

ANDREW K. MOFFIT  
*Chairman*

JOSEPH D. CATALDI  
*Vice Chairman*

BRUCE T. MILLER  
*Ex-Officio*

CARISSA R. RICHARD  
*Secretary*

FERNANDO S. CUNHA, ESQ.  
*Legal Advisor*



DAVID N. CICILLINE  
*Mayor*

PAMELA M. MARCHAND, P.E.  
*Chief Engineer & General Manager*

JOSEPH DE LUCA  
*City Councilman*

MICHAEL A. SOLOMON  
*City Councilman*

JOHN A. FARGNOLI  
*Member*

EVERETT BIANCO  
*Member*

November 7, 2007

Mrs. Luly Massaro, Commission Clerk  
RI Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

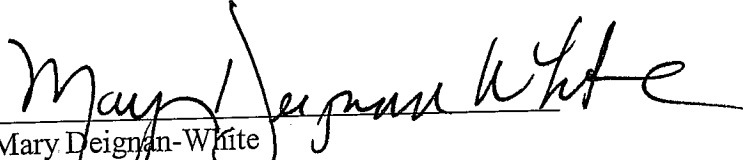
RE: Docket 3832 : Providence Water Proposed Compliance Tariffs

Dear Luly:

Enclosed for filing is an original and nine copies of Providence Water's proposed compliance tariffs and schedules to implement the Commission's rulings at the October 30, 2007 open meeting for consumption on and after for an effective date of November 1, 2007.

If there are any questions, I can be reached at 521-6300, extension 7217.

Sincerely,

  
Mary Deignan-White  
Regulatory Manager

cc: Pamela M. Marchand  
Boyce Spinelli  
Jeanne Bondarevskis  
Walter Edge  
Thomas S. Catlin  
Joseph J. McGair, Esq.  
Timothy J. Brown, P.E.  
Christopher P.N. Woodcock  
William Lueker, Esq.  
Thomas Massaro

Michael R. McElroy, Esq.  
Paul Gadoury  
Harold Smith  
David Bebyn  
Jerome Mierzwa  
Cindy Wilson-Frias, Esq.  
Steve Scialabba  
John Bell  
R. DiMeglio  
file

H:\WPDOCS\PUCLMcomtrariff1107.wpd

[WWW.PROVWATER.COM](http://WWW.PROVWATER.COM)

552 ACADEMY AVENUE ◊ PROVIDENCE, RHODE ISLAND ◊ 02908 ◊ (401) 521-6300 ◊ FAX (401) 331-5081 ◊ TDD (401) 751-0203

**Providence Water Supply Board  
Docket 3832**

Compliance Filing

Table of Contents

<u>Description</u>	<u>Schedule</u>
Cost of Service	Appendix A
Cost of Service Adjustments	Appendix B
Cost of Service Summary	WEE-1-r
Rate Year Wholesale Billing Units at Present Rates	WEE-1A-r
Detail Cost of Service - Expense	WEE-2-r
Analysis of Property Taxes	WEE-4-r
Pension and Other Benefits	WEE-6-r
Fringe Allocation to Naruc Accounts	WEE-6A-r
Revenue under Existing Rates	HJS Exhibit 1 Update
Calculation of Rate Year Sales Volumes	HJS Exhibit 1a
Allocation of Operating & Maintenance & City Service Expense	HJS Exhibit 2 Update
Allocation of Capital Costs	HJS Exhibit 3 Update
Allocation of Property Taxes	HJS Exhibit 4 Update
Allocation Factor Legend	HJS Exhibit 5 Update
Summary of Costs to be Recovered through Rates	HJS Exhibit 6 Update
Units of Service	HJS Exhibit 7 Update
Unit Costs	HJS Exhibit 8 Update
Allocated Costs by Customer Class	HJS Exhibit 9 Update
Proposed Rates and Impacts	HJS Exhibit 10 Update
Comparison of Revenues by Customer Class	HJS Exhibit 11 Update
Comparison of Typical Annual Charges	HJS Exhibit 12 Update
Revenue Proof	HJS Exhibit 13 Update
Inch-Mile Calculations	HJS Exhibit 14 Update
Proposed Compliance Tariffs	Schedule A through F

Appendix A

Providence Water Supply Board  
Docket 3832  
Cost of Service

	PWSB Position	Commission Adjustments	Proforma Cost of Service
<u>Revenues</u>			
Retail Water Sales	\$ 30,026,250		\$ 30,026,250
Wholesale Water Sales	13,180,648		13,180,648
Retail Service Charges	3,914,325		3,914,325
Private Fire Service	1,266,618		1,266,618
Public Fire Service	1,516,984		1,516,984
Miscellaneous Income	<u>1,245,739</u>		<u>1,245,739</u>
Total Revenues	\$ 51,150,564		\$ 51,150,564
<u>Expenses</u>			
Operation and Maintenance	\$ 26,866,182	\$ (246,080)	\$ 26,620,102
Insurance *	2,967,655		2,967,655
Chemical & Sludge *	3,132,565		3,132,565
City Service Expenses	1,240,355	(401,188)	839,167
Property Taxes	5,843,681		5,843,681
Capital Labor	<u>(984,719)</u>	<u>-</u>	<u>(984,719)</u>
Total Operating Expenses	\$ 39,065,719	\$ (647,268)	\$ 38,418,451
<u>Capital Funds</u>			
Capital Improvement Fund *	\$ 2,450,000		\$ 2,450,000
Western Cranston Fund *	62,069		62,069
Infrastructure Replacement *	13,900,000		13,900,000
Meter Replacement *	1,000,000		1,000,000
Equipment Replacement *	<u>600,000</u>		<u>600,000</u>
Total Capital Funds	\$ 18,012,069		\$ 18,012,069
Total Expenses	\$ 57,077,788	\$ (647,268)	\$ 56,430,520
Net Operating Reserve	\$ 1,674,961	\$ (1,123,113)	\$ 551,848
Revenue Reserve *	<u>-</u>	<u>1,103,696</u>	<u>1,103,696</u>
Total Cost of Service	\$ 58,752,749	\$ (666,685)	\$ 58,086,064
Rate Year Revenues at Present Rates			51,150,564
Revenue Increase			<u>\$ 6,935,500</u>

\* Restricted Funding Account

Appendix B

Providence Water Supply Board  
Docket 3832  
Cost of Service Adjustments

Increase / (Decrease)  
In Amounts

Operation and Maintenance Expenses

Disallowance of amount to pay prior years' retirees' health care costs	\$ ( 248,180)
Increase in O & M expense for conservation notice	<u>2,100</u>
Total Operation and Maintenance Expense Adjustment	<u>\$ ( 246,080)</u>

City Service Expenses \$ (401,188)

Net Operating / Revenue Reserves

Reduction in Net Operating Reserve to 1% level	\$ (1,123,113)
Provision for Revenue Reserve at 2% level	\$ 1,103,696

RATE YEAR WHOLESALE BILLING UNITS AT PRESENT RATES  
PROVIDENCE WATER

Schedule WEE-1A-r

Billing Unit	Rate Year	Rebuttal		Unit Rate	Annual Revenue
	Units of Service	Rebuttal Adjustments	Units of Service		
<b>Wholesale Consumption Charges</b>					
East Providence	2,397,994		2,397,994		
East Smithfield	339,786		339,786		
Greenville	463,126		463,126		
Kent County	3,777,169		3,777,169		
Smithfield	428,798		428,798		
Warwick	4,404,569		4,404,569		
Lincoln	1,086,668		1,086,668		
Johnston	197,547	79,029	276,576		
Bristol County	780,749	476,752	1,257,501		
Narra. Bay Commission	0	-	-		
Consumption (HCF)	13,876,406	476,752	14,432,187 *	\$ 0.92453	<u>\$ 13,342,961</u>
(Million Gallons)	10,379.55	356.61	10,795.28	\$ 1,236.00	
				Original Position	\$ 12,829,126
<b>Affect on revenue of updated Units for Compliance Filing</b>				Adjustment	\$ 513,835
	<u>Rebuttal Position</u>	<u>Updated Units</u>		<u>Adjustment</u>	
Retail Consumption	30,088,423	30,026,250		\$ (62,173)	
Wholesale Consumption	13,342,961	13,180,648		\$ (162,313)	
Service Charge	3,895,171	3,914,325		\$ 19,154	
Private Fire	1,222,140	1,266,618		\$ 44,478	
Public Fire	1,526,521	1,516,984		\$ (9,537)	
Miscellaneous Revenue	1,245,739	1,245,739		\$ -	
Total	51,320,955	51,150,564		\$ (170,391)	
Combined Adjustments					<u>\$ 343,444</u>

**COST OF SERVICE SUMMARY**  
PROVIDENCE WATER

ADJUSTED TEST YEAR	COMBINED ADJUSTMENTS	PROFORMA OLD RATES	Rebuttal & Compliance Adjustments	Compliance Position at Present Rates	ADDITIONAL REVENUE REQUIREMENT	Compliance Position at Proposed Rates
\$ 30,088,423	\$ -	\$ 30,088,423	(62,173)	\$ 30,026,250		
13,787,955	(958,829)	12,829,126	351,522	13,180,648		
3,895,171	-	3,895,171	19,154	3,914,325		
1,222,140	-	1,222,140	44,478	1,266,618		
1,526,521	-	1,526,521	(9,537)	1,516,984		
1,245,739	-	1,245,739	-	1,245,739		
-	-	-	-	-		
\$ 51,765,949	\$ (958,829)	\$ 50,807,120	\$ 343,444	\$ 51,150,564	\$ 6,935,499	\$ 58,086,063
					13.56%	
\$ 24,084,952	\$ 3,514,352	\$ 27,599,305	\$ (979,203)	\$ 26,620,102	\$	\$ 26,620,102
1,967,655	1,000,000	2,967,655	-	2,967,655		2,967,655
2,058,911	1,073,654	3,132,565	-	3,132,565		3,132,565
729,994	515,958	1,245,952	(406,785)	839,167		839,167
6,030,054	165,738	6,195,792	(352,111)	5,843,681		5,843,681
(743,041)	(15,575)	(758,616)	(226,103)	(984,719)		(984,719)
34,128,525	6,254,127	40,382,652	(1,964,202)	38,418,451		38,418,451
2,450,000	-	2,450,000	-	2,450,000		2,450,000
-	-	-	-	-		-
62,069	-	62,069	-	62,069		62,069
12,500,000	1,400,000	13,900,000	-	13,900,000		13,900,000
-	-	-	-	-		-
-	-	-	-	-		-
-	-	-	-	-		-
400,000	600,000	1,000,000	-	1,000,000		1,000,000
600,000	-	600,000	-	600,000		600,000
16,012,069	2,000,000	18,012,069	-	18,012,069		18,012,069
\$ 50,140,594	\$ 8,254,127	\$ 58,394,721	\$ (1,964,202)	\$ 56,430,520	\$ -	\$ 56,430,520
\$ 1,625,355	\$ (9,212,957)	\$ (7,587,602)	\$ (58,926)	\$ 1,655,543	\$	\$ 1,655,543
\$ 51,765,949	\$ (958,829)	\$ 50,807,120	\$ (2,023,128)	\$ 58,086,063	\$ -	\$ 58,086,063
\$ -	\$ -	\$ -	\$ 2,366,572	\$ (6,935,499)	\$ 6,935,499	\$ -

