

***Mary B. Shekarchi***  
**Attorney at Law**

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June 24, 2020

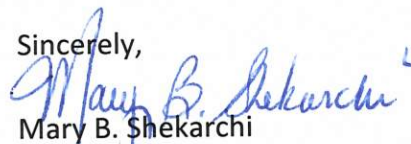
Ms. Luly Massaro, Clerk  
RI Public Utilities Commission  
89 Jefferson Blvd.  
Warwick, RI 02888

RE: Providence Water Supply Board – Docket No. 4994

Dear Ms. Massaro:

Please find enclosed herewith Kent County Water Authority's Responses to Bristol County Water Authority's Second Set of Data Requests in Docket # 4994. An electronic copy has been provided to the service list. Should you have any questions, please contact me. Thank you.

Sincerely,

  
Mary B. Shekarchi  
Attorney at Law

MBS/mdc  
Enclosure

Cc: Docket 4994 Service List (via electronic mail)

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION**

**IN RE: PROVIDENCE WATER SUPPLY BOARD:**

**DOCKET NO. 4994**

**THE BRISTOL COUNTY WATER AUTHORITY'S SECOND SET OF DATA REQUESTS  
ISSUED TO THE KENT COUNTY WATER AUTHORITY  
(JUNE 3, 2020)**

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**BCWA 2-1:** On page 7 of his testimony, Mr. Bebyn states that individual rates for each of the wholesale customers “would be a problem for KCWA since KCWA and Warwick have agreements in place for wheeling water between the two systems. The agreement sets the charge between the other at the current Providence Water rate. This would cause funding issues if each had different rates between what they were wheeling and receiving.” In response to BCWA 1-3, Mr. Bebyn states that “the funding issues refer to costs KCWA has regarding the operation, maintenance and repairs regarding the interconnection with Warwick. Please see item 7 of the agreement which is attached to BCWA 1-3a.”

- a. Please explain in detail how individual rates for KCWA and Warwick would affect KCWA’s payments to Warwick for “its share of all costs of operation, maintenance and repair with respect to said 42” Main, the Bald Hill Tanks, and all meters, valves and all other apparatus and associated therewith” as referenced in paragraph 7 of the agreement.”
- b. For each of the past five years please set forth how much KCWA has paid to Warwick for “its share of all costs of operation, maintenance and repair with respect to said 42” Main, the Bald Hill Tanks, and all meters, valves and all other apparatus and associated therewith” as referenced in paragraph 7 of the agreement.”
- c. For each of the yearly amounts set forth in subsection b., please show how amounts were calculated.
- d. For each of the past five years, please provide the records provided by Warwick to KCWA upon which billings were based for all costs of operation, maintenance and repair with respect to said 42” Main, the Bald Hill Tanks, and all meters, valves and all other apparatus and associated therewith.

**RESPONSE:**

- A. There are two wholesale agreements in place between KCWA and the City of Warwick. The first agreement is from Warwick to KCWA providing wholesale water originating from the Natick Road metering connection originating from the 78” providence aqueduct. This connection feeds Warwick’s Bald Hill Tanks and KCWA’s Bald Hill Pump Station which conveys water to the southern reaches of the distribution system including Potowomut. The second agreement is from KCWA to

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Warwick to provide water to Potowomut at the same wholesale rate in consideration what has been deemed fair and reasonable between the contracting parties. Both agreements contain similar language concerning the basis of the wholesale cost being uniform between the systems. The essence of the two agreements was to normalize cost to meet the general obligation of both parties in the contract to live up to the spirit as well as the technical requirements of the agreements. Each of the systems operational, maintenance and repair costs are stabilized, and each entities expenditure cancel out apart from large projects costs. Larger projects may exceed the equilibrium of what each water suppliers have invested or expended in its own system to support these wholesale supply connections. Discussions relative to larger projects needed by Warwick would need to be planned and budgeted and KCWA would be a partner in such projects so that the outcomes are mutually beneficial and fair to the rate payers of KCWA. For example, Warwick has recently performed a study to evaluate various disinfection byproduct removal technologies for the Bald Hill tanks to enhance water quality servicing both systems. KCWA is an active partner in discussing these options. Unequal rates would potentially harm and act to void the spirit of the agreements.

