

**BEFORE THE
PUBLIC UTILITIES COMMISSION
OF RHODE ISLAND**

**PAWTUCKET WATER)
SUPPLY BOARD) DOCKET NO. 4171**

SURREBUTTAL TESTIMONY

OF

THOMAS S. CATLIN

ON BEHALF OF THE

DIVISION OF PUBLIC UTILITIES AND CARRIERS

SEPTEMBER 3, 2010

EXETER

ASSOCIATES, INC.
10480 Little Patuxent Parkway
Suite 300
Columbia, Maryland 21044

BEFORE THE
PUBLIC UTILITIES COMMISSION
OF RHODE ISLAND

PAWTUCKET WATER)
SUPPLY BOARD) DOCKET NO. 4171

Surrebuttal Testimony of Thomas S. Catlin

Introduction

1
2 Q. WOULD YOU PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?

3 A. My name is Thomas S. Catlin. I am a principal with Exeter Associates, Inc. Our offices
4 are located at 10480 Little Patuxent Parkway, Suite 300, Columbia, Maryland 21044.
5 Exeter is a firm of consulting economists specializing in issues pertaining to public
6 utilities.

7 Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN THIS
8 PROCEEDING?

9 A. Yes. I previously submitted direct testimony on behalf of the Division of Public Utilities
10 and Carriers (the Division) on July 20, 2010. My qualifications and experience are set
11 forth in that testimony.

12 Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

13 A. The purpose of my surrebuttal testimony is to respond to the rebuttal testimony submitted
14 by Robert Benson, James DeCelles and Christopher Woodcock on behalf of the
15 Pawtucket Water Supply Board. In particular, I will address the three remaining cost
16 allocation/rate design differences between the Division and PWSB: the inclusion of bills
17 for private fire service in the units of service; the appropriate limit on the increase in
18 public fire service rates; and how to recover the revenue shortfall associated with public

1 fire service. I will also present updated cost of service studies based on PWSB's and the
2 Division's proposed revenue requirements.

3
4 **Number of Private Fire Service Bills**

5 Q. WHAT POSITION DID PWSB TAKE IN REBUTTAL CONCERNING THE
6 TREATMENT OF PRIVATE FIRE SERVICE BILLS IN THE COST OF
7 SERVICE STUDY?

8 A. In rebuttal, Mr. Benson and Mr. Woodcock disagree with the adjustment that I made to
9 the cost of service study to reflect 12 bills per year for private fire service to recognize
10 that service will be billed monthly. Because PWSB intends to bill for private fire service
11 charges as part of those customers' general water service bills, PWSB proposes to include
12 zero bills for private fire service in allocating costs in the cost of service study.

13 Q. DO YOU AGREE THAT THE UNITS OF SERVICE IN THE COST OF
14 SERVICE STUDY SHOULD INCLUDE ZERO PRIVATE FIRE SERVICE
15 BILLS?

16 A. No. The units of service should take into consideration that private fire service will be
17 billed monthly. This is appropriate to recognize that billing is a shared service that
18 applies to both general water service and private fire service when a customer is billed for
19 both services. This is directly comparable to the treatment that is given to the billing
20 related costs of Newport Water where those costs are split between water and sewer
21 service when the bill for sewer service within Newport is included on the water bill. This
22 treatment was adopted in Docket No. 3675 based on the recommendation of both
23 Mr. Woodcock and myself. Accordingly, I have continued to include 12 bills per year for
24 private fire services in the units of service incorporated in the Division's cost of service
25 studies.

Public Fire Service Rate Increase

1
2 Q. PLEASE SUMMARIZE PWSB'S POSITION WITH REGARD TO THE RATE
3 INCREASE THAT SHOULD APPLY TO PUBLIC FIRE SERVICE IN THIS
4 PROCEEDING.

5 A. Mr. DeCelles and Mr. Woodcock have argued that the increase in public fire service rates
6 should be limited to five percent. According to Mr. DeCelles, the City of Pawtucket is
7 forecasting a steep budget deficit in FY 2011. If public fire service rates are increased by
8 20 percent as I recommended in my direct testimony, Mr. DeCelles argues that this could
9 lead to the City vigorously pursuing legislation to exempt the City from paying public
10 fire service charges.

11 Q. DO YOU HAVE ANY COMMENTS?

12 A. Yes. In Docket No. 3945, public fire service rates were reduced from \$629.93 per
13 hydrant to \$337.25 per hydrant, a reduction of 46.5 percent. In that docket, fire service
14 costs were significantly understated due to an error in the maximum hour demand factor
15 utilized for fire service. That error was discovered when it was carried over to this case
16 and has been corrected. With that correction, the cost of service per hydrant is
17 approximately \$610 to \$615 per hydrant, indicating that hydrant rates should not have
18 been reduced. Accordingly, I recommended an increase in public fire service rates of
19 20 percent, from \$337.25 to \$404.70 per hydrant.

20 Despite the fact that the Division and I continue to believe an increase of
21 20 percent is reasonable, the Division would be willing to agree to limiting the increase in
22 public fire service rates to five percent in this docket subject to the following condition:
23 the City of Pawtucket must commit to not pursuing legislation for an exemption from
24 paying public fire protection charges and agree not to take the exemption if such
25 legislation is passed. Without such a commitment, there is no reason to limit the increase

1 in public fire service rates in this docket to five percent. For purposes of preparing the
2 cost of service studies included with this testimony, I have assumed that the City of
3 Pawtucket will make this commitment and have limited the increase in public fire service
4 rates to five percent.

5
6 **Recovery of Public Fire Revenue Shortfall**

7 Q. PLEASE SUMMARIZE PWSB'S REBUTTAL POSITION WITH REGARD TO
8 THE RECOVERY OF THE SHORTFALL FROM PUBLIC FIRE SERVICE
9 REVENUES.

10 A. In its initial filing, PWSB proposed to recover the revenue or cost recovery deficiency
11 (the difference in public fire service revenues compared to costs) through the monthly
12 service charges for general water service. In response to my recommendation that the
13 revenue deficiency be recovered through the commodity rates in order to mitigate the
14 large increase in the service charge for small customers, Mr. Woodcock has proposed a
15 compromise of recovering one-half of the deficiency through service charges and one-
16 half through commodity rates. Mr. Woodcock notes that his recommendation results in
17 the monthly service charge for a 5/8-inch meter increasing from \$9.47 to \$10.81. He
18 further notes that this increase is less than the system average increase requested by
19 PWSB (14.15 percent versus 16.4 percent).

20 Q. WHAT COMMENTS DO YOU HAVE IN RESPONSE TO
21 MR. WOODCOCK'S REBUTTAL?

22 A. First, as a result of correcting the error in the maximum hour demand for fire service, the
23 public fire service revenue deficiency doubled from PWSB's initial cost of service study
24 to the study presented by Mr. Woodcock in rebuttal. As a result, the compromise of
25 recovering only one half of the public fire service shortfall through the monthly service

1 charges results in virtually an identical allocation of the deficiency in Mr. Woodcock's
2 rebuttal (\$249,329) compared to the shortfall allocated to the customer charge in his
3 direct testimony (\$249,897).

4 Second, the increase in the service charge that will be experienced by virtually all
5 customers with a 5/8-inch meter is not \$9.47 to \$10.81 as Mr. Woodcock suggests.

6 While he is correct that that is the proposed increase in the monthly service charge for a
7 5/8-inch meter, virtually all customers (not just those with 5/8-inch meters) are currently
8 billed quarterly. As a result, a customer with a 5/8-inch meter will experience an increase
9 in his/her service charge from the current \$6.24 average per month (\$18.72 per quarter
10 divided by 3) to \$10.81 under PWSB's proposal. This represents an increase of
11 73.2 percent, roughly 4.5 times the system average.

