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Raymond J. Marshall, P.E.
Executive Director

April 3, 2008

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

Subject: Docket No. 3905 – NBC Rebuttal Testimony

Dear Ms. Massaro:

Attached please find an original and nine (9) copies of the Docket No. 3905, NBC Rebuttal Testimony.

Sincerely,

Karen L. Giebank
Director of Administration

Enclosures

Cc: Service List

**REBUTTAL TESTIMONY OF
WALTER E. EDGE JR. MBA CPA
PRESIDENT
B&E CONSULTING, LLC**

**for
THE NARRAGANSETT BAY COMMISSION**

DOCKET # 3905

April 2008

1 **Narragansett Bay Commission**

2
3 **PRE-FILED REBUTTAL TESTIMONY**
4 **OF WALTER E. EDGE Jr. MBA, CPA**
5

6 **Q. Good morning Mr. Edge. Are you the same Walter E. Edge Jr. that previously**
7 **filed direct testimony in this docket?**

8 A. Yes.
9

10 **Q. What is the purpose of your testimony?**

11 A. I have read the pre-filed direct testimony of Mr. Thomas Catlin and I have a few
12 comments. For the most part, I found Mr. Catlin's testimony reasonable. However
13 there are a few adjustments that were made that I believe, after further review and in
14 some cases additional information, should be adjusted.
15

16 **Q. How would you like to proceed with this testimony?**

17 A. I would like to address Mr. Catlin's issues in the same order as he has presented
18 them on his Schedule TSC-2 which is attached to his prefiled testimony.
19

20 **Q. The first adjustment listed on Schedule TSC-2 is for Residential Measured Use**
21 **Fees (a reduction of the revenue requirement in the amount of \$1,494,144.) What is**
22 **your position relating to this issue?**

23 A. In his testimony, Mr. Catlin correctly stated that NBC has projected a continuation of
24 the multi-year decline in NBC's user fee revenues for projecting the interim and rate year
25 revenues at current rates. It should be noted that the actual annual decline in user
26 revenues has been in all three customer classes (Residential, Commercial and Industrial).
27

28 **Q. What method did Mr. Catlin use to project the rate year revenue?**

29 A. Mr. Catlin used the test year consumption at current rates to project the rate year
30 revenue.
31

1 **Q. Isn't that the approach used in the stipulation in NBC's last rate docket?**

2 A. Yes. In the last docket, NBC did agreed through a stipulation to use the test year
3 consumption to calculate the rate year revenues but the actual results a revenue shortfall
4 in the rate year.

5
6 **Q. Do you now agree with Mr. Catlin's approach?**

7 A. No, I still believe (as does NBC) that the use of the test year consumption to project
8 the rate year revenues, when there is an obvious declining trend in revenues, will result in
9 a shortfall of revenue in the rate year. Revenue shortfalls have been an ongoing problem
10 for NBC for many years with the largest shortfall coming in FYE June 30, 2007.

11
12 On numerous occasions NBC has filed testimony addressing the problems it faces with
13 annual revenue shortfalls. NBC has pointed out that the declining trend in user
14 consumption may be the result of conservation, downsizing, businesses leaving R.I., or
15 even the recession. Regardless of the reason for the revenue decline, I expect that this
16 trend will continue.

17
18 **Q. What adjustment are you proposing to your initial projection of rate year user
19 fee revenue?**

20 A. Although I am sure that NBC will have a revenue shortfall in the rate year, I am not
21 certain if it will be as large as I originally projected. Therefore, given my uncertainty a
22 to the size of the shortfall and the fact that the Commission has previously approved the
23 method used by Mr. Catlin in his prefiled testimony, I will accept Mr. Catlin's rate year
24 revenue at current rates adjustment.

25
26 **Q. Mr. Edge, before leaving this item, do you have an opinion regarding Mr.
27 Catlin's use of rain fall information to determine user fee revenues trends?**

28 A. Yes. I do not believe that rain fall is a good indicator of revenue trends for NBC.
29 Further, I believe that rain fall has an adverse impact on NBC's operating costs because
30 NBC must process the combined sewer overflow.