Total Cost of Service

Revenue Surplus/ (Deficiency)

(1) Includes Net Operating Revenue at 3.0%, Calculated (A-B) x .030

**DETAIL COST OF SERVICE - EXPENSE  
PROVIDENCE WATER**

ACCOUNT	TITLE	Proforma Rate Year	Rebuttal Adjustments	Rebuttal Position
<b>601 Operating Fund</b>				
<b>Source of Supply</b>				
60110	Salaries + Wages - Emp	\$ 357,859		357,859
60120	Salaries + Wages - Emp	392,732		392,732
60320	Sal. + Wages - Officers, Dir	-		-
60410	Employee Pension + Ben	223,138	(10,691)	212,447
60420	Employee Pension + Ben	244,882	(11,733)	233,149
61510	Purchase Power	-	-	-
61610	Fuel for Power Purch	-	-	-
62010	Material + Supplies	10,191		10,191
62020	Material + Supplies	48,200		48,200
63110	Contractual Services - Engineer	4,787		4,787
63120	Contractual Services - Engineer	-		-
63420	Contractual Services - Mgt. Fees	-		-
63510	Contractual Services - Other	86,988		86,988
63520	Contractual Services - Other	21,013		21,013
64210	Rental of Equipment	-		-
64220	Rental of Equipment	-		-
65010	Transportation Exp.	-		-
65020	Transportation Exp.	-		-
67510	Misc. Expenses	9,323		9,323
67520	Misc. Expenses	4,041		4,041
	Total-Source of Supply	1,403,154	(22,424)	1,380,730
<b>Pumping</b>				
60123	Salaries + Wages - Emp	-		-
60126	Salaries + Wages - Emp	-		-
60423	Employee Pension + Ben	-		-
60426	Employee Pension + Ben	-		-
61523	Purchase Power	1,086,708	(344,173)	742,535
61623	Fuel for Power Purch	17,713		17,713
62023	Material + Supplies	482		482
62026	Material + Supplies	-		-
63123	Contractual Services - Engineer	-		-
63126	Contractual Services - Engineer	-		-
63523	Contractual Services - Other	5,181		5,181
63526	Contractual Services - Other	-		-
64223	Rental of Equipment	-		-
64226	Rental of Equipment	-		-

**DETAIL COST OF SERVICE - EXPENSE**  
**PROVIDENCE WATER**

ACCOUNT	TITLE	Proforma Rate Year	Rebuttal Adjustments	Rebuttal Position
65023	Transportation Exp.	-		-
67523	Misc. Expenses	-		-
67526	Misc. Expenses	-		-
	Total-Pumping	1,110,085	(344,173)	765,911
	<b><u>Water Treatment</u></b>			
60130	Salaries + Wages - Emp	2,048,348		2,048,348
60140	Salaries + Wages - Emp	309,874		309,874
60430	Employee Pension + Ben	1,223,964	(58,643)	1,165,322
60440	Employee Pension + Ben	193,217	(9,257)	183,959
61530	Purchase Power	265,410	(69,288)	196,122
61630	Fuel for Power Purch	130,804		130,804
61830	Chemicals	-		-
62030	Material + Supplies	100,347		100,347
62040	Material + Supplies	98,464		98,464
63140	Contractual Services - Engineer	-		-
63240	Contract Services - Acctg	-		-
63430	Contractual Services - Mgt. Fees	15,648		15,648
63530	Contractual Services - Other	193,700		193,700
63540	Contractual Services - Other	59,259		59,259
64140	Rental Buildg/Real Prop	-		-
64230	Rental of Equipment	2,388		2,388
64240	Rental of Equipment	-		-
65030	Transportation Exp.	-		-
65640	Insurance Vehicle	-		-
65830	Insurance - W/C	-		-
65840	Insurance - W/C	-		-
66730	Regulatory Com Exp. -Other	-		-
67530	Misc. Expenses	64,233		64,233
67540	Misc. Expenses	182		182
	Total-Water Treat. Exp.	4,705,839	(137,188)	4,568,650
	<b><u>Transmission &amp; Distribution</u></b>			
60150	Salaries + Wages - Emp			
60160	Salaries + Wages - Emp	898,837		898,837
60250	Payroll Clearing -Emp	2,400,044		2,400,044
60260	Payroll Clearing -Emp	-		-
		-		-



**DETAIL COST OF SERVICE - EXPENSE**  
**PROVIDENCE WATER**

ACCOUNT	TITLE	Proforma Rate Year	Rebuttal Adjustments	Rebuttal Position
60450	Employee Pension + Ben	560,455	(26,853)	533,603
60460	Employee Pension + Ben	1,496,511	(71,701)	1,424,809
60550	Overhead Rate Applied	-	-	-
60560	Overhead Rate Applied	-	-	-
61550	Purchase Power	11,195	(2,370)	8,824
62050	Material + Supplies	147,797		147,797
62060	Material + Supplies	13,443		13,443
62560	Inventory Clearing	-		-
63150	Contractual Services - Engineer	-		-
63160	Contractual Services - Engineer	-		-
63460	Contractual Services - Mgt. Fees	-		-
63550	Contractual Services - Other	1,093,962		1,093,962
63560	Contractual Services - Other	40,138		40,138
64150	Rental Buildg/Real Prop	-		-
64160	Rental Buildg/Real Prop	-		-
64250	Rental of Equipment	4,265		4,265
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		3,856
67560	Misc. Expenses	718		718
	Total-Trans/Dist Exp.	6,671,221	(100,924)	6,570,297
	<b>Customer Accounts</b>			
60170	Salaries + Wages - Emp	1,968,504		1,968,504
60270	Payroll Clearing -Emp	-		-
60470	Employee Pension + Ben	1,227,431	(58,809)	1,168,622
60570	Overhead Rate Applied	-		-
61670	Fuel for Power Purch	-		-
62070	Material + Supplies	11,416		11,416
63370	Contractual Services - Legal	-		-
63570	Contractual Services - Other	36,045		36,045
65070	Transportation exp. - CAO	-		-
65870	Insurance - Other	-		-

**DETAIL COST OF SERVICE - EXPENSE**  
**PROVIDENCE WATER**

ACCOUNT	TITLE	Proforma Rate Year	Rebuttal Adjustments	Rebuttal Position
65970	Insurance Other	-		-
67070	Bad Debt Expense - CAO	-		-
67570	Misc. Expenses	128,976		128,976
	Total-Cust Accts Exp	3,372,372	(58,809)	3,313,563
	<b>Administration</b>			
60180	Salaries + Wages - Emp	5,080,792		5,080,792
60380	Salaries + wages - Officers, Dir.	39,754		39,754
60480	Employee Pension + Ben	3,160,684	(152,059)	3,008,625
60480	Board Health Insurance			-
61580	Purchase Power	190,673	(70,298)	120,375
61680	Fuel for Power Purch	196,308		196,308
62080	Material + Supplies	195,909		195,909
63180	Contractual Services - Engineer	25,932	(25,932)	0
63280	Contract Services - Acctg	-		-
63380	Contractual Services - Legal	93,312	(74,095)	19,217
63480	Contractual Services - Mgt. Fees	150,000		150,000
63580	Contractual Services - Other	478,450	2,100	480,550
64180	Rental Buildg/Real Prop	-		-
64280	Rental of Equipment	10,261		10,261
65080	Transportation Exp.	111,382		111,382
66080	Advertising Expense	3,565		3,565
66680	Reg Com Exp - Amort of Rate Case	-		-
66780	Regulatory Com Exp -Other	291,987	4,600	296,587
67580	Misc. Expense	307,624		307,624
	Total-Admin/Gen Exp	10,336,634	(315,684)	10,020,950
	Total Operating Fund	27,599,305	(979,203)	26,620,102
	<b>857 Insurance Fund</b>			
	Total Insurance Fund	2,967,655	-	2,967,655
	<b>878 Chemical and Sludge Maintenance Fund</b>			
	Total Chemical and Sludge Maintenance	3,132,565	-	3,132,565
	Total Operation and Maintenance Expenditu	33,699,525	(979,203)	32,720,322

DETAIL COST OF SERVICE - EXPENSE  
PROVIDENCE WATER

ACCOUNT	TITLE	Proforma Rate Year	Rebuttal Adjustments	Rebuttal Position
	<b>Other Expenditures</b>			
	City Services	1,245,952	(406,785)	839,167
	Property Taxes	6,195,792	(52,111)	5,843,681
	Capital Reimbursement	(758,616)	(226,103)	(984,719)
	Total Other Expenditures	6,683,128	(984,999)	5,698,129
	Capital Fund Cash	2,450,000		2,450,000
	Western Cranston Fund	62,069		62,069
	Infrastructure Replacement (1)	13,900,000		13,900,000
	Meter Replacement	1,000,000		1,000,000
	Equipment Replacement	600,000		600,000
	Total Restricted Expenditures	18,012,069	-	18,012,069
	Total Other & Rest. Expenditures	24,695,197	(984,999)	23,710,198
	<b>GRAND TOTAL</b>	<b>\$ 58,394,721</b>	<b>\$ (1,964,202)</b>	<b>\$ 56,430,520</b>

