

**STATE OF RHODE ISLAND AND
PROVIDENCE PLANTATIONS**

**IN RE PROVIDENCE WATER)
SUPPLY BOARD APPLICATION) DOCKET NO. 3832
TO CHANGE RATE SCHEDULES)**

SURREBUTTAL TESTIMONY

OF

JEROME D. MIERZWA

ON BEHALF OF THE

DIVISION OF PUBLIC UTILITIES AND CARRIERS

SEPTEMBER 7, 2007

EXETER

ASSOCIATES, INC.
5565 Sterrett Place
Suite 310
Columbia, Maryland 21044

STATE OF RHODE ISLAND AND
PROVIDENCE PLANTATIONS

IN RE PROVIDENCE WATER)
SUPPLY BOARD APPLICATION) DOCKET NO. 3832
TO CHANGE RATE SCHEDULES)

SURREBUTTAL TESTIMONY

OF

JEROME D. MIERZWA

I. Introduction

- 1
- 2 Q. WOULD YOU PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?
- 3 A. My name is Jerome D. Mierzwa. I am a principal and a Vice President of Exeter
4 Associates, Inc. My business address is 5565 Sterrett Place, Suite 310, Columbia,
5 Maryland 21044. Exeter specializes in providing public utility-related consulting
6 services.
- 7 Q. HAVE YOU PREVIOUSLY TESTIFIED IN THIS PROCEEDING?
- 8 A. Yes. My prepared direct testimony was previously submitted in this proceeding.
- 9 Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?
- 10 A. The purpose of my surrebuttal testimony is to respond to certain aspects of the rebuttal
11 testimony of Providence Water Supply Board ("PWSB") witness Mr. Harold J. Smith,
12 and to certain aspects of the prepared direct testimony of Mr. Christopher Woodcock,
13 witness for the Kent County Water Authority ("KCWA").
- 14 Q. WHAT ISSUES WILL YOU ADDRESS IN YOUR SURREBUTTAL
15 TESTIMONY?

1 A. I will address the following issues raised by the PWSB and/or the KCWA:

- 2 • Cost Allocations
- 3 • Allocation of Fire Protection Demand
- 4

5 **II. Cost Allocations**

6 Q. BRIEFLY DESCRIBE THE COST ALLOCATION MODIFICATIONS TO
7 PWSB'S COST OF SERVICE STUDY PROPOSED IN YOUR DIRECT
8 TESTIMONY.

9 A. In my direct testimony I proposed the following cost allocation modifications to PWSB's
10 cost of service study:

- 11 • A revision to the allocation of transmission and distribution ("T&D") mains
12 investment;
- 13 • Updates to several cost allocation factors (HM, HMC and HOC) from those
14 initially developed in Docket No. 3163;
- 15 • Recognition of the costs associated with lost and unaccounted-for water;
- 16 • Modification to the allocation of miscellaneous revenue; and
- 17 • A revision to the allocation of certain source of supply operation and
18 maintenance ("O&M") expenses.

19 Q. DID WITNESSES SMITH OR WOODCOCK AGREE WITH OR ACCEPT
20 ANY OF YOUR PROPOSED MODIFICATIONS?

21 A. Yes. Witnesses Smith and Woodcock agree with or accept my proposals to revise the
22 allocation of T&D mains investment; update several of the allocation factors initially

1 developed in Docket No. 3163;¹ to recognize the costs associated with lost and
2 unaccounted-for water; and my revisions to the allocation of certain source of supply
3 O&M expenses. Neither witnesses Smith or Woodcock have indicated that they oppose
4 my modification to the allocation of miscellaneous revenue.

5 Q. DO YOU HAVE FURTHER REVISIONS TO THE ABOVE MODIFICATIONS
6 PRESENTED IN YOUR DIRECT TESTIMONY?

7 A. Yes. The revised allocation of T&D mains investment presented in my direct testimony
8 was based on the results of an inch-mile study. In my surrebuttal, I have modified the
9 initial inch-mile study to include several transmission main sizes omitted from the initial
10 analysis. The revised inch-mile study reveals that 48.95 percent of PWSB's mains
11 investment is transmission related. I have reflected the revised inch-mile study results in
12 my adjustment to recognize the costs associated with lost and unaccounted-for water.

13 Q. HAS WITNESS WOODCOCK PROPOSED ANY REVISIONS TO PWSB'S
14 COST ALLOCATIONS WITH WHICH YOU AGREE OR ACCEPT?

15 A. Yes. Witness Woodcock has revised the allocation of benefits and pension costs for the
16 Customer Service, T&D, Administrative and Insurance functions to be consistent with
17 the allocation of wages in those categories. As I noted in my direct testimony, labor-
18 related benefits and pension expense would ordinarily be allocated based on wages, but
19 was not done so in prior PWSB dockets to limit the increases to quarterly and monthly
20 service charges. Witness Woodcock has addressed this concern by assigning benefits and
21 pension expense allocated to meters and services and billing and collection to the base
22 category.

¹ Consistent with my direct testimony, witness Smith proposes to update these allocation factors based on a three-year average of actual data. Witness Woodcock utilizes one year of actual data. For the reasons set forth in my direct testimony, a three-year average of actual data should be utilized.

1 Witness Woodcock has also proposed to revise the allocation of pumping
2 operating costs and pump station power costs. This is because PWSB has assigned
3 distribution-related pumping costs to wholesale customers.

4 Q. DOES WITNESS SMITH AGREE WITH THE REVISED ALLOCATION OF
5 BENEFITS AND PENSION EXPENSE PROPOSED BY WITNESS
6 WOODCOCK?

7 A. In his rebuttal testimony, witness Smith testifies that he agrees with the revised allocation
8 of benefits and pension expense proposed by witness Woodcock. This includes the
9 assigning of benefits and pension expense allocated to meters and services and billing
10 and collection to the base category. However, in his rebuttal cost of service study,
11 witness Smith failed to assign the benefits and pension expense allocated to meters and
12 services and billing and collection to the base category. Therefore, I am uncertain as to
13 whether witness Smith agrees with witness Woodcock's proposal. I would note that in
14 his direct testimony cost of service study, the benefits and pension expense allocated to
15 meters and services and billing and collection were assigned to other categories.

16 Q. HAVE YOU REFLECTED THE REVENUE REQUIREMENT ADJUSTMENTS
17 SPONSORED BY DIVISION WITNESS CATLIN IN THE COST OF SERVICE
18 STUDY PRESENTED IN YOUR SURREBUTTAL?

19 A. Yes. In addition to the above revisions to PWSB's cost of service study, I have reflected
20 the revenue requirement adjustments sponsored by witness Catlin. This includes the
21 Cranston property tax refund, which I have allocated consistent with the historical basis
22 upon which this cost has been allocated to the various cost categories.

23 Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF THE EXHIBITS WHICH
24 ACCOMPANY YOUR TESTIMONY?

1 A. There are 16 Exhibits included with my surrebuttal testimony. JDM Exhibits 1R through
2 15R correspond to those presented in my direct testimony and reflect the additional
3 changes and revisions identified in my surrebuttal testimony. I have added JDM Exhibit
4 2a to show the development of updated allocation factors HM, HMC and HOC from
5 Docket No. 3163. The information necessary to update these allocation factors was not
6 available at the time my direct testimony was filed.
7

8 **III. Allocation of Fire Protection Demand**

9 Q. WHAT ARE THE POSITIONS OF THE PWSB AND KCWA WITNESSES
10 WITH RESPECT TO FIRE PROTECTION DEMANDS?

11 A. Witness Smith continues to support the PWSB's initial proposal to reduce the maximum
12 day and maximum hour demands assigned to fire protection service by 50 percent.
13 KCWA agrees with the Division's initial position that PWSB's proposal should be
14 rejected.

15 Q. DOES WITNESS SMITH'S REBUTTAL CHANGE YOUR POSITION WITH
16 RESPECT TO PWSB'S PROPOSAL TO REDUCE FIRE PROTECTION
17 DEMANDS BY 50 PERCENT IN THE COST OF SERVICE STUDY?

18 A. No. Witness Smith provides no additional evidence which would cause me to change my
19 position with respect to PWSB's proposal. Witness Smith cites the Commission's
20 reluctance to raise private fire connection rates as further justification for reducing fire
21 protection demands by 50 percent. As I explained in my direct testimony, if the
22 Commission is going to adopt a policy of recovering less than the cost of service through
23 fire protection charges, the full cost of providing fire protection service should be
24 identified, and then an explicit decision should be made as to which customers should

1 pay for the unrecovered fire protection service costs. Under PWSB's proposal to reduce
2 demands by 50 percent, the full cost of providing fire protection service is unknown.

