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May 30, 2008

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

RECEIVED  
2008 MAY 30 PM 2:13

Re: PUC Docket No. 3942  
Kent County Water Authority/  
Providence Water Supply Board

Dear Luly:

Enclosed please find Kent County Water Authority's Response to Data Requests of the Division of Public Utilities and Carriers. Further enclosed please find nine copies as well as a CD of the same. An e-mail of the same was sent to the attached service list today.

Very truly yours,

  
Joseph J. McGair, Esq.

JJM:dd  
Enc.

KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Response Data Requests of the  
Division of Public Utilities & Carriers

Set I

- Div 1-1      With reference to Mr. Brown's testimony at page 2, please explain what adjustments were made to FY 2006 and FY 2007 sales and identify actual sales for those years.
- A.      Adjustments to sales consist of estimating due to inability for an actual read or incorrect electronic readings used for billing. The "actual sales" are those shown on page 2. The pre-adjusted amounts were incorrect for reason in first sentence of the answer.

KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Response Data Requests of the  
Division of Public Utilities & Carriers

Set I

- Div 1-2      Please provide actual sales by customer class for the most recent 12 months available.
- A.      See attached. Please be aware that adjustments to billed amounts shown may continue to occur.

KENT COUNTY WATER ACTUAL SALES ABY CLASS (MAY 2007 THROUGH APRIL 2008)

DIV 1-2

BILL MONTH	GOVT	ADJ	TOTAL GOVT	IND/COM	ADJ	TOTAL IND/COM	RES	ADJ	TOTAL RES
APR 2008	\$22,752.31		\$22,752.31	\$180,768.65	\$267.03	\$181,035.68	\$677,634.03	-\$584.30	\$677,049.73
MAR 2008	\$78,970.28		\$78,970.28	\$372,839.95		\$372,839.95	\$795,035.61	-\$86.00	\$794,949.61
FEB 2008	\$14,352.49		\$14,352.49	\$143,860.24	\$105.75	\$143,965.99	\$645,857.78	-\$2,350.21	\$1,471,999.34
JAN 2008	\$25,968.81		\$25,968.81	\$187,344.72		\$187,344.72	\$780,252.39	-\$629.88	\$779,622.51
DEC 2007	\$102,966.45	\$133.78	\$103,100.23	\$439,678.99	\$1,476.60	\$441,155.59	\$1,106,079.67	-\$20,354.81	\$1,085,724.86
NOV 2007	\$28,842.19		\$28,842.19	\$163,231.50		\$163,231.50	\$867,741.25	\$2,133.56	\$1,865,347.37
OCT 2007	\$28,972.89		\$28,972.89	\$219,165.70	-\$182.10	\$218,983.60	\$984,746.72	\$256.24	\$985,002.96
SEP 2007	\$104,796.08		\$104,796.08	\$526,053.94	-\$10.87	\$526,043.07	\$1,665,436.05	-\$550.70	\$1,664,885.35
AUG 2007	\$23,922.81		\$23,922.81	\$171,229.21	-\$181.16	\$171,048.05	\$911,534.25	-\$7,045.77	\$2,649,888.31
JUL 2007	\$26,802.96	\$176.29	\$26,979.25	\$240,014.47	-\$619.02	\$239,395.45	\$1,006,544.81	\$1,204.26	\$1,007,749.07
JUN 2007	\$81,150.33	-\$465.00	\$80,685.33	\$427,716.30	\$1,169.41	\$428,885.71	\$971,278.25	-\$61.59	\$971,216.66
MAY 2007	\$15,440.82		\$15,440.82	\$177,232.29	-\$21.74	\$177,210.55	\$693,721.77	-\$381.23	\$1,978,965.73
TOTALS	\$554,938.42	-\$154.93	\$554,783.49	\$3,249,135.96	\$2,003.90	\$3,251,139.86	\$11,105,862.58	-\$28,450.43	\$11,077,412.15

BILL MONTH	GOVT	ADJ	TOTAL GOVT	IND/COM	ADJ	TOTAL IND/COM	RES	ADJ	TOTAL RES
APR 2008	573,267		573,267	5,397,566	9,359	5,406,925	15,856,454	-15,417	15,841,037
MAR 2008	2,173,832		2,173,832	10,342,229		10,342,229	19,558,094	28,100	19,586,194
FEB 2008	357,639		357,639	4,317,838	-400	4,317,438	15,337,378	-62,711	15,274,667
JAN 2008	655,848		655,848	5,523,240		5,523,240	18,560,466	15,954	18,576,420
DEC 2007	2,888,882	3,530	2,892,412	12,330,759	-41,992	12,288,767	28,380,154	-530,019	27,850,135
NOV 2007	780,949		780,949	4,918,258		4,918,258	21,862,248	-6,742	21,855,506
OCT 2007	772,333		772,333	6,698,930	-300	6,698,630	25,108,052	-22,551	25,085,501
SEP 2007	3,059,938		3,059,938	15,362,633	-300	15,362,333	44,976,569	-15,200	44,961,369
AUG 2007	653,745		653,745	5,319,693	-9,500	5,310,193	23,396,659	-198,100	23,198,559
JUL 2007	707,649	2,316	709,965	7,433,266	-17,086	7,416,180	25,686,799	36,842	25,723,641
JUN 2007	2,354,248	-12,000	2,342,248	12,393,863	30,000	12,423,863	25,411,542	-3,700	25,407,842
MAY 2007	405,915		405,915	5,599,068		5,599,068	17,375,086	-8,707	17,366,379
TOTALS	15,384,245	-6,154	15,378,091	95,637,343	-30,219	95,607,124	281,509,501	-782,251	280,727,250



KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Response Data Requests of the  
Division of Public Utilities & Carriers

Set I

- Div 1-3 Please state whether it is KCWA's intent to continue watering restrictions (e.g., odd-even or side of street) in the future. If yes, please explain what conditions need to exist for such restrictions to be lifted, especially in light of the claimed declining sales and the large reductions in sales to two large customers.
- A. Odd-Even is a demand management tool and is now a permanent part of our regulations. It is yearly not seasonally imposed and is designed to reduce the maximum day consumption to manageable means. There are no conditions that warrant lifting a demand management tool that is designed specifically for reducing maximum day consumption which in KCWA's case is the critical point for supply.

KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Response Data Requests of the  
Division of Public Utilities & Carriers

Set I

- Div 1-4      With regard to the proposed charges for the violation of moratoriums on the use of water discussed at Pages 9-10 of Mr. Brown's testimony, please state what constitutes a moratorium or water use restriction called for in a water emergency and the specific conditions under which such a moratorium or water restriction could be imposed.
- A.      Any type of supply emergency that could render KCWA in a position that we can't supply. In the past it has been emergency main ruptures, system maintenance and excessive demand for water. The odd-even demand management tool is also a restriction and is imposed on a yearly basis.

KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Response Data Requests of the  
Division of Public Utilities & Carriers

Set I

- Div 1-5 Please explain whether KCWA's recent practice of imposing watering restrictions would constitute a water emergency under which the enforcement charges would apply. If yes, please explain why.
- A. No, a watering restriction (odd-even) is not an emergency but will be subject to the proposed tariff for violating. Adherence to the restrictions (odd-even) in most cases is expected to avoid the need for the more restrictive use restriction of a moratorium.

KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Response Data Requests of the  
Division of Public Utilities & Carriers

Set I

- Div 1-6      If the answer to the prior question was yes, please identify the projected revenue that would be generated from such charges based on recent experience.
- A.      No revenue is projected from this new tariff. It is expected that if implemented and noticed to the customers, the severity of the violation will negate the need to implement the penalties.

KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Response Data Requests of the  
Division of Public Utilities & Carriers

Set I

Div 1-7 Please provide a copy of the review of benefits report prepared by KCWA's independent broker for FY 2008 as referenced on Page 10 of Mr. Brown's testimony.

A. Attached.

**Health & Dental Insurance Renewal  
For**

**Kent County Water Authority**

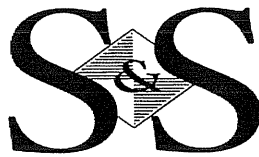
*May 2008*

Presented by:

**Claire Teitleman  
Account Executive, Employee Benefits  
Starkweather & Shepley Insurance Brokerage, Inc.**

**DISCLAIMER:** This proposal or summary is provided for illustration purposes only; it is not a legal contract and is based on information provided by the client/prospect. It is provided to facilitate your understanding of your insurance program. Please refer to the actual policies for specific terms, conditions, limitations, and exclusions that will govern in the event of a loss.





## Starkweather & Shepley Inc.

### Areas of Specialization

Starkweather & Shepley specializes in a wide variety of Employee Benefit plan types and lines of coverage – non-contributory, contributory and voluntary – as follows:

#### Medical & Dental Plans

- HSA Plans
- HRA Plans
- Health Maintenance Organization (HMO) Plans
- Point-of-service (POS) Plans
- Preferred Provider Organization (PPO) Plans
- Self-insured Plans
- Medical Gap Plans

#### Other Employee Benefit Plans

- Short and Long-Term Disability
- Vision
- Group Life/AD&D
- Section 125, Flexible Spending Account Plans (FSA)
- Reimbursement Accounts (HRA) & Health Savings Accounts (HSA)
- Voluntary Plans
- **Long-Term Care** (group, executive carve out and voluntary direct bill)
- Retirement plans (401k, 403b), pension/profit sharing plans, Simple IRA's, SEP's
- Special Risk & Travel Accident Coverage
- Group Pre-Paid Legal & Theft Identity Coverage

#### Additional Coverages & Services Available from Starkweather & Shepley

- Estate Planning Resources for life insurance, retirement, tax and financial planning
- Business Continuation Planning, Key Person Life & Disability Insurance Coverage
- Commercial Insurance – Property, Casualty, Auto and Workers' Compensation
- Personal Insurance – Homeowners, Auto, Umbrella, Personal Property and Boats
- Surety – Bid Performance, Payment and Miscellaneous Bonds and Fiduciary Liability



# Business Insurance

www.BusinessInsurance.com

As seen the week of:

July 16, 2007

## SPOTLIGHT

# 100 largest brokers of U.S. business

Ranked by 2006 brokerage revenues generated by U.S.-based clients\*

2006 rank	2005 rank	Company	2006 revenue	% change
1	1	Marsh & McLennan Cos. Inc.	\$5,341,740,000	1.9%
2	2	Aon Corp.	\$2,750,690,000	3.4%
3	3	Arthur J. Gallagher & Co.	\$1,250,886,000	4.1%
4	4	Willis Group Holdings Ltd.	\$1,100,270,000	4.5%
5	5	Wells Fargo Insurance Services Inc.	\$1,008,737,000	5.1%
6	6	Brown & Brown Inc.	\$864,662,662	11.5%
7	7	BB&T Insurance Services Inc.	\$842,295,600	11.2%
8	8	Hilb Rogal & Hobbs Co.	\$682,816,221	5.7%
9	9	USI Holdings Corp.	\$546,306,000	8.3%
10	11	Lockton Cos. L.L.C.	\$453,441,090 <sup>1</sup>	19.2%
11	10	Wachovia Insurance Services Inc.	\$451,077,801	6.1%
12	12	Hub International Ltd.	\$391,813,991	27.5%
13	13	Alliant Insurance Services Inc.	\$228,247,524	10.7%
14	15	ABD Insurance & Financial Services <sup>2</sup>	\$168,367,000	2.2%
15	17	Leavitt Group	\$146,184,000	28.7%
16	14	Jardine Lloyd Thompson Group P.L.C.	\$143,997,191 <sup>3</sup>	2.5%
17	18	Keenan & Associates	\$132,225,000	17.8%
18	16	CBIZ Benefits & Insurance Services Inc.	\$114,700,000	9.6%
19	19	Frank Crystal & Co. Inc.	\$112,545,000	6.8%
20	25	Bollinger Inc.	\$103,871,255	24.3%
21	20	Meadowbrook Insurance Group Inc.	\$98,735,000	4.1%
22	24	John L. Wortham & Son L.P.	\$94,635,000	11.6%
23	23	Commerce Banc Insurance Service Inc.	\$93,823,000	6.5%
24	21	Hylant Group	\$90,014,223	1.2%
25	31	Hays Group Inc. dba Hays Cos.	\$85,000,000	18.2%
26	26	Regions Insurance Group Inc.	\$84,032,000	6.0%
27	30	J. Smith Lanier & Co.	\$81,250,386	11.0%
28	35	Mesirow Insurance Services Inc.	\$80,417,980 <sup>4</sup>	20.4%
29	29	Holmes Murphy & Associates Inc.	\$79,113,383	5.2%
30	28	NIA Group L.L.C.	\$78,600,000	1.6%
31	New	UnionBanc Insurance Services Inc.	\$77,974,000	-2.4%
32	40	Tanenbaum-Harber Co. Inc.	\$77,727,125	38.5%
33	32	Allied North America	\$75,860,305	8.9%
34	36	Sky Insurance Inc.	\$69,619,207	11.7%
35	37	IMA Financial Group Inc.	\$69,143,901	16.2%
36	34	Guaranty Insurance Services Inc.	\$68,738,794	2.3%
37	33	Compass Insurance Agency Inc.	\$67,132,756	-0.5%
38	38	BancorpSouth Insurance Services Inc.	\$67,018,430	15.8%
39	39	Neace Lukens Holding Co.	\$65,284,628	12.9%
40	41	Insurance Office of America Inc.	\$64,013,000	15.9%
41	43	Heffernan Group	\$63,105,000	17.4%
42	44	Rutherford Cos.	\$59,607,936 <sup>5</sup>	12.2%
43	46	Associated Financial Group L.L.C.	\$55,245,756	10.1%
44	66	Beecher Carlson Holdings Inc.	\$53,753,000	65.2%
45	51	James B. Oswald Co. dba Oswald Cos.	\$53,718,390	24.5%
46	New	InterWest Insurance Services Inc.	\$51,017,913	-0.3%
47	49	Woodruff-Sawyer & Co.	\$50,967,500	12.2%
48	45	TD Banknorth Insurance Agency Inc.	\$50,740,412	5.8%
49	47	Frenkel & Co. Inc.	\$50,644,572	5.8%
50	48	Wausau Signature Agency	\$49,998,698	5.9%

2006 rank	2005 rank	Company	2006 revenue	% change
51	62	Trion Group Inc. dba Trion	\$49,800,000	30.7%
52	58	Mahoney Group	\$48,500,989	18.5%
53	53	Van Gilder Insurance Corp.	\$48,110,297	20.7%
54	57	Cottingham & Butler Inc.	\$47,566,000	15.6%
55	56	Barney & Barney L.L.C.	\$45,570,000	8.4%
56	New	Integro USA Inc.	\$45,000,000	N/A
57	52	Marshall & Sterling Enterprises Inc.	\$44,116,104	5.2%
58	55	Western States Insurance	\$43,794,816	6.7%
59	New	First Niagara Risk Management Inc.	\$43,766,910	58.8%
60	61	Capacity Group of Cos.	\$42,587,600	10.2%
61	59	Horton Group Inc.	\$42,151,180	4.1%
62	54	Graham Co.	\$41,827,673	0.8%
63	60	William Gallagher Associates Insurance Brokers Inc.	\$41,697,945	3.4%
64	50	Webster Insurance Inc.	\$38,771,609	-11.5%
65	64	Riggs, Counselman, Michaels & Downes Inc.	\$37,854,515	8.7%
66	68	DeWitt Stern Group Inc.	\$37,757,610	15.8%
67	New	Jenkins Athens Insurance Services	\$37,724,025	11.4%
68	63	McQueary Henry Bowles Troy L.L.P.	\$37,600,000	7.1%
69	New	ONB Insurance Group	\$36,475,299	11.4%
70	69	Andreini & Co.	\$36,000,000	10.4%
71	67	Eastern Insurance Group L.L.C.	\$35,448,930	7.4%
72	New	Treiber Group L.L.C.	\$34,000,000	6.3%
73	71	Fringe Benefits Management Co.	\$33,746,578	6.2%
74	72	Higginbotham & Associates Inc.	\$33,268,572	8.0%
75	77	Roger Bouchard Insurance Inc.	\$33,195,646	9.6%
76	76	Bowen, Miclette & Britt Inc.	\$33,136,213	10.7%
77	75	North American Insurance Agency Inc. dba North American Group	\$32,460,348	10.0%
78	70	Bratrud Middleton Insurance Brokers Inc.	\$32,311,000	4.2%
79	74	Lawley Service Inc.	\$32,280,870	7.8%
80	73	Loomis Co.	\$32,130,280	5.0%
81	78	Dawson Insurance Inc.	\$32,019,822	12.3%
82	86	Assurance Agency Ltd.	\$31,077,000	11.4%
83	88	Fred A. Moreton & Co.	\$30,541,000	22.6%
84	81	Scott Insurance	\$30,210,000	11.7%
85	87	Seitlin	\$29,529,530	17.9%
86	82	Starkweather & Shepley Insurance Brokerage Inc.	\$29,361,000	9.2%
87	79	Payne Financial Group Inc.	\$29,156,478	2.5%
88	83	Lovitt & Touche Inc.	\$28,645,441	6.8%
89	80	Frost Insurance Inc.	\$28,576,336	1.8%
90	85	Parker, Smith & Feek Inc.	\$28,016,000	5.0%
91	New	Kinloch Holdings Inc.	\$27,000,000	N/A
92	84	R.C. Knox & Co. Inc.	\$26,614,000	0.3%
93	New	Haylor, Freyer & Coon Inc.	\$26,290,000 <sup>6</sup>	6.5%
94	95	TrueNorth Cos.	\$25,737,302	25.7%
95	93	Cobbs, Allen & Hall Inc.	\$25,379,280	16.6%
96	90	James G. Parker Insurance Group	\$25,131,000 <sup>7</sup>	6.7%
97	New	SilverStone Group Inc.	\$24,849,000	1.6%
98	92	Robertson Ryan & Associates Inc.	\$23,917,894	6.3%
99	89	Daniel & Henry Co.	\$23,406,000	-3.4%
100	91	RJF Agencies Inc.	\$23,179,000	0.1%

\*Companies that derive less than 20% of revenues from commercial retail brokerage or employee benefits are not ranked. 1 Fiscal year ending 4/30. 2 Has signed an agreement to be purchased by Wells Fargo & Co. 3 Converted at the applicable rate. 4 Fiscal year ending 3/31. 5 Fiscal year ending 6/30. 6 Fiscal year ending 8/31. 7 Fiscal year ending 5/31. N/A=Not applicable  
Source: BI survey  
Researched by Kevin Edison and Karen Tucker

The full, searchable 2007 Directory of Agents & Brokers is available online at [www.BusinessInsurance.com/Directories](http://www.BusinessInsurance.com/Directories). Access to the online database is free to subscribers of *Business Insurance*. A printed compilation of BI's exclusive databases are available in an annual Market SourceBook edition published each December in print and on CD-rom.

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## A. M. BEST FINANCIAL RATINGS

<u>COMPANY</u>	<u>RATING</u>	<u>FINANCIAL SIZE CATEGORY</u>
BLUE CROSS BLUE SHIELD OF RI	B+	(IX)
UNITED HEALTHCARE	A	

*The financial strength and security of the insurance companies that underwrite your business is of paramount importance. With this in mind, you will note that we have provided the A.M. Best's Rating of the insurance company in your insurance Proposal. For more information on this important topic, we suggest that you visit their website at [www.ambest.com](http://www.ambest.com).*



## EXECUTIVE SUMMARY

Again this year, I was asked to "market" the health and dental insurance for Kent County Water Authority. The increase for KCWA's group health insurance with Blue Cross Blue Shield of RI reflects a modest 4.3%. One of the reasons for a mild increase is the introduction of a new (mandated) pharmacy benefit, designed to save premium dollars. One of the components of this new benefit is a fourth "tier" for specialty drugs (comprised of self-administered injectables, plus very high cost drugs). Please see the entire Managed Rx description contained in the "Health Financial" section of this renewal proposal.

In addition to incorporating their new Managed Rx plan, BC/BS is recommending that all of their small companies move to higher co-payments for prescription coverage. This would result in a 2.3% increase to your premium.

In marketing to UnitedHealth Care, there were no savings this year, unless KCWA wanted to move to a Health Reimbursement Arrangement whereby all expenses would be applied toward a high deductible and reimbursed to members by KCWA through a special arrangement with United. This would involve extensive education for employees and their dependents.

My recommendation for this year would be to accept the modest increase (2.3%) from Blue Cross and Blue Shield and move to the higher co-payments for prescriptions which have now become standard for all small companies. As you may have heard, the trend for pharmacy in the USA is over 18% and is one of the main factors driving the high cost of medical care.

The retiree rates have increased significantly this year (25%), due in large part to increased pharmacy costs. As you know, our government introduced a Medicare D plan to seniors for prescription coverage and their utilization estimates were under-estimated.

The dental rates from BC/BS RI are **very** competitive this year, saving Kent County Water over \$22,000 for the next three years for the same plan design. Therefore, I am recommending a move to BC/BS for dental.

In addition, if you move to a BC/BS dental plan this year, my services would be free to KCWA, as the commission for dental would replace the \$1,000 consultant fee to Starkweather & Shepley.