12 Q. WHAT IS YOUR PROPOSAL REGARDING THE RECOVERY OF THE
13 PUBLIC FIRE SERVICE REVENUE?

14 A. I am proposing to accept Mr. Woodcock's recommendation that the fire service
15 deficiency be recovered in part through service charges and in part through volumetric
16 rates. However, I am recommending two modifications to Mr. Woodcock's proposal as
17 set forth in his rebuttal testimony and cost of service study. First, I am recommending
18 that the 50 percent of the public fire service revenue shortfall that is to be recovered
19 through service charges be allocated between general water service charges and private
20 fire service charges in the same manner that all other service charge related costs are
21 allocated between general water service and private fire service. This results in 76.52
22 percent of the shortfall being assigned to general water service and 23.48 percent being
23 assigned to private fire service.

24 Second, I am proposing to limit the increase in the monthly service charge for a
25 5/8-inch water service to \$10.00, with a proportional scaleback in the service charges for

1 larger meter sizes. Absent this limitation, the service charge for a water service customer
2 with a 5/8-inch meter would increase to \$10.56 based on PWSB's claimed revenue
3 requirements and my cost allocation procedures. Under the Division's recommended
4 revenue requirements and my cost allocation procedures, the calculated monthly service
5 charge for a 5/8-inch meter is \$9.51, so this limitation does not come into play. (The
6 reduction in service charges under the Division's recommended revenue requirements is
7 largely due to the Ms. Crane's adjustment to reflect the four-year average level of service
8 installation charges.)

9 Q. HOW WOULD ANY REVENUE NOT RECOVERED THROUGH THE
10 MONTHLY WATER SERVICE CHARGES AS A RESULT OF YOUR
11 PROPOSED \$10.00 CAP BE RECOVERED?

12 A. Under my proposal to limit the monthly charge for a 5/8-inch meter to \$10.00, any
13 revenue foregone as a result of that limit would be recovered through PWSB's
14 commodity rates.

15
16 **Updated Cost of Service Studies**

17 Q. HAVE YOU PREPARED COST OF SERVICE STUDIES THAT REFLECT
18 PWSB'S AND THE DIVISION'S RECOMMENDATIONS WITH
19 REGARDING PWSB'S OVERALL COST OF SERVICE STUDY?

20 A. Yes. Exhibit TSC-1S presents my cost allocation study based on PWSB's claimed
21 revenue requirements as presented in Mr. Woodcock's rebuttal testimony. Exhibit TSC-2
22 incorporates the Division's recommended adjustment to PWSB's rebuttal claim as
23 presented in the surrebuttal testimony of Ms. Andrea Crane.

24 Q. DOES THIS COMPLETE YOUR SURREBUTTAL TESTIMONY?

25 A. Yes, it does.

**BEFORE THE
PUBLIC UTILITIES COMMISSION
OF RHODE ISLAND**

**PAWTUCKET WATER)
SUPPLY BOARD)** **DOCKET NO. 4171**

**EXHIBITS ACCOMPANYING THE
SURREBUTTAL TESTIMONY
OF
THOMAS S. CATLIN**

**ON BEHALF OF THE
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EXETER

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EXHIBIT TSC-1S

ALLOCATION OF RATE YEAR EXPENSES TO COST FUNCTIONS

<u>EXPENSE ITEM</u>	Pro Forma <u>Expense</u>	Allocation <u>Symbol (1)</u>	<u>Base</u>	<u>Max Day</u>	Peak <u>Hour</u>	<u>Merering</u>	<u>Billing</u>	<u>Direct Fire</u>
ADMINISTRATION								
Salaries & Wages - (601)	\$692,241	L-M	\$625,298	\$25,115	\$9,511	\$0	\$0	\$32,315
Salaries & Wages - Payroll Taxes	\$9,844	L-M	\$8,892	\$357	\$135	\$0	\$0	\$460
Employee Pensions & Benefits (604)	\$239,672	L-M	\$216,495	\$8,696	\$3,293	\$0	\$0	\$11,188
Workers Comp	\$8,768	L-M	\$7,920	\$318	\$120	\$0	\$0	\$409
Materials and Supplies (Account 620)	\$38,176	E-M	\$31,037	\$5,864	\$286	\$0	\$0	\$989
Contractual Services - Legal (Account 633)	\$82,389	E-M	\$66,983	\$12,654	\$618	\$0	\$0	\$2,134
Contractual Services - Mgt. Fees (634) City Chg	\$209,763	E-M	\$170,537	\$32,218	\$1,573	\$0	\$0	\$5,434
Contractual Services - Other (Account 635)	\$8,789	E-M	\$7,145	\$1,350	\$66	\$0	\$0	\$228
Rental of Equipment (Account 642)	\$7,579	E-M	\$6,162	\$1,164	\$57	\$0	\$0	\$196
Transportation Expenses (Account 650)	\$16,745	E-M	\$13,614	\$2,572	\$126	\$0	\$0	\$434
Insurance - General Liability (Account 657)	\$205,086	E-M	\$166,736	\$31,500	\$1,538	\$0	\$0	\$5,313
Insurance - Worker's Compensation (658)	\$15,524	L-M	\$14,023	\$563	\$213	\$0	\$0	\$725
Insurance - Other (Account 659)	\$15,673	E-M	\$12,742	\$2,407	\$118	\$0	\$0	\$406
Regulatory Com Expense - Other (667)	\$55,526	E-M	\$45,143	\$8,528	\$416	\$0	\$0	\$1,439
Reg Com Exp - Amort of Rate Case Exp (666)	\$100,000	E-M	\$81,300	\$15,359	\$750	\$0	\$0	\$2,591
Miscellaneous Expense (Account 675)	\$40,743	E-M	\$33,124	\$6,258	\$305	\$0	\$0	\$1,056
Other - pba fees	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
Education Training	\$5,188	E-M	\$4,218	\$797	\$39	\$0	\$0	\$134
Maint of Misc Plant	\$32,127	E-M	\$26,119	\$4,934	\$241	\$0	\$0	\$832
Purchased Power	\$51,587	E-M	\$41,940	\$7,923	\$387	\$0	\$0	\$1,336
Other Utilities	\$50,491	E-M	\$41,050	\$7,755	\$379	\$0	\$0	\$1,308
Printing	\$9,718	E-M	\$7,901	\$1,493	\$73	\$0	\$0	\$252
Postage	\$7,749	E-M	\$6,300	\$1,190	\$58	\$0	\$0	\$201
Subtotal - Admin	\$1,903,378		\$1,634,679	\$179,017	\$20,301	\$0	\$0	\$69,381
CUSTOMER ACCOUNTS								
Salary & Wages - Cust Ser	\$196,820	B	\$0	\$0	\$0	\$0	\$196,820	\$0
Salary & Wages - Meter	\$380,771	M	\$0	\$0	\$0	\$261,780	\$118,991	\$0
Salary & Wages Payroll Tx(CS)	\$2,789	B	\$0	\$0	\$0	\$0	\$2,789	\$0
Salary & Wages Payroll Tx (Meters)	\$5,358	M	\$0	\$0	\$0	\$3,684	\$1,674	\$0
Empl Pensions & Benefits (Cust Ser)	\$77,609	B	\$0	\$0	\$0	\$0	\$77,609	\$0
Empl Pensions & Benefits (Meters)	\$166,132	M	\$0	\$0	\$0	\$114,216	\$51,916	\$0
Mats & Supp (Cust Serv)	\$2,601	B	\$0	\$0	\$0	\$0	\$2,601	\$0
Mats & Supp (Meters)	\$7,432	M	\$0	\$0	\$0	\$5,110	\$2,323	\$0
Contractual Services - Other - [Cust. Svc.] (Account	\$16,245	B	\$0	\$0	\$0	\$0	\$16,245	\$0
Rental of Equipment (Account 642)	\$530	B	\$0	\$0	\$0	\$0	\$530	\$0
Workers Comp - Cust Serv	\$903	B	\$0	\$0	\$0	\$0	\$903	\$0
Workers Comp - Meters	\$21,658	B	\$0	\$0	\$0	\$0	\$21,658	\$0
Transportation Expenses - [Cust svc.] (Account 650)	\$4,049	B	\$0	\$0	\$0	\$0	\$4,049	\$0
Transportation Expenses - [Meter] (Account 650)	\$9,574	M	\$0	\$0	\$0	\$6,582	\$2,992	\$0
Bad Debt Expense (Account 670)	\$7,321	B	\$0	\$0	\$0	\$0	\$7,321	\$0
Miscellaneous Expense - [Cust. Svc.] (Account 675)	\$325	B	\$0	\$0	\$0	\$0	\$325	\$0
Miscellaneous Expense - [Meter] (Account 675)	\$682	M	\$0	\$0	\$0	\$469	\$213	\$0
Education Training - [Cust. Svc.]	\$2,157	B	\$0	\$0	\$0	\$0	\$2,157	\$0
Education Training - [Meter]	\$627	M	\$0	\$0	\$0	\$431	\$196	\$0
Repairs & Maintenance - general	\$95	B	\$0	\$0	\$0	\$0	\$95	\$0
Repairs & Maintenance - meters	\$0	M	\$0	\$0	\$0	\$0	\$0	\$0
Other Utilities - [Cust. Svc.]	\$2,636	B	\$0	\$0	\$0	\$0	\$2,636	\$0
Other Utilities - [Meter]	\$4,775	M	\$0	\$0	\$0	\$3,283	\$1,492	\$0
Printing - [Cust. Svc.]	\$63,423	B	\$0	\$0	\$0	\$0	\$63,423	\$0
Printing - [Meter]	\$0	M	\$0	\$0	\$0	\$0	\$0	\$0
Postage-[Cust. Svc.]	\$100,779	B	\$0	\$0	\$0	\$0	\$100,779	\$0
Subtotal - Customer Accts	\$1,075,289		\$0	\$0	\$0	\$395,554	\$679,735	\$0

