

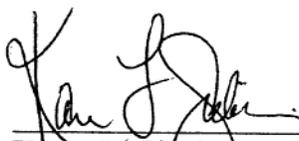
PUC Abbreviated Filing Checklist

Location/Title

Certificate of Service	TAB 1
Notice of Change	TAB 2
Tariffs- Existing, Marked-up, Proposed	TAB 4,5,6
Attestations	TAB 3
Supporting Testimony	
Walter Edge	TAB 7
Cost of service schedules for the test year	WEE - 1
Cost of service schedules for the rate year	WEE - 4
Supporting calculations and data for known and measurable changes allowed per Rule 2.10(b)	WEE - 5 to 18
A comparative statement of revenues and expenditures for the past three (3) fiscal years.	WEE - 3
Workpapers detailing the test year revenues by source, tariff, rate class, etc. The sales volumes/quantities and customer counts by rate class shall be presented.	WEE - 2
A schedule presenting the principal and interest amounts on debt service (long term and short-term debt) projected for the rate year.	TAB 8
Schedule amounts by bond issue, note/mortgage loan, etc. as appropriate.	TAB 8
A summary of expenses incurred and projected to be incurred related to the instant rate case filing, and a schedule showing unamortized amounts from prior rate filings. This schedule shall reconcile the total amount of expense allowed in the last order, the recovery (or amortization) of expense through the test year, and the projected balance of any unrecovered (unamortized) amount at the beginning of the rate year.	WEE - 17
Rate payer impact	WEE - 20
Revenue proof	WEE - 21
Additional Abbreviated Filing Requirements	TAB 8
Balance sheet for the test year	TAB 8
A schedule presenting the principal and interest amounts paid on debt service (long term and short-term debt) for the test year.	TAB 8
Provide a description of each issue to include: source of funding, amount of original issue, date, interest rate, repayment terms, security pledged on borrowing, and other pertinent information.	TAB 8
A summary on the status of compliance and reporting required by prior Commission orders.	TAB 8
An accounting summary of restricted accounts to provide the funding, interest accrual, and expenditures of each restricted account since the date of the last rate order.	TAB 8

CERTIFICATE OF SERVICE

I, Karen L. Giebink, hereby certify that I have, this 1st day of March, 2004 caused a copy of the within Abbreviated Rate Case Filing of the Narragansett Bay Commission to be served on the Administrator of the Division of Public Utilities and Carriers and the Office of the Attorney General.



Karen L. Giebink,
Director of Administration and Finance

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

PUBLIC UTILITIES COMMISSION

IN RE: NARRAGANSETT BAY COMMISSION
ABBREVIATED FILING OF MARCH 1, 2004

NOTICE OF CHANGE IN RATE SCHEDULES

Pursuant to R.I.G.L. SECTION 39-3-11, and in accordance with Rule 1.9 and Part Two of the Rules of Practice and Procedure of the Rhode Island Public Utilities Commission ("Commission"), the Narragansett Bay Commission ("NBC") hereby gives notice of proposed changes in rates, which we previously filed and published in compliance with R.I.G.L., Section 39-3-10.

The proposed changes are contained in the accompanying Exhibits. The new residential and non-residential rates, as proposed, are to become effective April 1, 2004. The new rates are designed to collect revenues in a 12-month period equal to \$56,466,859.

- 1) NBC is a public corporation of the State of Rhode Island, created by chapter 25 of title 46 of the Rhode Island General Laws, and having a distinct legal existence separate from the State, NBC's principal address is Narragansett Bay Commission, One Service Road, Providence, RI 02905. Pursuant to the Chapter 25 of Title 46, NBC is authorized to do business within the State of Rhode Island.
- 2) Correspondence in accordance with Rule 1.9 (a)(2) should be addressed to Karen Giebink, Director of Administration and Finance, Narragansett Bay Commission, One Service Road, Providence, RI, 02903 and Peter McGinn Legal Counsel, Tillinghast, Licht, Perkins, Smith, & Cohen LLP, 10 Weybosset Street, Providence, RI, 02908-2818.
- 3) In accordance with rule 1.9 and part Two of the Rules, the documents accompanying this filing contain data, information and testimony in support of NBC's application.

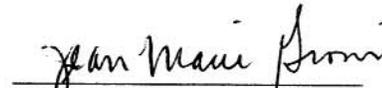
- 4) A copy of the materials herewith filed has been sent to the Administrator of the Division and the Attorney General for the State of Rhode Island.



Karen L. Giebink
Director of Administration and Finance
Narragansett Bay Commission

STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE

Subscribed and sworn to before me on this the 1st day of March 2004, Pursuant the PUC Rule 1.9.

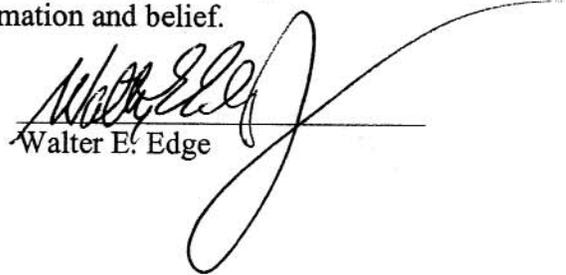

Notary Public

**IN RE:
NARRAGANSETT BAY COMMISSION
TARIFF FILING OF March 1, 2004**

NARRAGANSETT BAY COMMISSION

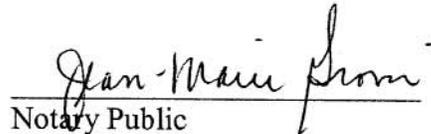
ATTESTATION

I, Walter E. Edge, Consulting Department Director of Bacon and Edge, hereby make affidavit that the testimony I presented on behalf of the Narragansett Bay Commission is true and correct to the best of my knowledge, information and belief.


Walter E. Edge

STATE OF RHODE ISLAND
PROVIDENCE, SC.

Subscribed and sworn to before me on this 1st day of March 2004.

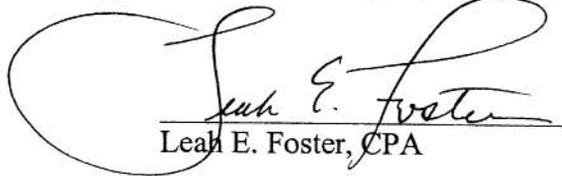

Notary Public

**IN RE:
NARRAGANSETT BAY COMMISSION
TARIFF FILING OF MARCH 1, 2004**

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

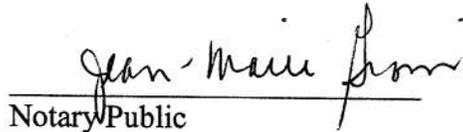
ATTESTATION UNDER RULE 2.7

I, Leah E. Foster, Controller, of the Narragansett Bay Commission, in conformance with part 2.7, of the Rules of Practice and Procedure of the Public Utilities Commission, hereby attest that the financial data presented in the rate base, cost of service, revenue statements and supporting data submitted herein are an accurate reflection of the books of the Narragansett Bay Commission. Any differences between the books and the test year data, and any changes in the manner of recording an item on the company's books during the test year have been expressly noted.


Leah E. Foster, CPA

STATE OF RHODE ISLAND
PROVIDENCE, SC.

Subscribed and sworn to before me on this 1st day of March 2004.


Notary Public

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

SCHEDULE A

NARRAGANSETT BAY COMMISSION

EFFECTIVE: Flat Fees: June 30, 2003
Consumption Fees: June 30, 2003

Applicability

Applicable throughout the entire territory served by the Field's Point and Bucklin Point Wastewater Treatment Facilities and operated by the Narragansett Bay Commission.

Sewer Use Fee Schedule

RESIDENTIAL

All residential structures up to and including six (6) dwelling units.

All residential condominiums will be billed under residential tariffs regardless of the number of dwelling units per structure/meter.

NBC Service Area

FIXED FEE:

\$79.00 per dwelling unit per year

CONSUMPTION FEE:

\$1.625/hundred cubic feet of 100% of water used

Residential Well Customers

\$238.09 (based upon fixed fee and average usage of 200 gpd)

INDUSTRIAL

All structures in which water is utilized for the production and/or manufacturing based operations including non-contact cooling water.

FIXED FEES

METER SIZE

FIXED FEE

5/8"	\$ 177.00
3/4"	\$ 265.00
1"	\$ 442.00
1 1/2"	\$ 884.00
2"	\$ 1,415.00
3"	\$ 2,652.00
4"	\$ 4,420.00
6"	\$ 8,841.00
8"	\$ 14,145.00
10"	\$ 20,334.00

CONSUMPTION FEE:

NBC Service Area:

\$1.515/hundred cubic feet of 100% of water used.

Existing Tariffs

COMMERCIAL

All other structures. This includes mixed use structures (i.e., combined residential/non-residential) and half-way houses and/or boarding type facilities where unrelated persons rent rooms.

FIXED FEES

<u>METER SIZE</u>	<u>FIXED FEE</u>
5/8"	\$ 177.00
3/4"	\$ 265.00
1"	\$ 442.00
1 1/2"	\$ 884.00
2"	\$ 1,415.00
3"	\$ 2,652.00
4"	\$ 4,420.00
6"	\$ 8,841.00
8"	\$ 14,145.00
10"	\$ 20,334.00

NBC Service Area:

\$2.355/hundred cubic feet of 100% of water used.

BILLING

Residential - Fixed fee bills rendered to property owners quarterly. Consumption bills rendered to property owners as usage data is supplied by the appropriate Water Supply Board.

Condominiums (residential) - Fixed fee to be rendered to property owners and/or associations, quarterly. Consumption bills rendered to property owners and/or associations as usage data is supplied by the appropriate Water Supply Board.

Industrial - Fixed fee to be rendered to property owners quarterly. Consumption bills rendered to property owners as usage data is supplied by the appropriate Water Supply Board.

Commercial - Fixed fee to be rendered to property owners quarterly. Consumption bills rendered to property owners monthly, quarterly and/or semi-annually as usage data is supplied by the appropriate Water Supply Board.

Industrial Surcharge - If any, to be billed with consumption.

PAYMENT

All bills are due and payable upon receipt. A late charge penalty of twelve per cent (12%) per annum will be levied after thirty (30) days from the billing date.

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

SCHEDULE B**NARRAGANSETT BAY COMMISSION**

EFFECTIVE: Pretreatment Annual Permit Fee: June 30, 2003
 New Sewer Connection Fee: June 30, 2003
 BOD/TSS Surcharge: June 30, 2003
 Septic Tank Waste Discharge Fee: June 30, 2003
 Sewer Back-up Removal Fee: March 24, 1995
 Abatement Application Fee: January 29, 2001

Miscellaneous Charges

1. Pretreatment Annual Permit Fee: Applicable to all users regulated under R.I.G.L. 46-25-25 and the NBC's Rules and Regulations.

CAT #	User Classification	Permit Fee
11	Electroplater/Metalfinisher	
	Flow > 2,500 GPD	\$1,811
	Flow ≥ 2,500 < 10,000 GPD	\$3,623
	Flow ≥ 10,000 GPD < 50,000	\$7,246
	Flow ≥ 50,000 GPD < 100,000 GPD	\$10,144
	Flow ≥ 100,000	\$10,869
12	Metal Molding and Casting	\$1,087
13	Organic Chemical Manufacturers	\$7,246
14	Other Categorical Industries	\$1,087
15	Metal Formers	\$5,797
21	Tubbing/Vibratory/Mass Finishing	
	Flow < 5,000 GPD	\$725
	Flow ≥ 5,000 GPD	\$1,449
22	Chemical Transporters, Refiners, Recyclers, Manufacturers	\$2,898
23	Textile Processing Firms	
	Flow < 2,500 GPD	\$1,449
	Flow ≥ 2,500 < 10,000 GPD	\$3,768
	Flow ≥ 10,000 < 50,000	\$5,072
	Flow ≥ 50,000 GPD	\$7,246

Existing Tariffs

CAT #	User Classification	Permit Fee
24	Printers	
	Gravure	\$3,623
	Other Flow \geq 2,500 GPD	\$1,087
	Other Flow < 2,500 GPD	\$725
25	Industrial Laundries	\$3,623
26	Machine Shops/Machinery Rebuilders	\$1,449
27	Other firms discharging toxics and/or prohibited pollutants	
	Flow \geq 10,000 GPD	\$2,898
	Flow \geq 2,500 GPD < 10,000 GPD	\$1,449
	Flow < 2,500 GPD	\$725
28	Central Treatment Facilities - Hazardous Waste	\$14,492
29	Central Treatment Facilities - Non-Hazardous Waste	\$4,348
34	Manufacturers with high BOD/TSS wastestreams	
	Flow \geq 100,000 GPD	\$5,797
	50,000 GPD \leq Flow < 100,000 GPD	\$3,623
	10,000 GPD \leq Flow < 50,000 GPD	\$1,811
	Flow < 10,000 GPD	\$1,087
35	Other facilities discharging conventional pollutants	
	Flow \geq 10,000 GPD	\$1,449
	Flow < 10,000 GPD	\$725
37	Automotive Maintenance/Service Facilities	
	Small \leq 2 Bays	\$435
	Large \geq 3 Bays	\$1,449
40	Groundwater Remediation/Excavation Projects	
	Flow \geq 10,000 GPD	\$1,449
	Flow < 10,000 GPD	\$725
41	Recycle or Disconnected Electroplating or Chemical Processes	\$725

Existing Tariffs

CAT #	User Classification	Permit Fee
42	Other Process Operations Disconnected or Recycled	\$290
43	Recycle or Disconnected Electroplating or Chemical Processes with Cooling Water or Boiler Discharges	\$870
44	Other Recycled or Disconnected Process Operations with Cooling Water or Boiler Discharges	\$362
46	Cooling Water with Solvent, Toxic and/or Hazardous Chemicals on Site	\$362
49	Other Discharges with Solvents, Toxics and/or Hazardous Chemicals on Site	
	Flow \geq 10,000 GPD	\$1,087
	Flow $<$ 10,000 GPD	\$725
51	Cooling Water with No Solvents, Toxic or Hazardous Chemicals on Site	\$362
52	Boiler Blowdown/Condensate Discharges	\$362
53	Cooling Tower Discharges	\$362
59	Other Non-Toxic Industrial Discharges	
	Flow \geq 5,000 GPD	\$725
	Flow $<$ 5,000 GPD	\$362
80	Septage Haulers/Dischargers	\$435
81	Food/Fish/Meat/Produce Processing (wholesale)	
	Flow $<$ 1,000 GPD	\$362
	1,000 GPD \leq Flow $<$ 10,000 GPD	\$725
	Flow \geq 10,000 GPD	\$1,449
82	Supermarkets (Retail Food Processing)	\$725
83	Parking Garages/Lots	\$725

Existing Tariffs

CAT #	User Classification	Permit Fee
84	Cooling Water/Groundwater/ Boiler Discharges with Potential to Discharge Conventional Pollutants	\$362
85	Restaurants	
	< 50 seats	\$217
	≥ 50 seats < 100 seats	\$435
	>100 seats of fast food (2 or more fryolators and/or drive through window)	\$580
86	Commercial Buildings with Cafeteria and/or laundry operations	\$725
89	Other Commercial Facilities with Potential to Discharge Conventional Pollutants	
	< 2,500 GPD	\$362
	≥ 2,500 GPD	\$725
90	Hospitals	\$3,623
91	Cooling Water/Groundwater/ Boiler Discharges with Potential to Discharge Toxic, Prohibited and/or Conventional Pollutants	\$362
92	Laundries/Dry Cleaners	
	Laundromats	\$725
	Dry Cleaners with 1 washer or less	\$362
	Dry Cleaners with ≥ 2 washers	\$725
93	Photo Processing	
	< 1,000 GPD	\$362
	1,000 GPD ≤ Flow < 2,500	\$725
	2,500 GPD - 5,000 GPD	\$1,087
	> 5,000 GPD	\$1,449
94	X-Ray Processing	
	≤ 2 processors	\$362
	3 - 4 processors	\$725
	5 - 9 processors	\$1,087
	≥ 10 processors	\$1,449

Existing Tariffs

CAT #	User Classification	Permit Fee
95	Clinical, Medical and Analytical Laboratories	\$725
96	Funeral Homes/Enbalming Operations	\$362
97	Motor Vehicle Service/Washing Operations	
	rate per tunnel	\$725
	rate per bay	\$217
	maximum rate per facility	\$1,449
99	Other Commercial Users with Potential to Discharge Toxic, Prohibited and/or Conventional Pollutants	
	Flow < 2,500 GPD	\$362
	Flow ≥ 2,500 GPD	\$725

NOTE: All flow rates are based upon operating days.

2. **New Sewer Connection Fee:** Applicable to all applications for a new service connection directly or indirectly to NBC facilities. Payable at the time of application.

Residential	\$218 per connection
Commercial	\$652 per connection
Industrial	\$652 per connection

3. **Sewer Back-up Removal Fee:** Applicable to all visits by Commission personnel to clear a sewer blockage when such blockage is determined to be a private sewer and is cleared by Commission personnel.

Charge: \$75.00 per incident

4. **Septic Tank Waste Discharge Fee:** Applicable to all discharges of septic tank waste into the NBC system.

Charge: \$51.00 per thousand gallons

5. **BOD/TSS Surcharge:** (if applicable)

\$87.00/1,000 pounds of BOD with a concentration above 300 mg/l	\$87.00/1,000 pounds of TSS with a concentration above 300 mg/l
To be assessed as the result of compliance with an industrial permit or NBC requirement.	

6. **Abatement Application Fee:** Applicable to all applicants who request an abatement to sewer user fees charged. Payable at the time of application.

Charge: \$36.00

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

SCHEDULE A

NARRAGANSETT BAY COMMISSION

EFFECTIVE: Flat Fees: ~~June 30, 2003~~ April 1, 2004
 Consumption Fees: ~~June 30, 2003~~ April 1, 2004

Applicability

Applicable throughout the entire territory served by the Field's Point and Bucklin Point Wastewater Treatment Facilities and operated by the Narragansett Bay Commission.

Sewer Use Fee Schedule

RESIDENTIAL

All residential structures up to and including six (6) dwelling units.

All residential condominiums will be billed under residential tariffs regardless of the number of dwelling units per structure/meter.

NBC Service Area

FIXED FEE:
~~\$79.00~~ \$87.10 per dwelling unit per year

CONSUMPTION FEE:
~~\$1.625~~ \$1.792/hundred cubic feet of 100% of water used

Residential Well Customers

~~\$238.09~~ \$262.00 (based upon fixed fee and average usage of 200 gpd)

INDUSTRIAL

All structures in which water is utilized for the production and/or manufacturing based operations including non-contact cooling water.

FIXED FEES

METER SIZE

FIXED FEE

5/8"	\$ 177.00 <u>\$195.14</u>
3/4"	\$ 265.00 <u>\$292.16</u>
1"	\$ 442.00 <u>\$487.31</u>
1 1/2"	\$ 884.00 <u>\$974.61</u>
2"	\$ 1,415.00 <u>\$1,560.04</u>
3"	\$ 2,652.00 <u>\$2,923.83</u>
4"	\$ 4,420.00 <u>\$4,873.05</u>
6"	\$ 8,841.00 <u>\$9,747.20</u>
8"	\$ 14,145.00 <u>\$15,594.86</u>
10"	\$ 20,334.00 <u>\$22,418.24</u>

CONSUMPTION FEE:

NBC Service Area: ~~\$1.515~~ \$1.67/hundred cubic feet of 100% of water used.

