

PROVIDENCE WATER SUPPLY BOARD
Docket 3832

Data Requests of
Kent County Water Authority
Set 2

KCWA 4-15 On Mr. Bebyn's Exhibit DGB 6 please explain the difference between the water operating budget (less depreciation) of \$32,555,108 compared to the adjusted test year operating costs of \$28,111,518 (WEE-2).

ANSWER: DGB 6 uses the actual audit 2006 expenses. The audited financial statements presents the City Service expense and property expenses as operating expenses. The reconciliation of Audit 2006 actual with the total adjusted test year expense was attached to the response to DIV 1-11a (A copy has been attached to this response). This total adjusted test year on this reconciliation agrees with (WEE-2). Also attached (attachment KCWA 4-15) is a schedule which presents DIV1-11a in the same format as WEE-2.

Prepared by DGB

Providence Water
All Funds without WQPF
June 2006

Pro-forma
CY 06

Expenses

Source of Supply	1,262,510
Pumping	723,642
Treatment	6,201,325
Trans. & Dist.	3,842,301
Customer Accts	2,207,428
Admin. & General	<u>10,874,142</u>
Operation & Maintenance	25,111,348
City Service Expense	729,994
Property Taxes	<u>6,030,052</u>
Total Operating Expenses	31,871,393

Depreciation Expense

0

Audited Operating Expense

31,871,393

Test Year Operating Adjustments

Capital. Overheads	1,798,687
Capital Labor	388,915
Bad Debt	740,181
Security Monitoring	85,400
Hazmat study	(10,650)
Lead Service mailing	(2,360)

Audit operating exp reclassified

City Service Expense	(729,994)
Property Taxes	<u>(6,030,052)</u>

Adjusted Test Year Operating expense per WEE-2

28,111,521

Less Reimbursed

(743,041)

Audit operating exp reclassified

City Service Expense	729,994
Property Taxes	6,030,052

Capital Fund Cash

Debt Service CIP 2,450,000

Western Cranston 62,069

IFR 0

Debt Service IFR 12,500,000

102" Valve 0

Air Supply 0

Meter Replacement 400,000

Equipment Repl 600,000

Net Restricted 16,012,069

Adjusted Test Year total expense per WEE-2

50,140,594

Providence Water All Funds without WQPF June 2006 Expenses	Operations 601	Infrastructure 848	AMR 849	Insurance 857	Chem/Sludge 878	Regulated TOTAL	WQPF 843	Audited TOTAL	Less:	
									WCWDS & WQPF	Pro-Forma Changes
Source of Supply	1,262,510					1,262,510	473,965	1,736,476	(473,965)	1,262,510
Pumping	723,642					723,642		723,642	0	723,642
Treatment	4,142,413					6,201,325		6,201,325	0	6,201,325
Trans. & Dist.	3,842,301	5,055	-36,167		2,058,912	3,811,189		3,811,189	31,112	3,842,301
Customer Accts	2,181,916	0	7,912	25,512		2,215,340		2,215,340	(7,912)	2,207,428
Admih. & General	8,931,999	231,545		1,942,143		11,105,687	1400	11,107,087	(232,945)	10,874,142
Operation & Maintenan	21,084,781	236,600	-28,255	1,967,654	2,058,912	25,319,693	475,365	25,795,058	(683,711)	25,111,346
City Service Expense	729,994	0	0	0		729,994		729,994	0	729,994
Property Taxes	6,030,056	0	0	0		6,030,056		6,030,056	0	6,030,056
Total Operating Expense:	27,844,831	236,600	-28,255	1,967,654	2,058,912	32,079,742	475,365	32,555,108	(683,711)	31,871,393
Depreciation Expense:	9,890,206					9,890,206		9,890,206		9,890,206
Audited Operating Expense	37,735,037	236,600	-28,255	1,967,654	2,058,912	41,969,949	475,365	42,445,314	-683,711	31,871,393
Less Reimbursed	-743,041					-743,041				(743,041)
Capital Fund Cash										
Debt Service CIP	2,450,000					2,450,000				2,450,000
Western Cranston	62,069					62,069				62,069
IFR						0				0
Debt Service IFR	12,500,000					12,500,000				12,500,000
102 nd Vaive	0					0				0
Alt Supply	0					0				0
Meter Replacement	400,000					400,000				400,000
Equipment Repl	600,000					600,000				600,000
Net Restricted	16,012,069					16,012,069				16,012,069
Grand Total	53,004,065	236,600	-28,255	1,967,654	2,058,912	57,238,977	475,365	42,445,314	-683,711	47,140,421
Capital, Overheads										1,798,687
Capital Labor										388,915
Bad Debt										740,181
Security Monitoring										85,400
Hazmat study										(10,650)
Lead Service mailing										(2,360)
Adjust Test Year Exp.	53,004,065	236,600	-28,255	1,967,654	2,058,912	57,238,977	475,365	42,445,314	-683,711	50,140,594