ANALYSIS OF PROPERTY TAXES  
PROVIDENCE WATER

Schedule WEE-4-F

MUNICIPALITY	Interim Year	ADJUSTMENTS	NOTE	PRO-FORMA AMOUNT *	REBUTTAL ADJUSTMENTS	REBUTTAL AMOUNT **
Scituate	\$ 5,131,469	\$ 391,275	1	\$ 5,522,744	\$ (76,070)	\$ 5,446,674
Foster	278,751	21,255	1	300,006	(3,083)	296,923
Cranston	351,185	26,778	1	377,963	(287,960)	90,003
Cranston Refund	-	(375,000)	4	(375,000)	-	(375,000)
North Providence	231,643	17,663	1	249,306	(10,840)	238,466
Johnston	59,247	3,937	2	63,184	24,286	87,470
Glocester	45,275	3,452	1	48,727	1,697	50,425
West Warwick	4,040	308	1	4,348	13	4,361
West Glocester Fire	3,928	300	1	4,228	(239)	3,989
Harmony Fire Dist.	120	-	3	120	2	122
Chepachet Fire Dist.	145	-	3	145	2	147
Warwick	22	-	3	22	81	103
<b>Total Expense</b>	<b>\$ 6,105,825</b>	<b>\$ 89,967</b>		<b>\$ 6,195,792</b>	<b>\$ (352,110)</b>	<b>\$ 5,843,681</b>
		Test Year		6,030,054	Original Position	6,195,792
		Total Adjustment	2.7%	165,738	Total Adjustment	(352,111)

\* See Schedule WEE-4A for 6 year historical

Note:

1. These Towns increased 5% per year for 1.5 years
2. Johnston increased 4.37% per year for 1.5 years.
3. FY 06 amount used.
4. Approved refund amount

\*\* Calculated using actual 2008 property tax with a 1.55% increase

**PENSION AND OTHER BENEFITS  
PROVIDENCE WATER**

Schedule WEE-6-r

FRINGE BENEFIT	TEST YEAR	ADJUSTMENTS	PRO-FORMA AMOUNT	Rebuttal Adjustments	Rebuttal Pro-Forma
1 Union Combined Benefits	610,235	-	610,235		610,235
2 Laborers International Pension	360,878	-	360,878	-	360,878
3 Life Insurance Premium	1,839	-	1,839		1,839
4 FICA	926,110	71,138	997,248		997,248
5 1/2% Wage Assignment	38,710	2,973	41,683		41,683
6 Blue Cross/United Health	1,774,881	485,430	2,260,311		2,260,311
7 Delta Dental	190,221	20,316	210,537		210,537
8 GASB 43/45 Reserve Required	330,613	403,243	733,856		733,856
9 Reimburse City for Retired Health	-	300,000	300,000	(300,000)	-
10 City Retirement	2,522,433	304,284	2,826,717	(99,746)	2,726,971
<b>Total</b>	<b>\$ 6,755,920</b>	<b>\$ 1,587,383</b>	<b>\$ 8,343,304</b>	<b>\$ (399,746)</b>	<b>\$ 7,943,558</b>
Test Year FY 2006/Proforma			6,755,920		8,343,304
<b>Adjustment</b>			<b>\$ 1,587,383</b>		<b>\$ (399,746)</b>

\* Compounded salary increase used 1.0768135%.

FRINGE ALLOCATION TO NARUC ACCOUNTS  
PROVIDENCE WATER

<u>NARUC ACCOUNT</u>	<u>TEST YEAR</u>	<u>ALLOCATION</u>	<u>Rebuttal Position</u>
60410	\$ 180,684	2.67% \$	(10,691)
60420	198,291	2.94%	(11,733)
60423	-	0.00%	-
60426	-	0.00%	-
60430	991,095	14.67%	(58,643)
60440	156,456	2.32%	(9,257)
60450	453,824	6.72%	(26,853)
60460	1,211,787	17.94%	(71,701)
60470	993,902	14.71%	(58,809)
60480	2,569,882	38.04%	(152,059)
	<u>\$ 6,755,921</u>	<u>100.00% \$</u>	<u>(399,746)</u>

**Revenue Under Existing Rates**  
Rate Year Ending December 31, 2008

Billing Unit	Units of Service	Current Rates	Total Revenues
<b>Quarterly Service Charges</b>			
5/8"	54,181	\$ 12.19	\$ 2,641,866
3/4"	10,392	\$ 13.05	\$ 542,462
1"	5,076	\$ 15.32	\$ 311,057
1.5"	1,479	\$ 18.33	\$ 108,440
2"	1,759	\$ 26.66	\$ 187,580
3"	48	\$ 87.93	\$ 16,883
4"	32	\$ 110.64	\$ 14,162
6"	56	\$ 163.59	\$ 36,644
8"	29	\$ 224.10	\$ 25,996
10"	2	\$ 278.93	\$ 2,231
12"	1	\$ 333.79	\$ 1,335
Total	73,055		\$ 3,888,656
<b>Monthly Service Charges</b>			
5/8"	1	\$ 7.25	\$ 87
3/4"	-	\$ 7.50	\$ -
1"	-	\$ 8.25	\$ -
1.5"	2	\$ 9.27	\$ 222
2"	10	\$ 12.05	\$ 1,446
3"	4	\$ 32.47	\$ 1,559
4"	8	\$ 40.03	\$ 3,843
6"	20	\$ 57.67	\$ 13,841
8"	5	\$ 77.85	\$ 4,671
10"	-	\$ 96.14	\$ -
12"	-	\$ 114.41	\$ -
Total	50		\$ 25,669
<b>Total Service Charge Revenue</b>			\$ 3,914,325
<b>Retail Consumption Charges</b>			
Residential (HCF)	11,282,546	\$ 1.958	\$ 22,091,226
Commercial (HCF)	3,283,238	\$ 1.882	\$ 6,179,054
Industrial (HCF)	962,175	\$ 1.825	\$ 1,755,970
Total	15,527,960		\$ 30,026,250
<b>Wholesale Consumption Charges</b>			
Consumption (HCF)	14,256,625	\$ 0.925	
Consumption (MGD)	10,664	\$ 1,236.00	\$ 13,180,649
<b>Private Fire Service Charges</b>			
3/4"	6	\$ 10.77	\$ 258
1"	10	\$ 14.26	\$ 570
1.5"	3	\$ 23.00	\$ 276
2"	33	\$ 33.48	\$ 4,419
4"	297	\$ 92.87	\$ 110,330
6"	1,183	\$ 180.22	\$ 852,801
8"	223	\$ 285.03	\$ 254,247
10"	4	\$ 407.30	\$ 6,517
12"	16	\$ 547.05	\$ 35,011
16"	1	\$ 547.05	\$ 2,188
Total	1,776		\$ 1,266,618
<b>Public Fire Service Charges</b>			
Hydrants	6,044	\$ 250.99	\$ 1,516,984
<b>Total Rate Revenues</b>			\$ 49,904,825
Miscellaneous Revenues			\$ 1,245,739
<b>Total Revenues</b>			\$ 51,150,564

**Calculation of Rate Year Sales Volumes**  
Rate Year Ending December 31, 2008  
(Volumes in HCF)

	FY 2004	FY2005	FY2006	FY 2007	Four Year Average	Adjustments	Pro Forma Rate Year
<b>Retail</b>							
Residential	12,030,853	11,242,268	11,277,137	10,579,927	11,282,546		11,282,546
Commercial	2,356,680	2,956,479	3,889,047	3,930,747	3,283,238		3,283,238
Industrial	877,656	1,050,937	1,091,953	828,155	962,175		962,175
<b>Sub-total Retail</b>	<b>15,265,189</b>	<b>15,249,684</b>	<b>16,258,137</b>	<b>15,338,829</b>	<b>15,527,960</b>		<b>15,527,960</b>
<b>Wholesale</b>							
East Providence	2,347,620	2,414,642	2,336,430	2,219,211	2,329,476		2,329,476
East Smithfield	349,221	347,134	316,751	311,203	331,077		331,077
Greenville	428,017	470,107	483,676	483,730	466,383		466,383
Kent County	3,857,756	3,915,227	3,806,377	3,699,225	3,819,646		3,819,646
Smithfield	425,587	434,665	421,925	424,238	426,604		426,604
Warwick	4,292,842	4,313,222	4,357,620	3,869,318	4,208,251		4,208,251
Lincoln	1,027,574	1,108,820	1,150,294	1,134,532	1,105,305		1,105,305
Johnston (1)	220,728	292,296	390,134	346,377	312,384		312,384
Bristol County (2)	1,942,031	1,803,583	1,633,316	1,295,416	1,668,587	(411,087)	1,257,500
Narr. Bay Comm (3)	-	-	84,978	-	21,245	(21,245)	-
<b>Sub-total Wholesale</b>	<b>14,891,376</b>	<b>15,099,696</b>	<b>14,981,501</b>	<b>13,783,250</b>	<b>14,688,956</b>	<b>(432,331)</b>	<b>14,256,625</b>
<b>Grand Total</b>	<b>30,156,565</b>	<b>30,349,380</b>	<b>31,239,638</b>	<b>29,122,079</b>	<b>30,216,916</b>	<b>(432,331)</b>	<b>29,784,585</b>
<b>Unaccounted for Water</b>							
Volume	3,597,024	3,384,149	3,221,458	3,473,389	3,419,005		3,370,087
Percentage	10.66%	10.03%	9.35%	10.66%	10.16%		10.16%

## Note:

- (1) FY 2002 through FY 2006 adjusted to reflect under-registering meter (see Response to Division 3-2)
- (2) Rate Year projection consistent with Bristol County budget and FY 2007 usage
- (3) Adjustment to remove temporary consumption for CSO project