ALLOCATION OF RATE YEAR EXPENSES TO COST FUNCTIONS

<u>EXPENSE ITEM</u>	Pro Forma <u>Expense</u>	Allocation <u>Symbol (1)</u>	<u>Base</u>	<u>Max Day</u>	Peak <u>Hour</u>	<u>Merering</u>	<u>Billing</u>	<u>Direct Fire</u>
SOURCE OF SUPPLY								
Salaries & Wages - (601)	\$113,904	A	\$113,904	\$0	\$0	\$0	\$0	\$0
Salaries & Wages - Payroll Taxes	\$1,608	A	\$1,608	\$0	\$0	\$0	\$0	\$0
Employee Pensions & Benefits (604)	\$50,116	A	\$50,116	\$0	\$0	\$0	\$0	\$0
Workers Comp	\$8,767	A	\$8,767	\$0	\$0	\$0	\$0	\$0
Purchased Power (Account 615)	\$24,761	A	\$24,761	\$0	\$0	\$0	\$0	\$0
Materials and Supplies (Account 620)	\$2,475	A	\$2,475	\$0	\$0	\$0	\$0	\$0
Transportation Expenses (Account 650)	\$4,211	A	\$4,211	\$0	\$0	\$0	\$0	\$0
Miscellaneous Expense (Account 675)	\$751	A	\$751	\$0	\$0	\$0	\$0	\$0
Security Service	\$85,928	A	\$85,928	\$0	\$0	\$0	\$0	\$0
Education Training	\$544	A	\$544	\$0	\$0	\$0	\$0	\$0
Maint of Misc Plant	\$77,664	A	\$77,664	\$0	\$0	\$0	\$0	\$0
Other Utilities	<u>\$2,592</u>	A	<u>\$2,592</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal - Supply	\$373,323		\$373,323	\$0	\$0	\$0	\$0	\$0
PURIFICATION								
DBO O&M Contract	\$1,749,927	D	\$879,678	\$870,249	\$0	\$0	\$0	\$0
Purchased Power (Account 615)	\$1,015,031	A	\$1,015,031	\$0	\$0	\$0	\$0	\$0
Other Utilities	<u>\$8,172</u>	A	<u>\$8,172</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal - Purification	\$2,773,130		\$1,902,881	\$870,249	\$0	\$0	\$0	\$0
TRANSMISSION & DISTRIBUTION								
Salaries & Wages - (601)	\$959,450	O	\$52,763	\$52,198	\$19,768	\$767,560	\$0	\$67,162
Salaries & Wages -[Engineering] (601)	\$424,941	O	\$23,369	\$23,118	\$8,755	\$339,953	\$0	\$29,746
Salaries & Wages - Payroll Taxes -	\$13,553	O	\$745	\$737	\$279	\$10,843	\$0	\$949
Salaries & Wages - Payroll Taxes - [Engineering]	\$6,031	O	\$332	\$328	\$124	\$4,825	\$0	\$422
Salaries & Wages - Police Details	\$47,018	O-A	\$40,200	\$2,558	\$969	\$0	\$0	\$3,291
Employee Pensions & Benefits - (604)	\$381,578	O	\$20,984	\$20,759	\$7,862	\$305,262	\$0	\$26,710
Employee Pensions & Benefits - [Engineering] (604)	\$154,190	O	\$8,479	\$8,389	\$3,177	\$123,352	\$0	\$10,793
Materials and Supplies - (Account 620)	\$38,283	O	\$2,105	\$2,083	\$789	\$30,626	\$0	\$2,680
Materials and Supplies - [Engineering] (Account 620)	\$18,284	O	\$1,005	\$995	\$377	\$14,627	\$0	\$1,280
Rental of Equipment (Account 642)	\$2,941	O	\$162	\$160	\$61	\$2,353	\$0	\$206
Rental of Equipment - [Engineering] (Account 642)	\$723	O	\$40	\$39	\$15	\$578	\$0	\$51
Transportation Expenses - (Account 650)	\$39,017	O	\$2,146	\$2,123	\$804	\$31,213	\$0	\$2,731
Transportation Expenses - [Engineering](Account 650)	\$8,602	O	\$473	\$468	\$177	\$6,881	\$0	\$602
Workers Comp T&D	\$67,796	O	\$3,728	\$3,688	\$1,397	\$54,236	\$0	\$4,746
Workers Comp - Engineering	\$21,580	O	\$1,187	\$1,174	\$445	\$17,264	\$0	\$1,511
Miscellaneous Expense - (Account 675)	\$10,887	O	\$599	\$592	\$224	\$8,709	\$0	\$762
Miscellaneous Expense - [Engineering] (Account 675)	\$415	O	\$23	\$23	\$9	\$332	\$0	\$29
Education Training	\$1,805	O	\$99	\$98	\$37	\$1,444	\$0	\$126
Education Training - [Engineering]	\$640	O	\$35	\$35	\$13	\$512	\$0	\$45
Repairs & Maintenance - general	\$3,381	O	\$186	\$184	\$70	\$2,705	\$0	\$237
Repairs & Maintenance - T&D	\$16,190	T	\$6,849	\$6,776	\$2,566	\$0	\$0	\$0
Repairs & Maintenance - fire services	\$2,583	F	\$0	\$0	\$0	\$0	\$0	\$2,583
Repairs & Maintenance - services	\$12,465	S	\$0	\$0	\$0	\$12,465	\$0	\$0
Repairs & Maintenance - Hydrants	\$8,961	F	\$0	\$0	\$0	\$0	\$0	\$8,961
Road surface restoration	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Repairs & Maintenance - general	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Purchased Power	\$17,980	O	\$989	\$978	\$370	\$14,384	\$0	\$1,259
Other Utilities	\$15,690	O	\$863	\$854	\$323	\$12,552	\$0	\$1,098
Other Utilities - [Engineering]	\$6,782	O	\$373	\$369	\$140	\$5,425	\$0	\$475
Printing	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Postage-[Engineering]	<u>\$797</u>	O	<u>\$44</u>	<u>\$43</u>	<u>\$16</u>	<u>\$638</u>	<u>\$0</u>	<u>\$56</u>
Subtotal - T&D	<u>\$2,282,561</u>		<u>\$167,778</u>	<u>\$128,769</u>	<u>\$48,765</u>	<u>\$1,768,740</u>	<u>\$0</u>	<u>\$168,509</u>
TOTAL O&M	\$8,407,682	I	\$4,078,660	\$1,178,035	\$69,066	\$2,164,294	\$679,735	\$237,890