3 Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

4 A. Yes, it does at this time.

W:\3296\jdm\dirtest\Surrebuttal.doc

**STATE OF RHODE ISLAND AND
PROVIDENCE PLANTATIONS**

**IN RE PROVIDENCE WATER)
SUPPLY BOARD APPLICATION) DOCKET NO. 3832
TO CHANGE RATE SCHEDULES)**

SCHEDULES ACCOMPANYING THE

SURREBUTTAL TESTIMONY

OF

JEROME D. MIERZWA

ON BEHALF OF THE

DIVISION OF PUBLIC UTILITIES AND CARRIERS

SEPTEMBER 7, 2007

EXETER

ASSOCIATES, INC.
5565 Sterrett Place
Suite 310
Columbia, Maryland 21044

Revenue Under Existing Rates
Rate Year Ending December 31, 2008

Billing Unit	Units of Service	Current Rates	Total Revenues
Quarterly Service Charges			
5/8"	54,074	\$ 12.19	\$ 2,636,648
3/4"	10,281	\$ 13.05	\$ 536,668
1"	5,071	\$ 15.32	\$ 310,751
1.5"	1,475	\$ 18.33	\$ 108,147
2"	1,762	\$ 26.66	\$ 187,900
3"	39	\$ 87.93	\$ 13,717
4"	27	\$ 110.64	\$ 11,949
6"	55	\$ 163.59	\$ 35,990
8"	26	\$ 224.10	\$ 23,306
10"	3	\$ 278.93	\$ 3,347
12"	-	\$ 333.79	\$ -
Total	72,813		\$ 3,868,424
Monthly Service Charges			
5/8"	-	\$ 7.25	\$ -
3/4"	-	\$ 7.50	\$ -
1"	-	\$ 8.25	\$ -
1.5"	1	\$ 9.27	\$ 111
2"	17	\$ 12.05	\$ 2,458
3"	3	\$ 32.47	\$ 1,169
4"	6	\$ 40.03	\$ 2,882
6"	19	\$ 57.67	\$ 13,149
8"	6	\$ 77.85	\$ 5,605
10"	-	\$ 96.14	\$ -
12"	1	\$ 114.41	\$ 1,373
Total	53		\$ 26,747
Total Service Charge Revenue			\$ 3,895,171
Retail Consumption Charges			
Residential (HCF)	11,688,498	\$ 1.958	\$ 22,886,079
Commercial (HCF)	2,852,053	\$ 1.882	\$ 5,367,563
Industrial (HCF)	1,005,359	\$ 1.825	\$ 1,834,781
Total	15,545,910		\$ 30,088,422
Wholesale Consumption Charges			
Consumption (HCF)	14,432,186	\$ 0.925	
Consumption (MGD)	10,795	\$ 1,236.00	\$ 13,342,960
Private Fire Service Charges			
3/4"	6	\$ 10.77	\$ 258
1"	9	\$ 14.26	\$ 513
1.5"	3	\$ 23.00	\$ 276
2"	29	\$ 33.48	\$ 3,884
4"	284	\$ 92.87	\$ 105,500
6"	1,149	\$ 180.22	\$ 828,291
8"	216	\$ 285.03	\$ 246,266
10"	4	\$ 407.30	\$ 6,517
12"	13	\$ 547.05	\$ 28,447
16"	1	\$ 547.05	\$ 2,188
Total	1,714		\$ 1,222,140
Public Fire Service Charges			
Hydrants	6,082	\$ 250.99	\$ 1,526,521
Total Rate Revenues			\$ 50,075,214
Miscellaneous Revenues			\$ 1,245,739
Total Revenues			\$ 51,320,953

Allocation of Operating & Maintenance and City Services Expenses
Rate Year Ending December 31, 2008

Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
601 Operating Fund								
Source of Supply								
A	\$ 357,859	\$ 192,532	-	-	\$ -	-	\$ 3,579	\$ 161,748
A	\$ 392,732	\$ 211,294	-	-	\$ -	-	\$ 3,927	\$ 177,510
A	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
A	\$ 219,084	\$ 117,870	-	-	\$ -	-	\$ 2,191	\$ 99,023
A	\$ 240,433	\$ 129,356	-	-	\$ -	-	\$ 2,404	\$ 108,673
A	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
A	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
A	\$ 10,191	\$ 5,483	-	-	\$ -	-	\$ 102	\$ 4,606
A	\$ 48,200	\$ 25,992	-	-	\$ -	-	\$ 482	\$ 21,786
A	\$ 4,787	\$ 2,576	-	-	\$ -	-	\$ 48	\$ 2,164
A	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
A	\$ 86,988	\$ 46,800	-	-	\$ -	-	\$ 870	\$ 39,317
A	\$ 21,013	\$ 11,305	-	-	\$ -	-	\$ 210	\$ 9,498
A	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
A	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
A	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
A	\$ 9,323	\$ 5,016	-	-	\$ -	-	\$ 93	\$ 4,214
A	\$ 4,041	\$ 2,174	-	-	\$ -	-	\$ 40	\$ 1,827
A	\$ 1,394,651	\$ 750,338	-	-	\$ -	-	\$ 13,947	\$ 630,366
Total-Source of Supply								
NO	\$ 24,831	\$ 8,661	5,793	1,187	\$ -	-	\$ -	\$ 8,942
NO	\$ 23,241	\$ 8,106	5,422	1,111	\$ -	-	\$ -	\$ 8,369
NO	\$ 14,837	\$ 5,175	3,461	709	\$ -	-	\$ -	\$ 5,343
NO	\$ 14,491	\$ 5,054	3,381	693	\$ -	-	\$ -	\$ 5,218
NP	\$ 742,535	\$ 247,264	181,921	847	\$ -	-	\$ 7,425	\$ 305,924
NO	\$ 17,713	\$ 6,178	4,132	847	\$ -	-	\$ 177	\$ 6,378
NO	\$ 482	\$ 168	112	23	\$ -	-	\$ 5	\$ 174
NO	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
NO	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
NO	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
NO	\$ 5,181	\$ 1,807	1,209	248	\$ -	-	\$ 52	\$ 1,866
NO	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
NO	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
NO	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
NO	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
NO	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
NO	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
NO	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
NO	\$ 843,311	\$ 282,415	205,432	4,817	\$ -	-	\$ 8,433	\$ 342,214
Total-Pumping								
Pumping								
60123 Salaries + Wages - Emp	\$ 24,831	\$ 8,661	5,793	1,187	\$ -	-	\$ -	\$ 8,942
60126 Salaries + Wages - Emp	\$ 23,241	\$ 8,106	5,422	1,111	\$ -	-	\$ -	\$ 8,369
60423 Employee Pension + Ben	\$ 14,837	\$ 5,175	3,461	709	\$ -	-	\$ -	\$ 5,343
60426 Employee Pension + Ben	\$ 14,491	\$ 5,054	3,381	693	\$ -	-	\$ -	\$ 5,218
61523 Purchase Power	\$ 742,535	\$ 247,264	181,921	847	\$ -	-	\$ 7,425	\$ 305,924
61623 Fuel for Power Purch	\$ 17,713	\$ 6,178	4,132	847	\$ -	-	\$ 177	\$ 6,378
62023 Material + Supplies	\$ 482	\$ 168	112	23	\$ -	-	\$ 5	\$ 174
62026 Material + Supplies	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
63123 Contractual Services - Engineer	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
63126 Contractual Services - Engineer	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
63523 Contractual Services - Other	\$ 5,181	\$ 1,807	1,209	248	\$ -	-	\$ 52	\$ 1,866
63526 Contractual Services - Other	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
64223 Rental of Equipment	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
64226 Rental of Equipment	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
65023 Transportation Exp.	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
67523 Misc. Expenses	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
67526 Misc. Expenses	\$ -	\$ -	-	-	\$ -	-	\$ -	\$ -
Total-Pumping								

Allocation of Operating & Maintenance and City Services Expenses
Rate Year Ending December 31, 2008

Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
<i>Water Treatment</i>								
AA	\$ 2,023,517	\$ 652,401	436,274	\$ -	\$ -	\$ -	\$ 20,235	\$ 914,606
AA	\$ 286,633	\$ 92,413	61,798	\$ -	\$ -	\$ -	\$ 2,866	\$ 129,555
AA	\$ 1,186,892	\$ 382,668	255,896	\$ -	\$ -	\$ -	\$ 11,869	\$ 536,462
AA	\$ 175,216	\$ 56,491	37,777	\$ -	\$ -	\$ -	\$ 1,752	\$ 79,196
P	\$ 196,122	\$ 94,964	19,612	\$ -	\$ -	\$ -	\$ 1,765	\$ 79,780
AA	\$ 130,804	\$ 42,172	28,202	\$ -	\$ -	\$ -	\$ 1,308	\$ 59,122
A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AA	\$ 100,347	\$ 32,353	21,635	\$ -	\$ -	\$ -	\$ 1,003	\$ 45,356
AA	\$ 98,464	\$ 31,746	21,229	\$ -	\$ -	\$ -	\$ 985	\$ 44,505
AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AA	\$ 15,648	\$ 5,045	3,374	\$ -	\$ -	\$ -	\$ 156	\$ 7,073
AA	\$ 193,700	\$ 62,451	41,762	\$ -	\$ -	\$ -	\$ 1,937	\$ 87,550
AA	\$ 59,259	\$ 19,106	12,776	\$ -	\$ -	\$ -	\$ 593	\$ 26,784
AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AA	\$ 2,388	\$ 770	515	\$ -	\$ -	\$ -	\$ 24	\$ 1,079
AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AA	\$ 64,233	\$ 20,709	13,849	\$ -	\$ -	\$ -	\$ 642	\$ 29,033
AA	\$ 182	\$ 59	39	\$ -	\$ -	\$ -	\$ 2	\$ 82
AA	\$ 4,533,406	\$ 1,493,347	954,738	\$ -	\$ -	\$ -	\$ 45,138	\$ 2,040,182
<i>Total-Water Treat. Exp.</i>								
<i>Transmission & Distribution</i>								
HM	\$ 898,837	\$ 274,845	183,794	\$ 132,380	\$ 220,418	\$ -	\$ 26,345	\$ 61,055
HM	\$ 2,400,044	\$ 733,881	490,761	\$ 353,477	\$ 588,553	\$ -	\$ 70,346	\$ 163,027
HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HM	\$ 550,274	\$ 303,203	112,520	\$ 81,044	\$ -	\$ -	\$ 16,129	\$ 37,378
HM	\$ 1,469,325	\$ 809,604	300,447	\$ 216,401	\$ -	\$ -	\$ 43,066	\$ 99,806
HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
P	\$ 8,625	\$ 4,273	882	\$ -	\$ -	\$ -	\$ 79	\$ 3,590
F	\$ 147,797	\$ 51,997	34,772	\$ 25,045	\$ -	\$ -	\$ 2,956	\$ 33,027
F	\$ 13,443	\$ 4,730	3,163	\$ 2,278	\$ -	\$ -	\$ 269	\$ 3,004
HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HOC	\$ 1,093,962	\$ 374,898	250,702	\$ 180,571	\$ 37,066	\$ -	\$ 20,597	\$ 230,129

Allocation of Operating & Maintenance and City Services Expenses
Rate Year Ending December 31, 2008

Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
63560 Contractual Services - Other	\$ 40,138	\$ 12,273	8,207	5,912	\$ 9,843	\$ -	\$ 1,176	\$ 2,726
64150 Rental Buildg/Real Prop	\$ -	\$ -	-	-	-	-	-	-
64160 Rental Buildg/Real Prop	\$ -	\$ -	-	-	-	-	-	-
64250 Rental of Equipment	\$ 4,265	\$ 1,500	1,003	723	\$ -	\$ -	\$ 85	\$ 953
64260 Rental of Equipment	\$ -	\$ -	-	-	-	-	-	-
65060 Transportation Exp.	\$ -	\$ -	-	-	-	-	-	-
65850 Insurance W/C	\$ -	\$ -	-	-	-	-	-	-
65860 Insurance W/C	\$ -	\$ -	-	-	-	-	-	-
65950 Insurance Other	\$ -	\$ -	-	-	-	-	-	-
66750 Regulatory Com Exp - Other T & D	\$ -	\$ -	-	-	-	-	-	-
66760 Regulatory Com Exp - Other T & D	\$ -	\$ -	-	-	-	-	-	-
67550 Misc. Expenses	\$ 3,856	\$ 1,357	907	653	\$ -	\$ -	\$ 77	\$ 862
67560 Misc. Expenses	\$ 718	\$ 253	169	122	\$ -	\$ -	\$ 14	\$ 160
Total-Trans/Dist Exp.	\$ 6,631,484	\$ 2,572,914	1,387,328	998,605	\$ 855,880	\$ -	\$ 181,140	\$ 635,717
Customer Accounts								
60170 Salaries + Wages - Emp	\$ 1,968,504	\$ -	-	-	\$ 984,252	\$ 984,252	\$ -	\$ -
60270 Payroll Clearing -Emp	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
60470 Employee Pension + Ben	\$ 1,205,133	\$ 1,205,133	-	-	\$ -	\$ -	\$ -	\$ -
60570 Overhead Rate Applied	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
61670 Fuel for Power Purch	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
62070 Material + Supplies	\$ 11,416	\$ -	-	-	\$ 5,708	\$ 5,708	\$ -	\$ -
63370 Contractual Services - Legal	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
63570 Contractual Services - Other	\$ 36,045	\$ -	-	-	\$ 18,022	\$ 18,022	\$ -	\$ -
65070 Transportation exp. - CAO	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
65870 Insurance - Other	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
65970 Insurance Other	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
67070 Bad Debt Expense - CAO	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
67570 Misc. Expenses	\$ 128,976	\$ -	-	-	\$ 64,488	\$ 64,488	\$ -	\$ -
Total-Cust Accts Exp	\$ 3,350,074	\$ 1,205,133	-	-	\$ 1,072,471	\$ 1,072,471	\$ -	\$ -
Administration								
60180 Salaries + Wages - Emp	\$ 5,080,792	\$ 1,318,775	718,089	296,102	\$ 1,087,724	\$ 597,023	\$ 77,508	\$ 985,570
60380 Salaries + wages - Officers, Dir.	\$ 39,754	\$ 10,319	5,619	2,317	\$ 8,511	\$ 4,671	\$ 606	\$ 7,711
60480 Employee Pension + Ben	\$ 3,116,052	\$ 1,842,062	440,404	181,600	\$ -	\$ -	\$ 47,536	\$ 604,451
60480 Board Health Insurance	\$ (13,022)	\$ (7,698)	(1,840)	(759)	\$ -	\$ -	\$ (199)	\$ (2,526)
61580 Purchase Power	\$ 120,375	\$ 45,297	18,305	7,210	\$ 13,856	\$ 7,706	\$ 1,787	\$ 26,215
61680 Fuel for Power Purch	\$ 196,308	\$ 73,870	29,851	11,758	\$ 22,596	\$ 12,567	\$ 2,914	\$ 42,752
62080 Material + Supplies	\$ 195,909	\$ 73,720	29,791	11,734	\$ 22,550	\$ 12,541	\$ 2,908	\$ 42,665
63180 Contractual Services - Engineer	\$ 0	\$ 0	0	0	\$ 0	\$ 0	\$ 0	\$ 0
63280 Contract Services - Acctg	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
63380 Contractual Services - Legal	\$ 19,217	\$ 4,988	2,716	1,120	\$ 4,114	\$ 2,258	\$ 293	\$ 3,728
63480 Contractual Services - Mgt. Fees	\$ 150,000	\$ 36,934	21,200	8,742	\$ 32,113	\$ 17,626	\$ 2,288	\$ 29,097
63580 Contractual Services - Other	\$ 478,450	\$ 124,187	67,621	27,884	\$ 102,429	\$ 56,221	\$ 7,299	\$ 92,810

Allocation of Operating & Maintenance and City Services Expenses
Rate Year Ending December 31, 2008

Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
Z	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Z	\$ 10,261	\$ 3,861	\$ 1,560	\$ 615	\$ 1,181	\$ 657	\$ 152	\$ 2,235
Z	\$ 111,382	\$ 41,913	\$ 16,937	\$ 6,671	\$ 12,821	\$ 7,130	\$ 1,653	\$ 24,257
Y	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Y	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Y	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Z	\$ 3,565	\$ 1,341	\$ 542	\$ 214	\$ 410	\$ 228	\$ 53	\$ 776
Com Z	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Com Z	\$ 296,587	\$ 145,588	\$ 58,833	\$ 23,173	\$ -	\$ -	\$ 4,402	\$ 64,591
Z	\$ 307,624	\$ 115,758	\$ 46,778	\$ 18,425	\$ 35,409	\$ 19,693	\$ 4,566	\$ 66,995
Total Admin/Gen Exp	\$ 10,113,255	\$ 3,832,914	\$ 1,456,406	\$ 596,805	\$ 1,343,715	\$ 738,322	\$ 153,766	\$ 1,991,328

857 Insurance Fund

65840 Insurance W/C - WTM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65870 Insurance W/C - CAO	\$ 25,512	\$ 15,081	\$ 3,606	\$ 1,487	\$ -	\$ -	\$ 389	\$ 4,949
62080 Materials + Supplies - A&GO	\$ 31,163	\$ 11,726	\$ 4,739	\$ 1,867	\$ 3,587	\$ 1,995	\$ 463	\$ 6,787
63580 Contract Services - Other A&GO	\$ 83,972	\$ 21,796	\$ 11,868	\$ 4,894	\$ 17,977	\$ 9,867	\$ 1,281	\$ 16,289
65780 Ins. Gen. Liability	\$ 1,466,096	\$ 719,672	\$ 290,823	\$ 114,551	\$ -	\$ -	\$ 21,761	\$ 319,289
65880 Insurance - W/C	\$ 531,027	\$ 313,918	\$ 75,052	\$ 30,948	\$ -	\$ -	\$ 8,101	\$ 103,008
Additional Insurance	\$ 212,172	\$ 104,150	\$ 42,098	\$ 16,578	\$ -	\$ -	\$ 3,149	\$ 46,207
67580 Misc. Expense	\$ 207,528	\$ 78,092	\$ 31,557	\$ 12,430	\$ 23,888	\$ 13,285	\$ 3,080	\$ 45,196
Funding Requirement	\$ 410,185	\$ 201,350	\$ 81,367	\$ 32,049	\$ -	\$ -	\$ 6,088	\$ 89,331
Total Insurance Fund	\$ 2,967,655	\$ 1,465,786	\$ 541,100	\$ 214,802	\$ 45,452	\$ 25,147	\$ 44,312	\$ 631,055

878 Chemical and Sludge Maintenance Fund

61630 Chemicals - WTO	\$ 2,286,505	\$ 1,230,166	\$ -	\$ -	\$ -	\$ -	\$ 22,865	\$ 1,033,474
62030 Materials + Supplies WTO	\$ (1,981)	\$ (1,066)	\$ -	\$ -	\$ -	\$ -	\$ (20)	\$ (895)
Funding Requirement	\$ 200,000	\$ 107,602	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 90,398
63540 Contract Services - Other WTM	\$ 648,042	\$ 348,654	\$ -	\$ -	\$ -	\$ -	\$ 6,480	\$ 292,907
Total Chemical and Sludge Maintenance	\$ 3,132,565	\$ 1,685,356	\$ -	\$ -	\$ -	\$ -	\$ 31,326	\$ 1,415,883

Total Operating and Maintenance Expense

	\$ 32,966,402	\$ 13,288,103	\$ 4,545,004	\$ 1,815,029	\$ 3,317,517	\$ 1,835,940	\$ 478,062	\$ 7,686,746
Less: Capital Labor	\$ 984,719	\$ 431,939	\$ 144,665	\$ 36,395	\$ 79,986	\$ -	\$ 8,684	\$ 283,050
Net Operating and Maintenance Expense	\$ 31,981,683	\$ 12,856,164	\$ 4,400,339	\$ 1,778,634	\$ 3,237,532	\$ 1,835,940	\$ 469,378	\$ 7,403,696

City Services Cost

Z	\$ 1,240,355	\$ 466,740	\$ 188,612	\$ 74,291	\$ 142,771	\$ 79,404	\$ 18,410	\$ 270,127
Less: Miscellaneous Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Meters and Encoders	\$ 105,861	\$ 0	\$ 0	\$ 0	\$ 105,861	\$ 0	\$ 0	\$ 0
Rent for Water Property	\$ 18,652	\$ 7,019	\$ 2,836	\$ 1,117	\$ 2,147	\$ 1,194	\$ 277	\$ 4,062

Allocation of Operating & Maintenance and City Services Expenses
Rate Year Ending December 31, 2008

Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
RR	\$351,288	\$208,910	\$62,473	\$21,882	\$41,580	\$16,443	\$0	\$0
A	\$128,032	\$68,883	\$0	\$0	\$0	\$0	\$1,280	\$57,869
A	\$232,541	\$125,110	\$0	\$0	\$0	\$0	\$2,325	\$105,106
FP	\$10,384	\$0	\$0	\$0	\$0	\$0	\$10,384	\$0
TD	\$166,819	\$77,577	\$51,877	\$37,365	\$0	\$0	\$0	\$0
D	\$25,000	\$0	\$0	\$0	\$12,500	\$12,500	\$0	\$0
D	\$27,359	\$0	\$0	\$0	\$13,680	\$13,680	\$0	\$0
D	\$172,040	\$0	\$0	\$0	\$86,020	\$86,020	\$0	\$0
Z	\$7,763	\$2,921	\$1,180	\$465	\$894	\$497	\$115	\$1,691
Total Miscellaneous Revenue	\$ 1,245,739	\$ 490,419	\$ 118,367	\$ 60,829	\$ 262,681	\$ 130,334	\$ 14,382	\$ 168,728

Corrected Copy, 9/10/07

Derivation of Allocation Factors HO, HM, HOC, and HMC
Based on Average of Actual Costs for Fiscal Years ending June 30, 2004, 2005 and 2006

Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
Transmission & Distribution - Salaries & Wages T&D (O)								
Unspecified	\$ 830,002	\$ 253,796	\$ 169,719	\$ 122,242	\$ 203,538	\$ -	\$ 24,328	\$ 56,379
Vacation	\$ 4,717	\$ 1,442	\$ 965	\$ 695	\$ 1,157	\$ -	\$ 138	\$ 320
Total (used for Allocation factor HO)	\$ 834,719	\$ 255,239	\$ 170,683	\$ 122,937	\$ 204,695	\$ -	\$ 24,466	\$ 56,700
Calculated Factor HO		30.58%	20.45%	14.73%	24.52%	0.00%	2.93%	6.79%

