The Narragansett Bay Commission
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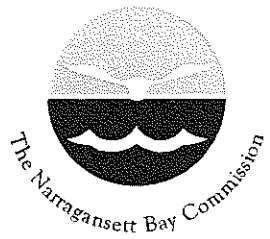

Vincent J. Mesolella
Chairman

Raymond J. Marshall, P.E.
Executive Director

January 14, 2008

Luly Massaro, Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island 02888

Subject: Division Data Request Set I – Docket No. 3905

Dear Ms. Massaro:

Attached please find an original and nine (9) copies of the response to the above data request sent by the Division on December 19, 2007.

Sincerely,

Karen L. Giebink
Director of Administration & Finance

Enclosures

Cc: Service List

THE NARRAGANSETT BAY COMMISSION
Docket No. 3905

Data Requests of the
Division of Public Utilities and Carriers
Set I

DIV 1-1: Please provide an electronic copy of Mr. Edge's schedules in Excel format with all formulas intact.

Answer: See email response.

Prepared by: WEE

DIV 1-2: Please provide the number of residential dwelling units and the number of non-residential meter accounts by meter size as of June 30, 2007 and each subsequent month for which data is available.

Answer: NBC billings are on a quarterly basis. See schedule below.

Residential and Non-Residential Billing Units

	4th Quarter 2007 (4/1/07-6/30/07)	1st Quarter 2008 (7/1/07-9/30/7)	2nd Quarter 2008 (10/1/07-12/31/07)
Residential Dwelling Units	116,795	116,704	116,817
Non-Residential Metered Accounts			
5/8"	3,827	3,769	3,608
3/4"	973	968	953
1"	1,089	1,086	1,046
1 1/2"	839	819	797
2"	1,685	1,634	1,543
3"	76	85	65
4"	38	39	32
6"	56	58	53
8"	18	18	18
10"	1	1	1
	8,602	8,477	8,116

Prepared by: WEE

DIV 1-3: Please provide actual residential, commercial and industrial consumption by month for each month of FY 2006, FY 2007 and FY 2008 to date. Include an electronic copy in Excel format.

Answer: Billings are on a quarterly basis. See table below.

	Residential Consumption Billing Units (HCF)	Commercial Consumption Billing Units (HCF)	Industrial Consumption Billing Units (HCF)
Year-to-Date FY 2008			
1st Quarter	2,320,888	1,450,903	145,802
2nd Quarter	2,723,091	1,593,370	145,203
Total	5,043,979	3,044,273	291,005
FY 2007			
1st Quarter	2,237,065	1,502,323	167,399
2nd Quarter	2,574,241	1,520,029	176,416
3rd Quarter	2,714,027	1,417,837	145,199
4th Quarter	2,176,606	1,334,785	147,503
Unbilled	9,125	5,431	599
Total	9,711,064	5,780,405	637,116
FY 2006			
1st Quarter	2,153,053	1,299,513	216,692
2nd Quarter	2,711,357	1,669,860	232,683
3rd Quarter	2,701,909	1,606,563	215,801
4th Quarter	2,489,656	1,467,241	190,539
Unbilled	382,969	230,278	32,497
Total	10,438,944	6,273,455	888,212

Prepared by: WEE

DIV 1-4: Please state whether Mr. Edge and or NBC have prepared or had prepared on their behalf any analysis of the causes of the declines in consumption by customer class presented in the table on page 13 of Mr. Edge's testimony and, in particular, the 28.27 percent decline in industrial consumption from FY 2006 to FY 2007. If yes, please provide any such analysis. If not, explain why no such analysis has been performed.

Answer: Neither NBC nor Mr. Edge had prepared any analysis of the cause of the declines in consumption by customer class presented on page 13 of Mr. Edge's prefiled testimony. The declines have been evident and consistent over the last four years. NBC has pointed out the trend in the last docket.

NBC is hampered in investigating these declines because they complete their billing based upon meter readings from seven different water utilities. In other words NBC has about 82,000 customers from a number of water districts that have different meter reading frequencies and billing cycles.

However, in an effort to provide the best response to this data request, NBC has completed a limited review of the larger industrial users and determined the following. NBC has compared the industrial consumption by quarter and by fiscal year, documenting the decline in consumption, and that information has been provided in Data Request Div-1-3. NBC investigated several of the larger industrial users with decreasing consumption. In some cases businesses are moving their manufacturing operations out of NBC's service area (as in the case of Albion Crossing, a division of A. T. Cross). Other manufacturers have begun using water recycling equipment in their manufacturing process, such as

Providence Metallizing and some of the other jewelry manufacturers. Several large water users, primarily in the textile industry, have ceased operations over the past few years. Approximately one year ago, Slater Dye (textile manufacturer) was sold and the new owner indicated that they purchased the building for storage. Customer Service has also learned that Osram Sylvania is planning on relocating their production facilities.

Prepared by: WEE

DIV 1-5: Please provide a comparison of actual monthly rainfall and temperatures in NBC's service area for FY 2005, FY 2006, FY 2007 and FY 2008 to date with normal rainfall and temperatures.

Answer: The tables below show the precipitation by year as recorded at NBC's two wastewater treatment facilities. NBC does not track "normal" rainfall.

Fields Point

	2005	2006	2007	2008
July	3.45	1.45	1.67	3.65
August	7.98	13.5	2.36	0.94
Septermber	9.22	3.79	1.94	1.82
October	1.95	13.5	5.4	1.57
November	3.87	5.02	6.7	1.4
December	3.69	2.98	1.5	
January	4.14	4.2	1.35	
February	2.49	1.74	1.77	
March	6.76	0.22	4.9	
April	3.65	2.6	6.18	
May	3.16	6.16	1.43	
June	0.12	11.1	1.34	
Average	4.21	5.52	3.05	

Bucklin Point

	2005	2006	2007	2008
July	2.69	1.76	3.09	3.74
August	7.34	4.13	2.37	1.17
September	5.63	4.29	2.28	2.12
October	1.75	14.75	6.42	2.99
November	3.68	8.35	9.45	3.32
December	3.42	3.72	2.03	
January	2.36	5.48	2.67	
February	1.21	1.77	1.94	
March	4.86	0.39	5.32	
April	4.88	2.88	7.12	
May	3.12	3.16	2.5	
June	0.55	11.06	2.06	
Average	3.46	5.15	3.94	

NBC does not track temperatures in its service area. However, the table below shows monthly temperatures in Newport, R.I..

	2005	2006	2007
Jan	27.7	37.5	34
Feb	31.4	31.9	27.4
Mar	34.3	37.9	37
Apr	47.3	48.1	44.8
May	51.4	56.6	57.5
Jun	65	65.5	65.4
Jul	70.8	72.8	71
Aug	73.3	70.3	70.7
Sep	66.9	62.7	65.2
Oct	54.9	53.4	59.1
Nov	46.6	49	43.1
Dec	33.8	41.1	34.1
Average	50.3	52.2	50.8

Source for Monthly Mean Temperatures: www.newportri.weather.com

Prepared by: WEE

DIV 1-6: Please provide all workpapers and supporting documentation showing the derivation of the rate year projections of consumption by customer class as reflected on Schedule WEE-2B. Include an electronic copy of any Excel spreadsheets with all formulas intact.

Answer: See below and email.

Historical Consumption

	Residential	Commercial	Industrial		Residential	Commercial	Industrial
FY 2004	10,808,264	6,328,086	1,018,922				
FY 2005	10,763,047	6,652,707	969,262		-0.42%	5.13%	-4.87%
FY 2006	10,438,944	6,273,455	888,212		-3.01%	-5.70%	-8.36%
FY 2007	9,711,064	5,780,405	637,116		-6.97%	-7.86%	-28.27%
				Average Decline	-3.47%	-2.81%	-13.84%

FY 2009 Consumption Projection

		Residential	Commercial	Industrial
FY 2007 Units	(A)	9,711,064	5,780,405	637,116
Three Year Decline		-3.47%	-2.81%	-13.84%
Conservative Half of the 3 Year Average % Decline	(B)	-0.0173	-0.0141	-0.0692
FY 2008 Units (A - (AB))	©	9,542,701	5,699,189	593,043
FY 2009 Units (C -(CB))	(D)	**9,377,257**	**5,619,113**	**552,018**

Prepared by: WEE

DIV 1-7: Please provide a copy of NBC's approved "Operating Reserve for Revenue Stability Fund Policy" along with the minutes of all Board meetings at which this policy was discussed.

Answer: A copy of the policy is attached, as well as minutes from the Finance Committee and the Board meeting at which the policy was approved. Please note that the Board meeting minutes are not complete, only the relevant pages from the transcript are included.

Prepared by: WEE

Narragansett Bay Commission

Operating Reserve for Revenue Stability Fund Policy

Purpose

This policy sets forth NBC's policy for funding an Operating Reserve for Revenue Stability Fund. The NBC has a significant amount of outstanding debt that was issued in order to finance its Capital Improvement Program (CIP). In addition, it is anticipated that further issuance of open market revenue bonds and borrowings from the Rhode Island Clean Water Finance Agency will be required to finance current and future capital improvements. NBC recognizes the importance of the adoption and implementation of sound financial management practices and policies to ensure the successful implementation of its CIP, obtain the highest possible credit ratings and mitigate ratepayer impact.

In addition, NBC must ensure that it has the liquidity to properly operate and maintain its facilities, meet its debt service obligations and fund its restricted accounts. Funding of an Operating Reserve for Revenue Stability will ensure that NBC is able to fund all of the accounts in accordance with the Trust Indenture even during periods of revenue variability.

Policy

NBC shall fund its Operating Reserve for Revenue Stability Fund at 25% of annual operation and maintenance cost. It is the intention of NBC to achieve the 25% level over approximately 5 years beginning in FY 2009, subject to approval of the Rhode Island Public Utilities Commission (PUC). The Operating Reserve for Revenue Stability Fund shall be funded through user charges and shall only be used to fund required expenditures up to the most recent PUC approved revenue.

Appropriate Funding Level

- The Operating Reserve for Revenue Stability Fund shall be funded over time from user charges at a level of approximately 2% of NBC's PUC approved revenue requirement.

- The Operating Reserve for Revenue Stability Fund shall be funded at a level not to exceed a sum equal to 25% of the annual operation and maintenance cost by the end of fiscal year 2014 and adjusted with annual budget increases.

- The NBC shall seek approval from the PUC to replenish the Operating Reserve for Revenue Stability Fund in the case that funds from the Operating Reserve for Revenue Stability Fund have been used for the purposes outlined above.

Policy Considerations

This policy may be amended from time to time if so approved by the NBC's Board of Commissioners.

The Narragansett Bay Commission
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Vincent J. Mesolella
Chairman

Raymond J. Marshall, P.E.
Executive Director

OFFICIAL MINUTES OF:

Meeting of:	Finance Committee
Date:	October 24, 2007
Time:	10:30 AM

MEMBERS PRESENT

Vincent J. Mesolella, Chairman
Angelo S. Rotella, Vice Chairman
Robert Andrade, Finance Chair
Raymond Marshall, Executive Director
Leslie Gray, III
Leo Thompson
Jonathan Farnum
Joseph Kimball
Michael DiChiro

MEMBERS ABSENT

R. David Cruise

STAFF AND GUESTS PRESENT

Karen Giebink, NBC
Francie Brown, NBC
Mark Thomas, NBC
Leah Foster, NBC
Anamaria Clarkin, NBC
Joanne Maceroni, NBC
Laurie Horridge, NBC
Joseph Pratt, LBG
Jean-Marie Grossi, NBC
Thomas Uva, NBC
Richard Bernier, NBC
Jamie Samons, NBC
Sherri Arnold, NBC
Tom Brueckner, NBC
Jennifer Harrington, NBC
Laurie Brayton, Senate Fiscal Office

1. Call to Order

Noting that a quorum was present, Finance Chair Andrade called the October 24, 2007 Finance Committee meeting to order at 10:45 a.m.

2. Approval of Minutes - *June 20, 2007 Joint LRP/Finance Committee Meeting*
September 26, 2007 Finance Committee Meeting

Finance Chair Andrade asked the Committee if they have had a chance to review the minutes of the June 20, 2007 Joint LRP/Finance Committee meeting, and if so, is there a motion to approve? Commissioner Farnum motioned to approve the June 20, 2007 Joint LRP/Finance Committee Meeting as written. Commissioner MacQueen seconded the motion, and the vote taken by the Finance Committee was unanimous.

Finance Chair Andrade asked the Committee if they have had a chance to review the September 26, 2007 Finance Committee Meeting minutes, and if so, is there a motion to approve? Commissioner Farnum motioned to approve the September 26, 2007 Finance Committee Meeting minutes. Commissioner Gray seconded the motion, and the vote taken by the Finance Committee was unanimous. The motion carries.

3. Items for Action

A. Review of Monthly Financial Statements

Ms. Karen Giebink referred to the September 2007 Monthly Financial Report. With respect to Budget versus Actual, she noted that we are approximately 25% of the way through the fiscal year, and we are spending below budget at 22.8%. She noted that under "Personnel," the FTE's were at 97% of the budgeted positions that are filled, and that it is one of the most significant reasons that we are running under budget. Ms. Giebink noted that on Page 2 of the report, we completed our July billing at approximately $14.3 Million which was 93% of what we had projected. Therefore, the decline in consumption billings continues.

Mr. Giebink noted that with respect to Receivables, we have collected $10.5 Million. On Page Three, Cash and Investment balances total approximately $65.4 Million. On Page Four, under Long Term Debt Summary, as well as the Outstanding Debt Summary, Ms. Giebink reported that we have now fully expended the SRF Pool Loan No. 10. On Page Five, she noted the summary of the Available Capital Funds in the amount of $48.2 Million, and on Page Six are the Capital Payments by Month and Source. Attached to the Financial Report are the Statement of Revenues, Expenses and Changes in Net Assets, the Statement of Net Assets, and the Detailed Budget versus Actual.

This concluded Ms. Giebink's report.

B. Consideration of Purchase Requisitions

Mr. Marshall stated that included in all Committee members' packets is a list of year-to-date budget transfers by month. He noted that they do not require any action on the Committee's part, but we are required to report those to you, as well as the information on the green sheets which show the purchase requisitions that are greater than $10,000 which also do not require Committee approval, but are required to report this information to the Finance Committee.

C. Consideration of Personnel Actions

Mr. Marshall stated that the Personnel Committee met earlier this morning and approved several changes to our organizational plan, and noted that they do not impact the budget; and, therefore, do not require Finance Committee approval.

D. Review and Approval of Resolution 2007:27, Authorization to File for Rate Relief with the Rhode Island Public Utilities Commission

Ms. Karen Giebink referred to a memo dated October 12, 2007 to the Finance Committee and Board of Commissioners. She noted that the purpose of this memo is to provide background information in support of the NBC Finance Committee and, ultimately, the NBC Board of Commissioner's approval of Resolution 2007:27.

The following is a summary of Ms. Giebink's report.

Ms. Giebink stated that on July 1, 2007, the NBC implemented a rate increase of 9.50% related to debt service along with an increase of 2.78% to address rate base issues, as well as increased operation and maintenance costs.

- Rate Increase History
  - Cumulative Increases in Operations and Maintenance versus Debt
- Rate Issues for Fiscal Year 2009
- Debt Service and Debt Service Coverage
- Operation and Maintenance Costs
- Consumption Shortfall
- Liquidity
- Overall Rate Impact
- Action Requested

This concluded Ms. Giebink's report regarding Resolution 2007:27

Ms. Giebink requested approval of Resolution 2007:27, Authorization to File for Rate Relief with the Rhode Island Public Utilities Commission (PUC)

After some discussion, Commissioner MacQueen motioned to approve Resolution 2007:27, Authorization to File for Rate Relief with the Rhode Island Public Utilities Commission (PUC)

E. Review and Approval of Resolution 2007:28, Adoption of Operating Reserve for Revenue Stability Fund Policy

Ms. Giebink stated that NBC executed a Trust Indenture which services as a contract between the NBC and the Bond Trustee for the benefit of bondholders. This complex document sets forth the flow of funds, reserve requirements, rate covenants and the bond lien status, among other things. She stated that the Trust Indenture also integrates the restricted cash account requirements set forth by the Rhode Island Public Utilities Commission (PUC). On a monthly basis, the NBC makes a number of cash transfers in accordance with the Trust Indenture and PUC restrictions.

Ms. Giebink noted that more than 63% of NBC's total revenues are generated from consumption charges. She stated that although the NBC has worked with the PUC to develop rates that are designed to generate 125% of debt service, reduced consumption which can have an adverse impact on revenues, cash flow and ultimately the NBC's ability to make all of the required monthly transfers. It was also noted that over the past four years, the NBC has experienced variability in billable consumption, as well as a continuous decline in billable consumption.

In addition to the variability of consumption, Ms. Giebink stated that the delay in the impact of new rates due to lags in the receipt of meter readings also impacts revenues and cash flows. A review of the billed consumption reveals that on average, only 60% of the consumption billed in any fiscal year is at the rates in effect during that fiscal year.

Due to the significant cash flow requirements under the Trust Indenture, it is imperative that the NBC have the ability to fund all of its accounts, regardless of variations in consumption revenue. Accordingly, it is recommended that the NBC Board of Commissioners adopt a policy for the establishment and funding of an Operating Reserve for a Revenue Stability account. It is proposed that the account be funded through user charges as opposed to the restricted carry-forward to ensure a consistent funding source.

Ms. Giebink noted that last year, NBC's Board of Commissioners adopted a policy for the funding of an Operation and Maintenance Reserve Fund that was to be financed through the restricted carry-forward and was used if there was insufficient cash to meet operation and maintenance costs. She noted that the PUC did not allow the funding of this account, but based upon their comments, it is our understanding that the PUV is aware of the consumption revenue issue and may be more receptive to a Reserve Fund designed to specifically address revenue variability.

Based on discussion and analysis with our Financial Advisor, Ms. Giebink stated that it is recommended that NBC fund its Operating Reserve for a Revenue Stability Fund at 25% of annual operation and maintenance cost adjusted with annual budget increases. The NBC intends to achieve the 25% level over approximately five (5) years beginning in FY2009 with annual funding at a level of approximately 2% of NBC's PUC approved revenue requirement. She noted that the NBC shall seek approved from the PUC to replenish the Operating Reserve for Revenue Stability Fund in the case that funds from the Operating Reserve for Revenue Stability Fund have been used. It was also noted that the Operating Reserve for Revenue for Revenue Stability Fund shall be funded through user charges and shall only be used to fund required expenditures up to the most recent PUC approved revenue.