ALLOCATION OF RATE YEAR EXPENSES TO COST FUNCTIONS

<u>EXPENSE ITEM</u>	<u>Pro Forma Expense</u>	<u>Allocation Symbol (1)</u>	<u>Base</u>	<u>Max Day</u>	<u>Peak Hour</u>	<u>Merering</u>	<u>Billing</u>	<u>Direct Fire</u>
CAPITAL EXPENSE								
Property Taxes								
Source of Supply	\$445,638	A	\$445,638	\$0	\$0	\$0	\$0	\$0
Treatment-Pumping	\$0	D	\$0	\$0	\$0	\$0	\$0	\$0
Treatment-Purification	\$93,080	D	\$46,791	\$46,289	\$0	\$0	\$0	\$0
Trans & Distrib	\$318,521	T-C	\$115,335	\$114,098	\$43,214	\$41,785	\$0	\$4,088
Rental Property	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
Restrict. Bond Principal & Interest	\$7,409,854	P-M 50	\$3,911,288	\$2,698,866	\$487,824	\$255,999	\$6,623	\$49,254
Leases	\$0	P-M 50	\$0	\$0	\$0	\$0	\$0	\$0
IFR	\$2,500,000	P	\$1,231,018	\$910,566	\$164,586	\$172,742	\$4,469	\$16,618
CF Franchise Fee	\$0	P	\$0	\$0	\$0	\$0	\$0	\$0
Calgon Royalties Fund	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
CF System Fund	\$0	T-C	\$0	\$0	\$0	\$0	\$0	\$0
Trustee Fees	\$381,218	P-M 50	\$201,226	\$138,850	\$25,097	\$13,170	\$341	\$2,534
O&M Reserve Deposit	\$0	E	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - Capital	<u>\$11,148,309</u>		<u>\$5,951,295</u>	<u>\$3,908,669</u>	<u>\$720,722</u>	<u>\$483,697</u>	<u>\$11,432</u>	<u>\$72,494</u>
TOTAL EXPENSES	\$19,555,991		\$10,029,955	\$5,008,704	\$789,788	\$2,647,991	\$691,168	\$310,385
PLUS: Rev. Stabiliz./Oper. Rev. Allowance	\$289,223	I	\$140,305	\$40,524	\$2,376	\$74,451	\$23,383	\$8,183
LESS: Service Instal Revenue	-\$67,479	S	\$0	\$0	\$0	-\$67,479	\$0	\$0
LESS: State Surcharge Revenue	-\$47,721	I	-\$23,150	-\$6,686	-\$392	-\$12,284	-\$3,858	-\$1,350
LESS: Penalties	-\$104,415	I	-\$50,653	-\$14,630	-\$858	-\$26,878	-\$8,442	-\$2,954
LESS: Cumberland Tax Reduction	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
LESS: Non-Operating Rental	-\$22,065	A	-\$22,065	\$0	\$0	\$0	\$0	\$0
LESS: Interest Income	-\$253	I	-\$123	-\$35	-\$2	-\$65	-\$20	-\$7
LESS: Misc Non-Operating	-\$31,537	I	-\$15,299	-\$4,419	-\$259	-\$8,118	-\$2,550	-\$892
LESS: Gain/Loss Disposal Property	-\$987	P	-\$486	-\$359	-\$65	-\$68	-\$2	-\$7
REQUIRED FROM RATES	\$19,570,757		\$10,058,485	\$5,101,098	\$790,588	\$2,607,549	\$699,679	\$313,358

ALLOCATION OF PLANT IN SERVICE TO COST FUNCTIONS

<u>PLANT COMPONENT</u>	<u>Net Plant</u>	<u>Allocation Symbol (1)</u>	<u>Base</u>	<u>Max Day</u>	<u>Peak Hour</u>	<u>Merering</u>	<u>Billing</u>	<u>Direct Fire</u>
<u>SOURCE OF SUPPLY</u>								
Land & Land Rights	\$5,560,444	A	\$5,560,444	\$0	\$0	\$0	\$0	\$0
Structures & Improvements	\$10,035,594	A	\$10,035,594	\$0	\$0	\$0	\$0	\$0
Wells & Springs	\$227,169	A	\$227,169	\$0	\$0	\$0	\$0	\$0
<u>PUMPING</u>								
Land & Land Rights	\$30,133	D	\$15,148	\$14,985	\$0	\$0	\$0	\$0
Structures & Improvements	\$266,381	D	\$133,908	\$132,473	\$0	\$0	\$0	\$0
Electric Pumping Equipment	\$3,078	D	\$1,547	\$1,531	\$0	\$0	\$0	\$0
<u>PURIFICATION</u>								
Land & Land Rights	\$26,046	D	\$13,093	\$12,953	\$0	\$0	\$0	\$0
Structures & Improvements	\$49,424,713	D	\$24,845,510	\$24,579,202	\$0	\$0	\$0	\$0
Water Treatment Equipment	\$0	D	\$0	\$0	\$0	\$0	\$0	\$0
<u>TRANSM & DISTRIBUTION</u>								
Land & Land Rights	\$1,590	H	\$645	\$638	\$307	\$0	\$0	\$0
Distribution Reservoirs	\$22,432	H	\$9,099	\$9,001	\$4,332	\$0	\$0	\$0
Transmission Mains	\$9,749,955	D	\$4,901,245	\$4,848,710	\$0	\$0	\$0	\$0
Distribution mains	\$44,619,335	H	\$18,098,316	\$17,904,329	\$8,616,690	\$0	\$0	\$0
Services	\$4,703,680	S	\$0	\$0	\$0	\$4,703,680	\$0	\$0
Meters	\$3,632,187	S	\$0	\$0	\$0	\$3,632,187	\$0	\$0
Hydrants	\$815,631	F	\$0	\$0	\$0	\$0	\$0	\$815,631
Other Misc Equip	\$88,151	H	\$35,755	\$35,372	\$17,023	\$0	\$0	\$0
<u>GENERAL</u>								
Structures & Improvements	\$1,250,886	E	\$470,019	\$192,128	\$9,378	\$416,230	\$130,724	\$32,407
Office furniture & equipment	\$369,164	E	\$138,713	\$56,701	\$2,768	\$122,839	\$38,580	\$9,564
Transportation equipment	\$605,523	E	\$227,524	\$93,004	\$4,540	\$201,486	\$63,280	\$15,687
Stores equipment	\$0	E	\$0	\$0	\$0	\$0	\$0	\$0
Tools, shop & garage equipment	\$0	E	\$0	\$0	\$0	\$0	\$0	\$0
Laboratory equipment	\$13,978	A	\$13,978	\$0	\$0	\$0	\$0	\$0
Power equipment	\$7,311	E	\$2,747	\$1,123	\$55	\$2,433	\$764	\$189
Communication equipment	\$0	E	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous equipment	\$15,826	E	\$5,946	\$2,431	\$119	\$5,266	\$1,654	\$410
TOTAL PLANT	\$131,469,206		\$64,736,400	\$47,884,581	\$8,655,212	\$9,084,121	\$235,002	\$873,889
PERCENT		P	49.24%	36.42%	6.58%	6.91%	0.18%	0.66%

*Note: Test Year Net Plant plus CWIP

ALLOCATION OF NON-ADMINISTRATIVE LABOR COSTS TO COST COMPONENTS

<u>EXPENSE ITEM</u>	<u>Pro Forma Expense</u>	<u>Allocation Symbol (1)</u>	<u>Base</u>	<u>Max Day</u>	<u>Peak Hour</u>	<u>Merering</u>	<u>Billing</u>	<u>Direct Fire</u>
<u>CUSTOMER ACCOUNTS</u>								
Salary & Wages - Cust Ser	\$196,820	B	\$0	\$0	\$0	\$0	\$196,820	\$0
Salary & Wages - Meter	\$380,771	M	\$0	\$0	\$0	\$261,780	\$118,991	\$0
<u>SOURCE OF SUPPLY</u>								
Salaries & Wages - (601)	\$113,904	A	\$113,904	\$0	\$0	\$0	\$0	\$0
<u>TRANSMISSION & DISTRIBUTION</u>								
Salaries & Wages - (601)	\$959,450	O	\$52,763	\$52,198	\$19,768	\$767,560	\$0	\$67,162
Salaries & Wages -[Engineering] (601)	<u>\$424,941</u>	O	<u>\$23,369</u>	<u>\$23,118</u>	<u>\$8,755</u>	<u>\$339,953</u>	<u>\$0</u>	<u>\$29,746</u>
TOTALS	\$2,075,887		\$190,037	\$75,316	\$28,523	\$1,369,293	\$315,811	\$96,907
PERCENT		L	9.2%	3.6%	1.4%	66.0%	15.2%	4.7%

Note:

(1) Refer to Schedule TSC-4 for allocation symbol definitions.