Transmission & Distribution - Salaries & Wages T&D (M)								
Check Trench	\$ 4,638	\$ 1,632	\$ 1,091	\$ 786	\$ -	\$ -	\$ 93	\$ 1,036
Repair Trench	\$ 1,310	\$ 461	\$ 308	\$ 222	\$ -	\$ -	\$ 26	\$ 293
Exercise Valve (Scheduled)	\$ 3,035	\$ 1,068	\$ 714	\$ 514	\$ -	\$ -	\$ 61	\$ 678
Exercise Valve (Unscheduled)	\$ 7,969	\$ 2,804	\$ 1,875	\$ 1,350	\$ -	\$ -	\$ 159	\$ 1,781
Check Condition of Valve	\$ 6,335	\$ 2,229	\$ 1,490	\$ 1,073	\$ -	\$ -	\$ 127	\$ 1,416
Check Condition of Gate Box	\$ 1,442	\$ 507	\$ 339	\$ 244	\$ -	\$ -	\$ 29	\$ 322
Check for No/Rusty Water	\$ 8,707	\$ 4,049	\$ 2,708	\$ 1,950	\$ -	\$ -	\$ -	\$ -
Close Stop No-Payment	\$ 305	\$ -	\$ -	\$ -	\$ 305	\$ -	\$ -	\$ -
Close Stop Non-Use	\$ 2,665	\$ -	\$ -	\$ -	\$ 2,665	\$ -	\$ -	\$ -
Close Stop Repair	\$ 61,186	\$ -	\$ -	\$ -	\$ 61,186	\$ -	\$ -	\$ -
Close Stop (Seasonal)	\$ 175	\$ -	\$ -	\$ -	\$ 175	\$ -	\$ -	\$ -
Close Stop Was Closed Non-Use	\$ 911	\$ -	\$ -	\$ -	\$ 911	\$ -	\$ -	\$ -
Open Stop Closed Repair	\$ 49,186	\$ -	\$ -	\$ -	\$ 49,186	\$ -	\$ -	\$ -
Open Stop Non-Payments	\$ 4,421	\$ -	\$ -	\$ -	\$ 4,421	\$ -	\$ -	\$ -
Mark Out	\$ 258,541	\$ 90,959	\$ 60,826	\$ 43,811	\$ -	\$ -	\$ 5,171	\$ 57,774
Open Stop (Seasonal)	\$ 2,845	\$ -	\$ -	\$ -	\$ 2,845	\$ -	\$ -	\$ -
Close Stop (Demolition)	\$ 98	\$ -	\$ -	\$ -	\$ 98	\$ -	\$ -	\$ -
Check Position & Condition of Stop	\$ 17,040	\$ -	\$ -	\$ -	\$ 17,040	\$ -	\$ -	\$ -
Check Condition Curb Box	\$ 2,826	\$ -	\$ -	\$ -	\$ 2,826	\$ -	\$ -	\$ -
Meter Maintenance	\$ 411	\$ -	\$ -	\$ -	\$ 411	\$ -	\$ -	\$ -
Meter Work - Set Jump Pipe	\$ 1,132	\$ -	\$ -	\$ -	\$ 1,132	\$ -	\$ -	\$ -
Check Condition of Hydrant	\$ 32,002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,002	\$ -
Open/Close/Flush Hydrant	\$ 13,384	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,384	\$ -
Assist a Truck	\$ 21,340	\$ 6,525	\$ 4,364	\$ 3,143	\$ 5,233	\$ -	\$ 625	\$ 1,450
Replace Covers	\$ 3,925	\$ 1,381	\$ 923	\$ 665	\$ -	\$ -	\$ 79	\$ 877
Yard Work	\$ 192,030	\$ 89,301	\$ 59,717	\$ 43,012	\$ -	\$ -	\$ -	\$ -
Check Leak WMWS/HYDT/ALMTR	\$ 42,280	\$ 14,875	\$ 9,947	\$ 7,165	\$ -	\$ -	\$ 846	\$ 9,448
T&D Misc.	\$ 36,423	\$ 11,137	\$ 7,448	\$ 5,364	\$ 8,932	\$ -	\$ 1,088	\$ 2,474
Shut Down Notifications	\$ 805	\$ -	\$ -	\$ -	\$ 805	\$ -	\$ -	\$ -
Leak Detection	\$ 5,196	\$ 1,828	\$ 1,222	\$ 880	\$ -	\$ -	\$ 104	\$ 1,161
Transportation & Delivery	\$ 104	\$ 32	\$ 21	\$ 15	\$ 26	\$ -	\$ 3	\$ 7
Lag Time	\$ 689,527	\$ 320,654	\$ 214,428	\$ 154,445	\$ -	\$ -	\$ -	\$ -
Trench Repair	\$ 3,443	\$ 1,211	\$ 810	\$ 583	\$ -	\$ -	\$ 69	\$ 769
Check Trench	\$ 3,762	\$ 1,324	\$ 885	\$ 637	\$ -	\$ -	\$ 75	\$ 841
ML Meter Leak	\$ 21	\$ -	\$ -	\$ -	\$ 21	\$ -	\$ -	\$ -
Exercise Valve Unscheduled	\$ 128	\$ 45	\$ 30	\$ 22	\$ -	\$ -	\$ 3	\$ 29
Installed Mains/GV	\$ 2,237	\$ 787	\$ 526	\$ 379	\$ -	\$ -	\$ 45	\$ 500
Installed Service	\$ 159,878	\$ -	\$ -	\$ -	\$ 159,878	\$ -	\$ -	\$ -
Installed Hydrant	\$ 2,837	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,837	\$ -
Removed Service	\$ 3,962	\$ -	\$ -	\$ -	\$ 3,962	\$ -	\$ -	\$ -
Contractor Installed Service	\$ 6,463	\$ -	\$ -	\$ -	\$ 6,463	\$ -	\$ -	\$ -
Removed Hydrant	\$ 147	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 147	\$ -
Contractor Installed Service	\$ 297	\$ -	\$ -	\$ -	\$ 297	\$ -	\$ -	\$ -
Replacement 105's	\$ 195,158	\$ -	\$ -	\$ -	\$ 195,158	\$ -	\$ -	\$ -
Contractor Replacement 105's	\$ 221	\$ -	\$ -	\$ -	\$ 221	\$ -	\$ -	\$ -
Maintenance Work	\$ 280,096	\$ 98,542	\$ 65,897	\$ 47,463	\$ -	\$ -	\$ 5,602	\$ 62,591
Operational Work	\$ 6,578	\$ 3,018	\$ 2,018	\$ 1,454	\$ -	\$ -	\$ 172	\$ 1,917
Removal/Installation	\$ 590	\$ -	\$ -	\$ -	\$ 590	\$ -	\$ -	\$ -
Total (used for Allocation factor HM)	\$ 2,140,012	\$ 654,369	\$ 437,589	\$ 315,179	\$ 524,766	\$ -	\$ 62,724	\$ 145,364
Calculated Factor HM		30.58%	20.45%	14.73%	24.52%	0.00%	2.93%	6.79%

Transmission & Distribution - Contract Services Other T&D (O)								
Unspecified	\$ 39,674	\$ 13,828	\$ 9,247	\$ 6,660	\$ 698	\$ -	\$ 759	\$ 8,481
New Service Applications	\$ 12,353	\$ -	\$ -	\$ -	\$ 12,353	\$ -	\$ -	\$ -
Uniforms	\$ 35,863	\$ 12,500	\$ 8,359	\$ 6,021	\$ 631	\$ -	\$ 686	\$ 7,667
Equipment	\$ 14,118	\$ 4,921	\$ 3,291	\$ 2,370	\$ 248	\$ -	\$ 270	\$ 3,018
Repair Transmission Main	\$ 7,383	\$ 2,597	\$ 1,737	\$ 1,251	\$ -	\$ -	\$ 148	\$ 1,650
Repair Distribution Main	\$ 13,923	\$ 4,898	\$ 3,276	\$ 2,359	\$ -	\$ -	\$ 278	\$ 3,111
Repair Leak on Service	\$ 1,200	\$ -	\$ -	\$ -	\$ 1,200	\$ -	\$ -	\$ -
Road Restoration - Contractor	\$ 637,025	\$ 224,116	\$ 149,871	\$ 107,946	\$ -	\$ -	\$ 12,741	\$ 142,351
Road Restoration - Force Work	\$ 2,985	\$ 1,050	\$ 702	\$ 506	\$ -	\$ -	\$ 60	\$ 667
Yard Work	\$ 776	\$ 270	\$ 181	\$ 130	\$ 14	\$ -	\$ 15	\$ 166
Markouts/Dig Safe	\$ 34,565	\$ 12,161	\$ 8,132	\$ 5,857	\$ -	\$ -	\$ 891	\$ 7,724
Contractor Repair/Leak Distribution Main	\$ 19,860	\$ 9,236	\$ 6,176	\$ 4,448	\$ -	\$ -	\$ -	\$ -
Switchboard Monitoring	\$ 2,950	\$ 1,028	\$ 688	\$ 495	\$ 52	\$ -	\$ 56	\$ 631
Police Details	\$ 62,502	\$ 21,989	\$ 14,705	\$ 10,591	\$ -	\$ -	\$ 1,250	\$ 13,967
Pages, cell phones	\$ 18,378	\$ 6,406	\$ 4,284	\$ 3,085	\$ 323	\$ -	\$ 352	\$ 3,929
New Service Installation	\$ 15,625	\$ -	\$ -	\$ -	\$ 15,625	\$ -	\$ -	\$ -
Total (used for Allocation factor HOC)	\$ 919,180	\$ 315,001	\$ 210,647	\$ 151,721	\$ 31,144	\$ -	\$ 17,306	\$ 193,361
Calculated Factor HOC		34.27%	22.92%	16.51%	3.39%	0.00%	1.88%	21.04%

Transmission & Distribution - Contract Services Other T&D (M)								
Repair Leak Distribution Service	\$ 18,996	\$ 6,683	\$ 4,469	\$ 3,219	\$ -	\$ -	\$ 380	\$ 4,245
Repair Leak Service	\$ 9,263	\$ -	\$ -	\$ -	\$ 9,263	\$ -	\$ -	\$ -
Plumbing Maintenance	\$ 11,034	\$ 3,846	\$ 2,572	\$ 1,852	\$ 194	\$ -	\$ 211	\$ 2,359
Total (used for Allocation factor HMC)	\$ 39,293	\$ 10,529	\$ 7,041	\$ 5,071	\$ 9,457	\$ -	\$ 591	\$ 6,604
Calculated Factor HMC		26.80%	17.92%	12.91%	24.07%	0.00%	1.50%	16.81%

Plant Investment
Test Year Ending June 30, 2008

Table with columns: Allocation Factor, Plant in Service, Accumulated Depreciation, Net Book Value, Base, Maximum Day, Maximum Hour, Meters, Billing & Collection, Public Fire Protection, Wholesale. Rows include Land and Land Rights, Source of Supply & Pumping, Water Treatment Plant, Transmission & Distribution Plant, General Plant, and Total Plant.

