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June 17, 2021


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

RE: Kent County Water Authority – Docket No.5133

Dear Ms. Massaro:

Please find enclosed herewith the original and nine (9) copies of Kent County Water Authority's Responses to the Commission's Record Requests in the above-referenced Docket. Should you have any questions, please contact me.

Sincerely,

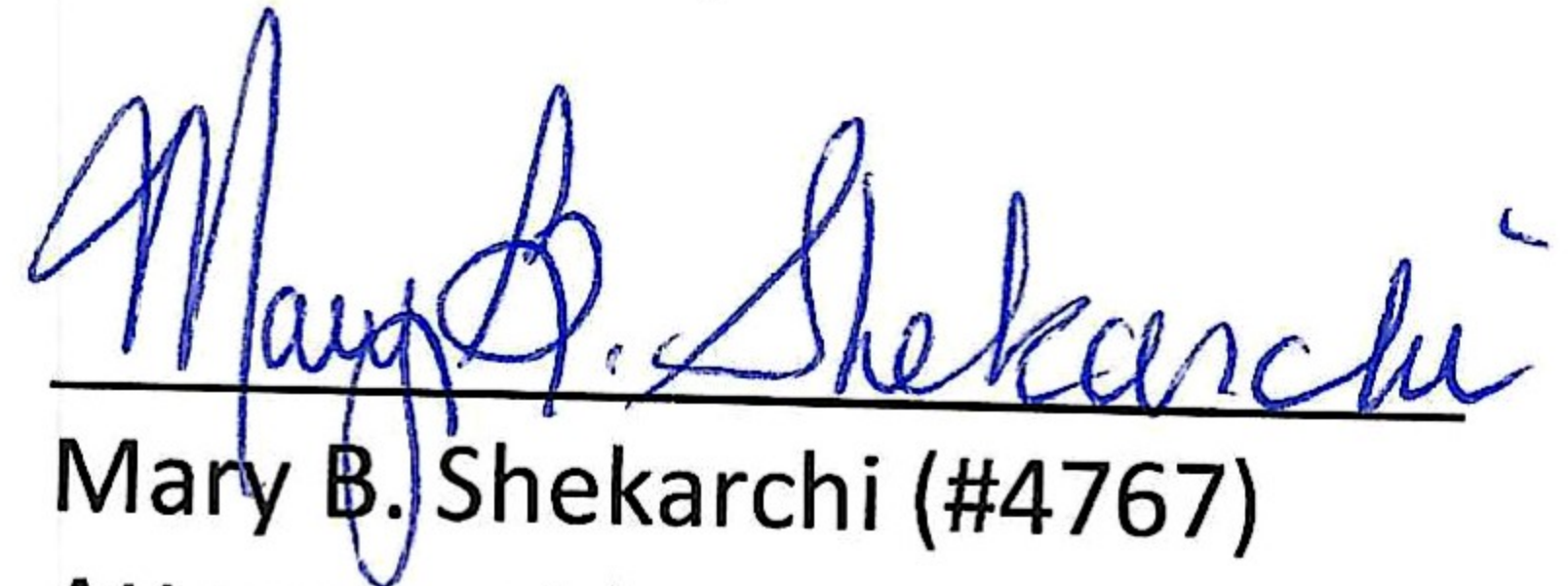

Mary B. Shekarchi
Attorney at Law

MBS/mdc
Enclosure

Cc: Service List in Docket 5133
Via electronic mail

State of Rhode Island
Public Utilities Commission
Docket No. 5133

Respectfully submitted,
Kent County Water Authority
By its Attorney



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Dated: June 17, 2021

CERTIFICATIN OF SERVICE

I hereby certify on this 17th day of June, 2021, I sent a copy of the within via electronic mail to the Parties on the attached service list.



**KCWA RESPONSE TO RIPUC RECORDS REQUESTS
FROM HEARING ON DOCKET 5133 ON JUNE 15, 2021**

RIPUC RR-1: Please confirm that KCWA will not be drawing from the restricted O&M reserve to cover the reduction in revenues related to the change to private fire service charges/billings. Please confirm that KCWA does not intend to draw from the restricted O&M reserve to cover the reduction in revenues and would expect to request approval to draw from the account if there were a reduction in consumption consistent with prior PUC orders. Please provide the balances in the account and the amount expected to be available at the end of FY 2021 to cover the FY 2021 reduction in revenues from the change to private fire service charges/billings.