KCWA fully understands if separate wholesale rates were employed under Docket 4994 , KCWA would have an overall decrease in the wholesale water cost which would be beneficial to its rate payers. While KCWA would like to adopt such measures to reduce these costs, we feel the lack of notice and representation by the City of Warwick relative to these matters whereby the City could potentially be presented with unforeseen costs is not fair or reasonable at this time. Furthermore, if KCWA is purchasing wholesale water at a higher rate at one location versus another we would start adjusting our operation strategy to reduce costs.

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- B. Reference 2-1A. KCWA has not provided any bills to Warwick and Warwick has not provided any bills to KCWA.
- C. None
- D. Please see the response to 2-1a, b and c.

Witness responsible: David L. Simmons P.E. & David G. Bebyn, CPA

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
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**BCWA 2-2:** On page 7 of his testimony, Mr. Bebyn states that individual rates for each of the wholesale customers “would be a problem for KCWA since KCWA and Warwick have agreements in place for wheeling water between the two systems. The agreement sets the charge between the other at the current Providence Water rate. This would cause funding issues if each had different rates between what they were wheeling and receiving.” In response to BCWA 1-3, KCWA produced an agreement with Warwick. Paragraph 8 states that “KCWA agrees to pay WARWICK the same rate for water it uses as WARWICK pays to the Providence Water Supply Board.”

- a. Where in this agreement is Warwick obligated to pay KCWA the same rate for water it takes from KCWA that KCWA pays to the Providence Water Supply Board?
- b. If this provision is not in the agreement, please provide a copy of the applicable agreement.

**RESPONSE:**

- A. The reference to Warwick’s obligation to pay KCWA the same rate is contained in the City of Warwick/KCWA Potowomut Wholesale Agreement.
- B. Please see Potowomut agreement attached.

Witness responsible: David L. Simmons P.E. & David G. Bebyn, CPA

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
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**IN RE: PROVIDENCE WATER SUPPLY BOARD:**

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**BCWA 2-3:** Assume that individual rates are charged to Providence's wholesale customers based on individual peaking factors provided by Providence Water in response to DIV. 2-2 and 2-7:

- a. Please identify what rates KCWA's customers would pay under this scenario taking into account water wheeled to and received from Warwick and provide all underlying and supporting work papers.

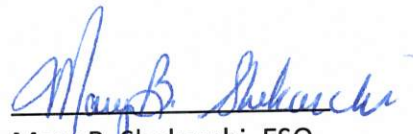
**RESPONSE:**

- A. Please see the calculation on the attachment to this response. This calculation utilizes the individual rates for Providence's wholesale customers based on individual peaking factors provided by Providence Water in response to DIV. 2-2 and 2-7 as calculated by BCWA witness Michael R Maker. The BCWA calculated rates were used for this response since I had already agreed to its accuracy of the rates using individual peaking factors in KCWA's response to the BCWA 1-5 data request of KCWA. The calculation also utilizes the direct purchase data from Providence and water purchases via Warwick as reported in KCWA's response to the BCWA 1-3 data request of KCWA.

Witness responsible: David G. Bebyn, CPA

CERTIFICATION OF SERVICE

I hereby certify that on this 24th day of June, 2020, I sent a copy of within to the Parties listed on the attached service list.

A handwritten signature in blue ink, appearing to read "Mary B. Shekarchi".

Mary B. Shekarchi, ESQ.  
33 College Hill Rd., #15E  
Warwick, RI 02886  
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Fax (401) 823-1400  
Marybali@aol.com