Factors used to determine Allocation Factors:

Table showing Allocation Factor, Adjusted Test Year, Site Year Adjustments, Preference Rate, Base, Maximum Day, Maximum Hour, Meters, Billing & Collection, Public Fire Protection, Wholesale. Rows include Capital Fund Cash, Debt Service, Construction Work in Progress, Assets under Capital Lease, and Allocation Factor K1.

Allocation of Capital Costs
Test Year Ending December 31, 2008

Table showing Allocation Factor, Adjusted Test Year, Site Year Adjustments, Preference Rate, Base, Maximum Day, Maximum Hour, Meters, Billing & Collection, Public Fire Protection, Wholesale. Rows include Allocation Factor K2, Allocation Factor K1, Allocation Factor K3, Allocation Factor K4, and Allocation Factor K5.

Allocation of Property Taxes
Rate Year Ending December 31, 2008

3 4 5 6 7 8 9

	Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
Scituate	A	\$ 5,446,674	\$ 2,930,374	\$ -	\$ -	\$ -	\$ -	\$ 54,467	\$ 2,461,834
Foster	A	\$ 296,923	\$ 159,748	\$ -	\$ -	\$ -	\$ -	\$ 2,969	\$ 134,206
Cranston	A	\$ 90,003	\$ 48,423	\$ -	\$ -	\$ -	\$ -	\$ 900	\$ 40,680
Cranston Refund	Cran	\$ (375,000)	\$ (190,583)	\$ (14,116)	\$ (10,167)	\$ -	\$ -	\$ (4,350)	\$ (155,784)
North Providence	F	\$ 238,466	\$ 83,896	\$ 56,103	\$ 40,409	\$ -	\$ -	\$ 4,769	\$ 53,288
Johnston	A	\$ 87,470	\$ 47,060	\$ -	\$ -	\$ -	\$ -	\$ 875	\$ 39,535
Glocester	A	\$ 50,425	\$ 27,129	\$ -	\$ -	\$ -	\$ -	\$ 504	\$ 22,792
West Warwick	A	\$ 4,361	\$ 2,346	\$ -	\$ -	\$ -	\$ -	\$ 44	\$ 1,971
West Glocester Fire	A	\$ 3,989	\$ 2,146	\$ -	\$ -	\$ -	\$ -	\$ 40	\$ 1,803
Harmony Fire Dist.	A	\$ 122	\$ 66	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 55
Chepachet Fire Dist.	A	\$ 147	\$ 79	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 66
Warwick	A	\$ 103	\$ 55	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 47
Total Property Taxes		\$ 5,843,683	\$ 3,110,740	\$ 41,987	\$ 30,242	\$ -	\$ -	\$ 60,221	\$ 2,600,493

Corrected Copy

Allocation Factor Legend

Allocation	Description	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
A	1% allocated to fire protection, remainder allocated to base and wholesale based on consumption	53.60%	0.00%	0.00%	0.00%	0.00%	1.00%	45.20%
AA	1% allocated to fire protection, remainder allocated to base, maximum day, and wholesale based on consumption	32.24%	21.56%	0.00%	0.00%	0.00%	1.00%	45.20%
C	100% to Meters & Services	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%
Com Y	Allocated Based on Methodology in Docket # 2048, Y - Labor Reallocated from Meters and Billing	44.70%	24.34%	10.04%	0.00%	0.00%	1.53%	19.40%
Com Z	Allocated Based on Methodology in Docket # 2048, Z - O&M Reallocated from Meters and Billing	49.08%	19.84%	7.81%	0.00%	0.00%	1.48%	21.78%
Cran	Cranston Taxes, 16% Allocator F, 84% Allocator A	50.82%	3.76%	2.71%	0.00%	0.00%	1.16%	41.54%
DY	50% to Billing and Collections, 50% to Meters and Services	0.00%	0.00%	0.00%	50.00%	50.00%	0.00%	0.00%
D	Same as D but meter and billing are assigned to retail base	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
F	2% to Fire, Allocated to Base & Wholesale by Proportion of T&D Pipe in Inch Miles, Retail to Base, Max Day and Hour	35.18%	23.53%	16.95%	0.00%	0.00%	2.00%	22.35%
FP	100% Fire Protection	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
HM	Based on Separate T&D Allocation Table - Wages - See JDM Exhibit 16	30.58%	20.45%	14.73%	24.52%	0.00%	2.93%	6.79%
HMY	Same as HM but meter and billing are assigned to retail base	55.10%	20.45%	14.73%	0.00%	0.00%	2.93%	6.79%
HMC	Based on Separate T&D Allocation Table - Maintenance Contractor - See JDM Exhibit 16	26.80%	17.92%	12.91%	24.07%	0.00%	1.50%	16.81%
HOC	Based on Separate T&D Allocation Table - Operations Contractor - See JDM Exhibit 16	34.27%	22.92%	16.51%	3.39%	0.00%	1.88%	21.04%
K1	Allocated Based on Original Plant Investment less Land, Meters and Fire Reallocated to Retail	49.00%	16.48%	4.15%	0.00%	0.00%	0.00%	30.38%
K2	Allocated Based on Original Plant Investment less Land	34.66%	11.66%	2.93%	15.18%	0.00%	5.19%	30.38%
L	Allocation of other Transmission & Distribution Plant except Services & Meters	33.46%	22.38%	8.78%	0.00%	0.00%	14.03%	21.35%
N	Allocation of Pumping Investment and Expenses per KCWA	46.24%	8.79%	1.80%	0.00%	0.00%	1.00%	42.17%
NO	Allocation of Pumping O&M per KCWA	34.88%	23.33%	4.78%	0.00%	0.00%	1.00%	36.01%
NP	Allocation of Pumping Power per KCWA	33.30%	24.50%	0.00%	0.00%	0.00%	1.00%	41.20%
P	10% allocated to maximum day, 90% allocated based on A	48.42%	10.00%	0.00%	0.00%	0.00%	0.90%	40.68%
RR	Retail Revenue	59.47%	17.78%	6.23%	11.84%	4.68%	0.00%	0.00%
T	Allocation of all Non-General Plant	35.50%	11.19%	2.83%	14.44%	0.00%	5.04%	31.00%
TD	Allocation of Base, Max Day and Max Hour of Retail only	46.50%	31.10%	22.40%	0.00%	0.00%	0.00%	0.00%
X1	Allocation within a Particular Group Based on the Relationship between all Other Items in the Group	30.58%	20.45%	14.73%	24.52%	0.00%	2.93%	6.79%
X2	Allocation within a Particular Group Based on the Relationship between all Other Items in the Group	34.85%	23.31%	16.79%	1.76%	0.00%	1.91%	21.38%
X4	Allocation within a Particular Group Based on the Relationship between all Other Items in the Group	43.86%	14.69%	3.70%	8.12%	0.00%	0.86%	28.74%
Y	Based on Labor related O&M Expenses.	25.96%	14.13%	5.83%	21.41%	11.75%	1.53%	19.40%
YY	Same as Y but meter and billing are assigned to retail base	59.12%	14.13%	5.83%	0.00%	0.00%	1.53%	19.40%
Z	Based on Total O&M expenses, except for Administrative & General	37.63%	15.21%	5.99%	11.51%	6.40%	1.48%	21.78%

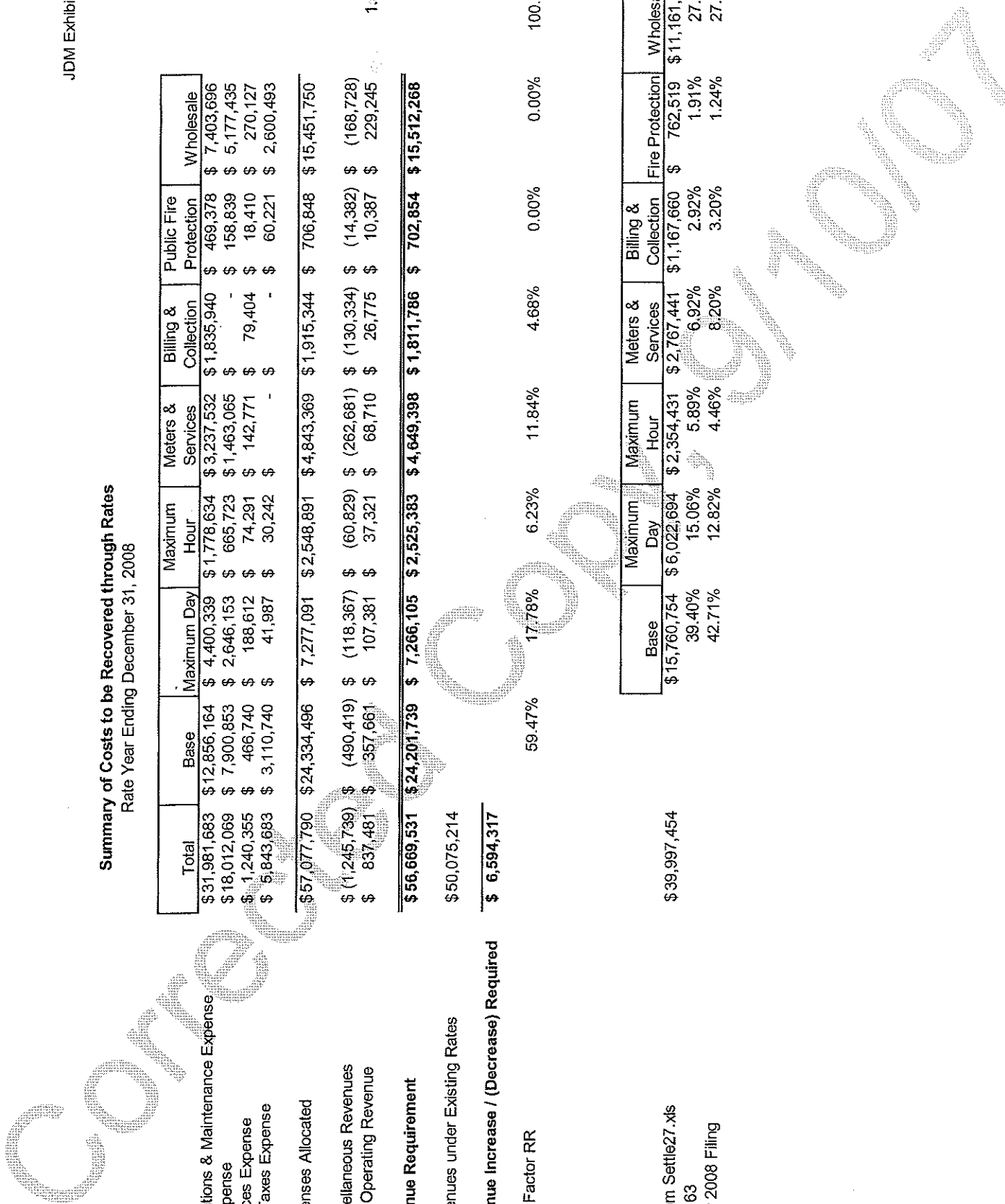
Copy 9170101

Summary of Costs to be Recovered through Rates
Rate Year Ending December 31, 2008