Ms. Giebink noted that due to the fact that the NBC is a regulated utility, NBC must seek the approval of the PUC to fund the reserve. In order to ensure continued prudent financial management and to demonstrate our commitment to such, a formal Operating Reserve for Revenue Stability Fund policy has been developed and is presented to the Board for approval. Should the PUV authorize the funds establishment and funding, she stated that additional documents may need to be executed by the NBC Board of Commissioners to effectuate the Fund's establishment. Therefore, approval of Resolution 2007:28 is hereby respectfully requested.

After some discussion, Commissioner Farnum motioned to approve Resolution 2007:28, Adoption of Operating Reserve for Revenue Stability Fund Policy. Commissioner Salvadore seconded the motion, and the vote taken by the Finance Committee was unanimous. The motion carries.

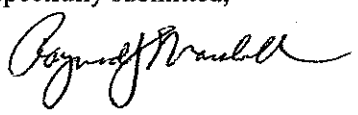
4. Other Business:

None to report.

5. Adjournment

With no further business to come before the Finance Committee, Commissioner MacQueen motioned to adjourn. Commissioner Farnum seconded the motion, and meeting adjourned at 11:16 a.m.

Respectfully submitted,



Raymond J. Marshall, P.E.
Secretary/Executive Director

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Vincent J. Mesolella
Chairman

Raymond J. Marshall, P.E.
Executive Director

RESOLUTION 2007:28

ADOPTION OF NARRAGANSETT BAY COMMISSION

OPERATING RESERVE FOR REVENUE STABILITY FUND

WHEREAS, the Narragansett Bay Commission (NBC) is authorized to issue bonds, notes and other revenue obligations pursuant to R.I.G.L. 46-25; and

WHEREAS, the NBC has a significant amount of outstanding debt and will continue to issue long-term debt to finance its Capital Improvement Program; and

WHEREAS, the NBC recognizes the importance of prudent financial management which includes the adoption and implementation of related financial management policies; and

WHEREAS, more than 60% of NBC's revenues are designed to be generated from water consumption related charges; and

WHEREAS, billable water consumption is variable and the NBC has experienced a decline in billable water consumption; and

WHEREAS, the NBC is obligated to fund accounts in accordance with the Trust Indenture regardless of variability or decline in billable consumption;

NOW THEREFORE BE IT RESOLVED that the NBC hereby adopts the attached policy for the establishment and funding of an Operating Reserve for Revenue Stability Fund.

ADOPTED ON: 10/24/07

SIGNED:

Raymond J. Marshall, P.E.
Executive Director/Secretary

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
NARRAGANSETT BAY COMMISSION

IN RE: MONTHLY BOARD MEETING OF THE COMMISSION

DATE: October 24, 2007
TIME: 11:00 A.M.
PLACE: Narragansett Bay Commission
Corporate Office Building
Providence, RI

PRESENT:

Vincent Mesolella, Chairman
Raymond Marshall, Executive Director
Angelo S. Rotella, Vice Chairman
Robert Andrade
Richard Burroughs
Bruce Campbell
Michael DiChiro
Jonathan K. Farnum
Leslie Gray
Joseph Kimball
John MacQueen
Al Montanari
Michael Salvadore
Kristin Sullivan
Leo Thompson
Richard Worrell

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(HEARING COMMENCED AT 11:10 A.M.)

THE CHAIRMAN: Ladies and Gentlemen, we're calling the October 24th meeting of the Narraganset Bay Commission to order at 11:23. The first order of business will be Approval of the Previous Minutes. Have all of our members had an opportunity to review these minutes? And if so, are there comments, questions, corrections?

(NO RESPONSE)

We're doing an approval of the previous minutes.

MR. ANDRADE: So moved.

MR. MACQUEEN: Second.

THE CHAIRMAN: Mr. Gray moves approval, next by Commissioner MacQueen and Commissioner Montanari. Discussion?

(NO RESPONSE)

Hearing none. All those that are in favor will say aye.

(UNANIMOUS DECISION)

MR. CHAIRMAN: Are there any opposed? There are none opposed. The motion carries.

The next order of business is Old

Business. Is there any old business to come before the commission today, old business of any kind, old business?

(NO RESPONSE)

Moving right along. Item Number 4 is the Executive Director's Report which I believe he has indicated that he's going to defer.

MR. MARSHALL: Yes.

MR. CHAIRMAN: The next order of business is the Committee Reports and Action Items resulting from those. The first committee reporting is the Finance Committee. Chairman Andrade, do you have a report for us today?

MR. ANDRADE: Yes, I do, Mr. Chairman.

MR. CHAIRMAN: Please proceed.

MR. ANDRADE: Thank you. The Finance Committee had two resolutions presented before it. They have approved both and present them to the full board for approval. First is Resolution 2007:27, Authorization to File for Rate Relief with Rhode Island Public Utilities Commission. This resolution was discussed in

detail. I believe most of the commissioners were there to hear this discussion. But Karen is available if anyone does have a question on the resolution. But I would move approval of the resolution at this point, Mr. Chairman.

MR. CHAIRMAN: We have a motion to approve Resolution 2007:27 Authorization to File for Rate Relief with the Rhode Island Public Utilities Commission. Is there a second?

MR. FARNUM: Second.

MR. SALVADORE: Second.

THE CHAIRMAN: Second by Commissioner Farnum and Commissioner Salvadore.

Is there discussion on the motion, further discussion? Commissioner Worrell?

MR. WORRELL: I just had one question. I was kind of surprised to see that we've had consumption short fall for the last four years in a row. Maybe somebody could comment on how come.

THE CHAIRMAN: Sure. We had a discussion -- come on up, Karen. We had a little bit of discussion during the committee meeting. But Karen can talk more specific to it.

MS. GIEBINK: It's a combination of factors. And one of the most significant factors is the loss of large industrial users which would be the textile mills, the very large water users and they have gone out of business over the last few years. In addition, we've seen a general falloff in consumption levels for both residential and commercial customers and this has also been felt by the various water suppliers, Providence Water, Pawtucket Water. We've had contact with them and they've also experienced a decline in consumption.

MR. WORRELL: The other question that I had raised when I read that was is there any question or suspicion that there's any sort of wide-scaled fraud going on that people would somehow or other disconnect meters and circumvent meters?

MS. GIEBINK: No. We do go through a water shutoff program to encourage collection and payment of sewer user charges. And if a customer has their water turned off and they don't pay to have their water turned back on, we will go up to that house and check on them in a week or so or a couple of weeks later to make

sure that they haven't turned their water back on themselves.

MR. WORRELL: Thank you.

MR. GRAY: Some of the discussion, Rich, was that the economy in general is pretty tough right now in the greater Providence area. And you're seeing the low end do things that you wouldn't see them normally do to save money.

THE CHAIRMAN: Is there further discussion, comments?

(NO RESPONSE)

Hearing none. All of those that are in favor of passing the Resolution 2007:27 will say aye.

(UNANIMOUS DECISION)

Are there any opposed?

(NO RESPONSE)

There are none opposed. And the motion is carried. Do we have a further report, Mr. Chairman?

MR. ANDRADE: Yes, we do, Mr. Chairman. The other resolution was Resolution 2007:28, Adoption of an Operating Reserve for Revenue Stability Fund Policy. Karen, again, is available if there are any

questions on that. I would move approval of Resolution 2007:28.

MR. MONTANARI: Second.

THE CHAIRMAN: I have a motion for approval of Resolution 2007:28 which is the Adoption of an Operating Reserve for Revenue Stability Fund Policy, seconded by Commissioner Montanari. I think this is tied into the previous issue. Karen, for the record, please tell us why this is necessary.

MS. GIEBINK: The purpose of this fund is to ensure that we have sufficient liquidity to fund all of our accounts in accordance with the Trust Indenture Document, as well as with the PUC restricted accounts.

THE CHAIRMAN: Thank you, Karen. Any comments or questions regarding Resolution 2007:28?

MR. ANDRADE: Motion.

MR. SALVADORE: Second.

MR. CHAIRMAN: Okay. We have a motion. We have a second. All those that are in favor will say aye.

(UNANIMOUS DECISION)

MR. CHAIRMAN: Are there any

opposed? There are none opposed. And that motion carries. Commissioner Andrade, do you have any further reports?

MR. ANDRADE: No, Mr. Chairman that concludes the report of the Finance Committee.

THE CHAIRMAN: Okay. Thank you, very much. Moving right along.

The next committee reporting would be the Construction Engineering and Operations Committee. Commissioner Salvadore, do you have a report for us today?

MR. SALVADORE: Thank you, Mr. Chairman. The CEO Committee met earlier this morning and we have two items for consideration by the Board of Commissioners. The first being the Review and Approval of Resolution 2007:29 Award of Contract 117:00BP, Bucklin Point Facility Renovations, the NBC Disaster Relief Area and Field's Point Security. We recommend approval, Mr. Chairman.

THE CHAIRMAN: Thank you. Do we have a motion to approve Resolution 2007:29. Award of Contract 117:00BP? Is there a second? Commissioner Farnum, Commissioner MacQueen, and I think Commissioner Montanari. Is there

DIV 1-8 Please provide the balances of billed and unbilled customer accounts receivable as of June 30 of 2004, 2005, 2006 and 2007.

Answer:

	2004	2005	2006	2007
Accounts Receivable	$ 4,612,635	$ 5,000,033	$ 4,624,970	$ 6,762,791
Accounts Receivable - Unbilled	11,205,506	12,659,745	14,081,847	14,117,120

Prepared by: WEE

DIV 1-9: Please explain why unbilled receivables as of June 30, 2007 ($14,117,120) represent more than 20 percent of annualized user fee revenues as of June 30, 2007 (as reflected on Schedule WEE-2A).

Answer: NBC bills its customers quarterly (4 calendar quarters) and therefore it has unbilled receivables (also called unbilled revenue) at the end of any calendar quarter (March 31st, June 30th, September 30th and December 31st). However, the adjustment for the net change in unbilled is only calculated and posted at year-end. NBC's approved tariffs required NBC to bill its fixed customer charges in advance (at the beginning of the quarter and therefore the fixed charges are not part of the unbilled receivables). NBC bills its consumption based charges in arrears (at the beginning of the next quarter) which results in unbilled receivables.

The 20% unbilled receivable as of June 30, 2007 represents the quarterly consumption billing for June 30, 2007 (April 2007, May 2007 and June 2007 consumption earned in FY 2007 but not billed until FY 2008).

I do not understand the reference to Schedule WEE-2A which is NBC's projection for FY 2008 revenues. The unbilled receivables discussed above are included in the revenue on Schedule WEE-2 (FY 2007). The unbilled receivables (revenue) account is a reflection of revenue earned in the year but not yet billed. Therefore the unbilled revenue discussed above is included in the year that it was earned (FY 2007 Schedule WEE-2) and not the year it was billed and collected (FY 2008 Schedule WEE2A).

Prepared by: WEE

DIV 1-10: Please provide an aging of sewer user fee receivables as of June 30, 2006 and June 30, 2007.

Answer:

	6/30/2007	6/30/2006
Current	$ (5,269)	$ 10,142
31-90 days	3,330,910	2,412,045
91-120 days	(8,082)	(33,061)
Over 120 days	3,572,295	2,393,450
Interest	461,006	242,115
	$ 7,350,860	$ 5,024,690

Prepared by: WEE

DIV 1-11 Please provide the balance of unbilled receivables as of the end of each month of FY 2008 to date, and as of the corresponding month of FY 2007.

Answer: NBC does not calculate unbilled receivables each month. Unbilled receivables are adjusted only once a year at year-end June 30th. The unbilled receivable calculation is completed for the year-end audit by calculating the unbilled receivable as of June 30th of each year. That total is then compared to the total unbilled receivable balance from the prior year's audited financial statement. The difference between the two amounts is posted as an increase or decrease to the consumption revenue accounts at the end of the fiscal year and an increase or decrease to the unbilled receivable account. This entry is made to comply with Generally Accepted Accounting Principles (GAAP) which require recognition of all revenue earned in the year.

Prepared by: WEE

DIV 1-12: Please provide the following for FY 2005, FY 2006 and FY 2007:

a. Write-offs of accounts receivable.

b. Recoveries of prior write-offs.

Answer:

	FY 2005	FY 2006	FY 2007
Write offs	$ 77,014	$ 29,634	$ 24,449
Change in the allowance for Bad Debt	33,687	(32,810)	186,094
Bad Debt Expense (per audit)	$ 110,701	$ (3,177)	$ 210,543
Recoveries of prior write-offs	$ -	$ -	$ -

Prepared by: WEE

DIV 1-13: Please identify the actual number of employees and full time equivalents (FTEs) in each month of FY 2007 and FY 2008 to date.

Answer:

Full Time Equivalents (FTEs)

	FY 2007	FY 2008
July	245	241
Aug	246	243
Sept	246	246
Oct	243	243
Nov	244	243
Dec	241	244
Jan	240	
Feb	241	
Mar	237	
Apr	238	
May	240	
June	241	

Prepared by: WEE

DIV 1-14 Please identify the actual FY 2008 percentage wage increases granted union and non-union employees and provide workpapers showing the calculation of those amounts.

Answer: See below.

Union FY 2007 salary	$	4,681,889.95
Union FY 2008 salary	$	4,925,005.58
Difference	$	243,115.63
Percentage Increase		5.19%

Non-union FY 2007 Salary	$	6,773,224.13
Non-union FY 2008 Salary	$	7,114,037.20
Difference	$	340,813.07
Percentage Increase		5.0%

Prepared by: WEE

DIV 1-15 Please provide workpapers and supporting documentation showing that the increase in union wages for steps is 1.25 percent. To the extent that the 1.25 percent is a contract amount, provide documentation showing the actual average step increase granted union employees.

Answer: See attached calculation

Prepared by: WEE

Narragansett Bay Commission
Percentage Change Resulting from Step Increase

Job Code	Grade	Step	Hourly Rate FY 2007 Step	Hourly Rate FY 2008 Step	Increase in Hourly Rate
FP051	GRADE U5	11	21.89	21.89	-
IM016	GRADE U3	3	15.57	15.93	0.36
BP034	GRADE OVER U4	6	20.51	20.51	-
BP007	GRADE U6	10	23.63	24.16	0.53
CS021	GRADE OVER U4	2	20.19	20.19	-
IM015	GRADE U3	2	15.20	15.57	0.37
PT015	GRADE U4	10	19.71	20.11	0.40
CS017	GRADE U4	6	18.13	18.53	0.40
IM026	GRADE OVER U4	3	20.25	20.25	-
FP016	GRADE U6	1	18.83	19.35	0.52
FP017	GRADE U6	6	21.50	22.02	0.52
CS023	GRADE U4	9	19.31	19.71	0.40
BP014	GRADE U4	8	18.92	19.31	0.39
BP517	GRADE U4	4	17.35	17.74	0.39
IM014	GRADE U3	2	15.20	15.57	0.37
FP018	GRADE U6	11	24.16	24.16	-
EM017	GRADE OVER U2	1	18.18	18.18	-
FP025	GRADE OVER U4	10	20.86	20.86	-
FP022	GRADE U6	9	23.09	23.63	0.54
BP023	GRADE U6	9	23.09	23.63	0.54
FP065	GRADE U4	8	18.92	19.31	0.39
BP012	GRADE U3	8	17.38	17.74	0.36
PT017	GRADE U4	4	17.35	17.74	0.39
CS016	GRADE U4	8	18.92	19.31	0.39
EM013	GRADE U4	5	17.74	18.13	0.39
BP015	GRADE U4	8	18.92	19.31	0.39
BP031	GRADE OVER U8	1	30.24	30.24	-
FP028	GRADE U3	7	17.02	17.38	0.36
CS020	GRADE U4	11	20.11	20.11	-
FP023	GRADE U6	9	23.09	23.63	0.54
BP011	GRADE OVER U4	4	20.35	20.35	-
FP054	GRADE U4	3	16.95	17.35	0.40
BP033	GRADE OVER U3	2	19.10	19.10	-
FP048	GRADE OVER U2	2	18.30	18.30	-
EM014	GRADE U4	8	18.92	19.31	0.39
FP046	GRADE OVER U3	3	19.18	19.18	-
FP034	GRADE OVER U4	13	21.47	21.47	-
BP018	GRADE U4	8	18.92	19.31	0.39
IM007	GRADE OVER U1	1	17.75	17.75	-
BP510	GRADE U3	1	14.84	15.20	0.36
IM011	GRADE U3	6	16.65	17.02	0.37
LA008	GRADE U7	10	25.72	26.30	0.58
CS019	GRADE U4	11	20.11	20.11	-
PT014	GRADE U4	9	19.31	19.71	0.40
AC002	GRADE OVER U4	4	20.35	20.35	-
FP056	GRADE OVER U4	8	20.60	20.60	-
FP066	GRADE U5	9	21.03	21.46	0.43
IM022	GRADE U3	5	16.29	16.65	0.36

