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September 20, 2007

Luly Massaro, Clerk
Division of Public Utilities & Carriers
89 Jefferson Boulevard
Warwick, RI 02888

Re: Water Rulemaking Proceeding – Docket No. D-07-35

Dear Luly:

This office represents Providence Water Supply Board.

Enclosed are an original and five copies of the testimony of Boyce Spinelli in this matter. I am serving this by email only to the service list.

If you have any questions, please feel free to call.

Very truly yours,

Michael R. McElroy

MRMc:tmg
cc: Service List

TESTIMONY
of
BOYCE SPINELLI
before the
PUBLIC UTILITIES COMMISSION

FOR
DOCKET D-07-35

for
PROVIDENCE WATER

September 2007

**PROVIDENCE WATER SUPPLY BOARD
TESTIMONY OF
BOYCE SPINELLI
Docket D-07-35**

1 **Q. Please state your full name and title?**

2 A. Boyce Spinelli, Deputy General Manager - Administration of
3 the Providence Water Supply Board (Providence Water).
4

5 **Q. How long have you held the position of Deputy General
6 Manager of the Agency?**

7 A. I have held this position since January, 2001. Prior to
8 that I was Director of Administration for the City of
9 Providence. From September, 1992 to July, 1999, I was
10 Finance Director for the City of Providence and was an ex-
11 officio member of the Providence Water Supply Board.
12

13 **Q. Would you please state your education, background and
14 professional associations?**

15 A. I graduated from LeMoyne College in Syracuse, New York with
16 a Bachelor of Science in Economics, and completed two years
17 of graduate work in Economics at Washington State
18 University. I have worked in the private sector as well
19 as serving as finance director for three cities in
20 Virginia, Connecticut, and Rhode Island.
21

22 **Q. Have you testified before a regulatory agency with respect
23 to operating matters or rates either in your current
24 position or in your previous positions?**

25 A. I have testified before the Rhode Island PUC on several
26 occasions in my capacity as finance director for the City
27 of Providence and while at Providence Water.
28

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1 **Q. What is the purpose of this filing?**

2 A. I have prepared this testimony to address 3 concerns
3 Providence Water has with the proposed 'Rules and
4 Regulations, Prescribing Standards For Water Utilities'
5 issued by the Division of Public Utilities.

6
7 **Q. Please list the referenced concerns.**

8 A. The first concern is about Section III.E.3 on pages
9 5 and 6 which states that a water utility shall not be
10 allowed to collect new or corrected charges for past use
11 that are more than 3 years from the date on which the bill
12 for those charges for use should have been properly
13 presented to the customer.

14
15 The second related concern is about Section V.E.2.C.(1) on
16 page 19 which states that if a meter without an AMR is
17 found that does not register, the water utility may make
18 a charge to the customer for the unbilled amount that is
19 based upon information recorded prior or subsequent to the
20 period of non-registration, and any other pertinent
21 information supplied by the customer or known to the water
22 utility, subject to the three (3) year limitation set out
23 in paragraph III.E.3.

24
25 **Q. Why would adhering to the above proposed regulations**
26 **present a problem to Providence Water?**

27 A. For the ninety nine (99) percent of Providence Water
28 customers who have had AMRs installed the above referenced
29 proposed rules and regulations pose no problem whatsoever.

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1 The problem arises when dealing with the approximately 729
2 customers who have not yet been converted to AMR
3 technology. Most of these non-converted customers have
4 special problems which must be addressed before AMR
5 conversion. Many of these customers, through no fault of
6 Providence Water, have been estimated for several years.
7 The final reads on the old AMR meters may generate either
8 refunds or additional billings. The three year limitation,
9 in some cases, would prevent Providence Water from fully
10 recovering underbilled amounts, in essence requiring other
11 ratepayers to pay for water used prior to the three year
12 limit. These non-AMR customers would then be treated
13 differently from the 99 percent who fully paid for water
14 they used that went through their meter. Essentially this
15 results in some ratepayers subsidizing others, and we
16 believe this would be unfair.

17
18 **Q. Do you have a recommended solution to this problem?**

19 A. Yes. Our recommended solution is to amend the rules so that
20 the three year limitation does not apply to non-AMR meters
21 in a water utility that has substantially completed
22 installation of an AMR system. A revised draft of the
23 relevant page (6) is attached hereto.

24
25 **Q. Are there any other concerns with the proposed Revised
26 Rules and Regulations?**

27 A. Yes. Providence Water's third and final concern deals with
28 Section V.E.2.c.(2) on page 19, which states that if a
29 meter equipped with an AMR is found not registering, the

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1 water utility may only charge the customer for the previous
2 six months.

3

4 **Q. Why is this a problem?**

5 A. Presently Providence Water reads and bills quarterly.
6 Depending on when the meter becomes non-operational, it
7 could be almost six months before Providence Water even
8 becomes aware of a zero consumption situation. Providence
9 Water would then need to gain access to the premises to
10 correct the problem. Gaining access can often take several
11 attempts. Once again, this rule could result in unfair
12 subsidization of some customers by others.

13

14 **Q. Do you have a recommended solution to this problem?**

15

16 **A.** Yes. We recommend that the six-month time period should be
17 increased to one year. We have attached a proposed
18 revision to page 19 to this effect.

19

20 **Q. Does this conclude your testimony in this matter?**

21 Yes, it does.

Suggested revisions - Providence Water

for use from that water utility but has either not been billed for the use of that water, or has been for any other reason improperly charged, the water utility shall calculate the appropriate charges for the period in question and present those charges to the customer.

These charges shall be in addition to any charges accruing for current use of the water by the customer. However, the water utility shall not be allowed to collect new or corrected charges for past use that are made more than three (3) years from the date on which the bill for those charges for use should have been properly

presented to the customer, provided however, that this three year limitation shall not apply to non-AMR accounts in water utilities that have substantially completed implementation of an AMR system.

F. **Meter Readings And Bill Forms**

1. Each meter register shall indicate clearly the volume units registered and size of the meter.
2. All meters will be read at regular intervals (but no fewer than two actual reads each year) and on approximately the corresponding day of each meter reading period. In service areas that do not utilize AMR devices (or ARB or other electronic remote reading technology), the water utility must verify meter reads phoned or mailed in by the customer at least once every six (6) months. Bills based on estimated reads shall not exceed six (6) consecutive months on any residential, commercial or industrial account.
3. Each water utility shall keep an accurate account of all charges for service billed each customer and shall maintain records for ten (10)

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amount, the water utility may make a charge to the customer for the unbilled amount supplied for the previous twelve (12) months, or for a period equal to one-half of the time elapsed since the last test or replacement, whichever is the shorter period. However, if the time when the error first developed or occurred can be definitely fixed, the amount to be refunded is to be based thereon, subject to the three (3) year limitation set out in paragraph III.E.3.

c) Non-Registering Meters.

(1) Non AMR Meters. If a meter without an AMR is found which does not register, the water utility may make a charge to the customer for the unbilled amount that is based upon information recorded prior or subsequent to the period of non-registration, and any other pertinent information supplied by the customer or known to the water utility, subject to the three (3) year limitation set out in paragraph III.E.3.

(2) AMR Meters. If a meter is equipped with an AMR is found not registering, the water utility may make a charge to the customer for the unbilled amount for only the previous ~~six (6) months~~ one (1) year.