COMMERCIAL

All other structures. This includes mixed use structures (i.e., combined residential/non-residential) and half-way houses and/or boarding type facilities where unrelated persons rent rooms.

FIXED FEES

METER SIZE

FIXED FEE

5/8"	\$ 177.00 <u>\$195.14</u>
3/4"	\$ 265.00 <u>\$292.16</u>
1"	\$ 442.00 <u>\$487.31</u>
1 1/2"	\$ 884.00 <u>\$974.61</u>
2"	\$ 1,415.00 <u>\$1,560.04</u>
3"	\$ 2,652.00 <u>\$2,923.83</u>
4"	\$ 4,420.00 <u>\$4,873.05</u>
6"	\$ 8,841.00 <u>\$9,747.20</u>
8"	\$ 14,145.00 <u>\$15,594.86</u>
10"	\$ 20,334.00 <u>\$22,418.24</u>

NBC Service Area: ~~\$2.355~~\$2.596/hundred cubic feet of 100% of water used.

BILLING

Residential - Fixed fee bills rendered to property owners quarterly. Consumption bills rendered to property owners as usage data is supplied by the appropriate Water Supply Board.

Condominiums (residential) - Fixed fee to be rendered to property owners and/or associations, quarterly. Consumption bills rendered to property owners and/or associations as usage data is supplied by the appropriate Water Supply Board.

Industrial - Fixed fee to be rendered to property owners quarterly. Consumption bills rendered to property owners as usage data is supplied by the appropriate Water Supply Board.

Commercial - Fixed fee to be rendered to property owners quarterly. Consumption bills rendered to property owners monthly, quarterly and/or semi-annually as usage data is supplied by the appropriate Water Supply Board.

Industrial Surcharge - If any, to be billed with consumption.

PAYMENT

All bills are due and payable upon receipt. A late charge penalty of twelve per cent (12%) per annum will be levied after thirty (30) days from the billing date.

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

SCHEDULE B

NARRAGANSETT BAY COMMISSION

EFFECTIVE: Pretreatment Annual Permit Fee: June 30, 2003
 New Sewer Connection Fee: June 30, 2003
 BOD/TSS Surcharge: June 30, 2003
 Septic Tank Waste Discharge Fee: June 30, 2003
 Sewer Back-up Removal Fee: March 24, 1995
 Abatement Application Fee: January 29, 2001

Miscellaneous Charges

1. Pretreatment Annual Permit Fee: Applicable to all users regulated under R.I.G.L. 46-25-25 and the NBC's Rules and Regulations.

CAT #	User Classification	Permit Fee
11	Electroplater/Metalfinisher	
	Flow > 2,500 GPD	\$1,811
	Flow ≥ 2,500 < 10,000 GPD	\$3,623
	Flow ≥ 10,000 GPD < 50,000	\$7,246
	Flow ≥ 50,000 GPD < 100,000 GPD	\$10,144
	Flow ≥ 100,000	\$10,869
12	Metal Molding and Casting	\$1,087
13	Organic Chemical Manufacturers	\$7,246
14	Other Categorical Industries	\$1,087
15	Metal Formers	\$5,797
21	Tubbing/Vibratory/Mass Finishing	
	Flow < 5,000 GPD	\$725
	Flow ≥ 5,000 GPD	\$1,449
22	Chemical Transporters, Refiners, Recyclers, Manufacturers	\$2,898
23	Textile Processing Firms	
	Flow < 2,500 GPD	\$1,449
	Flow ≥ 2,500 < 10,000 GPD	\$3,768
	Flow ≥ 10,000 < 50,000	\$5,072
	Flow ≥ 50,000 GPD	\$7,246

CAT #	User Classification	Permit Fee
24	Printers	
	Gravure	\$3,623
	Other Flow \geq 2,500 GPD	\$1,087
	Other Flow < 2,500 GPD	\$725
25	Industrial Laundries	\$3,623
26	Machine Shops/Machinery Rebuilders	\$1,449
27	Other firms discharging toxics and/or prohibited pollutants	
	Flow \geq 10,000 GPD	\$2,898
	Flow \geq 2,500 GPD < 10,000 GPD	\$1,449
	Flow < 2,500 GPD	\$725
28	Central Treatment Facilities - Hazardous Waste	\$14,492
29	Central Treatment Facilities - Non-Hazardous Waste	\$4,348
34	Manufacturers with high BOD/TSS wastestreams	
	Flow \geq 100,000 GPD	\$5,797
	50,000 GPD \leq Flow < 100,000 GPD	\$3,623
	10,000 GPD \leq Flow < 50,000 GPD	\$1,811
	Flow < 10,000 GPD	\$1,087
35	Other facilities discharging conventional pollutants	
	Flow \geq 10,000 GPD	\$1,449
	Flow < 10,000 GPD	\$725
37	Automotive Maintenance/Service Facilities	
	Small \leq 2 Bays	\$435
	Large \geq 3 Bays	\$1,449
40	Groundwater Remediation/Excavation Projects	
	Flow \geq 10,000 GPD	\$1,449
	Flow < 10,000 GPD	\$725
41	Recycle or Disconnected Electroplating or Chemical Processes	\$725

CAT #	User Classification	Permit Fee
42	Other Process Operations Disconnected or Recycled	\$290
43	Recycle or Disconnected Electroplating or Chemical Processes with Cooling Water or Boiler Discharges	\$870
44	Other Recycled or Disconnected Process Operations with Cooling Water or Boiler Discharges	\$362
46	Cooling Water with Solvent, Toxic and/or Hazardous Chemicals on Site	\$362
49	Other Discharges with Solvents, Toxics and/or Hazardous Chemicals on Site	
	Flow \geq 10,000 GPD	\$1,087
	Flow $<$ 10,000 GPD	\$725
51	Cooling Water with No Solvents, Toxic or Hazardous Chemicals on Site	\$362
52	Boiler Blowdown/Condensate Discharges	\$362
53	Cooling Tower Discharges	\$362
59	Other Non-Toxic Industrial Discharges	
	Flow \geq 5,000 GPD	\$725
	Flow $<$ 5,000 GPD	\$362
80	Septage Haulers/Dischargers	\$435
81	Food/Fish/Meat/Produce Processing (wholesale)	
	Flow $<$ 1,000 GPD	\$362
	1,000 GPD \leq Flow $<$ 10,000 GPD	\$725
	Flow \geq 10,000 GPD	\$1,449
82	Supermarkets (Retail Food Processing)	\$725
83	Parking Garages/Lots	\$725

CAT #	User Classification	Permit Fee
84	Cooling Water/Groundwater/ Boiler Discharges with Potential to Discharge Conventional Pollutants	\$362
85	Restaurants	
	< 50 seats	\$217
	≥ 50 seats < 100 seats	\$435
	>100 seats of fast food (2 or more fryolators and/or drive through window)	\$580
86	Commercial Buildings with Cafeteria and/or laundry operations	\$725
89	Other Commercial Facilities with Potential to Discharge Conventional Pollutants	
	< 2,500 GPD	\$362
	≥ 2,500 GPD	\$725
90	Hospitals	\$3,623
91	Cooling Water/Groundwater/ Boiler Discharges with Potential to Discharge Toxic, Prohibited and/or Conventional Pollutants	\$362
92	Laundries/Dry Cleaners	
	Laundromats	\$725
	Dry Cleaners with 1 washer or less	\$362
	Dry Cleaners with ≥ 2 washers	\$725
93	Photo Processing	
	< 1,000 GPD	\$362
	1,000 GPD ≤ Flow < 2,500	\$725
	2,500 GPD - 5,000 GPD	\$1,087
	> 5,000 GPD	\$1,449
94	X-Ray Processing	
	≤ 2 processors	\$362
	3 - 4 processors	\$725
	5 - 9 processors	\$1,087
	≥ 10 processors	\$1,449

CAT #	User Classification	Permit Fee
95	Clinical, Medical and Analytical Laboratories	\$725
96	Funeral Homes/Enbalming Operations	\$362
97	Motor Vehicle Service/Washing Operations	
	rate per tunnel	\$725
	rate per bay	\$217
	maximum rate per facility	\$1,449
99	Other Commercial Users with Potential to Discharge Toxic, Prohibited and/or Conventional Pollutants	
	Flow < 2,500 GPD	\$362
	Flow ≥ 2,500 GPD	\$725

NOTE: All flow rates are based upon operating days.

2. **New Sewer Connection Fee:** Applicable to all applications for a new service connection directly or indirectly to NBC facilities. Payable at the time of application.

Residential	\$218 <u>\$240.35</u> per connection
Commercial	\$652 <u>\$718.83</u> per connection
Industrial	\$652 <u>\$718.83</u> per connection

3. **Sewer Back-up Removal Fee:** Applicable to all visits by Commission personnel to clear a sewer blockage when such blockage is determined to be a private sewer and is cleared by Commission personnel.

Charge: \$75.00 per incident

4. **Septic Tank Waste Discharge Fee:** Applicable to all discharges of septic tank waste into the NBC system.

Charge: \$51.00 per thousand gallons

5. **BOD/TSS Surcharge:** \$87.00/1,000 pounds of BOD with a concentration above 300 mg/l \$87.00/1,000 pounds of TSS with a concentration above 300 mg/l

To be assessed as the result of compliance with an industrial permit or NBC requirement.

6. **Abatement Application Fee:** Applicable to all applicants who request an abatement to sewer user fees charged. Payable at the time of application.

Charge: \$36.00

Proposed Tariffs

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

SCHEDULE A

NARRAGANSETT BAY COMMISSION

EFFECTIVE: Flat Fees: April 1, 2004
Consumption Fees: April 1, 2004

Applicability

Applicable throughout the entire territory served by the Field's Point and Bucklin Point Wastewater Treatment Facilities and operated by the Narragansett Bay Commission.

Sewer Use Fee Schedule

RESIDENTIAL

All residential structures up to and including six (6) dwelling units.

All residential condominiums will be billed under residential tariffs regardless of the number of dwelling units per structure/meter.

NBC Service Area

FIXED FEE:

\$87.10 per dwelling unit per year

CONSUMPTION FEE:

\$1.792/hundred cubic feet of 100% of water used

Residential Well Customers

\$262.00 (based upon fixed fee and average usage of 200 gpd)

INDUSTRIAL

All structures in which water is utilized for the production and/or manufacturing based operations including non-contact cooling water.

FIXED FEES

METER SIZE

FIXED FEE

5/8"	\$195.14
3/4"	\$292.16
1"	\$487.31
1 1/2"	\$974.61
2"	\$1,560.04
3"	\$2,923.83
4"	\$4,873.05
6"	\$9,747.20
8"	\$15,594.86
10"	\$22,418.24

CONSUMPTION FEE:

NBC Service Area:

\$1.67/hundred cubic feet of 100% of water used.

Proposed Tariffs

COMMERCIAL

All other structures. This includes mixed use structures (i.e., combined residential/non-residential) and half-way houses and/or boarding type facilities where unrelated persons rent rooms.

FIXED FEES

METER SIZE

FIXED FEE

5/8"	\$195.14
3/4"	\$292.16
1"	\$487.31
1 1/2"	\$974.61
2"	\$1,560.04
3"	\$2,923.83
4"	\$4,873.05
6"	\$9,747.20
8"	\$15,594.86
10"	\$22,418.24

NBC Service Area:

\$2.596/hundred cubic feet of 100% of water used.

BILLING

Residential - Fixed fee bills rendered to property owners quarterly. Consumption bills rendered to property owners as usage data is supplied by the appropriate Water Supply Board.

Condominiums (residential) - Fixed fee to be rendered to property owners and/or associations, quarterly. Consumption bills rendered to property owners and/or associations as usage data is supplied by the appropriate Water Supply Board.

Industrial - Fixed fee to be rendered to property owners quarterly. Consumption bills rendered to property owners as usage data is supplied by the appropriate Water Supply Board.

Commercial - Fixed fee to be rendered to property owners quarterly. Consumption bills rendered to property owners monthly, quarterly and/or semi-annually as usage data is supplied by the appropriate Water Supply Board.

Industrial Surcharge - If any, to be billed with consumption.

PAYMENT

All bills are due and payable upon receipt. A late charge penalty of twelve per cent (12%) per annum will be levied after thirty (30) days from the billing date.

Proposed Tariffs

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

SCHEDULE B

NARRAGANSETT BAY COMMISSION

EFFECTIVE: Pretreatment Annual Permit Fee: June 30, 2003
New Sewer Connection Fee: June 30, 2003
BOD/TSS Surcharge: June 30, 2003
Septic Tank Waste Discharge Fee: June 30, 2003
Sewer Back-up Removal Fee: March 24, 1995
Abatement Application Fee: January 29, 2001

Miscellaneous Charges

1. Pretreatment Annual Permit Fee: Applicable to all users regulated under R.I.G.L. 46-25-25 and the NBC's Rules and Regulations.

CAT #	User Classification	Permit Fee
11	Electroplater/Metalfinisher	
	Flow > 2,500 GPD	\$1,811
	Flow ≥ 2,500 < 10,000 GPD	\$3,623
	Flow ≥ 10,000 GPD < 50,000	\$7,246
	Flow ≥ 50,000 GPD < 100,000 GPD	\$10,144
	Flow ≥ 100,000	\$10,869
12	Metal Molding and Casting	\$1,087
13	Organic Chemical Manufacturers	\$7,246
14	Other Categorical Industries	\$1,087
15	Metal Formers	\$5,797
21	Tubbing/Vibratory/Mass Finishing	
	Flow < 5,000 GPD	\$725
	Flow ≥ 5,000 GPD	\$1,449
22	Chemical Transporters, Refiners, Recyclers, Manufacturers	\$2,898
23	Textile Processing Firms	
	Flow < 2,500 GPD	\$1,449
	Flow ≥ 2,500 < 10,000 GPD	\$3,768
	Flow ≥ 10,000 < 50,000	\$5,072
	Flow ≥ 50,000 GPD	\$7,246

Proposed Tariffs

CAT #	User Classification	Permit Fee
24	Printers	
	Gravure	\$3,623
	Other Flow \geq 2,500 GPD	\$1,087
	Other Flow < 2,500 GPD	\$725
25	Industrial Laundries	\$3,623
26	Machine Shops/Machinery Rebuilders	\$1,449
27	Other firms discharging toxics and/or prohibited pollutants	
	Flow \geq 10,000 GPD	\$2,898
	Flow \geq 2,500 GPD < 10,000 GPD	\$1,449
	Flow < 2,500 GPD	\$725
28	Central Treatment Facilities - Hazardous Waste	\$14,492
29	Central Treatment Facilities - Non-Hazardous Waste	\$4,348
34	Manufacturers with high BOD/TSS wastestreams	
	Flow \geq 100,000 GPD	\$5,797
	50,000 GPD \leq Flow < 100,000 GPD	\$3,623
	10,000 GPD \leq Flow < 50,000 GPD	\$1,811
	Flow < 10,000 GPD	\$1,087
35	Other facilities discharging conventional pollutants	
	Flow \geq 10,000 GPD	\$1,449
	Flow < 10,000 GPD	\$725
37	Automotive Maintenance/Service Facilities	
	Small \leq 2 Bays	\$435
	Large \geq 3 Bays	\$1,449
40	Groundwater Remediation/Excavation Projects	
	Flow \geq 10,000 GPD	\$1,449
	Flow < 10,000 GPD	\$725
41	Recycle or Disconnected Electroplating or Chemical Processes	\$725

Proposed Tariffs

CAT #	User Classification	Permit Fee
42	Other Process Operations Disconnected or Recycled	\$290
43	Recycle or Disconnected Electroplating or Chemical Processes with Cooling Water or Boiler Discharges	\$870
44	Other Recycled or Disconnected Process Operations with Cooling Water or Boiler Discharges	\$362
46	Cooling Water with Solvent, Toxic and/or Hazardous Chemicals on Site	\$362
49	Other Discharges with Solvents, Toxics and/or Hazardous Chemicals on Site	
	Flow \geq 10,000 GPD	\$1,087
	Flow $<$ 10,000 GPD	\$725
51	Cooling Water with No Solvents, Toxic or Hazardous Chemicals on Site	\$362
52	Boiler Blowdown/Condensate Discharges	\$362
53	Cooling Tower Discharges	\$362
59	Other Non-Toxic Industrial Discharges	
	Flow \geq 5,000 GPD	\$725
	Flow $<$ 5,000 GPD	\$362
80	Septage Haulers/Dischargers	\$435
81	Food/Fish/Meat/Produce Processing (wholesale)	
	Flow $<$ 1,000 GPD	\$362
	1,000 GPD \leq Flow $<$ 10,000 GPD	\$725
	Flow \geq 10,000 GPD	\$1,449
82	Supermarkets (Retail Food Processing)	\$725
83	Parking Garages/Lots	\$725

Proposed Tariffs

CAT #	User Classification	Permit Fee
84	Cooling Water/Groundwater/ Boiler Discharges with Potential to Discharge Conventional Pollutants	\$362
85	Restaurants	
	< 50 seats	\$217
	≥ 50 seats < 100 seats	\$435
	>100 seats of fast food (2 or more fryolators and/or drive through window)	\$580
86	Commercial Buildings with Cafeteria and/or laundry operations	\$725
89	Other Commercial Facilities with Potential to Discharge Conventional Pollutants	
	< 2,500 GPD	\$362
	≥ 2,500 GPD	\$725
90	Hospitals	\$3,623
91	Cooling Water/Groundwater/ Boiler Discharges with Potential to Discharge Toxic, Prohibited and/or Conventional Pollutants	\$362
92	Laundries/Dry Cleaners	
	Laundromats	\$725
	Dry Cleaners with 1 washer or less	\$362
	Dry Cleaners with ≥ 2 washers	\$725
93	Photo Processing	
	< 1,000 GPD	\$362
	1,000 GPD ≤ Flow < 2,500	\$725
	2,500 GPD - 5,000 GPD	\$1,087
	> 5,000 GPD	\$1,449
94	X-Ray Processing	
	≤ 2 processors	\$362
	3 - 4 processors	\$725
	5 - 9 processors	\$1,087
	≥ 10 processors	\$1,449

Proposed Tariffs

CAT #	User Classification	Permit Fee
95	Clinical, Medical and Analytical Laboratories	\$725
96	Funeral Homes/Enbalming Operations	\$362
97	Motor Vehicle Service/Washing Operations	
	rate per tunnel	\$725
	rate per bay	\$217
	maximum rate per facility	\$1,449
99	Other Commercial Users with Potential to Discharge Toxic, Prohibited and/or Conventional Pollutants	
	Flow < 2,500 GPD	\$362
	Flow ≥ 2,500 GPD	\$725

NOTE: All flow rates are based upon operating days.

2. **New Sewer Connection Fee:** Applicable to all applications for a new service connection directly or indirectly to NBC facilities. Payable at the time of application.

Residential	\$240.35 per connection
Commercial	\$718.83 per connection
Industrial	\$718.83 per connection

3. **Sewer Back-up Removal Fee:** Applicable to all visits by Commission personnel to clear a sewer blockage when such blockage is determined to be a private sewer and is cleared by Commission personnel.

