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March 2, 2020

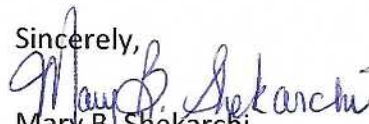
Ms. Luly Massaro, Clerk
RI Public Utilities Commission
89 Jefferson Blvd.
Warwick, RI 02888

RE: Kent County Water Authority – Docket No. 5012

Dear Ms. Massaro:

Please find enclosed herewith an original and nine (9) copies of the Kent County Water Authority's Responses to the Division of Public Utilities Commission First Set of Data Requests in Docket # 5012. 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 5012 Service List (via electronic mail)

KENT COUNTY WATER AUTHORITY

Docket No. 5012

First Set of Data Requests

Division of Public Utilities and Carriers

February 12, 2020

- 1-1. Please provide a complete copy of Mr. Bebyn's schedules in Excel format with all formulas intact.

RESPONSE:

The electronic format copy of Mr. Bebyn's schedules in Excel format are being submitted by email submittal. See attached electronic format copy Excel Attachment "Dkt No 5012 attach DIV 1-1".

Witness responsible: David G. Bebyn, CPA

KENT COUNTY WATER AUTHORITY

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Division of Public Utilities and Carriers

February 12, 2020

- 1-2. Please provide monthly sales for the small, medium, and large customer classes for the most recent three years available in Excel format.

RESPONSE:

The electronic format copy of monthly sales for the small, medium, and large customer classes for the most recent three years available in Excel format are being submitted by email submittal. See attached electronic format copy Excel Attachment "Dkt No 5012 attach DIV 1-2".

Witness responsible: David L. Simmons, P.E.

KENT COUNTY WATER AUTHORITY

Docket No. 5012

First Set of Data Requests

Division of Public Utilities and Carriers

February 12, 2020

- 1-3. Please provide actual average day, maximum daily, and maximum hourly production for each of the past five fiscal years.

RESPONSE:

Please see the attached spreadsheets.

Witness responsible: David L. Simmons, P.E.

KENT COUNTY WATER AUTHORITY

Docket No. 5012

First Set of Data Requests

Division of Public Utilities and Carriers

February 12, 2020

- 1-4. Please explain whether Kent County's storage facilities provide pressure support for the water distribution system. If yes, please explain why an allocation of storage facility costs solely on the basis of maximum hour demands is reasonable.

RESPONSE:

The storage facilities are always online so indeed do provide constant pressure support. However, pumping facilities are generally used to meet the maximum day demands with storage for meeting peak hour and fire protection. Please refer to the A WWA M1 Manual for a further discussion on this matter (Chapter III. I).

Witness responsible: David G. Bebyn, CPA

KENT COUNTY WATER AUTHORITY

Docket No. 5012

First Set of Data Requests

Division of Public Utilities and Carriers

February 12, 2020

- 1-5. Reference page 4 of the Kent County System Description. Please explain how the revenues associated with the water service provided to the City of Warwick are reflected in Kent County's application.

RESPONSE:

The Kent County Water Authority and the City of Warwick sell water to each other at the current wholesale rate charged by Providence Water; in effect, the cost to each is simply passed on. Because the Kent County Water Authority transfers more from Warwick than it sells to Warwick, it is used to determine the overall net purchases from Providence Water. Since this filing uses the rate year from the prior filing as this filings test year, this filing already presents the Warwick sales and the corresponding consumption from Providence at net. A copy of the agreement between KCWA and Warwick has attached to this response.

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

KENT COUNTY WATER AUTHORITY

Docket No. 5012

First Set of Data Requests

Division of Public Utilities and Carriers

February 12, 2020

- 1-6. Please provide an estimate of the quantity of water used for firefighting during each of the last three years.

RESPONSE:

FY 2017 13,323,000 Gallons

FY2018 12,756,000 Gallons

FY 2019 12,756,000 Gallons

Witness responsible: David L. Simmons, P.E.

KENT COUNTY WATER AUTHORITY

Docket No. 5012

First Set of Data Requests

Division of Public Utilities and Carriers

February 12, 2020

- 1-7. Reference the testimony of David L. Simmons, page 6, lines 7-8 and 21-22. Please explain how bypass meters can contribute 13.3% of small meter revenues (lines 7-8) when bypass meters are not assessed a separate service charge (lines 21-22).