ALLOCATION TO FIRE, WHOLESALE & RETAIL SERVICE

<u>UNITS OF SERVICE</u>	<u>TOTAL</u>	<u>Base</u>	<u>Max Day</u>	<u>Peak Hour</u>	<u>Merering</u>	<u>Billing</u>	<u>Fire</u>
Number		3,949,794	17,866	19,300	26,353	282,408	1,915
Units		ccf/yr	ccf/day	ccf/day	equiv meters	bills	hydrants
Revenue Requirements	\$19,570,757	\$10,058,485	\$5,101,098	\$790,588	\$2,607,549	\$699,679	\$313,358
Allocation to Fire Protection	\$1,543,011	\$50,292	\$824,501	\$354,860	included in calculation		\$313,358
Allocation to Wholesale *	\$1,587,276	\$1,259,633	\$326,889	\$753			
Net To Retail Metered Rates	\$16,440,470	\$8,748,559	\$3,949,708	\$434,975	\$2,607,549	\$699,679	\$0

* Allocation to wholesale based on:

<u>BASE</u>			
Metered Sales (ccf/yr)	3,949,794		
Retail Sales (ccf/yr)	3,390,337		
Retail Unacctd For (ccf/yr)	<u>539,621</u>	Based on miles of pipe: 100% of distr./service costs plus 85.8% of trans. plus estimated fire	
Total Retail (ccf/yr)	3,929,958		
Wholesale Sales (ccf/yr)	559,457		
Wholesale Unacctd For (ccf/yr)	<u>3,151</u>		
Total Wholesale (ccf/yr)	<u>562,608</u>		
Grand Total (ccf/yr)	4,492,567		
Wholesale Percent of Grand Total	12.5%		
Total Base Allocation	\$10,058,485		
Wholesale Allocation	\$1,259,633		
<u>MAX DAY</u>			
Total Max Day Allocation	\$5,101,098		
Less: Distribution Costs			
95.7% of T&D O&M	-\$123,217		
Admin O&M Share	-\$18,724	15.2%	
Distribution Capital Items	<u>-\$2,419,002</u>	61.89%	(Less Distribution Mains & Gen1 Items allocated to Max Day)
Total Net of Distribution	\$2,540,155		
Wholesale Max Day %	12.87%	See Sch. 2.2	
Wholesale Allocation	\$326,889		
<u>PEAK HOUR</u>			
Total Peak Hour Allocation	\$790,588		
Less: Distribution Costs			
95.7% of T&D O&M	-\$46,663		
Admin O&M Share	-\$13,716	29.4%	
Capital Items	<u>-\$720,722</u>	100.00%	(All Capital Peak Hour costs = distribution)
Total Net of Distribution	\$9,488		
Wholesale Peak Hr %	7.94%	See Sch. 2.2	
Wholesale Allocation	\$753		

UNITS OF SERVICE

METERS

Meter Size	Test Year		Rate Year			Equiv Factor	# of Equivs
	Quarterly	Monthly	Quarterly	Monthly	Total		
5/8	21,516	11	0	21,527	21,527	1.00	21,527
3/4	255	4	0	259	259	1.39	359
1	487	11	0	498	498	2.00	996
1 1/2	222	5	0	227	227	4.07	924
2	356	43	0	399	399	5.29	2,109
3	12	12	0	24	24	6.00	144
4	6	6	0	12	12	14.00	168
6	1	5	0	6	6	21.00	126
8	0	0	0	0	0	30.00	0
Totals	22,855	97	0	22,952	22,952		26,353

PUBLIC FIRE HYDRANTS

	Test Year	Adjustments	Rate Year
Pawtucket	1,515	-2	1,513
Central Falls	202	0	202
Valley Falls	199	1	200
Totals	1,916	-1	1,915

PRIVATE FIRE SERVICE

Size	Test Year	Adjustments	Rate Year	Equiv Factor.*	# of Equivs
2	26	2	28	4.07	114
4	49	6	55	6.00	330
6	392	13	405	14.00	5,670
8	90	-1	89	21.00	1,869
10	4	-1	3	21.00	63
12	2	0	2	21.00	42
Total	563	19	582		8,088

* one size down to equate to meter equivalent

UNITS OF SERVICE

METERED WATER USE (ccf/year)

<u>Class</u>	<u>Test Year</u>	<u>Adjustments</u>	<u>Rate Year</u>
Small (5/8 - 1")	2,773,813	-209,225	2,564,588
Medium (1.5 - 2" & By pass)	640,780	-38,925	601,855
Large (3" and up)	<u>265,983</u>	<u>-42,089</u>	<u>223,894</u>
Total	3,680,576	-290,239	3,390,337

Wholesale

Cumberland	578,899	-19,442	559,457
Seekonk	<u>0</u>	<u>0</u>	<u>0</u>
Total	578,899	-19,442	559,457

Miles of Mains

<u>Size</u>	<u>Miles</u>		<u>Inch-Miles</u>	
Service Pipes	204.31			
2	0.84		1.7	
4	1.42		5.7	
6	106.47		638.8	
8	83.01		664.1	
10	1.61		16.1	
12	49.78	95.7%	597.4	82.1%
16	4.24		67.8	
20	9.13		182.6	
24	6.16		147.8	
30	0.10		3.0	
36	<u>0.53</u>	4.3%	<u>19.1</u>	17.9%
Totals	467.60		2,344	

UNITS OF SERVICE - DEMAND FACTORS

	<u>BASE</u>		<u>Demand Factor</u>	<u>MAXIMUM DAY</u>		<u>Demand Factor</u>	<u>PEAK HOUR</u>		<u>Equivalent Meters & Services</u>	<u>Bills</u>
	<u>Annual Use ccf/year</u>	<u>Average Day ccf/day</u>		<u>Maximum Day ccf/day</u>	<u>Extra Capacity ccf/day</u>		<u>Maximum Hour ccf/day</u>	<u>Extra Capacity ccf/day</u>		
<u>Inside - Retail</u>										
Small (5/8 - 1")	2,564,588	7,026	2.50	17,566	10,539	3.50	24,592	7,026	22,882	267,408
Medium (1.5 - 2" & By pa	601,855	1,649	2.00	3,298	1,649	3.00	4,947	1,649	3,033	7,512
Large (3" and up)	223,894	613	1.80	1,104	491	2.50	1,534	429	438	504
Fire Protection	6,000 gal/min for 6 hours per Docket 3193			2,888	2,888		11,551	8,663		6,984
<u>Wholesale</u>										
Cumberland	559,457	1,533	2.50	3,832	2,299	3.50	5,365	1,533		
Seekonk	0	0	2.50	0	0	3.50	0	0		
Totals	3,949,794	10,821		28,687	17,866		47,988	19,300	26,353	282,408

