



June 14, 2021

Mrs. Luly Massaro
Commission Clerk
RI Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

The Hon. Jorge O. Elorza
Mayor

Ricky Caruolo
General Manager

RE: Dk 4994; Multi-Year Rate Filing-Rate Year 2

Dear Mrs. Massaro:

Enclosed please find Providence Water's response to Bristol County Water Authority data request 1-3.

Thank you for your attention to this matter.

Sincerely,

Mary L. Deignan-White
Division Manager-Finance

cc: service list(via email)

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PROVIDENCE WATER Docket 4994

MULTI-YEAR RATE FILING-RATE YEAR 2 Bristol County Water Authority Data Requests - Set 1 (Issued May 21, 2021)

BCWA 1-3: In Schedule HJS Amended Settlement-1: Cost Of Service Summary from the Settlement Agreement approved by the Commission on August 27, 2020, Providence anticipated that it would require \$2,000,000 of increased funding for its Restricted IFR Fund in FY 2022. Please provide the following:

- a. Please set forth all facts and provide all supporting data that evidences, memorializes or supports Providence's contention that it still requires this increased level of actual funding in FY 2022.
- b. Please provide an update to Schedule HJS Amended Settlement-10c: Restricted Funds – IFR Fund that shows the following:
 1. If the figures contained in the column labeled FY 2020 are not final and actual figures for FY 2020, please provide a column to the right of that column that shows the final and actual figures from FY 2020.
 2. Provide two columns to the right of the column labeled FY 2021. The first of these should show the actual figures to date for FY 2021 and the next should include an estimate of the final figures for FY 2021 based on the actual figures to date plus the estimated figures thereafter to year end.
 3. Please provide a column to the right of the column labeled FY 2022 that shows any updates to the figures contained in that column based on the answer to subpart a. of this request.

RESPONSE:

- a. See EXHIBIT BCWA 1-3a :The budgeted plan for FY2022 is \$55,360,000 which includes several large dollar projects, such as the Water Main Rehabilitation Project (\$19.1 million a year) , the Sedimentation Basin Rehabilitation project (\$5 million for the next 2 years), Service Water System (\$2 million next year), and the 78" aqueduct Inspection and Rehabilitation (\$5 million for the next 2 years).
- b. See EXHIBIT BCWA 1-3b1,2
 1. BCWA 1-3b1: Labeled Audited FY2020 are the final numbers for FY2020 for the IFR Fund.
 2. BCWA 1-3b2: Labeled Actual May FY2021 is what is completed through May 31st. The next column is a projection of work that is expected to take place as well as the accounting for the funding as allowed in Docket 4994. We are anticipating ending the year with a fund balance of about \$19 million. However, because we

PROVIDENCE WATER Docket 4994

**MULTI-YEAR RATE FILING-RATE YEAR 2
Bristol County Water Authority Data Requests - Set 1
(Issued May 21, 2021)**

are experiencing lower than expected consumption and slower than normal collections, we do not expect to transfer all of the cash to support that fund balance immediately, but will do so as more cash is collected.

3. There are currently no changes in the spending plan that was anticipated for FY2022. Any changes are strictly due to projects that were scheduled for FY2021 that did not get completed are expected to be completed in FY2022. This does not require any additional funding as we are carrying the funding over from FY2021.