Charge: \$75.00 per incident

4. **Septic Tank Waste Discharge Fee:** Applicable to all discharges of septic tank waste into the NBC system.

Charge: \$51.00 per thousand gallons

5. **BOD/TSS Surcharge:** (if applicable)

\$87.00/1,000 pounds of BOD with a concentration above 300 mg/l	\$87.00/1,000 pounds of TSS with a concentration above 300 mg/l
To be assessed as the result of compliance with an industrial permit or NBC requirement.	

6. **Abatement Application Fee:** Applicable to all applicants who request an abatement to sewer user fees charged. Payable at the time of application.

Charge: \$36.00

**DIRECT TESTIMONY OF
WALTER E. EDGE Jr. MBA CPA
CONSULTING DEPARTMENT DIRECTOR
BACON & EDGE p.c.**

**for
THE NARRAGANSETT BAY COMMISSION**

**ABBREVIATED FILING
DOCKET # _____**

March 2004

1 **Narragansett Bay Commission**

2
3 PRE-FILED DIRECT TESTIMONY
4 OF WALTER E. EDGE Jr. MBA, CPA
5

6 **Q. Good morning Mr. Edge. Would you please give your name and business**
7 **address for the record?**

8 A. My full name is Walter Edward Edge Jr. MBA CPA and I work for the firm of Bacon
9 & Edge p.c. at One Worthington Road, Cranston R. I. 02920.
10

11 **Q. What is Bacon & Edge p.c.?**

12 A. Bacon & Edge p.c. (B&E) is a full service auditing/accounting/consulting firm that
13 specializes in providing accounting, consulting and tax services to small businesses,
14 municipalities, utilities and individuals.
15

16 **Q. Are you the same Walter E. Edge Jr. who has testified as an expert accounting**
17 **and rate witness in previous rate filings for Narragansett Bay Commission (NBC)**
18 **and others?**

19 A. Yes. I have provided expert accounting and rate testimony before the Rhode Island
20 Public Utilities Commission (PUC) for NBC and many other clients. Some of the other
21 clients include Interstate Navigation Company, Block Island Power Company,
22 Providence Water Supply Board, Pawtucket Water Supply Board, Newport Water, the
23 Town of North Smithfield, Osram Sylvania, and Stone Bridge Fire District.
24

25 In addition to the above listed expert testimony prepared for Division and PUC filings, I
26 have completed rate studies for non-regulated utilities such as Warwick Water, Warwick
27 Sewer, East Providence Water, North Kingstown, Greenville Water, Cumberland Water,
28 East Smithfield Water, Pascoag Fire District, and Harrisville Fire District.
29

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

Q. What is the purpose of your testimony?

A. NBC hired B&E to develop a test year (FYE June 30, 2004 the approved rate year in Docket #3483) and a rate year (FYE June 30, 2005). B&E was asked to prepare expert testimony and schedules in support of the test year and the rate year. Lastly, B&E was asked to prepare and present appropriate rate design testimony as needed.

Q. Would you please provide an update as to the status of rate issues raised in the last rate filing?

A. Certainly. The last rate-filing Docket #3483 was filed November 29, 2002 for implementation in the rate year, FYE June 30, 2004. As of this writing the rate year has not ended. Nevertheless, the major issues addressed in that docket were as follows:

1. The largest and most significant issue in the last docket was the debt service and coverage allowance associated with financing NBC’s Capital Improvement Program (CIP). The most substantial issues in the CIP are the Combined Sewer Overflow (CSO) abatement project and Contract 807: Bucklin Point Wastewater Treatment Facility Improvements.

This single item (debt service) represented about 90% of the requested rate increase as filed using a standard fixed rate financing approach. However, it should be noted that NBC proposed an alternative financing mechanism, Variable Rate Debt Obligations (VRDO), that significantly reduced the cost of the debt service financing and reduced the required rate increase. The Commission and Division agreed with the alternative financing approach and the Commission approved a two-year average debt service cost using VRDO financing. Because the two year average covers the FYE June 30, 2004 (current year) and FYE June 30, 2005 (rate year) debt service costs and the appropriate financing are not issues in this abbreviated filing.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

2. The second largest issue in the last docket was an increase in wages and the related fringe benefits. Given that this filing is for the rate year FYE June 30, 2005, NBC is requesting an increase in its employee levels from 250 to 262. This increase is to reflect needed positions which either have been filled, will soon be filled, or will not be filled in this fiscal year but must be filled in the rate year (FYE 2005).

In this filing I will present the justification for the 12 positions, an explanation of how the work of these additional positions is currently being completed and a description of the responsibilities of these additional positions. All related payroll accounts are addressed in this filing. Lastly, a turnover allowance was calculated for the rate year.

3. The third general area that was addressed in Docket #3483 was operating costs. Since this abbreviated filing is for the rate year FYE June 30, 2005 there are a few operating expenses other than wages and fringe benefits which will increase (and in certain instances, decrease) over the June 30, 2004 test year. These items will be addressed in detail in this testimony.

Q. How much of a revenue increase is NBC requesting in this abbreviated docket?

A. NBC is requesting additional revenue of \$4,967,683. This represents a revenue increase of 9.65%.

Q. Will all rates increase by 9.65%?

A. No, not all revenue accounts are impacted by the proposed rate increase. Therefore, the effective across-the-board rate increase on tariff rates approved by the PUC will be 10.25%. (See Schedule WEE – 19)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

TEST YEAR (FYE JUNE 30, 2004)

Q. Mr. Edge, has the test year been audited?

A. No, however the test year (See WEE-1) that we are using for this abbreviated docket is the “rate year” from the last Docket #3483 (June 30, 2004). This rate year was the subject of significant review by the Division and review and approval by the PUC. Also, the Rate Year, FYE June 30, 2004 is the most current financial information available regarding NBC’s cost of service. Therefore, it makes sense to use the Rate Year FYE June 30, 2004 as the test year for this abbreviated docket. NBC requested and the PUC approved the use of the FYE June 30, 2004 as the appropriate test year in this abbreviated docket at an open meeting in September of 2003. The approval was subject to two requirements by the Division.

Q. What were the two requirements?

A. The Division required that NBC reconcile all **significant** variances between the rate year in Docket #3483 (FYE June 30, 2004) and the actual results from operations for the adjusted FYE June 30, 2003 and reconcile all **significant** variances between the test year in Docket #3483 (adjusted FYE June 30, 2002) and the actual June 30, 2003 financial statements. I have completed these two reconciliations; see WEE-22. For this schedule my “level of significance” was one quarter of one percent of gross revenues. In other words, I analyzed only variances in excess of \$100,000.

The second requirement made by the Division was that the increase approved in this abbreviated filing not be implemented before July 1, 2004 to avoid two increases impacting the same period. NBC agrees with this request and as a result of the filing date of this abbreviated filing the effective date will be after July 1st 2004.

Q. What adjustments did you make to the test year?

A. None.

1
2
3
4
5
6
7
8

RATE YEAR (FYE June 30, 2005)

Q. What adjustments have you made for the rate year in this abbreviated filing?

A. After reviewing NBC's projected expenditure levels for FYE June 30, 2005, I identified 13 payroll and payroll related accounts, which needed to be adjusted as follows:

<u>ACCOUNT</u>	<u>AMOUNT OF CHANGE</u>
Salary Related Accounts:	
Salaries and Wages	\$1,047,560
Overtime	23,976
Employee Ret. Ben. – State & SEP	207,364
Employee Ret. Ben. - FICA	99,388
Retirement Health-State	20,051
Employee Ben. - Health Ins.	537,571
Employee Ben. - Disability Ins.	(4,343)
Workers Comp – Old Claims	100,000
Turn Over Allowance	(87,486)
Solids Handling Savings *	(338,724)
Salary Reimbursement	(25,522)
Fringe Reimbursement	(71,904)
Reimbursement Turnover	<u>41,459</u>
Total Salaries and Wages Adjustment	<u><u>\$1,564,692</u></u>

9
10
11
12
13
14

* The outsourcing of solids handling (sludge disposal) will result in salary and wages savings. Please see the detail analysis of the sludge staffing proposal after outsourcing later in this testimony (See page 16).

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

Q. How did you calculate the revenue increase needed for salaries and wages?

A. I started with the amount for salaries and wages allowed in Docket #3483 and added the cost of the 12 positions not previously funded by the Commission. I then increased the total salaries by 5% for the rate year to cover steps, COLAs, longevity, merit increases and incentive raises (See Schedule WEE-5).

Q. In Docket #3483, why did NBC choose to file for only the filled positions in its rate request and not the positions that they are now requesting?

A. NBC has increased its staffing for a number of reasons ranging from the CSO project to the expansion of regulatory demands and controls. With all of the changes being made it was very difficult at that time to ascertain the exact number of employees that would be in place during the rate year in Docket #3483. Therefore, NBC chose to reduce the issues in the last rate case and request only the number of positions filled, or very soon to be filled, in addition to the four positions needed for the STAR program. NBC requested 254 positions. The Commission rejected the STAR program and approved only 250 positions. In addition, the Commission applied a turnover allowance of 7 positions so NBC received net funding for 243 positions.

Q. Mr. Edge, we are currently in the rate year in Docket #3483; has NBC had on average 250 positions filled?

A. Yes, and that is not including the STAR program that was supposed to be implemented during this fiscal year but was put on hold after the Commission's order. This testimony will present the justification for each of the 12 additional positions.

Q. Mr. Edge, have you calculated a turnover allowance for this docket?

A. Yes, I have. Per discussions with the State of Rhode Island budget office I was told that the State's average turnover allowance last year was about 3%. Using the State budget office as a reliable source of a reasonable turnover allowance I used the 3% rate and applied it to the salaries and salary based benefits requested in this filing (See Schedule WEE-6).

1 **Q. How does your turnover allowance calculation in this abbreviated filing**
2 **compare to the turnover allowance approved by the Commission in Docket # 3483?**

3 A. I calculated 3% of 262 positions as 7.86. This results in a slightly greater turnover
4 allowance than the one approved by the Commission in Docket #3483 (2.8%).

5

6 **Q. Mr. Edge, the 12 additional positions requested in this filing were included in**
7 **the FYE 2004 and FYE 2005 budgets but the 2004 positions were not included in**
8 **Docket #3483. Now NBC is requesting that these 12 additional positions be**
9 **included in the cost of service. Can you explain this?**

10 A. Yes, there are actually a number of different reasons why these positions are needed
11 and I will address the reasons position by position. However, the 12 additional positions
12 subsequent to Docket #3483 are as follows:

13

Technical Advisor
Paralegal
Customer Service Statistical Analyst
Fields Point Assistant Inventory Control Clerk
Technical Database Coordinator
Environmental Monitoring Assistant (2)
Assistant Manager EMDA
Laboratory Tech Position
Environmental Compliance Tech Assistant
FP Operator
BP Operator

14

15 **Q. Mr. Edge, please provide the justification for each of the positions listed above.**

16 A. For each position I will provide a description of the position (A), an explanation of
17 how the work of that position was completed before the position was filled (B), and the
18 financial justification for the position (C).

19

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Technical Advisor:

A. This position is a newly created position which provides, on loan, an individual from NBC to serve at the Water Resources Board (WRB). This transfer (loan) was authorized under Chapter 42-40 of the General Laws of Rhode Island. This chapter allows for the “Interchange of Government Employees” between State agencies. The need for the loan to the WRB is the fact that the WRB is mandated by the General Assembly to develop and implement a Statewide Water Allocation Plan (SWAP) by mid-2004. Given that the WRB does not have adequate staff to accomplish this task on a timely basis, it was determined that NBC could loan one of its employees to head the project.

B. This position did not exist in the past and is a new position. The fact that the Chairman of the WRB’s Water and Wastewater Committee for the last several years was an NBC employee made the choice of the individual to transfer very easy. An agreement between the WRB, NBC and the individual was made in November 2003 and the individual moved to the WRB to head up the SWAP program.

C. NBC ratepayers will benefit from this newly created position. The primary benefit is the leadership role that this type of activity provides NBC in the industry. Also, many of the decisions that will be addressed in the SWAP program have direct impacts on the NBC operations and costs. For example, this committee will be discussing the reuse of NBC effluent (not uncommon in other states). This recommendation may result in either an increase or decrease in NBC’s costs, or even provide a new revenue stream.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Paralegal:

- A. This position will provide paralegal assistance to in-house counsel.

- B. Two capital projects, CSO and Biosolids precipitated a significant quantity of the legal work. Additional responsibilities include support and maintenance of the legal department which includes the following:
 - Substantial legal research resulting in research memos and opinions as requested by counsel.
 - Analyze law sources such as statutes, legal articles, legal decisions, opinions, rulings, memoranda, and other legal material for review, approval and use by counsel.
 - Assist in investigating facts and law to determine causes of action to prepare cases accordingly.
 - Provide paralegal assistance by interpreting applicable legal provisions, regulations, precedents and policies.
 - Assist in the adjudication of applications or cases on the basis of pertinent laws, regulations, precedent decisions.
 - Maintenance of legal files and case controls, and as required, to extract information from such legal files, as well as prepare legal forms and documents in depth.

- C. It is expected that this new paralegal position will reduce the need in the future to use very costly outside counsel to support the activities of in-house counsel research. It should also be noted that a portion of this position will be reimbursed through capital.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33

Customer Service Statistical Analyst:

A. Responsibilities of this position are as follows:

- Collection of delinquent accounts.
- Review and evaluate the Accounts Receivable Aging.
- Coordination between customer service and the field personnel for water shut offs.
- Assist with Lien Sales.
- Analyze various customer service and accounts receivable reports to identify and anticipate trends or inconsistencies.
- Prepare Customer Service activity reports including consumption summaries, collection results, and aging analysis.

B. This is a replacement position not included in the last docket. This position was previously filled but the individual left NBC in September 2002. Because the position was vacant at the time of NBC’s last filing it was not requested in the last docket. Due to the importance of the responsibilities listed above, the position was filled in May 2003.

C. This position is vital to the Customer Service Department. Without this position it is impossible to coordinate all collection activities while tracking and analyzing readings that are received from the various water boards.

Fields Point Assistant Inventory Clerk:

A. This position provides support services in the inventory area.

B. The work of this position was previously provided by higher paid employees (auto mechanics and inventory control clerks). When the Support Supervisor was promoted, NBC decided to redistribute the workload to other lower paying union positions.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34

C. This position is currently filled by an individual who was a long-term Worker's Compensation case. The case was resolved by offering this position as Suitable Alternative Employment. As you may recall, the worker's compensation account was reduced significantly in the last docket due, in part, to the settlement of this case. However, the salary increase that was required to settle the case was not recognized in the last docket.

Technical Database Coordinator (LIMS Administrator):

A. The responsibilities of this position include the overall development, implementation, integrity, troubleshooting, security and maintenance of NBC's new Laboratory Information Management System (LIMS) and other related technical database systems in the Division of Planning, Policy & Regulation.

Specific job responsibilities include the following:

- During development, the position is responsible for overseeing, managing and coordinating the activities of outside consultants.
- On a routine basis, the position maintains the database, designs and develops ad hoc, standard and user-requested custom reports, and ensures that the web interface remains operational for all users. The position is also responsible for the training of the systems' users in all aspects of the system.
- The position is responsible for all edits, changes, additions and deletions within the LIMS and other related database systems for routine procedures as well as all custom and routine reporting.
- The position will coordinate activities with the NBC Information Technology (IT) Section to ensure that technical and system issues are resolved in a timely manner and maximum availability of the systems is assured.

1
2 B. This position is needed for the new LIMS system. The lab's prior LIMS system was
3 unsatisfactory to users because it was obsolete in reporting and data storage and ran
4 on an unsupported operating system and old hardware. The system was not user
5 friendly and it was difficult to access information. The old system had been
6 managed through limited support from the IT section with lab personnel manually
7 producing reports.

8
9 C. NBC has invested in an upgrade to the LIMS system which is far more versatile and
10 sophisticated than the old system. It stores important data required by NBC, such as
11 RIPDES permit data, Waste Water Treatment Facility (WWTF) data, pretreatment
12 data, and special studies conducted by the Environmental Monitoring & Data
13 Analysis (EMDA) section. The web-based format allows all authorized NBC users
14 to access information and reports. The system is managed by the new position,
15 which requires a dedicated administrator with strong database management skills.
16 This position is essential to operate NBC's new LIMS system and fully integrate the
17 data with other applications.

18
19 **Environmental Monitoring Assistant (2 positions):**

20 A. One of these positions was vacant at the time of the last filing, and one is a new
21 position. These two positions are responsible for conducting mandated sampling
22 programs related to the NBC's Bucklin Point treatment plant, sewer system and the
23 commercial and industrial users connected to the system.

24
25 B. There previously were three individuals in the Bucklin Point plant that rotated taking
26 the samples. This activity is severely strained when one of the three is sick or on
27 leave. Staff are required to work every weekday Monday through Friday, and rotate
28 working weekends and holidays to ensure that the treatment facility is sampled every
29 day as required by the RIPDES permit. Given that the plant has to be sampled 365
30 days a year (per NBC's RIPDES permit) and the sewer system and commercial
31 connections must be sampled routinely, three employees are not enough.

32
33 C. The filling of the previously vacant position and the addition of the new position will

1 reduce overtime, improve morale and improve the efficiency of the facility. Further
2 it is anticipated that more frequent testing of commercial discharges may result in a
3 reduction of non-compliant pollutant discharges to the plant's receiving waters which
4 may save on treatment costs.

5
6

7 **Assistant Manager EMDA:**

8 A. This position is responsible for assisting the EMDA Manager by supervising the day-
9 to-day activities, projects and schedules of the professional, technical and union staff
10 involved with the collection of samples in industries, manholes, waste water
11 treatment facilities, urban rivers and the Narragansett Bay. The position is
12 responsible for the establishment, review and analysis of data, studies and sampling
13 plans to help ensure compliance of the NBC's treatment facilities.

14

15 B. This is a new position which is needed to address increased sampling required of
16 NBC by Federal and State requirements. Currently the EMDA manager is
17 attempting to do the work of two individuals and is in need of an assistant. As a
18 result some management duties as well as certain lesser tasks are simply not getting
19 done or are done late or in an inadequate fashion.

20

21 C. The major concern is that without this position there will be a lack of resources to
22 ensure that EMDA sampling, training, and safety programs function properly.
23 Understaffing in this area can result in inadequate sampling, which could
24 compromise RIPDES compliance. In addition, understaffing may result in
25 inadequate compliance with Federal mandates regarding Significant Industrial Users
26 (SIU). Failure to adequately sample SIU's may result in significant Federal fines.

27

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39

Laboratory Technician

- A. This position is required to comply with the many new laboratory requirements specified in the new RIPDES permits. This individual will be responsible for several analyses on a daily basis. This person would also be responsible for receiving samples Tuesday through Saturday. The position will also be responsible for cleaning of lab glassware and completing calibrations on lab equipment.

- B. Currently these activities are completed by higher paid employees resulting in Lab inefficiency. This inefficiency results in a backlog of analysis and slow turn-around in reporting lab results and added expense if samples have to be sent to outside laboratories.

- C. With the ever increasing number of samples required by the RIPDES permit this relatively inexpensive position will result in a much more efficient lab and also eliminate the need to hire additional more highly paid positions and reduce outside lab expenses.