# Kent County Water Authority

## Renewal 5/1/08

BC/BS Product Comparison Highlights	Healthmate \$15/25	Healthmate \$15/25	Healthmate 100/80	Healthmate 100/80
	current	\$7/30/50Rx	\$250 Deductible	\$500 Deductible
<b>IN-NETWORK:</b>				
<b>OFFICE VISIT CO-PAYS:</b>				
Primary Care Physician	\$15	\$15	\$15	\$15
Specialist Office Visit	\$25	\$25	\$25	\$25
Routine Eye Exam	\$25	\$25	\$25	\$25
Chiropractor	\$25	\$25	\$25	\$25
Urgi.-Centers	\$25	\$25	\$25	\$25
Calendar Year Deductible - Individual/Family	N/A	N/A	\$250/\$500	\$500/\$1,000
Co-payment Out-of-Pocket Maximum	N/A	N/A	N/A	N/A
<b>HOSPITAL SERVICES:</b>				
Emergency Room Co-pay	\$100	\$100	\$100	\$100
Outpatient	\$0	\$0	Deductible applies	Deductible applies
Inpatient	\$0	\$0	Deductible applies	Deductible applies
<b>LAB &amp; X-RAY:</b>				
Preventive (mammograms, pap smears, blood work)	\$0	\$0	\$0	\$0
Diagnostic	\$0	\$0	Deductible applies	Deductible applies
CT scans, MRIs, Nuclear Medicine	0%	0%	Deductible applies	Deductible applies
<b>PRESCRIPTION BENEFITS:</b>				
Retail - 30 day supply	\$7/25/40/40*	\$7/30/50/75*	\$7/30/50/75	\$7/30/50/75
Mail Order - 90 day supply (2 1/2 copays)	17.50/62.50/100/100	\$17.50/75/125/187.50	\$17.50/75/125/187.50	\$17.50/75/125/187.50
<b>OTHER SERVICES:</b>				
Ambulance Services	20% copayment	20% copayment	20% co-payment	20% co-payment
Physical/Occupational & Speech Therapies	20% copayment	20% copayment	Deductible applies	Deductible applies
Home Health Services	\$0	\$0	Deductible applies	Deductible applies
Durable Medical Equipment	20% copayment	20% copayment	20% after Deductible	20% after Deductible
<b>DEPENDENT COVERAGE:</b>				
To age 19	To end of yr./age 19	To end of yr./age 19	To end of yr./age 19	To end of yr./age 19
Full or Part-Time Student	To end of yr./age 26	To end of yr./age 26	To end of yr./age 26	To end of yr./age 26
<b>OUT-OF-NETWORK:</b>	<b>OUT-OF-NETWORK:</b>	<b>OUT-OF-NETWORK:</b>	<b>OUT-OF-NETWORK:</b>	<b>OUT-OF-NETWORK:</b>
Calendar Year Deductible - Individual/Family	\$200/\$600	\$200/\$600	\$250/\$500	\$500/\$1,000
Coinsurance	20% of elig exp	20% of elig exp	20% after Deductible	20% after Deductible
Out of Pocket Maximum	\$3,000/\$9,000	\$3,000/\$9,000	\$4,000/\$8,000	\$4,000/\$8,000
Increase/Decrease	4.3%	2.3%	-2.3%	-4.5%

\*New Managed Rx for all BC/BS companies this year. Please see description of new benefit in the Health Financial section.

**BLUE CROSS AND BLUE SHIELD OF RHODE ISLAND**  
**SMALL GROUP RATE CHANGE EXPLANATION**

Group Name: KENT COUNTY WATER AUTHORI  
 Group Number: 269  
 Marketing Rep: Jason Graveline

Change in Rating Components from: 5/2007 to 5/2008

<u>Rate Change Components</u>	<u>HM C2C 15</u> <u>Package</u>
A. Change in Community Base Rates (1):	8.8%
B. Change in Census (2,5):	-0.1%
C. Change in Health Status:	-5.8%
D. Rate Change Before Cap (3):	2.4%
E. Impact of 4:1 rate ratio (4):	0%
F. Change in Community Rated Riders:	0%
<b>G. Total Change in Product Premium (5,6):</b>	<b>2.4%</b>

Overall Change In Total Premium (4): 2.4%

**Notes:**

- (1) Base rate change reflects increased cost and utilization within small group pool.
- (2) Reflects age- and gender- based changes in group's demographics. (i.e. any changes between enrollment in the prior period and the enrollment used to develop renewal rates, as described in Note 6)
- (3) By formula, the total change in product premium is the product of multiplying the changes in lines A, B, and C  
'(i.e. For HM C2C 15 it is  $[(1 + 0.088) \times (1 + -0.001) \times (1 + -0.058) = (1.024)]$ , or 2.4% )'
- (4) In 2002, adjusted group rates (excluding community rated riders) were capped by a 4 to 1 rate ratio. (i.e. No rate for a small employer renewing in a period can exceed 4 times the lowest rate for a small employer renewing in the same period).
- (5) By formula, the total change in product premium is the product of multiplying the changes in lines D, E, and F  
'(i.e. For HM C2C 15 it is  $[(1 + 0.024) \times (1 + 0.000) \times (1 + 0.000) = (1.024)]$ , or 2.4% )'
- (6) Based on enrollment used develop renewal rates:

	INDIVIDUAL	IND/SPOUSE	IND/CHILD(REN)	FAMILY
HM C2C 15	6	8	1	19

Rates Effective May 01, 2008 - May 01, 2009

		Single 6 Contracts	Emp. & Sp. 8 Contracts	Emp. & Ch. 1 Contracts	Family 19 Contracts	Estimated Annualized Premium	% Renewal Increase (Decrease)	\$ Renewal Increase (Decrease)
<b>CARRIER:</b>								
<b>Blue Cross Healthmate Coast to Coast Current Plans</b>								
Company Sponsored Plan	Healthmate Coast to Coast 15 / 25	\$460.49	\$1,082.16	\$736.78	\$1,220.30	\$424,112	N/A	N/A
	\$15 / \$25 Office Visit, \$100 Emergency Room, \$7, \$25, \$40 Rx, 100% Hospital	6	8	1	19			
Company Sponsored Plan	Healthmate Coast to Coast 15 / 25	\$471.85	\$1,132.45	\$754.96	\$1,274.00	\$442,220	4.3%	\$18,108
	\$15 / \$25 Office Visit, \$100 Emergency Room, \$7, \$25, \$40/40 Rx, 100% Hospital	6	8	1	19			

**Financial Analysis  
Rates Effective May 01, 2008 - May 01, 2009**

		Single 6 Contracts	Emp. & Sp. 8 Contracts	Emp. & Ch. 1 Contracts	Family 19 Contracts	Estimated Annualized Premium	% Renewal Increase (Decrease)	\$ Renewal Increase (Decrease)
<b>CARRIER:</b>								
<b>Blue Cross Healthmate Coast to Coast</b>								
Option Number								
1	<b>Healthmate Coast to Coast 100/80 (\$250 Ded)</b> \$15 / \$25 Office Visit, \$100 Emergency Room, \$7, \$25, \$40/\$40 RX: \$250 / 2 per family Deductible, 100% / 80%. Deductible applies to: 100% In-Patient / Out-Patient Hospital, Diagnostic Lab & X-rays, 80% Physical / Speech / Occupational Therapy, DME & Ambulance.	\$450.92	\$1,082.22	\$721.48	\$1,217.49	\$422,605	-0.4%	(\$1,508)
2	<b>Healthmate Coast to Coast 100/80 (\$500 Ded)</b> \$15 / \$25 Office Visit, \$100 Emergency Room, \$7, \$25, \$40/\$40 RX: \$500 / 2 per family Deductible, 100% / 80%. Deductible applies to: 100% In-Patient / Out-Patient Hospital, Diagnostic Lab & X-rays, 80% Physical / Speech / Occupational Therapy, DME & Ambulance.	\$441.06	\$1,058.56	\$705.70	\$1,190.87	\$413,365	-2.5%	(\$10,748)
3	<b>Healthmate Coast to Coast 100/80 (\$1,000 Ded)</b> \$15 / \$25 Office Visit, \$100 Emergency Room, \$7, \$25, \$40/\$40 RX: \$1,000 / 2 per family Deductible, 100% / 80%. Deductible applies to: 100% In-Patient / Out-Patient Hospital, Diagnostic Lab & X-rays, 80% Physical / Speech / Occupational Therapy, DME & Ambulance.	\$403.94	\$969.46	\$646.31	\$1,090.64	\$378,573	-10.7%	(\$45,539)
4	<b>Healthmate Coast to Coast 90/70 (\$500 Ded)</b> \$15 / \$25 Office Visit, \$100 Emergency Room, \$7, \$25, \$40/\$40 RX: \$500 / 2 per family Deductible, 90%, \$2,500 / 2 per family Out Of Pocket Maximum. Deductible applies to: 90% In-Patient / Out-Patient Hospital, Diagnostic Lab & X-rays, Physical / Speech / Occupational Therapy, DME & Ambulance.	\$413.84	\$993.22	\$662.14	\$1,117.37	\$387,852	-8.5%	(\$36,261)



**Financial Analysis  
Rates Effective May 01, 2008 - May 01, 2009**

Option Number	CARRIER:	Single 6	Emp. & Sp. 8	Emp. & Ch. 1	Family 19	Estimated Annualized Premium	% Renewal Increase (Decrease)	\$ Renewal Increase (Decrease)
		Contracts	Contracts	Contracts	Contracts	Contracts	Contracts	Contracts
	<b>Blue Cross Healthmate Coast to Coast</b>							
5	<p><b>Healthmate Coast to Coast 80/60 (\$1,000 Ded)</b>                      \$15 / \$25 Office Visit, \$100 Emergency Room, \$7, \$25, \$40/\$40 RX,                      \$1,000 / 2 per family Deductible, 80%,                      \$4,000 / 2 per family Out Of Pocket Maximum.                      Deductible applies to:                      80% In Patient / Out Patient Hospital, Diagnostic Lab &amp; X-rays,                      Physical / Speech / Occupational Therapy, DME &amp; Ambulance.</p>	\$373.94	\$897.46	\$598.31	\$1,009.64	\$350,457	-17.49%	(\$73,655)
6	<p><b>Healthmate Coast to Coast 80/60 (\$2,000 Ded)</b>                      \$15 / \$25 Office Visit, \$100 Emergency Room, \$7, \$25, \$40/\$40 RX,                      \$2,000 / 2 per family Deductible, 80%,                      \$5,000 / 2 per family Out Of Pocket Maximum.                      Deductible applies to:                      80% In Patient / Out Patient Hospital, Diagnostic Lab &amp; X-rays,                      Physical / Speech / Occupational Therapy, DME &amp; Ambulance.</p>	\$345.61	\$829.47	\$552.98	\$933.15	\$323,907	-23.6%	(\$100,205)
7	<p><b>Healthmate HSA 100/60 (\$1,500/\$3,000)</b>                      Preventive Care Services (annual exams, well child visits, immunizations, PAP smears, screening mammograms and PSA tests) covered at 100%                      \$1,500 / \$3,000 Deductible. For all other services including prescriptions,                      Coverage for all services is 100% after Deductible is met.</p>	\$347.13	\$833.11	\$555.41	\$937.25	\$325,330	-23.3%	(\$98,783)
8	<p><b>Healthmate HSA 100/60 (\$3,000/\$6,000)</b>                      Preventive Care Services (annual exams, well child visits, immunizations, PAP smears, screening mammograms and PSA tests) covered at 100%                      \$3,000 / \$6,000 Deductible. For all other services including prescriptions                      Coverage for all services is 100% after Deductible is met.</p>	\$276.47	\$663.53	\$442.36	\$746.48	\$259,110	-38.9%	(\$165,002)

Rates are based on the census data and employer contributions provided. All rates are subject to change if significant modifications are made in either year enrollment



Rates Effective May 01, 2008 - May 01, 2009

		<b>CARRIER:</b>									
Option Number		Single 6 Contracts	Emp. & Sp. 8 Contracts	Emp. & Ch. 1 Contracts	Family 19 Contracts	Estimated Annualized Premium	% Renewal Increase (Decrease)	\$ Renewal Increase (Decrease)			
	<b>Blue Cross &amp; Blue Shield BlueChip</b>										
9	<b>Blue Chip 15 / 25 Flex</b> \$15 / \$25 Office Visit; \$100 Emergency Room; \$7, \$25, \$40 / \$40 Rx; 100% Hospital.	\$458.30	\$1,099.93	\$733.28	\$1,237.42	\$429,522	1.3%	\$5,410			
10	<b>State of RI Healthpact Basic Plan</b> \$30 / \$60 Office Visit; \$200 Emergency Room; \$10, \$40, \$75 Rx Copayment after \$250 / \$500 Deductible. \$5,000 / \$10,000 Deductible; 80% / 60% \$5,000 / \$10,000 Out Of Pocket Max. Deductible applies to: 80% In Patient / Out Patient Hospital; Diagnostic Lab & X-rays, 60% DME & Ambulance. No Coverage for Routine Eye Exam & Chiropractic Services.	\$311.58	\$747.81	\$498.53	\$841.29	\$292,020	-31.1%	(\$132,092)			
11	<b>State of RI Healthpact Advantage Plan</b> \$10 / \$50 Office Visit; \$200 Emergency Room; \$10, \$40, \$75, Rx. \$750 / \$1,500 Deductible; 90% / 80% \$2,000 / \$4,000 Out Of Pocket Max. Deductible applies to: 90% In Patient / Out Patient Hospital; Diagnostic Lab & X-rays, 80% DME & Ambulance. No Coverage for Routine Eye Exam & Chiropractic Services.	\$311.58	\$747.81	\$498.53	\$841.29	\$292,020	-31.1%	(\$132,092)			

**Financial Analysis  
Rates Effective May 01, 2008 - May 01, 2009**

		<b>CARRIER:</b>									
Option Number		Single 6 Contracts	Emp. & Sp. 8 Contracts	Emp. & Ch. 1 Contracts	Family 19 Contracts	Estimated Annualized Premium	% Renewal Increase (Decrease)	\$ Renewal Increase (Decrease)			
	<b>Blue Cross Healthmate Coast to Coast</b>										
12	<b>Healthmate Coast to Coast 15 / 25</b> \$15 / \$25 Office Visit, \$100 Emergency Room, \$7, \$30, \$50/\$75 Rx, 100% Hospital.	\$462.98	\$1,111.16	\$740.77	\$1,250.05	\$433,907	2.3%	\$9,794			
13	<b>Healthmate Coast to Coast 100/80 (\$250 Ded)</b> \$15 / \$25 Office Visit, \$100 Emergency Room, \$7, \$30, \$50 /\$75 Rx, \$250//2 per family Deductible, 100% / 80%. Deductible applies to: 100% In Patient / Out Patient Hospital, Diagnostic Lab & X-rays, 80% Physical / Speech / Occupational Therapy, DME & Ambulance.	\$442.05	\$1,060.93	\$707.29	\$1,193.54	\$414,291	-2.3%	(\$9,821)			
14	<b>Healthmate Coast to Coast 100/80 (\$500 Ded)</b> \$15 / \$25 Office Visit, \$100 Emergency Room, \$7, \$30, \$50 /\$75 Rx, \$500 / 2 per family Deductible, 100% / 80%. Deductible applies to: 100% In Patient / Out Patient Hospital, Diagnostic Lab & X-rays, 80% Physical / Speech / Occupational Therapy, DME & Ambulance.	\$432.19	\$1,037.27	\$691.51	\$1,166.92	\$405,051	-4.5%	(\$19,061)			
15	<b>Healthmate Coast to Coast 100/80 (\$1,000 Ded)</b> \$15 / \$25 Office Visit, \$100 Emergency Room, \$7, \$30, \$50/\$75 Rx, \$1,000 / 2 per family Deductible, 100% / 80%. Deductible applies to: 100% In Patient / Out Patient Hospital, Diagnostic Lab & X-rays, 80% Physical / Speech / Occupational Therapy, DME & Ambulance.	\$395.07	\$948.17	\$632.12	\$1,066.69	\$370,260	-12.7%	(\$53,852)			

Rates are based on the census data and employer contributions provided. Rates are subject to change without notice. Rates are subject to other rates enrollment.



**Financial Analysis  
Rates Effective May 01, 2008 - May 01, 2009**

		<b>CARRIER:</b>	<b>Single 6 Contracts</b>	<b>Emp. &amp; Sp. 8 Contracts</b>	<b>Emp. &amp; Ch. 1 Contracts</b>	<b>Family 19 Contracts</b>	<b>Estimated Annualized Premium</b>	<b>% Renewal Increase (Decrease)</b>	<b>\$ Renewal Increase (Decrease)</b>
Option Number		<b>Blue Cross Healthmate Coast to Coast</b>							
16	<p><b>Healthmate Coast to Coast 90/70 (\$500 Ded)</b>                      \$15 / \$25 Office Visit, \$100 Emergency Room, \$7, \$30, \$50 / \$75 Rx,                      \$500 / 2 per family Deductible, 90%                      \$2,500 / 2 per family Out Of Pocket Maximum.                      Deductible applies to:                      90% In Patient / Out Patient Hospital, Diagnostic Lab &amp; X-rays,                      Physical / Speech / Occupational Therapy, DME &amp; Ambulance.</p>	\$404.97	\$971.93	\$647.95	\$1,093.42	\$379,538	-10.5%	(\$44,574)	
17	<p><b>Healthmate Coast to Coast 80/60 (\$1,000 Ded)</b>                      \$15 / \$25 Office Visit, \$100 Emergency Room, \$7, \$30, \$50 / \$75 Rx,                      \$1,000 / 2 per family Deductible, 80%                      \$4,000 / 2 per family Out Of Pocket Maximum.                      Deductible applies to:                      80% In Patient / Out Patient Hospital, Diagnostic Lab &amp; X-rays,                      Physical / Speech / Occupational Therapy, DME &amp; Ambulance.</p>	\$365.07	\$876.17	\$584.12	\$985.69	\$342,144	-19.3%	(\$81,968)	
18	<p><b>Healthmate Coast to Coast 80/60 (\$2,000 Ded)</b>                      \$15 / \$25 Office Visit, \$100 Emergency Room, \$7, \$30, \$50, \$75 Rx,                      \$2,000 / 2 per family Deductible, 80%                      \$5,000 / 2 per family Out Of Pocket Maximum.                      Deductible applies to:                      80% In Patient / Out Patient Hospital, Diagnostic Lab &amp; X-rays,                      Physical / Speech / Occupational Therapy, DME &amp; Ambulance.</p>	\$336.74	\$808.18	\$538.79	\$909.20	\$315,594	-25.6%	(\$108,519)	
19	<p><b>Healthmate HSA 100/60 (\$1,500/\$3,000)</b>                      Preventive Care Services (annual exams, well child visits, immunizations, PAP smears, screening mammograms and PSA tests) covered at 100%                      \$1,500 / \$3,000 Deductible. For all other services including prescriptions:                      Coverage for all services is 100% after Deductible is met.</p>	\$347.13	\$833.11	\$555.41	\$937.25	\$325,330	-23.3%	(\$98,783)	

Rates are based on the census data and employer contributions provided. All rates are subject to change if significant modifications are made in either term enrollment.

		Single 6 Contracts	Emp. & Sp. 8 Contracts	Emp. & Ch. 1 Contracts	Family 19 Contracts	Estimated Annualized Premium	% Renewal Increase (Decrease)	\$ Renewal Increase (Decrease)
	<b>CARRIER:</b>							
	<b>Blue Cross Healthmate Coast to Coast.</b>							
Option Number		\$276.47	\$663.53	\$442.36	\$746.48	\$259,110	-38.9%	(\$165,002)
20	<b>Healthmate HSA 100/60 (\$3,000/\$6000)</b> Preventive Care Services (annual exams, well child visits, immunizations, PAP smears, screening mammograms and PSA tests) covered at 100%, \$3,000 / \$6,000 Deductible. For all other services including prescriptions, Coverage for all services is 100% after Deductible is met.							