Providence Water IFR Expenditure Plan		<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
FY 2021 through 2025		<u>2021 - 2025</u>	<u>2020</u>	<u>2021</u>	<u>2021</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>RAW WATER SUPPLY</u>								
1 Raw Water Supply Facilities								
1A	Various Raw Water Supply Facilities Projects	250,000		117,569		50,000	50,000	50,000
1B	Reservoir and Dam Inspections	220,000	264,670	87,165		70,000	20,000	10,000
2 Scituate Reservoir and Gainer Dam								
2A	Gainer Dam Spillway Rehabilitation	100,000		87,000		100,000		
3 Barden Reservoir and Dam								
	<i>There are no projects in the 5 year plan at this location</i>	0						
4 Moswansicut Reservoir and Dam								
	<i>There are no projects in the 5 year plan at this location</i>	0						
5 Ponagansett Reservoir and Dam								
	<i>There are no projects in the 5 year plan at this location</i>	0						
6 Regulating Reservoir and Dam								
	<i>There are no projects in the 5 year plan at this location</i>	0						
7 Westconnaug Reservoir and Dam								
	<i>There are no projects in the 5 year plan at this location</i>	0						
8 Secondary Reservoirs and Dams								
8A	Secondary Reservoir and Dam Improvements	3,000,000				250,000	750,000	750,000
Raw Water Supply Total		\$3,570,000	\$264,670	\$291,734	\$0	\$470,000	\$820,000	\$810,000
<u>TREATMENT</u>								
9 Treatment Plant Facilities								
9A	Various Treatment Plant Projects	500,000	0			100,000	100,000	100,000
9B	PW Lab Equipment	50,000	4,222			10,000	10,000	10,000
9C	Treatment Process and Water Quality Studies	2,500,000	42,191	9,281		100,000	500,000	1,000,000
9D	Treatment Plant Building Rehabilitation	11,500,000	1,538,947	29,581	500,000	1,000,000		500,000
10 SCADA / Control System								
10A	SCADA / Control System Improvements	550,000	8,102	147,291	50,000	250,000	150,000	50,000
11 Treatment Plant Structures and Conduits								
11A	Treatment Plant Structures and Conduits Inspection	50,000						
12 Aeration System								
	<i>There are no projects in the 5 year plan at this location</i>	0						
13 Sedimentation System								
13A	Sedimentation Basin Rehabilitation	71,500,000	11,068	765,759	250,000	1,500,000	5,000,000	5,000,000
14 Sludge Residual System								
	<i>There are no projects in the 5 year plan at this location</i>	0						
15 Filtration System								
15A	Sand Filter Rehabilitation	3,500,000	279,906	6,858	250,000		3,500,000	
16 Service Water System								
16A	Service Water System Evaluation	0						
16B	Service Water System Rehabilitation	16,500,000					2,000,000	12,500,000
17 Wash Water System								
17A	48" Wash Water System Inspection	0						
18 Ascorbic Acid System								
	<i>There are no projects in the 5 year plan at this location</i>	0						
19 Chlorine System								
	<i>There are no projects in the 5 year plan at this location</i>	0						
20 Ferric System								
20A	Ferric System Improvements	10,000						10,000
21 Fluoride System								
21A	Fluoride System Improvements	25,000						
22 Lime System								
22A	Lime Feeder Replacement	600,000	904,419	207,761	400,000	600,000		
23 Orthophosphate System								
	<i>There are no projects in the 5 year plan at this location</i>	0						
Treatment Total		\$107,285,000	\$2,788,854	\$1,166,531	\$1,450,000	\$3,560,000	\$11,260,000	\$19,170,000

Providence Water IFR Expenditure Plan		<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
FY 2021 through 2025		<u>2021 - 2025</u>	<u>2020</u>	<u>2021</u>	<u>2021</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>STORAGE</u>								
24	Storage Facilities							
24A	Various Storage Facilities Projects	700,000	56,026	81,707	100,000	270,000	280,000	50,000
25	Aqueduct Reservoir and Gatehouse							
	<i>There are no projects in the 5 year plan at this location</i>	0						
26	Greenville Ave Tank							
	<i>There are no projects in the 5 year plan at this location</i>	0						
27	Lawton Hill Reservoir and Gatehouse							
	<i>There are no projects in the 5 year plan at this location</i>	0						
28	Longview Reservoir and Gatehouse							
	<i>There are no projects in the 5 year plan at this location</i>	0						
29	Neutaconkanut Reservoir and Gatehouse							
	<i>There are no projects in the 5 year plan at this location</i>	0						
30	Ridge Road Tank							
	<i>There are no projects in the 5 year plan at this location</i>	0						
Storage Total		\$700,000	\$56,026	\$81,707	\$100,000	\$270,000	\$280,000	\$50,000
<u>PUMPING</u>								
31	Pumping Facilities							
31A	Various Pumping Facilities Projects	320,000	125,770	39,665		120,000	50,000	50,000
32	Raw Water Booster Pump Station							
32A	Raw Water Booster Pump Station Building Improvements	600,000						600,000
33	Aqueduct Pump Station							
	Aqueduct Pump Station Upgrades	0	346,121					
34	Ashby St. Pump Station							
34A	Ashby St Pump Station Replacement	600,000	1,080,394	455,061	50,000	600,000		
35	Bath St. Pump Station							
	<i>There are no projects in the 5 year plan at this location</i>	0						
36	Cranston Commons Pump Station							
36A	Cranston Commons Pump Station Replacement	6,000,000					1,000,000	2,000,000
37	Dean Estates Pump Station							
37A	Dean Estates Pump Upgrades	780,000						30,000
38	Fruit Hill Pump Station							
38A	Fruit Hill Pump Station Generator Replacement	350,000					350,000	
39	Greenville Ave Pump Station							
39A	Greenville Ave Pump Station Replacement	450,000	1,905,797	445,606		450,000		
40	Neutaconkanut Pump Station							
	<i>There are no projects in the 5 year plan at this location</i>	0						
41	Waltham St. Pump Station							
	<i>There are no projects in the 5 year plan at this location</i>	0						
Pumping Total		\$9,100,000	\$3,458,083	\$940,333	\$50,000	\$1,170,000	\$1,400,000	\$2,680,000