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
<b>601 Operating Fund</b>								
<b>Source of Supply</b>								
60110 Salaries + Wages - Emp	\$ 357,859	\$ 193,500	\$ -	\$ -	\$ -	\$ -	\$ 3,579	\$ 160,781
60120 Salaries + Wages - Emp	\$ 392,732	\$ 212,356	\$ -	\$ -	\$ -	\$ -	\$ 3,927	\$ 176,449
60320 Sal. + Wages - Officers, Dir	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60410 Employee Pension + Ben	\$ 212,447	\$ 114,873	\$ -	\$ -	\$ -	\$ -	\$ 2,124	\$ 95,449
60420 Employee Pension + Ben	\$ 233,149	\$ 126,067	\$ -	\$ -	\$ -	\$ -	\$ 2,331	\$ 104,750
61510 Purchase Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61610 Fuel for Power Purch	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62010 Material + Supplies	\$ 10,191	\$ 5,511	\$ -	\$ -	\$ -	\$ -	\$ 102	\$ 4,579
62020 Material + Supplies	\$ 48,200	\$ 26,062	\$ -	\$ -	\$ -	\$ -	\$ 482	\$ 21,655
63110 Contractual Services - Engineer	\$ 4,787	\$ 2,588	\$ -	\$ -	\$ -	\$ -	\$ 48	\$ 2,151
63120 Contractual Services - Engineer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63420 Contractual Services - Mgt. Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63510 Contractual Services - Other	\$ 86,988	\$ 47,035	\$ -	\$ -	\$ -	\$ -	\$ 870	\$ 39,082
63520 Contractual Services - Other	\$ 21,013	\$ 11,362	\$ -	\$ -	\$ -	\$ -	\$ 210	\$ 9,441
64210 Rental of Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64220 Rental of Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65010 Transportation Exp.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65020 Transportation Exp.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67510 Misc. Expenses	\$ 9,323	\$ 5,041	\$ -	\$ -	\$ -	\$ -	\$ 93	\$ 4,189
67520 Misc. Expenses	\$ 4,041	\$ 2,185	\$ -	\$ -	\$ -	\$ -	\$ 40	\$ 1,816
<b>Total-Source of Supply</b>	\$ 1,380,730	\$ 746,580	\$ -	\$ -	\$ -	\$ -	\$ 13,807	\$ 620,342

<b>Pumping</b>								
60123 Salaries + Wages - Emp (Reallocated from 610)	\$ 24,831	\$ 8,879	\$ 5,917	\$ 1,194	\$ -	\$ -	\$ -	\$ 8,841
60126 Salaries + Wages - Emp (Reallocated from 601)	\$ 23,241	\$ 8,310	\$ 5,538	\$ 1,118	\$ -	\$ -	\$ -	\$ 8,275
60423 Employee Pension + Ben (Reallocated from 604)	\$ 14,127	\$ 5,051	\$ 3,366	\$ 679	\$ -	\$ -	\$ -	\$ 5,030
60426 Employee Pension + Ben (Reallocated from 604)	\$ 13,797	\$ 4,933	\$ 3,288	\$ 664	\$ -	\$ -	\$ -	\$ 4,912
61523 Purchase Power	\$ 742,535	\$ 440,007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 302,527
61623 Fuel for Power Purch	\$ 17,713	\$ 10,496	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,217
62023 Material + Supplies	\$ 482	\$ 172	\$ 115	\$ 23	\$ -	\$ -	\$ -	\$ 172
62026 Material + Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63123 Contractual Services - Engineer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63126 Contractual Services - Engineer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63523 Contractual Services - Other	\$ 5,181	\$ 1,853	\$ 1,235	\$ 249	\$ -	\$ -	\$ -	\$ 1,845
63526 Contractual Services - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64223 Rental of Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64226 Rental of Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65023 Transportation Exp.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67523 Misc. Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67526 Misc. Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total-Pumping</b>	\$ 841,906	\$ 479,702	\$ 19,459	\$ 3,927	\$ -	\$ -	\$ -	\$ 338,818

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
<u>Water Treatment</u>								
60130 Salaries + Wages - Emp	\$ 2,023,517	\$ 656,567	437,578	\$ -	\$ -	\$ -	\$ 20,235	\$ 909,137
60140 Salaries + Wages - Emp	\$ 286,633	\$ 93,003	61,983	\$ -	\$ -	\$ -	\$ 2,866	\$ 128,780
60430 Employee Pension + Ben	\$ 1,151,195	\$ 373,526	248,941	\$ -	\$ -	\$ -	\$ 11,512	\$ 517,215
60440 Employee Pension + Ben	\$ 170,163	\$ 55,212	36,797	\$ -	\$ -	\$ -	\$ 1,702	\$ 76,452
61530 Purchase Power	\$ 196,122	\$ 95,441	19,612	\$ -	\$ -	\$ -	\$ 1,765	\$ 79,303
61630 Fuel for Power Purch	\$ 130,804	\$ 42,442	28,286	\$ -	\$ -	\$ -	\$ 1,308	\$ 58,768
61830 Chemicals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62030 Material + Supplies	\$ 100,347	\$ 32,559	21,700	\$ -	\$ -	\$ -	\$ 1,003	\$ 45,085
62040 Material + Supplies	\$ 98,464	\$ 31,949	21,293	\$ -	\$ -	\$ -	\$ 985	\$ 44,239
63140 Contractual Services - Engineer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63240 Contract Services - Acctg	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63430 Contractual Services - Mgt. Fees	\$ 15,648	\$ 5,077	3,384	\$ -	\$ -	\$ -	\$ 156	\$ 7,031
63530 Contractual Services - Other	\$ 193,700	\$ 62,849	41,887	\$ -	\$ -	\$ -	\$ 1,937	\$ 87,027
63540 Contractual Services - Other	\$ 59,259	\$ 19,228	12,815	\$ -	\$ -	\$ -	\$ 593	\$ 26,624
64140 Rental Buidlgi/Real Prop	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64230 Rental of Equipment	\$ 2,388	\$ 775	516	\$ -	\$ -	\$ -	\$ 24	\$ 1,073
64240 Rental of Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65030 Transportation Exp.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65640 Insurance Vehicle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65830 Insurance - W/C	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65840 Insurance - W/C	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
66730 Regularity Com Exp. -Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67530 Misc. Expenses	\$ 64,233	\$ 20,842	13,890	\$ -	\$ -	\$ -	\$ 642	\$ 28,859
67540 Misc. Expenses	\$ 182	\$ 59	39	\$ -	\$ -	\$ -	\$ 2	\$ 82
<b>Total-Water Treat. Exp.</b>	<b>\$ 4,492,655</b>	<b>\$ 1,489,530</b>	<b>948,721</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 44,730</b>	<b>\$ 2,009,674</b>

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>Transmission &amp; Distribution</i>								
60150 Salaries + Wages - Emp	\$ 898,837	\$ 274,626	\$ 183,028	131,506	\$ 220,445	\$ -	\$ 26,438	\$ 62,794
60160 Salaries + Wages - Emp	\$ 2,400,044	\$ 733,296	\$ 488,715	351,143	\$ 588,625	\$ -	\$ 70,593	\$ 167,671
60250 Payroll Clearing -Emp	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60260 Payroll Clearing -Emp	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60450 Employee Pension + Ben	\$ 533,603	\$ 293,903	\$ 108,656	78,070	\$ -	\$ -	\$ 15,695	\$ 37,278
60460 Employee Pension + Ben	\$ 1,424,809	\$ 784,771	\$ 290,130	208,460	\$ -	\$ -	\$ 41,908	\$ 99,540
60550 Overhead Rate Applied	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60560 Overhead Rate Applied	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61550 Purchase Power	\$ 8,824	\$ 4,294	\$ 882	\$ -	\$ -	\$ -	\$ 79	\$ 3,568
62050 Material + Supplies	\$ 147,797	\$ 51,693	\$ 34,452	24,754	\$ -	\$ -	\$ 2,956	\$ 33,943
62060 Material + Supplies	\$ 13,443	\$ 4,702	\$ 3,134	2,252	\$ -	\$ -	\$ 269	\$ 3,087
62560 Inventory Clearing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63150 Contractual Services - Engineer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63160 Contractual Services - Engineer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63460 Contractual Services - Mgt. Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63550 Contractual Services - Other	\$ 1,093,962	\$ 372,087	\$ 247,962	178,176	\$ 39,445	\$ -	\$ 20,530	\$ 235,742
63560 Contractual Services - Other	\$ 40,138	\$ 10,472	\$ 6,979	5,014	\$ 10,336	\$ -	\$ 588	\$ 6,749
64150 Rental Buidlg/Real Prop	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64160 Rental Buidlg/Real Prop	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64250 Rental of Equipment	\$ 4,265	\$ 1,492	\$ 994	714	\$ -	\$ -	\$ 85	\$ 979
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	\$ 1,349	\$ 899	646	\$ -	\$ -	\$ 77	\$ 886
67560 Misc. Expenses	\$ 718	\$ 251	\$ 167	120	\$ -	\$ -	\$ 14	\$ 165
<b>Total-Trans/Dist Exp.</b>	<b>\$ 6,570,287</b>	<b>\$ 2,532,937</b>	<b>\$ 1,366,019</b>	<b>980,855</b>	<b>\$ 858,850</b>	<b>\$ -</b>	<b>\$ 179,233</b>	<b>\$ 652,402</b>

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
<b>Customer Accounts</b>								
D	\$ 1,968,504	\$ -	-	-	\$ -	\$ 984,252	\$ -	\$ -
D	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
DY	\$ 1,168,622	\$ 1,168,622	-	-	\$ -	\$ -	\$ -	\$ -
D	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
D	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
D	\$ 11,416	\$ -	-	-	\$ 5,708	\$ 5,708	\$ -	\$ -
D	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
D	\$ 36,045	\$ -	-	-	\$ 18,022	\$ 18,022	\$ -	\$ -
D	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
D	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
D	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
D	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
D	\$ 128,976	\$ -	-	-	\$ 64,488	\$ 64,488	\$ -	\$ -
D	\$ 3,313,563	\$ 1,168,622	-	-	\$ 1,072,471	\$ 1,072,471	\$ -	\$ -
<b>Total-Cust Accts Exp</b>								
<b>Administration</b>								
Y	\$ 5,080,792	\$ 1,322,659	717,432	294,166	\$ -	\$ 597,023	\$ 77,422	\$ 984,306
Y	\$ 39,754	\$ 10,349	5,613	2,302	\$ -	\$ 4,671	\$ 606	\$ 7,702
YY	\$ 3,008,625	\$ 1,780,891	424,832	174,192	\$ -	\$ -	\$ 45,846	\$ 582,863
Z	\$ 120,375	\$ 46,538	16,927	7,142	\$ -	\$ 7,777	\$ 1,724	\$ 26,261
Z	\$ 196,308	\$ 75,894	27,605	11,646	\$ -	\$ 12,683	\$ 2,812	\$ 42,826
Z	\$ 195,909	\$ 75,740	27,549	11,623	\$ -	\$ 12,658	\$ 2,806	\$ 42,739
Y	\$ 0	\$ 0	0	0	\$ -	\$ 0	\$ 0	\$ 0
Y	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
Y	\$ 19,217	\$ 5,003	2,714	1,113	\$ -	\$ 2,258	\$ 293	\$ 3,723
Y	\$ 150,000	\$ 39,049	21,181	8,685	\$ -	\$ 17,626	\$ 2,286	\$ 29,060
Y	\$ 480,550	\$ 125,099	67,856	27,823	\$ -	\$ 56,467	\$ 7,323	\$ 93,097
Z	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
Z	\$ 10,261	\$ 3,967	1,443	609	\$ -	\$ 663	\$ 147	\$ 2,239
Z	\$ 111,382	\$ 43,061	15,663	6,608	\$ -	\$ 7,196	\$ 1,595	\$ 24,299
Y	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
Y	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
Y	\$ 3,565	\$ 1,378	501	211	\$ -	\$ 230	\$ 51	\$ 778
Com Z	\$ -	\$ -	-	-	\$ -	\$ -	\$ -	\$ -
Com Z	\$ 286,587	\$ 150,038	54,574	23,024	\$ -	\$ -	\$ 4,248	\$ 64,703
Z	\$ 307,624	\$ 118,930	43,259	18,251	\$ -	\$ 19,876	\$ 4,406	\$ 67,111
Z	\$ 10,020,950	\$ 3,798,597	1,427,149	587,393	\$ -	\$ 739,130	\$ 151,567	\$ 1,971,706
<b>Total-Admin/Gen Exp</b>								