**Docket No. 4994 - Providence Water Supply Board – General Rate Filing  
Service List updated 12/31/2019**

<b>Parties</b>	<b>E-mail</b>	<b>Phone</b>
<b>Providence Water Supply Board (PWSB)</b> Michael McElroy, Esq. McElroy & Donaldson PO Box 6721 Providence, RI 02940-6721	<a href="mailto:Michael@McElroyLawOffice.com">Michael@McElroyLawOffice.com;</a>	401-351-4100
	<a href="mailto:Leah@McElroyLawOffice.com">Leah@McElroyLawOffice.com;</a>	
Ricky Caruolo, General Mgr. Providence Water Supply Board 552 Academy Avenue Providence, RI 02908	<a href="mailto:RickyC@provwater.com">RickyC@provwater.com;</a>	401-521-6300
	<a href="mailto:Greggg@provwater.com">Greggg@provwater.com;</a>	
	<a href="mailto:Marydw@provwater.com">Marydw@provwater.com;</a>	
	<a href="mailto:NancyP@provwater.com">NancyP@provwater.com;</a>	
	<a href="mailto:PeterP@provwater.com">PeterP@provwater.com;</a>	
	<a href="mailto:STEVEC@provwater.com">STEVEC@provwater.com;</a>	
	<a href="mailto:ALICIAM@provwater.com">ALICIAM@provwater.com;</a>	
Harold Smith Raftelis Financial Consulting, PA 1031 S. Caldwell Street, Suite 100 Charlotte, NC 28203	<a href="mailto:Hsmith@raftelis.com">Hsmith@raftelis.com;</a>	704-373-1199
<b>Division of Public Utilities (Division)</b> Leo Wold, Esq. Division of Public Utilities and Carriers  John Bell, Chief Accountant	<a href="mailto:Leo.wold@dpuc.ri.gov">Leo.wold@dpuc.ri.gov ;</a>	401-780-2177
	<a href="mailto:john.bell@dpuc.ri.gov">john.bell@dpuc.ri.gov;</a>	
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	<a href="mailto:Hakeem.ottun@dpuc.ri.gov">Hakeem.ottun@dpuc.ri.gov;</a>	
	<a href="mailto:Robert.Bailey@dpuc.ri.gov">Robert.Bailey@dpuc.ri.gov;</a>	
	<a href="mailto:MFolcarelli@riag.ri.gov">MFolcarelli@riag.ri.gov;</a>	
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Ralph Smith Larkin & Associates, PLLC 15728 Farmington Road Livonia, Michigan 48154	<a href="mailto:rsmithla@aol.com">rsmithla@aol.com;</a>	734-522-3420
	<a href="mailto:dawn.bisdorf@gmail.com">dawn.bisdorf@gmail.com;</a>	
	<a href="mailto:ssdady@gmail.com">ssdady@gmail.com;</a>	
	<a href="mailto:mcranston29@gmail.com">mcranston29@gmail.com;</a>	
<b>Kent County Water Authority (KCWA)</b> David G. Bebyn, CPA B&E Consulting, LLC 21 Dryden Lane Providence, RI 02904	<a href="mailto:dbebyn@gmail.com">dbebyn@gmail.com</a>	401-785-0800
David L. Simmons, P.E. Executive Director/Chief Engineer Kent County Water Authority	<a href="mailto:dsimmons@kentcountywater.org">dsimmons@kentcountywater.org;</a>	401-821-9300



<b>Bristol County Water Authority (BCWA)</b> Joseph A. Keough, Jr., Esq. Keough & Sweeney 41 Mendon Ave. Pawtucket, RI 02861	<a href="mailto:jkeoughjr@keoughsweeney.com">jkeoughjr@keoughsweeney.com</a> ;	401-724-3600
Pamela Marchand, General Manager Bristol County Water Authority	<a href="mailto:pmarchand@bcwari.com">pmarchand@bcwari.com</a>	
<b>File original and nine (9) copies w/:</b> Luly E. Massaro, Commission Clerk Margaret Hogan, Commission Counsel Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:Luly.massaro@puc.ri.gov">Luly.massaro@puc.ri.gov</a> ; <a href="mailto:Margaret.Hogan@puc.ri.gov">Margaret.Hogan@puc.ri.gov</a> ; <a href="mailto:Cynthia.wilsonfrias@puc.ri.gov">Cynthia.wilsonfrias@puc.ri.gov</a> ; <a href="mailto:Margaret.hogan@puc.ri.gov">Margaret.hogan@puc.ri.gov</a> ; <a href="mailto:Sharon.colbycamara@puc.ri.gov">Sharon.colbycamara@puc.ri.gov</a> ; <a href="mailto:Alan.nault@puc.ri.gov">Alan.nault@puc.ri.gov</a> ;	401-780-2107
Kathleen Crawley Water Resources Board	<a href="mailto:Kathleen.crawley@wrp.ri.gov">Kathleen.crawley@wrp.ri.gov</a> ;	401-222-6696