Providence Water IFR Expenditure Plan		<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
FY 2021 through 2025		<u>2021 - 2025</u>	<u>2020</u>	<u>2021</u>	<u>2021</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>TRANSMISSION</u>								
42 Scituate Aqueduct and Tunnel (90")								
42A	Scituate Aqueduct and Tunnel (90") Inspection	5,000,000						
42B	Scituate Aqueduct and Tunnel (90") Rehabilitation	2,000,000						
43 Supplemental Tunnel and Aqueduct (78" & 102")								
43A	102" Aqueduct fiber optic monitoring	625,000	121,000	315,192		125,000	125,000	125,000
43B	78" Aqueduct Inspection	3,000,000					1,500,000	1,500,000
43C	78" Aqueduct Rehabilitation	7,000,000					3,500,000	3,500,000
43D	102" Aqueduct Inspection	3,000,000						
43E	102" Aqueduct Rehabilitation	7,000,000	1,692,753					
43F	Supplemental Tunnel and Aqueduct Rehabilitation Plan	300,000						300,000
44 Raw Water Conduits and Valves								
44A	Raw Water Conduits Inspection	2,300,000						2,300,000
44B	60" Raw Water Valve Replacement	400,000						400,000
45 Transmission System Facilities								
45A	Various Transmission System (16" - 66") Facilities Projects	3,000,000	1,030,231	284,369		1,000,000	500,000	500,000
45B	12" Blowoff Valve Replacement	100,000					100,000	
Transmission Total		\$33,725,000	\$2,843,985	\$599,561	\$0	\$1,125,000	\$5,725,000	\$8,625,000
<u>DISTRIBUTION</u>								
46 Distribution Water Mains								
46A	Water Main Cash Funded Rehabilitation	6,730,257	5,202,995	5,063,388	500,000	1,730,257	5,000,000	0
46B	Water Main Bond Funded Rehabilitation	102,989,282	12,708,921	6,400,205	3,500,000	18,244,743	26,100,000	20,444,539
47 Distribution System Facilities								
20 47A	Various Distribution System Facilities Projects	4,000,000	805,127	461,403	500,000	1,000,000	750,000	750,000
47B	Lead Service Replacements	6,500,000	790,220	1,645,427	200,000	2,000,000	1,125,000	1,125,000
Distribution Total		\$120,219,539	\$19,507,263	\$13,570,422	\$4,700,000	\$22,975,000	\$32,975,000	\$22,319,539
<u>SUPPORT</u>								
48 Support System Facilities								
48A	Various Support System Facilities Projects	1,000,000	335,416	136,418	60,000	200,000	200,000	200,000
48B	Arc Flash Study	1,000,000						
49 Central Operations Facility								
<i>There are no projects in the 5 year plan at this location</i>		0						
50 Forestry Garage								
<i>There are no projects in the 5 year plan at this location</i>		0						
51 Watershed Storage Facility								
<i>There are no projects in the 5 year plan at this location</i>		0						
52 Records Management System (GIS/AM)								
52A	Records Management System (GIS/AM) Improvements	700,000	44,358	121,022	50,000	200,000	200,000	100,000
53 Billing System								
53A	Billing System Replacement	5,000,000				500,000	500,000	2,000,000
Support Total		\$7,700,000	\$379,774	\$257,440	\$110,000	\$900,000	\$900,000	\$2,300,000
PROJECTS SUBTOTAL		\$282,299,539	\$29,298,656	\$16,907,729	\$6,410,000	\$30,470,000	\$53,360,000	\$55,954,539
General Planning and Overhead		\$10,000,000	1,676,087	\$1,305,402	\$1,000,000	2,000,000	2,000,000	2,000,000
TOTAL		\$292,299,539	\$30,974,743	\$18,213,131	\$7,410,000	\$32,470,000	\$55,360,000	\$57,954,539
Cash Funded Projects		\$120,855,000	\$18,265,822	\$11,812,926	\$3,910,000	\$13,370,000	\$27,360,000	\$35,610,000
Bond Funded Projects + Cost of Issuance		\$ 171,444,539	\$ 12,708,921	\$ 6,400,205	\$ 3,500,000	\$ 19,100,000	\$ 28,000,000	\$ 22,344,539