Environmental Compliance Technical Assistant

- A. The following are the responsibilities of the this position:
 - Assist with planning and conducting on-site Pollution Prevention Technical Assistance visits of NBC Industrial Users to help solve non-compliance problems.
 - Assist NBC’s Environmental Compliance Coordinator with maintaining personnel health and safety computerized training records.
 - Assist NBC managers and supervisors with tracking and planning Environmental Health and Safety training events/activities.
 - Assist with organizing, planning and conducting seminars/ workshops on pollution prevention and environmental compliance issues important to the industrial community serviced by the NBC.
 - Develop and maintain an up-to-date computerized database of Pollution Prevention and NBC Environmental Health and Safety Compliance information and activities.

- 1 ➤ Work with NBC's Public Relations Office to maintain up-to-date Pollution
2 Prevention and Environmental Health and Safety Intranet and Internet web pages.
3
4

5 B. Currently NBC's Pollution Prevention Manager, Pollution Prevention Engineer and
6 NBC's Environmental Compliance Coordinator are conducting the first four
7 activities listed above. Much of this effort, however, is a response to resolving
8 immediate problems rather than being proactive for the prevention of
9 problems/incidents from occurring. The last two items are not currently being
10 performed.

11
12 C. Without the assistance of this position, NBC's Pollution Prevention staff will be
13 limited with respect to expanding internal NBC pollution prevention technical
14 assistance and environmental compliance assistance efforts. These efforts will be
15 conducted through such projects/activities as developing Environmental
16 Management Systems, expanded environmental, health and safety training and
17 education and conducting compliance audits of NBC facilities. The internal audits
18 and training will improve NBC compliance with state and federal regulations, reduce
19 hazardous waste generation and disposal cost and improve worker safety.

20
21 NBC is required to meet many new, and existing, environmental, health and safety
22 regulatory training and reporting requirements. These include timely filing of OSHA
23 300 logs, Tier II Reports, hazardous waste manifests and monthly discharge
24 monitoring reports (DMRs). This position would assist with tracking employee
25 training and arranging and providing training for Right to Know, Hazwoper,
26 confined space entry, traffic safety and other mandatory training events that must be
27 provided annually. Failure to address and comply with these requirements can result
28 in possible injury/harm to employees and/or issuance of fines and penalties.

29
30

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

Fields Point Operator:

- A. This position serves as a wastewater treatment operator on the 11:00pm –7:00 am shift.
- B. The previous employee was terminated and not included in the Docket #3483 request. His replacement was hired after the PUC filing but before this fiscal year.
- C. While this position was being posted and filled, NBC covered the position with overtime and tried to restrict vacation requests. This position is needed to maintain minimum staffing levels in the treatment plant.

Bucklin Point Operator:

- A. This position is a wastewater treatment operator that works 11:00pm – 7:00am on Tuesday and Wednesdays and 3:00pm – 11:00pm on Thursdays, Fridays and Saturdays.
- B. The previous person in this position was promoted as the result of the retirement of another employee.
- C. This position was filled on a temporary basis by moving another employee temporarily to his shift and with overtime until we could resolve a grievance with the union. This position is part of an agreed-upon staffing level with the union.

Q. Does that conclude your analysis of the 12 additional positions?

- A. Yes it does. However, it is important to point out that if any of the above 12 positions are rejected by the PUC then other cost line items (such as overtime) will be impacted and most likely will have to be increased. It is NBC’s hope that the PUC will see the necessity of the 12 additional positions and agree with NBC’s Board that the recommended positions are the least expensive way to accomplish the work which needs to be done for compliance with State and Federal mandates.

1 **Q. Mr. Edge how did you calculate the adjustments to the other salary related**
2 **accounts?**

3 A. The other salary related account adjustments were calculated on my schedules WEE-
4 5, 6 and 7. For the most part the calculations on Schedule WEE-5 are the result of salary
5 increases and mandated federal rates. These calculations are consistent with the method
6 of calculation used in the last docket.

7

8 As stated earlier Schedule WEE-6 shows my turnover allowance calculation. This
9 calculation is consistent with the turnover calculation in the last docket.

10

11 The health and dental insurance calculations on Schedule WEE-7 reflect the current rates
12 (FY 2004) paid to Blue Cross inflated by a percentage increase calculated as an average
13 of the last three-year Blue Cross increases. The Vision rates were not adjusted and are
14 the current rates. The 12 additional positions were added to the health, dental and vision
15 insurance using a weighted average basis calculated from the current staffing patterns.

16

17 **Q. How did you calculate the increase in worker's compensation – old claims of**
18 **\$100,000?**

19 A. NBC reviewed its current worker's compensation activity and it appears that the old
20 claims pay out in the rate year will be about \$150,000. Therefore it was necessary for
21 me to increase the allowance for old claims in the rate year by \$100,000. Detail of the
22 probable claims in the rate year can be made available at the NBC or through a
23 confidential data request.

24

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Q. Mr. Edge, you have already explained your turnover allowance, but what is the Solids Handling Savings?

A. For this filing, NBC has assumed that it will no longer incinerate sludge at Fields Point. The solids handling equipment and incinerator are obsolete and each year they cost more and more to operate. To properly retrofit and in fact replace the aging solids handling facilities at the plant, NBC would need to invest tens of millions of dollars. In addition, there are permitting concerns for any new facility. NBC’s analysis shows that it is cost effective to outsource this activity. The ratepayers will be better served with this activity being outsourced.

The savings from this decision include payroll related and operating savings. These savings are offset by the increased cost of sludge disposal. The payroll related solids handling savings of \$338,724 are shown on my Schedule WEE-8. That schedule shows that there will be savings from the salary and the related salary accounts of 2.4 FTE’s.

Included in the \$338,724 is \$200,000 of savings in overtime. This overtime savings is the result of the 12 additional positions mentioned earlier in this testimony and the use of the remaining solids handling personnel to cover illness, vacation and leave.

The 2.4 positions that will be eliminated were calculated by taking the solids handling compliment of 2 individuals per shift times 24/7 coverage. The result is 8.4 positions. Six of the positions will be used for operations maintenance, as a resource to reduce overtime and as a pool of qualified replacements should more senior employees retire or leave.

1

2 **Q. Mr. Edge, there is a new account “Salary & Fringe Turn Over Allowance” after**
3 **the capital reimbursement accounts. What is this account?**

4 A. This account is needed to reflect the turnover allowance that is expected for the
5 individuals whose salaries and fringes are reimbursed from the capital accounts. It is
6 reasonable to assume that the turnover allowance expected for NBC employees paid
7 through operations will also occur for the employees funded through capital accounts.
8 This adjustment reduces the impact of the capital reimbursements and was calculated as
9 follows:

10

Salary Reimbursement	\$ 922,167
Fringe Reimbursement	459,792
Total	\$1,381,959
	X .03
Turnover	\$41,459

11

12

1 **Q. It appears from the previous table that the largest operating expense item**
2 **impacting this abbreviated rate filing is the outsourcing of sludge disposal. Is that**
3 **correct?**

4 A. Yes, as I calculated on my Schedule WEE-9 there is a \$2,805,522 increase in the
5 sludge loading/disposal account. This increase is partially offset by the salary and
6 salary-related expense account reductions reviewed previously in this testimony, the
7 elimination of 7 sludge incineration related operating accounts as shown on the above
8 table and the reduction in the use of Hypochlorite at Bucklin Point.

9
10 **Q. Why is NBC getting out of the sludge disposal business?**

11 A. For many reasons, the most important is the fact that it is more cost effective to
12 outsource sludge disposal. As previously discussed, the increase in the sludge
13 loading/disposal expense is greater than the savings in payroll and operating accounts.
14 However, the solids handling facilities are obsolete and in need of significant capital
15 investment. NBC determined that to replace the incinerator it would cost approximately
16 \$21 million dollars. When you add the debt service of a \$21 million borrowing (over
17 \$1.5 million dollars per year) to the payroll and operating costs listed above it is obvious
18 that NBC should outsource this activity. NBC's Board has approved the outsourcing
19 option.

20
21 **Q. Mr. Edge have you looked at any other options for sludge handling other than**
22 **the one filed in this docket?**

23 A. Yes I have. The capital investment approach (borrowing \$21 million) noted above
24 was far more expensive to the ratepayers and rejected for this filing. However, I looked
25 at two other solids handling scenarios. The first was assuming that the BPWWTF used a
26 contract rate with Rhode Island Resource Recovery Corporation (RIRRC) for ½ a year
27 and market rates for ½ the year and that the FPWWTF operates the incinerator for a full
28 year. NBC is in negotiations as of this writing and this option may be in place by the
29 date the hearings in this docket are held. This approach would reduce the revenue
30 requested in this docket by \$659,061.

31

1 The other scenario that I reviewed was that the BPWWTF use a contracted rate with
2 RIRRC for ½ a year and market rates for ½ the year and that the FPWWTF go on the
3 RIRRC rate for the entire Rate Year. This approach would decrease the revenue
4 requirement filed in this docket by \$304,037. Nevertheless both of these options are less
5 expensive than the method filed.

6

7 **Q. In that case why did you file for the most costly approach?**

8 A. At this time I do not know if either of the other two approaches will be available for
9 the rate year. Negotiations are ongoing and by the time hearings in this docket are
10 completed we should have better information. NBC will adopt one of the lesser cost
11 approaches if it should become available, and notify the Division and Commission and
12 provide the appropriate adjustments. However, for now the full year at \$380 per dry ton
13 approach protects NBC from the possibility that the worst case scenario becomes reality.

14

15 **Q. Are any of the remaining accounts not previously discussed related?**

16 A. Yes. I have made adjustments to a number of accounts that relate to the upgrade of
17 the Bucklin Point WWTF (Contract 807) as follows:

18

19 ELECTRICITY

20

21 There will be a significant increase in the requirement for electricity resulting from the
22 new construction. The most significant factors are the addition of Screw Pumps,
23 Denitrification Recycle Pumps, Anoxic Mixers, Blowers, Effluent Pumps and UV
24 Disinfection System. Based on current estimates by Camp, Dresser and McKee, Inc
25 (CDM) the projected future electric demand will result in a net increase in cost of
26 approximately \$464,147 per year. Overall the increase will be partially offset by the
27 elimination of the electricity used by the incinerator at Fields Point. See the attached
28 Schedule WEE-10.

29

1
2 SODA ASH
3

4 Soda ash will be required for the denitrification process at the renovated Bucklin Point
5 facility. According to a CDM design memorandum dated June 15, 1999, it is anticipated
6 that the average daily use of soda ash will be 10,160 pounds. CDM advises that the cost
7 of soda ash in 1999 was \$110 per ton. Therefore, assuming an inflation rate of 3% for six
8 years, the projected yearly cost of soda ash is \$243,541 (See my schedule WEE-11)

9
10
11 SODIUM HYPOCHLORITE
12

13 Sodium hypochlorite is currently used to disinfect dry weather and wet weather flows.
14 The current use at Bucklin Point is approximately \$225 per day for this activity. After
15 the completion of the Bucklin Point Improvements the dry weather flow will be
16 disinfected with the ultra violet disinfection system saving about \$62,000 in sodium
17 hypochlorite per year. The wet weather flows will continue to be disinfected with
18 sodium hypochlorite at an annual cost of \$20,117.

19
20 Unfortunately it appears that the price increase, along with the increase in usage at Fields
21 Point and for Interceptor Maintenance, will more than off-set the savings of sodium
22 hypochlorite at Bucklin Point. The net increase is \$37,625 (See WEE-12)

23
24
25 NATURAL GAS
26

27 Heat will be required in the new Screening and Grit Building, Blower Building, Primary
28 Sludge Pumping Station, Dry Weather Effluent Pumping Station and the Heat Exchange
29 Building. No heat will be required for the existing Screen and Grit Building as it is
30 being demolished. Additionally, the equipment in the Blower Building and Heat
31 Exchanger Building will generate heat and little gas will be required. It is estimated that
32 the increase in gas resulting from the renovated Bucklin Point facilities will total
33 \$134,116. This is coupled with an increase in rates and the total increase is \$187,353
34 (See Schedule WEE-13).

1
2 **Q. Your table also has a few other operating expense accounts that require**
3 **adjustment. You have discussed all but Insurance, Sodium Bisulfite, Computer**
4 **Supplies, Regulatory Expense and Net Operating Reserve. Would you please**
5 **explain the adjustments that you are recommending in these accounts?**

6 A. Yes I will. Insurance will realize an increase in the rate year greater than 10% and I
7 have calculated the increase on my Schedule WEE-14. This schedule provides the actual
8 2004 cost per coverage. I have increased the actual 2004 costs to reflect a 15% increase
9 expected for the rate year (per Starkweather & Shepley). Worker's Compensation was
10 increased by 25% due to an increase in losses realized in the current fiscal year.

11
12 Sodium Bisulfite will increase in the rate year as calculated on my schedule WEE-15.
13 This increase is the result of an increase in use and price. The price per gallon (\$0.623)
14 is the current price that is contracted through the rate year.

15
16 Computer Supplies expense has been decreased for the rate year. The one account that
17 appeared to be out of line in the reconciliation requested by the Division (WEE-22) was
18 computer supplies. NBC expected an increase in this account which did not materialize.
19 Therefore I calculated a reduction in this account of \$92,636 (See WEE-16).

20
21 Regulatory expense is a required schedule (See WEE-17). This schedule shows that this
22 account will be \$40,928 greater than the amount approved in the last docket. The rate
23 case expense for this docket was estimated at \$39,000 and amortized over three years.

24
25 Net operating reserve has been recalculated to reflect the increase in operating costs and
26 also to reflect a 1.5 % net operating allowance (See WEE-18). NBC believes that the
27 Division's adjustment in the last docket to eliminate the debt service from the overall
28 calculation reduced the net operating allowance to a marginal level. The Commission's
29 further reduction of the rate from 1.5 % to 1 % made the margin for error even smaller.
30 NBC's operations have been exemplary and the CSO project is progressing very well.
31 NBC respectfully requests that the Commission allow a 1.5 % allowance on operating
32 expenses (net of debt service).

33

1 **Q. Mr. Edge, have you provided the most current three-year comparison of**
2 **revenues and expenses?**

3 A. Yes, please see Schedule WEE-3.
4

5 **Q. Have you provided any other schedules?**

6 A. Yes. I have provided a schedule that shows the calculation of the across-the-board
7 increase percentage of 10.25% (See Schedule WEE-19). Also, I have prepared a
8 Schedule WEE-20 that shows ratepayer impact of the proposed rate increase and
9 Schedule WEE-21 that provides the rate year revenue by customer class (revenue proof).
10 Schedule WEE-2 provides revenue by customer class for the test year.
11

12 **Q. Mr. Edge, you mentioned earlier that the Division requested that NBC complete**
13 **two reconciliations relating to the last docket and the most current actual data (FYE**
14 **June 30, 2003. Your schedule WEE-22 reflects these two reconciliations. Would**
15 **you summarize the results?**

16 A. Yes I will. I compared the test year in Docket 3483 to the actual results of adjusted
17 FYE June 30, 2003. I calculated six revenue and seven expense variances in excess of
18 \$100,000. The revenue variances were the result of increase approved in Docket #3409.
19 The expense variances were as follows:
20

- 21 ➤ Salaries and wages increased for cost of living and merit increases. Also the
22 increase reflects the additional positions discussed in length in Docket #3483.
- 23 ➤ The increase in employee retirement is the result of increased salaries and wages
24 and an increase in the retirement contribution from 5.59% to 7.68% in FY 2002
25 and FY 2003 respectively.
- 26 ➤ Health insurance rates were up approximately 20% in FYE June 30, 2003.
- 27 ➤ The increase in salary reimbursements is due to six new positions added to the
28 capital program at Bucklin Point. These positions were approved in Docket
29 #3483.
- 30 ➤ The reduction in sludge loading/disposal expense was anticipated and discussed in
31 Docket #3483.

- 1 ➤ The decrease in rental properties is due to the fact that NBC no longer rents office
- 2 space at 235 Promenade Street.
- 3 ➤ Computer expense had been anticipated to increase but efficiencies by NBC
- 4 resulted in computer supply expense actually decreasing.

5

6 The second half of Schedule WEE-22 shows the variances between the Rate Year in
7 docket #3483 and the actual results for FYE June 30, 2003. The variances are as
8 follows:

9

- 10 ➤ Revenues are greater in the rate year by the increases approved in Dockets #3483
- 11 and #3409.
- 12 ➤ Increase in personnel is the result of an increase in the number of employees and
- 13 the increase in fringe rates approved in Docket #3483.
- 14 ➤ Sludge increase due to an increase in volume as discussed in Docket #3483.
- 15 ➤ The increase in trash/grit removal is due to additional sewer cleaning and the
- 16 floatable control facility coming on line.
- 17 ➤ Insurance costs were anticipated to increase 25% in the rate year that came to
- 18 fruition.
- 19 ➤ Repair building and structure was projected using a three-year average. FYE 2004
- 20 was less than the average.
- 21 ➤ Electricity was estimated using a three-year average for Docket #3483. FYE was
- 22 less than the three-year average.
- 23 ➤ Computer supplies were overstated in Docket #3483 because NBC did not realize
- 24 that they could obtain efficiencies that were in fact obtained. This account was
- 25 adjusted in this abbreviated rate filing.

26

1
2
3
4
5
6
7
8
9
10

Q. Are there any rate design issues?

A. No. Because this is an abbreviated filing it is my understanding that no rate design issues are allowed. Nevertheless, NBC believes that the current rate design is reasonable and that the increase should be implemented on an across-the-board basis with the exception of Septage Income and Pretreatment fees. Due to the price elasticity of demand with respect to septage, it is expected that any increase would result in an offsetting decrease. Hence, no increase is suggested for septage in this filing. Please see table below comparing septage rates.

City/Town	Septage Discharge Rate (dollars per gallon)
Burrillville	\$50.70
Woonsocket	\$15.00
East Providence	\$25.00
NBC	\$58.00
Warwick	\$47.00
Bristol	\$25.00
South Kingstown	\$42.00

11
12
13
14
15
16
17
18
19

Also with every “across the board increase” Pretreatment fees have been increased. NBC has had feed back from customers that the higher Pretreatment permit fees have discouraged businesses from locating in the NBC service area, and some firms have relocated to Quonset and other nearby cities that have lower discharge permit fees. The Commission had previously required the NBC to recoup Pretreatment Program expense through permit fees, and this is being accomplished at the present rate structure.