ALLOCATION SYMBOLS

	Allocation			Peak			Direct	
	Symbol	Base	Max Day	Hour	Merering	Billing	Fire	
100.00%	A	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Supply, IFR, Power & Chemicals
100.00%	B	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	Billing
100.00%	D	50.27%	49.73%	0.00%	0.00%	0.00%	0.00%	Max Day Demand
100.00%	E	37.57%	15.36%	0.75%	33.27%	10.45%	2.59%	O&M less A&G
100.00%	E-M	81.30%	15.36%	0.75%	0.00%	0.00%	2.59%	O&M less A&G - No Meter Alloc.
100.00%	F	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	Fire Service
100.00%	H	40.56%	40.13%	19.31%	0.00%	0.00%	0.00%	Max Hour Demand
100.00%	I	48.51%	14.01%	0.82%	25.74%	8.08%	2.83%	Total O&M
100.00%	L	9.15%	3.63%	1.37%	65.96%	15.21%	4.67%	Labor
100.00%	L-M	90.33%	3.63%	1.37%	0.00%	0.00%	4.67%	Labor-No Meter Allocation
100.00%	M	0.00%	0.00%	0.00%	68.8%	31.3%	0.00%	Cust Serv - "Meter"
100.00%	O	5.50%	5.44%	2.06%	80.00%	0.00%	7.00%	O&M Mains, Hydrants & Services
100.00%	O-A	85.50%	5.44%	2.06%	0.00%	0.00%	7.00%	T&D Police Details
100.00%	P	49.24%	36.42%	6.58%	6.91%	0.18%	0.66%	Plant
100.00%	P-M 50	52.78%	36.42%	6.58%	3.45%	0.09%	0.66%	Plant-50% Meter
100.00%	S	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	Services and Meters
100.00%	T	42.30%	41.85%	15.85%	0.00%	0.00%	0.00%	T&D Mains
100.00%	T-C	36.21%	35.82%	13.57%	13.12%	0.00%	1.28%	T&D Capital

Symbol D

	MGD	%
Avg Day	10.582	50.27%
Max Day Inc	10.468	49.73%
Total Max Day	21.050	100.00%

Symbol E

	TOTAL	Base	Max Day	Peak Hour	Merering	Billing	Direct Fire
Amount	\$6,504,303	\$2,443,982	\$999,018	\$48,765	\$2,164,294	\$679,735	\$168,509
Percent	E	37.6%	15.4%	0.7%	33.3%	10.5%	2.6%

Symbol H

	MGD	%
Avg Day	10.582	40.56%
Max Day Inc	10.468	40.13%
Peak Hour Inc	5.038	19.31%
Total Peak Hour	26.088	100.00%

	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	Avg or Max
Avg Day (mgd)	12.23	12.33	10.42	10.71	10.65	8.80	10.58
Max Day (mgd)	19.09	21.05	20.23		17.70	15.87	21.05
Max Hour (mgd)	26.09		20.50	19.70			26.09

Symbol M These accounts include activities associated with meter reading, meter testing, backflow testing, etc. Costs have been split based on the following personnel associated with these activities:

	# Employees	Meter Read	Meters
Meter Reader*	2.5	2.5	
Technician*	4.5		4.5
Backflow	1.0		1.0
Subtotal	8.0	2.5	5.5
Percent		31%	69%
Agent	1.0	0.31	0.69
Supervisor	1.0	0.31	0.69
Total	10.0	3.1	6.9
Percent		31%	69%

* Note: half of one meter reader's time is used as a meter technician.

ALLOCATION SYMBOLS

Symbol O

	<u>% of Time</u>	<u>Base</u>	<u>Max Day</u>	<u>Peak Hour</u>	<u>Merering</u>	<u>Billing</u>	<u>Direct Fire</u>
Mains	13.00%	5.50%	5.44%	2.06%	0.00%	0.00%	0.00%
Hydrants	7.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.00%
Services	80.00%	0.00%	0.00%	0.00%	80.00%	0.00%	0.00%
Total	100.0%	5.5%	5.4%	2.1%	80.0%	0.0%	7.0%

Note: Based on prior docket analysis of time

Symbol T

	<u>Plant Amt.</u>	<u>Base</u>	<u>Max Day</u>	<u>Peak Hour</u>	<u>Merering</u>	<u>Billing</u>	<u>Direct Fire</u>
Transmission	\$9,749,955	\$4,901,245	\$4,848,710	\$0	\$0	\$0	\$0
Distribution	\$44,619,335	\$18,098,316	\$17,904,329	\$8,616,690	\$0	\$0	\$0
Total	\$54,369,290	\$22,999,561	\$22,753,039	\$8,616,690	\$0	\$0	\$0
		42.30%	41.85%	15.85%	0.00%	0.00%	0.00%

Symbol T-C

	<u>Plant Amt.</u>	<u>Base</u>	<u>Max Day</u>	<u>Peak Hour</u>	<u>Merering</u>	<u>Billing</u>	<u>Direct Fire</u>
Distribution Reservoirs	\$22,432	\$9,099	\$9,001	\$4,332	\$0	\$0	\$0
Transmission Mains	\$9,749,955	\$4,901,245	\$4,848,710	\$0	\$0	\$0	\$0
Distribution mains	\$44,619,335	\$18,098,316	\$17,904,329	\$8,616,690	\$0	\$0	\$0
Services	\$4,703,680	\$0	\$0	\$0	\$4,703,680	\$0	\$0
Meters	\$3,632,187	\$0	\$0	\$0	\$3,632,187	\$0	\$0
Hydrants	\$815,631	\$0	\$0	\$0	\$0	\$0	\$815,631
Total	\$63,543,221	\$23,008,660	\$22,762,040	\$8,621,022	\$8,335,867	\$0	\$815,631
		36.21%	35.82%	13.57%	13.12%	0.00%	1.28%

FIRE SERVICE CHARGES

PUBLIC FIRE SERVICE

Annual Charge/Hydrant = \$354.11

PRIVATE FIRE SERVICE

<u>SERVICE SIZE</u> <u>(inches)</u>	<u>MONTHLY</u> <u>CHARGE</u>	<u>QUARTERLY</u> <u>CHARGE</u>	<u>ANNUAL</u> <u>CHARGE</u>
2	\$ 17.72	\$48.22	\$185.44
4	\$ 37.47	\$107.47	\$422.44
6	\$ 93.53	\$275.64	\$1,095.13
8	\$ 169.20	\$502.63	\$2,003.10
10	\$ 250.45	\$746.39	\$2,978.11
12	\$ 363.06	\$1,084.22	\$4,329.44

**ALLOCATION OF FIRE SERVICE EXPENSES
TO PUBLIC AND PRIVATE FIRE SERVICE**

	<u>NUMBER</u>	<u>DEMAND FACTOR (1)</u>	<u>NO. OF EQUIVS.</u>	<u>PERCENT OF DEMAND</u>	<u>NON-HYDR. REQUIRED</u>	<u>DIRECT HYDRANT</u>	<u>TOTAL</u>
PUBLIC FIRE SERVICE							
Hydrants	1,915	111.31	213,160.4	74.98%	\$1,097,482	\$79,302	\$1,176,784
PRIVATE FIRE SERVICE							
SIZE (IN)							
2	28	6.19	173.3				
4	55	38.32	2,107.6				
6	405	111.31	45,080.9				
8	89	237.21	21,111.4				
10	3	426.58	1,279.7				
12	2	<u>689.04</u>	<u>1,378.1</u>				
TOTAL-PRIV.	582		71,131.0	25.02%	\$366,227	\$0	\$366,227
	=====		=====	=====	=====	=====	=====
GRAND TOTALS	2,497		284,291.4	100.00%	\$1,463,708	\$79,302	\$1,543,011
Total Fire Allocation					\$1,543,011		
Less O&M for T&D Fire					\$11,641		
Hydrant Capital					\$67,661		
Net Non-Hydrant					\$1,463,708		

Note:

(1) Based on size to the 2.63 power.