Schedule HJS Amended Settlement-10c: Restricted Funds - IFR Fund

Providence Water Supply Board
Docket # 4994
Request for General Rate Relief
Amended Settlement Proposal
Test Year Ending June 30, 2019
Rate Years Ending June 30, 2021 through 2023

Description	BCWA 1-3b.1			BCWA 1-3b.2			
	Original filing FY 2020	Audited FY2020	FY 2021	Actual May FY2021	Projected June FY2021	FY 2022	FY 2023
Source of Funds							
D4618 (effective 2/17/2017)	\$ 27,300,000	\$ 27,300,000	\$ 27,300,000	\$ 25,025,000	\$ 2,275,000	\$ 27,300,000	\$ 27,300,000
New Rate Funding			\$ 2,000,000	\$ 1,500,000	\$ 166,667	\$ 4,000,000	\$ 5,000,000
Miscellaneous Revenue (incl. Transfer for ESWD DS)	\$ 52,853	\$ 96,311	\$ 52,802	\$ 58,136	-	\$ 52,689	\$ 52,513
Interest Income ¹	\$ 42,000	\$ 890,353	\$ 25,000	\$ 249,476	\$ 80	\$ 10,000	\$ 1,000
Carryover funds from prior year estimated	\$ 9,702,126	\$ 9,232,695	\$ 3,364,587	\$ 13,110,789	\$ 21,182,130	\$ 19,713,877	\$ 15,880,256
Total Sources	\$ 37,096,978	\$ 37,519,358	\$ 32,742,389	\$ 39,943,401	\$ 23,623,877	\$ 51,076,565	\$ 48,233,769
Less obligated uses of funds:							
RIIB (Arra) \$9.3M 2009 (P&I)	\$ 491,005	\$ 491,005	\$ 491,074	\$ 491,074	-	\$ 490,542	\$ 490,220
RIIB \$35M 2008 (P&I)	\$ 2,339,550	\$ 2,339,550	\$ 2,371,550	\$ 2,371,550	-	\$ 2,369,540	\$ 2,367,832
RIIB \$25M 2013 (P&I)	\$ 1,545,575	\$ 1,545,575	\$ 1,544,360	\$ 1,544,360	-	\$ 1,542,870	\$ 1,542,106
RIIB \$8M 2014 (P&I)	\$ 500,873	\$ 500,873	\$ 500,850	\$ 500,850	-	\$ 500,896	\$ 500,127
RIIB \$16.3M 2017 (P&I)	\$ 1,036,028	\$ 1,036,028	\$ 1,036,743	\$ 1,036,743	-	\$ 1,035,388	\$ 1,034,854
RIIB \$14.7M 2019 (P&I)	\$ 176,864	\$ 176,864	\$ 934,390	\$ 934,390	-	\$ 935,151	\$ 935,636
East Smithfield RIIB 2013 (P&I)	\$ 39,177	\$ 39,177	\$ 39,477	\$ 39,477	-	\$ 39,714	\$ 39,888
East Smithfield RIIB 2008 (P&I)	\$ 13,675	\$ 13,675	\$ 13,325	\$ 13,325	-	\$ 12,975	\$ 12,625
Est. New Debt Service Series 2020A	\$ -	\$ -	\$ 16,576	\$ 16,576	-	\$ 563,923	\$ 593,880
Est. New Debt Service Series 2021A	\$ -	\$ -	\$ -	\$ -	-	\$ 345,311	\$ 1,383,077
Est. New Debt Service Series 2022A	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ 345,311
Sub-total Debt Service	\$ 6,142,748	\$ 6,142,748	\$ 6,948,345	\$ 6,948,345	\$ -	\$ 7,836,309	\$ 9,245,555
Cash Funded Projects	\$ 27,589,644	\$ 18,265,822	\$ 13,370,000	\$ 11,812,926	\$ 3,910,000	\$ 27,360,000	\$ 35,610,000
Total Uses	\$ 33,732,392	\$ 24,408,569	\$ 20,318,345	\$ 18,761,271	\$ 3,910,000	\$ 35,196,309	\$ 44,855,555
End of Year Balance - Cash Balance Carry Fwd.	\$ 3,364,587	\$ 13,110,789	\$ 12,424,044	\$ 21,182,130	\$ 19,713,877	\$ 15,880,256	\$ 3,378,214
Bond Funding Activity							
New Bond Proceeds	\$ 16,224,208	\$ 16,224,208	\$ 19,245,038	\$ 19,100,000	\$ -	\$ 21,000,000	\$ 21,000,000
Cost of Issuance	\$ 2,685,757	\$ 1,161,561	\$ 1,669,246	\$ 855,257	\$ -	\$ 1,900,000	\$ 1,900,000
Bond Funded Projects	\$ 13,538,451	\$ 12,708,920	\$ 17,575,792	\$ 6,400,205	\$ 3,500,000	\$ 26,100,000	\$ 20,444,539
Net Bond funding	\$ -	\$ 2,353,727	\$ -	\$ 11,844,539	\$ 8,344,539	\$ 1,344,539	\$ -