Q. Does that conclude your prefiled testimony?

A. Yes.

20
21

Narragansett Bay Commission
Direct Testimony by Walter E. Edge Jr., MBA, CPA
Schedules

Schedule	Schedule Number
Test Year Cost of Service	WEE - 1
Test Year Revenue by Source	WEE - 2
Three Year Comparison	WEE - 3
Rate Year Cost of Service	WEE - 4
Expense Analysis - Salaries & Payroll Accounts	WEE - 5
Expense Analysis - Turnover Calculation	WEE - 6
Expense Analysis - Health Benefits	WEE - 7
Expense Analysis - Sludge Personnel Reduction	WEE - 8
Expense Analysis - Sludge Loading/Disposal	WEE - 9
Expense Analysis - Electricity	WEE - 10
Expense Analysis - Soda Ash	WEE - 11
Expense Analysis - Chlorline/Hypochlorite	WEE - 12
Expense Analysis - Natural Gas	WEE - 13
Expense Analysis - Insurance	WEE - 14
Expense Analysis - Sodium Bisulfite	WEE - 15
Expense Analysis - Computer Supplies	WEE - 16
Expense Analysis - Regulatory Expense	WEE - 17
Operating Reserve Calculation	WEE - 18
Across the Board Increase Calculation	WEE - 19
Ratepayer Impact	WEE - 20
Rate Year Revenue by Source	WEE - 21
Division Requested Comparison	WEE - 22

Narragansett Bay Commission
Test Year

Schedule WEE -1

Acct. #	Account Description	Test Year
<i>Revenue</i>		
41000	FLAT FEES RESIDENTIAL	8,913,649
41100	MEASURED FEE - RESIDENTIAL	17,370,637
41501	FLAT FEES COMMERCIAL	5,780,891
41502	FLAT FEES INDUSTRIAL	
41510	MEASURED FEE - COMMERCIAL	13,719,069
41511	MEASURED FEE - INDUSTRIAL	2,604,465
42000	DISCHARGE PERMIT FEES	1,259,546
42500	CONNECTION PERMIT FEES	76,820
43000	BOD/TSS SURCHARGE	170,578
43500	SEPTAGE INCOME	860,720
44502	MISCELLANEOUS OPERATING INCOME	1,883
45100	INTEREST INCOME	244,713
45500	LATE CHARGE PENALTY	470,674
46500	ENVIRONMENTAL ENFORCEMENT	-
47000	REIMBURSED COLLECTION COSTS	-
47500	GRANT	16,981
	ABATEMENT FEE	-
	ARBITRAGE REBATE	4,428
49002	MISCELLANEOUS INCOME	1,521
	<i>Total Revenue</i>	51,496,575
<i>Expenses</i>		
Personnel Services		
	SALARIES & WAGES	11,163,080
	OVERTIME	479,520
	EMPLOYEE RET. BEN - STATE & SEP	1,099,460
52810	EMPLOYEE RET.BEN.-FICA	873,243
52820	EMPLOYEE BENEFITS-UI	31,638
52940	RETIREMENT HEALTH - STATE	47,120
52950	EMPLOYEE BEN.-HEALTH INS.	2,265,880
52990	EMPLOYEE BEN-DISABILITY INS.	36,743
54950	HEALTH INSURANCE-RETIRES	1,646
55700	WORKERS COMP-OLD CLAIMS	50,000
	TURNOVER ALLOWANCE	(433,152)
	<i>Total Personnel Services</i>	15,615,178
59000	SALARY REIMBURSEMENT	(896,645)
59001	FRINGE REIMBURSEMENT	(387,889)
	<i>Net Personnel Services</i>	14,330,644
Operating Supplies & Expense		
52610	MEDICAL SVCS.	8,220
52640	BLDG. & GRND. MAINT.	98,863
52641	SLUDGE LOADING/DISPOSAL	1,732,575
52642	TRASH/GRIT REMOVAL	212,440
53200	BAD DEBT EXPENSE	160,000
53210	POSTAGE	134,699
53220	TELEPHONE & TELEGRAPH	158,214

Narragansett Bay Commission

Schedule WEE -1

Test Year

Acct. #	Account Description	Test Year
53230	OFFICE EXPENSE	93,249
53240	DUES & SUBSCRIPTIONS	29,954
53250	FREIGHT, CART. & EXP.	40,104
53260	INSURANCE	564,950
53270	CENTRAL PHONE SVCS.	6,065
53310	PRINTING & BINDING	85,396
53320	ADVERTISING	17,355
53410	MILEAGE ALLOWANCE	2,572
53420	OUT-OF-STATE TRAVEL	48,501
53510	AUTOMOTIVE MAINTENANCE	126,859
53610	REPAIR-BLDG & STRUCTURE	645,479
53611	INCINERATOR-SOLIDS HANDLING REPAIRS	235,916
53620	REPAIR-HIGHWAY & WALKS	4,380
53630	EQUIPMENT MAINTENANCE AGREE	471,451
53640	GENERAL REPAIRS	18,878
53810	RENTAL-OUTSIDE PROPERTY	2,107
53820	RENTAL- EQUIPMENT	17,746
53830	RENTAL- CLOTHING	44,550
54010	#1 FUEL OIL - KEROSENE	-
54020	FUEL OIL #2	231
54021	FUEL OIL #2 - INCINERATOR	9,967
54060	FUEL-GAS	194,332
54061	FUEL- GAS - INCINERATOR	321,003
54090	ELECTRICITY	2,091,544
54110	WATER	67,872
54200	CLOTHING & CLOTHING MAT.	23,625
54210	SAFETY EQUIPMENT	17,005
54320	SPECIAL EDUC. SUPP. & EXPENSES	-
54330	HH,LAUND. & CHEMICALS	20,826
54332	CHEM-CHLORINE/HYPOCHLORITE	352,196
54334	CHEM-LIME	20,536
54335	CHEM-POLYMER	100,662
54337	CHEM-SODIUM BISULFITE	49,986
	SODA ASH	-
54340	MEDICAL, SURG. AND LAB.	189,879
54360	HIGHWAY & LANDSCAPE	2,242
54370	BLDG. & MACH. SUPPLIES	114,464
54371	INCINERATOR SUPPLIES	3,491
54410	EDUCATIONAL SUPP. & EXP.	79,231
54420	COMPUTER SUPPLIES	313,881
54550	OTHER OPERATING SUPP.	1,810
54590	MISCELLANEOUS EXPENSE	4,168
55820	EDUCATION SCHOOL AIDE	525
55850	CLAIMS	-
57600	EQUIP LOSSES-CASUALTY THEFT	-
	<i>Total Operating Supplies & Expense</i>	<u>8,939,998</u>
Special Services		
54430	EXPENSES FOR BONDS & NOTES	2,500
52600	REGULATORY EXPENSE	151,495
52620	ARCHITECT/ENG. SERVICES	750
52630	LECTURES/ED./PROF. SVCS.	198

Narragansett Bay Commission
Test Year

Schedule WEE -1

Acct. #	Account Description	Test Year
52650	SECURITY SERVICES	17,804
52660	LEGAL SERVICES	129,185
52670	MGMT/AUDIT SERVICES	1,419,173
52680	SPECIAL CLERICAL SERVICES	13,233
52690	ALL OTHER SPECIAL SERVICES	253,773
	<i>Total Special Services</i>	<u>1,988,111</u>
 Capital Outlays		
16200	LANDFILL	
16510	AUTOMOTIVE EQUIP.	128,000
16520	BLDG. & PLANT EQUIP.	519,650
16530	CONSTRUCTION EQUIP.	-
16540	ED. AND REC. EQUIP.	-
16570	LABORATORY EQUIP.	151,000
16580	OFFICE FURN & EQUIP/COMPUTER	598,700
16590	OTHER EQUIP.	-
16610	BUILDING & OTHER STRUCT.	125,000
16630	IMP.-NOT BLDG OR STRUCT.	-
19300	REPLACEMENT RESERVE	370,000
	PRIOR YEAR DEBT COVERAGE	<u>(1,892,350)</u>
	<i>Total Capital Outlays</i>	-
 Depreciation & Amortization		
57010	AMORTIZATION	9,690
57500	DEPRECIATION	-
	<i>Total Depreciation & Amortization</i>	<u>9,690</u>
	 <i>Total Operating Expenses</i>	 <u><u>25,268,443</u></u>
 Debt Service		
	DEBT COVERAGE	6,094,071
57910	INTEREST	-
	PRINCIPAL	21,909,888
	CARRY FORWARD FROM PREVIOUS YEAR	<u>(2,025,910)</u>
	<i>Total Debt Service</i>	<u>25,978,049</u>
	<i>Total Expenses</i>	51,246,492
	<i>Net Operating Reserve</i>	<u>252,684</u>
		51,499,176
	<i>Net Income</i>	<u><u>(2,601)</u></u>

**Narragansett Bay Commission
Test Year Revenue By Source**

Schedule WEE-2

User Fee Revenues

	UNITS	RATES	REVENUE
Residential			
Dwelling Units	112,831	\$79.00	\$8,913,649
Flow	10,689,623	\$1.63	\$17,370,637
Non-Residential - Metered Accounts			
5/8"	3,828	177	677,556
3/4"	880	265	233,200
1"	1,045	442	461,890
1 1/2"	832	884	735,488
2"	1,799	1,415	2,545,585
3"	73	2,652	193,596
4"	51	4,420	225,420
6"	57	8,841	503,937
8"	13	14,145	183,885
10"	1	20,334	20,334
Total Flat Fees from Metered Accounts			\$5,780,891
Commercial Consumption	5,825,507	2.355	\$13,719,069
Industrial Consumption	1,719,119	1.515	\$2,604,465
Total User Fee Revenues			48,388,711.00
Miscellaneous Revenue			
DISCHARGE PERMIT FEES	1,259,546		
CONNECTION PERMIT FEES	76,820		
BOD/TSS SURCHARGE	170,578		
SEPTAGE INCOME	860,720		
MISC. OPERATING INCOME	1,883		
INTEREST INCOME	244,713		
LATE CHARGE PENALTY	470,674		
ENVIRONMENTAL ENFORCEMENT	-		
REIMBURSED COLLECTION COSTS	-		
GRANT	16,981		
ARBITRAGE REBATE	4,428		
ABATEMENT	-		
MISCELLANEOUS INCOME	1,521		
Total Miscellaneous Revenue			3,107,864
		Total Revenues:	51,496,575
		Total Revenues per WEE-1	51,496,575
		Difference:	0

**Narragansett Bay Commission
Three Year Comparison**

Schedule WEE-3

ACCT. #	BUDGET ACCOUNT DESCRIPTION	FY 2001 ACTUAL	FY 2002 ACTUAL	FY 2003 ACTUAL
REVENUE				
41000	FLAT FEES RESIDENTIAL	\$ 5,473,167	\$ 6,165,839	\$ 7,891,203
41100	MEASURED FEE - RESIDENTIAL	9,329,376	11,930,258	15,815,040
41501	FLAT FEES COMMERCIAL	2,984,722	3,459,797	4,588,214
41502	FLAT FEES INDUSTRIAL	520,681	466,426	466,677
41510	MEASURED FEE - COMMERCIAL	7,620,100	9,580,646	11,830,167
41511	MEASURED FEE - INDUSTRIAL	1,837,494	1,646,572	1,402,661
42000	DISCHARGE PERMIT FEES	875,338	861,821	1,083,886
42500	CONNECTION PERMIT FEES	57,150	51,450	106,164
43000	BOD/TSS SURCHARGE	201,261	116,088	187,438
43500	SEPTAGE INCOME	599,232	597,696	610,582
44502	MISCELLANEOUS OPERATING INCOME	278,130	30,764	6,460
45100	INTEREST INCOME	494,964	244,713	260,466
45500	LATE CHARGE PENALTY	446,311	470,674	434,509
46000	REIMBURSE ENFORCEMENT COSTS			-
46500	ENVIRONMENTAL ENFORCEMENT	40,639	5,060	42,260
47000	REIMBURSED COLLECTION COSTS		16,981	-
47500	GRANT	228,265	1,132,839	391,631
	ABATEMENT FEE		4,428	5,040
	DONATED ASSETS	160,201		-
	ARBITRAGE REBATE		260,632	-
	CONTRIBUTED ASSETS		9,064,450	-
49002	MISCELLANEOUS INCOME	1,512	32,560	117,821
	TOTAL REVENUE	31,148,543	46,139,694	45,240,219
EXPENSES				
PERSONNEL SERVICES				
	SALARIES & WAGES	8,816,915	10,387,021	10,664,101
	OVERTIME	440,966	464,876	528,832
52700	WORKER'S COMP. - REGULAR	-	-	-
	EMPLOYEE RET. BEN - STATE & SEP	803,037	821,082	924,265
52810	EMPLOYEE RET. BEN.-FICA	693,682	814,872	840,485
52820	EMPLOYEE BENEFITS-UI	27,487	31,638	52,263
52830	EMPLOYEE BENEFITS-MED. INS.	10,761	-	-
52840	EMPLOYEE BEN. GRP. LIFE	-	-	-
52940	RETIREMENT HEALTH - STATE	30,448	33,886	42,233
52950	EMPLOYEE BEN.-HEALTH INS.	1,439,029	1,568,933	1,917,779
52960	EMPLOYEE BEN.-PRESCRIPTIONS	-	-	-
52970	EMPLOYEE BENEFITS-DENTAL	-	-	-
52980	EMPLOYEE BENEFITS-VISION	-	-	-
52990	EMPLOYEE BEN-DISABILITY INS.	22,456	26,197	32,589
54540	WORKERS COMP - ADMIN. COSTS	-	-	-
54770	SUPP. PENSION - RETIREES	-	-	-
54950	HEALTH INSURANCE-RETIREES	4,393	1,646	-
55700	WORKERS COMP- OLD CLAIMS	187,227	152,662	53,372
	TOTAL PERSONNEL SERVICES	12,476,401	14,302,813	15,055,919
59000	SALARY REIMBURSEMENT	(461,157)	(627,818)	(838,176)
59001	FRINGE REIMBURSEMENT	(221,271)	(300,072)	(322,505)
	NET PERSONNEL SERVICES	11,793,973	13,374,923	13,895,238

**Narragansett Bay Commission
Three Year Comparison**

Schedule WEE-3

ACCT. #	BUDGET ACCOUNT DESCRIPTION	FY 2001 ACTUAL	FY 2002 ACTUAL	FY 2003 ACTUAL
52641	SLUDGE LOADING/DISPOSAL	1,960,091	1,901,367	1,452,778
52642	TRASH/GRIT REMOVAL	100,921	116,485	106,072
53200	BAD DEBT EXPENSE	-	206,109	164,401
53210	POSTAGE	115,076	123,777	145,448
53220	TELEPHONE & TELEGRAPH	101,542	138,807	146,416
53230	OFFICE EXPENSE	44,478	93,949	92,852
53240	DUES & SUBSCRIPTIONS	32,904	29,954	54,047
53250	FREIGHT, CART. & EXP.	36,343	40,171	39,568
53260	INSURANCE	388,628	422,341	444,035
53261	INSURANCE-VEHICLES	-	-	-
53270	CENTRAL PHONE SVCS.	39,395	22,965	6,441
53280	CENTRAL STORAGE CHARGE	-	-	-
53310	PRINTING & BINDING	95,348	85,396	82,386
53320	ADVERTISING	13,739	17,355	15,804
53410	MILEAGE ALLOWANCE	2,721	2,572	3,323
53420	OUT-OF-STATE TRAVEL	36,029	49,026	50,204
53510	AUTOMOTIVE MAINTENANCE	102,706	126,859	139,548
53610	REPAIR-BLDG & STRUCTURE	710,368	625,092	545,168
53611	INCINERATOR	183,699	228,395	200,643
53620	REPAIR-HIGHWAY & WALKS	2,127	4,380	1,604
53630	EQUIPMENT MAINTENANCE AGREE	294,233	363,142	385,678
53640	GENERAL REPAIRS	-	18,878	19,320
53810	RENTAL-OUTSIDE PROPERTY	522,942	180,687	6,332
53820	RENTAL- EQUIPMENT	23,618	17,746	44,540
53830	RENTAL- CLOTHING	32,022	61,595	53,933
54010	KEROSENE	4,976	-	2,175
54020	FUEL OIL #2	8,733	231	220
54021	FUEL OIL #2 - INCINERATOR	12,633	9,967	16,289
54060	FUEL-GAS	236,957	174,105	226,880
54061	FUEL- GAS - INCINERATOR	663,952	427,954	387,100
54090	ELECTRICITY	2,164,899	1,546,871	1,954,175
54110	WATER	53,728	67,872	61,190
54200	CLOTHING & CLOTHING MAT.	17,842	23,625	21,986
54210	SAFETY EQUIPMENT	20,074	17,005	37,708
54310	LANDFILL EXPENSE	-	-	-
54320	SPECIAL EDUC. SUPP. & EXPENSES	11,121	10,470	13,944
54330	HH,LAUND. & CHEMICALS	10,448	20,826	22,542
54332	CHEM-CHLORINE/HYPOCHLORITE	224,381	352,196	366,820
54333	CHEM-FERRIC	-	-	-
54334	CHEM-LIME	14,387	20,536	13,400
54335	CHEM-POLYMER	82,557	100,662	87,453
54336	CHEM-POTASSIUM	-	-	-
54337	CHEM-SODIUM BISULFITE	95,826	49,986	59,507
54340	MEDICAL, SURG. AND LAB.	116,730	145,525	208,986
54360	HIGHWAY & LANDSCAPE	2,942	2,242	4,327
54370	BLDG. & MACH. SUPPLIES	113,592	148,678	169,601
54371	INCINERATOR	2,209	3,491	488
54380	CENTRAL SERVICES	-	-	-
54410	EDUCATIONAL SUPP. & EXP.	93,707	80,231	83,408
54420	COMPUTER SUPPLIES	98,190	318,824	154,418
54530	PUBLIC PROJ FIN MGMT CHARGE	-	-	-
54550	OTHER OPERATING SUPP.	5,379	1,810	3,597
54590	MISCELLANEOUS EXPENSE	2,527	4,168	5,735
55820	EDUCATION SCHOOL AIDE	550	8,435	5,600
55850	SLUDGE ADJUSTMENT FACTOR	-	-	3,000
56210	LANDFILL CLOSURE	90	-	-
57600	EQUIP LOSSES-CASUALTY THEFT	3,020	117,486	25,473

**Narragansett Bay Commission
Three Year Comparison**

Schedule WEE-3

ACCT. #	BUDGET ACCOUNT DESCRIPTION	FY 2001 ACTUAL	FY 2002 ACTUAL	FY 2003 ACTUAL
58930	RESIDENTIAL REFUNDS	-	-	-
58935	NON RESIDENTIAL REFUNDS	-	-	-
58960	INDIRECT COSTS	-	-	-
58970	INDIRECT OVERHEAD ADJUST.	-	-	-
59002	CONSTR. IN PROGRESS RECL.	-	-	-
<i>TOTAL OPERATING SUPP. & EXP.</i>		<u>8,985,343</u>	<u>8,637,327</u>	<u>8,240,576</u>
 <i>SPECIAL SERVICES</i>				
52600	REGULATORY EXPENSE	98,080	108,648	102,924
52620	ARCHITECT/ENG. SERVICES	2,645	750	-
52630	LECTURES/ED./PROF. SVCS.	-	198	-
52650	SECURITY SERVICES	29,393	17,804	16,034
52660	LEGAL SERVICES	158,349	138,136	133,455
52670	MGMT/AUDIT SERVICES	1,268,885	1,428,847	1,473,344
52680	SPECIAL CLERICAL SERVICES	41,882	14,555	67,270
52690	ALL OTHER SPECIAL SERVICES	840,296	348,876	218,469
<i>TOTAL SPECIAL SERVICES</i>		<u>2,439,530</u>	<u>2,057,814</u>	<u>2,011,496</u>
 <i>CAPITAL OUTLAYS</i>				
16200	LANDFILL	-	-	-
16510	AUTOMOTIVE EQUIP.	47,292	26,263	20,500
16520	BLDG. & PLANT EQUIP.	72,300	205,879	353,512
16530	CONSTRUCTION EQUIP.	-	-	-
16540	ED. AND REC. EQUIP.	-	-	-
16570	LABORATORY EQUIP.	4,515	34,585	68,691
16580	OFFICE FURN & EQUIP/COMPUTER	24,999	424,059	165,552
16590	OTHER EQUIP.	5,415	6,940	-
16610	BUILDING & OTHER STRUCT.	-	15,740	50,483
16630	IMP.-NOT BLDG OR STRUCT.	-	14,950	21,076
19300	REPLACEMENT RESERVE	449,935	422,845	502,527
	PRIOR YEAR DEBT COVERAGE	(604,456)	(1,151,261)	(1,182,341)
<i>TOTAL CAPITAL OUTLAYS</i>		<u>-</u>	<u>-</u>	<u>-</u>
 <i>DEBT SERVICE</i>				
54430	EXPENSES FOR BONDS & NOTES	3,250	2,500	2,500
57010	AMORTIZATION	131,095	149,406	200,863
57500	DEPRECIATION	5,256,974	5,699,783	5,780,423
57910	INTEREST	2,563,511	2,877,973	4,296,363
57920	PRINCIPAL	-	-	-
	DEBT COVERAGE	-	-	-
58920	INTEREST - LATE PMT.	-	-	-
58940	ARBITRAGE EXPENSE	17,518	-	-
58990	OTHER	-	-	-
<i>TOTAL DEBT SERVICE</i>		<u>7,972,348</u>	<u>8,729,662</u>	<u>10,280,149</u>
TOTAL EXPENSES		<u>31,191,194</u>	<u>32,799,726</u>	<u>34,427,459</u>
NET INCOME		<u>\$ (42,651)</u>	<u>\$ 13,339,968</u>	<u>\$ 10,812,760</u>