1 **Q. Are you saying that rain fall has two negative impacts on NBC?**

2 A. Yes I am. Although I agree with Mr. Catlin that significant rainfall in the summer
3 can reduce the need for watering lawns it is unlikely that it will reduce the flow to NBC's
4 treatment facilities. NBC's customers may use less water on their lawns but not less in
5 their homes.

6
7 NBC's processing costs will actually increase (not decrease as it does with water
8 companies) when NBC processes the combined sewer overflow from the rain events. In
9 other words, NBC is faced with the worst of both worlds; 1) revenues will decline, 2)
10 while costs will increase as a result of significant rain events. Nevertheless, I am still
11 accepting Mr. Catlin's measured use fee adjustment.

12
13 **Q. Mr. Edge what adjustment would you like to discuss next?**

14 A. The next adjustment on Mr. Catlin's Schedule TSC-2 is a small adjustment to
15 interest income in the amount of \$7,000. This small adjustment is the result of Mr.
16 Catlin's position on NBC's request for a new Revenue Stability Fund. NBC has
17 requested in this filing the establishment of a new eight to nine million dollar Revenue
18 Stability Fund to be funded in the amount of \$1,500,000 a year. The funds would be
19 provided through operations (very similar to the 2% revenue reserve allowance recently
20 approved for Providence Water).

21
22 Mr. Catlin disagrees with NBC's request for this Revenue Stability Fund. It appears,
23 however, that Mr. Catlin would prefer NBC's previous proposal (in the last NBC docket)
24 to establish an O&M Reserve Fund (funded from debt service coverage carry-forward), at
25 the same level \$1,500,000 per year. NBC believes that either approach will address the
26 problem that NBC faced in FYE June 30, 2007 when there was a significant revenue
27 shortfall. Given that NBC has outstanding over \$432,000,000 of long term debt and
28 pays debt service payments each year in excess of \$32,000,000 it is extremely important
29 that NBC not miss a debt service payment.

1 **Q. What are you requesting at this time?**

2 A. NBC is requesting that the Commission chose either of the two revenue reserves.
3 NBC is requesting that the reserve be funded at a level of \$1,500,000 per year. If the
4 Commission selects the O&M Reserve Fund (funded from debt service coverage carry-
5 forward) the rate increase in this filing can be reduced by \$1,493,000. If however, the
6 Commission selects the Revenue Stability Fund to be funded with operating revenues my
7 initial prefiled testimony should not be adjusted.

8
9 **Q. The next adjustments made by Mr. Catlin were all related to Health Benefits**
10 **Costs, what is your position on these adjustments?**

11 A. I agree with Mr. Catlin's adjustment to reflect the most current health insurance
12 premium rates (provided by NBC) and his adjustment to reflect the average annual
13 employee levels in his calculation on Schedule TSC-4.

14
15 **Q. Do you agree with Mr. Catlin's third health insurance adjustments of \$50,000**
16 **due to the elimination of the cap on non-union employee contributions?**

17 A. Absolutely not. First, I believe that NBC is well within its management rights to
18 treat union and non-union employees the same regarding health care issues. Secondly,
19 NBC is having difficulty hiring non-union employees because professional salary levels
20 within the industry are greater than NBC's current salary levels and employee benefits
21 for NBC's non-union employees are less than NBC's union employees (and less than the
22 benefits paid non-union employees outside NBC but within the sewer treatment
23 industry.)

24
25 My third objection is the burdening of the non-union employees who, for the most part,
26 run NBC (one of the best run utilities in Rhode Island), with paying \$50,000 more for
27 their health insurance. I note that \$50,000 is only .0007 of the rate year revenue
28 requirement. Therefore, making this adjustment reduces ratepayer bills by less than one
29 10th of one percent. In my opinion, this adjustment for the ratepayers is not worth the
30 hard feelings it will cause for the NBC Board of Directors and the NBC non-union
31 employees.