Rates Effective May 01, 2008 - May 01, 2009

		<b>CARRIER:</b>						
		<b>United Healthcare 2007 (AM Best Rating = A)</b>						
Option Number		Single 6 Contracts	Emp. & Sp. 8 Contracts	Emp. & Ch. 1 Contracts	Family 19 Contracts	Estimated Annualized Premium	% Renewal Increase (Decrease)	\$ Renewal Increase (Decrease)
21	<b>Plan 3RA Traditional (H9)</b> \$10 Office Visit, \$100 Emergency Room, \$10, \$30, \$50 Rx, 100% Hospital.	\$490.93	\$1,055.50	\$1,006.41	\$1,350.04	\$456,561	7.7%	\$32,449
22	<b>Plan 3RB Traditional (H9)</b> \$15 / \$25 Office Visit, \$100 Emergency Room, \$10, \$30, \$50 Rx, 100% In Patient Hospital & \$250 Outpatient Hospital Copayment.	\$474.47	\$1,020.11	\$972.67	\$1,304.78	\$441,254	4.0%	\$17,142
23	<b>Plan 3RK Traditional (H9)</b> \$20 Office Visit, \$100 Emergency Room, \$10, \$30, \$50 Rx, \$500 / \$1,000 Deductible, 100% Deductible applies to: 100% In Patient / Out Patient Hospital, Cat Scan, Pet Scan, MRI, MRA & Nuclear Medicine, DME & Ambulance.	\$433.57	\$932.18	\$888.82	\$1,192.31	\$403,219	-4.9%	(\$20,894)
24	<b>Plan 3RI Traditional (H9)</b> \$20 Office Visit, \$100 Emergency Room, \$10, \$30, \$50 Rx, \$1,000 / \$2,000 Deductible, 100% Deductible applies to: 100% In Patient / Out Patient Hospital, Cat Scan, Pet Scan, MRI, MRA & Nuclear Medicine, DME & Ambulance.	\$393.76	\$846.59	\$807.21	\$1,082.83	\$366,195	-13.7%	(\$57,917)



**Financial Analysis  
Rates Effective May 01, 2008 - May 01, 2009**

		<b>CARRIER:</b>						
		<b>United Healthcare 2007 (AM Best Rating = A)</b>						
Option Number		Single 6 Contracts	Emp. & Sp. 8 Contracts	Emp. & Ch. 1 Contracts	Family 19 Contracts	Estimated Annualized Premium	% Renewal Increase (Decrease)	\$ Renewal Increase (Decrease)
25	<b>HSA 7AU (\$2,850/\$5,700 Ded.) (H9)</b> Annual preventive exam & preventive tests, imaging & screenings; 100% \$2,850 / \$5,700. Deductible for all other services including Prescriptions, Coverage for all services, 100% after Deductible is met. Prescriptions: \$10, \$30, \$50 after Deductible.	\$261.56	\$562.35	\$536.20	\$719.28	\$243,248	-42.6%	(\$180,864)
26	<b>HSA 7AT (\$2,000/\$4,000 Ded.) (H9)</b> Annual preventive exam & preventive tests, imaging & screenings; 100% \$2,000 / \$4,000. Deductible for all other services including Prescriptions, Coverage for all services, 100% after Deductible is met. Prescriptions: \$10, \$30, \$50 after Deductible.	\$291.04	\$625.73	\$596.63	\$800.34	\$270,662	-36.2%	(\$153,450)

**HEALTH  
COMPARISON**

### Health Plan Comparison

	Blue Cross Healthmate Coast to Coast Healthmate Coast to Coast 15 / 25 Company Plan		Blue Cross Healthmate Coast to Coast Healthmate Coast to Coast 100/80 (\$250 Ded)	Blue Cross Healthmate Coast to Coast Healthmate Coast to Coast 100/80 (\$500 Ded)
	Current \$424,112	Renewal \$442,220	\$433,907	\$414,291
Estimated Annual Premium: % Renewal Increase (Decrease) % Renewal Increase (Decrease)				\$405,051
Calendar Year Deductible	N/A	N/A	\$500 / 2 per family	\$500 / 2 per family
Out of Pocket Maximum	N/A	N/A	N/A	N/A
Primary Care Provider Necessary	No	No	No	No
<b>In Network Services:</b>				
<b>HOSPITAL SERVICES:</b>				
• Inpatient (Semi-private room), related services and supplies	100%	100%	100% Deductible Applies	100% Deductible Applies
• Outpatient Procedures & Surgery	100%	100%	100% Deductible Applies	100% Deductible Applies
• Emergency/Room Services	\$100 Co-payment	\$100 Co-payment	\$100 Co-payment	\$100 Co-payment
<b>URGENT CARE CENTERS:</b>				
• Walk-In Treatment Centers	\$25 Co-payment	\$25 Co-payment	\$25 Co-payment	\$25 Co-payment
<b>OFFICE VISITS:</b>				
• Well Visits	\$15 Co-payment	\$15 Co-payment	\$15 Co-payment	\$15 Co-payment
• Primary Care Physician	\$15 Co-payment	\$15 Co-payment	\$15 Co-payment	\$15 Co-payment
• Specialty Physician	\$25 Co-payment	\$25 Co-payment	\$25 Co-payment	\$25 Co-payment
• Allergy or Dermatology Services	\$25 Co-payment	\$25 Co-payment	\$25 Co-payment	\$25 Co-payment
• Chiropractic ( Blue Cross 12 Visits / United 20 Visits )	\$25 Co-payment	\$25 Co-payment	\$25 Co-payment	\$25 Co-payment
• Routine Eye Exam	\$25 Co-payment	\$25 Co-payment	\$25 Co-payment	\$25 Co-payment
<b>INDEPENDENT LAB, X-RAY, CLINICS</b>				
• Lab and X-Ray Services (Preventive)	100%	100%	100%	100%
• Lab and X-Ray Services (Diagnostic)	100%	100%	100% Deductible Applies	100% Deductible Applies
<b>MENTAL HEALTH / CHEMICAL DEPENDENCY SERVICES:</b>				
• Inpatient Mental Health / Chemical Dependency	100%	100%	100% Deductible Applies	100% Deductible Applies
• Outpatient Mental Health INDIVIDUAL	\$25 Co-payment	\$25 Co-payment	\$25 Co-payment	\$25 Co-payment
• Outpatient Mental Health GROUP	\$15 Co-payment	\$15 Co-payment	\$25 Co-payment	\$25 Co-payment
• Outpatient Chemical Dependency INDIVIDUAL	\$25 Co-payment	\$25 Co-payment	\$25 Co-payment	\$25 Co-payment
• Outpatient Chemical Dependency GROUP	\$15 Co-payment	\$15 Co-payment	\$25 Co-payment	\$25 Co-payment
<b>PHARMACY SERVICES:</b>				
• Prescription Drugs (31 Day Supply) Generic	\$7	\$7	\$7	\$7
• Prescription Drugs (31 Day Supply) Name Brand	\$25	\$30	\$30	\$30
• Prescription Drugs (31 Day Supply) Non Formulary	\$40/\$40	\$50/\$75	\$50/\$75	\$50/\$75
• Mail Order (90 Day Supply)	2.5 Co-payments	2.5 Co-payments	2.5 Co-payments	2.5 Co-payments
<b>OTHER SERVICES:</b>				
• Physical/Speech/Occ Therapy (United 20 Visits)	100% / 80%	100% / 80%	80% Deductible Applies	80% Deductible Applies
• Durable Medical Equipment	80%	80%	80% Deductible Applies	80% Deductible Applies
• Ambulance (Land)	80%	80%	80% Deductible Applies	80% Deductible Applies
<b>OUT OF NETWORK SERVICES:</b>				
• Annual Deductible	\$200 / 3 per family	\$200 / 3 per family	\$250 / 2 per family	\$500 / 2 per family
• Copayment After Deductible	\$15 / \$25 Co-payment Plus 20%	\$15 / \$25 Co-payment Plus 20%	\$15 / \$25 Co-payment Plus 20%	\$15 / \$25 Co-payment Plus 20%
• Out of Pocket Limit	\$3,000 / 3 per family	\$3,000 / 3 per family	\$4,000 / 2 per family	\$4,500 / 2 per family
• Maximum Benefit	Unlimited	Unlimited	Unlimited	Unlimited



## Health Plan Comparison

	Blue Cross Healthmate Coast to Coast Healthmate Coast to Coast 15 / 25 Company Plan		Blue Cross Healthmate Coast to Coast Healthmate Coast to Coast 100/80 (\$1,000 Ded)	Blue Cross Healthmate Coast to Coast Healthmate Coast to Coast 90/70 (\$500 Ded)	Blue Cross Healthmate Coast to Coast Healthmate Coast to Coast 80/60 (\$1,000 Ded)
	Current \$424,112	Renewal \$442,220	\$370,260	\$379,538	\$342,144
Estimated Annual Premium % Renewal Increase (Decrease) \$ Renewal Increase (Decrease)			\$1,000 / 2 per family	\$500 / 2 per family	\$1,000 / 2 per family
Calendar Year Deductible	N/A	N/A	N/A	\$2,500 / 2 per family	\$4,000 / 2 per family
Out of Pocket Maximum	No	No	No	No	No
Primary Care Provider Necessary	No	No	No	No	No
<b>In Network Services</b>					
<b>HOSPITAL SERVICES:</b>					
Inpatient: Semi-private room, related services and supplies					
Outpatient: Procedures & Surgery					
Emergency Room Services					
<b>URGENT CARE CENTERS:</b>					
Walk-in Treatment Centers					
<b>OFFICE VISITS:</b>					
Well Visits					
Primary Care Physician					
Specialty Physician					
Allergy or Dermatology Services					
Chiropractic ( Blue Cross 12 Visits / United 20 Visits )					
Routine Eye Exam					
<b>INDEPENDENT LAB, X-RAY, CLINICS</b>					
Lab and X-Ray Services (Preventive)					
Lab and X-Ray Services (Diagnostic) (Ultrasound, Per-Scan, MRI, & Nuclear Medicine)					
<b>MENTAL HEALTH / CHEMICAL DEPENDENCY SERVICES:</b>					
Inpatient Mental Health / Chemical Dependency					
Outpatient Mental Health INDIVIDUAL					
Outpatient Mental Health GROUP					
Outpatient Chemical Dependency INDIVIDUAL					
Outpatient Chemical Dependency GROUP					
<b>PHARMACY SERVICES:</b>					
Prescription Drugs (31 Day Supply) Generic					
Prescription Drugs (31 Day Supply) Name Brand					
Prescription Drugs (31 Day Supply) Non Formulary					
Mail Order (90 Day Supply)					
<b>OTHER SERVICES:</b>					
Physical/Speech/Occ Therapy (United 20 Visits)					
Durable Medical Equipment					
Ambulance (Land)					
<b>OUT OF NETWORK SERVICES:</b>					
Annual Deductible					
Co-payment After Deductible					
Out of Pocket Limit					
Maximum Benefit					

### Health Plan Comparison

	Blue Cross Healthmate Coast to Coast Healthmate Coast to Coast 15 / 25 Company Plan		Blue Cross Healthmate Coast to Coast Healthmate Coast to Coast 80 / 60 (\$2,000 Ded)	Blue Cross Healthmate Coast to Coast Healthmate HSA 100 / 60 (\$1,500 / \$3,000)	Blue Cross Healthmate Coast to Coast Healthmate HSA 100 / 60 (\$5,000 / \$6,000)
	Current \$424,112	Renewal \$442,220			
Estimated Annual Premium			\$315,594	\$325,330	\$259,110
% Renewal Increase (Decrease)					
\$ Renewal Increase (Decrease)					
Calendar Year Deductible	N/A	N/A	\$2,000 / 2 per family \$5,000 / 2 per family	\$1,500 / \$3,000 \$1,500 / \$3,000	\$3,000 / \$6,000 \$3,000 / \$6,000
Out of Pocket Maximum	No	No	No	NO	NO
Primary Care Provider Necessary	No	No	No	NO	NO
<b>In Network Services</b>					
<b>HOSPITAL SERVICES:</b>					
• Inpatient Semi-private room, related services and supplies	100%		80% Deductible Applies	100% Deductible Applies	100% Deductible Applies
• Outpatient Procedures & Surgery	100%		80% Deductible Applies	100% Deductible Applies	100% Deductible Applies
• Emergency Room Services	\$100 Co-payment		\$100 Co-payment	100% Deductible Applies	100% Deductible Applies
<b>URGENT CARE CENTERS:</b>					
• Walk-in Treatment Centers	\$25 Co-payment		\$25 Co-payment	100% Deductible Applies	100% Deductible Applies
<b>OFFICE VISITS:</b>					
• Well Visits	\$15 Co-payment		\$15 Co-payment	100%	100%
• Primary Care Physician	\$15 Co-payment		\$15 Co-payment	100% Deductible Applies	100% Deductible Applies
• Specialty Physician	\$25 Co-payment		\$25 Co-payment	100% Deductible Applies	100% Deductible Applies
• Allergy or Dermatology Services	\$25 Co-payment		\$25 Co-payment	100% Deductible Applies	100% Deductible Applies
• Chiropractic ( Blue Cross 12 Visits / United 20 Visits )	\$25 Co-payment		\$25 Co-payment	100% Deductible Applies	100% Deductible Applies
• Routine Eye Exam	\$25 Co-payment		\$25 Co-payment	100% Deductible Applies	100% Deductible Applies
<b>INDEPENDENT LAB, X-RAY, CLINICS</b>					
• Lab and X-Ray Services (Preventive)	100%		100%	100%	100%
• Lab and X-Ray Services (Diagnostic) (Ultrasound, Scan, Per Scan, MRI, & Nuclear Medicine)	100%		80% Deductible Applies	100% Deductible Applies	100% Deductible Applies
<b>MENTAL HEALTH / CHEMICAL DEPENDENCY SERVICES:</b>					
• Inpatient Mental Health / Chemical Dependency	100%		80% Deductible Applies	100% Deductible Applies	100% Deductible Applies
• Outpatient Mental Health INDIVIDUAL	\$25 Co-payment		\$25 Co-payment	100% Deductible Applies	100% Deductible Applies
• Outpatient Mental Health GROUP	\$15 Co-payment		\$25 Co-payment	100% Deductible Applies	100% Deductible Applies
• Outpatient Chemical Dependency INDIVIDUAL	\$25 Co-payment		\$25 Co-payment	100% Deductible Applies	100% Deductible Applies
• Outpatient Chemical Dependency GROUP	\$15 Co-payment		\$25 Co-payment	100% Deductible Applies	100% Deductible Applies
<b>PHARMACY SERVICES:</b>					
• Prescription Drugs (31 Day Supply) Generic	\$7		\$7	100% Deductible Applies	100% Deductible Applies
• Prescription Drugs (31 Day Supply) Name Brand	\$40 / \$40		\$30 \$50 / \$75	100% Deductible Applies	100% Deductible Applies
• Prescription Drugs (31 Day Supply) Non Formulary	2-5 Co-payments		2-5 Co-payments	100% Deductible Applies	100% Deductible Applies
• Mail Order (90 Day Supply)					
<b>OTHER SERVICES:</b>					
• Physical/Speech/Occ Therapy (United 20 Visits)	100% / 80%		80% Deductible Applies	100% Deductible Applies	100% Deductible Applies
• Durable Medical Equipment	80%		80% Deductible Applies	100% Deductible Applies	100% Deductible Applies
• Ambulance (Land)	80%		80% Deductible Applies	100% Deductible Applies	100% Deductible Applies
<b>OUT OF NETWORK SERVICES:</b>					
• Annual Deductible	\$200 / 3 per family		\$2,000 / 2 per family	\$1,500 / 2 per family	\$3,000 / 2 per family
• Copayment/After-Deductible	\$15 / \$25 Co-payment Plus 20%		\$15 / \$25 Co-payment Plus 40%	40%	40%
• Out of Pocket Limit	\$3,000 / 3 per family		\$8,000 / 2 per family	\$3,000 / 2 per family	\$6,000 / 2 per family
• Maximum Benefit	Unlimited		Unlimited	Unlimited	Unlimited



### Health Plan Comparison

	Blue Cross Healthmate Coast to Coast Healthmate Coast to Coast 15 / 25 Company Plan		United Healthcare 2007 (AM Best Rating = A) Plan 3RA Traditional (H9)	United Healthcare 2007 (AM Best Rating = A) Plan 3RB Traditional (H9)	United Healthcare 2007 (AM Best Rating = A) Plan 3RK Traditional (H9)
Estimated Annual Premium: % Renewal Increase (Decrease) \$ Renewal Increase (Decrease)	Current \$424,112	Renewal \$442,220	\$456,561	\$441,254	\$403,219
Calendar Year Deductible	N/A	N/A	N/A	N/A	\$500 / \$1,000
Out of Pocket Maximum	N/A	N/A	N/A	N/A	N/A
Primary Care Provider Necessary	No	No	No	No	No
<b>In Network Services</b>					
<b>HOSPITAL SERVICES:</b>					
• Inpatient, Semi-private room, related services and supplies	100%	100%	100%	100%	100% Deductible Applies
• Outpatient Procedures & Surgery	100%	100%	100%	\$250 Copayment	100% Deductible Applies
• Emergency Room Services	\$100 Co-payment	\$100 Co-payment	\$100 Co-payment	\$100 Co-payment	\$100 Co-payment
<b>URGENT CARE CENTERS:</b>					
• Walk-In Treatment Centers	\$25 Co-payment	\$25 Co-payment	\$25 Co-payment	\$35 Co-payment	\$50 Co-payment
<b>OFFICE VISITS:</b>					
• Well Visits	\$15 Co-payment	\$15 Co-payment	\$10 Co-payment	\$15 Co-payment	\$20 Co-payment
• Primary Care Physician	\$15 Co-payment	\$15 Co-payment	\$10 Co-payment	\$15 Co-payment	\$20 Co-payment
• Specialty Physician	\$25 Co-payment	\$25 Co-payment	\$10 Co-payment	\$25 Co-payment	\$20 Co-payment
• Allergy or Dermatology Services	\$25 Co-payment	\$25 Co-payment	\$10 Co-payment	\$15 Co-payment	\$20 Co-payment
• Chiropractic ( Blue Cross 12 Visits / United 20 Visits )	\$25 Co-payment	\$25 Co-payment	\$10 Co-payment	\$15 Co-payment	\$20 Co-payment
• Routine Eye Exam	\$25 Co-payment	\$25 Co-payment	\$10 Co-payment Every 2 Years	\$15 Co-payment Every 2 Years	\$20 Co-payment Every 2 Years
<b>INDEPENDENT LAB, X-RAY, CLINICS</b>					
• Lab and X-Ray Services (Preventive)	100%	100%	100%	100%	100%
• Lab and X-Ray Services (Diagnostic) (United Cat Scan, Per Scan, MRI, & Nuclear Medicine)	100%	100%	100%	100%	100% Deductible Applies
<b>MENTAL HEALTH / CHEMICAL DEPENDENCY SERVICES:</b>					
• Inpatient Mental Health / Chemical Dependency	100%	100%	100%	100%	100% Deductible Applies
• Outpatient Mental Health INDIVIDUAL	\$25 Co-payment	\$10 Co-payment	\$10 Co-payment	\$25 Co-payment	\$20 Co-payment
• Outpatient Mental Health GROUP	\$15 Co-payment	\$10 Co-payment	\$10 Co-payment	\$25 Co-payment	\$20 Co-payment
• Outpatient Chemical Dependency INDIVIDUAL	\$25 Co-payment	\$10 Co-payment	\$10 Co-payment	\$25 Co-payment	\$20 Co-payment
• Outpatient Chemical Dependency GROUP	\$15 Co-payment	\$10 Co-payment	\$10 Co-payment	\$25 Co-payment	\$20 Co-payment
<b>PHARMACY SERVICES:</b>					
• Prescription Drugs (31 Day Supply) Generic	\$7	\$7	\$10	\$10	\$10
• Prescription Drugs (31 Day Supply) Name Brand	\$45	\$40/\$40	\$30	\$30	\$30
• Prescription Drugs (31 Day Supply) Non Formulary	\$40/\$40	\$40/\$40	\$50	\$50	\$50
• Mail Order (90 Day Supply)	2.5 Co-payments	2.5 Co-payments	2.5 Co-payments	2.5 Co-payments	2.5 Co-payments
<b>OTHER SERVICES:</b>					
• Physical/Speech/Occ Therapy (United 20 Visits)	100% / 80%	100% / 80%	\$10 Co-payment	\$15 Co-payment	\$20 Co-payment
• Durable Medical Equipment	80%	80%	100% (\$2500 Max)	100% (\$2500 Max)	100% Deductible Applies (\$2500 Max)
• Ambulance (Land)	80%	80%	100%	100%	100% Deductible Applies
<b>OUT OF NETWORK SERVICES:</b>					
• Annual Deductible	\$200 / 3 per family	\$200 / 3 per family	\$350 / \$700	\$350 / \$700	\$1,000 / \$2,000
• Copayment After Deductible	\$15 / \$25 Co-payment Plus 20%	\$15 / \$25 Co-payment Plus 20%	20% Copayment	20% Copayment	20% Copayment
• Out of Pocket Limit	\$3,000 / 3 per family	\$3,000 / 3 per family	\$2,850 / \$5,700	\$2,850 / \$5,700	\$4,000 / \$8,000
• Maximum Benefit	Unlimited	Unlimited	\$5,000,000	\$5,000,000	\$5,000,000