**Narragansett Bay Commission
Rate Year Cost of Service**

Schedule WEE -4

Acct. #	Account Description	Test Year	Adjustments	Rate Year
<i>Revenue</i>				
41000	FLAT FEES RESIDENTIAL	\$ 8,913,649	\$ -	\$ 8,913,649
41100	MEASURED FEE - RESIDENTIAL	17,370,637	-	17,370,637
41501	FLAT FEES COMMERCIAL	5,780,891	-	5,780,891
41502	FLAT FEES INDUSTRIAL		-	
41510	MEASURED FEE - COMMERCIAL	13,719,069	-	13,719,069
41511	MEASURED FEE - INDUSTRIAL	2,604,465	-	2,604,465
42000	DISCHARGE PERMIT FEES	1,259,546	-	1,259,546
42500	CONNECTION PERMIT FEES	76,820	-	76,820
43000	BOD/TSS SURCHARGE	170,578	-	170,578
43500	SEPTAGE INCOME	860,720	-	860,720
44502	MISCELLANEOUS OPERATING INCOME	1,883	-	1,883
45100	INTEREST INCOME	244,713	-	244,713
45500	LATE CHARGE PENALTY	470,674	-	470,674
46500	ENVIRONMENTAL ENFORCEMENT	-	-	-
47000	REIMBURSED COLLECTION COSTS	-	-	-
47500	GRANT	16,981	-	16,981
	ABATEMENT FEE	-	-	-
	ARBITRAGE REBATE	4,428	-	4,428
49002	MISCELLANEOUS INCOME	1,521	-	1,521
	REVENUE REQUIREMENT	-	-	-
	<i>Total Revenue</i>	<u>51,496,575</u>	<u>-</u>	<u>51,496,575</u>
<i>Expenses</i>				
Personnel Services				
	SALARIES & WAGES	11,163,080	1,047,560	12,210,640
	OVERTIME	479,520	23,976	503,496
	EMPLOYEE RET. BEN - STATE & SEP	1,099,460	207,364	1,306,824
52810	EMPLOYEE RET. BEN.-FICA	873,243	99,388	972,631
52820	EMPLOYEE BENEFITS-UI	31,638	-	31,638
52940	RETIREMENT HEALTH - STATE	47,120	20,051	67,171
	EMPLOYEE BEN.-HEALTH INS.	2,265,880	537,571	2,803,451
52990	EMPLOYEE BEN-DISABILITY INS.	36,743	(4,343)	32,401
54950	HEALTH INSURANCE-RETIREEES	1,646	-	1,646
53690	WORKERS COMP-OLD CLAIMS	50,000	100,000	150,000
	TURNOVER ALLOWANCE	(433,152)	(87,486)	(520,638)
	REDUCTION IN PERSONNEL - INCINERATOR	-	(338,724)	(338,724)
	<i>Total Personnel Services</i>	<u>15,615,178</u>	<u>1,605,359</u>	<u>17,220,537</u>
59000	SALARY REIMBURSEMENT	(896,645)	(25,522)	(922,167)
59001	FRINGE REIMBURSEMENT	(387,889)	(71,904)	(459,792)
	SALARY & FRINGE TURNOVER ALLOWANCE	-	41,459	41,459
	<i>Net Personnel Services</i>	<u>14,330,645</u>	<u>1,549,392</u>	<u>15,880,036</u>
Operating Supplies & Expense				
52610	MEDICAL SVCS.	8,220	-	8,220
53470	BLDG. & GRND. MAINT.	98,863	-	98,863
53480	SLUDGE, ASH HAULING & DISPOSAL	1,732,575	2,805,522	4,538,097
53490	SCREENING & GRIT DISPOSAL	212,440	-	212,440
53200	BAD DEBT EXPENSE	160,000	-	160,000

**Narragansett Bay Commission
Rate Year Cost of Service**

Schedule WEE -4

Acct. #	Account Description	Test Year	Adjustments	Rate Year
53210	POSTAGE	134,699	-	134,699
54000	TELEPHONE	158,214	-	158,214
54500	OFFICE EXPENSE	93,249	-	93,249
53240	DUES & SUBSCRIPTIONS	29,954	-	29,954
53250	FREIGHT, CART. & EXP.	40,104	-	40,104
53660	INSURANCE	564,950	170,439	735,389
53900	CENTRAL TELEPHONE	6,065	-	6,065
53310	PRINTING & BINDING	85,396	-	85,396
53320	ADVERTISING	17,355	-	17,355
53410	MILEAGE ALLOWANCE	2,572	-	2,572
53420	OUT-OF-STATE TRAVEL	48,501	-	48,501
53510	VEHICLE FUEL & MAINTENANCE	126,859	-	126,859
53610	REPAIR-BLDG & STRUCTURE	645,479	-	645,479
53611	INCINERATOR-SOLIDS HANDLING REPAIRS	235,916	(235,916)	-
53620	REPAIR-HIGHWAY & WALKS	4,380	-	4,380
53630	EQUIPMENT MAINTENANCE AGREE	471,451	-	471,451
53640	GENERAL REPAIRS	18,878	-	18,878
53350	RENTAL-OUTSIDE PROPERTY	2,107	-	2,107
53330	RENTAL- EQUIPMENT	17,746	-	17,746
53340	RENTAL- CLOTHING	44,550	-	44,550
54010	#1 FUEL OIL - KEROSENE	-	-	-
54020	FUEL OIL #2	231	(231)	-
54021	FUEL OIL #2 - INCINERATOR	9,967	(9,967)	-
54060	FUEL-GAS	194,332	187,353	381,685
54061	FUEL- GAS - INCINERATOR	321,003	(321,003)	-
54090	ELECTRICITY	2,091,544	464,147	2,555,691
54110	WATER	67,872	-	67,872
54200	CLOTHING	23,625	-	23,625
54440	SAFETY EQUIPMENT	17,005	-	17,005
53370	PUBLIC OUTREACH EDUCATION	-	-	-
54330	HH,LAUND. & CHEMICALS	20,826	-	20,826
54332	CHEM-CHLORINE/HYPOCHLORITE	352,196	37,626	389,822
54334	CHEM-LIME	20,536	(20,536)	-
54335	CHEM-POLYMER	100,662	(100,662)	-
54337	CHEM-SODIUM BISULFITE	49,986	55,287	105,273
54338	SODA ASH	-	243,541	243,541
54340	LAB SUPPLIES	189,879	-	189,879
53650	HIGHWAY & LANDSCAPE	2,242	-	2,242
54370	SUPPLIES BLDG. & MAINTENANCE	114,464	-	114,464
54371	INCINERATOR SUPPLIES	3,491	(3,491)	-
54410	EDUCATIONAL SUPP. & EXP.	79,231	-	79,231
54420	COMPUTER SUPPLIES	313,881	(92,636)	221,245
54430	MISC. OPERATING SUPPLIES & EXPENSE	1,810	-	1,810
53360	MISCELLANEOUS EXPENSE	4,168	-	4,168
55820	EDUCATION SCHOOL AIDE	525	-	525
55850	CLAIMS	-	-	-
57600	EQUIP LOSSES-CASUALTY THEFT	-	-	-
	<i>Total Operating Supplies & Expense</i>	8,939,998	3,179,474	12,119,472
Special Services				
57800	BOND & NOTE FEES	2,500	-	2,500
52600	REGULATORY EXPENSE	151,495	40,928	192,423
52620	ARCHITECT/ENG. SERVICES	750	-	750

**Narragansett Bay Commission
Rate Year Cost of Service**

Schedule WEE -4

Acct. #	Account Description	Test Year	Adjustments	Rate Year
52630	LECTURES/ED./PROF. SVCS.	198	-	198
52650	SECURITY SERVICES	17,804	-	17,804
52660	LEGAL SERVICES	129,185	-	129,185
52670	MGMT/AUDIT SERVICES	1,419,173	-	1,419,173
52680	SPECIAL CLERICAL SERVICES	13,233	-	13,233
52690	ALL OTHER SPECIAL SERVICES	253,773	-	253,773
	<i>Total Special Services</i>	1,988,111	40,928	2,029,039
Capital Outlays				
16200	LANDFILL			
16510	AUTOMOTIVE EQUIP.	128,000	-	128,000
16520	BLDG. & PLANT EQUIP.	519,650	-	519,650
16530	CONSTRUCTION EQUIP.	-	-	-
16540	ED. AND REC. EQUIP.	-	-	-
16570	LABORATORY EQUIP.	151,000	-	151,000
16580	OFFICE FURN & EQUIP/COMPUTER	598,700	-	598,700
16590	OTHER EQUIP.	-	-	-
16610	BUILDING & OTHER STRUCT.	125,000	-	125,000
16630	IMP.-NOT BLDG OR STRUCT.	-	-	-
16600	REPLACEMENT RESERVE	370,000	-	370,000
	PRIOR YEAR DEBT COVERAGE	(1,892,350)	-	(1,892,350)
	<i>Total Capital Outlays</i>	-	-	-
Depreciation & Amortization				
57010	AMORTIZATION	9,690	-	9,690
57500	DEPRECIATION	-	-	-
	<i>Total Depreciation & Amortization</i>	9,690	-	9,690
	<i>Total Operating Expenses</i>	25,268,443	4,769,793	30,038,237
Debt Service				
	DEBT COVERAGE	6,094,071	-	6,094,071
57910	INTEREST	-	-	-
	PRINCIPAL	21,909,888	-	21,909,888
	CARRY FORWARD FROM PREVIOUS YEAR	(2,025,910)	-	(2,025,910)
	<i>Total Debt Service</i>	25,978,049	-	25,978,049
	<i>Total Expenses</i>	51,246,492	4,769,793	56,016,286
	<i>Net Operating Reserve</i>	252,684	197,889	450,574
		51,499,177	4,967,683	56,466,859
	<i>Net Income</i>	\$ (2,602)	\$ (4,967,683)	\$ (4,970,284)

**Narragansett Bay Commission
Salaries & Payroll Accounts**

Schedule WEE-5

Total Salary	
Total Salary Test year	\$ 11,163,080
Salary - 12 Additional Employees	466,101
Subtotal Salaries	11,629,181
COLA (5%)	581,459
Total Salary Rate year	12,210,640
Total Salary Test year	(11,163,080)
Rate year Adjustment	\$ 1,047,560

Salary and Fringe Reimbursement			
Salary Reimb Rate Year		Salary Reimbursement (Acct 59000)	
21	\$ 40,500	Rate Year Amount	\$ 922,167
22	565,000	Test Year Amount	896,645
24	30,514	Rate Year Adjustemnt	\$ 25,522
32	23,070	Fringe Reimbursement (Acct 59001)	
43	25,986	Rate Year Amount	\$ 459,792
44	237,097	Test Year Amount	387,889
	<u>\$ 922,167</u>	Rate Year Adjustemnt	\$ 71,904
	49.86% Fringe Percentage		
	<u>\$ 459,792</u>		
			Fringe Reimbursement (Acct 59001)

Overtime	
Test year OT	\$ 479,520
Increase by COLA	1.05
Rate year OT	503,496
Test year OT	479,520
Rate Year Adjustment	\$ 23,976

FICA (Acct 52810)	
Total Salary Rate year	\$ 12,210,640
Overtime	503,496
FICA %	7.65%
Rate Year FICA	972,631
Test Year FICA	873,243
Rate Year Adjustment	\$ 99,388

Pension			
Union Salary	5,167,035	0.1151	\$ 594,726
Non-union Salary	7,043,605	0.10	704,360
Non-union Overtime	77,379	0.10	7,738
Rate Year level			1,306,824
Test Year level			1,099,460
Rate Year Adjustment			\$ 207,364

Union pension contribution increased from 9.6% to 11.51%

**Narragansett Bay Commission
Salaries & Payroll Accounts**

Schedule WEE-5

Retiree Health (Acct #52940)

Union Salary	5,167,035	0.013	\$	<u>67,171</u>
Rate Year level				67,171
Test Year level				<u>47,120</u>
Rate Year Adjustment			\$	<u>20,051</u>

Disability Insurance (Acct #52990)

Non union Salary	\$	7,043,605
Rate Year (.46 per \$100 of monthly earnings)		32,401
Test Year level		<u>36,743</u>
Rate year adjustment	\$	<u>(4,343)</u>

**Narragansett Bay Commission
Turnover Calculation**

Schedule WEE-6

	<u>Rate/Employee</u>	<u># of Employees</u>	
Rate Year Salaries		262.00	\$ 12,210,640
3% Turnover		7.86	366,319
 <u>Salary Based Benefits</u>			
FICA Composite Rate	7.650%		28,023
Pension	10.702%		39,205
Health & Disability	0.815%		2,987
 <u>Count Based Benefits</u>			
Health/Dental/Vision	10,700		<u>84,104</u>
 Total Turnover			 <u><u>\$ 520,638</u></u>

**Narragansett Bay Commission
Expense Analysis - Health Benefits**

Schedule WEE-7

		Members	Rate per Pay Period	Number of Pay Periods	Cost
Health Insurance					
HMO	Family	10	\$ 418.55	26	\$ 108,823
	Single	2	\$ 154.23	26	8,020
PPO	Family	162	\$ 484.46	26	2,040,546
	Single	54	\$ 178.56	26	250,698
Waiver		22	\$ 2,500.00	1	55,000
	Total	250			
Dental					
	Family	190	\$ 33.18	26	163,909
	Single	57	\$ 11.84	26	17,547
	Waiver	3	\$ 110.00	1	330
	Total	250			
Vision					
	Family	193	\$ 5.29	26	26,545
	Single	57	\$ 2.45	26	3,631
	Total	250			
Sub-total Rate Year					2,675,049
Increase of 12 Positions:					
			Weighted Average	Expense	
Health Insurance	\$	9,852	\$	118,228	
Dental Insurance	\$	727		8,726	
Vision Insurance	\$	121		1,448	
		Sub-total	\$	128,402	128,402
Total Rate Year					2,803,451
Test Year					2,265,880
Rate Year Adjustment					\$ 537,571

**Narragansett Bay Commission
Sludge - Reduction in Personnel**

Schedule WEE-8

Average Salary		\$ 33,809	
# of Employees		<u>2.40</u>	
		81,142	
Overtime reduction		<u>200,000</u>	
Subtotal			<u>281,142</u>
<u>Fringe</u>	<u>Rate/Employee</u>		
Health	10,700	25,680	
FICA	7.65%	21,507	
Pension	0.1151	9,339	
Retiree Health	0.013	<u>1,055</u>	
Subtotal			<u>57,582</u>
Total			<u><u>\$ 338,724</u></u>

Narragansett Bay Commission
Expense Analysis - Sludge Loading/ Disposal
(Acct. 52641)

Schedule WEE-9

	USAGE	UNIT	RATE	EXPENSE
Bucklin Point	3,343.40	DT	\$ 380	\$ 1,270,492
Bucklin Point - Construction	180.00	DT	380	68,400
Field's Point	8,418.96	DT	380	3,199,205
				4,538,097
				1,732,575
				\$ 2,805,522

**Narragansett Bay Commission
Expense Analysis - Electricity
(Acct. 54090)**

Schedule WEE-10

Location	FY2005 kWh (4-Year Average)	Delivery Rate	Delivery Cost	Supply Cost (\$0.04768)	Customer Charge	Subtotal	RIGET (4.1666%)	Total
Field's Point	16,136,500	\$ 0.030	\$ 484,567	\$ 769,388	\$ 2,837	\$ 1,256,793	\$ 52,366	\$ 1,309,158
Less: Incinerator	(1,756,633)	0.030	(52,750)	(83,756)	-	(136,507)	(5,688)	(142,194)
Bucklin Point	7,563,183	0.030	228,339	360,613	2,837	591,788	24,657	616,446
Bucklin Point Construction	7,535,329	0.030	227,498	359,284	2,837	589,619	24,567	614,186
Corporate Office Building	946,600	0.030	28,398	45,134	2,837	76,369	3,182	79,551
Interceptor Maintenance	751,086	0.094	70,602	-	4,800	75,402	3,142	78,544
Rate Year Totals	31,176,065	\$ 0.032	\$ 986,653	\$ 1,450,663	\$ 16,149	\$ 2,453,465	\$ 102,226	2,555,691
Test Year Electricity Expense								2,091,544
Rate Year Increase								\$ 464,147

Narragansett Bay Commission
Expense Analysis - Chemicals - Soda Ash
(Acct. 54338)

Schedule WEE-11

	<u>Tons/Year</u>	<u>Rate/Ton</u>	<u>Total Amount</u>
Bucklin Point			
Cost in 1999 \$'s		\$ 110.00	
Cost in 2000 \$'s (3% Inc.)		113.30	
Cost in 2001 \$'s (3% Inc.)		116.70	
Cost in 2002 \$'s (3% Inc.)		120.20	
Cost in 2003 \$'s (3% Inc.)		123.81	
Cost in 2004 \$'s (3% Inc.)		127.52	
Cost in 2005 \$'s (3% Inc.)		131.35	
Total Rate Year Amount	1,854.20	131.35	\$ 243,541
Total Test Year Amount			-
Rate Year Adjustment			\$ 243,541

Narragansett Bay Commission
Expense Analysis - Chemicals - Chlorine/Hypochlorite
(Acct. 54332)

Schedule WEE-12

	Amount in Gallons	Rate/Gallon	Total Amount
Bucklin Point			
Bucklin Point - Post Construction	47,400	\$ 0.424	\$ 20,117
Current Operation	193,450	0.424	82,100
Difference			(61,984)
Interceptor Maintenance	28,000	0.424	11,883
Fields Point	843,124	0.424	357,822
Total Rate Year Amount	918,524	0.424	389,822
Total Test Year Amount	931,243	0.378	352,196
Rate Year Adjustment			\$ 37,625