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
<b>357 Insurance Fund</b>								
65840 Insurance W/C - WTM	\$ 25,512	\$ 15,101	\$ 3,602	\$ 1,477	\$ -	\$ -	\$ -	\$ -
65870 Insurance W/C - CAO	\$ 31,163	\$ 12,048	\$ 4,362	\$ 1,849	\$ 3,626	\$ 2,013	\$ 389	\$ 4,942
62080 Materials + Supplies - A&GO	\$ 83,972	\$ 21,860	\$ 11,857	\$ 4,862	\$ 17,978	\$ 9,867	\$ 1,280	\$ 6,798
63580 Contract Services - Other A&GO	\$ 1,466,096	\$ 741,672	\$ 269,769	\$ 113,814	\$ -	\$ -	\$ 21,001	\$ 16,268
65780 Ins. Gen. Liability	\$ 531,027	\$ 314,330	\$ 74,984	\$ 30,745	\$ -	\$ -	\$ 8,092	\$ 102,876
65880 Insurance - W/C	\$ 212,172	\$ 107,334	\$ 39,041	\$ 16,471	\$ -	\$ -	\$ 3,039	\$ 46,287
Additional Insurance	\$ 207,528	\$ 80,232	\$ 29,183	\$ 12,312	\$ 24,146	\$ 13,408	\$ 2,973	\$ 45,274
67580 Misc. Expense	\$ 410,185	\$ 207,505	\$ 75,478	\$ 31,843	\$ -	\$ -	\$ 5,876	\$ 89,485
Funding Requirement	\$ 2,967,655	\$ 1,500,082	\$ 508,295	\$ 213,373	\$ 45,750	\$ 25,289	\$ 43,095	\$ 631,772
<b>Total Insurance Fund</b>								
<b>878 Chemical and Sludge Maintenance Fund</b>								
61830 Chemicals - WTO	\$ 2,286,505	\$ 1,236,346	\$ -	\$ -	\$ -	\$ -	\$ 22,865	\$ 1,027,294
62030 Materials + Supplies WTO	\$ (1,981)	\$ (1,071)	\$ -	\$ -	\$ -	\$ -	\$ (20)	\$ (890)
Funding Requirement	\$ 200,000	\$ 108,143	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 89,857
63540 Contract Services - Other WTM	\$ 648,042	\$ 350,405	\$ -	\$ -	\$ -	\$ -	\$ 6,480	\$ 291,156
<b>Total Chemical and Sludge Maintenance</b>	\$ 3,132,565	\$ 1,693,823	\$ -	\$ -	\$ -	\$ -	\$ 31,326	\$ 1,407,417
<b>Total Operating and Maintenance Expense</b>	\$ 32,720,322	\$ 13,408,873	\$ 4,269,643	\$ 1,785,548	\$ 3,322,480	\$ 1,836,889	\$ 463,758	\$ 7,632,130
Less: Capital Labor	\$ 984,719	\$ 433,492	\$ 145,790	\$ 36,992	\$ 79,991	\$ -	\$ 8,645	\$ 279,809
<b>Net Operating and Maintenance Expense</b>	\$ 31,735,603	\$ 12,976,381	\$ 4,123,853	\$ 1,748,556	\$ 3,242,489	\$ 1,836,889	\$ 455,113	\$ 7,352,322
<b>City Services Cost</b>	\$ 839,167	\$ 324,429	\$ 118,005	\$ 49,785	\$ 97,638	\$ 54,219	\$ 12,020	\$ 183,071
Meters and Encoders	\$ 105,861	\$ -	\$ -	\$ -	\$ 105,861	\$ -	\$ -	\$ -
Rent for Water Property	\$ 18,652	\$ 7,211	\$ 2,623	\$ 1,107	\$ 2,170	\$ 1,205	\$ 267	\$ 4,069
Interest Delinquent Accounts	\$ 351,288	\$ 211,229	\$ 60,277	\$ 21,724	\$ 41,657	\$ 16,401	\$ -	\$ -
Forest Product Sales	\$ 128,032	\$ 69,229	\$ -	\$ -	\$ -	\$ -	\$ 1,280	\$ 57,523
Misc. State Revenue	\$ 232,541	\$ 125,738	\$ -	\$ -	\$ -	\$ -	\$ 2,325	\$ 104,477
Hydrant Flow Test	\$ 10,384	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,384	\$ -
Road Restoration	\$ 166,819	\$ 77,760	\$ 51,824	\$ 37,236	\$ -	\$ -	\$ -	\$ -
NBC Admin. Fee	\$ 25,000	\$ -	\$ -	\$ -	\$ 12,500	\$ 12,500	\$ -	\$ -
Lien Sales/Title Search	\$ 27,359	\$ -	\$ -	\$ -	\$ 13,680	\$ 13,680	\$ -	\$ -
Shut Off Charges	\$ 172,040	\$ -	\$ -	\$ -	\$ 86,020	\$ 86,020	\$ -	\$ -
Damages	\$ 7,763	\$ 3,001	\$ 1,092	\$ 461	\$ 903	\$ 502	\$ 111	\$ 1,694
<b>Less: Miscellaneous Revenues</b>	\$ 1,245,739	\$ 494,168	\$ 115,815	\$ 60,827	\$ 262,791	\$ 130,307	\$ 14,368	\$ 167,763

**Allocation of Capital Costs**  
Rate Year Ending December 31, 2008

Allocation Factor	Adjusted Test Year	Rate Year Adjustments	Proforma Rate Year	Base	Maximum Day	Maximum Hour	Meters	Billing & Collection	Fire Protection	Wholesale
Capital Fund Cash	\$ 2,450,000	\$ -	\$ 2,450,000	\$ 853,511	\$ 286,017	\$ 71,605	\$ 372,054	\$ -	\$ 127,024	\$ 739,790
Debt Service CIP Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Western Cranston Fund	\$ 62,069	\$ -	\$ 62,069	\$ 28,932	\$ 19,282	\$ 13,854	\$ -	\$ -	\$ -	\$ -
Infrastructure Replacement	\$ 12,500,000	\$ 1,400,000	\$ 13,900,000	\$ 6,837,787	\$ 2,291,384	\$ 573,652	\$ -	\$ -	\$ -	\$ 4,197,177
Debt Service IFR Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
102" Valve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Alternative Source of Supply	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Meter Replacement	\$ 400,000	\$ 600,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -
Equipment Replacement	\$ 600,000	\$ -	\$ 600,000	\$ 209,023	\$ 70,045	\$ 17,536	\$ 91,115	\$ -	\$ 31,108	\$ 181,173
<b>Total Capital Expenditures</b>	<b>\$ 16,012,069</b>	<b>\$ 2,000,000</b>	<b>\$ 18,012,069</b>	<b>\$ 7,929,253</b>	<b>\$ 2,666,727</b>	<b>\$ 676,647</b>	<b>\$ 1,463,169</b>	<b>\$ -</b>	<b>\$ 158,132</b>	<b>\$ 5,118,141</b>

**Allocation of Property Taxes**  
Rate Year Ending December 31, 2008

	Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
Scituate	A	\$ 5,446,674	\$ 2,945,095	\$ -	\$ -	\$ -	\$ -	\$ 54,467	\$ 2,447,113
Foster	A	\$ 296,923	\$ 160,551	\$ -	\$ -	\$ -	\$ -	\$ 2,969	\$ 133,403
Cranston	A	\$ 90,003	\$ 48,666	\$ -	\$ -	\$ -	\$ -	\$ 900	\$ 40,437
Cranston Refund	Cran	\$ (375,000)	\$ (191,311)	\$ (13,986)	\$ (10,049)	\$ -	\$ -	\$ (4,350)	\$ (155,304)
North Providence	F	\$ 238,466	\$ 83,405	\$ 55,587	\$ 39,939	\$ -	\$ -	\$ 4,769	\$ 54,765
Johnston	A	\$ 87,470	\$ 47,296	\$ -	\$ -	\$ -	\$ -	\$ 875	\$ 39,299
Glocester	A	\$ 50,425	\$ 27,265	\$ -	\$ -	\$ -	\$ -	\$ 504	\$ 22,655
West Warwick	A	\$ 4,361	\$ 2,358	\$ -	\$ -	\$ -	\$ -	\$ 44	\$ 1,959
West Glocester Fire	A	\$ 3,989	\$ 2,157	\$ -	\$ -	\$ -	\$ -	\$ 40	\$ 1,792
Harmony Fire Dist.	A	\$ 122	\$ 66	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 55
Chepachet Fire Dist.	A	\$ 147	\$ 80	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 66
Warwick	A	\$ 103	\$ 55	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 46
<b>Total Property Taxes</b>		<b>\$ 5,843,681</b>	<b>\$ 3,125,683</b>	<b>\$ 41,601</b>	<b>\$ 29,890</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 60,221</b>	<b>\$ 2,586,286</b>