1

2 **Q. What is your position regarding Mr. Catlin's adjustment to biosolids disposal**
3 **costs?**

4 A. After reviewing his calculation, I accept Mr. Catlin's adjustment for biosolids
5 disposal costs.

6

7 **Q. Do you agree with Mr. Catlin's maintenance & service agreement adjustment?**

8 A. Yes, with one exception. NBC has recently entered into a new maintenance and
9 service agreement with Siemens at Bucklin Point. This contract was not included in the
10 Division's calculation for their adjustment in the amount of \$123,351; but will be paid in
11 the rate year. The annual fee for this service is \$58,776 which will reduce Mr. Catlin's
12 adjustment from \$123,351 to \$64,575. The new contract is for _____.

13

14 **Q. The next adjustment on Mr. Catlin's Schedule TSC-2 is for insurance**
15 **premiums. How have you addressed this issue?**

16 A. I accept Mr. Catlin's adjustment for liability insurance (\$11,828). However, I am
17 concerned about his Workers' Comp. adjustment. I have discussed with NBC's
18 administration the Workers' Comp. claims that NBC currently has in the queue (about
19 \$400,000). Therefore, I am concerned about Mr. Catlin's Workers' Comp. insurance
20 adjustment in the amount of \$37,697. Nevertheless, given that the Workers' Comp.
21 adjustment is minor in amount, and the method used by Mr. Catlin is reasonable, I accept
22 Mr. Catlin's Workers' Comp. adjustment in this docket.

23

24 **Q. Do you accept Mr. Catlin's adjustment for regulatory expense?**

25 A. I recognize that Mr. Catlin and the Division are in a better position to calculate the
26 rate year PUC assessment, therefore I accept Mr. Catlin's regulatory expense adjustment.

27

28 **Q. Mr. Catlin has made an adjustment to electricity costs for the tunnel pump**
29 **station, do you agree with his adjustment?**

1 A. It is important to point out that there are no actual electric costs incurred to date
2 relating to the tunnel pump station. NBC's has only its engineering firm's "maximum
3 and minimum" estimates of electric cost for the tunnel pump.

4 In my prefiled testimony, I used the "maximum" electric cost amount to be conservative
5 and protect against unforeseen overages in the rate year. Mr. Catlin has calculated the
6 average of the "maximum and minimum" projected electric cost for the rate year.

7 Although I believe that Mr. Catlin's approach may be a bit optimistic, I understand his
8 logic, and accept his electric cost adjustment.

9
10 **Q. The last adjustment is to the operating revenue allowance. Do you agree with**
11 **Mr. Catlin's adjustment?**

12 A. NBC's position on the operating revenue allowance is dependent upon the
13 Commission's decision regarding the establishment of either an Operating Revenue
14 Reserve or a Revenue Stability Fund. If the Commission allows the establishment of
15 either of these two funds (an important safe guard to protect NBC outstanding debt),
16 NBC would accept the Division's net operating reserve calculation.

17
18 If however, the Commission rejects both of the revenue reserves, NBC continues its
19 prefiled position (adjusted for the items accepted above) for the calculation of the net
20 operating reserve. I am hopeful that the Commission will approve a revenue reserve
21 fund that will address significant revenue shortfalls like NBC experienced in FYE June
22 30, 2007.

23
24 **Q. Mr. Edge, have you provided updates to your schedules incorporating the**
25 **adjustments discussed in this testimony?**