	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
Net Operations & Maintenance Expense	\$ 31,981,683	\$ 12,856,164	\$ 4,400,339	\$ 1,778,634	\$ 3,237,532	\$ 1,835,940	\$ 469,378	\$ 7,403,696
Capital Expense	\$ 18,012,069	\$ 7,900,853	\$ 2,646,153	\$ 665,723	\$ 1,463,065	\$ -	\$ 158,839	\$ 5,177,435
City Services Expense	\$ 1,240,355	\$ 466,740	\$ 188,612	\$ 74,291	\$ 142,771	\$ 79,404	\$ 18,410	\$ 270,127
Property Taxes Expense	\$ 5,843,683	\$ 3,110,740	\$ 41,987	\$ 30,242	\$ -	\$ -	\$ 60,221	\$ 2,600,493
Total Expenses Allocated	\$ 57,077,790	\$ 24,334,496	\$ 7,277,091	\$ 2,548,891	\$ 4,843,369	\$ 1,915,344	\$ 706,848	\$ 15,451,750
less: Miscellaneous Revenues	\$ (1,245,739)	\$ (490,419)	\$ (118,367)	\$ (60,829)	\$ (262,681)	\$ (130,334)	\$ (14,382)	\$ (168,728)
plus: Net Operating Revenue	\$ 837,481	\$ 357,661	\$ 107,381	\$ 37,321	\$ 68,710	\$ 26,775	\$ 10,387	\$ 229,245
Net Revenue Requirement	\$ 56,669,531	\$ 24,201,739	\$ 7,266,105	\$ 2,525,383	\$ 4,649,398	\$ 1,811,786	\$ 702,854	\$ 15,512,268
Rate Revenues under Existing Rates	\$ 50,075,214							
Net Revenue Increase / (Decrease) Required	\$ 6,594,317							

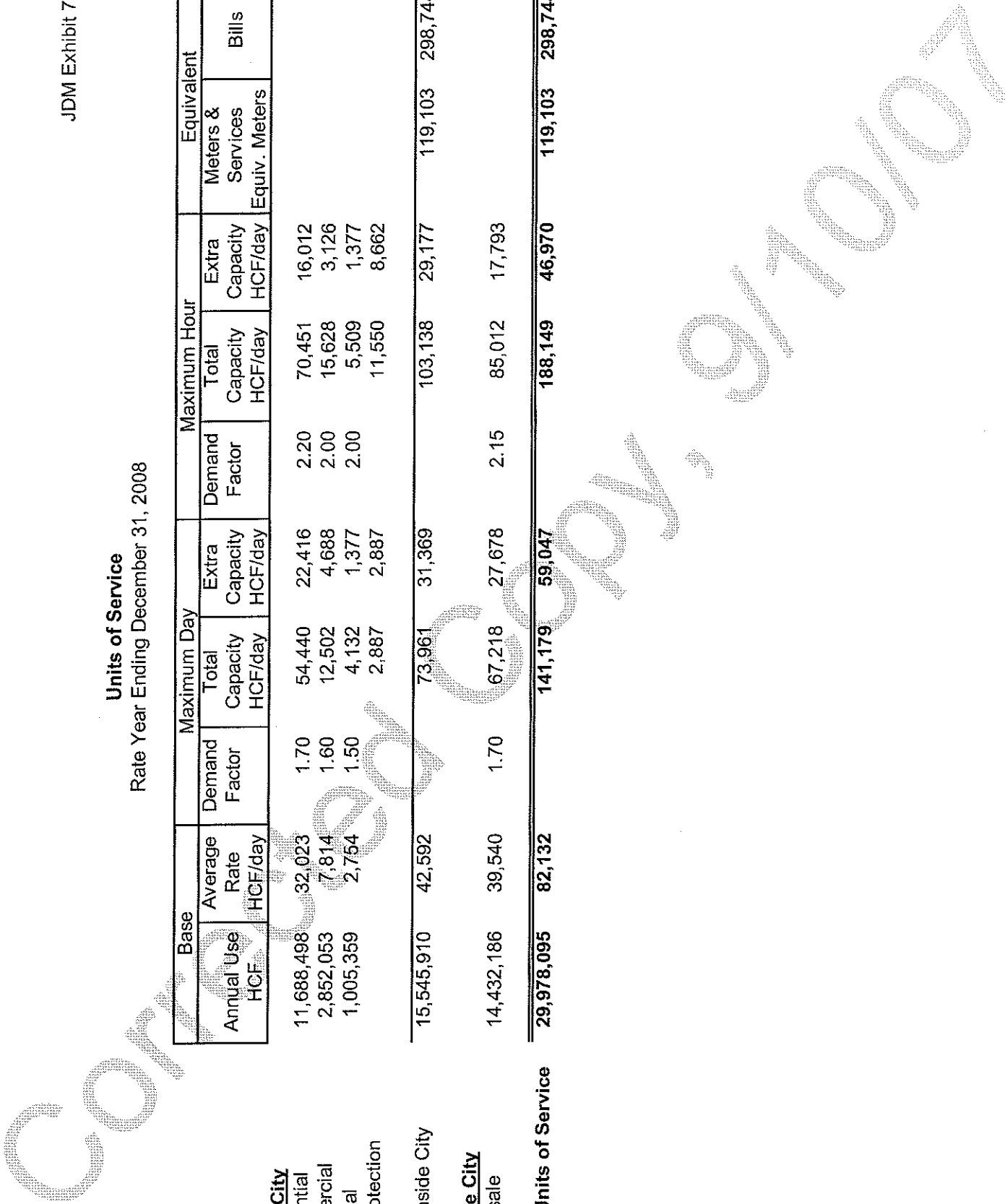
Allocation Factor RR 59.47% 17.78% 6.23% 11.84% 4.68% 0.00% 100.00%

	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Fire Protection	Wholesale
Values from Settle27.xls	\$ 15,760,754	\$ 6,022,694	\$ 2,354,431	\$ 2,767,441	\$ 1,167,660	\$ 762,519	\$ 11,161,954
Docket 3163	39.40%	15.06%	5.89%	6.92%	2.92%	1.91%	27.91%
Rate Year 2008 Filing	42.71%	12.82%	4.46%	8.20%	3.20%	1.24%	27.37%



Units of Service
Rate Year Ending December 31, 2008

	Base		Maximum Day				Maximum Hour			Equivalent	
	Annual Use HCF	Average Rate HCF/day	Demand Factor	Total Capacity HCF/day	Extra Capacity HCF/day	Demand Factor	Total Capacity HCF/day	Extra Capacity HCF/day	Meters & Services Equiv. Meters	Bills	
Inside City											
Residential	11,688,498	32,023	1.70	54,440	22,416	2.20	70,451	16,012			
Commercial	2,852,053	7,814	1.60	12,502	4,688	2.00	15,628	3,126			
Industrial	1,005,359	2,754	1.50	4,132	1,377	2.00	5,509	1,377			
Fire Protection				2,887	2,887		11,550	8,662			
Total Inside City	15,545,910	42,592		73,961	31,369		103,138	29,177	119,103	298,744	
Outside City											
Wholesale	14,432,186	39,540	1.70	67,218	27,678	2.15	85,012	17,793			
Total Units of Service	29,978,095	82,132		141,179	59,047		188,149	46,970	119,103	298,744	



Unit Costs
Rate Year Ending December 31, 2008

Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection
		MCF/day	MCF/day	Equiv. Meters	Bills	Hydrants

Retail Systems Units of Service:

Number	15,545,910	31,369	29,177	119,103	298,744	6,082
Units	MCF	MCF/day	MCF/day	Equiv. Meters	Bills	Hydrants

O&M Expense:

Retail	23,853,490	4,346,202	1,743,572	3,019,474	1,731,191	461,821
Retail Unit Cost (\$/unit)	\$ 0.81	\$ 138.55	\$ 59.76	\$ 25.35	\$ 5.79	\$ 75.93

Wholesale O&M Expense

\$ 7,343,493 \$ 7,343,493

Capital Expense:

Retail Capital Expense	13,027,153	8,019,366	2,685,845	675,709	1,485,011	161,221
Retail Cost (\$/unit)	\$ 0.52	\$ 85.62	\$ 23.16	\$ 12.47	\$ -	\$ 26.51

Wholesale Capital Expense

\$ 5,255,097 \$ 5,255,097

City Services Expense:

Retail City Services Expense	984,782	473,741	191,441	75,406	144,913	18,686
Retail Cost (\$/unit)	\$ 0.03	\$ 6.10	\$ -	\$ 2.58	\$ 1.22	\$ 3.07

Wholesale City Services Expense

\$ 274,178 \$ 274,178

Property Tax Expense:

Retail Property Tax Expense	3,291,838	3,157,401	42,617	-	-	61,125
Retail Cost (\$/unit)	\$ 0.20	\$ 1.36	\$ 1.05	\$ -	\$ -	\$ 10.05