Narragansett Bay Commission
Percentage Change Resulting from Step Increase

Job Code	Grade	Step	Hourly Rate FY 2007 Step	Hourly Rate FY 2008 Step	Increase in Hourly Rate
FP003	GRADE U4	11	20.11	20.11	-
CS009	GRADE OVER U3	5	23.74	23.74	-
IM019	GRADE U3	8	17.38	17.74	0.36
FP528	GRADE U3	4	15.93	16.29	0.36
PU006	GRADE OVER U4	15	22.67	22.67	-
FP019	GRADE U6	1	18.83	19.35	0.52
FP038	GRADE U4	7	18.53	18.92	0.39
CS010	GRADE OVER U3	4	20.51	20.51	-
CS015	GRADE U4	7	18.53	18.92	0.39
LA005	GRADE U7	7	23.98	24.56	0.58
BP026	GRADE OVER U4	11	21.04	21.04	-
LA009	GRADE U7	10	25.72	26.30	0.58
PT016	GRADE U4	10	19.71	20.11	0.40
FP030	GRADE U3	8	17.38	17.74	0.36
EM016	GRADE U4	2	16.56	16.95	0.39
IM028	GRADE U3	2	15.20	15.57	0.37
FP021	GRADE U6	10	23.63	24.16	0.53
BP519	GRADE U3	6	16.65	17.02	0.37
FP043	GRADE U3	8	17.38	17.74	0.36
FP529	GRADE U3	4	15.93	16.29	0.36
FP061	GRADE OVER U7	1	27.36	27.36	-
CS022	GRADE U4	5	17.74	18.13	0.39
EM015	GRADE U4	8	18.92	19.31	0.39
FP047	GRADE OVER U3	1	18.69	18.69	-
CS018	GRADE U4	5	17.74	18.13	0.39
CS007	GRADE OVER U4	16	29.09	29.09	-
BP002	GRADE U9	11	31.17	31.17	-
FP531	GRADE U4	3	16.95	17.35	0.40
EM021	GRADE U4	5	17.74	18.13	0.39
BP003	GRADE U9	11	31.17	31.17	-
CS013	GRADE U4	9	19.31	19.71	0.40
EM010	GRADE OVER U4	14	21.72	21.72	-
BP032	GRADE OVER U6	1	27.03	27.03	-
BP029	GRADE OVER U4	6	20.51	20.51	-
IM010	GRADE OVER U4	7	20.54	20.54	-
HR004	GRADE U4	11	20.11	20.11	-
BP016	GRADE OVER U4	5	20.44	20.44	-
FP063	GRADE U6	10	23.63	24.16	0.53
IM008	GRADE U4	11	20.11	20.11	-
FP024	GRADE U4	5	17.74	18.13	0.39
CS012	GRADE OVER U4	2	20.19	20.19	-
BP025	GRADE U3	6	16.65	17.02	0.37
FP052	GRADE U4	1	16.17	16.56	0.39
FP059	GRADE OVER U5	2	24.40	24.40	-
FP050	GRADE U5	11	21.89	21.89	-
FP541	GRADE U4	7	18.53	18.92	0.39
BP008	GRADE U6	11	24.16	24.16	-
CS024	GRADE OVER U4	2	20.19	20.19	-

Narragansett Bay Commission
Percentage Change Resulting from Step Increase

Job Code	Grade	Step	Hourly Rate FY 2007 Step	Hourly Rate FY 2008 Step	Increase in Hourly Rate
FP039	GRADE OVER U4	7	20.54	20.54	-
EM009	GRADE U4	4	17.35	17.74	0.39
BP035	GRADE OVER U4	9	20.83	20.83	-
FP044	GRADE U3	8	17.38	17.74	0.36
AC003	GRADE U4	11	20.11	20.11	-
BP004	GRADE U8	6	25.47	26.10	0.63
BP024	GRADE U4	7	18.53	18.92	0.39
BP009	GRADE U6	10	23.63	24.16	0.53
BP006	GRADE U6	6	21.50	22.02	0.52
IM013	GRADE U6	3	19.89	20.42	0.53
IM025	GRADE U4	5	17.74	18.13	0.39
FP020	GRADE U6	10	23.63	24.16	0.53
FP049	GRADE U5	11	21.89	21.89	-
BP030	GRADE OVER U5	1	23.84	23.84	-
FP058	GRADE OVER U4	12	21.31	21.31	-
BP005	GRADE U6	11	24.16	24.16	-
BP022	GRADE U6	7	22.02	22.56	0.54
FP060	GRADE U6	9	23.09	23.63	0.54
BP020	GRADE U4	7	18.53	18.92	0.39
IM021	GRADE U3	7	17.02	17.38	0.36
BP013	GRADE U3	6	16.65	17.02	0.37
EM012	GRADE U4	5	17.74	18.13	0.39
			2,383.25	2,413.48	30.23
					1.27%

DIV 1-16 Please explain why the claimed step adjustment has increased from 1.0 percent in prior dockets to 1.25 percent in this proceeding.

Answer: In the past, NBC estimated that step increases were 1% increase in union wages. However, while preparing the current docket we did the calculation to determine the actual percentage. Based on the calculation (see DIV 1-15) the percentage increase as a result of steps is greater than 1.25%.

Prepared by: WEE

DIV 1-17 To the extent not previously provided, please explain and show how replacement of employees who leave and are replaced by new employees at lower salaries and wage levels have been accounted for in projecting rate year wage levels.

Answer: In this filing, NBC requested that the actual salaries and wages paid in the test year (which reflect the actual test year turn-over savings) be increased across the board by the same percentage. The actual salaries paid in the test year reflect the salary and wage savings for the time that positions were unfilled. The savings resulting during the time that the positions are unfilled represents the majority of the turn-over allowance savings in any given year. The test year reflects a normal year of employees leaving, vacant positions, and replacement of employees at a different salary level. No additional adjustment is necessary.

Prepared by: WEE

DIV 1-18 Please state whether the union pension contribution percentage of 21.13 percent is subject to change. If yes, please provide any updates or changes.

Answer: The union pension contribution percentage of 21.13 percent is a planning rate provided by the state budget office and is subject to change. NBC will update this rate if any change is made.

Prepared by: WEE

DIV 1-19 Please provide supporting documentation for the projected 5.46 percent retiree health requirement and provide any updates or changes if the projected percentage is revised.

Answer: See attached planning figures provided by the State Budget Office. Any updates will be provided.

Prepared by: WEE

Table 1
Planning Values for the FY 2008 Revised and FY 2009 Budgets

	RIFANS Natural Account	FY 2008 Enacted Budget	FY 2008 Revised Budget	FY 2009 Estimates	Notes
Retirement					
State Employees					
Regular	620100	20.77%	20.77%	21.13%	Applied to salaries of permanent employees.
Judges	620300	32.07%	32.07%	32.35%	Applied to salaries of judges hired after 12/31/89.
State Police	620200	31.00%	31.00%	30.06%	Applied to salaries of State Police hired after 7/1/87.
Teachers	671300	22.01%	22.01%	25.03%	
State Share		8.97%	8.97%	10.17%	
Local Share		13.04%	13.04%	14.86%	
Retiree Health Insurance	626300	3.63%	3.91%	5.46%	Applied to salaries of permanent employees. Increased per OPEB actuarial valuation as of 6/30/2005.
FICA					
Social Security Rate	621110	6.20%	6.20%	6.20%	This portion of FICA is calcluated on salaries and OT up to an established level on a calendar year basis. The estimated salary limits for affected calendar years are: 2007 $97,500 2008 $101,200 (prelim.) 2009 $105,000 (prelim.)
Medicare Tax	621120	1.45%	1.45%	1.45%	This portion of FICA is applied to 100% of salaries and OT.
Assessed Fringe Benefit	626100	3.90%	3.80%	3.20%	Applied to direct salaries (excluding OT).
		1.10%	1.30%	1.00%	State Police Troopers, Military Staff, Lottery, State Marshals, Sheriffs, Capitol Police, and Fugitive Task Force Members.
Unemployment Compensation	626200	0.00%	0.00%	0.00%	Budgeted under assessed fringe benefit.

DIV 1-20: Please identify the number of employees enrolled in each health and dental insurance category shown on Schedule WEE-5 as of the most recent date available.

Answer:

	HMO	PPO	Health	Dental
Family	15	155		180
Single	8	51		58
Waiver			15	5

Prepared by: WEE

DIV 1-21: Please provide workpapers and supporting documentation showing the derivation of the projected health and dental insurance premiums shown on Schedule WEE-5. Include an electronic copy in Excel format with all formulas intact.

Answer: The healthcare premiums were derived using the lowest two year average increase for the PPO and HMO plans, while the dental premium used the average two year increase. While responding to this data request it became apparent that there was an error in the calculation. The table below shows the corrected premiums, which lower the required rate year increase by $17,408. A revised WEE-5 is attached.

Two Year Average for Health Rates
(Payments per Pay Period)

		FY 2005	FY 2006	FY 2007	FY 2008	Average FY 2006-FY 2008	FY 2009 Rates Using 7.07%, 3.45% Increase
PPO Plan:							
	Family	457.69	491.92	545.61	561.06		600.75
			7.48%	10.92%	2.83%	7.07%	
	Single	167.5	180.02	199.67	205.32		219.84
			7.47%	10.92%	2.83%	7.07%	
HMO Plan:							
	Family	395.05	427.38	480.82	504.98		540.70
			8.18%	12.50%	5.02%	8.57%	
	Single	144.58	156.41	175.96176	184.80		197.87
			8.18%	12.50%	5.02%	8.57%	
Dental:							
	Family	33.79	35.48	37.38	37.38		38.67
			5.00%	5.36%	0.00%	3.45%	
	Single	12.18	12.79	13.49	13.49		13.96
			5.01%	5.47%	0.00%	3.49%	

Prepared by: WEE

Narragansett Bay Commission
Account Analysis - Health Benefits

Schedule WEE-5 **Revised**

		Number of Employees		Rate per Pay Period	Number of Pay Periods	Cost
Health Insurance						
HMO	Family	15		$540.70	26	$210,872
	Single	7		197.87	26	36,013
PPO	Family	156		600.75	26	2,436,662
	Single	52		219.84	26	297,227
Waiver		14		2,500.00	1	35,000
	Total	244	*		Subtotal	3,015,775
					Less Premium Co-Pay	(191,188)
					Rate Year	2,824,586
					Less Adjusted Test Year	2,523,228
					Rate Year Adjustment	**$301,358**
Dental						
		181		38.67	26	181,979
	Single	58		13.96	26	21,045
	Waiver	5		110.00	1	550
	Total	244	*		Rate Year	203,574
					Less Adjusted Test Year	193,190
					Rate Year Adjustment	**$10,384**

* Based on employee level approved in Docket 3797 and the level projected for the rate year.

DIV 1-22 To the extent not provided in response to the prior question, please provide the actual premiums as of the most recent date available for each type of dental and health insurance shown on Schedule WEE-5.

Answer: All the most recent premium data was provided in DIV 1-21.

Prepared by: WEE

DIV 1-23 Please explain and provide supporting documentation showing how the premium co-payments shown on Schedule WEE-5 were determined. Identify the co-payments for union and non-union employees separately.

Answer: The co-payment was not calculated separately for union and non-union. See below for the calculation.

Copay Calculation:

	FY 2008 Copay	FY 2009 Copay	Increase	# of Employees	Weighted Average Increase	Current Payroll Copay	With Increase	# of Payrolls	FY 2009 Copay
Family	2.00%	2.40%	20.00%	171					
Single	0.90%	1.10%	22.22%	59					
				230	0.20569	6,098.89	7,353.40	26	191,188.40

Prepared by: WEE

DIV 1-24 Please explain NBC's current requirements with regard to insurance co-payments for non-union and union employees. Also explain whether any changes are currently scheduled or are being contemplated.

Answer: The following applies to both union and non-union employees.

As of July 1, 2007 NBC Directors co-payments are 10% of premium.

Employees Hired Before July 1, 2004

	7/1/2007		7/1/2008		7/1/2009	
	Co-pay	Cap	Co-pay	Cap	Co-pay	Cap
Family	2.00%	6% of Premium	2.40%	7.5% of Premium	2.75%	10% of Premium
Single	0.90%	6% of Premium	1.10%	7.5% of Premium	1.25%	10% of Premium

Employees Hired After July 1, 2004

Currently Enrolled in Healthmate

	7/1/2007		7/1/2008		7/1/2009	
	Co-pay	Cap	Co-pay	Cap	Co-pay	Cap
Family	2.70%	$ 1,279	2.70%	8.5% of Premium	3.00%	10% of Premium
Single	1.20%	$ 468	1.25%	8.5% of Premium	1.50%	10% of Premium

Currently Enrolled in Blue Chip and remaining in Blue Chip

	7/1/2007		7/1/2008		7/1/2009	
	Co-pay	Cap	Co-pay	Cap	Co-pay	Cap
Family	2.00%	6% of Premium	2.40%	7.5% of Premium	2.75%	10% of Premium
Single	0.90%	6% of Premium	1.10%	7.5% of Premium	1.25%	10% of Premium

Currently Enrolled in Blue Chip and opting for Healthmate

	7/1/2007		7/1/2008		7/1/2009	
	Co-pay	Cap	Co-pay	Cap	Co-pay	Cap
Family	2.70%	$ 1,279	2.70%	8.5% of Premium	3.00%	10% of Premium
Single	1.20%	$ 468	1.25%	8.5% of Premium	1.50%	10% of Premium

Prepared by: WEE

DIV 1-25 Please identify the current actual biosolids disposal rate at Field's Point and Bucklin Point if different from the rate of $388.80 shown on Schedule WEE-6. Also show the derivation of the $388.80 rate.

Answer: The biosolids disposal rate was $378.95 for the period of 1/1/2007 – 12/31/2007. The projected biosolids disposal rate at the time of the filing for the period of 1/1/2008 – 12/31/2008 was $388.80. The contract includes an annual CPI adjustment in January, based upon the prior November's CPI.

The following table illustrates the derivation of the $388.80, which is based on the Department of Labor November 2006 CPI of 1.026.

Biosolids CPI Calculation

November	CPI	Change	Percent Change
2005	217.7		
2006	223.4	5.7	2.6%

	Rate	CPI Adjustment	Projected Rate
1/1/08 - 12/31/08	$378.95	1.026	$388.80

Prepared by: WEE

U.S. Department of Labor
Bureau of Labor Statistics
Bureau of Labor Statistics Data

Data extracted on: January 02, 2007 (02:24 PM)

Consumer Price Index-Urban Wage Earners and Clerical Workers

Series Catalog:

Series ID : CWURA103SA0

Not Seasonally Adjusted
Area : Boston-Brockton-Nashua, MA-NH-ME-CT
Item : All items
Base Period : 1982-84=100

Data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
1997	166.6		166.8		165.6		165.8		166.2		167.8		166.6
1998	169.3		169.3		168.9		168.8		169.9		171.5		169.7
1999	172.2		172.3		172.6		173.3		175.2		177.8		174.2
2000	178.6		181.1		180.6		182.3		183.2		186.2		182.4
2001	187.4		189.3		190.1		191.3		192.0		191.9		190.5
2002	191.8		193.2		193.3		194.1		197.7		199.2		195.2
2003	199.3		202.3		201.8		202.2		206.2		205.6		203.2
2004	206.8		207.4		207.9		207.9		208.8		211.0		208.4
2005	210.3		213.1		214.0		216.0		220.2		217.7		215.6
2006	219.5		220.5		222.9		223.9		224.3		223.4		
2007	No data available for this year.												

DIV 1-26 Please provide the source of the projected CPI increase of 2.6 percent effective January 1, 2009 in the biosolids disposal rate or otherwise explain how this increase was projected.

Answer: The source of the projected CPI increase of 2.6% was the November 2006 CPI provided in DIV 1-25, since the 2007 CPI was not yet available.

However, since NBC's filing was submitted, the US Department of Labor has issued the November 2007 CPI. As can be seen from the calculation below, this results in a higher CPI than used in the filing. Based on the newly published CPI, NBC projects the new rate for calendar years 2008 and 2009 to be $390.89 and $403.20 respectively. As a result, the new NBC rate year request is $1,305,392, an increase of $39,649 over the original biosolids disposal as filed. A Revised Schedule WEE-6 has been attached as well as the US Department of Labor CPI.

Biosolids CPI Calculation

November	CPI	Change	Percent Change
2006	223.40		
2007	230.44	7.04	3.15%

	Rate	CPI Adjustment	Projected Rate
1/1/08 - 12/31/08	$378.95	1.0315	$390.89
1/1/09 - 12/31/09	$390.89	1.0315	$403.20

Prepared by: WEE

U.S. Department of Labor
Bureau of Labor Statistics
Bureau of Labor Statistics Data

Data extracted on: January 2, 2008 (11:31:20 AM)

Consumer Price Index - Urban Wage Earners and Clerical Workers

Series Id: CWURA103SA0,CWUSA103SA0
Not Seasonally Adjusted
Area: Boston-Brockton-Nashua, MA-NH-ME-CT
Item: All items
Base Period: 1982-84=100

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF
1997	166.6		166.8		165.6		165.8		166.2		167.8		166.6	166.3	166.9
1998	169.3		169.3		168.9		168.8		169.9		171.5		169.7	169.1	170.3
1999	172.2		172.3		172.6		173.3		175.2		177.8		174.2	172.4	175.9
2000	178.6		181.1		180.6		182.3		183.2		186.2		182.4	180.4	184.3
2001	187.4		189.3		190.1		191.3		192.0		191.9		190.5	189.3	191.8
2002	191.8		193.2		193.3		194.1		197.7		199.2		195.2	193.0	197.4
2003	199.3		202.3		201.8		202.2		206.2		205.6		203.2	201.4	205.1
2004	206.8		207.4		207.9		207.9		208.8		211.0		208.4	207.5	209.4
2005	210.3		213.1		214.0		216.0		220.2		217.7		215.6	212.9	218.3
2006	219.5		220.5		222.9		223.9		224.3		223.4		222.6	221.3	223.9
2007	224.256		225.918		225.395		226.465		227.429		230.440			225.373	

U.S. Bureau of Labor Statistics
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Narragansett Bay Commission
Account Analysis - Biosolids Disposal

Schedule WEE-6 **Revised**

Field's Point	***July 1, 2008 to Dec. 31, 2008***	***Jan.1, 2009 to June 30, 2009***	***Total***
CPI	-	1.0315	
Rate	$390.89	$403.20	
DT/Month	806	806	
DT/6 Months	4,834	4,834	
Total Field's Point	1,889,547	1,949,069	$3,838,616

Tunnel Impact on FP	***Oct 1, 2008 to Dec. 31, 2008***	***Jan.1, 2009 to June 30, 2009***	
CPI	-	1.0315	
Rate	$390.89	$403.20	
DT/Month	36	36	
DT for Time Period	109	219	
Total Tunnel Impact On FP	42,704	88,099	130,804
Total Field's Point	1,932,252	2,037,168	3,969,420

Bucklin Point	***July 1, 2008 to Dec. 31, 2008***	***Jan.1, 2009 to June 30, 2009***	
CPI	-	1.0315	
Rate	$390.89	$403.20	
DT/Month	201	201	
DT/6 Months	1,204	1,204	
Total Bucklin Point	470,432	485,251	955,684

Rate Year	4,925,103
Less Adjusted Test Year	3,619,711
Rate Year Adjustment	**$1,305,392**

DIV 1-27: Please provide workpapers and supporting documentation for the projected impacts of the CSO tunnel on biosolids disposal quantities at Field's Point.

Answer: See Louis Berger Group memo attached showing an increase of sludge production and disposal by approximately 437 dry tons per year.

