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July 7, 2020

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

Re: *The Pawtucket Water Supply Board - Docket 5022*
In Re: Suspension Of Service Terminations And
Certain Collection Activities During The COVID-19 Emergency

Dear Ms. Massaro:

Enclosed herewith please find an original and nine copies of the Pawtucket Water Supply Board's Response to the Rhode Island Public Utilities Commission's Noninvestor Utility Financial Questions.

Thank you for your attention to this matter.

Sincerely,



Joseph A. Keough, Jr.

Enclosures
cc: Service List via electronic mail

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
Response of The Pawtucket Water Supply Board
to the Rhode Island Public Utilities Commission's
Noninvestor Utility Financial Questions
July 7, 2020

Comm. 1-1: Have collections dropped off for residential and nonresidential customers over the past eight weeks vs. last year?

Response: Yes, our cash collections for the most recent eight week period this year have dropped compared to last year. Our utility billing software does not allow us to report collections separately between residential and nonresidential customers.

Prepared by: Robert Benson

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
Response of The Pawtucket Water Supply Board
to the Rhode Island Public Utilities Commission's
Noninvestor Utility Financial Questions
July 7, 2020

Comm. 1-2: If collections have dropped off, please quantify the reduction.

Response: Yes, our cash collections for the most recent eight week period this year have dropped by \$107.5K or 3.5% compared to last year.

Prepared by: Robert Benson

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
Response of The Pawtucket Water Supply Board
to the Rhode Island Public Utilities Commission's
Noninvestor Utility Financial Questions
July 7, 2020

Comm. 1-3: What effect has any such reduction had on the utility's cash flow?

Response: As of this date, the reduction in cash collections has not had a substantial effect on our cash flow, but that is because the PWSB has had to reduce to our operating expenses. Eventually, this will not be sustainable if collections continue to drop.

Prepared by: Robert Benson

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
Response of The Pawtucket Water Supply Board
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July 7, 2020

Comm. 1-4: Has the utility been unable to meet any financial obligations or does it expect to be unable to meet any financial obligations over the next two weeks if it cannot commence termination of service as a collections option?

Response: PWSB has been able to meet its financial obligations and anticipates meeting its financial obligations over the next two weeks if we reduce our operating expenses. In addition, PWSB has been able to fund its restricted debt service accounts each month as required by the terms of the RI Infrastructure Bank loan agreements and anticipates sufficient cash collections to be able to meet its scheduled debt service payments due on September 1, 2020. However, the reduction in collections is an ongoing concern.

Prepared by: Robert Benson

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
Response of The Pawtucket Water Supply Board
to the Rhode Island Public Utilities Commission's
Noninvestor Utility Financial Questions
July 7, 2020

Comm. 1-5: Please provide any information on your plans for termination of service through April 30, 2020 absent an order by the PUC.

Response: If the Commission were to lift the moratorium when it expires, the PWSB would be able to complete initial collection efforts for all billing cycles by the end of October or November. The PWSB has six billing cycles and would send collection letters to 2 billing cycles per month and would have made contact with all delinquent accounts with a balance over \$400 in three months. Upon completion of the initial collection effort, which would include payment plans for customers who request them, the PWSB would then be able to compile a list of properties with a balance over \$500 or who have not made any payments in 12 months to be included in the March 2021 tax sale. The notices for this sale would be mailed at the end of 2020.

Prepared by: James DeCelles

Comm. 1-1: Should a moratorium on service terminations should continue for all categories of customers, e.g. non-residential, etc.?

Response: The PWSB does not believe there should be a continued moratorium on service terminations for any customer categories. With the realization that the PWSB is not making any collection efforts and is not assessing interest or late fees, our volume of delinquent accounts has grown. We currently have 648 accounts with a balance greater than \$500, 1000 accounts in excess of \$400, and in excess of 1500 accounts with a balance greater than \$250.

If the Commission were to lift the moratorium when it expires, the PWSB would be able to complete initial collection efforts for all billing cycles by the end of October or November. The PWSB has six billing cycles and would send collection letters to 2 billing cycles per month and would have made contact with all delinquent accounts with a balance over \$400 in three months. Upon completion of the initial collection effort, which would include payment plans for customers who request them, the PWSB would then be able to compile a list of properties with a balance over \$500 or who have not made any payments in 12 months to be included in the Mar 2021 tax sale. The notices for this sale would be mailed at the end of 2020. It should be noted that not all of the properties that would receive notices will eventually go to tax sale. Typically, less than 10% of the properties that receive notice actually go to lien sale. Rather, the mailing of notices prompts the property owner to contact the PWSB to make payment. In many instances, the PWSB can enter into a payment plan.

Prepared by: James DeCelles

Comm. 1-2: Should there should be a lifting of the moratorium for a particular category of customer?

Response: The PWSB would recommend lifting of the moratorium for all customer classes. If the Commission were to lift the moratorium when it expires, the PWSB would be able to complete initial collection efforts for all billing cycles by the end of October or November. The PWSB has six billing cycles and would send collection letters to 2 billing cycles per month and would have made contact with all delinquent accounts with a balance over \$400 in three months. Upon completion of the initial collection effort, which would include payment plans for customers who request them, the PWSB would then be able to compile a list of properties with a balance over \$500 or who have not made any payments in 12 months to be included in the Mar 2021 tax sale. The notices for this sale would be mailed at the end of 2020.

Prepared by: James DeCelles

Comm. 1-3: What would be an appropriate duration of any extension of a moratorium on service terminations?

Response: The PWSB does not believe that the moratorium on service connections should be extended for any duration. The PWSB would like to complete an initial collection effort to all delinquent accounts before the end of the year which is when we would compile out list of properties to be included in a May 2021 tax sale.

Prepared by: James DeCelles