26 A. Yes, I have attached the rebuttal schedules WEE R-1, R-2, R-3, and R-4.

27
28 **Q. Does that conclude your testimony?**

29 A. Yes.

Narragansett Bay Commission
Docket 3905 Rebuttal
Rate Year

Schedule WEE-1R

ACCT. NUMBER	BUDGET ACCOUNT	NBC Rate Year as Filed	Division Testimony Adjustments	Division Rate Year	NBC Rebuttal Adjustments	NBC Rebuttal Rate Year
Revenue						
41000	FLAT FEES RESIDENTIAL	\$13,121,918		\$13,121,918		\$13,121,918
41100	CONSUMPTION FEE - RESIDENTIAL	21,652,086	770,761	22,422,847		22,422,847.00
41501	FLAT FEES COMMERCIAL	8,108,166		8,108,166		8,108,166.00
41502	FLAT FEES INDUSTRIAL	-		-		-
41510	CONSUMPTION FEE - COMMERCIAL	18,818,409	540,167	19,358,576		19,358,576.00
41511	CONSUMPTION FEE - INDUSTRIAL	1,188,495	183,216	1,371,711		1,371,711.00
42000	PRETREATMENT FEES	1,163,397		1,163,397		1,163,397.00
42500	CONNECTION PERMIT FEES	205,589		205,589		205,589.00
43000	BOD/TSS SURCHARGE	139,815		139,815		139,815.00
43500	SEPTAGE INCOME	357,206		357,206		357,206.00
42602 & 42603	MISCELLANEOUS OPERATING INCOME	9,335		9,335		9,335.00
45100	INTEREST INCOME	513,603		513,603		513,602.50
45500	LATE CHARGE PENALTY	631,183		631,183		631,183.00
46500	ENVIRONMENTAL ENFORCEMENT	-		-		-
47500	GRANT	-		-		-
42600	ABATEMENT FEE	3,384		3,384		3,384.00
49005	CAPITAL CONTRIBUTIONS	-		-		-
	PREVIOUSLY RESTRICTED INCOME	330,000		330,000		330,000.00
	INTEREST INCOME REVENUE STABILITY FUND	7,000	(7,000)	-	7,000	7,000.00
49002	MISCELLANEOUS INCOME	57,512		57,512		57,512.00
TOTAL REVENUE		66,307,098	1,487,144	67,794,242	7,000	67,801,242
PERSONNEL SERVICES						
52100	UNION SALARY	4,994,886		4,994,886		4,994,886
52150	UNION OVERTIME	419,922		419,922		419,922
52300	NON-UNION REGULAR	7,642,527		7,642,527		7,642,527
52350	NON-UNION OVERTIME	87,974		87,974		87,974
52400	NON-UNION LIMITED	18,217		18,217		18,217
52800	UNION PENSION	1,055,419		1,055,419		1,055,419
52810	FICA	986,412		986,412		986,412
52820	UNEMPLOYMENT INSURANCE	11,443		11,443		11,443
52920	NON UNION PENSION	774,872		774,872		774,872
52940	UNION RETIREMENT HEALTH	272,721		272,721		272,721
52950	HEALTH INSURANCE	2,841,994	(110,583)	2,731,411	50,000	2,781,411
52970	DENTAL INSURANCE	203,574	(2,002)	201,572		201,572
52980	VISION INSURANCE	37,845		37,845		37,845
52990	DISABILITY INSURANCE	34,781		34,781		34,781
53000	SUPP PENSION RETIREES	931		931		931
53690	WORKMAN'S COMP. - OLD CLAIMS	50,566		50,566		50,566
TOTAL PERSONNEL SERVICES		19,434,082	(112,585)	19,321,497	50,000	19,371,497
59000	SALARY REIMBURSEMENT	(1,088,362)		(1,088,362)		(1,088,362)
59001	FRINGE REIMBURSEMENT	(595,688)		(595,688)		(595,688)
NET PERSONNEL SERVICES		17,750,032	(112,585)	17,637,447	50,000	17,687,447
OPERATING SUPPLIES/EXPENSES						
	TUNNEL IMPACT ON FIELD'S POINT FACILITY	150,793		150,793		150,793
52610	MEDICAL SVCS.	41,945		41,945		41,945
53210	POSTAGE	147,141		147,141		147,141
53240	DUES & SUBSCRIPTIONS	56,734		56,734		56,734
53250	FREIGHT	32,877		32,877		32,877
53310	PRINTING & BINDING	91,457		91,457		91,457
53320	ADVERTISING	21,548		21,548		21,548
53330	RENTAL- EQUIPMENT	39,146		39,146		39,146
53340	RENTAL- CLOTHING	47,943		47,943		47,943
53350	RENTAL-OUTSIDE PROPERTY	4,180		4,180		4,180
53360	MISCELLANEOUS EXPENSE	33,184		33,184		33,184
53370	PUBLIC OUTREACH EDUCATION	12,880		12,880		12,880
53410	LOCAL TRAVEL	4,447		4,447		4,447
53420	LONG DISTANCE TRAVEL	47,754		47,754		47,754
53470	BLDG. & GRND. MAINT.	103,881		103,881		103,881
53480	SLUDGE, ASH HAULING & DISPOSAL	4,885,454	36,520	4,921,974		4,921,974
53490	SCREENING & GRIT DISPOSAL	139,757		139,757		139,757