Attachment for KCWA response to BCWA 2-2b



Attachment for KCWA response to BCWA 2-2b

797 BALD HILL ROAD  
WARWICK, RI 02886

401-821-1330  
FAX 401-823-0970

E-MAIL: [jjm@petrarcamcgair.com](mailto:jjm@petrarcamcgair.com)  
[www.petrarcamcgair.com](http://www.petrarcamcgair.com)

November 1, 2006

Timothy J. Brown  
General Manager/Chief Engineer  
Kent County Water Authority  
P.O. Box 192  
West Warwick, RI 02893

Re: Warwick/KCWA Potowomut Agreement

Dear Tim:

Enclosed please a duplicate original agreement fully executed by the Mayor and Peter Masterson, Vice Chair.

If you have any questions, please feel free to contact me.

Very truly yours,

Joseph J. McGair

JJM:maf  
Enc.

COPY SENT TO	
BOARD MEMBERS	11/2/06
CHAIRMAN	
LEGAL COUNSEL	

Attachment for KCWA response to BCWA 2-2



757 BALD HILL ROAD  
Attachment for KCWA response to BCWA 2-2

401-621-1330  
FAX 401-823-0970  
E-MAIL: [jjm@petrarcamcgair.com](mailto:jjm@petrarcamcgair.com)  
[www.petrarcamcgair.com](http://www.petrarcamcgair.com)

November 1, 2006

Honorable Scott Avedesian  
Mayor Chambers  
Warwick City Hall  
3275 Post Road  
Warwick, RI 02886

Re:: City of Warwick/KCWA  
Potowomut Water District Agreement

Dear Mayor Avedesian:

I am enclosing the duplicate original agreement fully executed by you and Peter Masterson, Vice Chair of the Kent County Water Authority. I thank you for your cooperation that was extended to this office.

Very truly yours,

  
Joseph J. McGair

JJM:maf

Enc.

Cc: John Earle, Esq.  
Kent County Water Authority

AGREEMENT

This Agreement is made by and between the City of Warwick, a municipal corporation organized and existing under the laws of the State of Rhode Island, with its principal office located at 3275 Post Road, Warwick, Rhode Island, hereinafter identified as the City, and the Kent County Water Authority, a water district incorporated and existing under the General Laws of the State of Rhode Island (R.I.G.L. 39-16-1, et seq.) and is regulated by the Rhode Island Public Utilities Commission, with its principal office located at 1072 Main Street, West Warwick, Rhode Island hereinafter identified as KCWA.

WHEREAS, KCWA previously installed a water main near the intersection of Post Road and Old Forge Road, Rhode Island (the "Potowomut Connection") to supply water to the City water system.

WHEREAS, the City currently draws water from said main and supply water connection for purposes of use by customers of the City.

WHEREAS, the City, in consideration of water service, is willing to share expenses with the KCWA concerning the Potowomut Connection, and associated transmission and supply equipment,

WHEREAS, KCWA is willing to agree to permit the City to have said water service, but only on the terms and conditions continued in this Agreement.

NOW, THEREFORE, the City and KCWA, upon the premises stated above and for valuable consideration as stated herein, agree as follows:

1. City acknowledges that title to said Potowomut Connection at Post Road and Old Forge Roads remains vested solely in KCWA and that the entire care, custody and control of said transmission and equipment, including all valves and other items controlling the flow of water

but excluding the Warwick Water System infrastructure and improvements from same to the City, is and shall remain solely in the KCWA at all times.

2. Subject to the other terms and conditions of this Agreement, including but not limited to Sections 3. and 4. hereof, the KCWA agrees to permit water service to the City to meet with the demands of Warwick's customers.

3. The parties agree that the primary obligation and responsibility of the KCWA at all times is to maintain a sufficient supply of water, with adequate pressure and flow rates, within the KCWA water system to provide for the fire protection requirements of the City and to satisfy all other water needs of the Water customers of the KCWA, all as determined by the KCWA in its exclusive discretion bearing in mind that City serves Warwick residents and businesses through the Potowomut connection.