Wholesale Property Tax Expense

\$ 2,639,500 \$ 2,639,500

Total Unit Costs of Service

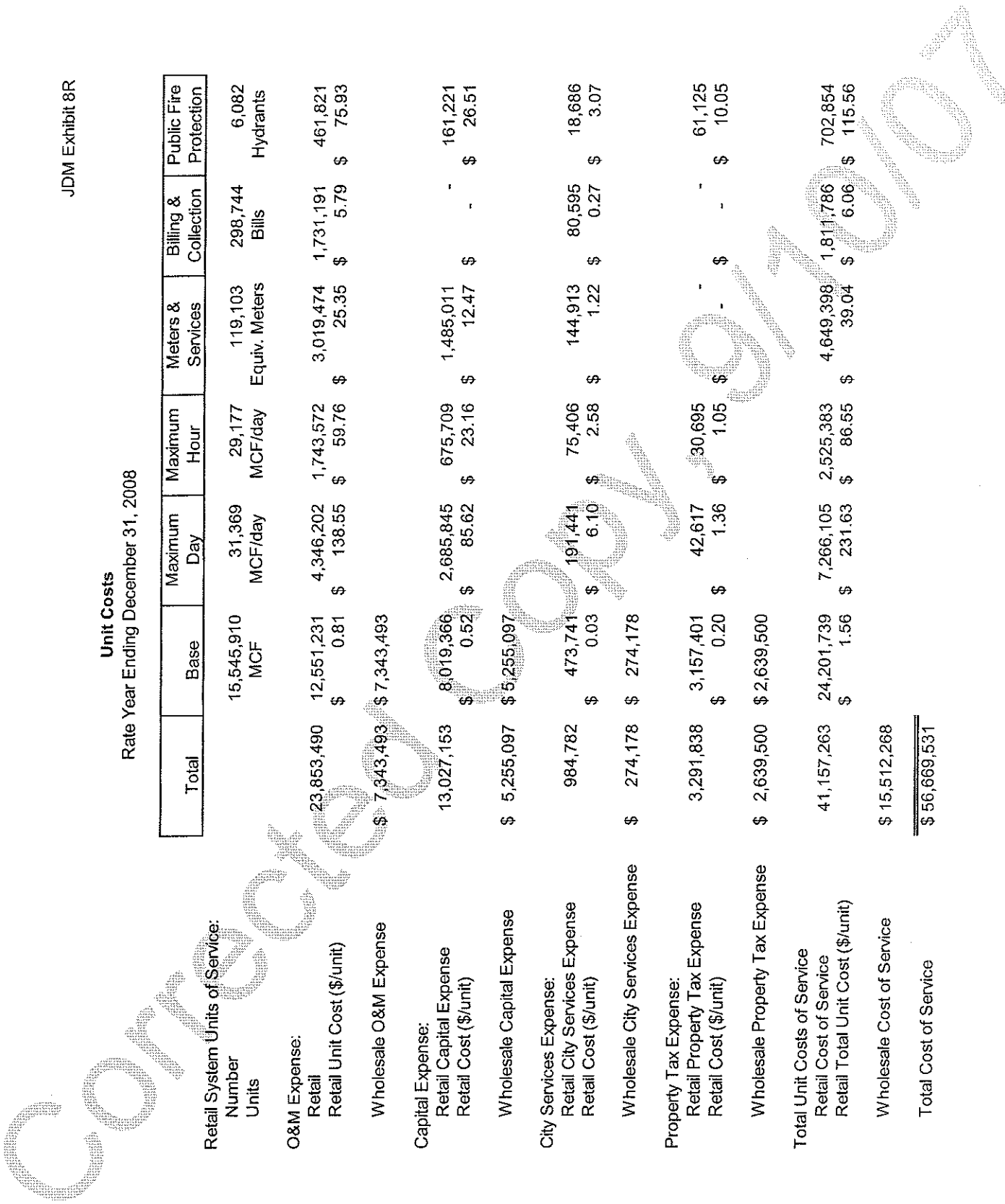
Retail Cost of Service	41,157,263	24,201,739	7,266,105	2,525,383	4,649,398	1,817,786
Retail Total Unit Cost (\$/unit)	\$ 1.56	\$ 231.63	\$ 86.55	\$ 39.04	\$ 6.06	\$ 115.56

Wholesale Cost of Service

\$ 15,512,268

Total Cost of Service

\$ 56,669,531



Allocated Costs by Customer Class
Rate Year Ending December 31, 2008

Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection
-------	------	-------------	--------------	-------------------	----------------------	------------------------

Inside City:						
Unit Costs of Services - \$(/unit)	\$ 1.56	\$ 231.63	\$ 86.55	\$ 39.04	\$ 6.06	\$ 115.56
Retail Service:						
Residential Volume Charge:						
Units of Service - HCF	11,688,498	22,416	16,012			
Allocation Cost of Service - \$	\$ 24,774,738	\$ 5,192,310	\$ 1,385,875			
Consumption Rate - \$/HCF	\$ 2.1196					
Commercial Volume Charge:						
Units of Service - HCF	2,852,053	4,688	3,126			
Allocation Cost of Service - \$	\$ 5,796,536	\$ 1,085,957	\$ 270,528			
Consumption Rate - \$/HCF	\$ 2.0324					
Industrial Volume Charge:						
Units of Service - HCF	1,005,359	1,377	1,377			
Allocation Cost of Service - \$	\$ 2,003,341	\$ 319,003	\$ 119,203			
Consumption Rate - \$/HCF	\$ 1.9927					
Retail Service Charge:						
Units of Service				83,857	291,888	
Allocation Cost of Service - \$	\$ 5,043,704			\$ 3,273,498	\$ 1,770,206	
Fire Protection Service:						
Units of Service				35,246	6,856	6,082
Allocation Cost of Service	\$ 3,538,944	\$ 668,835	\$ 749,776	\$ 1,375,900	\$ 41,579	\$ 702,854
Total Inside-City Allocated Cost of Service	\$ 41,157,263					
Outside City						
Wholesale:						
Units of Service	14,432,186					
Allocation Cost of Service	\$ 15,512,268					
Consumption Rate - \$/HCF	\$ 1.0748					
Total System Allocated Cost of Service	\$ 56,669,531					

9170107

Proposed Rates and Impacts
Rate Year Ending December 31, 2008

Billing Unit	Units of Service	Proposed Rates	Total Revenues	Current Rates	% Change
Quarterly Service Charges					
5/8"	54,074	\$ 15.83	\$ 3,423,966	\$ 12.19	29.9%
3/4"	10,281	\$ 16.80	\$ 690,883	\$ 13.05	28.7%
1"	5,071	\$ 19.73	\$ 400,203	\$ 15.32	28.8%
1.5"	1,475	\$ 23.64	\$ 139,476	\$ 18.33	29.0%
2"	1,762	\$ 34.37	\$ 242,240	\$ 26.66	28.9%
3"	39	\$ 113.42	\$ 17,694	\$ 87.93	29.0%
4"	27	\$ 142.70	\$ 15,412	\$ 110.64	29.0%
6"	55	\$ 211.01	\$ 46,422	\$ 163.59	29.0%
8"	26	\$ 289.09	\$ 30,065	\$ 224.10	29.0%
10"	3	\$ 359.84	\$ 4,318	\$ 278.93	29.0%
12"	-	\$ 430.60	\$ -	\$ 333.79	29.0%
Total	72,813		\$ 5,010,679		
Monthly Service Charges					
5/8"	-	\$ 9.32	\$ -	\$ 7.25	28.6%
3/4"	-	\$ 9.65	\$ -	\$ 7.50	28.7%
1"	-	\$ 10.62	\$ -	\$ 8.25	28.7%
1.5"	1	\$ 11.93	\$ 143	\$ 9.27	28.7%
2"	17	\$ 15.50	\$ 3,162	\$ 12.05	28.6%
3"	3	\$ 41.85	\$ 1,507	\$ 32.47	28.9%
4"	6	\$ 51.61	\$ 3,716	\$ 40.03	28.9%
6"	19	\$ 74.38	\$ 16,959	\$ 57.67	29.0%
8"	6	\$ 100.41	\$ 7,230	\$ 77.85	29.0%
10"	-	\$ 123.99	\$ -	\$ 96.14	29.0%
12"	1	\$ 147.58	\$ 1,771	\$ 114.41	29.0%
Total	53		\$ 34,487		
Total Service Charge Revenue			\$ 5,045,166	\$ 3,895,171	29.5%
Retail Consumption Charges					
Residential (HCF)	11,688,498	\$ 2.120	\$ 24,779,615	\$ 1.958	8.3%
Commercial (HCF)	2,852,053	\$ 2.033	\$ 5,798,223	\$ 1.882	8.0%
Industrial (HCF)	1,005,359	\$ 1.993	\$ 2,003,681	\$ 1.825	9.2%
Total	15,545,910		\$ 32,581,519	\$ 30,088,422	8.3%

Proposed Rates and Impacts
Rate Year Ending December 31, 2008

Billing Unit	Units of Service	Proposed Rates	Total Revenues	Current Rates	% Change
Wholesale Charges					
<u>Volume Charge</u>					
Consumption (HCF)	14,432,186	\$ 0.806		\$ 0.925	
Consumption (MGD)	10,795	\$ 1,074.84	\$ 11,603,177	\$ 1,236.00	-13.0%
<u>Monthly Base Charge</u>					
East Providence	2,397,994	\$ 53,698	\$ 644,376		
East Smithfield	339,786	\$ 7,609	\$ 91,308		
Greenville	463,126	\$ 10,371	\$ 124,452		
Kent County	3,777,169	\$ 84,581	\$ 1,014,972		
Smithfield	428,798	\$ 9,602	\$ 115,224		
Warwick	4,404,569	\$ 98,630	\$ 1,183,560		
Lincoln	1,086,668	\$ 24,334	\$ 292,008		
Johnston	276,576	\$ 6,194	\$ 74,328		
Bristol County	1,257,500	\$ 28,159	\$ 337,908		
Total Base Charges	14,432,186		\$ 3,878,136	\$ 15,481,313	
<u>Total Annual Charges</u>					
East Providence			\$ 2,572,313	\$ 2,217,013	16.0%
East Smithfield			\$ 364,488	\$ 314,141	16.0%
Greenville			\$ 496,795	\$ 428,172	16.0%
Kent County			\$ 4,051,737	\$ 3,492,099	16.0%
Smithfield			\$ 459,969	\$ 396,436	16.0%
Warwick			\$ 4,724,742	\$ 4,072,147	16.0%
Lincoln			\$ 1,165,667	\$ 1,004,655	16.0%
Johnston			\$ 296,689	\$ 255,702	16.0%
Bristol County			\$ 1,348,912	\$ 1,162,594	16.0%
Total Wholesale Charges			\$ 15,481,313	\$ 13,342,960	16.0%
Private Fire Service Charges					
3/4"	6	\$ 16.99	\$ 408	\$ 10.77	57.8%
1"	9	\$ 20.14	\$ 725	\$ 14.26	41.2%
1-1/2"	3	\$ 24.81	\$ 298	\$ 23.00	7.9%
2"	29	\$ 36.87	\$ 4,277	\$ 33.48	10.1%
4"	284	\$ 158.15	\$ 179,658	\$ 92.87	70.3%
6"	1,149	\$ 255.91	\$ 1,176,162	\$ 180.22	42.0%
8"	216	\$ 384.76	\$ 332,433	\$ 285.03	35.0%
10"	4	\$ 531.89	\$ 8,510	\$ 407.30	30.6%
12"	13	\$ 708.50	\$ 36,842	\$ 547.05	29.5%
16" (Note: 1)	1	\$ 1,164.32	\$ 4,657	\$ 547.05	112.8%
Total	1,714		\$ 1,743,970	\$ 1,222,140	42.7%

