

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

33 College Hill Road, Suite 15-E  
Warwick, Rhode Island 02886

Phone: 401-828-5030  
E-Mail: marybali@aol.com

August 5, 2020

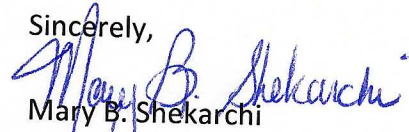
Ms. Luly Massaro, Clerk  
RI Public Utilities Commission  
89 Jefferson Blvd.  
Warwick, RI 02888

RE: Providence Water Supply Board – Docket No. 4994

Dear Ms. Massaro:

Please find enclosed herewith Kent County Water Authority's Response to the Public Utility Commission's First Set of Post Hearing 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  
PUBLIC UTILITIES COMMISSION**

**IN RE: PROVIDENCE WATER  
REQUEST TO CHANGE RATES**

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**Docket No. 4994**

**COMMISSION'S FIRST SET OF POST-HEARING DATA REQUESTS  
ISSUED TO KENT COUNTY WATER ASSOCIATION**

Please respond by 12:00 PM on August 7, 2020

**1-1**

Refer to the PWC brief at page 11 (item 3) which maintains that "Warwick could be highly incentivized to purchase its water from KCWA instead of buying its water from Providence Water," and compare it the actual wording of the agreement between KCWA and the City of Warwick which states: "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." Please also see page 3 of the brief filed by Bristol on July 24, which cites the language of the agreement and argues that Warwick would not pay a rate to KCWA that was different than the rate Warwick pays Providence Water.

Does KCWA agree with the referenced assertion in PWC's brief, given the wording and KCWA's understanding of its agreement with Warwick? If yes, please explain why Warwick would be incentivized to buy more from KCWA if Warwick will pay KCWA "the same rate for water it uses as [Warwick] pays to the Providence Water Supply Board."

RESPONSE

The Kent County Water Authority (KCWA) does not agree that Warwick would be incentivized to purchase more water from KCWA if individual wholesale rates were implemented. Currently, the language in the agreements with the City and in KCWA's tariff state that Warwick, also referenced as Warwick Water, City of Warwick, and the City, shall pay KCWA the same wholesale rate that Warwick pays to Providence Water Supply Board (PWSB). Additionally, there are geographical constraints and infrastructure limitations preventing KCWA's ability to sell additional water to Warwick. The amount of

water that KCWA can sell to Warwick is already maximized into Potowomut to meet a continuous baseline supply of domestic water use of 350 gpm (0.500 MGD) and to meet adequate fire protection.

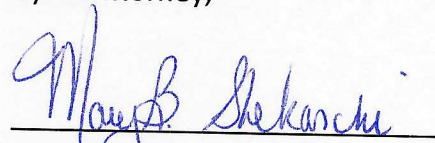
Further, to sell additional water to the City of Warwick would require investment to install a large pressure reducing valve and metering station to provide water in a meaningful way. This design would involve taking water from KCWA's higher pressure gradient and then reduce the pressure back down through a new station to service Warwick. Designing and constructing a new facility to service Warwick would not be practical, efficient, or cost effective in this case.

If individual wholesale rates were further studied and it is proven to show lower rates to KCWA from Providence, then perhaps KCWA would be incentivized to favor those supply connection points over Quaker Lane. The KCWA Quaker Lane pump station where KCWA purchases water wholesale from Warwick is downstream of Warwick's master meter on Natick Ave. It is possible that the peaking factor originally calculated for Warwick is artificially inflated thereby increasing the wholesale rate assessed. However, as discussed in KCWA's response to PUC DR 1-2 a & b, it is KCWA's paramount consideration to protect public health and safety when making these operational decisions. Other considerations such as water quality in conformance with the Safe Drinking Water Act and hydraulics are the primary drivers for determining operational strategies. It would be extremely difficult to reduce the flows coming from the Quaker Lane station to maximize any financial benefits because the demand occurs in the summer when peaking factors are determined. Approximately, one third of the water delivered to KCWA customers in the summer is purchased by KCWA wholesale from Warwick. Because of these operational constraints, KCWA would be forced to use the higher cost wholesale connection if so calculated. However, the overall effective rate when evaluating the cost of full supply from all KCWA sources over the full year may balance, or be less than, the uniform wholesale rate as proposed by PWSB.

Witness Responsible, David L. Simmons P.E.

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 4994

Respectfully submitted,  
Kent County Water Authority  
By its Attorney,



Mary B. Shekarchi (#4767)  
Attorney at Law  
33 College Hill Rd., Suite #15E  
Warwick, RI 02886  
Tel. (401) 828-5030  
Fax (401) 823-1400  
[marybali@aol.com](mailto:marybali@aol.com)

Dated: August 5, 2020

CERTIFICATION OF SERVICE

I hereby certify on this 5th day of August, 2020, I sent a copy of the within to the Parties listed on the attached service list.



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**Docket No. 4994 - Providence Water Supply Board – General Rate Filing  
Service List updated 7/8/2020**

<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> ;	
	<a href="mailto:Pat.smith@dpuc.ri.gov">Pat.smith@dpuc.ri.gov</a> ;	
	<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> ;	
	<a href="mailto:Dmacrae@riag.ri.gov">Dmacrae@riag.ri.gov</a> ;	
Jerome Mierzwa Exeter Associates, Inc. 10480 Little Patuxent Pkwy, Suite 300 Columbia, MD 21044	<a href="mailto:jmierzwa@exeterassociates.com">jmierzwa@exeterassociates.com</a> ;	410-992-7500
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> Mary B. Shekarchi, Esq. 33 College hill Rd., Suite 15-E Warwick, RI 02886	<a href="mailto:marybali@aol.com">marybali@aol.com</a> ;	401-828-5030
David Bebyn, Consultant	<a href="mailto:dbebyn@gmail.com">dbebyn@gmail.com</a> ;	
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>City of East Providence</b> Michael Marcello, City Solicitor City of East Providence Legal Department 145 Taunton Avenue East Providence, RI 02914	<a href="mailto:RLefebvre@CityOfEastProv.com">RLefebvre@CityOfEastProv.com</a> ;	401-435-7523
<b>City of Warwick</b> Timothy M. Bliss, Esq. Center Place 50 Park Row West, Suite 101 Providence, RI 02903	<a href="mailto:tbliss@timblisslaw.com">tbliss@timblisslaw.com</a> ;	401-274-2100
<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:Alan.nault@puc.ri.gov">Alan.nault@puc.ri.gov</a> ;	401-780-2107
Kathleen Crawley Water Resources Board	<a href="mailto:Kathleen.Crawley@doa.ri.gov">Kathleen.Crawley@doa.ri.gov</a> ;	401-222-6696