KCWA RESPONSE:

To clarify, in accordance with the settlement dated 8/25/20 in docket 5012, the balance of the O&M reserve was used to pay-off our remaining bond obligation in January 2021 and the account was closed. KCWA still maintains a restricted revenue reserve allowance account which has a balance of \$1,407,709.86 as of June 16, 2021. The account is considered to be fully funded and there is no allowance in current rates for continued funding. KCWA confirms that it will not draw from the restricted revenue reserve allowance account to cover the reduction in revenues related to the change to private fire service charges/billings. The purpose of the restricted revenue reserve account is to cover certain revenue shortfalls due to reductions in consumption consistent with prior PUC orders. KCWA agreed as part of the settlement to absorb the lost revenues resulting from the change to private fire service charges/billings and is able to do so as a result of higher than projected water sales and associated revenues in the current fiscal year. The table below shows our projected revenues and expenses for FY 2021 and 2022 and the 2-year combined surplus.

Total Projected Revenues FY 2021	\$23,949,561
Total Projected Expenses FY 2021	\$21,286,045
FY 2021 Projected Surplus	\$2,663,516
Projected Revenues FY 2022*	\$21,300,000
Projected Expenses FY 2022	\$21,757,569
FY 2022 Projected Deficit	\$ (457,569)
FY 2021 & 2022 Projected Combined Surplus	\$2,205,947

*Projected FY 2022 Revenues include additional sales to QDC less the reduction of Private fire service as a result of the settlement.

It is anticipated that the surplus generated in FY 2021 from increased sales will allow KCWA to cover the loss of revenues from implementation of the settlement for the next few years without having to file for a rate change. Please note that Actual FY 2021 did not have a full year of revenue reduction from Docket #5012 as those rates went into effect during September 2020.

Witness Responsible: David L. Simmons P.E.

**KCWA RESPONSE TO RIPUC RECORDS REQUESTS
FROM HEARING ON DOCKET 5133 ON JUNE 15, 2021**

RIPUC RR-2: Please provide an update on the Quonset water connection including a more precise month to begin serving Quonset; the amount per day/per month and the expected annual deliveries in FY 2022; the amount assumed to be sold to Quonset in the Docket 5012 COSS; and a comparison of the amount of revenue projected in FY 2022 compared to the amount in the COSS.

KCWA RESPONSE:

Based on the latest correspondence from the Managing Director, Steven King, P.E., the system should be active by October 1st, 2021 . The amount per day/per month and the expected annual deliveries in FY 2022 is expected to be A flow rate of 200 gallons per minute (GPM) or 288,000 gallons per day (GPD). A flow rate of 200 GPM equals 26.74 cubic feet per minute and 38,502.7 cubic feet per day. The amount assumed to be sold to Quonset in the Docket 5012 COSS was based on 50 GPM or 6.68 cubic feet per minute flow rate. This equates to the 35,135 Hundred Cubic Feet (HCF) as presented in the COSS. The projected revenue in the COSS: \$134,621.

The final agreement signed by both parties to provide water to Quonset presents of a base flow of 200 GPM or 26.74 CFM. The increased flow rate increases the revenue projected to:

- Based on a start date of October 1, 2021 to June 30, 2022 equals 272 days.
- 272 days x 288,000 GPD = 78,336,000 gallons (10,472,727 cubic feet or 104,727 Hundred Cubic Feet (HCF))
- 104,727 HCF x 3.83/HCF = \$401,104.41

Witness Responsible: David L. Simmons P.E.

Docket No. 5133 - Kent County Water Authority – Tariff Advice Filing
Serve List 3/26/21

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
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Original & nine (9) copies file w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov ;	401-780-2107
	Cynthia.WilsonFrias@puc.ri.gov ;	
	rudolph.s.falcone@puc.ri.gov ;	
Kathleen Crawley Water Resources Board	Kathleen.crawley@doa.ri.gov ;	401-222-6696