Narragansett Bay Commission
Expense Analysis - Fuel-Gas
(Acct. 54060)

Schedule WEE-13

	Ccf's		Rate		Expense
Rate Year Cost of Gas					
Rate Year Increase in Ccf's and Cost of Gas					
Supply Costs	226,368 ³	\$	0.771 ¹	\$	174,530
Distribution Costs	219,775		0.247 ²		54,232
Subtotal					228,762
Rate Year Increase - Bucklin Pt. Construction					
Supply Costs	133,581 ³	\$	0.771 ¹		102,991
Distribution Costs	129,690		0.240 ²		31,126
Subtotal					134,116
Rate Year Customer Charges and Gross Earnings Tax					18,807
Total Cost - Rate Year					381,685
Test Year Cost of Gas					
Supply Costs	201,463	\$	0.609		122,691
Distribution Costs	185,164		0.387		71,641
Total Cost - Test Year					194,332
Total Rate Year Adjustment					\$ 187,353

¹ *Adjustment for Increase in Cost of Gas*

Rate Year Supply Rate	\$	0.771	
Test Year Supply Rate		0.609	
Cost of Gas Increase	\$	0.162	

² *Distribution Cost Rates do not include GET or Customer Charges. These charges are shown separately*

³ *Supply Ccf's are increased 3% to account for the loss at City Gate.*

**Narragansett Bay Commission
Expense Analysis - Insurance
(Accts. 53660 & 53680)**

Schedule WEE-14

TYPE OF COVERAGE	TEST YEAR	ACTUALS FY 2004	RATE YEAR*	
Commercial Property	\$ 103,815	\$ 82,481	\$ 94,853	Starkweather & Shepley/Massamont
Boiler & Machinery	-	24,865	28,595	Starkweather & Shepley/Hartford Steam Boiler
Contractor's Equipment	4,701	3,754	4,317	Starkweather & Shepley/Kempler Insurance Co.
Business Auto	66,624	53,182	61,159	Starkweather & Shepley/Massamont
General Liability	64,588	46,335	53,285	Starkweather & Shepley/Massamont
Crime Insurance	1,455	1,280	1,472	R.I. Association of Insurance Agents/The Hartford
Fire Insurance (Watercraft)	6,938	6,200	7,130	Starkweather & Shepley/The Hartford
Workers Compensation	176,480	247,856	309,820	Beacon Mutrual Insurance Co.
Public Officials E & O	31,005	13,925	16,014	Starkweather & Shepley/Massamont
Employment Related Practice	-	13,054	15,012	Starkweather & Shepley/Massamont
Flood	19,218	16,553	19,036	R.I. Association of Insurance Agents Starkweather & Shepley/Massamont & Starkweather &
Umbrella	49,308	51,699	59,454	Shepley/Risco
Pollution	34,570	51,732	59,492	Starkweather & Shepley
Marine Insurance	-	5,000	5,750	Great American
Total Annual Premium	<u>\$ 564,950</u>	<u>\$ 617,916</u>	735,389	
		Test Year	<u>564,950</u>	
		Rate Year Adjustment	<u>\$ 170,439</u>	

* 15% increase over FY 2004 levels for all items except Workers' Compensation, which is increased by 25%

Narragansett Bay Commission
Expense Analysis - Chemicals - Sodium Bisulfite
(Acct. 54337)

Schedule WEE-15

	<u>Amount in Gallons</u>	<u>Rate/Gallon</u>	<u>Total Amount</u>
Fields Point			
Total Rate Year Amount	169,032	\$ 0.623	\$ 105,273
Total Test Year Amount	92,601	0.540	<u>49,986</u>
Rate Year Adjustment			<u><u>\$ 55,287</u></u>

Narragansett Bay Commission
Expense Analysis - Computer Supplies
(Acct 54420)

Schedule WEE-16

Actual Expenses as of 1/31/2004	\$ 91,245
Projected Expenses (2/1/2004-6/30/2004)	<u>130,000</u>
Rate Year computer supplies*	221,245
Test Year computer supplies	<u>313,881</u>
Rate Year Adjustment	<u><u>\$ (92,636)</u></u>

* Rate Year amount based on FY 2004 projected actuals.

Narragansett Bay Commission
Expense Analysis - Regulatory Expense
(Acct 52600)

Schedule WEE-17

Annual PUC Assessment	\$ 115,543
Permits	24,725
Current Docket (1/3 rate case expense)	13,000
Docket 3483 (1/3 rate case expense)	26,450
Docket 3409 (1/3 rate case expense)	<u>12,705</u>
Rate Year Expense	192,423
Test Year Expense	<u>151,495</u>
Rate Year Adjustment	<u><u>\$ 40,928</u></u>

Narragansett Bay Commission
Expense Analysis - Operating Reserve

Schedule WEE-18

<u>Operating Reserve - Test Year</u>	
Total Expenses	\$ 51,246,492
Less Total Debt Service	<u>(25,978,049)</u>
Adjusted Expenses	25,268,443
Operating Reserve %	<u>1.00%</u>
Operating Reserve - Test Year	<u><u>\$ 252,684</u></u>
<u>Operating Reserve - Rate Year</u>	
Total Expenses	\$ 56,016,286
Less Total Debt Service	<u>(25,978,049)</u>
Adjusted Expenses	30,038,237
Operating Reserve %	<u>1.50%</u>
Operating Reserve - Rate Year	<u><u>\$ 450,574</u></u>
Operating Reserve - Rate Year	\$ 450,574
Operating Reserve - Test Year	252,684
Rate Year Adjustment	<u><u>\$ 197,889</u></u>

**CALCULATION OF REVENUE REQUIREMENT
AS PERCENTAGE INCREASE
NARRAGANSETT BAY COMMISSION**

Schedule WEE-19

Calculation of Percentage Increase in Revenue Requirement

Revenue Increase (WEE-4)	\$ 4,967,683	
Rate Year Revenue at Old Rates (WEE-4)	51,496,575	9.65%

Calculation of Across the Board Increase Percentage

Revenue Increase (WEE-4)	4,967,683	
Revenue Items which could be increased by an across the board % Increase		
Flat Fees Residential	8,913,649	
Measured Fee - Residential	17,370,637	
Flat Fees Commercial & Industrial	5,780,891	
Measured Fee - Commercial	13,719,069	
Measured Fee - Industrial	2,604,465	
Connection Permit Fees	76,820	
Total Revenue Available for Increase	\$ 48,465,531	
Across the Board Percentage Increase	10.25%	

**Narragansett Bay Commission
Ratepayer Impact**

Schedule WEE-20

	Current Rates	Proposed Rates	Dollar Increase	% Increase
97.6 HCF Residential				
Customer Charge	\$ 79.00	\$ 87.10	\$ 8.10	
Consumption	158.60	174.86	16.26	
Total 97.6 HCF Residential	\$ 237.60	\$ 261.95	\$ 24.35	10.25%
5/8" meter, 244 HCF Commercial				
Customer Charge	\$ 177.00	\$ 195.14	\$ 18.14	
Consumption	574.62	633.52	58.90	
Total 5/8" meter, 244 HCF Commercial	\$ 751.62	\$ 828.66	\$ 77.04	10.25%
2" meter, 2440 HCF Commercial				
Customer Charge	\$ 1,415.00	\$ 1,560.04	\$ 145.04	
Consumption	5,746.20	6,335.18	588.98	
Total 2" meter, 2440 HCF Commercial	\$ 7,161.20	\$ 7,895.22	\$ 734.02	10.25%
5/8" meter, 244 HCF Industrial				
Customer Charge	\$ 177.00	\$ 195.14	\$ 18.14	
Consumption	369.66	407.55	37.89	
Total 5/8" meter, 244 HCF Industrial	\$ 546.66	\$ 602.69	\$ 56.03	10.25%
2" meter, 2440 HCF Industrial				
Customer Charge	\$ 1,415.00	\$ 1,560.04	\$ 145.04	
Consumption	3,696.60	4,075.50	378.90	
Total 2" meter, 2440 HCF Industrial	\$ 5,111.60	\$ 5,635.54	\$ 523.94	10.25%

New Sewer Connection Fees

Applicable to all applications for a new service connection directly or indirectly to NBC facilities. Payable at the time of application.

Residential (per connection)	\$ 218.00	\$ 240.34	\$ 22.34
Commercial (per connection)	\$ 652.00	\$ 718.83	\$ 66.83
Industrial (per connection)	\$ 652.00	\$ 718.83	\$ 66.83

**Narragansett Bay Commission
Rate Year Revenue By Source**

Schedule WEE-21

User Fee Revenues

	UNITS	RATES	REVENUE
Residential			
Dwelling Units	112,831	\$87.10	\$ 9,827,292
Flow	10,689,623	1.792	19,151,115
Non-Residential - Metered Accounts			
5/8"	3,828	195	747,005
3/4"	880	292	257,103
1"	1,045	487	509,233
1 1/2"	832	975	810,875
2"	1,799	1,560	2,806,506
3"	73	2,924	213,439
4"	51	4,873	248,525
6"	57	9,747	555,590
8"	13	15,595	202,733
10"	1	22,418	<u>22,418</u>
Total Flat Fees from Metered Accounts			<u>6,373,428</u>
Commercial Consumption	5,825,507	2.596	15,125,264
Industrial Consumption	1,719,119	1.670	<u>2,871,421</u>
Total User Fee Revenues			53,348,520
Miscellaneous Revenue			
DISCHARGE PERMIT FEES	1,259,546		
CONNECTION PERMIT FEES	84,694		
BOD/TSS SURCHARGE	170,578		
SEPTAGE INCOME	860,720		
MISC. OPERATING INCOME	1,883		
INTEREST INCOME	244,713		
LATE CHARGE PENALTY	470,674		
ENVIRONMENTAL ENFORCEMENT	-		
REIMBURSED COLLECTION COSTS	-		
GRANT	16,981		
ARBITRAGE REBATE	4,428		
ABATEMENT	-		
MISCELLANEOUS INCOME	<u>1,521</u>		
Total Miscellaneous Revenue			<u>3,115,738</u>
		Total Revenues:	56,464,258
		Total Revenues per WEE-4	<u>56,466,859</u>
		Difference:	<u>\$ (2,601)</u>

**Narragansett Bay Commission
Docket 3483 to FY 2003 Comparison**

Schedule WEE-22

Acct. #	Account Description	Docket 3483 Test Year (Adj. 2002)	Variance Docket 3483 Test Year to FY 2003	Year-End FY 2003	Variance Docket 3483 Rate Year to FY 2003	Docket 3483 Rate Year (FY 2004)
Revenue						
41000	FLAT FEES RESIDENTIAL	\$ 6,165,839	\$ 1,725,364	\$ 7,891,203	\$ 1,022,446	\$ 8,913,649
41100	MEASURED FEE - RESIDENTIAL	11,930,258	3,884,782	15,815,040	1,555,597	17,370,637
41501	FLAT FEES COMMERCIAL	3,459,797	1,128,417	4,588,214	1,192,677	5,780,891
41502	FLAT FEES INDUSTRIAL	466,426	*	466,677	(466,677)	
41510	MEASURED FEE - COMMERCIAL	9,580,646	2,249,521	11,830,167	1,888,902	13,719,069
41511	MEASURED FEE - INDUSTRIAL	1,646,572	(243,911)	1,402,661	1,201,804	2,604,465
42000	DISCHARGE PERMIT FEES	861,821	222,065	1,083,886	175,660	1,259,546
42500	CONNECTION PERMIT FEES	51,450	*	106,164	*	76,820
43000	BOD/TSS SURCHARGE	116,088	*	187,438	*	170,578
43500	SEPTAGE INCOME	597,696	*	610,582	250,138	860,720
44502	MISCELLANEOUS OPERATING INCOME	1,883	*	6,460	*	1,883
45100	INTEREST INCOME	244,713	*	260,466	*	244,713
45500	LATE CHARGE PENALTY	470,674	*	434,509	*	470,674
46500	ENVIRONMENTAL ENFORCEMENT	-	*	-	*	-
47000	REIMBURSED COLLECTION COSTS	16,981	*	-	*	-
47500	GRANT	-	*	-	*	16,981
	ABATEMENT FEE	4,428	*	5,040	*	-
	ARBITRAGE REBATE	-	*	-	*	4,428
49002	MISCELLANEOUS INCOME	1,521	*	40,882	*	1,521
	<i>Total Revenue</i>	35,616,793	9,112,596	44,729,389	6,767,186	51,496,575
Expenses						
Personnel Services						
	SALARIES & WAGES	10,338,378	313,865	10,652,243	*	10,729,928
	OVERTIME	464,876	*	528,832	*	479,520
	EMPLOYEE RET. BEN - STATE & SEP	819,539	104,267	923,806	175,654	1,099,460
52810	EMPLOYEE RET. BEN.-FICA	812,577	*	839,815	*	873,243
52820	EMPLOYEE BENEFITS-UI	31,638	*	52,263	*	31,638
52940	RETIREMENT HEALTH - STATE	33,886	*	42,233	*	47,120
52950	EMPLOYEE BEN.-HEALTH INS.	1,566,185	351,062	1,917,247	348,634	2,265,880
52990	EMPLOYEE BEN-DISABILITY INS.	26,197	*	32,589	*	36,743
54950	HEALTH INSURANCE-RETIREES	1,646	*	-	*	1,646
55700	WORKERS COMP-OLD CLAIMS	152,662	*	53,372	*	50,000
	<i>Total Personnel Services</i>	14,247,584	794,816	15,042,400	572,779	15,615,179
59000	SALARY REIMBURSEMENT	(627,818)	(210,358)	(838,176)	*	(896,645)
59001	FRINGE REIMBURSEMENT	(300,072)	*	(322,505)	*	(387,889)
	<i>Net Personnel Services</i>	13,319,694	562,025	13,881,719	448,926	14,330,645
Operating Supplies & Expense						
52610	MEDICAL SVCS.	8,220	*	7,408	*	8,220
52640	BLDG. & GRND. MAINT.	98,863	*	96,605	*	98,863

**Narragansett Bay Commission
Docket 3483 to FY 2003 Comparison**

Schedule WEE-22

Acct. #	Account Description	Docket 3483 Test Year (Adj. 2002)	Variance Docket 3483 Test Year to FY 2003	Year-End FY 2003	Variance Docket 3483 RateYear to FY 2003	Docket 3483 Rate Year (FY 2004)
52641	SLUDGE LOADING/DISPOSAL	1,901,367	(448,589)	1,452,778	279,797	1,732,575
52642	TRASH/GRIT REMOVAL	116,485	*	106,072	106,368	212,440
53200	BAD DEBT EXPENSE	206,109	*	164,401	*	160,000
53210	POSTAGE	123,777	*	145,448	*	134,699
53220	TELEPHONE & TELEGRAPH	158,214	*	146,306	*	158,214
53230	OFFICE EXPENSE	93,249	*	90,842	*	93,249
53240	DUES & SUBSCRIPTIONS	29,954	*	54,047	*	29,954
53250	FREIGHT, CART. & EXP.	40,104	*	39,392	*	40,104
53260	INSURANCE	394,686	*	444,035	120,915	564,950
53270	CENTRAL PHONE SVCS.	6,065	*	6,441	*	6,065
53310	PRINTING & BINDING	85,396	*	81,828	*	85,396
53320	ADVERTISING	17,355	*	15,442	*	17,355
53410	MILEAGE ALLOWANCE	2,572	*	3,323	*	2,572
53420	OUT-OF-STATE TRAVEL	48,501	*	50,204	*	48,501
53510	AUTOMOTIVE MAINTENANCE	126,859	*	139,548	*	126,859
53610	REPAIR-BLDG & STRUCTURE	625,092	*	535,168	110,311	645,479
53611	INCINERATOR-SOLIDS HANDLING REPAIRS	228,395	*	200,643	*	235,916
53620	REPAIR-HIGHWAY & WALKS	4,380	*	1,604	*	4,380
53630	EQUIPMENT MAINTENANCE AGREE	363,142	*	385,678	*	471,451
53640	GENERAL REPAIRS	18,878	*	18,190	*	18,878
53810	RENTAL-OUTSIDE PROPERTY	180,687	(174,355)	6,332	*	2,107
53820	RENTAL- EQUIPMENT	17,746	*	44,068	*	17,746
53830	RENTAL- CLOTHING	44,550	*	53,933	*	44,550
54010	#1 FUEL OIL - KEROSENE	-	*	2,175	*	-
54020	FUEL OIL #2	231	*	220	*	231
54021	FUEL OIL #2 - INCINERATOR	9,967	*	16,289	*	9,967
54060	FUEL-GAS	174,105	*	226,880	*	194,332
54061	FUEL- GAS - INCINERATOR	427,954	*	387,100	*	321,003
54090	ELECTRICITY	1,904,759	*	1,954,175	137,369	2,091,544
54110	WATER	67,872	*	61,190	*	67,872
54200	CLOTHING & CLOTHING MAT.	23,625	*	21,986	*	23,625
54210	SAFETY EQUIPMENT	17,005	*	37,596	*	17,005
54320	SPECIAL EDUC. SUPP. & EXPENSES	-	*	0	*	-
54330	HH,LAUND. & CHEMICALS	20,826	*	22,542	*	20,826
54332	CHEM-CHLORINE/HYPOCHLORITE	352,196	*	366,820	*	352,196
54334	CHEM-LIME	20,536	*	13,400	*	20,536
54335	CHEM-POLYMER	100,662	*	87,453	*	100,662
54337	CHEM-SODIUM BISULFITE	49,986	*	59,507	*	49,986
	SODA ASH					-
54340	MEDICAL, SURG. AND LAB.	145,525	*	159,675	*	145,525
54360	HIGHWAY & LANDSCAPE	2,242	*	4,327	*	2,242
54370	BLDG. & MACH. SUPPLIES	148,052	*	169,151	*	114,464
54371	INCINERATOR SUPPLIES	3,491	*	488	*	3,491
54410	EDUCATIONAL SUPP. & EXP.	79,231	*	83,408	*	79,231
54420	COMPUTER SUPPLIES	313,881	(159,860)	154,021	159,860	313,881
54550	OTHER OPERATING SUPP.	1,810	*	3,597	*	1,810