DETERMINATION OF FIRE SERVICE CHARGES

<u>PUBLIC FIRE PROTECTION</u>		<u>CALCULATED CHARGE</u>
PUBLIC FIRE ALLOCATION (1)	\$678,125	
----- =	----- =	\$354.11 per year
NUMBER OF PUBLIC HYDRANTS	1,915	

PRIVATE FIRE PROTECTION

PRIVATE FIRE ALLOCATION (1,2)	\$366,227	
----- =	----- =	\$5.15 /EQUIV.
NO. OF EQUIV. UNITS	71,131.02	

<u>SIZE (IN)</u>	<u>DEMAND FACTOR</u>	<u>DEMAND CHARGE</u>	<u>SERVICE LINE CHRG</u>	<u>BILLING CHARGE</u>	<u>ANNUAL CHARGE</u>	<u>QUARTERLY CHARGE (3)</u>	<u>MONTHLY CHARGE (3)</u>
2	6.19	\$31.87	\$151.10	\$2.48	\$185.44	\$ 48.22	\$ 17.72
4	38.32	\$197.29	\$222.67	\$2.48	\$422.44	\$ 107.47	\$ 37.47
6	111.31	\$573.10	\$519.56	\$2.48	\$1,095.13	\$ 275.64	\$ 93.53
8	237.21	\$1,221.29	\$779.34	\$2.48	\$2,003.10	\$ 502.63	\$ 169.20
10	426.58	\$2,196.30	\$779.34	\$2.48	\$2,978.11	\$ 746.39	\$ 250.45
12	689.04	\$3,547.62	\$779.34	\$2.48	\$4,329.44	\$ 1,084.22	\$ 363.06

Notes:

(1) Set so fire charges result in 20% increase

(2) Private Fire includes allocated service maintenance costs as detailed below:

Service Line Maintenance Cost =	\$884,370 (Half of total "Metering" O&M)
Service Line Debt Costs =	\$144,453
Service Line Costs to Private Fire	\$241,604 (23.48%)
Public Fire Shortfall to Private Fire	\$58,551
Cost per Equiv/year =	\$ 37.11

(3) Quarterly and Monthly charges equal Demand and Service Line Charges divided by 4 and 12 respectively plus Billing Charge

DETERMINATION OF SERVICE CHARGES**BILLING CHARGE**

CUST. BILLING ALLOC. (2)	=	\$699,679	=	
-----		-----		\$2.48 PER BILLING
NUMBER OF BILLINGS		282,408		

METER CHARGE

CUST. METER ALLOC. (1,2)	=	\$2,379,277	=	
-----		-----		\$90.28 / EQ. METER/YR
NO. EQUIV. METERS		26,353		

TOTAL SERVICE CHARGES

<u>METER SIZE (IN)</u>	<u>QUARTERLY ACCOUNTS</u>			<u>MONTHLY ACCOUNTS</u>		
	<u>METER CHARGE</u>	<u>BILLING CHARGE</u>	<u>TOTAL CHARGE</u>	<u>METER CHARGE</u>	<u>BILLING CHARGE</u>	<u>TOTAL CHARGE</u>
5/8	\$22.57	\$2.48	\$25.05	\$7.52	\$2.48	\$10.00
3/4	\$31.28	\$2.48	\$33.75	\$10.43	\$2.48	\$12.90
1	\$45.14	\$2.48	\$47.62	\$15.05	\$2.48	\$17.52
1 1/2	\$91.90	\$2.48	\$94.37	\$30.63	\$2.48	\$33.11
2	\$119.30	\$2.48	\$121.78	\$39.77	\$2.48	\$42.25
3	\$135.43	\$2.48	\$137.90	\$45.14	\$2.48	\$47.62
4	\$316.00	\$2.48	\$318.47	\$105.33	\$2.48	\$107.81
6	\$473.99	\$2.48	\$476.47	\$158.00	\$2.48	\$160.48
8	\$677.13	\$2.48	\$679.61	\$225.71	\$2.48	\$228.19

Notes:

(1) Less allocation of Service Maintenance Costs to Private Fire Service per Schedule TSC-5

(2) Adjusted to recover reduction in public fire revenues to maintain 5% public fire increase.
and adjusted further to minimize large increase to service charges by reducing the allocations to

- meter and services by 7.5%
- billing by 0.0%

**ALLOCATION OF GENERAL WATER EXPENSES
TO CUSTOMER CLASSES**

Class Demands

CUSTOMER CLASS	AVERAGE DEMANDS		FACTOR	MAX DAY EXTRA CAPACITY		
	(CCF/DAY)	PERCENT		(CCF/DAY)	XTRA CCF/DAY	PERCENT
<i>Retail</i>						
Small (5/8 - 1")	7,026	64.93%	2.50	17,566	10,539	70.37%
Medium (1.5 - 2" & By pass)	1,649	15.24%	2.00	3,298	1,649	11.01%
Large (3" and up)	613	5.67%	1.80	1,104	491	3.28%
<i>Wholesale</i>						
Cumberland	1,533	14.16%	2.50	3,832	2,299	15.35%
Seekonk	0	0.00%	2.50	0	0	0.00%
Total	10,821	100.00%		25,800	14,978	100.00%

CUSTOMER CLASS	AVERAGE DEMANDS		FACTOR	PEAK HOUR EXTRA CAPACITY		
	(CCF/DAY)	PERCENT		(CCF/DAY)	XTRA CCF/DAY	PERCENT
<i>Retail</i>						
Small (5/8 - 1")	7,026	64.93%	3.50	24,592	7,026	66.05%
Medium (1.5 - 2" & By pass)	1,649	15.24%	3.00	4,947	1,649	15.50%
Large (3" and up)	613	5.67%	2.50	1,534	429	4.04%
<i>Wholesale</i>						
Cumberland	1,533	14.16%	3.50	5,365	1,533	14.41%
Seekonk	0	0.00%	3.50	0	0	0.00%
Total	10,821	100.00%		36,437	10,637	100.00%

Allocation of Retail Metered Sales Costs to Classes (see Schedule TSC-2)

CUSTOMER CLASS	BASE COSTS		MAX. DAY XTRA CAPACITY		PEAK HR. XTRA CAPACITY		TOTAL AMOUNT
	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	
<i>Retail</i>							
Small (5/8 - 1")	75.64%	\$6,617,764	83.12%	\$3,283,178	77.17%	\$335,683	\$10,236,625
Medium (1.5 - 2" & By pass)	17.75%	\$1,553,051	13.01%	\$513,662	18.11%	\$78,778	\$2,145,490
Large (3" and up)	6.60%	\$577,744	3.87%	\$152,868	4.72%	\$20,514	\$751,127
Total	100.00%	\$8,748,559	100.00%	\$3,949,708	100.00%	\$434,975	\$13,133,242
		66.6%		30.1%		3.3%	

METERED WATER RATES

	<u>Commodity Costs</u>		<u>Public Fire Shortfall</u>		<u>Total</u>
<i><u>Small (5/8 - 1")</u></i>					
Total Expense (2)	\$10,236,625		426,775	=	
<hr style="border-top: 1px dashed black;"/>					
Metered Sales (HCF) (1)	2,564,588	+	3,390,337	=	\$ 4.117 per ccf
<i><u>Medium (1.5 - 2" & By pass)</u></i>					
Total Expense (2)	\$2,145,490		426,775	=	
<hr style="border-top: 1px dashed black;"/>					
Metered Sales (HCF) (1)	601,855	+	3,390,337	=	\$ 3.691 per ccf
<i><u>Large (3" and up)</u></i>					
Total Expense (2)	\$751,127		426,775	=	
<hr style="border-top: 1px dashed black;"/>					
Metered Sales (HCF) (1)	223,894	+	3,390,337	=	\$ 3.481 per ccf
<i><u>Wholesale</u></i>					
Total Expense (3)	\$1,587,276			=	
<hr style="border-top: 1px dashed black;"/>					
Metered Sales (HCF) (1)	559,457			=	\$2.837 per ccf

- (1) See Schedule TSC-3.
- (2) See Schedule TSC-7.
- (3) See Schedule TSC-2.