Prepared by: JP

THE LOUIS BERGER GROUP, INC.
PROGRAM MANAGER
NARRAGANSETT BAY COMMISSION
CSO CONTROL FACILITIES PROGRAM

MEMORANDUM

TO: Paul Nordstrom, P.E. DATE: April 26, 2007

FROM: Thomas W. Payne, P.E.

CC: J. Pratt, R. Bernier

SUBJECT: Projected Increases in Field's Point WWTP O&M Expenses due to Phase I CSO Facilities

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The purpose of this technical memorandum is to provide a projection of the additional operating expenses that will be incurred by the Field's Point WWTP associated with combined sewage flows from the Phase I CSO tunnel via the Field's Point Tunnel Pump Station (FPTPS). Costs associated with operation of the FPTPS and the drop shaft facilities have been provided under separate cover.

BACKGROUND

The Field's Point Wastewater Treatment Facility came on-line in 1901, and is the third oldest sewage-treatment plant in the nation. It is the largest WWTP in Rhode Island with a primary treatment capacity of 200 million gallons per day (mgd) and a secondary treatment capacity of 77 mgd. The WWTP accepts wastewater flows from Providence, North Providence, Johnston, and portions of Lincoln and Cranston.

Wastewater flow records from 2003 through 2006 indicate that the WWTP receives an average daily flow of approximately 49 mgd with influent Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) concentrations of approximately 170 mg/l and 120 mg/l, respectively. During recent wet weather surges, the flow exceeded 100 mgd and the BOD and TSS concentrations were reduced to approximately 50 mg/l due to storm water entering the collection system.

Since the collection system is combined, flows in excess of the collection system and WWTP capacities are discharged, untreated into the waters of the State of Rhode Island as combined sewer overflows (CSO). This occurs approximately 77 times per year. The Narragansett Bay Commission (NBC) has developed a three-phased long term plan to address these overflows. During Phase I of this plan, the NBC has constructed a tunnel that is approximately 16,000 feet long with a nominal diameter of 26 feet. The storage capacity of this tunnel is in excess of 65 million gallons. Flows captured in the tunnel will

be conveyed to the Field's Point WWTP via the FPTPS which has a capacity of approximately 50 mgd. As part of this plan, interceptor relief structures have been installed on the Moshassuck River and Woonasquatucket River interceptors. While designed to relieve wet weather peak flows, these structures may also relieve any dry weather peak flows. This sanitary flow will also be conveyed to the tunnel for storage and eventual treatment at the WWTP.

Earlier modeling studies have determined that the average annual volume of wastewater to be captured by the tunnel is approximately 915 million gallons. This is approximately 5.13 percent of the wastewater currently treated at the Field's Point WWTP.

As a result, the Field's Point WWTP will incur additional operation and maintenance (O&M) costs to treat this captured wastewater. These additional costs will include man-hours and appurtenances associated with personnel, electricity associated with equipment operation, chemical use associated with treatment, hauling and disposal of sludge, hauling and disposal of grit/screenings, and maintenance of equipment and grounds. For the purposes of this analysis, these additional costs have been divided into three categories: Personnel, Appurtenances and Maintenance; Treatment; and Byproduct Disposal.

PERSONNEL, APPURTENANCES AND MAINTENANCE

The majority of these items within this category of WWTP O&M costs are directly proportional to the hydraulic loading placed on the plant. These items include maintenance and repair of the equipment, as well as manpower requirements and costs associated with personnel support. Maintenance of buildings, basins and other structures is also directly proportional to run-time of the WWTP. Given the unpredictable nature of storm events and wet weather surges, it is anticipated that the increased burden on the WWTP staff will require extended work shifts in lieu of additional personnel. For this reason, it was assumed that the additional manpower requirements would increase the budgetary overtime requirements. It was also assumed for the purposes of this analysis that 25 percent of the water consumption was directly related to plant operations, washing and cleaning. Below is a list of the budgetary line items included in this category.

Item	2008 Budget		Percent
	Original	Modified	Increase
Union Overtime	$220,000	$231,279	5.13%
Non-Union Overtime	$35,000	$36,795	5.13%
Building and Ground Maintenance	$33,268	$34,974	5.13%
Building, Structures & Equipment Repairs	$540,120	$567,810	5.13%
Maintenance/Service Agreement	$154,804	$162,741	5.13%
Highways & Landscape	$4,000	$4,206	5.13%
Clothing	$10,340	$10,871	5.13%
Chemicals, House & Laundry Supplies	$22,400	$23,549	5.13%
Water	$75,600	$76,569	1.28%
Totals	$1,095,532	$1,148,794	
Net Change	4.86% increase		

TREATMENT

Items within this category are also directly proportional to the hydraulic loading experienced at the plant. Operation of wastewater process pumps and screw conveyors infers additional electrical costs. It is anticipated that additional process chemicals associated with disinfection and dechlorination will also be required. The list below contains the budgetary line items that will be affected by treatment of the additional combined sewage flows under this category. It is anticipated that these items will increase by 5.13 percent in correlation to the increase in wastewater volume.

Item	2008 Budget Original	2008 Budget Modified	Percent Increase
Electricity	$1,673,876	$1,759,689	5.13%
Chlorine/Hypochlorite	$314,747	$330,883	5.13%
Sodium Bisulfite	$128,451	$135,037	5.13%
Totals	$2,117,074	$2,225,609	
Net Change	5.13% increase		

BYPRODUCT DISPOSAL

The two items under this category include Grit/Screenings Hauling and Disposal, and Sludge Hauling and Disposal. Based on current expenses, the Field's Point WWTP is expected to generate approximately 1,230 tons of grit and screenings under the present operating scenario. Sludge hauling and disposal costs are directly related to the production of sludge during the treatment process. Sludge production and wasting are proportional to the hydraulic loading in combination with the BOD and TSS loading rates. The Field's Point WWTP has an annual average daily flow of 49 mgd, an influent BOD concentration of 170 mg/l and an influent TSS concentration of 120 mg/l. Under the present operating scenario, the WWTP is expected to generate 26.05 dry tons of sludge requiring disposal.

The quantity of grit and screenings associated with the tunnel has been estimated to be 400 cubic yards per year (B&V, *Design Criteria Report Addendum*, November 12, 1999). This estimate was based on the volumetric comparison of the NBC tunnel and the Milwaukee combined sewer overflow tunnel. In the report, it was assumed that 80 percent of this volume is grit and 20 percent is screenings. The specific gravity of grit is generally assumed to be at least 2.65. For screenings, it was assumed that the specific gravity was 0.74 as this material will be a combination of saturated debris and floatables. Under these assumptions, it is estimated that the additional quantities of approximately 50 tons for screenings and 714 tons for grit will be generated as a result of tunnel activation. Grit and screenings disposal costs are estimated to increase by 62.18 percent once the tunnel is on line.

Sludge production and wasting was estimated using the sludge yield for the WWTP under present operating conditions, which was calculated to be 0.81. It was also assumed that the TSS reduction of the primary clarifiers was on the upper end of the range typical of industry design standards. This value was estimated to be 60 percent. Observations made

during a recent storm event indicated that the BOD and TSS concentrations fell to 50 mg/l during wet weather surges. Given that the tunnel has two interceptor relief structures that may allow sanitary sewage to flow into the tunnel during dry weather, it was estimated that the BOD and TSS concentrations for tunnel flow would be at least 80 mg/l. Based on these assumptions, it is anticipated that sludge production and disposal will increase by approximately 437 tons per year, or 4.60 percent. The budgetary line items within this category are shown below.

Item	2008 Budget		Percent
	Original	Modified	Increase
Grit/Screenings Hauling and Disposal	$64,530	$104,652	62.18%
Sludge Hauling and Disposal	$3,645,216	$3,813,076	4.60%
Totals	$3,709,746	$3,917,728	
Net Change	5.61% increase		

CONCLUSION

Additional operating expenses will be incurred at the Field's Point WWTP when the Phase I CSO tunnel goes on line. The items discussed within this memorandum include burdens placed on the existing processes throughout the treatment train and byproduct disposal.

The operating expenses for the Field's Point WWTP are expected to increase by approximately $370,000 within the items discussed in this analysis, or 5.34 percent. Over 56 percent of the anticipated increase is associated with the hauling and disposal of sludge, grit and screenings. Approximately 30 percent of the increase is associated with operating expenses such as chemicals and energy requirements. The remaining 14 percent is associated with maintenance of the equipment and structures, as well as increased burdens placed on WWTP staff and personnel support.

Item	2008 Budget		Percent
	Original	Modified	Increase
Personnel, Appurtenances and Maintenance	$1,095,532	$1,148,794	4.86%
Treatment	$2,117,074	$2,225,609	5.13%
Byproduct Disposal	$3,709,746	$3,917,728	5.61%
Totals	$6,922,352	$7,292,131	
Net Change	5.34% increase		

NBC Phase I CSO Facilities Program
Projected Increases in Field's Point WWTP Operation and Maintenance Expenses

FLOWS and LOADINGS	Wet Weather		Normal
Flow =	915	mgy	17,848
	2.51	mgd	49.00
Increase Warranted (hydraulic) =	5.13%		
TSS (influent) =	80	mg/l	117
BOD (influent) =	80	mg/l	171
TSS (loading) =	1,676	lbs/day	47,813
BOD (loading) =	1,676	lbs/day	69,881
TSS (effluent) =	NA	mg/l	18
BOD (effluent) =	NA	mg/l	13
TSS Removal Effeciency =	NA	%	84.6
BOD Removal Effeciency =	NA	%	92.4
Calculated Sludge Yield =	NA	----	0.81

= assumed concentration due to sanitary sewer overflows during dry weather associated with Moshassuck River and Woonasquatucket River interceptor relief structures

SLUDGE PRODUCTION and DISPOSAL			
July through December =	4,784	DT	@ $378.84/DT
January through June =	4,706	DT	@ $389.47/DT
	9,490	DT/YR	
	26.05	DT/day	
	52,107	lbs/day	
Anticipated Sludge from Additional TSS =	850.90	lbs/day	
Anticipated Sludge from Additional BOD =	1,548.60	lbs/day	
	437.01	**DT/YR**	
Increase Warranted (sludge) =	4.60%		

(assumes 60% TSS removal in sludge from Primary)

GRIT/SCREENINGS DISPOSAL			
B&V Reported Grit/Screenings =	400.00	CY/YR	
Assume:	80%	Grit	
	20%	Screenings	
Specific Gravity Grit =	2.65		
Specific Gravity Water =	1.00		
Specific Gravity Garbage =	0.48		
Specific Gravity Screenings =	0.74		
Unit Weight of Water =	1,684.80	lbs/CY	
Weight of Grit =	714.36	tons/YR	
Weight of Screenings =	49.87	tons/YR	
Total =	**764.23**	**tons/YR**	
Disposal Rate = $	52.50	per ton	
Anticipated Additional Disposal Costs = $	40,121.83	per year	
Increase Warranted (grit/screenings) =	62.18%		

DIV 1-28: Please provide a breakdown of maintenance and service contract costs for FY 2006, FY 2007 and FY 2008 by contract.

Answer: See below.

Maintenance & Service Agreements

COMPANY NAME	FY 2006 Actual	FY 2007 Actual	FY 2008 Projected
ABB	$ 57,655	$ 58,015	$ 59,100
ACCUTECH	270	-	-
ADI	6,404	6,658	6,791
ADTECH	1,200	-	-
ASAP	8,922	7,284	7,429
BLACKSTONE VAL	289	304	310
BOTTOMLINE	5,546	6,206	6,330
BUSINESS SYSTEMS	640	700	714
CALEY & WHITMORE	3,280	-	-
CDW	265	685	699
CETE	878	1,058	1,079
CHARETTE LLC	-	-	-
CITIWORKS	2,100	1,503	1,533
COMPORT CONSULTING	-	4,547	4,638
COMPUTER ASSOC.	2,600	2,600	2,652
DLL	20,280	21,360	21,787
DLT SOLUTIONS	2,700	2,684	2,738
ELECTRONIC ALARM	-	76	78
ENTRUST	-	289	295
ENVIRONMENTAL	9,039	24,075	24,556
EXPERTUNE	2,998	-	-
FIRE SYSTEMS	3,405	5,910	6,028
FLUKE	2,483	1,783	1,819
FM EMERGENCY	5,871	4,303	4,389
GETTINGE CASTLE	-	-	-
HANSEN	29,337	31,298	31,924
HONEYWELL	3,457	(803)	-
HP	59,330	90,730	92,545
HUMAN CONCEPTS	900	-	-
IKON	10,907	11,650	11,883
J'S BROADWAY APPLIANCE	30	-	-
JSB Surf Control	-	3,748	3,823
KBACE-	24,609	19,882	20,279
LABVANTAGE	21,645	22,727	23,182
LEEMAN LAB	-	-	-
LIGHTSHIP	9,462	8,839	9,016
MAP CROSS CONNECTION	-	320	320
MERIDIO	-	24,399	24,887
MKS	160	160	160
MTS Integratrak	-	1,444	1,444
MYTHICS	15,202	15,202	15,506
NECS	300	305	310
OCE IMAGISTICS	395	508	-
O.I. CORPORATION	-	-	-
ORACLE	26,936	41,956	42,795
OSI	16,000	24,640	25,132
OTIS	3,753	-	-
OVERHEAD DOOR	936	3,277	3,004
PERKIN ELMER	10,420	3,480	3,550
QUEST SOFTWARE	-	732	747
R.I. BLUEPRINT	21	-	-
SANE SOLUTIONS	799	-	-
SIMPLEX GRINNELL	22,129	16,655	16,988
SMS SYSTEM MAINT.	-	-	-
TELEDYNE	4,285	2,584	2,636
TELERIK	2,395	-	-
THYSSEN	3,724	11,273	11,498
UNICA	-	839	856
UNICOM	-	1,145	1,168
VARIAN	3,250	-	-
VERTEX	2,205	2,290	2,336
VIM TECHNOLOGIES	-	-	-
XEROX	9,004	19,030	10,000
YALE	2,585	1,476	1,506
MINOR BALANCING	(4,134)	-	-
Year-End Totals	$ 416,867	$ 509,827	$ 510,459

Prepared by: WEE

DIV 1-29: Please provide supporting documentation for the projected quantities of biosolids (excluding tunnel impacts) at Bucklin Point and Field's Point as shown on Schedule WEE-6.

Answer: Projected quantities for biosolids are based on a two year average at each of the facilities, please refer to the following table.

	Field's Point DT/Month			Bucklin Point DT/Month	
	FY 2006	**FY 2007**		**FY 2006**	**FY 2007**
July	1,012	618		237	232
Aug	1,061	753		182	217
Sept	1,013	749		227	169
Oct	890	801		218	181
Nov	739	743		157	158
Dec	755	695		216	194
Jan	1,120	664		225	182
Feb	706	592		190	189
Mar	807	818		228	186
Apr	766	722		186	183
May	808	735		191	199
Jun	885	885		242	225
Total	10,562	8,775	Total	2,499	2,314
Annual Average		9,668			2,407

Prepared by: WEE

Div 1-30: To the extent not provided in the previous response, please provide actual biosolids quantities in dry tons at Field's Point and Bucklin Point for FY 2005, FY 2006, FY 2007 and the most recent 12 months available.

Answer: See below.

	Field's Point DT/Month					Bucklin Point DT/Month			
	FY 2005	FY 2006	FY 2007	FY 2008		FY 2005	FY 2006	FY 2007	FY 2008
July	707	1,012	618	697		253	237	232	273
Aug	566	1,061	753	610		233	182	217	253
Sept	775	1,013	749	750		247	227	169	216
Oct	877	890	801	794		227	218	181	219
Nov	872	739	743	717		204	157	158	212
Dec	720	755	695	-		161	216	194	-
Jan	686	1,120	664	-		208	225	182	-
Feb	687	706	592	-		216	190	189	-
Mar	966	807	818	-		216	228	186	-
Apr	698	766	722	-		221	186	183	-
May	933	808	735	-		211	191	199	-
Jun	824	885	885	-		302	242	225	-
Total	9,310	10,562	8,775		Total	2,699	2,499	2,314	

Prepared by: WEE

DIV 1-31: Please state whether Mr. Edge agrees that biosolids quantities can be expected to decrease as customer consumption decreases (ignoring tunnel impacts). If not, explain why not.

Answer: No, I do not agree. The solids load (lbs per day) to the treatment plant will not decrease with reduced consumption; instead, the concentration of biosolids will increase.

Prepared by: WEE

DIV 1-32: Please provide a breakdown of insurance premiums for FY 2004 and FY 2005 comparable to those shown for FY 2006, FY 2007 and FY 2008 on Schedule WEE-8.

Answer: See below

Type of Coverage	Actual FY 2004	Actual FY 2005
Commercial Package	$289,330	$300,927
Crime Insurance	1,280	1,398
Boat Insurance	-	6,394
Flood	16,553	21,599
Pollution	40,426	45,409
Contractor's Utility Bond	100	100
Subtotal Liability Insurance	$347,689	$375,827
Workers' Compensation Insurance	246,501	265,731
Total	$594,190	$641,558

Prepared by: WEE

DIV 1-33 Please provide the FY 2005 therms of gas utilized by location comparable to those shown on Schedule WEE-9.

Answer: See below.

Location	FY 2005 Therms
Bucklin Point Admin.	9,128
Bucklin Point WWTF	144,638
Bucklin Point Heat Exch.	104,966
2 Ernest Street	73,230
37 Ernest Street	37,595
Interceptor Maintenance	16,927
COB	16,880
LAB	17,151
Tunnel Pump Station	N/A

Prepared by: WEE

DIV 1-34: Please provide supporting documentation for the projected quantities of natural gas and electricity associated with the tunnel pump station.

Answer: The following table outlines the projected usage for the tunnel pump station, for nine months. Please note that, as part of the analysis regarding projected electricity usage, a maximum and minimum estimate was made for each piece of equipment. In order to be prudent, the maximum estimate was used for this filing.

It should also be noted that NBC was recently notified by National Grid that National Grid intends to assess the Tunnel Pump Station under the G-62 tariff not the G-32 tariff. The customer charge under the G-62 tariff is $205,000 higher and this increase has not been included in this filing.

A summary of gas and electricity usage is below. See the attached Tunnel Pump Station Energy Consumption and Cost Estimate for the detailed analysis of the projection.

