

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

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July 22, 2020

Ms. Luly Massaro, Clerk  
RI Division of Public Utilities and Carriers  
89 Jefferson Blvd.  
Warwick, RI 02888

RE: Kent County Water Authority – Docket No. 5012

Dear Ms. Massaro:

Please find enclosed herewith Kent County Water Responses to the Commission's Third Set of Data Requests in the above-referenced Docket. Thank you.

Sincerely,

  
Mary B. Shekarchi  
Attorney at Law

MBS/mdc  
Enclosure

Cc: Service List via electronic mail  
In Docket # 5012

**IN RE: KENT COUNTY WATER AUTHORITY** :  
**ABBREVIATED RATE FILING** : **DOCKET NO. 5012**

**(Issued July 20, 2020)**

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION**

**IN RE: KENT COUNTY WATER AUTHORITY** :  
**ABBREVIATED RATE FILING** : **DOCKET NO. 5012**

**PUBLIC UTILITIES COMMISSION'S THIRD SET OF DATA REQUESTS  
DIRECTED TO KENT COUNTY WATER AUTHORITY (KCWA)**

**(Issued July 20, 2020)**

**(Please respond no later than July 24, 2020, sooner if possible)**

3-2. Please provide an itemized estimate of the annual fees to be absorbed by KCWA for credit card/debit card and ACH fees, providing all calculations and assumptions.

RESPONSE:

Please see attached

Witness responsible: David G. Bebyn, CPA

**KENT COUNTY WATER AUTHORITY  
CREDIT CARD FEE ANALYSIS  
1/1/20-4/30/20**

	<u>TRANSACTIONS</u>	<u>TOTAL PROCESSED</u>	<u>TOTAL REMITTED TO KCWA</u>	<u>TOTAL RETAINED RI</u>
KCWA OTC	219	\$ 29,367.90	\$ 28,647.55	\$ 720.35
	219 x \$1.00	\$ 219.00		
	TOTAL REMITTED X .0175%	\$ 501.33		
		\$ 720.33		
	TOTAL RETAINED RI	\$ 720.35		
	DIFFERENCE	\$ (0.02)	Rounding Factor	
	<u>TRANSACTIONS</u>	<u>TOTAL PROCESSED</u>	<u>TOTAL REMITTED TO KCWA</u>	<u>TOTAL RETAINED RI</u>
KCWA E-CHECK	5332	\$ 746,739.49	\$ 744,108.99	\$ 2,630.50
	5332 x \$.50	\$ 2,666.00		
	TOTAL RETAINED RI	\$ 2,630.50		
	DIFFERENCE	\$ 35.50	Returned Checks/Chargebacks	
	<u>TRANSACTIONS</u>	<u>TOTAL PROCESSED</u>	<u>TOTAL REMITTED TO KCWA</u>	<u>TOTAL RETAINED RI</u>
KCWA PMT CC	3364	\$ 446,197.42	\$ 435,217.97	\$ 10,979.45
	3364 x \$1.00	\$ 3,364.00		
	TOTAL REMITTED X .0175%	\$ 7,616.31		
		\$ 10,980.31		
	TOTAL RETAINED RI	\$ 10,979.45		
	DIFFERENCE	\$ 0.86	Rounding Factor	
<b>TOTAL CREDIT CARD FEES</b>				<b>\$ 14,330.30</b>
				<b>x3</b>
				<b>42,990.90</b>

**\$42,990.90/12 months = \$3,582.58 per month**

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3-3. Paragraph 19 of the Settlement, referencing the use of meter funds collected between January 1, 2020 and the start of the rate year, states: KCWA will report the actual amount collected and disbursed from these funds within 90 days of their payment in full.

- If there are excess funds, what will they be used for?
- If there are insufficient funds, from where will KCWA make up the difference?
- Please provide KCWA's rate case expense to date (please include the estimated expense of a 4-hour hearing).