RESPONSE:

There is one service charge assessed per account regardless of size. Large and medium compound metered accounts have two meters a high and low side respectively. The high or, large side receives the service charge. The bypass meters, or low side, attached to those respective meters are not assessed a service charge. Metered revenues, however, are calculated using the large and medium rate for the consumption through the large and medium meter while the consumption on the small bypass meter is calculated using the small meter rate. The 13.3% was derived using FY2019 metered revenues by using the following calculation:

Revenue on all small meters that are not bypass: \$16.82 M

Revenue on all small bypass meters: \$2.57 M

Total revenue on all small and bypass meters: \$19.39 M

Bypass percent contribution relative to the total is $(\$2.57 \text{ M}/\$19.39 \text{ M}) * 100 = 13.3\%$

The small meter revenues that are not bypass includes service charges. If these service charges are backed out, the relative percentage of the bypass contribution will increase greater than 13.3%. A separate service charge assessed to the bypass meters attached to the large and medium compounds would also have the same effect.

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

KENT COUNTY WATER AUTHORITY

Docket No. 5012

First Set of Data Requests

Division of Public Utilities and Carriers

February 12, 2020

- 1-8. Reference the testimony of David G. Bebyn, page 10, lines 14-16. Please explain how the revenues collected through small bypass meter charges (Simmons page 6, line 6) are reflected in the contribution to be provided by medium and large accounts. If not reflected, please explain why the revenues should not be considered.

RESPONSE:

As mentioned in the response to Division 1-7, metered revenues are calculated using the large and medium rate for the consumption through the large and medium meter while the consumption on the small bypass meter is calculated using the small meter rate. This means that large and medium accounts which have a small bypass meter have been charged on some of their consumption utilizing the small meter rate which has the meter replacement charge embedded in the small rate. However, also consider that there are a number of medium and large meters that have no small bypass and as a result have not contributed the meter replacement. In order to reflect the contribution to be provided by medium and large accounts it was decided to break down the large and medium accounts by those that are stand alone from those with the bypass meter. Only large and medium accounts with a bypass would receive the small account credit for the consumption that ran through the small meter. All large and medium accounts would in essence contribute to the large and medium replacement for the balance already collected by the small meter consumption. As a result, those accounts with bypass meters Mr. Simmons mentioned will receive a credit for the contribution they made through their small meter consumption.

Witness responsible: David G. Bebyn, CPA

KENT COUNTY WATER AUTHORITY

Docket No. 5012

First Set of Data Requests

Division of Public Utilities and Carriers

February 12, 2020

- 1-9. Please identify the number of medium and large accounts (separately) that have bypass meters and those that do not have bypass meters.

RESPONSE:

See attached spreadsheet displaying the number of large and medium compound meters with bypass meters and single register meters. The number of compound meters with bypass meters has increased by one (278 to 279) because of a new meter added to the system. The number of single register meters has stayed the same at 19.

Witness responsible: David L. Simmons, P.E.

KENT COUNTY WATER AUTHORITY

Docket No. 5012

First Set of Data Requests

Division of Public Utilities and Carriers

February 12, 2020

1-10. Please identify the additional accounts reflected on DGB-COS-6B to account for fire services being provided by large and medium compound meters.

RESPONSE:

Please see the attached List Accounts.

Witness responsible: David L. Simmons, P.E.

KENT COUNTY WATER AUTHORITY

Docket No. 5012

First Set of Data Requests

Division of Public Utilities and Carriers

February 12, 2020

1.11. Reference the testimony of Mr. Bebyn, page 14, lines 27-28. Please explain why the addition of new accounts would not provide additional revenues.

RESPONSE:

I did not consider the new accounts as providing additional revenues since they were not directly related with new services. These new accounts were the result of an investigation of fire services being provided by large and medium compound meters which was identified as part of the Commission order (Docket#4611). Part of the issue in that docket was high fire service rates. The investigation resulted additional accounts which have contributed in the past for the high fire allocation. Since this filing maintained the prior cost of service model, I wanted those additional revenues to be reflected on fire rates calculation schedule since those revenues should be earmarked to fire rates only.