Proposed Rates and Impacts
Rate Year Ending December 31, 2008

Billing Unit	Units of Service	Proposed Rates	Total Revenues	Current Rates	% Change
Public Fire Service Charges					
Hydrants	6,082	\$ 295.14	\$ 1,795,041	\$ 250.99	17.6%
Total Rate Revenues			<u>\$ 56,647,009</u>	<u>\$ 50,075,214</u>	<u>13.1%</u>
Miscellaneous Revenues			1,245,739	\$ 1,245,739	0.0%
Total Revenues			<u>\$ 57,892,748</u>	<u>\$ 51,320,953</u>	<u>12.8%</u>

Note:

(1) Updates provided by the PWSB reveal no 16" Private Fire Services.

Corrected Copy

Comparison of Revenues by Customer Class
Rate Year Ending December 31, 2008

	Existing Rates	Proposed Rates	% Change
Retail			
Monthly Service Charge	\$ 3,895,171	\$ 5,045,166	29.5%
Volume Charge			
Residential	\$ 22,886,079	\$ 24,779,615	8.3%
Commercial	\$ 5,367,563	\$ 5,798,223	8.0%
Industrial	\$ 1,834,781	\$ 2,003,681	9.2%
Total Retail	\$ 33,983,593	\$ 37,626,684	10.7%
Wholesale			
East Providence	\$ 2,217,013	\$ 2,572,313	16.0%
East Smithfield	\$ 314,141	\$ 364,488	16.0%
Greenville	\$ 428,172	\$ 496,795	16.0%
Kent County	\$ 3,492,099	\$ 4,051,737	16.0%
Smithfield	\$ 396,436	\$ 459,969	16.0%
Warwick	\$ 4,072,147	\$ 4,724,742	16.0%
Lincoln	\$ 1,004,655	\$ 1,165,667	16.0%
Johnston	\$ 255,702	\$ 296,689	16.0%
Bristol County	\$ 1,162,594	\$ 1,348,912	16.0%
Total Wholesale	\$ 13,342,960	\$ 15,481,313	16.0%
Fire Protection			
Private Fire Protection	\$ 1,222,140	\$ 1,743,970	42.7%
Public Fire Protection	\$ 1,526,521	\$ 1,795,041	17.6%
Total Fire Protection	\$ 2,748,662	\$ 3,539,012	28.8%
Total Rate Revenues	\$ 50,075,214	\$ 56,647,009	13.1%
Miscellaneous Revenues	\$ 1,245,739	\$ 1,245,739	0.0%
Total Revenues	\$ 51,320,953	\$ 57,892,748	12.8%

Comparison of Typical Annual Charges
Rate Year Ending December 31, 2008

	Proposed Rates	Existing Rates	% Change
Residential - (5/8" Meter, 100 HCF)			
Fixed Quarterly Service Charge	\$ 63.32	\$ 48.76	29.9%
Volume Charge	\$ 212.00	\$ 195.80	8.3%
Total	\$ 275.32	\$ 244.56	12.6%
Commercial - (2" Meter, 2,000 HCF)			
Fixed Quarterly Service Charge	\$ 137.48	\$ 106.64	28.9%
Volume Charge	\$ 4,066.00	\$ 3,764.00	8.0%
Total	\$ 4,203.48	\$ 3,870.64	8.6%
Industrial - (6" Meter, 10,000 HCF)			
Fixed Monthly Service Charge	\$ 892.56	\$ 692.04	29.0%
Volume Charge	\$ 19,930.00	\$ 18,250.00	9.2%
Total	\$ 20,822.56	\$ 18,942.04	9.9%

For wholesale impacts see JDM Exhibit 11

Revenue Proof
Rate Year Ending December 31, 2008

Net Operations & Maintenance Expense	\$ 31,981,683
Capital Expense	\$ 18,012,069
City Services Expense	\$ 1,240,355
Property Taxes Expense	\$ 5,843,683
Total Expenses Allocated	<u>\$ 57,077,790</u>
plus: Net Operating Revenue	\$ 837,481
Net Revenue Requirement	<u>\$ 57,915,270</u>
Retail	
Monthly Service Charge	\$ 5,045,166
Volume Charge	
Residential	\$ 24,779,615
Commercial	\$ 5,798,223
Industrial	\$ 2,003,681
Total Retail	<u>\$ 37,626,684</u>
Wholesale	
East Providence	\$ 2,572,313
East Smithfield	\$ 364,488
Greenville	\$ 496,795
Kent County	\$ 4,051,737
Smithfield	\$ 459,969
Warwick	\$ 4,724,742
Lincoln	\$ 1,165,667
Johnston	\$ 296,689
Bristol County	\$ 1,348,912
Total Wholesale	<u>\$ 15,481,313</u>
Fire Protection	
Private Fire Protection	\$ 1,743,970
Public Fire Protection	\$ 1,795,041
Total Fire Protection	<u>\$ 3,539,012</u>
Total Rate Revenues	<u>\$ 56,647,009</u>
Miscellaneous Revenues	\$ 1,245,739
Total Revenues	<u>\$ 57,892,748</u>
Total Surplus / (Deficit)	\$ (22,522)

PROVIDENCE WATER SUPPLY BOARD

Public Mains in Use - Miles
Year Ended June 30, 2006

DISTRIBUTION

Pipe Size (inch)	Providence	Cranston	Johnston	North Providence	Total	Inch Mile	Percent
6	274.46	123.65	26.40	44.14	468.65	2,811.90	
8	71.25	129.49	52.02	38.15	290.91	2,327.28	
10	1.57	0.00	0.00	0.05	1.62	16.20	
Subtotal	347.28	253.14	78.42	82.34	761.18	5,155.38	51.05%

TRANSMISSION

Pipe Size (inch)	Providence	Cranston	Johnston	North Providence	Total	Inch Mile	Percent
12	48.71	26.06	2.57	7.64	84.98	1,019.76	
16	28.18	4.36	1.23	2.03	35.80	572.80	
20	3.84	3.36	0.00	0.00	7.20	144.00	
24	12.02	3.57	7.38	3.26	26.23	629.52	
30	9.50	6.04	0.00	0.76	16.30	489.00	
36	0.86	1.04	0.00	0.00	1.90	68.40	
42	0.55	4.29	0.00	0.00	4.84	203.28	
48	2.83	0.31	0.07	0.00	3.21	154.08	
60	1.05	2.45	0.82	0.00	4.32	259.20	
66	0.00	1.60	0.00	0.00	1.60	105.60	
78	4.38	0.00	0.00	0.00	4.38	341.64	
90	4.47	0.00	0.00	0.00	4.47	402.30	
102	5.42	0.00	0.00	0.00	5.42	552.84	
Subtotal	121.81	53.08	12.07	13.69	200.65	4,942.42	48.95%
Percent							
TOTAL	469.09	306.22	90.49	96.03	961.83	10,097.80	100.00%

Calculation of Rate Year Cost Allocation Volumes
 Average Sales and Lost and Unaccounted-For Water over Period FY 2003 through FY 2006
 Rate Year Ending December 31, 2008
 (Volumes in HCF)

	Sales FY 2003	Sales FY 2004	Sales FY2005	Sales FY2006	Four Year Average	Adjustments	Pro Forma Billing Units	LUF Water	Cost Allocation Volumes
Retail								76.02%	
Residential	12,203,733	12,030,853	11,242,268	11,277,137	11,688,498		11,688,498		
Commercial	2,206,004	2,356,680	2,956,479	3,889,047	2,852,053		2,852,053		
Industrial	1,000,891	877,656	1,050,937	1,091,953	1,005,359		1,005,359		
Sub-total Retail	15,410,628	15,265,189	15,249,684	16,258,137	15,545,910		15,545,910	2,615,033	18,160,943
					51.00%				
Wholesale								23.98%	
East Providence	2,493,285	2,347,620	2,414,642	2,336,430	2,397,994		2,397,994		
East Smithfield	346,036	349,221	347,134	316,751	339,786		339,786		
Greenville	470,702	428,017	470,107	483,676	463,126		463,126		
Kent County	3,529,317	3,857,756	3,915,227	3,806,377	3,777,169		3,777,169		
Smithfield	433,016	425,587	434,665	421,925	428,798		428,798		
Warwick	4,654,592	4,292,842	4,313,222	4,357,620	4,404,569		4,404,569		
Lincoln	1,059,985	1,027,574	1,108,820	1,150,294	1,086,668		1,086,668		
Johnston	163,387	156,251	180,321	290,227	197,547	79,029	276,576		
Bristol County (1)	1,892,471	1,942,031	1,803,583	1,633,316	1,817,850	(560,350)	1,257,500		
Narr. Bay Comm (2)				84,978	21,245	(21,245)	-		
Sub-total Wholesale	15,042,791	14,826,899	14,987,721	14,881,594	14,934,751	(1,058,346)	14,432,186	824,988	15,257,173
					49.00%				
Grand Total	30,453,419	30,092,088	30,237,405	31,139,731	30,480,661	(1,058,346)	29,422,315	3,440,021	33,418,116

Note:

- (1) Adjustment is based on a reduction in purchases to a level of 1.6 MGD per Attachment A to the testimony of Walter Edge.
- (2) Adjustment to remove temporary consumption for CSO project

System Maximum Day	1.80	1.54	1.72	1.67	1.68
System Maximum Hour	2.30	1.95	2.33	2.02	2.15