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	54.07%					1.00%	44.93%
AA	1% allocated to fire protection, remainder allocated to base, maximum day, and wholesale based on consumption	32.45%	21.62%				1.00%	44.93%
C	100% to Meters & Services				100.00%			
Com Z	Allocated Based on Methodology in Docket # 2048, Z - O&M Reallocated from Meters and Billing	50.59%	18.40%	7.76%	0.00%	0.00%	1.43%	21.82%
Cran	Cranston Tax Refund, 16% Allocator F, 84% Allocator A	51.02%	3.73%	2.68%	0.00%	0.00%	1.16%	41.41%
D	50% to Billing and Collections, 50% to Meters and Services				50.00%	50.00%		
DY	Allocation Factor D with Billing and Collections and Meters and Services reallocated to Base	100.00%						
F	2% to Fire, Allocated to Base & Wholesale by Proportion of T&D Pipe in Inch Miles, Retail to Base, Max Day and Hour	34.98%	23.31%	16.75%			2.00%	22.97%
FP	100% Fire Protection						100.00%	
HM	T&D Maintenance Based on FY 2004 - FY 2006 Activities	30.55%	20.36%	14.63%	24.53%	0.00%	2.94%	6.99%
HMC	T&D Contract Maintenance Based on FY 2004 - FY 2006 Activities	26.09%	17.39%	12.49%	25.75%	0.00%	1.46%	16.82%
HMY	Reallocation from Billing and Collections and Meters and Services to Base of HM	55.08%	20.36%	14.63%			2.94%	6.99%
HOC	T&D Contract Operations Based on FY 2004 - FY 2006 Activities	34.01%	22.67%	16.29%	3.61%	0.00%	1.88%	21.55%
K1	Allocated Based on Original Plant Investment less Land, Meters and Fire Reallocated to Retail	49.19%	16.48%	4.13%	0.00%	0.00%	0.00%	30.20%
K2	Allocated Based on Original Plant Investment less Land	34.84%	11.67%	2.92%	15.19%	0.00%	5.18%	30.20%
L	Based on Allocation of other Transmission & Distribution Plant except Services & Meters	33.60%	22.40%	8.75%	0.00%	0.00%	14.03%	21.23%
N	Allocation of Pumping Investment and Expenses	47.51%	8.98%	1.81%				41.70%
NO	Allocation of Pumping Investment and Expenses excluding Raw Water	35.76%	23.83%	4.81%				35.60%
NP	Allocation Factor NO with Maximum Day and Maximum Hour reallocated to Base	59.26%	0.00%	0.00%	0.00%	0.00%	0.90%	40.74%
P	10% allocated to maximum day, 90% allocated based on A	48.66%	10.00%	0.00%	0.00%	0.00%	0.00%	40.44%
RR	Retail Revenue	60.13%	17.16%	6.18%	11.86%	4.67%	0.00%	0.00%
T	Allocation of all Non-General Plant	35.68%	11.21%	2.82%	14.44%	0.00%	5.04%	30.81%
TD	Allocation of Base, Max Day and Max Hour of Retail only	46.61%	31.07%	22.32%				
X1	Allocation within a Particular Group Based on the Relationship between all Other Items in the Group	29.43%	19.62%	14.09%	25.39%	0.00%	3.63%	7.84%
X2	Allocation within a Particular Group Based on the Relationship between all Other Items in the Group	33.96%	22.63%	16.26%	4.08%	0.00%	1.85%	21.23%
X4	Allocation within a Particular Group Based on the Relationship between all Other Items in the Group	44.02%	14.81%	3.76%	8.12%	0.00%	0.88%	28.42%
Y	Based on Labor related O&M Expenses.	26.03%	14.12%	5.79%	21.41%	11.75%	1.52%	19.37%
YY	Reallocation from Billing and Collections and Meters and Services to Base of YY	59.19%	14.12%	5.79%			1.52%	19.37%
Z	Based on Total O&M expenses, except for Administrative & General	38.66%	14.06%	5.93%	11.64%	6.46%	1.43%	21.82%



**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	\$31,735,603	\$12,976,381	\$ 4,123,853	\$ 1,748,556	\$3,242,489	\$ 1,836,889	\$ 455,113	\$ 7,352,322
Capital Expense	\$18,012,069	\$ 7,929,253	\$ 2,666,727	\$ 676,647	\$ 1,463,169	\$ -	\$ 158,132	\$ 5,118,141
City Services Expense	\$ 839,167	\$ 324,429	\$ 118,005	\$ 49,785	\$ 97,638	\$ 54,219	\$ 12,020	\$ 183,071
Property Taxes Expense	\$ 5,843,681	\$ 3,125,683	\$ 41,601	\$ 29,890	\$ -	\$ -	\$ 60,221	\$ 2,586,286
<b>Total Expenses Allocated</b>	<b>\$56,430,520</b>	<b>\$24,355,746</b>	<b>\$ 6,950,186</b>	<b>\$ 2,504,878</b>	<b>\$ 4,803,295</b>	<b>\$ 1,891,108</b>	<b>\$ 685,487</b>	<b>\$ 15,239,819</b>
less: Miscellaneous Revenues	\$ (1,245,739)	\$ (494,168)	\$ (115,815)	\$ (60,527)	\$ (262,791)	\$ (130,307)	\$ (14,368)	\$ (167,763)
plus: Net Operating Revenue	\$ 1,655,543	\$ 715,847	\$ 205,031	\$ 73,331	\$ 136,215	\$ 52,824	\$ 20,134	\$ 452,162
<b>Net Revenue Requirement</b>	<b>\$56,840,324</b>	<b>\$24,577,425</b>	<b>\$ 7,039,402</b>	<b>\$ 2,517,682</b>	<b>\$ 4,676,719</b>	<b>\$ 1,813,625</b>	<b>\$ 691,252</b>	<b>\$ 15,524,218</b>

**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
<b><u>Inside City</u></b>										
Residential	11,282,546	30,911	1.70	52,549	21,638	2.20	68,004	15,456		
Commercial	3,283,238	8,995	1.60	14,392	5,397	2.00	17,990	3,598		
Industrial	962,175	2,636	1.50	3,954	1,318	2.00	5,272	1,318		
Fire Protection				2,887	2,887		11,550	8,662		
<b>Total Inside City</b>	<b>15,527,960</b>	<b>42,542</b>		<b>73,783</b>	<b>31,240</b>		<b>102,817</b>	<b>29,034</b>	<b>120,834</b>	<b>299,924</b>
<b><u>Outside City</u></b>										
Wholesale	14,256,625	39,059	1.70	66,401	27,341	2.15	83,977	17,577		
<b>Total Units of Service</b>	<b>29,784,585</b>	<b>81,602</b>		<b>140,183</b>	<b>58,582</b>		<b>186,794</b>	<b>46,611</b>	<b>120,834</b>	<b>299,924</b>

**Unit Costs**  
Rate Year Ending December 31, 2008

	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection
Retail System Units of Service:							
Number		15,527,960	31,240	29,034	120,834	299,924	6,044
Units		MCF	MCF/day	MCF/day	Equiv. Meters	Bills	Hydrants
O&M Expense:							
Retail	24,004,464	12,856,679	4,128,279	1,738,670	3,069,088	1,757,780	453,967
Retail Unit Cost (\$/unit)		\$ 0.83	\$ 132.15	\$ 59.88	\$ 25.40	\$ 5.86	\$ 75.11
Wholesale O&M Expense	\$ 7,400,096	\$ 7,400,096					
Capital Expense:							
Retail Capital Expense	13,280,746	8,167,131	2,746,729	696,946	1,507,064	-	162,876
Retail Cost (\$/unit)		\$ 0.53	\$ 87.92	\$ 24.00	\$ 12.47	\$ -	\$ 26.95
Wholesale Capital Expense	\$ 5,271,685	\$ 5,271,685					
City Services Expense:							
Retail City Services Expense	675,779	334,162	121,545	51,279	100,567	55,845	12,381
Retail Cost (\$/unit)		\$ 0.02	\$ 3.89	\$ 1.77	\$ 0.83	\$ 0.19	\$ 2.05
Wholesale City Services Expense	\$ 188,563	\$ 188,563					
Property Tax Expense:							
Retail Property Tax Expense	3,355,117	3,219,454	42,849	30,787	-	-	62,028
Retail Cost (\$/unit)		\$ 0.21	\$ 1.37	\$ 1.06	\$ -	\$ -	\$ 10.26
Wholesale Property Tax Expense	\$ 2,663,875	\$ 2,663,875					
Total Unit Costs of Service							
Retail Cost of Service	41,316,106	24,577,425	7,039,402	2,517,682	4,676,719	1,813,625	691,252
Retail Total Unit Cost (\$/unit)		\$ 1.58	\$ 225.33	\$ 86.71	\$ 38.70	\$ 6.05	\$ 114.37
Wholesale Cost of Service	\$ 15,524,218						
Total Cost of Service	<u>\$ 56,840,324</u>						

**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)	\$	1.58	\$ 225.33	\$ 86.71	\$ 38.70	\$ 6.05	\$ 114.37
Retail Service:							
Residential Volume Charge:							
Units of Service - HCF		11,282,546	21,638	15,456			
Allocation Cost of Service - \$	\$24,073,703	\$17,857,847	\$4,875,637	\$1,340,219			
Consumption Rate - \$/HCF	\$ 2.1337						
Commercial Volume Charge:							
Units of Service - HCF		3,283,238	5,397	3,598			
Allocation Cost of Service - \$	\$ 6,724,795	\$ 5,196,661	\$1,216,129	\$ 312,005			
Consumption Rate - \$/HCF	\$ 2.0482						
Industrial Volume Charge:							
Units of Service - HCF		962,175	1,318	1,318			
Allocation Cost of Service - \$	\$ 1,934,206	\$ 1,522,917	\$ 296,996	\$ 114,294			
Consumption Rate - \$/HCF	\$ 2.0102						
Retail Service Charge:							
Units of Service					84,346	292,820	
Allocation Cost of Service - \$	\$ 5,035,142				\$3,264,475	\$1,770,667	
Fire Protection Service:							
Units of Service			2,887	8,662	36,489	7,104	6,044
Allocation Cost of Service	\$ 3,548,259		\$ 650,640	\$ 751,164	\$1,412,244	\$ 42,958	\$ 691,252
Total Inside-City Allocated Cost of Service	<u>\$41,316,106</u>						
Outside City							
Wholesale:							
Units of Service		14,256,625					
Allocation Cost of Service	<u>\$15,524,218</u>	\$15,524,218					
Consumption Rate - \$/HCF	\$ 1.0889						
Total System Allocated Cost of Service	<u>\$56,840,324</u>						