Utility Requirements for the Tunnel Pump Station

Electricity

	KWH	Customer Charge	Supply Charge	Supply Cost	Capacity Charge	Capacity Cost	Average Delivery / KWH	Demand Cost	Total Cost Before Tax	Gross Earnings Tax (.041666)	Total Cost
Proj. Normal Full Year	3,307,638	2,837	0.07195	237,985	0.010950	36,219	0.02744	90,777	367,818	15,325	383,143
FY 2009 Nine Months (10/08 - 6/09)	2,480,729	2,128	0.07195	178,488	0.010950	27,164	0.02744	68,083	275,863	11,494	287,358

Natural Gas

	Therms	Supply Rate*	Total Supply Cost	Average Delivery / Therm	Delivery Cost	Total Cost Before Tax	Gross Earnings Tax (.0309278)	Total Cost
Proj. Normal Full Year	78,537	1.653	129,853	0.2790	21,911	151,764	4,694	156,457
FY 2009 Nine Months (10/08 - 6/09)	58,903	1.653	97,390	0.2790	16,433	113,823	3,520	117,343

Prepared by: JP

Fields Point Tunnel Pump Station
Energy Consumption and Cost Estimate

1/14/2008

Load	Size	Power Requirement (kW)	Minimum Estimate: Estimated Annual Usage (Hours)	Minimum Estimate: Estimated Duty during Operating Hours	Minimum Estimate: Annual Energy Requirement (kWh)	Minimum Estimate: Percent of Total Energy Requirement	Maximum Estimate: Estimated Annual Usage (Hours)	Maximum Estimate: Estimated Duty during Operating Hours (%)	Maximum Estimate: Annual Energy Requirement (kWh)	Maximum Estimate: Percent of Total Energy Requirement	Use/Purpose	Assumptions/Comments
Tunnel Pump Station												
CSO Pumps (per pump)	400 Hp	309	2,810	100%	868,660	35.0%	4,214	100%	1,302,989	39.4%	Pump sewage to screening facility	8 installed operating in 4 pairs with capacity of ~12.5 MGD per pair. Assume 915 MG per year pumped at average rate of 25MGD > ~878 hours x pump pairs +/-20%. At operating point of 12.5 MGD, 272 ft TDH, rated power is 373 Hp per pump. (Modified from D
Sump Pump (per pump)	60 Hp	31.8	17,520	20%	111,530	4.5%	17,520	30%	167,295	5.1%	To pump water out of the tunnel pump station	4 installed operating in 2 pairs rated at 500 gpm at 330 ft of head. Based on estimated 120~150 gpm infiltration assume 20~30% duty for one pair. Rated power from submittal is 38.4 Hp at operating point.
Dehumidifier System	2 x 70 Tons	-	-	-	921,371	37.1%	-	-	921,371	27.9%	To dehumidify the tunnel pump station air	See supplier estimate for detailed energy consumption breakdown on following worksheet. Electric and gas estimates are doubled here to include both units. A 30% reduction is applied to account for heat recovery.
Electric Unit Heaters (total)	130 kW	130	2,920	10%	37,960	1.5%	2,920	30%	113,880	3.4%	To compensate for heat loss to the ground, and emergency back-up heat on loss of dehumidification	Assumes 10% to 20% duty year-round to maintain 60 degrees.
MAU-102	3 Hp	2.5	8,760	100%	21,783	0.9%	8,760	100%	21,783	0.7%	To ventilate safe rooms	Continuous operation.
Lights	15.35 kW	15.35	8,760	1%	1,345	0.1%	8,760	10%	13,447	0.4%	To light the tunnel pump station	Most lights are on occupancy sensors. Assumes 1% to 10% for maintenance and inspection.
4 Flowmeters (total)	.096 kVA	0.096	8,760	100%	841	0.0%	8,760	100%	841	0.0%	To measure the flow from the pumping units	Continuous operation.
Elevator Pit Sump Pump	3 Hp	2.2	8,760	1%	193	0.0%	8,760	100%	19,272	0.6%	To pump water out of the elevator pit	Assumes continuous operation 1% or 100% duty.
Bridge Crane & Hoists (total)	70 Hp	50	10	5%	25	0.0%	80	50%	2,000	0.1%	Maintenance use to remove pumps & valves	Min of 10 hours at 5%; max of 80 hours at 50%.
		Subtotals			**1,963,707**	79.1%			**2,562,878**	77.5%		
Stairwell to Pump Station												
62 #2 fixtures w/emer battery	5580 W	5.58	8,760	100%	48,881	2.0%	8,760	100%	48,881	1.5%	To light the stair well	Continuous operation. Standard for stairwell design for egress. Could be reduced by turning off lights while not occupied.
FPTPS Building												
Electric Unit Heaters (total)	37.5 kW	37.5	2,920	60%	65,700	2.6%	2,920	80%	87,600	2.6%	To heat the FPTPS Building	Heating loads assume 60% to 80% duty for 4 months annually.
Water Heater EWH-102	25 kW	25	8,760	10%	21,900	0.9%	8,760	30%	65,700	2.0%	Heat water for toilets in FPTPS Building	Assumes 10% to 30% duty year-round.
120 volt electric heat (total)	25 kW	25	2,920	60%	43,800	1.8%	2,920	80%	58,400	1.8%	To heat various rooms in the FPTPS Building	Heating loads assume 60% to 80% duty for 4 months annually.
MAU-101	1 Hp	0.83	8,760	100%	7,261	0.3%	8,760	100%	7,261	0.2%	To ventilate FPTPS Building	Continuous operation.
CU-101	11 ton	17.93	3,650	25%	16,361	0.7%	3,650	25%	16,361	0.5%	To cool the FPTPS Building	Assumes 25% duty for 5 months annually.
AHU-101	2 Hp	1.5	8,760	25%	3,285	0.1%	8,760	25%	3,285	0.1%	To ventilate FPTPS Building	Year-round operation at 25% duty.
Duct Fans (continuous)	2.5 Hp	2.1	8,760	100%	18,396	0.7%	8,760	100%	18,396	0.6%	Exhaust for the FPTPS Building	Continuous operation.
Duct Fans (intermittent)	11.25 Hp	9.3	8,760	25%	20,367	0.8%	8,760	25%	20,367	0.6%	Exhaust for the FPTPS Building	Year-round operation at 25% duty.

Fields Point Tunnel Pump Station
Energy Consumption and Cost Estimate

1/14/2008

			Minimum Estimate				Maximum Estimate					
Load	Size	Power Requirement (kW)	Estimated Annual Usage (Hours)	Estimated Duty during Operating Hours	Annual Energy Requirement (kWh)	Percent of Total Energy Requirement	Estimated Annual Usage (Hours)	Estimated Duty during Operating Hours (%)	Annual Energy Requirement (kWh)	Percent of Total Energy Requirement	Use/Purpose	Assumptions/Comments
DCU, CP1, CP2, etc.	1 kW	1	8,760	100%	8,760	0.4%	8,760	100%	8,760	0.3%	Control & SCADA	Continuous operation.
Security Panels	1 kW	1	8,760	100%	8,760	0.4%	8,760	100%	8,760	0.3%	Security use	Continuous operation.
14 CCTV Cameras	560 W	0.65	8,760	100%	5,694	0.2%	8,760	100%	5,694	0.2%	Security use	Continuous operation.
Fuel Tank Heater	5 kW	5	2,920	60%	8,760	0.4%	2,920	80%	11,680	0.4%	To keep the generator fuel from getting too thick to pump.	Heating loads assume 60% to 80% duty for 4 months annually.
Lights	7 kW	7	702	50%	2,458	0.1%	2,920	100%	20,440	0.6%	To light the FPTPS Building	Most lights are on occupancy sensors. Minimum estimate assumes 50% duty while pumps are on. Maximum assumes 100% for 8 hrs per day.
Outdoor Lights	750 W	0.75	4,380	100%	3,285	0.1%	4,380	100%	3,285	0.1%	To light the FPTPS site	Photo-sensor operated. 12 hr/day.
Elevator	40 Hp	30	8,760	1%	2,628	0.1%	8,760	10%	26,280	0.8%	Used to enter and exit tunnel pump station	Year-round operation at 1% to 10% duty.
Seal Water System	2 Hp	1.5	702	100%	1,054	0.0%	1,054	100%	1,580	0.0%	Clean water to sewage pump seals	Operates whiles CSO pumps are running.
Air compressor (2 x 7.5 Hp)	15 Hp	11	8,760	1%	964	0.0%	8,760	50%	48,180	1.5%	Air to operate valves and other uses	
Electric entry Gates (total)	3 Hp	2.2	8,760	2%	385	0.0%	8,760	50%	9,636	0.3%	Security gates into the FPTPS Building area	
Sump Pump (valve room)	1 Hp	0.75	8,760	1%	66	0.0%	8,760	5%	329	0.0%	Pump water from the valve room sump	Assumes 1% to 5% duty.
Hoists (total)	20 Hp	15	10	5%	8	0.0%	80	50%	600	0.0%	Maintenance use to remove pumps & valves	
Plug Valves (total)	1.33 Hp	1	1	100%	1	0.0%	10	100%	10	0.0%	Valves on sewage lines to screenings building	
		Subtotals			**239,892**	9.7%			**422,604**	**12.8%**		
Shaft S1 Facility												
Lights	1050 W	1.05	4,380	100%	4,599	0.2%	4,380	100%	4,599	0.1%	To light Shaft S1 for safety and security.	Photo-sensor operated. 12 hr/day.
Crane	30 Hp	22	144	100%	3,168	0.1%	144	100%	3,168	0.1%	To remove screenings from Shaft S1	Assume 24 cleanings per year @ 6 hours each.
Snow melt building lights	210 W	0.21	7	100%	1	0.0%	122	100%	26	0.0%	To light the Snow melt building	Assumes 1/2 hr per week during winter to 1 hour daily during winter.
		Subtotals			**7,768**	0.3%			**7,793**	0.2%		
Screening Facility												
Outdoor lights	8 kW	8.25	4,380	100%	36,135	**1.5%**	4,380	100%	36,135	**1.1%**	To light the screenings area outdoors	Photo-sensor operated. 12 hr/day.
Electric Heat (total)	17.6 kW	17.6	2,920	60%	30,835	**1.2%**	2,920	80%	41,114	**1.2%**	To heat the screening facility building	Heating loads assume 60% to 80% duty for 4 months annually.
Grinder/Compactor	13 Hp	9	702	20%	1,264	0.1%	1,054	80%	7,586	0.2%	To grind and compact the screenings	Assumes CSO pump hours with 20% to 80% duty.
MAU-301	10 Hp	8.3	8,760	100%	72,611	**2.9%**	8,760	100%	72,611	**2.2%**	To ventilate the screening facility building	Continuous operation.
UF-301	10 Hp	8.3	8,760	100%	72,611	**2.9%**	8,760	100%	72,611	**2.2%**	To ventilate the screening facility building	Continuous operation.
PF-301	1/4 Hp	0.2	8,760	35%	635	0.0%	8,760	35%	635	0.0%	To ventilate the screening facility building	Intermittently operates at 35% duty.
6 CCTV Cameras	240 W	0.24	8,760	100%	2,102	0.1%	8,760	100%	2,102	0.1%	Security use	Continuous operation.
Security Panels	0.5 kW	0.5	8,760	100%	4,380	0.2%	8,760	100%	4,380	0.1%	Security use	Continuous operation.
Bar screens	5 Hp	3.7	702	20%	520	0.0%	1,054	80%	3,119	0.1%	To screen the sewage	2 installed. Assumes one operating and one standby at 20% to 80% duty.
Lights	4.3 kW	4.3	702	50%	1,510	0.1%	5,840	100%	25,112	0.8%	To light the screenings facility building	Most lights are on occupancy sensors. Minimum estimate assumes 50% duty while pumps are on. Maximum assumes 100% for 16 hrs per day.
Slide gates (total)	2 Hp	1.5	1	100%	2	0.0%	2	100%	3	0.0%	To control the flow of sewage to screens	Assumes 1 to 2 hours operation per year.
Winch	10 Hp	7.5	5	100%	38	0.0%	10	100%	75	0.0%	To move the screenings container in and out	Assumes 5 to 10 hours operation per year.

Fields Point Tunnel Pump Station
Energy Consumption and Cost Estimate

1/14/2008

Load	Size	Power Requirement (kW)	Minimum Estimate: Estimated Annual Usage (Hours)	Minimum Estimate: Estimated Duty during Operating Hours	Minimum Estimate: Annual Energy Requirement (kWh)	Minimum Estimate: Percent of Total Energy Requirement	Maximum Estimate: Estimated Annual Usage (Hours)	Maximum Estimate: Estimated Duty during Operating Hours (%)	Maximum Estimate: Annual Energy Requirement (kWh)	Maximum Estimate: Percent of Total Energy Requirement	Use/Purpose	Assumptions/Comments
*Note: Screenings transportation and disposal costs are not included in this estimate.												
		Subtotals			**222,643**	**9.0%**			**265,482**	**8.0%**		

Minimum Power Estimate (kWh)= 2,482,892

Maximum Power Estimate (kWh)= 3,307,638

Electricity Rate per kWh* = $0.1158

Total Electric Cost = $287,608

Total Electric Cost = $383,143

*Electric rate and additional provider charges will depend on utility contract.

	Natural Gas Use (Therms)	
FPTPS Building		
Gas Heating	14,392	See heating estimate.
Desiccant Reactivation and Post Heat	47,461	See supplier estimate. A 30% reduction is applied to account for heat recovery.
Shaft S1 Facility		
Snow Melt System	500	Assumes ~40 hours of operation annually.
Screening Facility		
Gas Heating	16,184	To heat MAU-301 for 2890 hours/year. See heating estimate.
Natural Gas Rate per Therm* = $1.9921	**Total 78,537**	*Natural Gas rate and additional provider charges will depend on utility contract.

Total Natural Gas Cost = $156,457

DIV 1-35: Please explain in detail what is meant by Mr. Pratt's observation that the increase in natural gas and electricity associated with the completion of CSO Phase I facilities are conservative.

Answer: In this context, conservative means no extremes in flows, all equipment operates per vendors' guidelines (i.e. no efficiencies), all energy consuming devices used as designed with no modifications to equipment usage based on experience or inefficiencies.

Prepared by: JP

DIV 1-36 Please provide all workpapers and supporting documentation for the projected 5.13 percent increase factor for Field's Point costs due to completion of CSO Phase I.

Answer: See memo provided in Div 1-27.

Prepared by: JP

DIV 1-37 Please explain in detail why each of the following cost elements will increase due to a 5.13 percent increase in volume at Field's Point.

a. Overtime
b. Building and grounds maintenance
c. Building and equipment repairs
d. Maintenance and service agreements
e. Highway and landscaping
f. Clothing
g. Chemicals, house and laundry supplies

Answer: Please reference the section entitled Personnel, Appurtenances and Maintenance in the memo provided in Div-I-27.

Prepared by: JP

DIV 1-38 Please reconcile the costs utilized on Schedule WEE-11 for water, electricity, hypochlorite and sodium biosulfite to calculate the increase in Field's Point costs with the rate year claims for the same items (as shown on Schedule WEE-1) before recognizing the increase due to the CSO Phase I completion.

Answer: See below.

	Test Year FY 2007			Budget 2008		Rate Year FY 2009	
	All other Cost Centers	Field's Point FY 2007 Act	NBC Test Year FY 2007	Field's Point FY 2008 Budget	NBC Rate Year FY 2009 Filing	Field's Point Rate Year	Reference
Electricity	$ 1,422,366	$ 1,400,851	$ 2,823,217	$ 1,673,876	$ 3,545,499	$ 1,592,435	Per WEE-10
Water	1,815	48,790	50,605	75,600	50,605	48,790	Test Year Level
Hypochlorite	5,675	341,605	347,280	314,747	347,280	341,605	Test Year Level
Sodium Bisulfate	3,227	148,756	151,983	128,451	151,983	148,756	Test Year Level
	$ 1,433,083	$ 1,940,002	$ 3,373,085	$ 2,192,674	$ 4,095,367	$ 2,131,586	

Budget 2008 As Filed	Fields Point Budget 2008	Percentage	Additional Cost Pump Station	Total	Difference
Electricity	1,673,876	5.13%	85,870		
Water	75,600	1.28%	968		
Hypochlorite	314,747	5.13%	16,147		
Sodium Bisulfate	128,451	5.13%	6,590	109,574	
Test Year	Fields Point Actual FY 2007	Percentage	Additional Cost Pump Station	Total	Difference
Electricity	1,400,851	5.13%	71,864		
Water	48,790	1.28%	625		
Hypochlorite	341,605	5.13%	17,524		
Sodium Bisulfate	148,756	5.13%	7,631	97,644	11,930
Rate Year	Fields Point Rate Year FY 2009	Percentage	Additional Cost Pump Station	Total	Difference
Electricity	1,592,435	5.13%	81,692		
Water	48,790	1.28%	625		
Hypochlorite	341,605	5.13%	17,524		
Sodium Bisulfate	148,756	5.13%	7,631	107,472	2,102

Prepared by: WEE

DIV 1-39: Please provide workpapers and supporting documentation for the claimed increase for Grit/Screenings associated with CSO Phase I as reflected on Schedule WEE-11.

Answer: Please see memo attached to Div I-27.

Prepared by: WEE

DIV 1-40 Please explain why lab supplies expense of $183,273 meets Mr. Edge's threshold of $200,000 materiality threshold for accounts subject to adjustment.

Answer: This account is close to the $200,000 threshold in the test year but it also exceeds the $200,000 threshold in the rate year. In addition, the account was brought to my attention by NBC staff because the balance of this account has been increasing fairly significantly for the past few years.

Prepared by: WEE

DIV 1-41 Please provide an update of Schedule WEE-3 showing actual expenses for the FY 2008 to date and for the most recent 12 months for which data is available.

Answer: The most recent 12 months for which (all appropriate) data is available is the test year ended June 30th 2007. At year end numerous adjustments are made for the year end audit. NBC makes a complete review of all account balances and makes all appropriate cut-offs and adjustments for payables, receivables, depreciation, purchases of assets, revenues (unbilled revenues), etc. This effort makes the 12 months ended June 30th a unique 12 month period with all appropriate revenues, expenses and balance sheet adjustments.

Nevertheless, NBC has provided the most recent unaudited, unadjusted year- to-date account balances as of December 31st (see attached). This information addresses the first part of the data request to provide the actual expenses for FY 2008, to date see attached.

