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August 19, 2020


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

RE: Kent County Water Authority – Docket # 5012

Dear Ms. Massaro:

Please find enclosed herewith Kent County Water Authority's Responses to the Public Utility Commission's Fourth Set of Data Requests in the above-reference docket. 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)

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

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

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

(Issued August 17, 2020)

(Please respond no later than July 19, 2020, if possible)

4-1. When will KCWA send out September bills?

RESPONSE

September 29, 2020

Witness Responsible David L. Simmons P.E.

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4-2. What is the meter read cutoff for the September billing(s)?

RESPONSE:

September 24, 2020

Witness Responsible: David L. Simmons P.E.

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4-3. What percentage of customers receives bills on each billing date?

RESPONSE:

Thirty three percent, or approximately 9000 customers, receive bills on each billing date

Witness Responsible: David L. Simmons P.E.

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- 4-4. What percentage of bills sent in September will have usage on and after September 1 (reflect the changed rates)?

RESPONSE:

Thirty three percent (33%) or approximately 9000 customers

Witness Responsible: David L. Simmons P.E.

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4-5. What is the estimated percentage of revenues billed in September that is made up of usage on and after September 1?

RESPONSE:

The estimated percentage of revenues billed in September that is made up of usage on and after September 1st would be 33.3%. That billing is reflective of July, Aug, and Sept usage and would be estimated evenly at one month of the three months or 33.3%.

Witness Responsible: David G Bebyn CPA and David L. Simmons P.E.

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4-6. What would be the effect on the overall revenue requirement if the rate change was delayed as much as a week?

RESPONSE:

The effect on the overall revenue requirement if the rate change was delayed as much as a week would be an overcollection of about \$29,000. This over collection would be used to help payoff the 2017 Series A Bond as explained in the response to PUC 3-3.

We read quarterly for the prior three months. Because this is an overall rate decrease, a delay would maintain the higher tariff rate for the number of days it is delayed. The relative application of this maintenance of higher rates during that period would mean elevated revenues for the same. If the start date for the rate change occurs after Sept 1st the number of delayed days would be divided by the 30 days of September to get a ratio that would get applied to only the month of September. Rate application ratio using September 8th would be 26.67% (8days /30 days or .2667).

Using FY 2020, 15% of revenues came from readings reflective of July, Aug, and Sept 2019. This equated to \$3 million dollars. Using the estimated percentage of revenues billed in September that is made up of usage on and after September 1st from the response to PUC 4-5 above, approximately 33.3%. or \$1 million of those revenues came

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from September usage. The Rate application ratio using September 8th delay of 26.67% would be applied to \$1 million of those revenues to provide the \$266,700 revenue during the delay period. The overall reduction of 10.86% provided by Settlement schedule 10.0 would then be applied to the \$266,700 revenue during the delay period to arrive at the approximately \$29,000 of overcollection. Please keep in mind that this calculation does not include the final increase for the Providence Water rate increase.

Witness Responsible: David G Bebyn CPA and David L. Simmons P.E.

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- 4-7. Can the following two documents from Docket No. 4994 be compared to find the net difference between the wholesale sales from KCWA to Warwick and from Warwick to KCWA for FY 2018-2020? If not, please provide the net sales (differential) for each of the three fiscal years showing who sold more to whom.

Warwick Response to PUC 2-1: <http://www.ripuc.ri.gov/eventsactions/docket/4994-Warwick-DR-PUC2.pdf>

KCWA Response to PUC 1-3d:

http://www.ripuc.ri.gov/eventsactions/docket/PUC%20to%20KCWA%20Docket%204994%20PUC%20%20%20%20%201-3d_wholesale_sales_Warwick.pdf

RESPONSE:

FY 2018

KCWA paid Warwick	\$1,198,572.32
<u>Warwick paid KCWA</u>	<u>\$164,568.29</u>
FY18 Difference	\$1,034,004.03

FY 2019

KCWA paid Warwick	\$792,881.45
<u>Warwick paid KCWA</u>	<u>\$198,555.88</u>
FY19 Difference	\$594,325.57

FY 2020

KCWA paid Warwick	\$784,499.99
<u>Warwick paid KCWA</u>	<u>\$203,094.75</u>
FY20 Difference	\$581,405.24

Witness Responsible: David L. Simmons P.E.

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- 4-8. If the Commission were to rule that wholesale rates charged by Providence Water Supply Board to KCWA would be different from those charged by Providence Water Supply Board to the City of Warwick, would KCWA's tariff language need to be changed? If so, how?

RESPONSE

Current tariff language reads:

~~**WHOLESALE RATE WARWICK WATER DEPARTMENT:** Same rate as charged by Providence Water Supply Board. Rate will change upon changes to Providence Water Supply Board wholesale rate charge.~~

Proposed tariff language:

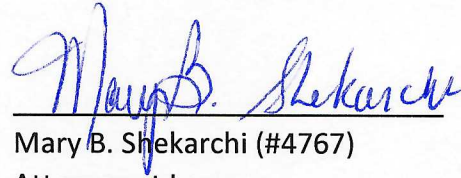
WHOLESALE RATES BETWEEN WARWICK WATER DEPARTMENT AND KCWA: KCWA will be charged by Warwick Water the same individual wholesale rate as charged to Warwick by Providence Water Supply Board. Warwick Water will be charged by KCWA the same individual wholesale rate as charged to Warwick by Providence Water Supply Board. The individual wholesale rate applied to Warwick Water will change upon changes to Providence Water Supply Board wholesale rate charge.

Witness Responsible: David L. Simmons P.E.

STATE OF RHODE ISLAND
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DOCKET NO. 5012

Respectfully submitted,
Kent County Water Authority
By its Attorney,

Dated: August 19, 2020



Mary B. Shekarchi (#4767)
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Warwick, RI 02886
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CERTIFICATION OF SERVICE

I hereby certify on this 19th day of August, 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**

Name/Address	E-mail Address	Phone
Kent County Water Authority (KCWA) Mary B. Shekarchi, Esq. 33 College hill Rd., Suite 15-E Warwick, RI 02886	marybali@aol.com ;	401-828-5030
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) Tiffany Parenteau, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	Tparenteau@riag.ri.gov ;	401-274-4400 Ext. 2218
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