**Narragansett Bay Commission
Docket 3483 to FY 2003 Comparison**

Schedule WEE-22

Acct. #	Account Description	Docket 3483 Test Year (Adj. 2002)	Variance Docket 3483 Test Year to FY 2003	Year-End FY 2003	Variance Docket 3483 Rate Year to FY 2003	Docket 3483 Rate Year (FY 2004)
54590	MISCELLANEOUS EXPENSE	4,168	*	5,735	*	4,168
55820	EDUCATION SCHOOL AIDE	525	*	600	*	525
55850	CLAIMS	-	*	3,000	*	-
57600	EQUIP LOSSES-CASUALTY THEFT	-	*	-	*	-
	<i>Total Operating Supplies & Expense</i>	8,809,295	(678,224)	8,131,071	764,573	8,895,644
Special Services						
54430	EXPENSES FOR BONDS & NOTES	2,500	*	2,500	*	2,500
52600	REGULATORY EXPENSE	108,648	*	102,924	*	151,495
52620	ARCHITECT/ENG. SERVICES	750	*	-	*	750
52630	LECTURES/ED./PROF. SVCS.	198	*	-	*	198
52650	SECURITY SERVICES	17,804	*	16,034	*	17,804
52660	LEGAL SERVICES	138,136	*	133,455	*	129,185
52670	MGMT/AUDIT SERVICES	1,428,847	*	1,473,344	*	1,419,173
52680	SPECIAL CLERICAL SERVICES	14,555	*	67,270	*	13,233
52690	ALL OTHER SPECIAL SERVICES	208,273	*	133,310	*	208,273
	MISC.	-	*	-	*	89,854
	<i>Total Special Services</i>	1,919,711	9,126	1,928,837	103,628	2,032,465
Capital Outlays						
	<i>Total Capital Outlays</i>	-	-	-	-	-
Depreciation & Amortization						
57010	AMORTIZATION	9,690	*	9,690	*	9,690
57500	DEPRECIATION	-	*	-	*	-
	<i>Total Depreciation & Amortization</i>	9,690	-	9,690	-	9,690
	<i>Total Operating Expenses</i>	24,058,390	(107,073)	23,951,317	1,317,127	25,268,444
Debt Service						
	<i>Total Debt Service</i>	9,005,591	3,393,980	12,399,571	13,578,478	25,978,049
	<i>Total Expenses</i>	33,063,981	3,286,907	36,350,888	14,895,605	51,246,493
	<i>Net Operating Reserve</i>	495,960	*	-	252,684	252,684
		33,559,941	2,790,947	36,350,888	15,148,289	51,499,177
	<i>Net Income</i>	\$ 2,056,852	\$ 6,321,649	\$ 8,378,501	\$ (8,381,103)	\$ (2,602)

**NARRAGANSETT BAY COMMISSION
STATEMENT OF NET ASSETS
JANUARY 31, 2004**

CURRENT ASSETS	
Cash and cash equivalents	\$11,111,457.96
Accounts receivable sewer use (net of allowance)	15,584,369.47
Accounts receivable sewer use unbilled	9,023,757.31
Receivables, other	223,213.88
Deposits	10,000.00
Prepaid expense	167,196.70
	<hr/>
Total Current Assets	36,119,995.32
	<hr/>
NONCURRENT ASSETS	
Restricted assets	
Cash, environmental enforcement	32,562.46
Cash and cash equivalents, restricted	13,149,649.37
Cash and cash equivalents, restricted for the acquisition and construction of capital assets	27,518,990.64
	<hr/>
Total Restricted Assets	40,701,202.47
	<hr/>
Capital Assets	
Land	4,115,558.54
Plant and Equipment	68,341,239.07
Capital projects completed	201,682,578.08
Construction in Progress	174,751,516.54
	<hr/>
	448,890,892.23
Less accumulated depreciation	(80,136,930.35)
	<hr/>
Net Capital Assets	368,753,961.88
	<hr/>
Other Assets	
Organization costs (net of accumulated depreciation)	101,370.28
Bond and loan issuance costs (net of accumulated amortization)	3,315,794.76
	<hr/>
Total Other Assets	3,417,165.04
	<hr/>
Total Noncurrent Assets	412,872,329.39
	<hr/>
TOTAL ASSETS	448,992,324.71

**NARRAGANSETT BAY COMMISSION
STATEMENT OF NET ASSETS
JANUARY 31, 2004**

CURRENT LIABILITIES	
Accounts and Contracts Payable	45,204,763.53
Accrued interest payable	1,414,783.39
Other accrued expenses	2,169,225.38
Due to State of RI	9,953.45
Deferred revenue	<u>444,707.42</u>
Total Current Liabilities	<u>49,243,433.17</u>
NONCURRENT LIABILITIES	
Long-term loans payable, net	165,659,460.68
Long-term leases payable, net	525,105.09
Long-term debt, net	<u>12,391,032.41</u>
Total Noncurrent Liabilities	<u>178,575,598.18</u>
TOTAL LIABILITIES	<u>227,819,031.35</u>
NET ASSETS	
Invested in capital assets, net of related debt	190,178,363.70
Restricted, environmental enforcement	32,562.46
Unrestricted	<u>30,962,367.20</u>
TOTAL NET ASSETS	<u><u>\$221,173,293.36</u></u>

Narragansett Bay Commission

Debt Service Payments Test Year

<i>Outstanding Debt</i>	<i>Due Dates</i>	<i>Interest</i>	<i>Principal</i>
\$3M GOB - REFUNDED \$270,000 (1988 Series A)	1-Nov 1-May	0.00 0.00	0.00 0.00
\$14M GOB - REFUNDED \$967,781 (1992A Refunded) (Refunded 2002)	1-Dec 1-Jun	4,950.00 2,200.00	110,000.00 0.00
\$14M GOB 1997 Refunding portion (1997 Refunded - \$134,500)	1-Aug 1-Feb	3,330.00 1,667.50	66,500.00 0.00
6M GOB - REFUNDED - \$2,805,687.89 (1992A Refunding dated 1992)(Refunded 2002)	1-Dec 1-Jun	26,875.00 22,500.00	175,000.00 0.00
6M GOB 1997 Refunding (1997 Refunding - \$802,300)	1-Aug 1-Feb	20,135.75 17,390.00	104,600.00 0.00
21.55M GOB 1997 Refunding Portion (1997 Refunded -\$560,000)	1-Aug 1-Feb	5,414.00 5,330.00	3,200.00 0.00
21.55M GOB - REFUNDED - \$2,040,904	1-Aug 1-Feb	49,177.00 40,576.32	286,688.00 0.00
5.5M GOB - REFUNDED - \$3,500,000 TOBACCO (1980 SERIES D)	15-Dec 15-Jun	32,987.50 32,987.50	0.00 175,000.00
CEDE & CO. \$7.731M (BVDC) (BVDC 1992A Refunding and non-Refunded) (Refunding 2002)	1-Dec 1-Jun	74,100.00 62,100.00	480,000.00 0.00
\$7.731M 1997 Refunding Portion (1997 Refunded - \$2,211,700)	1-Aug 1-Feb	55,510.75 47,935.00	288,600.00 0.00
1993 REFUNDING BOND \$3,080,000 (BVDC) (\$4.8¢ (BVDC 1993 Refunding)	15-Dec 15-Jun	16,310.00 16,310.00	0.00 280,000.00
\$900,000 Part A 1997 Refunding Portion (1997 Refunded - \$103,800)	1-Aug 1-Feb	1,003.25 987.50	600.00 0.00
1996 REFUNDING BOND \$377,753 (900,000 Part B) (BVDC) (GOB Refunding 1996- BVDC)	1-Aug 1-Feb	9,105.47 7,516.18	52,977.00 0.00
FLEET \$100,000 (BVDC) (BVDC 1971 Series D)	1-Aug 1-Feb	125.00 125.00	0.00 0.00
FLEET \$100,000 (BVDC) TOBACCO (BVDC 1971 Series D)	1-Aug 1-Feb	130.00 0.00	5,000.00 0.00
FLEET \$100,000 (BVDC) Partial Refunding (BVDC 1971 Series D 9/98 Ref.)	15-Jul 15-Jan	759.38 759.38	0.00 0.00
FLEET \$100,000 (BVDC) Partial Refunding (BVDC 1971 Series D 4/01 Ref.)	1-Aug 1-Feb	262.50 262.50	0.00 0.00
CAPITAL APPRECIATION BONDS (BVDC 1996)	0-Jan	0.00	0.00

Narragansett Bay Commission

Debt Service Payments Test Year

<i>Outstanding Debt</i>	<i>Due Dates</i>	<i>Interest</i>	<i>Principal</i>
FLEET \$3,315,000 (BVDC 1986 Series F)	1-Aug 1-Feb	7,000.00 7,000.00	0.00 0.00
FLEET \$3,315,000 TOBACCO	1-Aug 1-Feb	4,160.00 0.00	160,000.00 0.00
FLEET \$3,315,000 - Partial Refunding (\$1.3M) 9/98 (BVDC 1986 Series F)	15-Jul 15-Jan	24,516.24 24,418.76	5,000.00 0.00
FLEET \$3,315,000 - Partial Refunding (\$305K) 9/98 (BVDC 1986 Series F)	15-Jul 15-Jan	6,143.75 6,143.75	0.00 0.00
FLEET \$3,315,000 - Partial Refunding (\$415K) (BVDC 1986 Series F) 4/01 Ref.	1-Aug 1-Feb	11,000.00 11,000.00	0.00 0.00
SRF - NO. PROV. \$2.647M	1-Sep 1-Mar	26,662.56 24,114.61	136,802.72 0.00
SRF - WP/RA - \$3.694	1-Sep 1-Mar	22,284.51 25,681.88	269,614.00 0.00
SRF -BUTLER - \$1.662M	1-Sep 1-Mar	18,499.15 16,941.43	82,760.85 0.00
SRF POOL LOAN I - \$14.781M	1-Sep 1-Mar	197,584.79 185,467.36	660,500.00 0.00
SRF POOL LOAN II - \$17.279M	1-Sep 1-Mar	217,891.57 204,378.49	773,546.00 0.00
SRF POOL LOAN III - \$8.150M	1-Sep 1-Mar	132,454.75 127,701.63	315,695.00 0.00
SRF POOL LOAN IV - \$23.955M	1-Sep 1-Mar	423,027.64 423,009.98	1,000.00 0.00
SRF POOL LOAN V - \$57M	1-Nov 1-May	883,044.26 846,498.48	2,305,000.00 0.00
SRF POOL LOAN VI - \$57M	1-Sep 1-Mar	305,497.18 432,537.87	2,196,341.49 0.00
SRF POOL LOAN VII - \$40M	1-Sep 1-Mar	0.00 2,901.04	0.00 0.00
Total		<u>5,176,384.15</u>	<u>8,934,425.06</u>

Narragansett Bay Commission

Debt Service Payments Rate Year

Bond/SRF	Original Amount		FY2005 - Projected
Bond Funds		Principal	\$ 2,173,757.00
		Interest	546,422.06
		Subtotal	<u>2,720,179.06</u>
SRF North Providence	\$ 2,647,000	Principal	141,898.62
		Interest	45,586.36
		Subtotal	<u>187,484.98</u>
SRF WP/RA	\$ 3,694,000	Principal	185,152.00
		Interest	49,070.36
		Subtotal	<u>234,222.36</u>
SRF Butler	\$ 1,662,000	Principal	85,876.29
		Interest	32,266.49
		Subtotal	<u>118,142.78</u>
SRF Pool Loan 1	\$ 14,781,000	Principal	685,000.00
		Interest	358,367.81
		Subtotal	<u>1,043,367.81</u>
SRF Pool Loan 2	\$ 17,279,000	Principal	800,708.00
		Interest	394,769.41
		Subtotal	<u>1,195,477.41</u>
SRF Pool Loan 3	\$ 8,150,000	Principal	327,259.00
		Interest	248,439.40
		Subtotal	<u>575,698.40</u>
SRF Pool Loan 4	\$ 23,955,000	Principal	1,000.00
		Interest	846,002.30
		Subtotal	<u>847,002.30</u>
SRF Pool Loan 5	\$ 57,000,000	Principal	2,380,000.00
		Interest	1,655,262.06
		Subtotal	<u>4,035,262.06</u>
SRF Pool Loan 6	\$ 57,000,000	Principal	2,254,698.29
		Interest	847,280.53
		Subtotal	<u>3,101,978.82</u>
SRF Pool Loan 7	\$ 40,000,000	Principal	0.00
		Interest	580,714.56
		Subtotal	<u>580,714.56</u>
SRF Pool Loan 8 - Estimated	\$ 40,000,000	Principal	
		Interest	50,000.00
		Subtotal	<u>50,000.00</u>
VRDO - Estimated	\$ 70,000,000	Principal & Interest	<u>2,206,050.00</u>
		Principal	9,035,349.20
		Interest	5,604,181.34
		Total	<u>\$ 16,895,580.54</u>

Narragansett Bay Commission Long Term Debt

Commission's portion of the State's 1988 Refunding Authority Revenue Bonds – Series A original issue \$270,000 maturing through May 2003 with variable interest of 4.5% - 7.1%.

Commission's portion of the State's 1992 Refunding Bonds original issue \$841,781 maturing through May 2005 with variable interest of 4% - 6.25%.

Commission's portion of the State's 1997 Refunding Bonds original issue \$134,000 maturing through August 2005 with a variable interest of 5% -8%.

Commission's portion of the State's 1992 Refunding Bonds original issue \$2,041,688 maturing through June 2007 with variable interest of 4% - 6.25%.

Commission's portion of the State's 1997 Refunding Bonds original issue \$802,300 maturing through August 2007 with variable interest of 5% -8%.

Commission's portion of the State's 1997 Refunding Bonds original issue \$560,000 maturing through August 2010 with variable interest of 5% -8%.

Commission's portion of the State's 1996 Refunding Bonds original issue \$2,040,904 maturing through August 2009 with variable interest of 4.25% -6%.

Commission's portion of the State's 1987 General Obligation Bonds original issue \$3,500,000 maturing through December 2008 with variable interest of 6.9% -7.6%.

Commission's portion of the State's 1992 Refunding Bonds original issue \$5,625,584 maturing through June 2007 with variable interest of 4% -6.25%.

Commission's portion of the State's 1997 Refunding Bonds original issue \$2,211,700 maturing through August 2007 with variable interest of 5% -8%.

Commission's portion of the State's 1993 Refunding Bonds original issue \$3,080,000 maturing through June 2005 with variable interest of 5% -8%.

Commission's portion of the State's 1997 Refunding Bonds original issue \$103,800 maturing through August 2010 with variable interest of 5% -6%.

Commission's portion of the State's 1996 Refunding Bonds original issue \$377,753 maturing through August 2009 with variable interest of 4.25% -6.0%.

Commission's portion of the State's 2001 Refunding Bonds original issue \$20,000 maturing through August 2013 with variable interest of 5% -8%.

Commission's portion of the State's 1999 Refunding Bonds original issue \$30,000 maturing through August 2011 with variable interest of 3.35% -5.23%.

Commission's portion of the State's 1971 Refunding Bonds original issue \$10,000 maturing through August 2012 with variable interest of 5% -8%.

Commission's portion of the State's 1993 Capital Appreciation Bonds original issue \$37,927 maturing through August 2008 with variable interest of 5% -8%.

Commission's portion of the State's 1992 Refunding Bonds original issue \$730,000 maturing through August 2013 with variable interest of 5% -8%.

Commission's portion of the State's 1998 Refunding Bonds original issue \$985,000 maturing through August 2011 with variable interest of 3.35% -5.25%.

Commission's portion of the State's 1998 Refunding Bonds original issue \$305,000 maturing through August 2009 with variable interest of 4% -4.125%.

Commission's portion of the State's 1986 Refunding Bonds original issue \$415,000 maturing through August 2009 with variable interest of 4.25% -6%.

Commission loan outstanding with the RI Clean Water Finance Agency – Butler Hospital Project – The total loan is \$1,662,054 with an interest rate of 3.7644%.

Commission loan outstanding with the RI Clean Water Finance Agency – North Providence – The total loan is \$2,647,977 with an interest rate of 3.725%.

Commission loan outstanding with the RI Clean Water Finance Agency – Washington Park Project – The total loan is \$3,870,000 with an interest rate of 3.5171%.

Commission loan outstanding with the RI Clean Water Finance Agency – Pooled Loan #1 – The total loan is \$14,781,000 with an interest rate of 3.66917%.

Commission loan outstanding with the RI Clean Water Finance Agency – Pooled Loan #2 – The total loan is \$17,279,000 with an interest rate of 3.4938%.

Commission loan outstanding with the RI Clean Water Finance Agency – Pooled Loan #3 – The total loan is \$8,150,000 with an interest rate of 3.64473%.

Commission loan outstanding with the RI Clean Water Finance Agency – Pooled Loan #4 – The total loan is \$23,955,000 with an interest rate of 3.532%.

Commission loan outstanding with the RI Clean Water Finance Agency – Pooled Loan #5 – The total loan is \$57,000,000 with an interest rate of 3.171%.

Commission loan outstanding with the RI Clean Water Finance Agency – Pooled Loan #6 – The total loan is \$57,000,000 with an interest rate of 1.5785%.

Commission loan outstanding with the RI Clean Water Finance Agency – Pooled Loan #7 – The total loan is \$40,000,000 with an interest rate of 1.849%.

Compliance Reporting per Docket # 3162

Compliance Items

Capital Projects Compliance Report

Status

Report Submitted February 04, 2004

**Narragansett Bay Commission Docket #3162
Compliance Reporting on Restricted Accounts for FY 2004**

	Cash Receipts	Capital/Debt Capital/Debt	Capital/Debt Interest	Debt	Debt Coverage	Debt/Coverage Interest	Total Capital/Debt/ Debt Coverage	Special Master	
Percentage		0.000%		45.299%		8.407%		0.31000%	
Receipts:									
Beginning Balance		71,921.27		9,014,917.31		3,893,126.34	12,979,964.92	366,778.92	
July-03	1,002,202.50	0.00	85.52	411,303.91		71,998.23	497,763.00	3,547.80	
August-03	6,096,475.94	0.00	80.10	2,501,993.73		437,970.83	2,954,457.79	21,581.52	
September-03	2,910,594.77	0.00	88.48	1,194,508.09		209,097.13	1,412,151.36	10,303.51	
October-03	1,054,172.80 **	0.00	80.08	477,529.74		88,624.31	576,440.17	3,267.94	
November-03	7,697,849.44	0.00	72.06	3,487,048.82		647,158.20	4,142,842.02	23,863.33	
December-03	2,784,210.11	0.00	85.01	1,261,219.34		234,068.54	1,505,998.68	8,631.05	
January-04	1,149,050.50	0.00	77.37	520,508.39		96,600.68	630,274.51	3,562.06	
February-04	0.00	0.00		0.00		0.00	0.00	0.00	
March-04	0.00	0.00		0.00		0.00	0.00	0.00	
April-04	0.00	0.00		0.00		0.00	0.00	0.00	
May-04	0.00	0.00		0.00		0.00	0.00	0.00	
June-04	0.00	0.00		0.00		0.00	0.00	0.00	
	22,694,556.06	71,921.27	568.62	18,869,029.33		5,678,644.26	79,728.97	24,699,892.45	441,536.13
Expenses:									
July-03		239,563.46		37,226.86		-	276,790.32	-	
August-03		11,938.49		1,135,409.32		-	1,147,347.81	-	
September-03		230,254.88		5,633,574.11		-	5,863,828.99	-	
October-03		60,808.40		2,057.48		-	62,865.88	-	
November-03		101,329.79		3,159,348.94		-	3,260,678.73	-	
December-03		120,272.12		921,029.98		-	1,041,302.10	-	
January-04		164,348.07		32,129.36		-	196,477.43	-	
February-04						-	-	-	
March-04						-	-	-	
April-04						-	-	-	
May-04						-	-	-	
June-04						-	-	-	
		928,515.21		10,920,776.05		-	11,849,291.26	-	
Balance		\$ (856,593.94)	\$ 568.62	\$ 7,948,253.28	\$ 5,678,644.26	\$ 79,728.97	\$ 12,850,601.19	\$ 441,536.13	

** New percentage with the implementation of Docket #3483 rates.