Prepared by: WEE

Narragansett Bay Commission
Year to Date FY 2008

Account Description	Year to Date 12/31/2007
UNION OVERTIME	207,012
UNION	2,336,694
NON-UNION REGULAR	3,680,243
NON-UNION OT	44,294
NON-UNION LIMITED	21,280
EMPLOYEE RET. BEN. - UNION PENSION	474,026
EMPLOYEE RET. BEN. - NON-UNION PENSION	382,437
EMPLOYEE RET.BEN.-FICA	452,899
EMPLOYEE BENEFITS-UI	6,264
RETIREMENT HEALTH - STATE	82,847
EMPLOYEE BEN.-HEALTH INS.	1,458,881
EMPLOYEE BEN-DISABILITY INS.	16,686
HEALTH INSURANCE-RETIREES	592
WORKERS COMP-OLD CLAIMS	25,768
Total Personnel Services	9,189,923
SALARY REIMBURSEMENT	(497,464)
FRINGE REIMBURSEMENT	(272,134)
Net Personnel Services	8,420,325
MEDICAL SVCS.	5,493
BLDG. & GRND. MAINT.	46,866
BIOSOLIDS DISPOSAL	2,146,168
SCREENINGS & GRIT DISPOSAL	77,336
BAD DEBT EXPENSE	13,023
POSTAGE	77,843
TELEPHONE	65,050
OFFICE EXPENSE	32,495
DUES & SUBSCRIPTIONS	42,806
FREIGHT, CART. & EXP.	15,090
INSURANCE	499,800
CENTRAL PHONE SVCS.	1,307
PRINTING & BINDING	38,056
ADVERTISING	6,436
LOCAL TRAVEL	979
LONG DISTANCE TRAVEL	24,917
VEHICLE FUEL AND MAINTENANCE	86,816
REPAIR BLDG & EQUIPMENT	176,017
REPAIR-HIGHWAY & WALKS	7,466
EQUIPMENT MAINTENANCE AGREE	254,358
RENTAL- EQUIPMENT	9,555
RENTAL- CLOTHING	17,697
DIESEL FOR EQUIPMENT	17,206
FUEL-GAS	49,632
ELECTRICITY	1,404,027
WATER	38,688
CLOTHING	11,615
SAFETY EQUIPMENT	12,734
PUBLIC OUTREACH EDUCATION	7,349
CHEMICALS, HOUSE & LAUNDRY SUPPLY	13,002
CHEM-CHLORINE/HYPOCHLORITE	181,782
CHEM-SODIUM BISULFITE	76,635
LAB SUPPLIES	104,581
HIGHWAY & LANDSCAPE	1,845
SUPPLIES BLDG & MAINTENANCE	63,412
EDUCATIONAL SUPP. & EXP.	17,033
COMPUTER SUPPLIES & EXPENSE	21,911
OTHER OPERATING EXPENSE	2,289
MISCELLANEOUS EXPENSE	26,603
EQUIP LOSSES-CASUALTY THEFT	363
Total Operating Supplies & Expense	5,696,280

Narragansett Bay Commission
Year to Date FY 2008

Account Description	Year to Date 12/31/2007
BOND AND NOTE FEES	17,220
REGULATORY EXPENSE	198,602
SECURITY SERVICES	16,715
LEGAL SERVICES	73,653
MGMT/AUDIT SERVICES	941,172
CLERICAL SERVICES	21,513
OTHER SERVICES	42,564
Total Special Services	1,311,439
Total O&M Expenses	15,428,044
AMORTIZATION	4,845
DEPRECIATION	3,401,757
Total Depreciation & Amortization	3,406,601
INTEREST	6,059,225
Total Debt Service	6,059,225
Total Expenses	24,893,870

DIV 1-42: Please provide a detailed breakdown of the following for each of the years FY 2006 and FY 2007:

a. PUC docket fees
b. Permit expense

Answer: See below

a.

FY 2006 PUC Docket Fees

Date	Docket #		Total
8/31/2005	D-05-22	$	149.50
2/1/2006	3707		13,012.22
3/29/2006	3707		8,838.72
Total PUC Docket Fees FY 06		$	22,000.44

FY 2007 PUC Docket Fees

Date	Docket #		Total
5/30/2006	3707	$	7,863.33
7/27/2006	3707		2,215.17
12/26/2006	3707		12,538.89
5/4/2007	3797		3,706.78
5/31/2007	3797		14,442.94
	D-06-09		687.73
6/28/2007	3797		5,466.06
	3707		2,188.89
	D-06-63		1,028.08
Total PUC Docket Fees FY 07		$	50,137.87

b.

FY 2006 Permit Expense

Date	Vendor	Permit	Total
10/3/2005	City of Providence	Permit for repair work at Newbury Street & Stanhope Street	$ 75.00
4/13/2006	National Railroad	Temporary permit to enter property	625.00
5/16/2006	National Railroad	Permit to acess sewers along Atrack rails	125.57
7/13/2005	State of RI DEM	Field's Point User Fee Program	4,486.00
8/3/2005	State of RI General Treasurer	Field's Point RIPDES permit fee	6,000.00
12/16/2005	State of RI General Treasurer	Annual emissions fee- Air permit	2,893.64
6/12/2006	State of RI General Treasurer	Field's Point RIPDES permit fee	6,000.00
7/13/2005	State of RI DEM	Bucklin Point User Fee Program	4,486.00
8/11/2005	State of RI General Treasurer	RIPDES stormwater run of fee	100.00
2/14/2006	Providence & Worcester Railroad	Grade crossing license Phillipsdale Street Administration fee	2,332.75
6/14/2006	State of RI General Treasurer	Industrial Permit	100.00
6/20/2006	State of RI General Treasurer	Bucklin Point RIPDES permit fee	6,000.00
8/12/2005	State of RI General Treasurer	Field's Point Stormwater permit	100.00
8/12/2005	State of RI General Treasurer	Bucklin Point Stormwater permit	100.00
12/1/2005	State of RI General Treasurer	License revewal for lab from RI Health Department	350.00
		Total Permit Expense FY 2006	$ 33,773.96

FY 2007 Permit Expense

Date	Vendor	Permit	Total
9/19/2006	City of Providence	Permit for road closing Delaine & Appletons Streets	$ 75.00
9/22/2006	City of Providence	Permit to open road for catch basins	75.00
9/26/2006	City of Providence	Permit for road opening Hamilton &	75.00
4/13/2007	State of RI General Treasurer	Application for time extension - Fire inspection at Omega Pump Station	100.00
6/20/2007	State of RI General Treasurer	RIPDES Permit fee for various sites	100.00
7/6/2006	State of RI General Treasurer	User Fee Program Field's Point	4,924.00
3/2/2007	State of RI General Treasurer	Variance request "Fire Safety Code	1,400.00
6/30/2007	State of RI DEM	RIPDES permit fee Field's Point	6,100.00
7/6/2006	State of RI General Treasurer	User Fee Program Bucklin Point	4,924.00
7/6/2006	State of RI General Treasurer	RIPDES permit fee Bucklin Point	6,000.00
2/6/2007	Providence & Worcester Railroad	Grade crossing license fee	2,388.45
6/30/2007	State of RI DEM	RIPDES permit fee Bucklin Point	6,100.00
7/17/2006	State of RI General Treasurer	RIPDES permit fee Field's Point WWTF	100.00
7/17/2006	State of RI General Treasurer	RIPDES permit fee Bucklin Point WWTF	100.00
11/15/2006	State of RI General Treasurer	License revewal for lab from RI Health Department	350.00
		Total Permit Expense FY 2007	32,811.45

Prepared by: WEE

DIV 1-43 Please provide complete supporting documentation and workpapers for the claimed increase in soda ash costs due to increased usage as shown on Schedule WEE-14.

Answer: NBC's rate year request is based upon the test year actual usage with the contracted CPI adjustment. FY 2007 was the first full year of soda ash usage at the new Bucklin Point facilities and Mr. Brueckner provided testimony during NBC's last rate case that the soda ash usage relates to nitrogen removal and new permit requirements. A copy of the relevant CPI is attached.

Prepared by: WEE

U.S. Department of Labor
Bureau of Labor Statistics
Bureau of Labor Statistics Data

www.bls.gov

Data extracted on: October 17, 2007 (11:30:22 AM)

Consumer Price Index - All Urban Consumers

Series Id: CUUR0000SA0
Not Seasonally Adjusted
Area: U.S. city average
Item: All items
Base Period: 1982-84=100

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annu
1997	159.1	159.6	160.0	160.2	160.1	160.3	160.5	160.8	161.2	161.6	161.5	161.3	160.5
1998	161.6	161.9	162.2	162.5	162.8	163.0	163.2	163.4	163.6	164.0	164.0	163.9	163.0
1999	164.3	164.5	165.0	166.2	166.2	166.2	166.7	167.1	167.9	168.2	168.3	168.3	166.6
2000	168.8	169.8	171.2	171.3	171.5	172.4	172.8	172.8	173.7	174.0	174.1	174.0	172.2
2001	175.1	175.8	176.2	176.9	177.7	178.0	177.5	177.5	178.3	177.7	177.4	176.7	177.1
2002	177.1	177.8	178.8	179.8	179.8	179.9	180.1	180.7	181.0	181.3	181.3	180.9	179.9
2003	181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185.0	184.5	184.3	184.0
2004	185.2	186.2	187.4	188.0	189.1	189.7	189.4	189.5	189.9	190.9	191.0	190.3	188.9
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	195.3
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	201.6
2007	202.416	203.499	205.352	206.686	207.949	208.352	208.299	207.917	208.490				

.S. Bureau of Labor Statistics
stal Square Building
Massachusetts Ave., NE
ashington, DC 20212-0001

Phone: (202) 691-5200
Do you have a Data question?
Do you have a Technical (web) question?
Do you have Other comments?

DIV 1-44 To the extent not provided in the response to the prior question, please provide actual soda ash usage and the associated costs for FY 2005, FY 2006, FY 2007, and FY 2008 to date and for the most recent 12 months for which data is available.

Answer: Soda ash usage began in FY 2006. See below.

Soda Ash

	FY 2006	FY2007	FY2008
July		25,239	26,779
Aug		44,495	18,630
Sept		60,553	29,083
Oct		30,453	27,499
Nov		51,885	37,497
Dec		81,700	
Jan		50,885	
Feb		44,382	
Mar		53,390	
Apr		45,809	
May	20,692	59,866	
June	45,634	32,459	

Prepared by: WEE

DIV 1-45 Please explain in detail and provide the rationale for any supporting studies or analyses supporting the proposal to exclude each of the following from any rate increase in this proceeding:

h. Discharge permit fees
i. Connection permit fees
j. BOD/TSS surcharges
k. Septage fees

Answer: NBC reviews miscellaneous revenues periodically and as the Division is aware, these revenues make up a relatively small portion of NBC's total revenues. The two revenues that have been analyzed in more detail are as follows:

Discharge Permit Fees:

NBC's pretreatment staff recently completed a survey and assessment of the pretreatment permit fees (see attached). The study recommends some clarifications of user categories but no changes to the fees. NBC finance staff is reviewing the material and intends to address the reclassification of users through a miscellaneous tariff filing. No material increase in revenues is anticipated as a result.

Septage Waste Discharge Fees:

NBC addressed septage waste discharge fees in a tariff advice of April 6, 2005 (see attached). The PUC approved a reduction in the rate in an effort to stimulate demand effective May 6, 2006. Despite the rate change, revenues continue to decline.

Prepared by: WEE

MEMORANDUM

from the Pretreatment Section

DATE: September 21, 2007

TO: Karen Giebink
Director of Administration & Finance

FROM: Kerry M. Britt
Pretreatment Manager

SUBJECT: Pretreatment Permit Fee Assessment

Attached please find a memo and supporting documentation detailing Wastewater Discharge Permit fee assessment. Based on a review of information obtained from a national survey of Pretreatment Programs regarding their permit fees, an evaluation of the current rate structure and EMDA sampling activities in respect to Pretreatment, I am recommending minor modifications to the existing rate structure. These minor modifications are requested to accommodate changes in EPA's requirement to regulate additional classes of users by federal categorical standards. These classes of users require a greater degree of regulation.

If you have any questions, please do not hesitate to call me. Thank you.

Cc: Tom Uva

MEMORANDUM

from the Pretreatment Section

DATE: April 10, 2007

TO: Thomas P. Uva
Director of Planning, Policy & Regulation

FROM: Kerry M. Britt
Pretreatment Manager

SUBJECT: Pretreatment Permit Fee Assessment

The Pretreatment Permit Fee rate structure has been in the process of being re-revaluated to determine how the Narragansett Bay Commission (NBC) annual Wastewater Discharge Permit fees compare with other sewer agency permit fees and to ensure that sufficient revenues are generated to support the Pretreatment Program. Based upon this review it is believed that the current rate structure does not require a great deal of modification. The following is a summary of the assessment:

In October 2004 a survey regarding Pretreatment permit fees was sent to 300 wastewater agencies across the country. Out of 300 surveys sent out 112 or 37.3% of the agencies responded. The survey and responses are provided in Attachment I. Only 44 of the respondents or 39% of the agencies assess permit fees. Twenty of the programs charge flat rates ranging from $100 to $4,200. Twenty-two have implemented fee structures with a range of permit fees. Sixteen programs have a range of $3,000 all of which are below the NBC's permit fee range. Six programs have ranges that are similar to the NBC's. Two of the programs Milwaukee Metropolitan Sewerage District and the Water and Sewer Authority of Cabarrus County have an upper permit fee higher than the NBC's, $22,003 and $29,760 respectively. One program, Allegheny County Sanitary Authority, has a permit fee range that is comparable to the NBC's with permit fees varying from $280 to $13,000. Three programs have ranges that fall between the NBC's range of $217 to $14,492. Based on the responses to the survey the NBC falls in the top 9% of the agencies that charge annual Wastewater Discharge Permit fees. Based on the response to the survey, it is recommended that the NBC does not implement a major revision to the existing permit fee structure.

An evaluation of the sampling activities conducted by EMDA to satisfy Pretreatment requirements such as industrial and manhole monitoring was conducted. From January 1, 2006 through December 31, 2006 EMDA collected a total of 22,126 samples for all NBC monitoring projects. Of the 22,126 samples, 3,125 were collected to satisfy Pretreatment requirements for industrial and manhole monitoring purposes. This equates to 14.1% of the total samples collected by EMDA and provides a good indication of the EMDA activities associated with the Pretreatment Section. This is a small fraction of the EMDA monitoring. Currently, the Pretreatment Section bills permitted users a total of $1,149,290 and the approved FY07 budget is $995,164. There is a surplus of $154,126 between the existing budget and billing. The excess in billing covers 12.6% of the cost incurred by EMDA to satisfy Pretreatment sampling requirements.

Based on the survey and results and the revenue generated by the current rate structure it is not recommended the annual permit fees be completely overhauled. However, I am recommending the current rate structure be modified slightly at this time to accommodate changes in the Pretreatment Program. Since the rate structure was last modified the EPA has required additional classes of users be regulated by federal categorical standards. Enforcing these standards require the NBC to spend much more time permitting, inspecting and sampling theses classes of users. The users include Centralized Waste Treatment (CWT) facilities, Pharmaceutical facilities, Steam Electric Power Generating facilities and Transportation Equipment Cleaning facilities. The companies in these categories have been permitted by the NBC in the past but due to these regulatory changes they had to be reclassified as categorical. In most cases their annual permit fees may have decreased as a result of this reclassification and all but CWTs were given an annual fee of $1,087. Each category of user has unique requirements that require additional work by Pretreatment, EMDA and Laboratory staff. Justification for each of these proposed rate modifications is provided in Attachment II. Attachment III provides a list of all permit categories, while Attachment IV provides a breakdown of user classifications, permit fees, the number of permitted users and revenues generated. Proposed modifications are listed in red. Please note all modified permit fees are currently approved by the PUC for other categories of users. The proposed modifications will increase the amount the Pretreatment Section invoices annually to $1,164,079. This will increase the difference between the approved budget and the amount billed to $168,915 and allow the Pretreatment fees to cover approximately 13.8% of the EMDA monitoring budget.