Narragansett Bay Commission
Docket 3905 Rebuttal
Rate Year

Schedule WEE-1R

ACCT. NUMBER	BUDGET ACCOUNT	NBC Rate Year as Filed	Division Testimony Adjustments	Division Rate Year	NBC Rebuttal Adjustments	NBC Rebuttal Rate Year
	BAD DEBT EXPENSE	60,000		60,000		60,000
57600	LOSS ON DISPOSAL OF ASSETS	-		-		-
53510	VEHICLE FUEL & MAINTENANCE	163,803		163,803		163,803
53610	REPAIR-BLDG & STRUCTURE	556,988		556,988		556,988
53620	REPAIR-HIGHWAY & WALKS	10,398		10,398		10,398
53630	MAINTENANCE/SERVICE AGREE.	639,527	(123,351)	516,176	58,776	574,952
53650	HIGHWAY & LANDSCAPE	4,712		4,712		4,712
53660	INSURANCE	386,400	(11,828)	374,572		374,572
53680	WORKMAN'S COMP. INSURANCE	583,978	(37,697)	546,281		546,281
53900	CENTRAL PHONE SVCS.	3,675		3,675		3,675
54000	TELEPHONE	123,239		123,239		123,239
54020	FUEL OIL #2 - DIESEL FOR EQUIPMENT	1,375		1,375		1,375
54060	FUEL-GAS	663,563		663,563		663,563
54090	ELECTRICITY	3,545,499	(31,044)	3,514,455		3,514,455
54110	WATER	50,605		50,605		50,605
54200	CLOTHING	29,961		29,961		29,961
54330	CHEM., HOUSE & LAUNDRY SUPPLIES	29,647		29,647		29,647
54332	CHEMICALS - CHLOR. / HYPOCHLORITE	347,280		347,280		347,280
54337	CHEMICALS - SODIUM BIFULFITE	151,983		151,983		151,983
54340	LAB SUPPLIES	232,884		232,884		232,884
54370	SUPPLIES BUILDING & MAINTENANCE	152,980		152,980		152,980
54410	EDUCATIONAL SUPP. & EXP.	88,442		88,442		88,442
54420	COMPUTER SUPPLIES	75,504		75,504		75,504
54430	OTHER OPERATING SUPPLIES & EXP.	8,453		8,453		8,453
54440	SAFETY EQUIPMENT	22,420		22,420		22,420
54500	OFFICE EXPENSE	64,440		64,440		64,440
<i>TOTAL OPERATING SUPP. & EXP.</i>		13,858,875	(167,400)	13,691,475	58,776	13,750,251
<i>PROFESSIONAL SERVICES</i>						
57800	BOND AND NOTE ISSUANCE COST	36,483		36,483		36,483
52600	REGULATORY EXPENSE	286,410	(25,280)	261,130	19,080	280,210
52650	SECURITY SERVICES	29,076		29,076		29,076
52660	LEGAL SERVICES	153,650		153,650		153,650
52670	MGMT/AUDIT SERVICES	2,238,541		2,238,541		2,238,541
52680	CLERICAL SERVICES	19,926		19,926		19,926
52690	OTHER SERVICES	111,113		111,113		111,113
<i>TOTAL PROFESSIONAL SERVICES</i>		2,875,199	(25,280)	2,849,919	19,080	2,868,999
<i>TOTAL OPERATIONS & MAINTENANCE</i>		34,484,107	(305,265)	34,178,842	127,856	34,306,698
<i>CAPITAL OUTLAYS</i>						
	DEPRECIATION	-		-		-
	AMORTIZATION	9,690		9,690		9,690
16500	EQUIPMENT	-		-		-
16510	AUTOMOTIVE EQUIP.	-		-		-
16520	BLDG. & PLANT EQUIP.	-		-		-
16530	CONSTRUCTION EQUIP.	-		-		-
16540	ED. AND REC. EQUIP.	-		-		-
16570	LABORATORY EQUIP.	-		-		-
16580	OFFICE FURN&EQUIP. COMPUT.	-		-		-
16583	COMPUTER SOFTWARE	-		-		-
16585	COMPUTER HARDWARE	-		-		-
16590	OTHER EQUIPMENT	-		-		-
16600	REPLACEMENT RESERVE	-		-		-
16610	BUILDING & OTHER STRUCT.	-		-		-
16630	IMP.-NOT BLDG OR STRUCT.	-		-		-
<i>TOTAL CAPITAL OUTLAYS</i>		9,690	-	9,690	-	9,690
<i>DEBT SERVICE</i>						
57913	LEASE INTEREST EXPENSE	26,562		26,562		26,562
	INTEREST EXPENSE	-		-		-
57920	DEBT SERVICE	32,554,796		32,554,796		32,554,796
	COVERAGE	8,138,699		8,138,699		8,138,699
58990	OTHER	-		-		-
<i>TOTAL DEBT SERVICE</i>		40,720,057	-	40,720,057	-	40,720,057
<i>Net Operating Reserve</i>		517,407	(175,522)	341,885	172,861	514,746
<i>Revenue Stability Fund</i>		1,500,000	(1,500,000)	-	1,500,000	1,500,000
TOTAL EXPENSES		77,231,261	(1,980,787)	75,250,474	1,800,717	77,051,191
NET INCOME		(\$10,924,164)	\$3,467,931	(\$7,456,233)	(\$1,793,717)	(\$9,249,950)