- a) The excess funds will be used to help payoff the 2017 Series A Bond with the understanding that the 2017 Series A Bond and the 2012 Series A Bond will be paid in full by June 2021. The payoff these bonds will also require the balances of three reserve accounts associated with these Bond Series, specifically the Renewal & Replacement Reserve 2012, the Operation & Maintenance Reserve, and the Debt Service Reserve accounts so no additional excess funds are anticipated. If there does end up any excess amount afterwards these would be transferred to the IFR account.
- b) If there are insufficient funds for the payoff of the 2017 Series A Bond and the 2012 Series A Bond after utilizing the meter funds collected between January 1, 2020 and the start of the rate year along with the balances of three reserve accounts associated with these Bond Series, the IFR and CIP accounts will be used to make up any difference. The difference will be split 60/40 percent with 60 percent from IFR restricted account for the 2017 Series and 40 percent from CIP restricted account for the 2012 Series. The estimated difference is attached.

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- |                               |  |           |
|-------------------------------|--|-----------|
| Legal Counsel - Docket 4994   |  | \$ 10,025 |
| Legal Counsel - Docket 5012   |  | \$ 7,523  |
| Rate Consultant - Docket 4994 |  | \$ 28,569 |
| Rate Consultant - Docket 5012 |  | \$ 33,013 |

WilsonFrias, Cynthia (PUC) | STATEOFRI Dkt. 5012 Comm 3rd set DRs to KCWA

**KENT COUNTY WATER AUTHORITY**  
**2012/2017 SERIES A BOND PAYOFF ANALYSIS**  
**1/15/2021 PAYOFF DATE**

**Funds Available 6/30/20**

R & R Reserve (112603)	\$	1,525,505
O & M Reserve (112606)	\$	2,776,597
2012 Debt Service Reserve (853023)	\$	2,381,647
7/15/20 bond payment (2012)	\$	(2,030,000)
7/15/20 interest payment (2017)	\$	(71,530)
2012 Debt Svc Fund (853024)	\$	2,073,631
2012 Debt Service Fund (Jul20-Jan21)	\$	1,273,563
2017 Debt Service Fund (941365)	\$	966,584
2017 Debt Service Fund (Jul20-Jan21)	\$	1,078,035
Meter Replacement Funds Transfer (Jan20-Aug20)	\$	1,533,333
Total Funds Available	\$	11,507,365
Total Payoff Amount	\$	11,744,780
Amount To be Funded by KCWA	\$	<u>237,415</u>

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- RESPONSE:

What this means is that I believe that part of the reason fire services in the past received a subsidy was the overall allocation, which appeared reasonable allocated between costs centers, was causing rate shock to fire service accounts due to the number of accounts available to cover this cost. This issue of number of fire accounts warranted the Commission to require an investigation of fire services being provided by large and medium compound meters. KCWA addressed this investigation and included the additional fire accounts in the filing. Initially in my pre-filed testimony the subsidy was maintained in order to maintain few changes to the Cost of Service model from the previous docket. Later the reduction of the subsidy was addressed during settlement negotiations since the need for the subsidy was mitigated by the additional fire service accounts.

Witness responsible: David G. Bebyn, CPA

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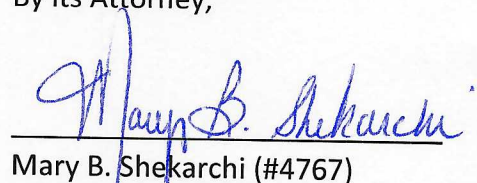
- RESPONSE:

Witness responsible: David G. Bebyn, CPA

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 5012

Respectfully submitted,  
Kent County Water Authority  
By its Attorney,

Dated: July 22, 2020



Mary B. Shekarchi (#4767)

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Warwick, RI 02886

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[marybali@aol.com](mailto:marybali@aol.com)

CERTIFICATION OF SERVICE

I hereby certify on this 22<sup>nd</sup> day of July, 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 2/11/2020**

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