Attachments

Name of Program	Person Completing Section	Annual Pretreatment Permit Fees (Y/N)	Rates	PT Rate Structure Provided	How is program funded?			$ annually assessed in PT Permit Fees	PT Permit Fees cover other Programs					How is Monitoring Funded	How is Lab Funded	Parameters Used for PT Permit Fee Structure								Last Evaluated	Rate Increase (Y/N)	%	Permit App. fee?	Applied to PT Permit fee?	Fee ($)
					User Fees	Taxes	Other		Yes / No	Monitor	PI	Lab	Other			Vol. Proc. Flow	Mass Loading	Prev. Ops.	Time Rep.	# Reports	Mon. Events	Flat Fee w/ sur.	Other						
City of Altamonte Springs Public Works Department	Kristen Roderick	n		n	x				NA					fees assessed to recover cost															
City of St. Petersburg	Dr. John Parnell			y	x			$2000 renew / $10,000 service charge	No					if IU chooses to have city samp. Charged monthly fee		x			x					1990	n	made 25% now	Yes	y	$500 ini. $200 renew
City Saginaw WWTP	Jason Cantzel	n		n	x		admin cost, surch., analysis fees billed quarterly to SIUs		No					billed to SIU	by SIUs				x		x			NA	NA	NA	Yes	y	$200
Springfield Metro Sanitary District	Robert Alvey	n		n	x	x		NA	No					user charges tax	user charges tax	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	Yes		
Bristol Water Pollution	Bill Rabideau	y	$50 - $1200	y					Yes	35%	25%	15%	25% (salaries)	disc. Fees and fines	0.5 disch. Fees/fines; 0.5 taxes	x	x	x	x		x			2004	no		Yes	u	
New Shoreham Sewer Commission	Ray Boucher	No Pretreatment Program		NA	NA	NA	NA	NA	NA					NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
West Lake Superior Sanitary District	Tim Thompson	n (only waste haulers)			x			NA	No					user fees	user fees		x							?	no		no	NA	
Delaware County Water Quality Control Authority	Christopher Flannery	y (3/4yr)	$250 - $500	y	NA	NA	NA	$3,375	No					water usage; sch. Fee	water usage; sch. Fee	x						x		1995	yes	60%	no	no	
City of Pocatello	Brent Hokanson	n		n	x				No					user fees	user fees	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA		no	NA	
City of Canton Water Pollution Control Center	Tracy Mills	n		n	x			NA	NA					user fees	user fees									NA			Yes	NA	$150 / 3 yrs
Alexandria Sanitation Authority	Cindy Galloway	y	$500/yr; $100/revision	y					No					user fees, SIUs billed	user fees								x ordinance	1999	no		Yes	no	$100
Rahway Valley Sewerage Authority	Bob Sadlinsky	y		y				$535,000	Yes	x				permit fees		x	x						x ordinance				n		
Rosedale Sanitary District	Edward Koke	No Pretreatment Program																											
Fairfax County Wastewater Management Program	Joel King	n			x			NA	NA					user fees	user fees	NA	NA	NA	NA	NA	NA	NA	NA	NA			No		
City of Boise	Jen Williams	n			x			NA	NA					user fees	user fees	NA	NA	NA	NA	NA	NA	NA	NA	NA			NA		
City of Hamilton	Darla Crum	y	$500 disch.; $250 zero	y				$5,000	No					industry	sewer rates				x	x				1998	no		Yes	no	$50
Great Neck Water Pollution Control District	Christopher Murray	No Pretreatment Program																											
Harrisburg Advanced Wastewater Treatment Facility	Randy Schaffer	y	$500	y	x				Yes	100%				?	lab analysis fees							x		2003	no		Yes	yes	$500
Greater Peoria Sanitary District	Stan Browning	n			x				NA					user fees	user fees	NA	NA	NA	NA	NA	NA	NA	NA	NA			No		
Upper Blackstone WPAD	Joseph Hogan	n			x				NA					user fees	user fees									NA			No		
Rockland County Sewer District #1	Joan Roth	n		n	x			NA	NA					user fees	user fees									1997	No		Yes		$375
City of Troy Ohio	Mark Lavengood	n		n	x			NA	NA					SIU sampled by contract lab - bills	sanitary sewer fund									NA			Yes	no	$250/new SIU; $75/annual
Peachtree City WASA	Larry Turner	n			x			NA	NA					user fees	user fees	NA	NA	NA	NA	NA	NA	NA	NA	NA			N		
City of Pueblo	Gene Michael	n			x			NA	NA					user fees	user fees	NA	NA	NA	NA	NA	NA	NA	NA		no		No		
City of Cedar Rapids WPCF	Mike Kuntz	n			x			none	NA					user fees	user fees	NA	NA	NA	NA	NA	NA	NA	NA	NA			No		
City of Stillwater, OK	Doug Gable	n					x general budget	NA	NA					general budget	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	no		No		
Clark County Water Reclamation District	Stephen Bramble	y	$225 - $1,000		x (in add. To permit fees)			$578,130.75	No					sewer service fees	sewer service fees				x		x	x	x and Class	1996	yes	10%	No		
City of Eugene Wastewater Division	Maybeth Pedaze	y	$435	y	x			$9,135	No					user rates	user rates								x = DEQ est. rate	2002	yes	20%	Yes	yes	$435
San Bernardino Municipal Water Department	Andy Coady	y	$75 per fee;$20 insp.;$65 mon	y	x				No					monitoring fee	monitoring fee								x= flat rate	NA			No		
City of New York Department of Environmental Protection	Herbert Kass	n			x			NA	NA							NA	NA	NA	NA	NA	NA	NA	NA	NA			No		
City of Delray Beach	Paul DeCarolis	n			x				NA					user fees	user fees		x							2002	no		No		
Sanitation District No.1	Jason Crawford	y	$250 - $1300	y				$54,556	Yes	33%		33%	33% (paperwork/copy)	permit fees, gen. Op. budget	gen op budget				x	x	x	x		3-5 yr ago	no		No		
Boston Water & Sewer Commission	Ralph Donofrio	No Response																											
City of Thousand Oaks	Bob Carson	n			x			NA	NA					wastewater fund	wastewater fund	x	x							NA			Yes	no	$305
Sewerage & Water Board of New Orleans	Rudy August	n			x			NA	NA																				
Pima County Wastewater Management Department	Walter Valencia	n			x			NA	NA					user fees	user fees	NA	NA	NA	NA	NA	NA	NA	NA	NA			Yes	no	$75/IU; $600/SIU/CIU
Springfield Metro Sanitary District	John Holcomb	y	$3,072	y	x		x monthly meter fee	$300,000	Yes	x				IUs charged	user fees & IU fees						x	x		2004	yes	50%	No		
Emerald Coast Utilities Authority	Don Mitchell	y	$600	n					No					budget line item	budget line item							x		2004	yes	7.40%	No		
The Ocean County Utilities Authority	Richard Kunze	n			x			$3,000 to $6,000	No					user fees	user fees	NA	NA	NA	NA	NA	NA	NA	NA	NA			Yes	no	$600 - $750
Town of Narragansett	Jeffry Cazzone	y	$300- $3,000	y				$31,800	Yes				x general fund	Cat. I users pay monitoring fee $3760/yr	user fees		x		x			x		annually	No		Yes	?	$500
South Orange County Wastewater Authority	Paul Schmidtbauer	n			x			NA	NA					in PT budget supported by member agencies	member agencies									NA			No		
Metropolitan St. Louis Sewer District	Doug Mendoza	y	$150	y				$135,000	No					monthly compliance charge	monthly compliance charge	x								1992	established		No		
City of Tacoma	Kirk Kerzel	y	$480/zero/$760 disch	n					No					user fees	user fees				x					2004	No		No		
Fox Metro Water Reclamation District	Debra Nee	n		y	x				No					costs billed to users	user fees	x								1990's	No		Yes	no	$500-$750
Washington Suburban Sanitary Commission	Susan Barry	n					x ind disch control fee & general fund	$46,000	No					partially by Ind. Disch. Control Program fee	general fund									2004	established		Yes		$2,300 annual $1,150 [illegible]
Water & Sewer Authority of Cabarrus County	Beverly Metcalf	y	$900 - $19760	n				$97,000	No					monitoring/sampling fee based on cost of analysis	sampling fees and sewer rates	x	x						x = cost to operate program	2004	No		Yes	Yes	$250
City of Oakland	Ken Zachary	n			x			NA	NA					user fees	user fees	NA	NA	NA	NA	NA	NA	NA	NA	NA			No		
City of Kalamazoo Water Reclamation Plant	Bruce Merchant	n			x			NA	NA					IU service & user fees	general fund							x		2003	No		No		
Suffolk County DPW - Division of Sanitation	Richard Stasyak	n					x= tax/objectional control charge; gen. Budget	$1,200,000	Yes	100%	100%	100%	100%	by PT program	by PT program								x = cost to operate program	annually	No		No		
City of Omaha NE	David Olsen	n												general fund	general fund. PT analyses by contract lab														
Metropolitan Council Environmental Services	Leo Hermes	y	$425 - $4025 (55% of program)	y	x (45%)			$852,000	Yes	55%	NA	55%	55% overhead	general fund	general fund	x			x	x	x		x	1998	yes	12.70%	No		
Downers Grove Sanitary District	Lawrence Cox	n			x			NA	NA					cost assessed to IU	user fees									NA			No		
Louisville MSD	Marion Gee	n			x				NA					user fees	user fees												No		
Milwaukee Metropolitan Sewerage District	Peter Topczewski	y	$140 - $22,003	y					No					sample collection fees	lab fees								x	2000	n		No		
Jefferson County Commission	Jack Kwong	n			x			NA																					
Mount Pleasant Waterworks	Tom Wright	No Pretreatment Program																											
City of Raleigh	Tom Woody	n			x	x			NA					Public Utilities Op. Budget	Public Utilities Op Budget														
Salt Lake Water Reclamation Plant	Sam Hong	n						$1,600	NA					user fees	user fees, analysis fees	x	x							1998	n		No		
City of Austin - Austin Water Utility	Antonio Candler	y	$125-$485	y			x	$308,055	Yes	Percentages vary				sampling fees	wastewater rates				x	x	x			2004	y		Yes	Yes	not applied
Fairfield - Suisun Sewer District	Larry Bahr	n			x			NA	NA					user fees	user fees	NA	NA	NA	NA	NA	NA	NA	NA	1994	n		No		
Metropolitan Water Reclamation District	Bill Stube	y	$572-$8,195 (and insp. Fees)	y				$2,500,000	Yes	30%	10%	30%	30% admin	corporate fund	corporate fund	x							x Day and sample fees	annually	y	20%	No		
City of Macon Public Utilities	Robert Boyer	y	$4,200	n	x				Yes	x				user fees and direct billing to IU	contract out								x flat rate	1994	n		No		
City of Ames Iowa	Kevin Tobias	n			x				NA					billed to IU	user fees									1999 (mech. fees)	x	150%	No		
City of Los Angeles Bureau of Sanitation	Lisa Mowery	y	$2,219 - $4,191	y	x			$5,100,000	No					part of PT	user fees				x		x			2004	n		Yes	no	$350
Gwinnett County Department of Public Utilities	Holly Rittersdorf	n							NA					user fees	user fees														
City of Albuquerque, NM	Bob Hogrefe	n		n	x				NA					PT budget	Lab budget									2003-2004	y	100% surcharge	No		
Joint Meeting of Essex & Union Counties	Cathy Martinson	y	inspection fee $250	y	x			$85,000	No					O&M budget	O&M budget				x		x			2003	y	5%	Yes	no	$2,000 initial; $1,500 renewal
Little Rock Wastewater Utility	Jeff Sayde	y	$250 - $750	y				$36,500	No					general op fund	general op fund	x		x	x			x		2004	established		Yes	no	$500
Anne Arundel County DPW	Chris Tee	y	$100 - $3,200	y				$200,000	Yes	5%				PT time annual fees	PT contracted thru lab, plus user fees							x		2001	n		Yes	no	$100, $1,600 SIU
Rock River Water Reclamation District	Dennis Prawe	y	$300	n	x		x		No					user fee + $43/sample	user fees + analytical fee				x										

Metropolitan Sewerage District of Buncombe County	Monty Payne	n							NA					user fees	user fees												No		
City of Palo Alto	Bill Miks	n			x			NA	NA					user fees	user fees									2003	yes	50%	Yes	no	$750
City of Lebanon	John Halog	n					x	NA	NA					sampling fees	analytical fees									2003	n		Yes		not determined at this time
South Essex Sewerage	Mark Allen	n					x	NA	NA					billed to comm. based on flow & loading	billed to comm. based on flow & loading												No		
City of Johnson City	Jim Colbert	n			x			$114,300	NA					user fees PT surch.	user fees	NA	NA	NA	NA	NA	NA	NA	NA	NA			No		
Little Blue Valley Sewer District	Kelly Buchanan	y	$115 - $1,735	y				$9,000	No					cases billed	general fund	x		x		x	x			1994			No		
Pleasant View Water Sanitation District	Jeff Isom	Do not apply to District																											
North Shore Sanitary District	Dave Miller	n			x	x		NA	NA					user sampling analysis fees & taxes	user & analysis fees & taxes	NA	NA	NA	NA	NA	NA	NA	NA	NA			NA		
Green Bay Metropolitan Sewerage District	Bill Oldenburg	y	$1,500	n					Yes				100%	fees assessed to recover cost	user fees				x	A				2003	y	600%	No		
Ithaca Area Wastewater Treatment Facility	Jose Lozano	n												user fees	user fees														
Oswego County Sanitation District	James Wyborga	x		y				$159,000	No					general fund	general fund				x				x	1998	n		No		
Charlotte - Mecklenburg Utilities	Ulysses Watkins	n			x		x		NA					user fees surch. Fees	user fees	x	x	x			x	x		1996	n		No		
The City of Sunnyvale	David Owless	n			x				NA					user fees	user fees														
Onondaga County Utilities	Helene Zenk	n			x																								
Henrico County DPU	NW Burgess	n			x		x	NA																					
Columbus Water Works	Billy Turner	No Response																											
Delta Diablo Sanitation District	Andrew Kobeyrsld	y	$263 - $4,600	y					Yes	100%		100%		PT fees	PT fees, general fund				x		x		x		yes		No		
Department of Environmental Services	Ken Kawahara	n			x				NA					user fees	user fees	NA	NA	NA	NA	NA	NA	NA	NA	NA			No		
City of Olathe Kansas	David Bries	n			x			NA	NA					sewer charges	sewer charges														
Northeast Ohio Regional Sewer District	Timothy Dolehanty	n			x																								
City of Oklahoma City	Perry Sollars	y	$250 - $500	y	x			$50,000	Yes	x		x	x	bills, surch. PT	bills, surch. PT							x		2003	n		No		
Warwick Sewer Authority	BettyAnne Rossi	y	$250 - $3,000	y				$225,000	No					monitoring charges	O&M budget	x						x		1996	y	200%	Yes	no	
Rensselaer County Sewer District No. 1	Tracy Warner	n			x			$65,000	Yes	10-15%				general & PT funds	general & PT funds	x								annually			No		
Upper Occoquan Sewage Authority	Evelyn Mahieu	n					x - jurisdictions		NA					jurisdictions charged	jurisdictions charged									NA					
Greater Lawrence Sanitary District	Colleen Spero	y	$100 - $300		y			$3,000	No					general budget	general budget									1996	n		No		
Western Carolina Regional Sewer Authority	William Amme	y	$75 - $1,000	y	x				No					$50/event	lab analysis fees	x						x			y		Yes	no	$1,200 SIU;$620
El Paso Water Utilities	David Dunalse	y	$100-$1,090	y			x	$38,700	No					O&M budget	O&M budget	x	x	x	x	x	x			2001	y	9%	No		
Allegheny County Sanitary Authority	Arthur Tenulis	y	$200 - $15,000	y				$150,000	No					general fund	general fund	x			x		x			2003	y	35%	No		
City of Springfield Mo. - Public Works Department	Randy Lyman	n			x			NA																			No		
City of Virginia Beach Department of Public Works	Les White	Pretreatment by Hampton Roads																											
Town of East Greenwich	William Sequino	y	$500	n				$1,500	No					user fees	user fees							x					No		
RI Department of Economic Development	Vasilios Hanitos	y		n				$49,462	Yes	x		x		permit fees	permit fees				x	x	x			2002	y	25%	No		
Augusta Sanitary District	Dale Olddan	n			x			NA	NA					user fees	user fees									2000	y	15%	No		
Bergen County Utilities	John Darice	y	$750 - $7,500	y				$321,300	No					general op fund	general op fund	x			x					2004	y	34%	Yes	no	$500 - $5,000
Salisbury-Rowan Utilities	Carol Hamilton	n			x				NA					surch. Fees	surch fees							x		1999	n		Yes	no	$100
Macon Water Authority	Mark Wyzalek	n			x				NA					user fees	user fees									2004	n		Yes		$500
Municipality of Anchorage	Edward Taleo	No Pretreatment Program																											
Secaucus MUA	Brian Bigler	No Pretreatment Program																											
City of Portland Bureau of Environmental Services	James Hagerman	y	$925 - $7,510	y																									
Gary Sanitary District	Diana Flores	y						NA	No																		Yes		$50
Akron Water Pollution Control Division	Fred Neugebauer	n					x		NA					field monitoring surcharge	field monitoring surcharge									2004	y	27.50%	No		
Dekalb Count GA	Jay Ash	n					x		No					user fees	user fees	x	x				x								

Attachment II – Justification for Fee Modifications

Cat.	Classification	Justification	Recommended Fee and Billing Code
14	Pharmaceuticals	These users are required to sample for parameters analyzed using EPA method 624. Pretreatment staff needs to provide additional oversight of these facilities to ensure they are categorized properly. These firms often have more than one product in different stages of development. Each stage of development may be covered under different subsections of the regulation. Each subsection may have different requirements. As the products move through development cycle the permit needs to be revised periodically. In addition, there should be a flow component to the permit fee so that small facilities are not billed at the same rate as large dischargers. The flow break should be as follows: Flow < 2,500 gpd Flow ≥ 2,500 gpd	$1,872 (17) and $2,898 (18)
16	Steam Electric Power Generating	These firms are required to monitor the cooling tower discharge for 121 parameters. The NBC would be required to sample and analyze for these parameters as well. The firm may elect to conduct an engineering study periodically to show they do not discharge any of these constituents which would eliminate the sampling requirement. This requires that Pretreatment Section to review the engineering studies to ensure all EPA requirements are met. In addition, prior to the EPA requiring these firms to be categorical, the NBC permitted these facilities in another category which had a higher permit fee of $2,898. As a result of the EPA regulations these firms were given a reduction to $1,087 in permit fee with an increase in the workload on NBC staff.	$2,898 (18)
18	Centralized Waste Treatment	There is no change recommended in the permit fees for these users. Prior to becoming categorical, the NBC permitted these users in categories 28 and 29. They have continued to be billed at these rates. These fees are adequate for the amount of regulation required. The only modification is with regard to category number.	Hazardous Waste: $14,492 (27) Non-hazardous Waste: $4,348 (21)
19	Transportation Equipment Cleaning	These firms require extensive oversight because they clean equipment used to transport a variety of materials. Users fall under different subcategories and have different requirements based on the materials transported. When the materials change the permits may need to be revised. Currently there are no TEC facilities located in the NBC districts.	$1,872 (17)

Attachment III
Industrial User Classification System

Category 1:Industries Subject to Federal EPA Categorical Standards

10. Other Categorical Users
11. Electroplaters, Metal Finishers
12. Metal Molding and Casting
13. Organic Chemical Manufacturers
14. Pharmaceuticals
15. Metal Formers
16. Steam Electric Power Generating
17. For Future Use
18. Centralized Waste Treatment Facilities
19. Transportation Equipment Cleaning

Category 2: Industries Discharging Toxic and/or Prohibited Pollutants, but who are not Subject to Federal EPA Categorical Standards

20. Future Use
21. Tubbing/Vibratory/Mass Finishing
22. Chemical Transporters, Refiners, Recyclers, Manufacturers
23. Textile Firms
24. Printers
25. Industrial Laundries
26. Machine Shops/Machinery Rebuilding
27. Other Facilities Discharging Toxic and/or Prohibited Pollutants
28. Future Use
29. Future Use

Category 3: Industries Discharging or Having the Potential to Discharge Conventional Pollutant Loads (BOD, TSS, pH, Oil and Grease, Fecal Coliforms) in Sufficient Quantities to Cause Violation of RIPDES Permit or Local Discharge Limits

30. Future Use
31. Future Use
32. Future Use
33. Future Use
34. Manufacturers with High BOD/TSS Waste
35. Other Facilities Discharging Conventional Pollutants
36. Future Use
37. Automotive Maintenance/Service Facilities
38. Future Use