### Health Plan Comparison

	Blue Cross Healthmate Coast to Coast	Healthmate Coast to Coast 15 / 25	United Healthcare 2007 (AM Best Rating = A) Plan 3RI Traditional (H9)	United Healthcare 2007 (AM Best Rating = A) HSA 7AU (\$2,850/\$5,700 Ded.) (H9)	United Healthcare 2007 (AM Best Rating = A) HSA 7AT (\$2,000/\$4,000 Ded.) (H9)
Estimated Annual Premium: % Renewal Increase (Decrease) / Renewal Increase (Decrease)	Current: \$424,192 Renewal: \$442,220	\$366,195	\$243,248	\$270,662	
Calendar Year Deductible	N/A	\$1,000 / \$2,000	\$2,850 / \$5,700	\$2,000 / \$4,000	
Out of Pocket Maximum	N/A	N/A	\$4,850 / \$9,700	\$4,000 / \$8,000	
Primary Care Provider Necessary	No	No	No	No	
<b>In Network Services:</b>					
<b>HOSPITAL SERVICES:</b>					
Inpatient Semi-private room, related services and supplies	100%	100% Deductible Applies	100% Deductible Applies	100% Deductible Applies	
Outpatient Procedures & Surgery	100%	100% Deductible Applies	100% Deductible Applies	100% Deductible Applies	
Emergency Room Services	\$100 Co-payment	\$100 Co-payment	100% Deductible Applies	100% Deductible Applies	
<b>URGENT CARE CENTERS:</b>					
Walk-In Treatment Centers	\$25 Co-payment	\$50 Co-payment	100% Deductible Applies	100% Deductible Applies	
<b>OFFICE VISITS:</b>					
Well Visits	\$15 Co-payment	\$20 Co-payment	100%	100%	
Primary Care Physician	\$15 Co-payment	\$20 Co-payment	100% Deductible Applies	100% Deductible Applies	
Specialty Physician	\$25 Co-payment	\$20 Co-payment	100% Deductible Applies	100% Deductible Applies	
Allergy or Dermatology Services	\$25 Co-payment	\$20 Co-payment	100% Deductible Applies	100% Deductible Applies	
Chiropractic (Blue Cross 12 Visits / United 20 Visits)	\$25 Co-payment	\$20 Co-payment	100% Deductible Applies	100% Deductible Applies	
Routine Eye Exam	\$25 Co-payment	\$20 Co-payment Every 2 Years	100% Deductible Applies Every 2 Years	100% Deductible Applies Every 2 Years	
<b>INDEPENDENT LAB, X-RAY, CLINICS</b>					
Lab and X-Ray Services (Preventive)	100%	100%	100%	100%	
Diagnostic X-Ray Services (Diagnostic)	100%	100% Deductible Applies	100% Deductible Applies	100% Deductible Applies	
Medical Scan, PET Scan, MRI, & Nuclear Medicine	100%	100% Deductible Applies	100% Deductible Applies	100% Deductible Applies	
<b>MENTAL HEALTH / CHEMICAL DEPENDENCY SERVICES:</b>					
Inpatient Mental Health / Chemical Dependency	100%	100% Deductible Applies	100% Deductible Applies	100% Deductible Applies	
Outpatient Mental Health INDIVIDUAL	\$25 Co-payment	\$20 Co-payment	100% Deductible Applies	100% Deductible Applies	
Outpatient Mental Health GROUP	\$15 Co-payment	\$20 Co-payment	100% Deductible Applies	100% Deductible Applies	
Outpatient Chemical Dependency INDIVIDUAL	\$25 Co-payment	\$20 Co-payment	100% Deductible Applies	100% Deductible Applies	
Outpatient Chemical Dependency GROUP	\$15 Co-payment	\$20 Co-payment	100% Deductible Applies	100% Deductible Applies	
<b>PHARMACY SERVICES:</b>					
Prescription Drugs (31 Day Supply) Generic	\$7	\$10	100% Deductible Applies	100% Deductible Applies	
Prescription Drugs (31 Day Supply) Name Brand	\$25	\$30	100% Deductible Applies	100% Deductible Applies	
Prescription Drugs (31 Day Supply) Non Formulary	\$40/\$40	\$50	100% Deductible Applies	100% Deductible Applies	
Mail Order (90 Day Supply)	2.5 Co-payments	2.5 Co-payments	100% Deductible Applies	100% Deductible Applies	
<b>OTHER SERVICES:</b>					
Physical/Speech/Occ Therapy (United 20 Visits)	100% / 80%	\$20 Co-payment	100% Deductible Applies	100% Deductible Applies	
Durable Medical Equipment	80%	100% Deductible Applies (\$2500 Max)	100% Deductible Applies	100% Deductible Applies	
Ambulance (Land)	80%	100% Deductible Applies	100% Deductible Applies	100% Deductible Applies	
<b>OUT OF NETWORK SERVICES:</b>					
Annual Deductible	\$200 / 3 per family	\$2,000 / \$4,000	\$5,000 / \$10,000	\$4,000 / \$8,000	
Co-payment After Deductible	\$15 / \$25 Co-payments Plus 20%	10% Co-payment	20%	20%	
Out of Pocket Limit	\$3,000 / 3 per family	\$5,000 / \$10,000	\$10,000 / \$20,000	\$8,000 / \$16,000	
Maximum Benefit	Unlimited	\$5,000,000	\$5,000,000	\$5,000,000	



## Dental Renewal for Kent County Water Authority

1-May-08

### DELTA DENTAL OF RI

	# Employees	Rates	Cost/mo.	Cost/yr.
<b>Current</b>				
Single	18	\$32.66	\$587.88	\$7,054.56
Family	<u>29</u>	\$93.99	<u>\$2,725.71</u>	<u>\$32,708.52</u>
<b>Total</b>	<b>47</b>		<b>\$3,313.59</b>	<b>\$39,763.08</b>
<b>Renewal 5/1/08</b>				
Single	18	\$35.62	\$641.16	\$7,693.92
Family	<u>29</u>	\$102.51	<u>\$2,972.79</u>	<u>\$35,673.48</u>
<b>Total</b>	<b>47</b>		<b>\$3,613.95</b>	<b>\$43,367.40</b>
<i>Increase</i>		9.06%	\$300.36	\$3,604.32

*Current contract with Delta Dental ends this year*

### DELTA DENTAL 3 YR. PROPOSAL

<b>5/1/2008</b>				
Single	18	\$34.95	\$629.10	\$7,549.20
Family	<u>29</u>	\$100.57	<u>\$2,916.53</u>	<u>\$34,998.36</u>
	<b>47</b>		<b>\$3,545.63</b>	<b>\$42,547.56</b>
<i>Increase</i>		7.00%	\$232.04	\$2,784.48
<b>5/1/2009</b>				
Single	18	\$37.40	\$673.20	\$8,078.40
Family	<u>29</u>	\$107.61	<u>\$3,120.69</u>	<u>\$37,448.28</u>
	<b>47</b>		<b>\$3,793.89</b>	<b>\$45,526.68</b>
<i>Increase</i>		7.00%	\$248.26	\$2,979.12
<b>5/1/2010</b>				
Single	18	\$40.02	\$720.36	\$8,644.32
Family	<u>29</u>	\$115.14	<u>\$3,339.06</u>	<u>\$40,068.72</u>
	<b>47</b>		<b>\$4,059.42</b>	<b>\$48,713.04</b>
<i>Increase</i>		7.00%	\$265.53	\$3,186.36

Total Cost of Delta Dental for next 3 years

	Monthly	Yearly
	\$3,545.63	\$42,547.56
	\$3,793.89	\$45,526.68
	<u>\$4,059.42</u>	<u>\$48,713.04</u>
<b>Total</b>	<b>\$11,398.94</b>	<b>\$136,787.28</b>

**BLUE CROSS BLUE SHIELD RI DENTAL 3 YR. PROPOSAL**

**(SAME PLAN DESIGN AS Delta)**

**5/1/2008**

Single	18	\$29.61	\$532.98	\$6,395.76
Family	<u>29</u>	\$85.10	<u>\$2,467.90</u>	<u>\$29,614.80</u>
<b>Total</b>	<b>47</b>		<b>\$3,000.88</b>	<b>\$36,010.56</b>
<i>Decrease</i>		-9.44%	-\$312.71	-\$3,752.52

**5/1/2009**

Single	18	\$31.39	\$565.02	\$6,780.24
Family	<u>29</u>	\$90.21	<u>\$2,616.09</u>	<u>\$31,393.08</u>
<b>Total</b>	<b>47</b>		<b>\$3,181.11</b>	<b>\$38,173.32</b>
<i>Decrease</i>		6.01%	\$180.23	\$2,162.76

**5/1/2010**

Single	18	\$33.27	\$598.86	\$7,186.32
Family	<u>29</u>	\$95.62	<u>\$2,772.98</u>	<u>\$33,275.76</u>
<b>Total</b>	<b>47</b>		<b>\$3,371.84</b>	<b>\$40,462.08</b>
<i>Increase</i>		6.00%	\$190.73	\$2,288.76

Total Cost of BC/BS Dental for next 3 years

Monthly

Yearly

\$3,000.88

\$36,010.56

\$3,181.11

\$38,173.32

\$3,371.84

\$40,462.08

**Total**

**\$9,553.83**

**\$114,645.96**

3 Yr. Premiums for Delta Dental

\$136,787.28

3 Yr. Premiums for BC/BS

\$114,645.96

**3 yr. savings from BC/BS Dental**

**\$22,141.32**

**Blue Cross Dental Quote for  
KENT COUNTY WATER AUTHORITY  
269**

**Rates For: 5/1/2008 - 4/30/2009**

**NEW BUSINESS PROPOSAL(S)**

<b>Services</b>	<b>Premier Blue Option 2</b>
<b>Preventive/Diagnostic Services</b>	
Exams	100%
Cleanings	100%
Fluoride Treatments	100%
X-rays	100%
<b>Minor Restorative Services</b>	
Sealants	100%
Fillings	100%
Simple Extractions	100%
Denture Repairs	100%
Minor Treatment for Acute Pain	100%
Anterior Root Canals	100%
Vital Pulpotomy	100%
<b>Major Restorative Services</b>	
Space Maintainers	100%
Root Canal Therapy	100%
Oral Surgery/Anesthesia	100%
Crowns & Inlays	100%
<b>Periodontics</b>	
Perio Maint./Other Non-Surgical Periodontic Procedures	50%
Surgical Periodontics	50%
<b>Prosthodontics</b>	
Bridges & Dentures	
<b>Orthodontics</b>	
Braces	
<b>Other Benefit Considerations</b>	
Calendar Year Maximum	\$1,200
Orthodontic Lifetime Maximum	N/A
Student Coverage Age	<b>19 (26 IF 3 YR AGREEMENT)</b>
Deductible applicable to services with a coinsurance	None
Includes the Blue Cross Dental Coast-to-Coast Network	Yes

*Please refer to your benefit plan summary for further plan details and limitations.*

<b>PROPOSED RATES:</b>	
<b>* Prior Coverage Rates</b>	Individual: <b>\$29.61</b>
	Family: <b>\$85.10</b>

\* The above proposed rates assume a minimum of 2 years of prior coverage. Before accepting the Prior Coverage rates, proof of prior coverage must be provided to BCBSRI. These rates are based on the effective period indicated. Any deviation from these dates must be reevaluated by Underwriting to determine if rate adjustments are necessary.

**Enrollment & Participation:**

The above rates are based on the following enrollment levels: 18 Individual, and 29 Family contracts. Participation is assumed to be 100%. Any significant deviation from this enrollment (+/-10%) or any change in participation may require a re-evaluation of rates.





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DELTA DENTAL OF RHODE ISLAND

Summary of Monthly Prospective Premium Rates (1)  
Two Year Renewal Proposal Effective May 1, 2008 through April 30, 2010

Kent County Water Authority

Sublocation Number	Present Rates Eff. 5/1/07 - 4/30/08		Renewal Rates Eff. (2) 5/1/08 - 4/30/09		Maximum Rates Eff. (3) 5/1/09 - 4/30/10	
	Ind	Fam	Ind	Fam	Ind	Fam
1035-0001	\$32.66	\$93.99	\$35.27	\$101.51	\$38.09	\$109.63

Renewal Rate Adjustment

8.00%

8.00%

Add Students to Age 26

\$0.00

\$4.15

\$0.00

\$4.48

Renewal Rates Include the Following Benefit Enhancement:

Sealants Covered at 100%

- (1) This proposal is contingent upon a signed agreement for the contract period, May 1, 2008 through April 30, 2010. Should the agreement be terminated prior to the end of the contract period, liquidation damages will be assessed to the account and payable to Delta Dental of Rhode Island.
- (2) The monthly prospective premium rates are guaranteed based upon the following enrollment assumption: 21 Individual contracts and 28 Family contracts. Any significant change in the assumed enrollment (plus or minus 10%) may result in adjustments to this renewal.
- (3) The rates effective 5/1/09-4/30/10 represent the maximum rates Kent County Water Authority would receive which would be determined through an annual experience rating. The renewal rates assume no benefit changes to the medical or dental benefit plans in effect as of the last renewal date.

CONFIDENTIAL: FOR ACCOUNT USE ONLY

DELTA DENTAL OF RHODE ISLAND

Summary of Monthly Prospective Premium Rates (1)  
Three Year Renewal Proposal Effective May 1, 2008 through April 30, 2011

Kent County Water Authority

Sublocation Number	Present Rates Eff. 5/1/07 - 4/30/08		Renewal Rates Eff. (2) 5/1/08 - 4/30/09		Maximum Rates Eff. (3) 5/1/09 - 4/30/10		Maximum Rates Eff. (3) 5/1/10 - 4/30/11	
	Ind	Fam	Ind	Fam	Ind	Fam	Ind	Fam
1035-0001	\$32.66	\$93.99	\$34.95	\$100.57	\$37.40	\$107.61	\$40.02	\$115.14

Renewal Rate Adjustment 7.00%

Add Students to Age 26 \$0.00 \$4.15 \$0.00 \$4.44 \$0.00 \$4.75

Renewal Rates Include the Following Benefit Enhancements:

Sealants Covered at 100%

- (1) This proposal is contingent upon a signed agreement for the contract period, May 1, 2008 through April 30, 2011. Should the agreement be terminated prior to the end of the contract period, liquidation damages will be assessed to the account and payable to Delta Dental of RI.
- (2) The monthly prospective premium rates are guaranteed based upon the following enrollment assumption: 21 Individual contracts and 28 Family contracts. Any significant change in the assumed enrollment (plus or minus 10%) may result in adjustments to this renewal.
- (3) The rates effective 5/1/09-4/30/10 and 5/1/10-4/30/11 represent the maximum rates Kent County Water Authority would receive which would be determined through annual experience ratings. The renewal rates assume no benefit changes to the medical or dental benefit plans in effect as of the last renewal date.

## KENT COUNTY WATER AUTHORITY

**Product Name:** Delta Dental Premier

**Plan Type:** National Coverage

The information listed here is not a guarantee of payment. Payment is based on the Delta Dental allowance for each procedure. To be covered, services must be dentally necessary and in accordance with Delta Dental's treatment guidelines. All services must be performed in a dental office. These benefits are listed according to the level of coverage (i.e. 100%, 80%). Your group number is 1035-0001. Coverage for benefits with time limitations (i.e. 6,12,24,36 or 60 months) is calculated to the exact day.

The annual maximum is: \$1,200.00 per member per calendar year  
The annual deductible is: \$0.00  
The maximum lifetime cap: Unlimited

Pretreatment estimates are recommended for underlined procedures.

**Plan pays 100%; Member Coinsurance 0%**

- One oral exam per calendar year performed by a general dentist
- Two cleanings per calendar year
- Fluoride treatment for children under age 19 once per calendar year
- One set of bitewing x-rays per calendar year
- One complete x-ray series or panoramic film every 36 months
- Single x-rays as required
- Palliative treatment (minor procedures necessary to relieve acute pain) twice per calendar year
- Sealants for children under age 14, once per unrestored permanent molar every 24 months
- Amalgam (silver) fillings. Composite (white) fillings on front teeth only. For composite fillings on back teeth, the plan pays up to what would have been paid for an amalgam filling. Patient is responsible for the balance up to the dentist's charge.
- Space maintainers for lost deciduous (baby) teeth, replacement limited to once every 60 months.
- Extractions and other routine oral surgery not covered by a patient's medical plan
- General anesthesia or intravenous (I.V.) sedation for certain complex surgical procedures
- Root canal therapy
- Repairs to existing partial or complete dentures once per calendar year
- Recementing crowns or bridges
- Rebasing or relining of partial or complete dentures; once every 60 months
- Crowns over natural teeth, build ups, posts and cores - replacement limited to once every 60 months

**Plan pays 50%; Member Coinsurance 50%**

- Periodontal maintenance following active therapy - two per year
- Root planing and scaling once per quadrant every 24 months.
- Osseous (bone) surgery once per quadrant every 24 months (bone grafts are not covered).
- Gingivectomies once per site every 24 months.
- Soft tissue grafts once per site every 60 months
- Crown lengthening once per site every 60 months

**Dependent coverage** - Dependent children are covered up until the end of the year that they turn age 19.

**CARRIER RATE  
CONFIRMATION**



**Blue Cross  
Blue Shield**  
of Rhode Island

**RENEWAL NOTICE**

444 Westminster Street  
Providence, RI 02903-3279  
401-459-1000  
www.BCBSRI.com

Group # 269  
Kent County Water Authority

REP. NAME J. Graveline  
REP. TELEPHONE 401-459-5959 EXT. 4672  
NUMBER 1-800-637-3718

**YOUR RENEWAL RATES ARE EFFECTIVE May 01, 2008 THROUGH April 30, 2009**  
**MONTHLY RATES BASED ON YOUR CURRENT ENROLLMENT**

Renewal Benefits	<u>Enrollee Only</u>	<u>Enrollee &amp; Spouse</u>	<u>Enrollee &amp; Child(ren)</u>	<u>Enrollee, Spouse &amp; Child(ren)</u>
HEALTHMATE C2C \$15/\$25 \$100ER Rx 7/25/40/40	\$471.85	\$1,132.45	\$754.96	\$1,274.00

Additionally, the above rates include a credit for your participation in the CompAlliance Program offered through Blue Cross & Blue Shield of Rhode Island. If you choose to cancel your Beacon's Worker's Compensation coverage while the above rates are in effect, your BCBSRI rates will be increased by the amount of credit. This will take effect the first month following the termination of The Beacon Mutual Insurance Company's Policy.

This Renewal Notice sets forth the premiums for the rating period indicated above and shall constitute an amendment to the Sales Agreement between Blue Cross & Blue Shield of Rhode Island and the COMPANY.

Thomas A. Boyd  
Executive Vice President, Blue Cross & Blue Shield of Rhode Island



**Blue Cross  
Blue Shield**  
of Rhode Island

OPTIONAL NOTICE

444 Westminster Street  
Providence, RI 02903-3279  
401-459-1000  
www.BCBSRI.com

Group # 269  
Kent County Water Authority

REP. NAME J. Graveline  
REP. TELEPHONE 401-459-5959 EXT. 4672  
NUMBER 1-800-637-3718

YOUR RENEWAL RATES ARE EFFECTIVE May 01, 2008 THROUGH April 30, 2009  
MONTHLY RATES BASED ON YOUR CURRENT ENROLLMENT

Renewal Benefits	Enrollee Only	Enrollee & Spouse	Enrollee & Child(ren)	Enrollee, Spouse & Child(ren)
BlueCHIP for Healthy Options	\$311.58	\$747.81	\$498.53	\$841.29
HEALTHMATE C2C \$50ER Rx 7/25/40/40	\$496.17	\$1,190.82	\$793.88	\$1,339.67
HMC2C 100%/80% \$250DED Rx 7/25/40/40	\$450.92	\$1,082.22	\$721.48	\$1,217.49
HMC2C 100%/80% \$500DED Rx 7/25/40/40	\$441.06	\$1,058.56	\$705.70	\$1,190.87
HMC2C 100%/80% \$1000DED Rx 7/25/40/40	\$403.94	\$969.46	\$646.31	\$1,090.64
HMC2C 90%/70% \$500DED Rx 7/25/40/40	\$413.84	\$993.22	\$662.14	\$1,117.37
HMC2C 90%/70% \$1000DED Rx 7/25/40/40	\$373.94	\$897.46	\$598.31	\$1,009.64
HMC2C 80%/60% \$1000DED Rx 7/25/40/40	\$345.61	\$829.47	\$552.98	\$933.15
HMC2C 80%/60% \$2000DED Rx 7/25/40/40	\$441.06	\$1,058.56	\$705.70	\$1,190.87
BlueSol for HRA 100/80 \$500DED Rx 7/25/40/40	\$403.94	\$969.46	\$646.31	\$1,090.64
BlueSol for HRA 100/80 \$1000DED Rx 7/25/40/40	\$413.84	\$993.22	\$662.14	\$1,117.37
BlueSol for HRA 90/70 \$500DED Rx 7/25/40/40	\$373.94	\$897.46	\$598.31	\$1,009.64
BlueSol for HRA 80/60 \$1000DED Rx 7/25/40/40	\$345.61	\$829.47	\$552.98	\$933.15
BlueSol for HRA 80/60 \$2000DED Rx 7/25/40/40	\$347.13	\$833.11	\$555.41	\$937.25
BlueSol for HSA 100%/60% \$1,500 DEDUCT	\$276.47	\$663.53	\$442.36	\$746.48
BlueSol for HSA 100%/60% \$3,000 DEDUCT	\$347.13	\$833.11	\$555.41	\$937.25
HMC2C HDHP 100%/60% \$1,500 DEDUCT	\$276.47	\$663.53	\$442.36	\$746.48
HMC2C HDHP 100%/60% \$3,000 DEDUCT	\$458.30	\$1,099.93	\$733.28	\$1,237.42
BLUECHIP CHP 15/25 \$100ER Rx 7/25/40/40	\$465.64	\$1,117.53	\$745.01	\$1,257.21
BLUECHIP CHP 10/20 \$100ER Rx 7/25/40/40	\$434.44	\$1,042.67	\$695.11	\$1,172.99
BLUECHIP CHP 500 \$100ER Rx 7/25/40/40	\$487.14	\$1,169.14	\$779.42	\$1,315.28
BLUECHIP CHP \$25ER Rx 7/25/40/40				

\* BCBSRI reserves the right to impose an enrollment cap of 5000 members for the BlueCHIP for Healthy Options product. BlueSolutions (BlueSol) combines a BCBSRI medical plan with a consumer spending account offered through a preferred vendor. Additionally, the above rates include a credit for your participation in the CompAlliance Program offered through Blue Cross & Blue Shield of Rhode Island. If you choose to cancel your Beacon's Worker's Compensation coverage while the above rates are in effect, your BCBSRI rates will be increased by the amount of credit. This will take effect the first month following the termination of The Beacon Mutual Insurance Company's Policy.