**Proposed Rates and Impacts**  
Rate Year Ending December 31, 2008

Billing Unit	Units of Service	Proposed Rates	Total Revenues	Current Rates	% Change
<b>Quarterly Service Charges</b>					
5/8"	54,181	\$ 15.73	\$ 3,409,069	\$ 12.19	29.0%
3/4"	10,392	\$ 16.70	\$ 694,186	\$ 13.05	28.0%
1"	5,076	\$ 19.60	\$ 397,958	\$ 15.32	27.9%
1.5"	1,479	\$ 23.47	\$ 138,849	\$ 18.33	28.0%
2"	1,759	\$ 34.11	\$ 239,998	\$ 26.66	27.9%
3"	48	\$ 112.49	\$ 21,598	\$ 87.93	27.9%
4"	32	\$ 141.51	\$ 18,113	\$ 110.64	27.9%
6"	56	\$ 209.25	\$ 46,872	\$ 163.59	27.9%
8"	29	\$ 286.65	\$ 33,251	\$ 224.10	27.9%
10"	2	\$ 356.80	\$ 2,854	\$ 278.93	27.9%
12"	1	\$ 426.95	\$ 1,708	\$ 333.79	27.9%
Total	73,055		\$ 5,004,456		
<b>Monthly Service Charges</b>					
5/8"	1	\$ 9.28	\$ 111	\$ 7.25	28.0%
3/4"	-	\$ 9.60	\$ -	\$ 7.50	28.0%
1"	-	\$ 10.57	\$ -	\$ 8.25	28.1%
1.5"	2	\$ 11.86	\$ 285	\$ 9.27	27.9%
2"	10	\$ 15.41	\$ 1,849	\$ 12.05	27.9%
3"	4	\$ 41.53	\$ 1,993	\$ 32.47	27.9%
4"	8	\$ 51.21	\$ 4,916	\$ 40.03	27.9%
6"	20	\$ 73.78	\$ 17,707	\$ 57.67	27.9%
8"	5	\$ 99.59	\$ 5,975	\$ 77.85	27.9%
10"	-	\$ 122.97	\$ -	\$ 96.14	27.9%
12"	-	\$ 146.35	\$ -	\$ 114.41	27.9%
Total	50		\$ 32,837		
<b>Total Service Charge Revenue</b>			\$ 5,037,293	\$ 3,914,325	28.7%
<b>Retail Consumption Charges</b>					
Residential (HCF)	11,282,546	\$ 2.134	\$ 24,076,954	\$ 1.958	9.0%
Commercial (HCF)	3,283,238	\$ 2.049	\$ 6,727,355	\$ 1.882	8.9%
Industrial (HCF)	962,175	\$ 2.011	\$ 1,934,934	\$ 1.825	10.2%
Total	15,527,960		\$ 32,739,243	\$ 30,026,250	9.0%

**Proposed Rates and Impacts**  
Rate Year Ending December 31, 2008

Billing Unit	Units of Service	Proposed Rates	Total Revenues	Current Rates	% Change
<b>Wholesale Charges</b>					
<u>Volume Charge</u>					
Consumption (HCF)	14,256,625	\$ 1.088913		\$ 0.924528	
Consumption (MGD)	10,664	\$ 1,455.77	\$ 15,524,266	\$ 1,236.00	17.8%
<u>Total Annual Charges</u>					
East Providence			\$ 2,536,604	\$ 2,153,666	17.8%
East Smithfield			\$ 360,515	\$ 306,090	17.8%
Greenville			\$ 507,851	\$ 431,184	17.8%
Kent County			\$ 4,159,274	\$ 3,531,370	17.8%
Smithfield			\$ 464,536	\$ 394,407	17.8%
Warwick			\$ 4,582,431	\$ 3,890,645	17.8%
Lincoln			\$ 1,203,584	\$ 1,021,885	17.8%
Johnston			\$ 340,160	\$ 288,808	17.8%
Bristol County			\$ 1,369,312	\$ 1,162,594	17.8%
Total Wholesale Charges			\$ 15,524,266	\$ 13,180,649	17.8%

**Proposed Rates and Impacts**  
Rate Year Ending December 31, 2008

Billing Unit	Units of Service	Proposed Rates	Total Revenues	Current Rates	% Change
<b>Private Fire Service Charges</b>					
3/4"	6	\$ 16.88	\$ 405	\$ 10.77	56.7%
1"	10	\$ 20.00	\$ 800	\$ 14.26	40.3%
1-1/2"	3	\$ 24.62	\$ 295	\$ 23.00	7.0%
2"	33	\$ 36.57	\$ 4,827	\$ 33.48	9.2%
4"	297	\$ 156.72	\$ 186,183	\$ 92.87	68.8%
6"	1,183	\$ 253.42	\$ 1,199,183	\$ 180.22	40.6%
8"	223	\$ 380.78	\$ 339,656	\$ 285.03	33.6%
10"	4	\$ 526.08	\$ 8,417	\$ 407.30	29.2%
12"	16	\$ 700.38	\$ 44,824	\$ 547.05	28.0%
16"	1	\$ 1,149.93	\$ 4,600	\$ 547.05	110.2%
Total	<u>1,776</u>		<u>\$ 1,789,192</u>	<u>\$ 1,266,618</u>	41.3%
<b>Public Fire Service Charges</b>					
Hydrants	6,044	\$ 291.06	\$ 1,759,167	\$ 250.99	16.0%
<b>Total Rate Revenues</b>			<u><u>\$ 56,849,161</u></u>	<u>\$ 49,904,825</u>	13.9%
Miscellaneous Revenues			1,245,739	\$ 1,245,739	0.0%
<b>Total Revenues</b>			<u><u>\$ 58,094,900</u></u>	<u>\$ 51,150,564</u>	13.6%

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

	Proposed Rates	Existing Rates	% Change	Proposed % of Total	Existing % of Total
<b>Retail</b>					
Monthly Service Charge	\$ 5,037,293	\$ 3,914,325	28.7%	8.7%	7.7%
Volume Charge					
Residential	\$ 24,076,954	\$ 22,091,226	9.0%	41.4%	43.2%
Commercial	\$ 6,727,355	\$ 6,179,054	8.9%	11.6%	12.1%
Industrial	\$ 1,934,934	\$ 1,755,970	10.2%	3.3%	3.4%
<b>Total Retail</b>	<b>\$ 37,776,537</b>	<b>\$ 33,940,575</b>	<b>11.3%</b>	<b>65.0%</b>	<b>66.4%</b>
<b>Wholesale</b>					
East Providence	\$ 2,536,604	\$ 2,153,666	17.8%		
East Smithfield	\$ 360,515	\$ 306,090	17.8%		
Greenville	\$ 507,851	\$ 431,184	17.8%		
Kent County	\$ 4,159,274	\$ 3,531,370	17.8%		
Smithfield	\$ 464,536	\$ 394,407	17.8%		
Warwick	\$ 4,582,431	\$ 3,890,645	17.8%		
Lincoln	\$ 1,203,584	\$ 1,021,885	17.8%		
Johnston	\$ 340,160	\$ 288,808	17.8%		
Bristol County	\$ 1,369,312	\$ 1,162,594	17.8%		
<b>Total Wholesale</b>	<b>\$ 15,524,266</b>	<b>\$ 13,180,649</b>	<b>17.8%</b>	<b>26.7%</b>	<b>25.8%</b>
<b>Fire Protection</b>					
Private Fire Protection	\$ 1,789,192	\$ 1,266,618	41.3%	3.1%	2.5%
Public Fire Protection	\$ 1,759,167	\$ 1,516,984	16.0%	3.0%	3.0%
<b>Total Fire Protection</b>	<b>\$ 3,548,358</b>	<b>\$ 2,783,601</b>	<b>27.5%</b>		
<b>Total Rate Revenues</b>	<b>\$ 56,849,161</b>	<b>\$ 49,904,825</b>	<b>13.9%</b>		
Miscellaneous Revenues	\$ 1,245,739	\$ 1,245,739	0.0%	2.1%	2.4%
<b>Total Revenues</b>	<b>\$ 58,094,900</b>	<b>\$ 51,150,564</b>	<b>13.6%</b>	<b>100.0%</b>	<b>100.0%</b>
Total Fixed Revenue	\$ 9,831,391	\$ 7,943,665		<b>16.9%</b>	15.5%
Total Variable Revenue	\$ 48,263,510	\$ 43,206,899		<b>83.1%</b>	<b>84.5%</b>
Total	\$ 58,094,900	\$ 51,150,564		<b>100.0%</b>	<b>100.0%</b>



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

	Proposed Rates	Existing Rates	% Change
<b>Residential - (5/8" Meter, 100 HCF)</b>			
Fixed Quarterly Service Charge	\$ 62.92	\$ 48.76	29.0%
Volume Charge	\$ 213.40	\$ 195.80	9.0%
<b>Total</b>	<b>\$ 276.32</b>	<b>\$ 244.56</b>	<b>13.0%</b>
<b>Commercial - (2" Meter, 2,000 HCF)</b>			
Fixed Quarterly Service Charge	\$ 136.44	\$ 106.64	27.9%
Volume Charge	\$ 4,098.00	\$ 3,764.00	8.9%
<b>Total</b>	<b>\$ 4,234.44</b>	<b>\$ 3,870.64</b>	<b>9.4%</b>
<b>Industrial - (6" Meter, 10,000 HCF)</b>			
Fixed Monthly Service Charge	\$ 885.36	\$ 692.04	27.9%
Volume Charge	\$ 20,110.00	\$ 18,250.00	10.2%
<b>Total</b>	<b>\$ 20,995.36</b>	<b>\$ 18,942.04</b>	<b>10.8%</b>