39. Future Use

Category 4: Industries with Sanitary or Non-Toxic Discharges Using Solvents, Toxics and/or Hazardous Chemicals that Could Potentially be Discharged to the Sewer

40. Groundwater Remediation/Excavation Projects
41. Recycle or Disconnected Electroplating or Chemical Processes
42. Other Process Operations that are Disconnected or Recycled
43. Recycled or Disconnected Electroplating or Chemical Process with Cooling Water, Boiler or Other Discharges
44. Other Recycle or Disconnected Processes with Cooling Water, Boiler or Other Discharges
45. Future Use
46. Cooling Water Discharges with Solvents, Toxic and/or Hazardous Chemicals On-Site
47. Future Use
48. Future Use
49. Other Discharges with Solvents, Toxic and/or Hazardous Chemicals On-Site

Category 5: Industries Discharging Only Sanitary Wastes and/or Non-Toxic Discharges

50. Future Use
51. Cooling Water
52. Boiler Blowdown/Condensate Discharges
53. Cooling Tower Discharges
54. Future Use
55. Future Use
56. Future Use
57. Future Use
58. Future Use
59. Other Non-Toxic Industrial Discharges

Category 6: Dry Industries with No Wastewater Discharges to the Sewers, Using Solvents, Toxic and/or Hazardous Chemicals

60. All Users

Category 7: Dry Industries with No Waste Discharges to the Sewer

70. Septic System Discharger
71. Out-of-Business
72. Moved Out of the District
73. Permit Expired/Not Renewed or Reissued
74. Proposed Discharges – Permit Not Issued

75. Accidental Discharges/Spills/Non-Permitted Discharge

Category 8: Commercial Users with the Potential to Discharge Conventional Pollutants Loads (BOD, TSS, pH, Oil and Grease, Fecal Coliforms) in Sufficient Quantities to Cause Violation of RIPDES Permit or Local Discharge Limits

80. Septage Haulers
81. Food/Fish/Meat/Produce Processing (Wholesale)
82. Supermarkets (Retail Food Processing)
83. Parking Garages/Lots
84. Cooling Water/Groundwater/Boiler Discharges
85. Restaurants/Food Preparation
86. Commercial Buildings with Cafeteria and/or Laundry Operations
87. Future Use
88. Future Use
89. Other Commercial Facilities with Potential to Discharge Conventional Pollutants

Category 9: Commercial Users with the Potential to Discharge Toxic Substances, Prohibited Pollutants and/or Conventional Pollutants

90. Hospitals
91. Cooling Water/Groundwater/Boiler Discharges
92. Laundromats/Dry Cleaners
93. Photo Processing
94. X-Ray Processing
95. Clinical, Medial, and Analytical Laboratories
96. Funeral Homes/Embalming
97. Motor Vehicle Service/Washing
98. Future Use
99. Other Commercial Users with Potential to Discharge Toxic, Prohibited and/or Conventional Pollutants

KMB:smb
Revised: 03/02/04

Attachment IV
Narragansett Bay Commission
Pretreatment User Classifications, Permit Fees and
Customer Service Billing Codes with Proposed Modifications - November 2006

CAT. #	USER CLASSIFICATION	PERMIT FEE	BILLING CODES	Number of Permitted Users	Revenue Generated
10	**Other Categorical Users**	$1,087.00	11	0	$0.00
11	**Electroplater/Metal Finisher**				
	Flow < 2,500 GPD	$1,811.00	16	9	$16,299.00
	Flow ≥ 2,500 < 10,000 GPD	$3,623.00	19	37	$134,051.00
	Flow ≥ 10,000 GPD < 50,000 GPD	$7,246.00	24	19	$137,674.00
	Flow ≥ 50,000 GPD < 100,000 GPD	$10,144.00	25	3	$30,432.00
	Flow ≥ 100,000 GPD	$10,869.00	26	2	$21,738.00
12	**Metal Molding and Casting**	$1,087.00	11	1	$1,087.00
13	**Organic Chemical Manufacturers**	$7,246.00	24	0	$0.00
14	**Pharmaceuticals**				
	Flow < 2,500 GPD	$1,872.00	17	2	$3,744.00
	Flow ≥ 2,500 GPD	$2,898.00	18	1	$2,898.00
15	**Metal Formers**	$5,797.00	23	2	$11,594.00
16	**Steam Electric Power Generating**	$2,898.00	18	1	$2,898.00
18	**Centralized Waste Treatment Facilities**				
	Hazardous Waste	$14,492.00	27	1	$14,492.00
	Non-Hazardous Waste	$4,348.00	21	0	$0.00
19	**Transportation Equipment Cleaning**	$2,898.00	18	0	$0.00
21	**Tubbing/Vibratory/Mass Finishing**				
	Flow < 5,000 GPD	$725.00	08	16	$11,600.00
	Flow ≥ 5,000 GPD	$1,449.00	15	0	$0.00
22	**Chemical Transporters, Refiners, Recyclers, Manufacturers**	$2,898.00	18	6	$17,388.00
23	**Textile Processing Firms**				
	Flow < 2,500 GPD	$1,449.00	15	11	$15,939.00
	Flow ≥ 2,500 < 10,000 GPD	$3,768.00	20	0	$0.00
	Flow ≥ 10,000 GPD < 50,000 GPD	$5,072.00	22	2	$10,144.00
	Flow ≥ 50,000 GPD	$7,246.00	24	1	$7,246.00
24	**Printers**				
	Gravure	$3,623.00	19	0	$0.00
	Other Flow ≥ 2,500 GPD	$1,087.00	11	2	$2,174.00
	Other Flow < 2,500 GPD	$725.00	08	11	$7,975.00
25	**Industrial Laundries**	$3,623.00	19	3	$10,869.00
26	**Machine Shops/Machinery Rebuilders**	$1,449.00	15	4	$5,796.00

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CAT. #	USER CLASSIFICATION	PERMIT FEE	BILLING CODES	Number of Permitted Users	Revenue Generated
27	**Other firms discharging toxics and/or prohibited pollutants**				
	Flow ≥ 10,000 GPD	$2,898.00	18	8	$23,184.00
	Flow ≥ 2,500 GPD < 10,000 GPD	$1,449.00	15	1	$1,449.00
	Flow < 2,500 GPD	$725.00	08	16	$11,600.00
~~28~~	~~**Central Treatment Facilities – Hazardous Waste**~~	~~$14,492.00~~	~~27~~		
~~29~~	~~**Central Treatment Facilities – Non-Hazardous Waste**~~	~~$4,348.00~~	~~21~~		
34	**Manufacturers with high BOD/TSS wastestreams**				
	Flow ≥ 100,000 GPD	$5,797.00	23	1	$5,797.00
	50,000 GPD ≤ Flow < 100,000 GPD	$3,623.00	19	0	$0.00
	10,000 GPD ≤ Flow < 50,000 GPD	$1,811.00	16	0	$0.00
	Flow < 10,000 GPD	$1,087.00	11	1	$1,087.00
35	**Other facilities discharging conventional pollutants**				
	Flow ≥ 10,000 GPD	$1,449.00	15	0	$0.00
	Flow < 10,000 GPD	$725.00	08	1	$725.00
37	**Automotive Maintenance/Service Facilities**				
	Small ≤ 2 Bays	$435.00	04	6	$2,610.00
	Large ≥ 3 Bays	$1,449.00	15	7	$10,143.00
40	**Groundwater Remediation/Excavation Projects**				
	Flow ≥ 10,000 GPD	$1,449.00	15	5	$7,245.00
	Flow < 10,000 GPD	$725.00	08	0	$0.00
41	**Recycle or Disconnected Electroplating or Chemical Processes**	$725.00	08	23	$16,675.00
42	**Other Process Operations Disconnected or Recycled**	$290.00	02	42	$12,180.00

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CAT. #	USER CLASSIFICATION	PERMIT FEE	BILLING CODES	Number of Permitted Users	Revenue Generated
43	**Recycle or Disconnected Electroplating or Chemical Processes with Cooling Water or Boiler Discharges**	$870.00	09	15	$13,050.00
44	**Other Recycled or Disconnected Process Operations with Cooling Water or Boiler Discharges**	$362.00	03	6	$2,172.00
46	**Cooling Water with Solvent, Toxic and/or Hazardous Chemicals on Site**	$362.00	03	15	$5,430.00
49	**Other Discharges with Solvents, Toxics and/or Hazardous Chemicals on Site**				
	Flow ≥ 10,000 GPD	$1,087.00	11	0	$0.00
	Flow < 10,000 GPD	$725.00	08	1	$725.00
51	**Cooling Water with No Solvents, Toxic or Hazardous Chemicals on Site**	$362.00	03	7	$2,534.00
52	**Boiler Blowdown/Condensate Discharges**	$362.00	03	16	$5,792.00
53	**Cooling Tower Discharges**	$362.00	03	12	$4,344.00
59	**Other Non-Toxic Industrial Discharges**				
	Flow ≥ 5,000 GPD	$725.00	08	0	$0.00
	Flow < 5,000 GPD	$362.00	03	7	$2,534.00
80	**Septage Haulers/Dischargers**	$435.00	04	15	$6,525.00
81	**Food/Fish/Meat/Produce Processing (wholesale)**				
	Flow < 1,000 GPD	$362.00	03	20	$7,240.00
	1,000 GPD ≤ Flow < 10,000 GPD	$725.00	08	14	$10,150.00
	Flow ≥ 10,000 GPD	$1,449.00	15	0	$0.00
82	**Supermarkets (Retail Food Processing)**	$725.00	08	27	$19,575.00
83	**Parking Garages/Lots**	$725.00	08	4	$2,900.00
84	**Cooling Water/Groundwater/ Boiler Discharges with Potential to Discharge Conventional Pollutants**	$362.00	03	9	$3,258.00

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CAT. #	USER CLASSIFICATION	PERMIT FEE	BILLING CODES	Number of Permitted Users	Revenue Generated
85	**Restaurants**				
	< 50 Seats	$217.00	01	380	$82,460.00
	≥ 50 Seats < 100 seats	$435.00	04	75	$32,625.00
	> 100 seats or fast food (2 or more fryolators and/or drive through window)	$580.00	06	142	$82,360.00
86	**Commercial Buildings with Cafeteria and/or laundry operations**	$725.00	08	127	$92,075.00
89	**Other Commercial Facilities with Potential to Discharge Conventional Pollutants**				
	< 2,500 GPD	$362.00	03	18	$6,516.00
	≥ 2,500 GPD	$725.00	08	0	$0.00
90	**Hospitals**	$3,623.00	19	12	$43,476.00
91	**Cooling Water/Groundwater/ Boiler Discharges with Potential to Discharge Toxic, Prohibited and/or Conventional Pollutants**	$362.00	03	1	$362.00
92	**Laundries/Dry Cleaners**				
	Laundromats	$725.00	08	65	$47,125.00
	Dry Cleaners with ≤ 1 washer	$362.00	03	10	$3,620.00
	Dry Cleaners with ≥ 2 washers	$725.00	08	0	$0.00
93	**Photo Processing**				
	< 1,000 GPD	$362.00	03	19	$6,878.00
	1,000 GPD ≤ Flow < 2,500 GPD	$725.00	08	3	$2,175.00
	2,500 ≤ Flow ≤ 5,000 GPD	$1,087.00	11	0	$0.00
	> 5,000 GPD	$1,449.00	15	0	$0.00
94	**X-Ray Processing**				
	≤ 2 processors	$362.00	03	120	$43,440.00
	3 - 4 processors	$725.00	08	0	$0.00
	5 - 9 processors	$1,087.00	11	0	$0.00
	≥ 10 processors	$1,449.00	15	0	$0.00

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CAT. #	USER CLASSIFICATION	PERMIT FEE	BILLING CODES	Number of Permitted Users	Revenue Generated
95	**Clinical, Medical and Analytical Laboratories**	$725.00	08	22	$15,950.00
96	**Funeral Homes/Embalming Operations**	$362.00	03	25	$9,050.00
97	**Motor Vehicle Service/Washing Operations**				
	rate per tunnel	$725.00	08	24	$17,400.00
	rate per bay	$217.00	01	13	$2,821.00
	maximum rate per facility	$1,449.00	15	12	$17,388.00
99	**Other Commercial Users with Potential to Discharge Toxic, Prohibited and/or Conventional Pollutants**				
	Flow < 2,500 GPD	$362.00	03	33	$11,946.00
	Flow ≥ 2,500 GPD	$725.00	08	2	$1,450.00

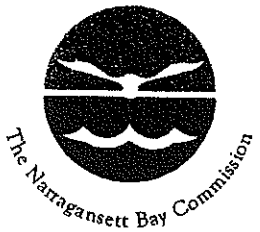
NOTE: All flow rates are based upon operating days.

Total Revenue $1,164,079.00

The Narragansett Bay Commission
One Service Road
Providence, Rhode Island 02905

401 • 461 • 8848
401 • 461 • 6540 FAX

http://www.narrabay.com



Vincent J. Mesolella
Chairman

Paul Pinault, P.E.
Executive Director

April 6, 2005

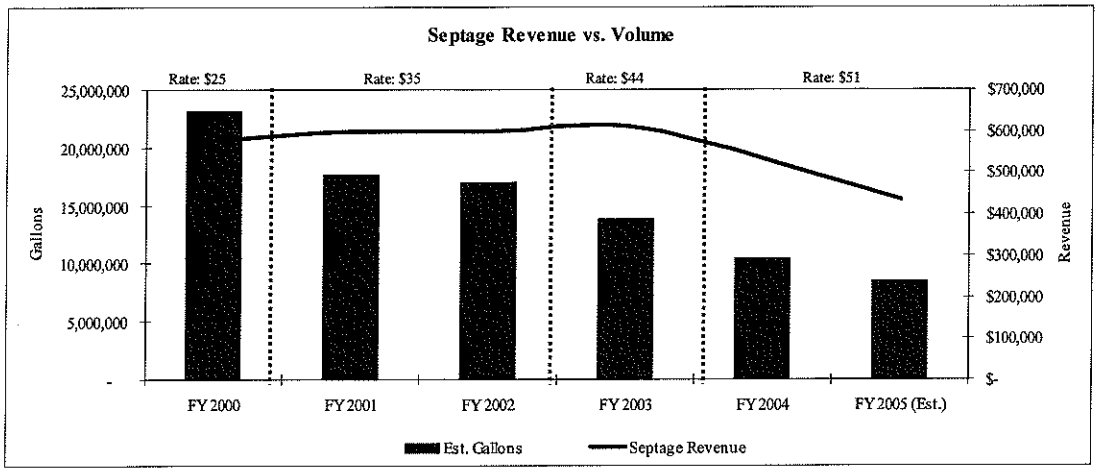
Ms. Luly Massaro, Clerk
Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

Dear Ms. Massaro:

Please accept this letter of transmittal as a tariff advice pursuant to Commission Rule 1.9(c) which allows a utility to add new services, provide for new rules or otherwise add to their tariff schedules without amending existing tariffs.

The Narragansett Bay Commission (NBC) has recently reviewed its current tariffs schedules and has identified one minor change to the current Septic Tank Waste Discharge Fee that should be made in order to provide better pricing signals to the ratepayers that require the service. The proposed change is not anticipated to result in a significant increase or decrease in approved revenues.

The NBC accepts septage waste, truck deliveries of waste pumped out of septic tanks, at its septage receiving facility in Lincoln, RI. NBC's current rates for user charges are designed based upon projected Septage Fee revenue of $860,720 annually. However, based upon the current rates and usage, the Septage Fee revenue is projected to be approximately 50% lower, at $433,000 in FY 2005. The NBC has found that Septage revenues have declined as septage fees were increased on an "across the board" basis in recent rate filings (see graph on following page). The septage portion of NBC's business is competitive and the higher Septage Tank Waste Discharge Fee has discouraged septage haulers from using the NBC's facilities.



The lower septage volume at the NBC's facilities has resulted in underutilization of assets and a reduction of overall revenue. The NBC has completed a review of its pricing history for septage, and the pricing of its "competitors", and found that as the septage rate increased, the usage and eventually the revenue decreased as follows: The NBC noted that when its septage fee rates went from $25 per thousand gallons to $35 per thousand gallons the annual usage of the service went from 23.1 million gallons to 17.7 million gallons and the revenue increased by approximately $21,000. When the rate was increased to $44 per thousand gallons the annual usage dropped to 13.9 million gallons and the revenue increased by approximately $13,000. When the septage fee rate was increased to $51 per thousand gallons, both the usage (10.4 million gallons) and the revenue ($533,000) declined. The NBC is projecting a continued decline in usage and septage revenue in FY 2005. The table below lists these findings.

	Est. Gallons	Septage Revenue	Rate/Thousand Gallons
FY 1999	17,819,060	$445,476.50	$25.00
FY 2000	23,134,280	$578,357.00	$25.00
FY 2001	17,728,194	$599,231.60	$35.00
FY 2002	17,077,020	$597,695.70	$35.00
FY 2003	13,876,873	$610,582.40	$44.00
FY 2004	10,446,454	$532,769.13	$51.00
FY 2005 (Est.)	8,494,529	$433,221.00	$51.00

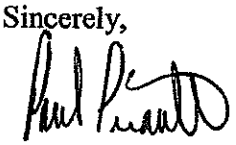
In order to increase volume and revenues, the NBC is requesting that the Septage Tank Waste Discharge Fee be lowered from $51 per thousand gallons to $42 per thousand gallons. This reduction in rates is expected to generate septage revenues at a similar level to the approved revenues.

NBC believes the above described tariff advice would result in improved, more equitable tariff rates. NBC also feels the change is in the best interest of the majority of its rate payers who do not use this service. Enclosed please find two copies of the tariff schedules showing the appropriate changes.

I certify that I have given notice to the Division of Public Utilities and Carriers and to the Attorney General. I have also arranged for the giving of notice to the public by arranging for a notice to be published in the *Providence Journal* legal ads on April 11, 2005.

Please notify Bill Cox at 401-461-8848 ext. 408 if you have any questions or require any additional information.

Sincerely,



Paul Pinault, P.E.
Executive Director

Cc: Division of Public Utilities & Carriers
Rhode Island Attorney General

Enclosures

DIV 1-46 To the extent not provided in response to the previous question, please provide any studies or analyses that examine the costs associated with:

l. Discharge permits
m. Connection permits
n. BOD/TSS treatment costs
o. Septage disposal costs

Answer: See response to DIV 1-45.

Prepared by: WEE