Only

BlueCHiP for Healthy Options	\$311.58	\$747.81	\$498.53	\$841.29
HEALTHMATE C2C \$50ER Rx 7/25/40/40	\$496.17	\$1,190.82	\$793.88	\$1,339.67
HMC2C 100%/80% \$250DED Rx 7/25/40/40	\$450.92	\$1,082.22	\$721.48	\$1,217.49
HMC2C 100%/80% \$500DED Rx 7/25/40/40	\$441.06	\$1,058.56	\$705.70	\$1,190.87
HMC2C 100%/80% \$1000DED Rx 7/25/40/40	\$403.94	\$969.46	\$646.31	\$1,090.64
HMC2C 90%/70% \$500DED Rx 7/25/40/40	\$413.84	\$993.22	\$662.14	\$1,117.37
HMC2C 80%/60% \$1000DED Rx 7/25/40/40	\$373.94	\$897.46	\$598.31	\$1,009.64
HMC2C 80%/60% \$2000DED Rx 7/25/40/40	\$345.61	\$829.47	\$552.98	\$933.15
BlueSol for HRA 100/80 \$500DED Rx 7/25/40/40	\$441.06	\$1,058.56	\$705.70	\$1,190.87
BlueSol for HRA 100/80 \$1000DED Rx 7/25/40/40	\$403.94	\$969.46	\$646.31	\$1,090.64
BlueSol for HRA 90/70 \$500DED Rx 7/25/40/40	\$413.84	\$993.22	\$662.14	\$1,117.37
BlueSol for HRA 80/60 \$1000DED Rx 7/25/40/40	\$373.94	\$897.46	\$598.31	\$1,009.64
BlueSol for HRA 80/60 \$2000DED Rx 7/25/40/40	\$345.61	\$829.47	\$552.98	\$933.15
BlueSol for HSA 100%/60% \$1,500 DEDUCT	\$347.13	\$833.11	\$555.41	\$937.25
BlueSol for HSA 100%/60% \$3,000 DEDUCT	\$276.47	\$663.53	\$442.36	\$746.48
HMC2C HDHP 100%/60% \$1,500 DEDUCT	\$347.13	\$833.11	\$555.41	\$937.25
HMC2C HDHP 100%/60% \$3,000 DEDUCT	\$276.47	\$663.53	\$442.36	\$746.48
BLUECHiP CHP 15/25 \$100ER Rx 7/25/40/40	\$458.30	\$1,099.93	\$733.28	\$1,237.42
BLUECHiP CHP 10/20 \$100ER Rx 7/25/40/40	\$465.64	\$1,117.53	\$745.01	\$1,257.21
BLUECHiP CHP 500 \$100ER Rx 7/25/40/40	\$434.44	\$1,042.67	\$695.11	\$1,172.99
BLUECHiP CHP \$25ER Rx 7/25/40/40	\$487.14	\$1,169.14	\$779.42	\$1,315.28

\* BCBSRI reserves the right to impose an enrollment cap of 5000 members for the BlueCHiP for Healthy Options product.

BlueSolutions (BlueSol) combines a BCBSRI medical plan with a consumer spending account offered through a preferred vendor.

\*\*\*\*\*  
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Blue Cross & Blue Shield of Rhode Island

in-state: (401) 751-1673

out of state: 1-800-343-5743  
 \*\*\*\*\*





444 Westminster Street • Providence, Rhode Island 02903-3279  
401-459-1000 • www.BCBSRI.com

RENEWAL NOTICE

GROUP 269 1  
KENT COUNTY WATER AUTHORITY  
PO BOX 192  
W WARWICK RI 02893-0192

REP. NAME J. GRAVELINE  
REP. TELEPHONE NUMBER 401-459-5959 ext4672  
1-800-637-3718

YOUR RENEWAL RATES ARE EFFECTIVE MAY 1, 2008 THROUGH APR 30, 2009

MONTHLY RATES BASED ON YOUR CURRENT ENROLLMENT

RENEWAL BENEFITS	ENROLLEE ONLY	ENROLLEE & SPOUSE	ENROLLEE & CHILD(REN)	ENROLLEE, SPOUSE & CHILD(REN)
HEALTHMATE C2C \$15/\$25 \$100ER Rx 7/30/50/75	\$ 462.98	\$1111.16	\$ 740.77	\$ 1250.05

Please refer to the Product Enhancements and Updates section for important prescription plan changes.

Additionally, the above rates include a credit for your participation in the **CompAlliance Program** offered through Blue Cross & Blue Shield of Rhode Island. If you choose to cancel The Beacon's **Worker's Compensation** coverage while the above rates are in effect, your BCBSRI rates will be increased by the amount of the credit. This will take effect the first of the month following the termination of **The Beacon Mutual Insurance Company's** policy.

This Renewal Notice sets forth the premiums for the rating period indicated above and shall constitute an amendment to the Sales Agreement between Blue Cross & Blue Shield of Rhode Island and the COMPANY.

Thomas A. Boyd  
Executive Vice President

Blue Cross & Blue Shield of Rhode Island is an independent licensee of the Blue Cross and Blue Shield Association.



444 Westminster Street • Providence, Rhode Island 02903-3279  
401-459-1000 • www.BCBSRI.com

GROUP 269 1  
KENT COUNTY WATER AUTHORITY  
PO BOX 192  
W WARWICK RI 02893-0192

OPTIONAL BENEFITS AVAILABLE

REP NAME J. GRAVELINE  
REP. TELEPHONE NUMBER 401-459-5959 ext4672  
1-800-637-3718

YOUR OPTIONAL RATES ARE EFFECTIVE MAY 1, 2008 THROUGH APR 30, 2009

MONTHLY RATES BASED ON YOUR CURRENT ENROLLMENT

OPTIONAL BENEFITS	ENROLLEE ONLY	ENROLLEE & SPOUSE	ENROLLEE & CHILD(REN)	ENROLLEE, SPOUSE & CHILD(REN)
BlueChiP for Healthy Options	\$ 311.58	\$ 747.81	\$ 498.53	\$ 841.29
HEALTHMATE C2C \$50ER Rx 7/30/50/75	\$ 487.30	\$1169.53	\$ 779.69	\$ 1315.72
HMC2C 100%/80% \$250DED Rx 7/30/50/75	\$ 442.05	\$1060.93	\$ 707.29	\$ 1193.54
HMC2C 100%/80% \$500DED Rx 7/30/50/75	\$ 432.19	\$1037.27	\$ 691.51	\$ 1166.92
HMC2C 100%/80% \$1000DED Rx 7/30/50/75	\$ 395.07	\$ 948.17	\$ 632.12	\$ 1066.69
HMC2C 90%/70% \$500DED Rx 7/30/50/75	\$ 404.97	\$ 971.93	\$ 647.95	\$ 1093.42
HMC2C 80%/60% \$1000DED Rx 7/30/50/75	\$ 365.07	\$ 876.17	\$ 584.12	\$ 985.69
HMC2C 80%/60% \$2000DED Rx 7/30/50/75	\$ 336.74	\$ 808.18	\$ 538.79	\$ 909.20
BlueSol for HRA 100/80 \$500DED Rx 7/30/50/75	\$ 432.19	\$1037.27	\$ 691.51	\$ 1166.92
BlueSol for HRA 100/80 \$1000DED Rx 7/30/50/75	\$ 395.07	\$ 948.17	\$ 632.12	\$ 1066.69
BlueSol for HRA 90/70 \$500DED Rx 7/30/50/75	\$ 404.97	\$ 971.93	\$ 647.95	\$ 1093.42
BlueSol for HRA 80/60 \$1000DED Rx 7/30/50/75	\$ 365.07	\$ 876.17	\$ 584.12	\$ 985.69
BlueSol for HRA 80/60 \$2000DED Rx 7/30/50/75	\$ 336.74	\$ 808.18	\$ 538.79	\$ 909.20
BlueSol for HSA 100%/60% \$1,500 DEDUCT	\$ 347.13	\$ 833.11	\$ 555.41	\$ 937.25
BlueSol for HSA 100%/60% \$3,000 DEDUCT	\$ 276.47	\$ 663.53	\$ 442.36	\$ 746.48
HMC2C HDHP 100%/60% \$1,500 DEDUCT	\$ 347.13	\$ 833.11	\$ 555.41	\$ 937.25
HMC2C HDHP 100%/60% \$3,000 DEDUCT	\$ 276.47	\$ 663.53	\$ 442.36	\$ 746.48
BLUECHiP CHP 15/25 \$100ER Rx 7/30/50/75	\$ 449.43	\$1078.64	\$ 719.09	\$ 1213.47
BLUECHiP CHP 10/20 \$100ER Rx 7/30/50/75	\$ 456.77	\$1096.24	\$ 730.82	\$ 1233.26
BLUECHiP CHP 500 \$100ER Rx 7/30/50/75	\$ 425.57	\$1021.38	\$ 680.92	\$ 1149.04
BLUECHiP CHP \$25ER Rx 7/30/50/75	\$ 478.27	\$1147.85	\$ 765.23	\$ 1291.33

\*BCBSRI reserves the right to impose an enrollment cap of 5,000 members for the BlueChiP for Healthy Options product.  
BlueSolutions (BlueSol) combines a BCBSRI medical plan with a consumer spending account offered through a preferred vendor.

Please refer to the Product Enhancements and Updates section for important prescription plan changes.

Additionally, the above rates include a credit for your participation in the **CompAlliance Program** offered through Blue 1 Cross & Blue Shield of Rhode Island. If you choose to cancel The Beacon's **Worker's Compensation** coverage while the above rates are in effect, your BCBSRI rates will be increased by the amount of credit. This will take effect the first of the month following the termination of **The Beacon Mutual Insurance Company's** policy.

## Medical Rates

Company Name: Kent County Water Authority  
 Company Street Address: 1072 Main Street  
 Broker: CLAIRE TEITLMAN  
 Account Executive: JAMES JETTE  
 Effective Date: 05/01/2008  
 UW ID#: D - 043758440

Company City: West Warwick  
 Zip Code: 02893  
 Market: RHODE ISLAND  
 SIC: 4941 - Water Supply  
 Quote Date: 03/31/2008

Broker Phone: (401) 436-3600  
 Account Executive Phone: (401) 732-7261  
 Quote Number: 5179553

Class	HSA2850/100% 7AU w/H9 01/00/CG	HSA2000/100% 7AT w/H9 01/00/CG
Employee	\$ 261.56	\$ 291.04
Employee + Spouse	\$ 562.35	\$ 625.73
Employee + Child(ren)	\$ 536.20	\$ 596.63
Employee + Family	\$ 719.28	\$ 800.34
<b>Premium Totals:</b>		
Employee-Only Monthly Premium	\$ 8,893.04	\$ 9,895.36
Dependent-Only Monthly Premium	\$ 11,521.50	\$ 12,819.89
Total Monthly Premium Including Rx Benefit	\$ 20,414.54	\$ 22,715.25
Employer Contribution Percentage - Employee Only	100%	100%
Employer Contribution Premium/Month - Employee Only	\$ 8,893.04	\$ 9,895.36
Total Annual Premium Including Rx Benefit	\$ 244,974.48	\$ 272,583.00
Rate Adjustment Percent	0.00%	0.00%
Risk Factor	0.98	0.98
Monthly Administration Fee	\$ .00	\$ .00
Total Employee Count	34	34
Total Number of Eligible Employees	34	34
Total Dependent Count	62	62
Total Member Count	96	96

Benefit Overview:	UnitedHealthcare CHOICE PLUS	UnitedHealthcare CHOICE PLUS
Plan Type	Single (In/Out)	Single (In/Out)
Product Type	Family (In/Out)	Family (In/Out)
Deductible	\$ 5700 / \$ 10000 100% / 80%	\$ 4000 / \$ 8000 100% / 80%
Coinsurance (In/Out)	100%	100%
Office Visit Copay/Coinsurance	\$ 4850 / \$ 10000	\$ 4000 / \$ 8000
Out of Pocket Maximum	\$ 9700 / \$ 20000	\$ 8000 / \$ 16000
Eligible Financial Accounts	HSA	HSA
Med/Rx Ded Combined	Yes	Yes
Med/Rx OOP Combined	Yes	Yes
Pharmacy Copay/Coinsurance	\$ 10 / \$ 30 / \$ 50 / N/A	\$ 10 / \$ 30 / \$ 50 / N/A
Pharmacy Deductible	Combined with Med	Combined with Med

All footnotes have been consolidated to a separate page within the proposal output.

The above rates and benefits are for general information and discussion purposes only and not valid unless approved by UnitedHealthcare. This rate quote is not an offer or a guarantee of coverage. This group should not under any circumstances cancel its existing coverage unless and until coverage is offered by us and final rates have been accepted by the insured and UnitedHealthcare, and the Certificate of Coverage issued to the subscriber will provide the legal description of coverage.

## Medical Rates

Company Name: Kent County Water Authority  
 Company Street Address: 1072 Main Street  
 Broker: CLAIRE TEITLMAN  
 Account Executive: JAMES JETTE  
 Effective Date: 05/01/2008  
 UW ID#: D-043758440

Company City: West Warwick  
 Zip Code: 02893  
 Market: RHODE ISLAND  
 SIC: 4941 - Water Supply  
 Quote Date: 03/24/2008

Broker Phone: (401) 436-3600  
 Account Executive Phone: (401) 732-7261  
 Quote Number: 5156597

Class	# of Employees	BAL 100/20/2000 /100%	BAL 100/20/2000 /100%	BAL 100/20/1000 /100%	BAL 100/20/1000 /100%	1Rk w/H9	3Rk w/H9	1Rj w/H9	3Rk w/H9	TRAD15/100%	3RB w/H9	TRAD10/100%
Employee	5	\$ 350.32	\$ 354.28	\$ 393.76	\$ 398.35	\$ 433.57	\$ 474.47	\$ 490.93	\$ 1,020.11	\$ 1,055.50	\$ 1,006.41	\$ 1,350.04
Employee + Spouse	10	\$ 753.19	\$ 761.70	\$ 846.59	\$ 856.45	\$ 932.18	\$ 972.67	\$ 1,006.41	\$ 1,006.41	\$ 1,006.41	\$ 1,006.41	\$ 1,350.04
Employee + Child(ren)	1	\$ 718.16	\$ 726.28	\$ 807.21	\$ 816.62	\$ 888.82	\$ 1,304.78	\$ 1,304.78	\$ 1,304.78	\$ 1,304.78	\$ 1,304.78	\$ 1,304.78
Employee + Family	18	\$ 963.37	\$ 974.26	\$ 1,082.83	\$ 1,095.45	\$ 1,192.31	\$ 1,444.385.92	\$ 1,444.385.92	\$ 1,444.385.92	\$ 1,444.385.92	\$ 1,444.385.92	\$ 1,444.385.92
<b>Premium Totals:</b>		\$ 11,910.88	\$ 12,045.52	\$ 13,387.84	\$ 13,543.90	\$ 14,741.38	\$ 16,131.98	\$ 16,691.62	\$ 21,625.16	\$ 21,625.16	\$ 38,316.78	\$ 459,801.36
Employee-Only Monthly Premium		\$ 15,431.44	\$ 15,605.84	\$ 17,345.01	\$ 17,547.07	\$ 19,098.67	\$ 20,900.18	\$ 21,625.16	\$ 38,316.78	\$ 38,316.78	\$ 38,316.78	\$ 459,801.36
Dependent-Only Monthly Premium		\$ 27,342.32	\$ 27,651.36	\$ 30,732.85	\$ 31,090.97	\$ 33,840.05	\$ 37,032.16	\$ 38,316.78	\$ 38,316.78	\$ 38,316.78	\$ 38,316.78	\$ 459,801.36
Total Monthly Premium Including Rx Benefit		\$ 11,910.88	\$ 12,045.52	\$ 13,387.84	\$ 13,543.90	\$ 14,741.38	\$ 16,131.98	\$ 16,691.62	\$ 21,625.16	\$ 21,625.16	\$ 38,316.78	\$ 459,801.36
Employer Contribution Percentage - Employee Only		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Employer Contribution Premium/Month - Employee Only		\$ 328,107.84	\$ 331,816.32	\$ 368,794.20	\$ 373,091.64	\$ 406,080.60	\$ 444,385.92	\$ 459,801.36	\$ 459,801.36	\$ 459,801.36	\$ 459,801.36	\$ 459,801.36
Total Annual Premium Including Rx Benefit		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Rate Adjustment Percent		0.98	0.98	0.98	0.98	0.98	0.98	0.98	0.98	0.98	0.98	0.98
Risk Factor		\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Monthly Administration Fee		34	34	34	34	34	34	34	34	34	34	34
Total Employee Count		34	34	34	34	34	34	34	34	34	34	34
Total Number of Eligible Employees		62	62	62	62	62	62	62	62	62	62	62
Total Dependent Count		96	96	96	96	96	96	96	96	96	96	96
Total Member Count												

Benefit Overview:	CHOICE PLUS	CHOICE PLUS	CHOICE PLUS	CHOICE PLUS	CHOICE PLUS	CHOICE PLUS	CHOICE PLUS	CHOICE PLUS	CHOICE PLUS
Product Type	\$ 2000 / \$ 4000	\$ 1000 / \$ 2000	\$ 1000 / \$ 2000	\$ 1000 / \$ 2000	\$ 1000 / \$ 2000	\$ 1000 / \$ 2000	\$ 1000 / \$ 2000	\$ 1000 / \$ 2000	\$ 500 / \$ 350
Deductible	\$ 4000 / \$ 8000	\$ 2000 / \$ 4000	\$ 2000 / \$ 4000	\$ 2000 / \$ 4000	\$ 2000 / \$ 4000	\$ 2000 / \$ 4000	\$ 2000 / \$ 4000	\$ 2000 / \$ 4000	N/A / \$ 700
Coinsurance (In/Out)	100% / 60%	100% / 60%	100% / 60%	100% / 60%	100% / 60%	100% / 60%	100% / 60%	100% / 60%	100% / 80%
Office Visit Copay/Coinsurance	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 15 (s)
Out of Pocket Maximum	\$ 4000 / \$ 10000	\$ 4000 / \$ 10000	\$ 4000 / \$ 10000	\$ 4000 / \$ 10000	\$ 4000 / \$ 10000	\$ 4000 / \$ 10000	\$ 4000 / \$ 10000	\$ 4000 / \$ 10000	N/A / \$ 2850
Eligible Financial Accounts	HRA	HRA	HRA	HRA	HRA	HRA	HRA	HRA	N/A / \$ 5700
Ind HRA Contribution Range	\$50 - \$2,000	\$50 - \$2,000	\$50 - \$500	\$50 - \$500	\$50 - \$500	\$50 - \$500	\$50 - \$500	\$50 - \$500	None
Med/Rx Ded Combined	No	No	No	No	No	No	No	No	N/A
Med/Rx OOP Combined	No	No	No	No	No	No	No	No	N/A
Pharmacy Copay/Coinsurance	\$ 10 / \$ 30 / \$ 50 / N/A	\$ 10 / \$ 30 / \$ 50 / N/A	\$ 10 / \$ 30 / \$ 50 / N/A	\$ 10 / \$ 30 / \$ 50 / N/A	\$ 10 / \$ 30 / \$ 50 / N/A	\$ 10 / \$ 30 / \$ 50 / N/A	\$ 10 / \$ 30 / \$ 50 / N/A	\$ 10 / \$ 30 / \$ 50 / N/A	\$ 10 / \$ 30 / \$ 50 / N/A
Pharmacy Deductible	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

All footnotes have been consolidated to a separate page within the proposal output.  
 (s) This plan features split physician office visit copayments. Employees in these plans will pay a higher copayment when they see specialists than when they see primary care physicians.  
 UnitedHealthcare charges no administrative fee for HRA products for groups size 2-99.

The above rates and benefits are for general information and discussion purposes only and not valid unless approved by UnitedHealthcare. This rate quote is not an offer or a guarantee of coverage. This group should not, under any circumstances, cancel its existing coverage unless and until coverage is offered by us and final rates have been accepted by the group. Final rates are determined by UnitedHealthcare's underwriting guidelines and final enrollment. The insurance policy, not general rates and descriptions in this Web site or printed output, will form the contract between the insured and UnitedHealthcare, and the Certificate of Coverage issued to the subscriber will provide the legal description of coverage.

## Medical Rates

<p><b>Company Name:</b> Kent County Water Authority  <b>Company Street Address:</b> 1072 Main Street  <b>Broker:</b> CLAIRE TEITLEMAN  <b>Account Executive:</b> JAMES JETTE  <b>Effective Date:</b> 05/01/2008  <b>UW ID#:</b> D - 043758440</p>	<p><b>Company City:</b> West Warwick  <b>Zip Code:</b> 02893  <b>Market:</b> RHODE ISLAND  <b>SIC:</b> 4941 - Water Supply  <b>Quote Date:</b> 03/24/2008</p>
<p><b>Broker Phone:</b> (401) 436-3600  <b>Account Executive Phone:</b> (401) 732-7261  <b>Quote Number:</b> 5156597</p>	

Class	# of Employees	TRAD101/100% IRC w/H9
Employee	5	\$ 496.93
Employee + Spouse	10	\$ 1,068.40
Employee + Child(ren)	1	\$ 1,018.71
Employee + Family	18	\$ 1,366.54
<b>Premium Totals:</b>		
Employee-Only Monthly Premium		\$ 16,895.62
Dependent-Only Monthly Premium		\$ 21,889.46
Total Monthly Premium Including Rx Benefit		\$ 38,785.08
Employer Contribution Percentage - Employee Only		100%
Employer Contribution Premium/Month - Employee Only		\$ 16,895.62
Total Annual Premium Including Rx Benefit		\$ 465,420.96
Rate Adjustment Percent		0.00%
Risk Factor		0.98
Monthly Administration Fee		\$ .00
Total Employee Count		34
Total Number of Eligible Employees		34
Total Dependent Count		62
Total Member Count		96

Benefit Overview:	CHOICE PLUS
Product Type	N/A / \$ 350
Deductible	N/A / \$ 700
	100% / 80%
Coinsurance (In/Out)	\$ 10
Office Visit Copay/Coinsurance	N/A / \$ 2850
Out of Pocket Maximum	N/A / \$ 5700
	None
Eligible Financial Accounts	N/A
Ind HRA Contribution Range	No
Med/Rx Ded Combined	No
Med/Rx OOP Combined	\$ 10 / \$ 30 / \$ 50 / N/A
Pharmacy Copay/Coinsurance	N/A
Pharmacy Deductible	

All footnotes have been consolidated to a separate page within the proposal output.  
 UnitedHealthcare charges no administrative fee for HRA products for groups size 2-99.