Docket 3905 Rebuttal

Adjustment to Consumption Based User Fee Revenue to Reflect Test Year Units

User Fee Revenues		TEST YEAR UNITS	DOCKET 3797 RATES	REVENUE
Residential				
	Dwelling Units	116,795	\$ 112.35	\$ 13,121,918
	Consumption:			
	Projected Units	9,711,064	2.309	22,422,847
Non-Residential - Metered Accounts				
	5/8"	3,827	253	968,120
	3/4"	973	378	367,780
	1"	1,089	628	683,644
	1 1/2"	839	1,259	1,056,130
	2"	1,685	2,013	3,391,518
	3"	76	3,771	285,043
	4"	38	6,285	240,393
	6"	56	12,574	707,239
	8"	18	20,118	372,169
	10"	1	28,920	36,130
Total Flat Fees from Metered Accounts		8,602		8,108,166
Commercial Consumption				
	Projected Units	5,780,405	3.349	19,358,576
Industrial Consumption				
	Projected Units	637,116	2.153	1,371,711
Total User Fee Revenues at Current Rates				64,383,218
Miscellaneous Revenue				
	DISCHARGE PERMIT FEES (PRETREATMENT)			1,163,397
	CONNECTION PERMIT FEES			205,589
	BOD/TSS SURCHARGE			139,815
	SEPTAGE INCOME			357,206
	MISC. OPERATING INCOME			9,335
	INTEREST INCOME			513,603
	LATE CHARGE PENALTY			631,183
	ABATEMENT			3,384
	PREVIOUSLY RESTRICTED INCOME			330,000
	INTEREST INCOME STABILITY FUND			7,000
	MISCELLANEOUS INCOME			57,512
				3,418,024
			Total Rate Year Revenues at Current Rates	\$ 67,801,242

Narragansett Bay Commission
Docket 3905 Rebuttal
Health Insurance

Schedule WEE-3R

NBC Rate Year Per Schedule WEE-5	\$	2,841,994
Division Testimony Adjustment		<u>(110,583)</u>
Division Rate Year		2,731,411
NBC Rebuttal Adjustment (Add back Non-union caps)		50,000
NBC Rebuttal Rate Year	\$	<u><u>2,781,411</u></u>

Narragansett Bay Commission
Docket 3905 Rebuttal
Maintenance & Service Agreements

Schedule WEE-4R

NBC Rate Year as Filed	\$	639,527
Division Testimony		<u>(123,351)</u>
Division Rate Year		516,176
NBC Rebuttal Adjustment (Siemens)		58,776
NBC Rebuttal Rate Year	\$	<u><u>574,952</u></u>

Narragansett Bay Commission
Docket 3905 Rebuttal
Calculation of Rate Increase

Schedule WEE-5R

Calculation of Percentage Increase in Revenue Requirement:

Revenue Increase (WEE-1R)	<u>\$9,249,950</u>	
Rate Year Revenue at Docket 3797 Rates and Projected Units (WEE-2R)	67,801,242	13.64%

Calculation of Across the Board Increase Percentage

Revenue Increase	9,249,950 (A)
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Revenue Items subject to an across-the-board increase:

Flat Fees Residential	13,121,918
Measured Fee - Residential	22,422,847
Flat Fees Commercial & Industrial	8,108,166
Measured Fee - Commercial	19,358,576
Measured Fee - Industrial	<u>1,371,711</u>

Total Revenue Available for Increase	<u><u>\$ 64,383,218</u></u> (B)
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Across-the-Board Percentage Increase	<u><u>14.37%</u></u> (A/B)
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Narragansett Bay Commission
Docket 3905 Rebuttal
Rate Year Revenue Proof

Schedule WEE-6R

User Fee Revenues		FY 2009	Proposed	
		Rate Year Units	Rates	Revenue
Residential				
	Dwelling Units	116,795	\$128.49	\$15,007,153
	Consumption:			
		9,711,064	2.641	25,646,920
Non-Residential - Metered Accounts				
	5/8"	3,827	289	1,107,322
	3/4"	973	432	420,592
	1"	1,089	718	781,788
	1 1/2"	839	1,440	1,207,916
	2"	1,685	2,302	3,878,990
	3"	76	4,313	325,615
	4"	38	7,188	274,580
	6"	56	14,381	808,185
	8"	18	23,008	425,425
	10"	1	33,075	39,690
Total Flat Fees from Metered Accounts		8,602		9,270,103
Commercial Consumption:				
		5,780,405	3.830	22,140,107
Industrial Consumption:				
		637,116	2.462	1,568,834
Total User Fee Revenues				73,633,118
Miscellaneous Revenue				
	DISCHARGE PERMIT FEES (PRETREATMENT)			1,163,397
	CONNECTION PERMIT FEES			205,589
	BOD/TSS SURCHARGE			139,815
	SEPTAGE INCOME			357,206
	MISC. OPERATING INCOME			9,335
	INTEREST INCOME			513,603
	LATE CHARGE PENALTY			631,183
	ABATEMENT			3,384
	PREVIOUSLY RESTRICTED INCOME			330,000
	MISCELLANEOUS INCOME			57,512
	INTEREST INCOME REVENUE STABILITY FUND			7,000
Total Service Revenue				\$77,051,142
Revenue Requirement (per WEE-1R)				77,051,191
Difference				\$ (50)

Narragansett Bay Commission
Docket 3905 Rebuttal
Effect on Ratepayers

Schedule WEE-7R

		Docket 3797 Rates	Proposed Rates	Dollar Increase	% Increase
97.6 HCF Residential	Customer Charge	\$112.35	\$128.49	\$16.14	
	Consumption	\$225.36	\$257.74	\$32.38	
	Total 97.6 HCF Residential	\$337.71	\$386.23	\$48.52	14.37%
5/8" meter, 244 HCF Commercial	Customer Charge	\$253.00	\$289.35	\$36.35	
	Consumption	\$817.16	\$934.56	\$117.40	
	Total 5/8" meter, 244 HCF Commercial	\$1,070.16	\$1,223.91	\$153.75	14.37%
2" meter, 2440 HCF Commercial	Customer Charge	\$2,013.00	\$2,302.21	\$289.21	
	Consumption	\$8,171.56	\$9,345.57	\$1,174.01	
	Total 2" meter, 2440 HCF Commercial	\$10,184.56	\$11,647.78	\$1,463.22	14.37%
5/8" meter, 244 HCF Industrial	Customer Charge	\$253.00	\$289.35	\$36.35	
	Consumption	\$525.33	\$600.80	\$75.47	
		\$778.33	\$890.15	\$111.82	14.37%
2" meter, 2440 HCF Industrial	Customer Charge	\$2,013.00	\$2,302.21	\$289.21	
	Consumption	\$5,253.32	\$6,008.07	\$754.75	
	Total 2" meter, 2440 HCF Industrial	\$7,266.32	\$8,310.27	\$1,043.95	14.37%