Witness responsible: David G. Bebyn, CPA

KENT COUNTY WATER AUTHORITY

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Division of Public Utilities and Carriers

February 12, 2020

- 1.12. Reference Schedule DGB-COS-9. Do the number of accounts include small bypass meters? If yes, identify those meters. If no, why not?

RESPONSE:

No. As mentioned in the response to Division 1-7, the meter service charge has only been charged on the medium and large meters and not their small bypass meter. This is the way it has been calculated in the cost of service study and approved in Docket #4611 and prior dockets.

Witness responsible: David G. Bebyn, CPA

KENT COUNTY WATER AUTHORITY

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Division of Public Utilities and Carriers

February 12, 2020

- 1.13. Reference DGB-COS-3, page 1. Please provide a complete copy of the April 1992 cost of service study which serves as the basis for the extra-capacity factors.

RESPONSE:

Please see the attached 1992 Cost of Service Study.

Witness responsible: David L. Simmons, P.E.

KENT COUNTY WATER AUTHORITY

Docket No. 5012

First Set of Data Requests

Division of Public Utilities and Carriers

February 12, 2020

- 1-14. Reference DGB-COS-3, page 2. Please explain why the funding credit from medium and large accounts is being reflected in usage rates rather than customer charges.

RESPONSE:

In Docket 4611, the funding for the meter replacement program was set using the usage rate for small accounts. Since not all large and medium accounts have the same percentage of consumption between the meter and the bypass meter, there would have been some inequity by applying the credit to the customer charge. Two accounts with the same meter size could have dramatically different usage. Since the initial funding came thru the usage charge, the credit being applied to the customer charge would not correctly compensate an account for its initial contribution.

Witness responsible: David G. Bebyn, CPA

KENT COUNTY WATER AUTHORITY

Docket No. 5012

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Division of Public Utilities and Carriers

February 12, 2020

- 1-15. Has Kent County's 2014 Hydraulic Model Update Report been updated? If yes, please provide a copy of the most recent update.

RESPONSE:

Kent County Water Authority solicited proposals for the professional consulting engineering services to update the existing computerized hydraulic model (2014 KCWA Hydraulic Model) and integrate the model with our GIS system using WaterGEMS. The project was awarded to PARE Engineering in August, 2019 and is to be completed in March 2020. KCWA will provide a copy of the final report once completed.

Witness responsible: David L. Simmons, P.E.

KENT COUNTY WATER AUTHORITY

Docket No. 5012

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Division of Public Utilities and Carriers

February 12, 2020

- 1-16. Please explain whether as part of the small meter replacement program, all small bypass meters were replaced.

RESPONSE:

The bypass meters are not being changed under the current small meter change out program. However, the revenue generated from the bypass meters can fund the expanded scope of large and medium UME and bypass meter replacement as proposed.

Witness responsible: David L. Simmons, P.E.

KENT COUNTY WATER AUTHORITY

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Division of Public Utilities and Carriers

February 12, 2020

- 1-17. Please provide a schedule showing the recovery of small meter replacement program costs on a monthly basis from each customer class.

RESPONSE:

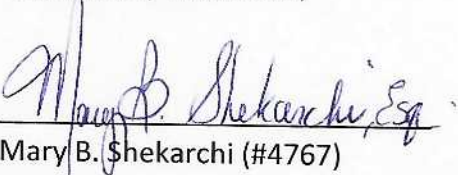
Please see attached

Witness responsible: David G. Bebyn, CPA

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 5012

Dated: March 2, 2020

Respectfully submitted,



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CERTIFICATION OF SERVICE

I hereby certify on this 2nd day of March, 2020, I sent a copy of the within to the Parties listed on the attached service list.



**Docket No. 5012 - Kent County Water Authority – Abbreviated Rate Filing
Service List 2/6/2020**

Name/Address	E-mail Address	Phone
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David L. Simmons, P.E. Executive Director/Chief Engineer Kent County Water Authority 1072 Main St. West Warwick, RI 02893-0192	dsimmons@kentcountywater.org ;	401-821-9300
David Bebyn, CPA B&E Consulting, LLC 21 Dryden Lane Providence, RI 02904	dbebyn@gmail.com ;	
Division of Public Utilities & Carriers (Division) Christy Hetherington, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	Chetherington@riag.ri.gov ;	401-274-4400 Ext. 2218
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