# **Starkweather & Shepley Insurance Brokerage, Inc.**

## **Mission Statement**

Starkweather & Shepley partners with its corporate and individual clients to provide solutions for their insurance needs. We provide a variety of insurance, risk management, financial, and related services on a worldwide basis through our affiliations with financially sound, high quality companies.

Starkweather & Shepley is dedicated to being a highly professional, sales-oriented, and customer focused organization. We will support our employees by providing professional management, education and a stable work environment.

## **Disclosure Statement**

Our agency is committed to acting in the best interest of our clients by providing insurance products and services that meet their needs and desires. We recognize that trust, honesty, and integrity are essential to our business.

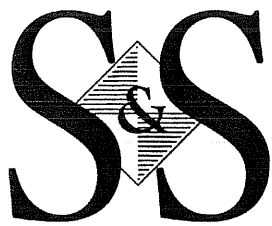
We are compensated through commissions paid by insurance companies and/or fees paid by our clients. We also have non-guaranteed contingent commission arrangements with some insurance companies. Contingent commissions are paid by insurance companies based on premium volume and underwriting results of the overall book of business and are not tied to a specific account.

Starkweather & Shepley recommends insurance companies to our clients based on coverage, service capability, premium cost, and financial security; not based upon our compensation.

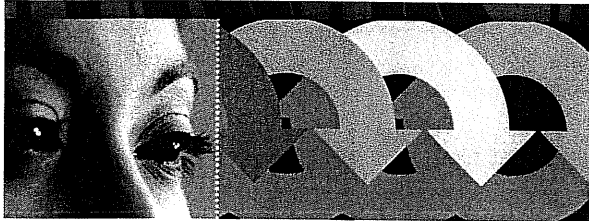








MyWavePORTAL<sup>®</sup>



For Employee Benefits Clients

**M**yWave<sup>®</sup> is your pass to a dynamic world of insurance, employee benefits, and human resources tools and information. A value-added service brought to you exclusively by Starkweather & Shepley Insurance Brokerage, Inc., MyWave puts the power of the Internet at your fingertips and provides a wealth of solutions for your daily challenges.

MyWave is an Internet-based client center that gives you and your employees real-time access to S&S products and services. Log on and you'll find a customized homepage designed to keep you up to date on all the latest news and information that will make your job easier.

MyWave<sup>®</sup> puts the power of the Internet at your fingertips.

### Documents on Command

When you need to resource information fast, the Documents on Command section of MyWaveHR<sup>®</sup> provides instant access to a library of downloadable articles covering a variety of topics — exactly when you need them! Articles are conveniently grouped by general category and include: Benchmark Surveys & Statistics, Compliance & Plan Designs, and Employee Communication & Education — to help you easily locate all the resources available to you. Or, use its keyword search function to find related documents.

### Collaboration Center

Users can download and share documents, make updates and track a document's history through our 2-way document-posting center. Benefits include the ability to track a document's history simplifying updates to reports, worksheets, questionnaires and policies. Saves time by allowing you to manage team projects and streamline everyday work tasks.

### Legislative Guides

The MyWave Legislative Guides provide overviews of federal legislation. You'll receive answers to common questions, recent news, and forms related to COBRA, HIPAA, HIPAA Privacy, FMLA, Medicare Part D and Section 125 administration.

### Community

Use MyWave's Community section to share resources and information with other MyWave<sup>®</sup> users from companies of all types and sizes. With this interactive forum, you can post questions to your peers, provide insight into other users' questions, and subscribe to entire topics or individual questions to be sure you receive all the latest information.

### HealthShop

With MyWave's *HealthShop*, you'll receive comprehensive online content, as well as ready-to-print newsletters and tip sheets that will educate about the importance of making health care decisions carefully. *HealthShop* covers everything from how to treat a cold or the flu at home to guidelines for making important decisions like choosing a doctor or signing an advance health care directive.

### Resources

MyWaveHR's Resources provides useful links and articles to industry-related Web sites —all through the convenience of your MyWaveHR<sup>®</sup> homepage. In addition, use the helpful search function so you can promptly find all the information you are looking for, as well as any related documents from the Documents on Command section. And if you still cannot find exactly what you need, use the convenient "Contact your broker representative" help link. So many helpful resources — all at your fingertips.

### Administration

MyWave<sup>®</sup> provides an area for you to add and delete users from the system.

### Contact Us

Your MyWave users can contact anyone on the S&S staff directly from MyWave.

# MyWavePORTAL®

## Click+Connect+Communicate

for Employee Benefits users

MyWave® is your personalized Web site that allows you to effortlessly click, connect, and communicate with Starkweather & Shepley Insurance Brokerage, Inc.. Here are some helpful user tips:

### Forgot Your Password?

You can obtain this information instantly by accessing <https://www.mywaveportal.com/>.

- Click on the **Forgot Your Login Information?** link provided.
- If you forgot your username enter your email address and click **Get new Username**.
- If you forgot your password, enter your username and click **Get new Password**.

### Interested in a MyWave Refresher?

If so, let us know and we'd be happy to schedule a walk-through of the site at your convenience.

### Change in Staff?

Update your account information by clicking on **Admin** on the MyWave® homepage. You can then add, edit, and delete users as needed.

### What's New?

- **NEW Survey** tool allows you to participate in benefit plan surveys, and to determine how your plans and programs compare to other employees across the nation.
- **NEW Community** postings are updated daily.
- **NEW Documents on Command** resources are added frequently to provide you with quick access to downloadable materials.
- **NEW** Featured newsletters are available to you via MyWaveHR's **HealthShop**, which allows you to easily obtain and share health-related information with your employees.

### Want to Make Your Job Easier?

Here is a sampling of the resources we have available for your use. Simply contact your Starkweather & Shepley Insurance Brokerage, Inc. representative to learn more.

- *Preventive Care Newsletter (via HealthShop)*
- *Section 125 Plans – Do You Need One? (article and related topics via Benefits Legislation)*
- *Fitness First: Exercise and Healthy Eating (employee brochure via Documents on Command)*
- *The Joslin Diabetes Center (link via Resources)*
- *Claritin Goes Over-the-Counter (payroll stuffer)*

## MyWavePortal® offers...

### Collaboration Center

Our document posting capabilities allow a seamless exchange of information sharing from our agency to you. Accessible 24/7, postings from our agency are timely, relevant, and easy to locate in one convenient place online.

### Survey Benchmarking

Allows you to determine how your plans and programs compare to other employers across the U.S.

### Community

Share Information and resources via the Community's interactive forum that allows you to post questions to your peers, provide insight into other users' questions, and to track responses based on topics or individual questions.

## MyWaveHR® offers...

### Documents on Command

Provides instant access to a library of downloadable articles covering a variety of topics – exactly when you need them.

### Legislative Guides

Provides a direct link to an exclusive set of comprehensive guides full of federal legislation regarding COBRA, HIPAA, HIPAA Privacy, Section 125, and FMLA.

### HealthShop

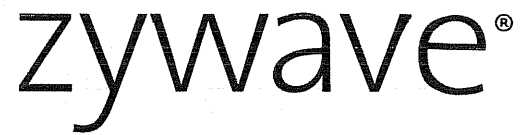
*HealthShop* offers comprehensive, health information in ready-to-print newsletters to help your employees make informed healthcare decisions.

### Resources

Contains links to industry-related Web sites from the convenience of your MyWaveHR® site.

### Contact Us

You can contact anyone on the Starkweather & Shepley Insurance Brokerage, Inc. staff directly from your MyWaveHR site.



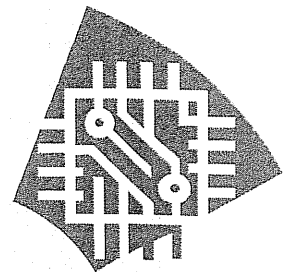
## **SPAM Filters**

**Are your clients having trouble receiving emails from MyWave Activation or from HRconnection?**

**They may need to change some settings on their SPAM filter to allow the emails through. Simply pass along the following email addresses to the client for their IT team to "white list" them into their agency.**

**MyWave emails: @zywave.com and @zywavemail.com**

**HRconnection: noreply@hrconnection.com**



KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Response Data Requests of the  
Division of Public Utilities & Carriers

Set I

Div 1-8      Please identify the actual capital expenditures in FY 2005, FY 2006 and FY 2007  
as funded from:

- A.      IFR Funding – Please see attached.
- B.      Bond or Other Debt Funds – Please see attached.

KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Response Data Requests of the  
Division of Public Utilities Carriers

Set I

Please identify the actual capital expenditures in FY 2005, FY 2006 and FY 2007 as funded from:

- A. IFR Funding  
B. Bond or Other Debt Funds

<b><u>A</u>    <u>IFR Funding:</u></b>		<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
273-B	Oaklawn Meter Pit	\$229,198.61	\$11,181.61	---
274-B	GIS Development Mapping	\$348,443.71	\$147,695.80	---
277-B	Hydraulic Model Development	\$47,820.40	---	---
278-B	2004 Infrastructure	\$63,041.12	\$81,641.80	\$1,512,817.78
279-B	Walker Street	---	\$14,098.62	\$310.08
280-B	Pine Street	---	\$25,813.79	---
281-B	Gas Pump	---	---	\$60,760.34
282-B	Arthur - Bleach - Jefferson	---	---	\$75.00
283-B	Fire Protection System	---	---	---
229-C	Frenchtown/Setian Tanks	\$208,842.59	\$131,911.50	---
230-C	2003 Infrastructure	\$799,891.98	\$348,454.02	---
231-C	Knotty Oak Road	\$334,066.32	\$16,893.79	---
233-C	Mishnock Well Color Evaluation	\$27,787.50	\$2,970.00	---
235-C	Quaker Lane P.S. Roof	\$11,481.00	---	---
237-C	Greenwich Avenue	\$1,550.00	\$12,372.25	\$35,584.94
238-C	Storage Evaluation	---	---	\$56,864.80
239-C	2006A Infrastructure	---	---	\$608,047.02
240-C	Quaker Lane Pump Station	---	---	\$26,471.26
241-C	Tech Park Tank	---	---	\$701,142.60
462-E	2002 Infrastructure	\$559,528.64	\$24,791.91	---
467-E	Upland Avenue	---	---	\$11,558.59
<b>Totals</b>		<b>\$2,631,651.87</b>	<b>\$817,825.09</b>	<b>\$3,013,632.41</b>
<b><u>B</u>    <u>Bond Funding:</u></b>				
266-B	Clinton Avenue Pump Station	\$50,069.38	\$3,720,452.46	\$1,071,531.95
275-B	Black Rock Road	\$4,230,148.51	\$777,787.64	\$420,304.70
221-C	Mishnock Wellfield - Storage - Treat	\$26,304.90	\$12,476.00	\$239,238.50
234-C	Read School House Road - Main	\$25,997.80	\$1,675.00	\$7,860.00
236-C	Read School House Road - Tank	\$33,860.37	\$13,175.00	\$2,330.75
462-E	2002 Infrastructure	\$559,528.64	\$24,791.91	---
464-E	East Greenwich Well Upgrade	\$7,626.80	\$779.00	---
<b>Totals</b>		<b>\$4,933,536.40</b>	<b>\$4,551,137.01</b>	<b>\$1,741,265.90</b>



KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Response Data Requests of the  
Division of Public Utilities & Carriers

Set I

Div 1-9 Please identify actual FY 2008 IFR funded capital expenditures to date and KCWA's current estimate of the additional expenditures through June 30, 2008.

A. Current expenditures:

A copy of our IFR Programming is attached.

7/1/07 – 4/30/08 Expenditures	\$6,708,582
May + June Estimate	<u>\$1,165,702</u>
Total	\$7,874,284

**IFR FUNDING  
CURRENT AND PROPOSED PROGRAM**

**FUNDING:**

FUNDING AS OF 4/30/07	\$9,276,193
MAY & JUNE, 2007 PAYMENT	\$800,896
<b>FUNDING AVAILABLE AS OF JUNE 30, 2007</b>	<b>\$10,077,089</b>

**FUNDING:**

IFR 2007 CONSTRUCTION - JULY 2007 - JUNE 2008	\$4,805,373
<b>TOTAL FUNDING</b>	<b>\$14,882,462</b>

**ESTIMATED ALLOCATED EXPENDITURES 2007/2008**

IFR 2005 CONSTRUCTION (ESTIMATE TO COMPLETE)	(\$900,000)
IFR 2005 CONSTRUCTION SERVICES (ESTIMATE)	(\$100,000)
IFR 2005 CONSTRUCTION ADD ON TIOGUE RE-SERVICE	(\$2,500,000)
QUAKER BOOSTER REFURBISHMENT (SET ASIDE)	(\$3,000,000)
QUAKER BOOSTER REFURBISHMENT DESIGN & CONSTRUCTION SERVICES	(\$150,000)
TECH PARK TANK RECOATING (REMAINING FOR PROJECT)	(\$540,000)
IFR 2006A CONSTRUCTION (W.R.B. 50% INTERCONNECTION GRANT)	(\$6,669,740)
IFR 2006A CONSTRUCTION SERVICES	(\$300,000)
GREENWICH AVENUE REPLACEMENT	(\$1,555,970)
GREENWICH AVENUE CONSTRUCTION SERVICES	(\$80,000)
<b>TOTAL EXPENDITURES AS OF JUNE 30, 2008</b>	<b>(\$15,795,710)</b>

2006A POSSIBLE W.R.B. INTERCONNECTION GRANT	\$3,000,000
INCREASE IN IFR FUNDING	\$200,000
{ DEPENDS ON OCTOBER 2007 RATE FILING } { 2 MONTHS - MAY 08 & JUNE 08 } { + \$100,000 CASH EACH MONTH }	

**BUDGET EXPENDITURE AS OF JUNE 30, 2008** **(\$12,595,710)**

**TOTAL FOR ALL CURRENT & APPROVED PROJECTS\*** \$2,286,752

**IFR PROJECTS ON HOLD DUE TO FUNDING:**

IFR 2006B & IFR 2007 (DESIGNED AND READY FOR BIDDING) (\$6,000,000)

\* IN ALL LIKELIHOOD, NOT ALL PROJECTS WILL BE COMPLETED BY JUNE OF 2008. CARRY OVER EXPENDITURES WILL BE INCLUDED IN FY 2009 ESTIMATED EXPENDITURES.

DEPOSIT SHORT FALL		
4 @ \$400,448	=	\$1,601,792
2 @ \$283,333	=	\$566,666
		\$2,168,458

MID YEAR ADVANCE IFR 2006B FROM HOLD TO ACTIVE AND BID IF INTERCONNECTION GRANT PROCEEDS @ 50% REIMBURSEMENT.
--

KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Response Data Requests of the  
Division of Public Utilities & Carriers

Set I

Div 1-10 Please identify KCWA's current estimate of IFR funded capital expenditures during FY 2009.

- A. See response to question No. 9 as to projected 2009 expenditures. Please be aware that commitment to contract execution is critical to allocation of funds for payment.

Additional items to be included in 2009 expenditures:

- IFR 2009A & 2009B Design \$90,000.
- IFR 2009A & 2009B Construction (estimate) \$2,000,000 (For 2009 Only).
- Tiogue Re-service Construction (Bid) \$2,023,720.
- Tiogue Re-service Construction (Engineering Estimate) \$160,000.

KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Response Data Requests of the  
Division of Public Utilities & Carriers

Set I

Div 1-11 Please identify the IFR Fund Balance as of the most recent date available.

A. IFR Fund Balance as of May 22, 2008 is \$6,953,452.46.

Response prepared by: Arthur Williams

KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Responses to Data Requests of the  
Division of Public Utilities & Carriers

Set I

Div 1-12. Please provide a comparison of operating expenses by the elements shown on CPNW Schedule 1 for each of the fiscal years 2005, 2006 and 2007.

Response: See the attached schedule. The values for 2005 and 2006 are from Mr. Woodcock's records and are believed to be unaudited. However, there are typically only minor adjustments between the audited and unaudited values.

Witness Responsible: C. Woodcock

Attachment to DIV DR #12

<u>Expense Item</u>	<u>FY 2007</u>	<u>FY 2006</u>	<u>FY 2005</u>
<b>SOURCE OF SUPPLY</b>			
operations & labor	\$14,596.75	\$14,510.70	\$11,460.63
maint of wells		\$20,983.42	
purchased water	<u>\$3,643,939.32</u>	<u>\$3,834,661.32</u>	<u>\$3,840,019.05</u>
Subtotal	\$3,658,536.07	\$3,870,155.44	\$3,851,479.68
<b>PUMPING OPERATIONS</b>			
fuel for pumping	\$8,449.61	\$1,534.99	\$1,202.20
power-pumping	\$521,284.08	\$511,431.28	\$459,165.49
labor-pumping	\$64,875.00	\$71,623.14	\$58,642.86
pumping expense	\$2,187.34	\$2,881.88	\$2,515.86
maint. - structures & improv	\$34,807.76	\$41,951.57	\$33,219.99
diesel oil	\$0.00	\$0.00	\$0.00
maint. - equip	<u>\$36,264.14</u>	<u>\$32,601.82</u>	<u>\$58,271.81</u>
Subtotal	\$667,867.93	\$662,024.68	\$613,018.21
<b>WATER TREATMENT</b>			
chemicals	\$102,910.13	\$69,117.84	\$67,497.28
labor	\$74,506.52	\$72,078.22	\$67,643.24
operating	\$28,803.75	\$51,955.52	\$41,678.78
maint. - water treat equip	\$1,608.45	\$206.86	\$427.00
maint. - structure	<u>\$0.00</u>	<u>\$8,603.37</u>	<u>\$3,895.38</u>
Subtotal	\$207,828.85	\$201,961.81	\$181,141.68
<b>TRANS &amp; DISTR. EXPENSE</b>			
storage facilities exp.	\$520.27	\$134.91	\$153.18
labor	\$29,163.23	\$25,398.24	\$15,120.19
supplies	\$39,804.16	\$43,499.79	\$35,560.92
labor-meter	\$30,774.52	\$16,496.06	\$12,319.01
material-meter	\$5,963.11	\$5,511.97	\$5,530.89
cust. install.	\$0.00	\$0.00	\$0.00
misc.	\$15,388.73	\$16,455.77	\$14,725.96
maint - struct. & improv.	\$222.98	\$11,240.07	\$3,962.50
maint.- res & stdp	\$50,798.77	\$17,705.75	\$11,129.69
maint. - mains	\$912,017.00	\$569,678.42	\$474,091.72
maint. - service	\$168,421.22	\$129,035.36	\$160,463.75
maint. - meters	\$80,044.44	\$47,134.68	\$45,684.42
maint. - hydrants	\$84,307.34	\$88,307.42	\$94,181.14



construction labor		<u>(\$7,567.00)</u>	<u>(\$20,491.17)</u>	<u>(\$9,029.66)</u>
	Subtotal	\$1,409,858.77	\$950,107.27	\$863,893.71
<b>CUSTOMER ACCOUNT</b>				
labor- meter read		\$74,300.23	\$75,733.61	\$80,036.96
cust record labor		\$155,527.05	\$151,564.88	\$145,463.31
cust records exp		\$56,774.77	\$51,924.51	\$59,817.10
meter read supplies		\$0.00	\$0.00	\$0.00
uncollectible		<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
	Subtotal	\$286,602.05	\$279,223.00	\$285,317.37
<b>ADMIN. &amp; GENERAL</b>				
salaries		\$322,654.00	\$318,208.68	\$305,017.61
office supplies & expenses		\$119,365.86	\$128,764.61	\$109,103.20
insurance (property/liability)		\$128,228.00	\$158,832.59	\$158,913.11
Insurance (worker's comp)		\$30,456.05	inc above	inc above
injuries & damages		\$282.94	\$30.56	\$116.25
employee benefits		\$683,739.05	\$795,547.91	\$814,527.91
fees		\$25,000.00		
maint. - plant		\$198,156.80	\$184,805.83	\$141,262.00
maint. - vehicles		\$105,367.82	\$99,667.60	\$83,975.36
miscellaneous		\$25,082.64	\$49,206.07	\$65,514.71
vacation, holiday, sick		\$244,044.44	\$231,678.46	\$218,055.72
regul. exp.		\$45,694.35	\$81,630.58	\$92,411.55
other		\$0.00		
outside service		<u>\$126,624.69</u>	<u>\$168,514.57</u>	<u>\$134,395.65</u>
	Subtotal	\$2,054,696.64	\$2,216,887.46	\$2,123,293.07
TOTAL O&M		\$8,285,390.31	\$8,180,359.66	\$7,918,143.72
<b>FIXED CHARGES</b>				
<b>Debt Service</b>				
	Existing	\$3,901,943.76	\$3,895,931.00	\$2,922,697.00
	New	\$0.00		
<b>Reserves and Coverage</b>				
	O&M Reserve	\$0.00	\$0.00	\$19,438.91
	R&R Reserve	\$0.00	\$0.00	\$0.00
Renewal & Replacement - Equip		\$99,999.96	\$100,000.00	\$100,000.00
Infrastructure Replacement		\$4,004,478.30	\$3,828,807.32	\$3,683,333.29
Payroll Taxes		\$138,875.83	\$136,546.57	\$128,215.82
PILOT		<u>\$23,123.17</u>	<u>\$23,123.17</u>	<u>\$23,123.17</u>
SUBTOTAL FIXED		\$8,168,421.02	\$7,984,408.06	\$6,876,808.19

KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Responses to Data Requests of the  
Division of Public Utilities & Carriers

Set I

DIV 1-13. Please provide a comparison of miscellaneous revenue by type/source for each of the fiscal years 2005, 2006 and 2007.

