Adam M. Ramos* _____
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**Docket No. 4994 – Providence Water Supply Board – General Rate Filing
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