

TO: Docket 3707 Service List

June 23, 2006

FROM: Steven Frias, Legal Counsel, RI PUC

RE: Cost of Service Schedule for Compliance Rate Filing in Docket 3707

Attached is the Commission's Cost of Service Schedule, as prepared by Thomas Massaro, the RI PUC's Fiscal Analyst, for NBC's current rate filing. The Schedule reflects the Commission's decisions made at open meeting on June 22, 2006.

NBC is directed to file its compliance filing and tariff sheets based on the attached Cost of Service Schedule. The Commission accepts NBC's filed proposal for the design of rates. The new rates will be effective for consumption on and after July 1, 2006.

Narragansett Bay Commission  
Docket 3707  
Cost of Service

	Division Surrebuttal Position *	Commission Adjustments	Proforma
<b>REVENUES</b>			
User Fee Revenues	\$ 60,470,708	\$ ( 309,387)	\$ 60,161,321
Other Service Revenues	2,382,618		2,382,618
Miscellaneous	<u>740,200</u>	<u>-</u>	<u>740,200</u>
Total Revenues	\$ 63,593,526	\$ ( 309,387)	\$ 63,284,139
<b>EXPENSES</b>			
Personnel Services	\$ 15,951,367	\$ ( 70,116)	\$ 15,881,251
Operating Supplies &Exp	12,307,595		12,307,595
Special Services	2,336,666		2,336,666
Capital Outlays	1,892,350		1,892,350
Prior Year Debt Coverage	(1,892,350)		(1,892,350)
Amortization	9,690		9,690
Debt Service	25,872,877		25,872,877
Debt Coverage	<u>6,656,397</u>	<u>-</u>	<u>6,656,397</u>
Total Expenses	\$ 63,134,592	\$ ( 70,116)	\$ 63,064,476
OPERATING RESERVE	<u>458,934</u>	<u>( 239,271)</u>	<u>219,663</u>
COST OF SERVICE	\$ 63,593,526	\$ ( 309,387)	\$ 63,284,139
<b>RATE YEAR REVENUES AT PRESENT RATES</b>			
	60,935,517		60,935,517
<b>REVENUE INCREASE</b>	<u>\$ 2,658,009</u>	<u>\$ ( 309,387)</u>	<u>\$ 2,348,622</u>

\* NBC agreed with the surrebuttal cost of service filed by the Division.