Response: See the schedule below.

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Miscellaneous Income	\$179,384	\$122,365	\$97,622
Interest Income	\$112,596	\$248,327	\$186,181
Merchand. & Jobbing	\$2,384	\$8,368	\$6,908
6.9% of Water Prot Fee	<u>\$56,722</u>	<u>\$61,850</u>	<u>\$62,907</u>
	\$351,086	\$440,909	\$353,618

Witness Responsible: C. Woodcock

KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Response Data Requests of the  
Division of Public Utilities & Carriers

Set I

Div 1-14 Please provide the information regarding wholesale water costs and purchases shown on Mr. Christopher PN Woodcock's Schedule 1C for the most recent 12 months available.

	<u>MG</u>	<u>Cost</u>
A. Providence Purchases	2,541,319,819	\$3,373,651
Warwick Purchases	<u>567,454,040</u>	<u>\$ 755,222</u>
	3,108,773,859	\$4,128,873

KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Response Data Requests of the  
Division of Public Utilities & Carriers

Set I

Div 1-15 Please provide the quantities of the treatment chemicals shown on Christopher PN Woodcock's 1D that were utilized in FY 2005, FY 2006 and the most recent 12 months available.

A. The following are the purchases for the period requested and do not reflect actual usage for that period.

	<u>FY 2005</u>	<u>FY 2006</u>	<u>5/07 to 4/08</u>
Chlorine (Gallons)	825	625	613
Tetra Potassium Pyrophosphate (Gallons)	---	360	360
Potassium Hydroxide (lbs)	344,482	366,458	380,749

KENT COUNTY WATER AUTHORITY

Docket No. 3942

Response Data Requests of the  
Division of Public Utilities & Carriers

Set I

Div 1-16      With regard to the unit chemical costs shown on Christopher PN Woodcock's Schedule 1D, please provide a copy of the current contract or purchase order supporting the price shown and the time period for which that price is effective.

- A.      The phosphate additive for sequestering is manufactured by CARUS and is billed by the pound and shipped in 30 gallon drums. The gallon price of last shipment equates to \$11.46/gallon.

Chorine is picked up locally due to small quantity and inability to obtain bulk shipments. It is used for disinfection of supply and at times mains and tanks. It is priced per 5 gallon container. Potassium hydroxide is shipped bulk to large storage containers and is used for pH adjustment of well water. It is priced per pound at a percent concentrate shipped.



# BORDEN & REMINGTON CORP.

P.O. Box 2573 • 63 Water Street • Fall River, MA 02722-2573  
Telephone 508/675-0096 • Toll Free 800/543-5393 • Fax 508/672-5670

INVOICE

DATE	NUMBER
05/15/08	153631
DATE SHIPPED	ASSOCIATED NUMBER
05/15/08	B/L# 159609

CUSTOMER NO.

26301

Page 1 of 1

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Kent County Water Auth.  
P.O. Box 192  
1072 Main Street  
W. Warwick, RI 02893-0192

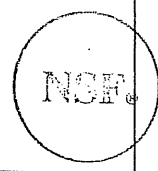
Kent County Water Auth.  
(East Greenwich Well)  
5870 Post Road  
Warwick, RI 02893

CUSTOMER ORDER NUMBER	FOB	FREIGHT CHARGES	SHIPPED VIA	SALES AGENT	TERMS
004609		0.0000	HOUSE	B20	NET 30 DAYS

UNITS	PACKAGE	DESCRIPTION	TOTAL QUANTITY	UNIT PRICE	AMOUNT
17128	1 # BULK	POTASSIUM HYDROXIDE LIQ 45 WET ON 45 % BASIS  (17000 1#BULK @ 45.34%/45%)	17128.4	0.2006	3,435.97
Merchandise Total Tax Status Blanket Cert. Fuel Surcharge *** WE NOW ACCEPT VISA & MASTERCARD ***					3,435.97 0.00 120.00

Purchase Order No. \_\_\_\_\_  
 Material Rec'd Date \_\_\_\_\_  
 By \_\_\_\_\_ O.K. *TD*  
 Computed by *ACW*  
 Ent'd Gen'l Books \_\_\_\_\_  
 ACCOUNT *611*  
 AMOUNT *3555.97*  
 Quality \* Responsibility \* Stewardship

NACD  
Responsible  
Distribution  
Process



CERTIFIED TO ANSI/NSF 60 Max Use mg/L 100

**PAID**  
MAY 21 2008  
25933

WARRANTY: The following warranty is made by the Company in lieu of all other warranties, expressed or implied. If within 10 days of receipt, any goods are found upon inspection by an authorized representative of the Borden & Remington Co. to be defective in material, the purchase price will be refunded or the goods replaced. No liability is assumed for changes in physical properties after receipt or for consequential damages of any nature, or damages to any other goods being manufactured, whether arising out of further manufacture or otherwise. No claims allowed after goods have been processed or otherwise converted.

<b>TOTAL</b>	<b>3,555.97</b>
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# BORDEN & REMINGTON CORP.

63 Water Street  
P.O. Box 2573  
Fall River, Massachusetts 02722

Tel: (508) 675-0096  
Fax: (508) 672-5670  
Toll Free: (800) 543-5393

February 19, 2008

**JOHN DUCHAINE**  
Kent County Water Auth.  
P.O. Box 192  
1072 Main Street  
W. Warwick, RI 02893-0192

Dear JOHN DUCHAINE :

Effective as listed, or as contract terms permit, the following product(s) will increase in price. Please mark your records accordingly and be sure to inform your purchasing department of this increase. If you have any questions regarding your new price(s), please contact your sales representative. Thank you for your continued support.

Sincerely,  
Borden & Remington Corp.  
Sales Department

Product #	Product Name	Measure	Price Code	Current Price	Future Price	Effective Date
025201	POTASSIUM HYDROXIDE LIQ 45%	1 # BULK		0.1806	0.2006	2/20/2008



Quality • Responsibility • Stewardship

*Southeastern New England's Leading Chemical Distributor*



181 Woodlawn Ave.  
 Belmont, NC 28012  
 Ph. 704-822-1441 • Fax 704-822-0922

VOUCHER No. 3077

INVOICE

REMIT TO: CARUS PHOSPHATES, INC.  
 15111 Collections Center Dr  
 Chicago, Illinois 60693 FEIN 20-5267608

**Billing Address:**

KENT COUNTY WATER AUTHORITY  
 1072 MAIN STREET  
 PO BOX 192  
 WARWICK, RI 02893

**Delivery Address:**

KENT COUNTY WATER AUTHORITY  
 5870 POST ROAD RT 1  
 WARWICK, RI 02893

CUSTOMER NO.	INVOICE NO.	INVOICE DATE				
050483	10007722	03-07-2008				
SALES ORDER NO.	SALES ORDER DATE	SHIP DATE	CARRIER	CUSTOMER PURCHASE ORDER NO.		
504122	03-06-2008	03-07-2008	RLC	6457		
PRODUCT NO./ DESCRIPTION/ LOT NO.	QUANTITY/ UNITS/ LBS.	UOM	UNIT PRICE	T A X	DISCOUNT	NET EXTENSION

2253-315	4.0000	30D	1.0090 LB	N	1319.77
CARUS 1205 327 LB DRUM					
BELFRT	1.0000	EA	54.8500 EA	N	54.85
DELIVERY CHARGES					

Purchase Order No. 6457  
 Material Rec'd Date O.K.  
 By ACW  
 Computed by ACW  
 Ent'd Gen'l Books AMOUNT

ACCOUNT	AMOUNT
<u>641</u>	<u>1374.62</u>

**PAID**  
 MAR 17 2008  
 25709

**ATTENTION ACCOUNTS PAYABLE**

New Remit To:

**CARUS PHOSPHATES**

15111 Collections Center Drive  
 Chicago, IL 60693

Goods	Costs	Total USD
1319.77	54.85	1374.62

Delivery Terms: PPD/ADD FUEL SURCHARGE ONLY  
 Payment Terms: NET 30 DAYS  
 Please reference invoice # : SLS 10007722 with your payment.

P.O. BOX 192  
 1072 MAIN STREET  
 WEST WARWICK, RI 02893  
 401-821-9300

T  
 O  
 CARUS PHOSPHATES INC  
 181 WOODLAWN AVE  
 BELMONT NC 28012

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 T  
 O

**Kent County Water Authority**  
 P.O. Box 192  
 West Warwick, RI 02893-0192

Vendor No.	Requisition No.	Date Required	P.O. Date	Terms	Ship Via
	504122		3/6/08	Rick Burns	

ITEM NO.	DESCRIPTION	ORDERED	RECEIVED	UNIT PRICE	AMOUNT
2253-315	Carus 1205 327 lb drum	4			\$ 1,319.77
	Delivery Charges				54.85
<b>CONFIRMING ORDER</b> DO NOT DUPLICATE					
TAX EXEMPT					

<b>TOTAL</b>	<b>\$ 1,374.62</b>
--------------	--------------------

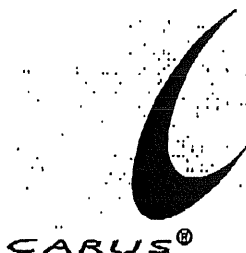
ACCOUNT NUMBER	AMOUNT

**INSTRUCTIONS TO VENDORS**

1. Purchase order number must appear on all invoices and shipping labels.
2. Sales and tax except under 39-16-13 of the General Laws of R. I.
3. All purchases F.O.B. Kent County Water Authority facility.
4. Payment within 45 days, late payments do not bear interest.
5. Cancellation by Kent County Water Authority prior to delivery bears no charge.

*TD*

GENERAL MANAGER



Carus Phosphates, Inc  
181 Woodlawn Avenue  
Belmont, NC 28012  
Tel (704) 822 1441  
Fax (704) 822 0922

**SALES ORDER  
ACKNOWLEDGEMENT**

**Billing Address:**

KENT COUNTY WATER AUTHORITY  
1072 MAIN STREET  
PO BOX 192  
WARWICK, RI 02893

**Delivery Address:**

Delivery Address  
KENT COUNTY WATER AUTHORITY  
5870 POST ROAD RT 1  
WARWICK, RI 02893

Customer : 050483  
Sales Order : 504122  
Order Date : 03-06-2008  
Customer P.O. : 6457  
Ref. : RICK BURNS

Quantity	Unit	Item	Cnt	Price	Unit	Tax	Discount	Ship Date
4.0000	300	2253-315 CARUS 1205 327 LB DRUM	130	1.0090	LB	N		03-10-2008
1.0000	EA	BELFRT DELIVERY CHARGES		54.8500	EA	N		03-10-2008

CUST NEEDS PROD:  
RICK 401-821-9300  
CALL 1 HOUR PRIOR TO DELIVERY  
DELIVERY HOURS 8-3  
LIFTGATE IS REQUIRED  
FAX SHIPPING CONFIRMATION 401-823-4810

Goods	Costs	Total USD
1319.77	54.85	1374.62

Delivery Terms: PPD/ADD FUEL SURCHARGE ONLY

Payment Terms: NET 30 DAYS

Carrier: RLC

**Thank you for giving us the opportunity to serve you.  
We appreciate your business and the confidence you have placed in us.  
Please contact Customer Support at 1-800-929-6789 if we may be of further assistance.**





November 11, 2005

Specialist in  
Water Treatment



Kent County Water Authority  
1072 Main Street  
PO Box 192  
West Warwick, RI 02893

181 Woodlawn Ave.  
Belmont, NC  
28012



704-822-1441  
Fax: 704-822-0922



Dear Valued Customer:

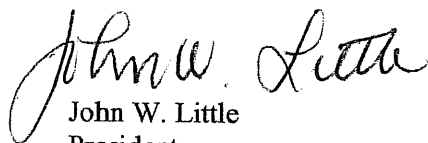
Since 1987, CalciQuest Inc. has been providing cost effective phosphate treatment for potable water facilities throughout the US and Canada. We are continuing to strive to deliver these same services and products to our customers. Unfortunately, events over the last 24 months have continued to cause significant increases in our cost to manufacture and deliver chemical. These events include:

1. Phosphate raw material suppliers have consolidated from 4 suppliers into 2 suppliers and therefore reduced their production capacity. As a result of the weak dollar, there have been significant reductions in raw material available from foreign countries. Subsequently, suppliers have raised raw material prices considerably. Some repositioning still continues.
2. Fuel surcharges and higher energy costs have caused transportation and production costs to increase dramatically over the last two years. This has escalated as a result of the events in 5 below.
3. Heightened demand for increased security measures and labor intensive quality control procedures have in turn, increased our cost.
4. Petroleum cost has risen exponentially, raising the cost of polyethylene containers (drums). Again, more so since the events of item 5 below.
5. Hurricanes Katrina, Rita and Wilma have devastated the Gulf Coast areas and many of our major suppliers have been extremely adversely affected. Many of the items already listed above have seen further complications and increased costs which all have been passed through to us, some under "Force Majeure" circumstances.

In order to continue to deliver a high quality product in a safe and secure manner, we find it necessary to announce a price increase on all products. **Effective December 15, 2005, or as soon as contract terms permit, CalciQuest Inc. will institute a 12% price increase for all products.** The new price will be reflected in invoices for all products shipped after December 15, 2005. If you need supporting documentation to justify this increase, i.e. letters from raw material suppliers and transportation companies announcing increases, please contact us at 1-800-929-6789.

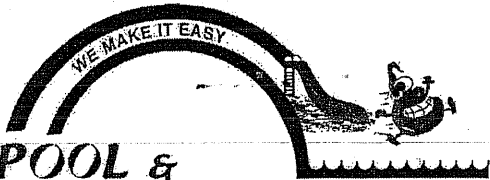
We sincerely appreciate the customer relationships we have built over the past seventeen years and we look forward to continued success with your system. If you have any questions or would like to place an order please contact us toll free at 1-800-929-6789 or contact your local CalciQuest Sales Representative.

Sincerely,

  
John W. Little  
President

# VOUCHER No.

Invoice No. 661657  
Date: 05/21/08  
Page No. 1



**POOL &  
PATIO CENTER, Inc.**

Outstanding, Outrageous & Unexpected Customer Service Since 1988

\*DUPLICATE INVOICE\*

Sold KCWA  
To 1072 MAIN ST  
WEST WARWICK, RI 02893

33

Cust KCWA Ship date ASAP  
Salesman POOL Terms Net 30 days

Quantity	Unit	Item Number	Description	Price	Unit	Extension
			JS			
8	EACH	01-ACS-PC5	5 Gallon Liquid Chlorine *	8.00	EACH	64.00

Purchase Order No.	
Material Rec'd Date	O.K. <i>TS</i>
By	<i>ACW</i>
Computed by	<i>ACW</i>
Ent'd Gen'l Books	AMOUNT
ACCOUNT	<i>64.00</i>

*JS 2108*

Str: 1 Reg: 3 Drw: 3 Usr: CL3 14:04  
AR 64.00

Sale Amt	64.00
Sales Tax	.00
Total	64.00
Pmt Rec'd	.00
Bal Due	64.00



53 Sandy Bottom Rd, Coventry RI 02816  
 (P) 401-823-7290 // (F) 401-828-3055  
 www.poolandpaticenter.com

Thanks for Choosing Us  
 Returns must be made in 30days  
 Chemicals cannot be returned

Ticket#661657 Cus#KCWA May 21 08  
 Usr CL3 Slp POOLRg# 3 Dr# 3 Time 02:04

Item Number	Qty	Price	Ext
-------------	-----	-------	-----

JS			
01-ACS-PC5	8 *	8.00	64.00
5 Gallon Liquid Chlorine			

Subtotal	64.00
Tax	.00
Total sale	64.00

Acnt.Recv. 64.00

KCWA  
 1072 MAIN ST  
 WEST WARWICK, RI 02893

All returns must be in original packaging and in resaleable condition.

KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Response Data Requests of the  
Division of Public Utilities & Carriers

Set I

Div 1-17 Please identify the balances of the O & M Reserve and the R & R Reserve as of the most recent date available and provide KCWA's current protection of any additions through October 31, 2008.

A. As of May 7, 2008, fund balances are as follows:

O & M Reserve	\$1,898,250.00
R & R Reserve	\$785,152.14

An addition of \$255,325 is required to fully fund the O & M Reserve. Hopefully, there is sufficient revenue in June to fund the shortfall. Please see response to #19.

Response prepared by: Arthur Williams

KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Responses to Data Requests of the  
Division of Public Utilities & Carriers

Set I

DIV 1-18. If the rates approved in this case remain in effect for more than one year, please explain how the combined \$964,000 of revenues being requested to build up the O&M and R&R Reserves would be utilized after one year (after meeting any incremental requirements).

Response: Since the initial filing, KCWA has made a deposit to the R&R Reserve of \$263,332. This brings the R&R Reserve to its required funding level of \$785,152 as of 6/30/07 (1% of the Net Utility Plant as of 6/30/07). As a result, we are now requesting \$200,000 to cover 1% of the estimated additions to the Net Utility Plant through the rate year. (See response to DIV 1-20). Based on the Authority's Capital Improvement Program, an annual addition of \$200,000 each year to the R&R reserve does not seem unreasonable.

For the O&M Reserve we are asking for \$501,063. As indicated in the response to DIV 1-17 the Authority is hoping to have sufficient income prior to June 30 to add to this account. Based on the past few years O&M plus tax expense, the incremental O&M reserve deposit will typically be in the order of \$70,000 per year.

As discussed on page 12 of Mr. Brown's prefiled testimony, the Kent County Water Authority will be embarking on a major meter replacement program (as well as other capital projects) in



the coming years to enable it to adopt monthly water billing and an enhanced demand management and seasonal rate program. As the Commission knows, the Authority does not own the customer water meters. As such, it cannot sell bonds to replace customer meters; they must be paid for from revenues. The meter replacement program will be quite costly (well over \$5 million). We ask that the Commission order a new Restricted Account to be used for future meter replacements. Once the O&M Reserve and R&R Reserve accounts are fully funded under the bond indenture requirements, any additional funds that had been set aside for these reserve funds can be deposited into a new Meter Replacement restricted account. We believe that pre-funding this account will help offset a significant new annual revenue requirement in the next rate filing by the Authority.

As discussed in the response to DIV 1-19, the Authority believes that full funding is required and that any additional funds that may result in later years can be restricted to needed projects and programs.

Witness Responsible: C. Woodcock

KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Responses to Data Requests of the  
Division of Public Utilities & Carriers

Set I

DIV 1-19. Please state whether it would be permissible to achieve the required O&M Reserve and R&R Reserve balances, for example, over 18 months or two years, rather than one year. If not, please explain and provide the supporting bond indenture or other documentation.

Response: The question seems to call for a legal opinion regarding permissibility; this response is NOT a legal opinion.

The Division has been provided the complete 1994 General Bond Resolution of the Kent County Water Authority in previous filings. Article V of that resolution pertains to the establishment of Funds. Section 502 calls for certain funds to be established and held by the Trustee, including the Operation and Maintenance Reserve Fund (Section 502 (1)(viii)) and the Renewal and Replacement Reserve Fund (Section 502 (1)(x)). Section 603 (1) states “So long as any Bonds are Outstanding, the Authority shall use its best efforts to establish and maintain Rates and Charges adequate at all times, with other available funds, to provide Revenues and other moneys, at least sufficient, with such margin of safety as the Authority shall deem reasonable, to pay or provide for ... (iii) all amounts, if any, payable to the Operations and Maintenance Reserve Fund, Debt Service Reserve Fund, Renewal and Replacement Reserve Fund, ....”

Based on this language the Authority must use its “best efforts” to fund the reserves to the required level each year. Based on Mr. Woodcock’s reading of the Trust Indenture and prior discussions with bond counsel, he does not believe it would be permissible to fund the reserves to the required level over 18 month or two years. Further, based on discussions with representatives from First Southwest, we believe that if the Commission were to purposefully provide insufficient funds to keep the reserves at the required level each year it could reflect negatively on the Authority’s ability to convince the rating agencies and potential investors that the Authority has the ability to meet its obligations under the Trust Indenture. Please refer to the attached letter from Ms. Gurghigian.

Witness Responsible: C. Woodcock



12 Breakneck Hill Road  
Suite 200  
Lincoln, RI 02865  
401.334.4267 Direct  
401.333.3807 Fax

**Maureen E. Gurghigian**  
Managing Director

mgurghigian@firstsw.com

May 15, 2008

Timothy J. Brown, P.E.  
General Manager/Chief Engineer  
Kent County Water Authority  
PO Box 192  
West Warwick, RI 02893

Dear Tim:

I am writing to follow up on discussions with you and Chris Woodcock regarding the Operations and Maintenance Reserve Fund level.

The Kent County Water Authority (KCWA) General Bond Resolution (Resolution) includes a covenant to maintain the Operations and Maintenance Reserve Fund at the level of 25% of the operating budget. The Resolution requires KCWA to use its "best efforts" to obtain rates to fund this and certain other obligations, including the Renewal and Replacement Reserve Fund. Should KCWA be in non-compliance with this covenant for any reason, it is my understanding that KCWA would be required to request approval from the Public Utilities Commission (PUC) for rates sufficient to collect the appropriate amount.

In addition, I believe that such non-compliance, were it to occur, would be reflected in the annual Accountant's Certificate. Certainly when KCWA goes to market for additional borrowings, such non-compliance would be a disclosure issue in the Official Statement. In addition, Bond Counsel may include it in annual Continuing Disclosure filings. If a new bond issue is contemplated, it may be possible for KCWA to borrow to fund the Operations and Maintenance Reserve Fund at its appropriate level, although since it is a percentage of the budget, the funding level would increase annually with budget increases. Of course, it should be noted that borrowing for the reserve fund would result in additional interest expense.