Cashflow Analysis

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Funds from prior years	9,232,695	13,110,789	19,713,877.35	15,880,256	3,378,214	28,718,178
Current Authorized Revenues	27,300,000	27,300,000	27,300,000	27,300,000	27,300,000	27,300,000
Bond Revenue - Clarification		PROJECT PAID OUT OF CASH				
Bond Revenue - WMR	16,224,208	19,100,000	21,000,000	21,000,000	21,000,000	21,000,000
Additional Rate Revenue - 2021	1,666,667	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Additional Rate Revenue - 2022		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Additional Rate Revenue - 2023			2,000,000	1,000,000	1,000,000	1,000,000
Additional Rate Revenue - 2024-2040				0	0	2,000,000
East Smithfield DS Transfer	96,311	58,136	52,689	52,513	51,343	51,055
Interest income	890,353	249,556	10,000	1,000		
Total Available Funds	53,743,566	61,485,148	72,076,566	69,233,769	86,729,557	114,069,233
Available Cash	37,519,359	42,385,148	51,076,566	48,233,769	65,729,557	93,069,233
Cash Project Expenses + Overhead	18,265,822	15,722,926	27,360,000	35,610,000	24,490,000	20,025,000
Total Project Expenses + Overhead	30,974,743	32,470,000	55,360,000	57,954,539	75,490,000	71,025,000
Cost of Issuance	2,685,757	855,257	1,900,000	1,900,000	1,900,000	1,900,000
Total Debt Service	6,142,748	6,948,345	7,836,309	9,245,555	10,621,379	14,999,106
Debt Service (\$35 million) - 2008	2,339,550	2,371,550	2,369,540	2,367,832	2,366,312	2,364,846
Debt Service (\$9.3 million) - 2009	491,005	491,074	490,542	490,220	489,332	489,357
Debt Service (\$25 million) - 2013	1,545,575	1,544,360	1,542,870	1,542,106	1,541,226	1,538,949
Debt Service (\$8 million) - 2014	500,873	500,850	500,896	500,127	499,611	499,644
Debt Service (\$16.272 million) - 2017	1,036,028	1,036,743	1,035,388	1,034,854	1,033,133	1,032,986
Debt Service (\$14.7 million) - 2019	176,864	934,390	935,151	935,636	934,786	933,950
Debt Service (Clarification)					0	3,000,000
Debt Service (\$19.1 million) - 2020		16,576	563,923	593,880	594,172	593,777
Debt Service (WMR) - 2021			345,311	1,383,077	1,383,077	1,383,077
Debt Service (WMR) - 2022				345,311	1,383,077	1,383,077
Debt Service (WMR) - 2023					345,311	1,383,077
Debt Service (WMR) - 2024						1,383,077
Debt Service (WMR) - (2025-2040)						345,311
Debt Service (East Smithfield)						
Total Cash Uses	24,408,570	22,671,271	35,196,309	44,855,555	37,011,379	36,924,106
Total Expenditures	39,803,247	40,273,602	65,096,309	69,100,094	88,011,379	87,924,106
+ / -	13,110,789	19,713,877	15,880,256	3,378,214	28,718,178	26,145,127