4. At times, there may be an emergency such as the Providence Water Supply Board can not supply an adequate amount of water or a breach or maintenance in the KCWA infrastructure causes serious interruption of supply or, the suspension or reduction of the supply of water to City from the Potowomut connection located at Post and Forge Road to the City pursuant to this Agreement.

5. The parties agree that in any period where there are water supply deficits that each entity shall endeavor to assist the other in a cooperative manner to prevent interruption of water supply to any of their customers and to have the Potowomut Connection fully operational as soon as practical.

6. That in the event that there must be a water interruption to the City, KCWA agrees to provide advance notice to City or without advance notice to City, whenever necessary to respond to a threat of immediate harm to persons or property and, or, KCWA customers and KCWA will

endeavor to notify City of the KCWA decision and actions as soon as may be possible under the circumstances and that under any circumstance, the parties will cooperate to assist each other to promptly return the connection to full capacity.

7. City will pay its share of all costs of operation, maintenance and repair with respect to said transmission main, Booster Station, East Greenwich Well valves and all other apparatus and equipment associated therewith. City will pay to KCWA its share of such operations, maintenance and repair expenses based on the percentage of water from said Potowomut Connection used by City. City has installed a meter at its own expense for the purpose of measuring the amount of such water used by Warwick, which meter shall be read jointly by the parties at regular intervals.

8. City agrees to pay to KCWA the same rate for water it uses as City pays to the Providence Water Supply Board for said water. The KCWA shall bill City for the cost of water used by City, and fair share of all operational, maintenance and repair costs as aforesaid on a monthly basis pursuant to the Agreement, or at such other regular intervals as may be agreed upon by the parties from time to time

9. The KCWA shall maintain complete records detailing the basis for all water usage rates, operational costs, maintenance and repairs associated with the Transmission Main Booster station, East Greenwich Well and all apparatus and equipment associated therewith. All billings from the KCWA to City concerning operations, maintenance, repairs and water rates shall be evidenced by and based upon such records, copies of which shall be supplied to City at the time of billing and upon request at any time by City.

10. The parties agree that they will review this Agreement at each and every ten (10) year interval in order to address changing conditions.

11. The individuals executing this Agreement represent that they have been duly authorized to do so and that this Agreement has been specifically approved by the respective authorized governing bodies of the City and KCWA.

12. This Agreement has been executed in contemplation of statutory law in the State of Rhode Island including the Charter and Ordinances of the City of Warwick, and the enabling legislation of the KCWA current as of the date of this Agreement. In the event of any inconsistency between any term or provision of this Agreement and such laws and ordinances, such laws and ordinances shall prevail, but the remainder of this Agreement, to the extent not inconsistent with such laws and ordinances, shall remain in full force and effect.

13. Any modification or amendment to this Agreement shall not be effective unless it shall be in writing, and signed by duly authorized representatives of the parties hereto.

14. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and seals affixed by their respective proper officers, thereunto duly authorized this 30<sup>th</sup> day of October, 2006.

CITY OF WARWICK

By [Signature]

KENT COUNTY WATER AUTHORITY

By [Signature] Vice Chair

	(A) CF	(B) ( A / 100 ) HCF	(C) Individual Wholesale Rates as Proposed by BCWA testimony	(D) ( B x C ) cost of purchased water
FY 2019				
<b><u>Water Purchased Direct from Providence</u></b>				
Clinton Avenue Cubic Feet	263,202,941	2,632,029		
Oaklawn Cubic Feet	9,494,180	94,942		
	<u>272,697,121</u>	<u>2,726,971</u>	1.430542	\$ 3,901,047
<b><u>Water Purchased via Warwick</u></b>				
Quaker Lane Cubic Feet	58,690,729	586,907	1.981689	\$ 1,163,068
<b>Total</b>	<u>331,387,850</u>	<u>3,313,879</u>		<u>\$ 5,064,115</u>

Calculation of effective rate

Total Cost	\$ 5,064,115
Total Water Purchase	3,313,879
Effective rate of KCWA	\$ 1.5282

(A) usage numbers provided by the KCWA response to BCWA 1-3b

(B) Individual Wholesale rates calculated based upon individual peaking factors provided by Providence Water in response to DIV. 2-2 and 2-7. Calculations are obtained from BCWA testimony of Michael R Maker