*For wholesale impacts see HJS Exhibit 11*

**Revenue Proof**  
Rate Year Ending December 31, 2008

Net Operations & Maintenance Expense	\$ 31,735,603
Capital Expense	\$ 18,012,069
City Services Expense	\$ 839,167
Property Taxes Expense	\$ 5,843,681
 Total Expenses Allocated	 <u>\$ 56,430,520</u>
 plus: Net Operating Revenue	 \$ 1,655,543
 <b>Net Revenue Requirement</b>	 <b><u>\$ 58,086,063</u></b>
 Retail	
Monthly Service Charge	\$ 5,037,293
Volume Charge	
Residential	\$ 24,076,954
Commercial	\$ 6,727,355
Industrial	\$ 1,934,934
 Total Retail	 <u>\$ 37,776,537</u>
 Wholesale	
East Providence	\$ 2,536,604
East Smithfield	\$ 360,515
Greenville	\$ 507,851
Kent County	\$ 4,159,274
Smithfield	\$ 464,536
Warwick	\$ 4,582,431
Lincoln	\$ 1,203,584
Johnston	\$ 340,160
Bristol County	\$ 1,369,312
 Total Wholesale	 <u>\$ 15,524,266</u>
 Fire Protection	
Private Fire Protection	\$ 1,789,192
Public Fire Protection	\$ 1,759,167
 Total Fire Protection	 <u>\$ 3,548,358</u>
 Total Rate Revenues	 <u>\$ 56,849,161</u>
 Miscellaneous Revenues	 \$ 1,245,739
 <b>Total Revenues</b>	 <b><u>\$ 58,094,900</u></b>
 <b>Total Surplus / (Deficit)</b>	 <b>\$ 8,837</b>

**Inch-Mile Calculations**  
Year Ending June 30, 2006

Pipe Size (inches)	Length (miles)	Inch-Miles	
6	468.64	2,811.84	
8	290.92	2,327.36	
10	1.62	16.20	
12	84.98	1,019.76	
16	35.80	572.80	
20	7.20	144.00	
24	26.23	629.52	
30	16.30	489.00	
36	1.91	68.76	
42	4.84	203.28	
48	3.21	154.08	
60	4.32	259.20	
66	1.60	105.60	
78	4.40	343.20	
90	4.50	405.00	
102	5.40	550.80	
<b>Totals</b>	<u>961.87</u>	<u>10,100.40</u>	
Local Distribution (10" or less)	761.18	5,155.40	51.04%
Transmission (12" and greater)	200.69	4,945.00	48.96%
 <b><u>Unaccounted for Water Responsibility</u></b>			
<i>Retail Customers</i>			
Local Distribution			51.04%
Transmission			<u>25.52%</u>
<b>Total Retail Share of Unaccounted for Water</b>			<u>76.57%</u>
 <i>Wholesale Customers</i>			
Local Distribution			0.00%
Transmission			<u>23.43%</u>
<b>Total Wholesale Share of Unaccounted for Water</b>			<u>23.43%</u>

# PROVIDENCE WATER SUPPLY BOARD TARIFF

Replaces Tariff  
January 1, 2006

Effective: November 1, 2007

RI Public Utilities Commission Docket No. 3832

## TARIFF SCHEDULES

### Schedule

- |   |   |
|---|---|
| A | Service Charges – Retail                    |
| B | Metered Sales – Retail                      |
| C | Bulk Sales to Public Authorities for Resale |
| D | Public Fire Protection                      |
| E | Private Fire Service                        |
| F | Miscellaneous Charges                       |

## SCHEDULE A

### Providence Water Supply Board Service Charges Retail

Rhode Island Public Utilities Commission Docket No. 3832

Effective: November 1, 2007

#### Applicability

Applicable to all metered customers for industrial, commercial and residential use, exclusive of fire service connection, in the Providence Water Supply Board service area.

#### Rates

For each service connected to the Providence Water Supply Board mains, the following customer service charges shall apply:

<u>Size of Meter</u>	<u>Quarterly</u>	<u>Monthly</u>
5/8"	\$15.73	\$9.28
3/4	16.70	9.60
1	19.60	10.57
1 ½	23.47	11.86
2	34.11	15.41
3	112.49	41.53
4	141.51	51.21
6	209.25	73.78
8	286.65	99.59
10	356.80	122.97
12	426.95	146.35

#### Terms of Payment

All customer service charges may be billed quarterly or monthly and are due and payable when rendered.

Interest at a rate of 1% per month will be charged on unpaid account balances over 30 days from due date.

**SCHEDULE B**

**Providence Water Supply Board  
Metered Sales  
Retail**

**Rhode Island Public Utilities Commission Docket No. 3832**

Effective: November 1, 2007

Applicability

Applicable to all general metered water service in the Providence Water Supply Board service area.

Rates

For all quantities used, except for bulk sales to public authorities for resale, the following rates per HCF shall apply:

Quarterly Accounts

Residential	\$2.134
Commercial	\$2.049
Industrial	\$2.011

Monthly Accounts

Residential	\$2.134
Commercial	\$2.049
Industrial	\$2.011

Terms of Payment

All metered sales bills are rendered in arrears quarterly or monthly at the option of the Providence Water Supply Board and are due and payable in full when rendered.

Interest at a rate of 1% per month will be charged on unpaid account balances over 30 days from due date.

## SCHEDULE C

### Providence Water Supply Board Bulk Sales to Public Authorities for Resale

Rhode Island Public Utilities Commission Docket No. 3832

Effective: November 1, 2007

#### Applicability

Applicable to all public authorities in the Providence Water Supply Board service area purchasing water for resale.

#### Rates-Volume Charge

\$1,455.77 per million gallons, or  
\$1.088913 per HCF

#### Terms of Payment

All bills for bulk sales are rendered monthly in arrears and are due and payable in full when rendered.

Interest at a rate of 1% per month will be charged on unpaid account balances over 30 days from due date

**SCHEDULE D**

**Providence Water Supply Board  
Public Fire Protection**

**Rhode Island Public Utilities Commission Docket No. 3832**

Effective: November 1, 2007

Applicability

Applicable to all service to public fire hydrants in the Providence Water Supply Board service area.

Rates

For each hydrant: \$291.06

Terms of Payment

All bills for public fire service are rendered quarterly and are due and payable in full when rendered.

Interest at a rate of 1% per month will be charged on unpaid account balances over 30 days from due date.



**SCHEDULE E**

**Providence Water Supply Board  
Private Fire Service**

**Rhode Island Public Utilities Commission Docket No. 3832**

Effective: November 1, 2007

Applicability

Applicable for service to private fire protection appliances owned and maintained by the customer in the Providence Water Supply service area.

Rates

For each fire service connection to the Providence Water Supply Board mains, the following charges shall apply:

<u>Size of Service</u>	<u>Quarterly</u>
3/4"	\$16.88
1	20.00
1 ½	24.62
2	36.57
4	156.72
6	253.42
8	380.78
10	526.08
12	700.38
16	1,149.93

Terms of Payment

All bills for private fire services are rendered quarterly and are due and payable in full when rendered.

Interest at a rate of 1% per month will be charged on unpaid account balances over 30 days from due date.

**SCHEDULE F  
PROVIDENCE WATER  
TERMS & CONDITIONS  
SERVICE FEE SCHEDULE  
(effective November 1, 2007)  
page 1 of 2**

**NOTE:** All applicants must complete financial arrangements prior to services being rendered. Applicants are responsible for obtaining and paying for all permits and any additional fees.

<b>SERVICE</b>	<b>FEE</b>
PHOTOCOPYING	
Distribution Sheet	\$ 3.00/copy
Letter or Legal Size Document	\$ .15/copy
LIEN CERTIFICATE	\$ 6.00
RETURNED CHECK FEE	\$ 20.00
PLAN CHECKING/WATER AVAILABILITY REVIEW	\$ 57.00/hour
EASEMENT/ABANDONMENT REQUEST	\$ 50.00/hour
FIRE HYDRANT FLOW TEST	\$ 118.00
NEW WATER SERVICE INSTALLATION - BASIC	
1" Water Service	\$1,673.00
1 ½" Water Service	2,596.00
2" Water Service	2,931.00
4" Water Service	3,700.00
6" Water Service	3,998.00

**NEW WATER SERVICE INSTALLATION - SPECIAL CIRCUMSTANCES**

All services greater than 6" will be installed and charged on a time and materials basis, consistent with the methodology used in computing the above service charges. **Notwithstanding the above schedule**, any sites where special circumstances may be encountered (ie. ledge, special fittings, routing around other utilities) will also be charged on a time and materials basis. The average time rate for all manpower and equipment (including overhead) averages approximately \$400/hr.

**PAVEMENT/SIDEWALK RESTORATION CHARGES**

Applicants are responsible for all *actual* road and/or sidewalk restoration charges, as the charge varies with the size of the excavation and the pavement thickness. For illustrative purposes, on average, the charge is approximately \$300 for pavement restoration and \$75 for sidewalk.

**SCHEDULE F  
PROVIDENCE WATER  
TERMS & CONDITIONS  
SERVICE FEE SCHEDULE  
(effective November 1, 2007)  
page 2 of 2**

<b>SERVICE</b>	<b>FEE</b>
----------------	------------

**POLICE DETAILS**

If the work being performed presents a safety hazard and it is necessary to employ police details for traffic control, the applicant will be responsible for such costs at the then current rate of the respective Town or City. For illustrative purposes, the hourly detail rates as of January 31, 2007 are as follows:

Cranston	\$37.11
Johnston	40.05
North Providence	37.00
Providence	42.92

**NEW WATER METER INSTALLATION - INCLUDING ERT**

5/8" Meter	\$ 184.00
3/4" Meter	230.00
1" Meter	266.00
1 1/2" Meter	457.00
2" Meter	545.00

All meters greater than 2" will be charged on an actual time and materials basis.

NEW ERT - ALL METER SIZES	\$ 109.00
---------------------------	-----------

(Applies only to existing ERT's that are lost, stolen, or damaged by customers. There is no charge to retro-fit an existing meter to AMR technology.)

SERVICE SHUTOFF FEE	\$ 64.00
---------------------	----------

SERVICE RESTORATION FEE	\$ 43.00
-------------------------	----------

SPECIAL REQUESTS FOR SERVICES NOT LISTED ABOVE THAT DO NOT BENEFIT ALL CUSTOMERS	Billed at actual Cost plus overhead Rates in effect
--	---