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May 24, 2022

Ms. Luly Massaro, Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

*Re: City of Newport, Utilities Department, Water Division
Docket 4933*

Dear Ms. Massaro:

Enclosed please find an original and nine copies of:

1. Supplemental Direct Testimony of Harold J. Smith.

Please note that an electronic copy has been sent to the service list for this Docket. Thank you for your attention to this matter.

Sincerely,



Joseph A. Keough, Jr.

Enclosure

cc: Docket 4933 Service List (*via electronic mail*)

SUPPLEMENTAL PREFILED DIRECT TESTIMONY

OF

**HAROLD J. SMITH
RAFTELIS FINANCIAL CONSULTING, INC.**

IN SUPPORT OF

**THE CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION'S
MULTI-YEAR RATE PLAN COMPLIANCE FILING AND
NOTICE OF CHANGE IN RATES PURSUANT TO R.I.G.L. § 39-15.1-4**

DOCKET 4933

BEFORE THE

RHODE ISLAND PUBLIC UTILITIES COMMISSION

MAY 24, 2022



1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Harold J. Smith, and my business address is 5619 DTC Parkway, Suite 850,
4 Greenwood Village, Colorado, 80111.

5

6 **Q. Are you the same Harold Smith who filed direct testimony in this Docket that was**
7 **submitted with Newport's compliance filing on April 29, 2022?**

8 A. Yes. I am.

9

10 **Q. What is the purpose of this supplemental direct testimony?**

11 A. I am filing this supplemental testimony to correct an error in in Schedule HJS Exhibit
12 4 (CF) and related testimony.

13

14 **Q. Please explain your correction to Schedule HJS Exhibit 4 (CF).**

15 A. Attached to my supplemental testimony is Schedule HJS Exhibit 4 (CF) Revised. In
16 comparing this schedule to the original Schedule HJS Exhibit 4 (CF), you will note
17 that the proposed rates that result from the proposed Step Two Increase in the
18 Docket 4933 Compliance Filing *and* the increase proposed in Newport's
19 Miscellaneous Petition to Recover Electronic Payment Fees were slightly misstated
20 in the original schedule. While the % changes remain the same, the total projected
21 rate revenues in the revised schedule are \$18,903,238 rather than \$18,904,88 as set
22 forth in the original schedule.

23

24 **Q. Can you please explain the correction to your testimony?**

25 A. Yes. My testimony beginning on page 6, line 11, states:

26

1 “Further, although the percentage increases for the monthly service charges
2 seem large, they are not as dramatic in actual dollars. For instance, the monthly
3 service charge for a 5/8 inch meter, which is the size in most residential homes,
4 increases from \$5.23/month currently to \$5.48/month to recover just the
5 Second Step Increase (HJS Exhibit 2 (MP)). This fee then increases to
6 \$5.60/month to recover the Step Two increase and the Electronic Payment Fees
7 (HJS Exhibit 3 (MP)). Thus, the monthly increase attributable to just the recovery
8 of the Electronic Payment Fees is \$0.12/month.”
9

10 This testimony should be revised as follows:

11 “Further, although the percentage increases for the monthly service charges
12 seem large, they are not as dramatic in actual dollars. For instance, the monthly
13 service charge for a 5/8 inch meter, which is the size in most residential homes,
14 increases from \$5.23/month currently to \$5.48/month to recover just the
15 Second Step Increase (HJS Exhibit 2 (MP)). This fee then increases to \$6.00
16 ~~5.60~~/month to recover the Step Two increase and the Electronic Payment Fees
17 (HJS Exhibit 3 (MP)). Thus, the monthly increase attributable to just the recovery
18 of the Electronic Payment Fees is \$0.52~~12~~/month.”
19

20 **Q. Does this conclude your supplemental direct testimony?**

21 A. Yes it does.

Revised
Docket 4933

Rhode Island Public Utilities Commission
 Docket 4933
 FY 2020 Rate Filing
 HJS Schedule A-2A Second Step Compliance Filing
 Cost of Service Rates and Charges

		Docket 4933					
		Step 1 Rates	Cost of Service	Proposed Rates	% Change	Projected Revenues	
Base Charge (per bill)							
Monthly							
5/8	\$	5.23	\$ 5.9931	\$ 6.00	15%	\$771,912	
3/4	\$	5.48	6.2538	6.26	14%	190,354	
1	\$	7.27	8.1544	8.16	12%	55,912	
1.5	\$	11.64	12.8004	12.81	10%	58,875	
2	\$	16.20	17.6446	17.65	9%	54,009	
3	\$	42.06	45.1427	45.15	7%	32,508	
4	\$	49.42	52.9615	52.97	7%	9,535	
5	\$	59.22	63.3866	63.39	7%	0	
6	\$	66.58	71.2053	71.21	7%	29,054	
8	\$	86.19	92.0555	92.06	7%	4,419	
10	\$	121.73	129.8463	129.85	7%	3,116	
Portsmouth Base Charge (4")	\$	1.56	2.0860	2.09	34%	25	
						1,209,719	
Volume Charge (per 1,000 gallons)							
Retail							
Residential	\$	10.40	\$ 10.9055	\$ 10.91	5%	6,813,295	
Non-Residential	\$	11.22	\$ 11.3530	\$ 11.36	1%	5,057,472	
						\$ 11,870,767	
Wholesale							
Navy	\$	7.5620	\$ 7.7867	\$ 7.7867	3%	1,470,908	
Portsmouth Water & Fire District	\$	6.1387	\$ 6.8419	\$ 6.8419	11%	2,579,396	
						\$ 4,050,304	
Fire Protection							
Public (per hydrant)	\$	1,095.30	\$ 1,202.76	\$ 1,202.76	10%	\$ 1,253,276	
Private (by Connection Size)							
	Connection Size	Differential					
	<2		\$38.59	\$ 38.56	\$ 38.56	0%	
	2	6.19	\$161.55	\$ 161.41	\$ 161.42	0%	-
	4	38.32	\$543.14	\$ 566.70	\$ 566.70	4%	44,769
	6	111.31	\$1,224.74	\$ 1,313.31	\$ 1,313.31	7%	311,254
	8	237.21	\$2,400.37	\$ 2,601.06	\$ 2,601.07	8%	140,458
	10	426.58	\$4,168.75	\$ 4,538.11	\$ 4,538.11	9%	22,691
	12	689.04	\$6,619.67	\$ 7,222.78	\$ 7,222.79	9%	-
						\$ 519,172	
Total Projected Rate Revenues						\$ 18,903,238	

CERTIFICATION

I hereby certify that on May 24, 2022 , I sent a copy of the within to all parties set forth on the attached Service List from Docket 4933 by electronic mail and copies to Luly Massaro, Commission Clerk, and the Rhode Island Department of Attorney General by electronic mail and regular mail.

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