The Operations and Maintenance Reserve Fund provision has been viewed favorably by investors and credit analysts. It is important to note that reserve levels and liquidity are one of many factors reviewed by credit rating agencies. Credit rating factors include: Legal Provisions, Economic and Demographic factors, Management and Administration, Operational Statistics, Rate criteria and Regulation, Finances and the Capital Improvement Plan. The reserve levels fall into the Legal Provisions category along with the Security, Additional Bonds Test, Rate Covenant, Coverage Requirement and other provisions in the General Bond Resolution and Series Resolutions.

Following is an excerpt from a rating agency report entitled: Fitch Ratings Water and Sewer Revenue Bond Rating Guidelines published April 16, 2007:



*“Covenants: Covenants promote a certain level of credit stability for investors. If adhered to, they can provide a high degree of protection against water and sewer bonds being downgraded to speculative status. Standard bond covenants consistent with the two highest rating categories for senior lien water and sewer utility bonds include those limiting parity bond issuance to instances when historical and/or projected revenues cover annual debt service at least 1.2 times (x), requiring 1.2x rate setting annually to cover both operations and debt service costs, and creating debt service reserve funds at the maximum levels allowed under tax law. Additional covenants requiring set-asides for operational, maintenance, and other financial reserves are positive credit features, as they heighten prospects for stable financial management.”*

KCWA and its rate payers benefit from a strong credit profile. As we have discussed in the past, generally the higher the rating, the lower the interest cost paid on funds borrowed. In addition, a fully-funded Operations and Maintenance Reserve Fund and other positive financial factors can result in a lower insurance premium for insured bonds. You may recall our estimate at the time the KCWA rating was upgraded to the “A” category that the initial savings on the insurance premium for the \$10 million issue sold in 2001 was approximately \$50,000.

I hope this information is helpful to you. Please contact me should you have any questions or need additional information.

Sincerely yours,

Maureen E. Gurghigian  
Managing Director

Cc: Chris Woodcock

KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Responses to Data Requests of the  
Division of Public Utilities & Carriers

Set I

DIV 1-20. Please provide workpapers and supporting documentation for the projected increase in Net Utility Plant from 6/30/2007 to 10/31/2008. Also, please reconcile to the amounts shown on TJB Schedule 1.

Response: It assumed that the 10/31/2008 date in the question refers to Mr. Woodcock's Sch. 1D, page 1 of 4. The date on that schedule for both the R&R Reserve and O&M Reserve should be 10/31/2009 (the end of the rate year).

Please refer to the Authority's March 28, 2009 4-month report for capital items as required under the Commission's Order in Docket 3660. That report shows in excess of \$29 million in Capital Improvements to complete. These are in addition to the IFR improvements that are also discussed in the Authority's 4-month reports to the Commission. The total addition to assets would include all capital projects (IFR and CIP). Mr. Brown's TJB Schedule 1 only deals with IFR projects.

There are no work papers that support the \$20 million addition. It is an estimate based on additions from the capital programs discussed above less additional depreciation over the period.

Witness Responsible: C. Woodcock/T. Brown

KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Response Data Requests of the  
Division of Public Utilities & Carriers

Set I

Div 1-21      Please provide the FY 2009 Worker's Comp and Liability/Property insurance premiums when known.

A.      Not known as yet. Will provide when available.

KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Responses to Data Requests of the  
Division of Public Utilities & Carriers

Set I

DIV 1-22. Please explain why FY 2008 Liability/Property insurance premiums were escalated for 1.5 years growth to determine the rate year premiums rather than 1.33 years.

Response: This is an error. The increase should have been 1.33 years. This will be corrected in the Authority's rebuttal submissions.

Witness Responsible: C. Woodcock



KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Responses to Data Requests of the  
Division of Public Utilities & Carriers

Set I

DIV 1-23. With regard to projected rate year benefits and pension expense shown on CPNW  
Schedule 1D:

- a. Please explain why the test year salary figure used to calculate the percent of TY Salary does not match the test year salaries shown on Schedule 1B.
- b. Please explain the basis for calculating the percent of test year salaries by dividing FY 2008 premiums by FY 2007 salaries.
- c. Please provide a comparison of the FY 2007 and FY 2008 premiums for Medical-Blue Cross, Delta Dental and Group P-65 Retirees. Also provide actual FY 2009 premiums when known.
- d. Please identify actual FY 2008 salaries to date and the projected salaries for the remainder of the year.
- e. Are pensions and benefits capitalized along with capitalized labor?

Response:

Based on more recent data that came available after the rate filing, KCWA proposes to update the values for Medical, Dental, and retiree insurance. Revised numbers are presented at the conclusion of this answer and will be reflected in KCWA's surrebuttal testimony.

- a. They are for different years. The \$1,813,411.50 value used to determine the percentages was based on some preliminary budget salary numbers for FY 2008. They did not include the board salaries. This calculation is no longer necessary with the new information presented below.
- b. As noted above, the percentages were based on FY 2008 costs and a portion of the FY 2008 budgeted salaries.

c. CPNW Sch. 1D presents this for FY 2007 and FY 2008. See the attached calculations for the latest information available on premiums.

d. 11 months actual      \$1,717,602  
1 month estimate      \$ 177,314  
                                     \$1,894,916\*

\* one employee is on worker's compensation and is reflected in estimate and actual payroll

e. No.

The Authority has updated costs for medical and dental insurance. We have quotes for medical insurance of \$37,637.40 per month effective 5/1/2008 or \$451,648.80 per year. We also have quotes for retiree insurance of \$6390.61 per month effective 5/1/08 or \$76,687.32 per year. These were increased for the next twelve months based on the change from the prior year for BC Medical of 6.9%. While the retiree increase was significantly more, we used the same 6.9% increase for that as well. These costs were prorated for the rate year as shown below.

	<u>5/1/2008</u>	<u>5/1/2009</u>	<u>Rate Year</u>
Medical - Blue Cross	451,648	482,807	467,227
Blue Cross Dental	36,011	38,173	37,092
Group P-65 Retirees	76,687	81,978	79,333

Witness Responsible: C. Woodcock



444 Westminster Street • Providence, Rhode Island 02903-3279  
401-459-1000 • www.BCBSRI.com

**RENEWAL NOTICE**

GROUP 269 1  
KENT COUNTY WATER AUTHORITY  
PO BOX 192  
W WARWICK RI 02893-0192

REP. NAME J. GRAVELINE  
REP. TELEPHONE NUMBER 401-459-5959 ext4672  
1-800-637-3718

**YOUR RENEWAL RATES ARE EFFECTIVE MAY 1, 2008 THROUGH APR 30, 2009**

**MONTHLY RATES BASED ON YOUR CURRENT ENROLLMENT**

RENEWAL BENEFITS	ENROLLEE ONLY	ENROLLEE & SPOUSE	ENROLLEE & CHILD(REN)	ENROLLEE, SPOUSE & CHILD(REN)
HEALTHMATE C2C \$15/\$25 \$100ER Rx 7/30/50/75	\$ 462.98	\$1111.16	\$ 740.77	\$ 1250.05

**Please refer to the Product Enhancements and Updates section for important prescription plan changes.**

Additionally, the above rates include a credit for your participation in the **CompAlliance Program** offered through Blue Cross & Blue Shield of Rhode Island. If you choose to cancel The Beacon's **Worker's Compensation** coverage while the above rates are in effect, your BCBSRI rates will be increased by the amount of the credit. This will take effect the first of the month following the termination of **The Beacon Mutual Insurance Company's** policy.

This Renewal Notice sets forth the premiums for the rating period indicated above and shall constitute an amendment to the Sales Agreement between Blue Cross & Blue Shield of Rhode Island and the COMPANY.

Thomas A. Boyd  
Executive Vice President

Blue Cross & Blue Shield of Rhode Island is an independent licensee of the Blue Cross and Blue Shield Association.

**tbrown@kentcountywater.org**

---

**From:** Teitleman, Claire M. [CTeitleman@starshep.com]

**Sent:** Wednesday, April 02, 2008 10:13 AM

**To:** tbrown@KentCountyWater.org

**Subject:** Dental, Plan 65 update

Hi Tim - Jason has updated the dental plan to include Sealants @ 100% for the SAME pricing. I am attaching a copy of his proposal. Also, I have confirmed the new Plan 65 rates:

Base rate:	\$166.97
Pharmacy \$7/30/50	<u>\$273.81</u>
<b>Total</b>	<b>\$440.78</b>

This represents a 25% increase over last year (\$353.86). Unfortunately, there are no other options to save money.

I will revise the exhibits and have 8 copies made.

Regards,  
Claire

*Claire M. Teitleman*  
*Account Executive*  
*Starkweather & Shepley Insurance Brokerage, Inc.*  
*Tel. (401) 435-3600, ext. 1243, or (800) 854-4625*  
*FAX (401) 431-9665*

4/2/2008

**Blue Cross Dental Quote for  
KENT COUNTY WATER AUTHORITY**

269

**Rates For: 5/1/2008 - 4/30/2009**

**NEW BUSINESS PROPOSAL(S)**

	<b>Premier Blue Option 2</b>
<b>Services</b>	
<b>Preventive/Diagnostic Services</b>	
Exams	100%
Cleanings	100%
Fluoride Treatments	100%
X-rays	100%
<b>Minor Restorative Services</b>	
Sealants	100%
Fillings	100%
Simple Extractions	100%
Denture Repairs	100%
Minor Treatment for Acute Pain	100%
Anterior Root Canals	100%
Vital Pulpotomy	100%
<b>Major Restorative Services</b>	
Space Maintainers	100%
Root Canal Therapy	100%
Oral Surgery/Anesthesia	100%
Crowns & Inlays	100%
<b>Periodontics</b>	
Perio Maint./Other Non-Surgical Periodontic Procedures	50%
Surgical Periodontics	50%
<b>Prosthodontics</b>	
Bridges & Dentures	
<b>Orthodontics</b>	
Braces	
<b>Other Benefit Considerations</b>	
Calendar Year Maximum	\$1,200
Orthodontic Lifetime Maximum	N/A
Student Coverage Age	<b>19 (26 IF 3 YR AGREEMENT)</b>
Deductible applicable to services with a coinsurance	None
Includes the Blue Cross Dental Coast-to-Coast Network	Yes

*Please refer to your benefit plan summary for further plan details and limitations.*

<b>PROPOSED RATES:</b>		
* Prior Coverage Rates	Individual:	<b>\$29.61</b>
	Family:	<b>\$85.10</b>

4941

\* The above proposed rates assume a minimum of 2 years of prior coverage. Before accepting the Prior Coverage rates, proof of prior coverage must be provided to BCBSRI. These rates are based on the effective period indicated. Any deviation from these dates must be reevaluated by Underwriting to determine if rate adjustments are necessary.

**Enrollment & Participation:**

The above rates are based on the following enrollment levels: 18 Individual, and 29 Family contracts. Participation is assumed to be 100%. Any significant deviation from this enrollment (+/-10%) or any change in participation may require a re-evaluation of rates.

KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Responses to Data Requests of the  
Division of Public Utilities & Carriers

Set I

DIV 1-24. Please provide the source document for the CPI Northeast inflation indices utilized on CPNW Schedule 1D.

Response: Bureau of Labor statistics – Consumer Price Index, Northeast Urban, adjusted  
[http://data.bls.gov/PDQ/servlet/SurveyOutputServlet?data\\_tool=dropmap&series\\_id=CUUR0100SA0,CUUS0100SA0](http://data.bls.gov/PDQ/servlet/SurveyOutputServlet?data_tool=dropmap&series_id=CUUR0100SA0,CUUS0100SA0)

Witness Responsible: C. Woodcock

KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Response Data Requests of the  
Division of Public Utilities & Carriers

Set I

Div 1-25      Please identify the actual average percentage wage increase granted in FY 2008  
and the budgeted increase for FY 2009.

A.	FY 2008	3.2%
	FY 2009	It not has been determined

Response prepared by: Arthur Williams

KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Responses to Data Requests of the  
Division of Public Utilities & Carriers

Set I

DIV 1-26. With regard to Mr. Woodcock's testimony regarding declining water consumption:

- a. Has Mr. Woodcock or KCWA performed any analysis of the effect of its watering restrictions on water consumption? If yes, please provide.
- b. Does Mr. Woodcock agree that the imposition of watering restrictions has the effect of reducing water sales? If not, explain.

Response:

- a. As discussed in the Authority's October 2007 Water Conservation Action Plan, this is to be studied. (see <http://www.kentcountywater.org/kcwauseruploads/forms/WaterConsActionPlan.pdf>)

Mr. Woodcock has not performed an analysis of the effect of KCWA's watering restrictions.

- b. The literature on odd-even watering is mixed, with recent analysis seeming to suggest that odd-even watering may increase total water use. While Mr. Woodcock makes this statement based on recollections of studies he has heard about and discussions with water conservations specialists, he has not researched the matter and cannot point to such studies at this time. However, as the Kent County Water Authority's odd/even restrictions have been in place since approximately 1993 or 1994 and continue to be in place, there should be no impact on near term use as a result of these restrictions. Mr. Woodcock does not believe that the Authority's watering restrictions have impacted the reduction in consumption for the periods in question in this docket. Mr. Woodcock does acknowledge that state-wide discussions of water supply issues may have impacted consumer's perceptions and water use habits and may have had some impact on declining sales, but these have not been studied or quantified for the Authority.

Witness Responsible: C. Woodcock



KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Response Data Requests of the  
Division of Public Utilities & Carriers

Set I

Div 1-27      Please provide actual sales to Amgen for each month from July 2006 through the most recent month available.

A.      See attached.

Response prepared by: Timothy J. Brown

DIV 1-27

ACCT#	APR 08	MAR 08	FEB 08	JAN 08	DEC 07	NOV 07	OCT 07	SEP 07	AUG 07	JUL 07	JUN 07	MAY 07	APR 07	MAR 07	FEB 07	JAN 07	DEC 06	NOV 06	OCT 06	SEP 06	AUG 06	JUL 06	TOTALS	
115755	\$651.88	\$504.07	\$424.48	\$659.46	\$1,277.23	\$2,167.88	\$2,615.81	\$2,735.37	\$2,210.03	\$2,967.24	\$2,155.69	\$2,188.29	\$2,811.45	\$2,387.56	\$2,586.82	\$2,941.88	\$2,325.97	\$2,239.01	\$2,575.95	\$3,017.96	\$2,543.35	\$3,094.04	\$47,081.42	
115756	\$12.71	\$12.71	\$44.81	\$12.71	\$1,585.61	\$590.51	\$1,025.48	\$1,363.07	\$1,148.24	\$1,547.21	\$779.96	\$749.27	\$1,086.86	\$1,056.17	\$1,117.55	\$1,056.17	\$1,086.86	\$1,485.83	\$1,823.42	\$1,854.11	\$2,559.98	\$2,529.29	\$24,528.53	
115757	\$205.43	\$357.03	\$243.33	\$243.33	\$205.43	\$205.43	\$119.34	\$155.57	\$191.80	\$155.57	\$155.57	\$191.80	\$191.80	\$199.97	\$199.97	\$308.66	\$199.97	\$163.74	\$126.29	\$162.52	\$162.52	\$162.52	\$4,307.59	
115758	\$26.39	\$26.39	\$26.39	\$26.39	\$26.39	\$26.39	\$26.39	\$26.39	\$26.39	\$26.39	\$26.39	\$26.39	\$26.39	\$26.39	\$286.49	\$26.39	\$26.39	\$26.39	\$26.39	\$26.39	\$26.39	\$26.39	\$26.39	\$840.68
116424	\$4,371.30	\$3,827.10	\$3,555.00	\$4,099.20	\$4,915.50	\$4,643.40	\$11,202.00	\$15,883.80	\$15,623.70	\$19,005.00	\$15,623.70	\$13,803.00	\$15,883.80	\$13,803.00	\$12,242.40	\$12,762.60	\$9,121.20	\$9,901.50	\$13,282.80	\$17,704.50	\$19,265.10	\$21,345.90	\$261,865.50	
116425	\$2,198.20	\$1,781.30	\$1,857.10	\$2,160.30	\$2,349.80	\$1,857.10	\$3,478.08	\$4,456.29	\$4,021.53	\$5,362.04	\$4,311.37	\$4,130.22	\$4,420.06	\$4,166.45	\$4,927.28	\$5,543.19	\$4,673.67	\$3,586.77	\$4,093.99	\$4,384.55	\$4,927.28	\$5,615.65	\$84,302.22	
116457	\$27,499.80	\$21,785.70	\$22,329.90	\$26,683.50	\$23,962.50	\$22,329.90	\$23,946.90	\$25,507.50	\$18,744.90	\$24,207.00	\$20,305.50	\$28,888.80	\$32,530.20	\$28,108.50	\$29,148.90	\$36,171.60	\$30,709.50	\$28,888.80	\$29,148.90	\$34,611.00	\$27,588.30	\$32,270.10	\$595,367.70	
116458	\$2,160.30	\$1,781.30	\$1,857.10	\$2,198.20	\$1,895.00	\$1,743.40	\$1,956.42	\$2,101.34	\$1,739.04	\$2,354.95	\$1,883.96	\$2,028.88	\$2,282.49	\$1,883.96	\$2,101.34	\$2,427.41	\$1,992.65	\$1,883.96	\$2,065.11	\$2,463.64	\$1,992.65	\$2,499.87	\$45,292.97	
TOTALS	\$37,126.01	\$30,075.60	\$30,338.11	\$36,083.09	\$36,217.46	\$33,564.01	\$44,370.42	\$52,229.33	\$43,705.63	\$55,625.40	\$45,242.14	\$52,006.65	\$59,233.05	\$51,632.00	\$52,610.75	\$61,237.90	\$50,136.21	\$48,176.00	\$53,142.85	\$64,224.67	\$59,065.57	\$67,543.76	\$1,063,586.61	

KENT COUNTY WATER AUTHORITY

Docket No. 3942

Response Data Requests of the  
Division of Public Utilities & Carriers

Set I

Div 1-28      Please provide the meter, hydrant and fire service units shown on CPNW Schedule 2 at the end of each calendar quarter from June 30, 2006 through March 31, 2008.

A.      See attached.

Response prepared by: Timothy J. Brown

DIV 1-28

UNITS OF SERVICE

METERS BY SIZE:

QUARTERLY

SIZE	JUN 06	SEP 06	DEC 06	MAR 07	JUN 07	SEP 07	DEC 07	MAR 08
5.8	22,021	22,012	21,985	21,980	21,989	22,024	22,018	22,006
3.4	139	132	133	138	141	143	144	145
1	3,504	3,512	3,532	3,552	3,561	3,565	3,566	3,569
1.5	325	316	316	318	318	319	319	320
2	495	516	522	524	526	529	532	530
3	17	20	20	20	18	18	18	18
4	60	60	62	65	69	72	72	72
6	70	71	72	75	75	75	75	75
8	32	39	44	45	46	47	48	47
10	15	11	12	13	13	14	14	14
TOTALS	26,678	26,689	26,698	26,730	26,756	26,806	26,892	26,796

MONTHLY

SIZE	JUN 06	SEP 06	DEC 06	MAR 07	JUN 07	SEP 07	DEC 07	MAR 08
5.8	1	1	1	1	1	1	1	1
3.4	3	3	3	3	3	3	3	3
1	1	1	1	1	1	1	1	1
1.5	8	8	8	8	8	8	8	8
2	12	12	12	12	12	12	12	12
3	1	1	1	1	1	1	1	1
4	6	6	6	6	6	6	6	6
6	7	7	7	7	7	7	7	7
8	4	4	4	4	4	4	4	4
10								
TOTALS	43	43	43	43	43	43	43	43

PUBLIC FIRE SERVICE:

	JUN 06	SEP 06	DEC 06	MAR 07	JUN 07	SEP 07	DEC 07	MAR 08
PUBLIC FIRE HYDRANTS	2,298	2,298	2,298	2,298	2,317	2,331	2,332	2,337
BILLS	13	13	13	13	13	13	13	13

PRIVATE FIRE SERVICE

SIZE (IN)	JUN 06	SEP 06	DEC 06	MAR 07	JUN 07	SEP 07	DEC 07	MAR 08
4	16	16	16	16	15	15	15	15
6	108	108	107	107	106	106	106	104
8	28	28	28	28	28	28	28	27
10	1	1	1	1	1	1	1	1
12	1	1	1	1	1	1	1	1
HYDRANTS	154	154	154	154	150	150	154	153

KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Responses to Data Requests of the  
Division of Public Utilities & Carriers

Set I

DIV 1-29. Please provide a schedule showing KCWA's depreciation rates and annualized depreciation expense based on plant as of June 30, 2007.

Response: KCWA's annual depreciation expense for FY 2007 is reported on the Annual Report to the PUC on pages 3 and 10. For FY 2007 the annual depreciation was \$976,237. The depreciation rate is a composite rate set by the Administrator and reported as such in the Authority's annual financial audit as 1.5%.

Witness Responsible: C. Woodcock

KENT COUNTY WATER AUTHORITY  
Docket No. 3942

Responses to Data Requests of the  
Division of Public Utilities & Carriers

Set I

DIV 1-30. Please provide annual depreciation expenses for FY 2008 to date and the projected expense for the remainder of FY 2008.

Response: The actual depreciation is provided at the end of each year by the Auditor; as such there is no depreciation expense to date for the current year. The Authority does budget for depreciation, and for FY 2008 that amount was \$1,027,900; however this is a budget value only.

Witness Responsible: C. Woodcock

**Docket No. 3942 – Kent County Water Authority - General Rate Filing  
Service List 05/29/08**

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