COMPARISON OF CURRENT & PROPOSED RATES

		<u>Current</u>	<u>Proposed</u>	<u>% Change</u>
<u>Metered Rates</u>				
Small (5/8 - 1")		\$3.459	\$4.117	19.0%
Medium (1.5 - 2" & By pass)		\$3.251	\$3.691	13.5%
Large (3" and up)		\$3.140	\$3.481	10.9%
<u>Wholesale</u>		\$2.590	\$2.837	9.5%
<u>Service Charges</u>				
Quarterly	5/8	\$18.72	\$25.05	33.8%
	3/4	\$24.07	\$33.75	40.2%
	1	\$32.59	\$47.62	46.1%
	1 1/2	\$61.33	\$94.37	53.9%
	2	\$78.18	\$121.78	55.8%
	3	\$88.09	\$137.90	56.5%
	4	\$199.07	\$318.47	60.0%
	6	\$296.19	\$476.47	60.9%
	8	\$421.05	\$679.61	61.4%
Monthly	5/8	\$9.47	\$10.00	5.6%
	3/4	\$11.26	\$12.90	14.6%
	1	\$14.10	\$17.52	24.3%
	1 1/2	\$23.68	\$33.11	39.8%
	2	\$29.29	\$42.25	44.2%
	3	\$32.59	\$47.62	46.1%
	4	\$69.59	\$107.81	54.9%
	6	\$101.96	\$160.48	57.4%
	8	\$143.58	\$228.19	58.9%
<u>Fire Service</u>				
Public (Annual)	/hydrant/yr	\$337.25	\$354.11	5.0%
Private (Annual)	2	\$125.42	\$185.44	47.9%
	4	\$254.33	\$422.44	66.1%
	6	\$640.81	\$1,095.13	70.9%
	8	\$1,131.52	\$2,003.10	77.0%
	10	\$1,597.19	\$2,978.11	86.5%
	12	\$2,242.58	\$4,329.44	93.1%
Private (Monthly)	2	\$10.45	\$17.72	69.6%
	4	\$21.19	\$37.47	76.8%
	6	\$53.40	\$93.53	75.2%
	8	\$94.29	\$169.20	79.4%
	10	\$133.10	\$250.45	88.2%
	12	\$186.88	\$363.06	94.3%

IMPACT OF PROPOSED RATES

Meter Size	Monthly Use Cubic Feet	Current Bill	Proposed		
		Average per Month NOTE (1)	Monthly Bill	Dollar Increase	Percent Increase
<u>Metered Service (Monthly Bills)</u>					
Small					
5/8	600	\$26.99	\$34.70	\$7.71	28.55%
5/8	800	\$33.91	\$42.94	\$9.02	26.61%
5/8	1,200	\$47.75	\$59.40	\$11.66	24.41%
5/8	1,700	\$65.04	\$79.99	\$14.95	22.98%
5/8	2,500	\$92.72	\$112.93	\$20.21	21.80%
5/8	3,000	\$110.01	\$133.51	\$23.50	21.36%
5/8	5,000	\$179.19	\$215.85	\$36.66	20.46%
5/8	7,500	\$265.67	\$318.78	\$53.11	19.99%
5/8	9,000	\$317.55	\$380.53	\$62.98	19.83%
1	1,000	\$45.45	\$58.69	\$13.24	29.12%
1	12,000	\$425.94	\$511.56	\$85.62	20.10%
1	25,000	\$875.61	\$1,046.77	\$171.16	19.55%
Medium					
1 1/2	25,000	\$833.19	\$955.86	\$122.67	14.72%
1 1/2	50,000	\$1,645.94	\$1,878.61	\$232.67	14.14%
2	75,000	\$2,464.31	\$2,810.50	\$346.19	14.05%
2	100,000	\$3,277.06	\$3,733.25	\$456.19	13.92%
Large					
3	75,000	\$2,387.59	\$2,658.37	\$270.78	11.34%
3	100,000	\$3,172.59	\$3,528.62	\$356.03	11.22%
4	250,000	\$7,919.59	\$8,810.31	\$890.72	11.25%
6	300,000	\$9,521.96	\$10,603.48	\$1,081.52	11.36%
6	1,000,000	\$26,001.96	\$28,530.48	\$2,528.52	9.72%
<u>Fire Service (Monthly Bill)</u>					
Municipal Fire Service	200 hydrants	\$5,620.83	\$5,901.83	\$281.00	5.00%
	1400 hydrants	\$39,345.83	\$41,312.83	\$1,967.00	5.00%
Private Fire Service	4 Inch Service	\$21.19	\$37.47	\$16.28	76.81%
	6 Inch Service	\$53.40	\$93.53	\$40.13	75.15%
	8 Inch Service	\$94.29	\$169.20	\$74.90	79.44%

Note:

(1) For small and medium customers who currently are almost entirely billed quarterly, the average monthly bill is based on currently quarterly bill divided by 3 to show true increase to customer.

REVENUE RECONCILIATION

Service Charge:		<----- Current ----->		<----- Proposed ----->	
<u>Quarterly (1)</u>	<u>Number</u>	<u>Rate</u>	<u>Revenue</u>	<u>Rate</u>	<u>Revenue</u>
5/8	21,516	\$18.72	\$1,611,118	\$25.05	\$0
3/4	255	\$24.07	\$24,551	\$33.75	\$0
1	487	\$32.59	\$63,485	\$47.62	\$0
1 1/2	222	\$61.33	\$54,461	\$94.37	\$0
2	356	\$78.18	\$111,328	\$121.78	\$0
3	12	\$88.09	\$4,228	\$137.90	\$0
4	6	\$199.07	\$4,778	\$318.47	\$0
6	1	\$296.19	\$1,185	\$476.47	\$0
8	0	\$421.05	\$0	\$679.61	\$0
<u>Monthly (1)</u>					
5/8	21,527	\$9.47	\$1,250	\$10.00	\$2,583,240
3/4	259	\$11.26	\$540	\$12.90	\$40,093
1	498	\$14.10	\$1,861	\$17.52	\$104,700
1 1/2	227	\$23.68	\$1,421	\$33.11	\$90,192
2	399	\$29.29	\$15,114	\$42.25	\$202,293
3	24	\$32.59	\$4,693	\$47.62	\$13,715
4	12	\$69.59	\$5,010	\$107.81	\$15,525
6	6	\$101.96	\$6,118	\$160.48	\$11,555
8	0	\$143.58	\$0	\$228.19	\$0
Consumption Charge:					
Small (5/8 - 1")	2,564,588	\$3.459	\$8,870,911	\$4.117	\$10,558,410
Medium (1.5 - 2" & By pæ	601,855	\$3.251	\$1,956,631	\$3.691	\$2,221,447
Large (3" and up)	223,894	\$3.140	\$703,026	\$3.481	\$779,374
<u>Wholesale</u>	559,457	\$2.590	\$1,448,993	\$2.837	\$1,587,179

Note:

(1) Quarterly customers shown is based on existing billing frequency per Schedule TSC-3.

Monthly count shown includes is at proposed rates with all customers billed monthly.

Monthly revenues at present rates is based on existing monthly billed customers per Schedule 3.

REVENUE RECONCILIATION

		<u><----- Current -----></u>		<u><----- Proposed -----></u>	
<u>Fire Protection:</u>					
Public Hydrants	1,915	\$337.25	\$645,834	\$354.11	\$678,121
Private Fire Protection					
Annual					
2	28	\$125.42	\$3,512	\$185.44	\$0
4	55	\$254.33	\$13,988	\$422.44	\$0
6	405	\$640.81	\$259,528	\$1,095.13	\$0
8	89	\$1,131.52	\$100,705	\$2,003.10	\$0
10	3	\$1,597.19	\$4,792	\$2,978.11	\$0
12	2	\$2,242.58	\$4,485	\$4,329.44	\$0
Monthly					
2	28	\$10.45	\$0	\$17.72	\$5,956
4	55	\$21.19	\$0	\$37.47	\$24,733
6	405	\$53.40	\$0	\$93.53	\$454,566
8	89	\$94.29	\$0	\$169.20	\$180,701
10	3	\$133.10	\$0	\$250.45	\$9,016
12	2	\$186.88	\$0	\$363.06	\$8,713
			=====		=====
Total			\$15,923,548		\$19,569,528
Plus: Misc Revenues			\$274,457		\$274,457
			=====		=====
Pro Forma Revenue			\$16,198,005		\$19,843,985
Required Revenue			\$19,845,214		\$19,845,214
Difference			-\$3,647,209		(\$1,229)
Increase in Revenues					\$3,645,980
Percent Increase in Total Revenues					22.5%
Percent Increase in Rate Revenues (non-misc)					22.9%

SUMMARY OF COST OF SERVICE

	<u>Test Year</u>	<u>Adjustments</u>	<u>Rate Year</u>
Revenues			
Service Charges	\$1,911,142	\$1,150,169	\$3,061,311
Metered Rates	\$12,979,562	\$2,166,849	\$15,146,411
Fire Protection	\$1,032,844	\$328,962	\$1,361,806
Miscellaneous	<u>\$477,338</u>	<u>-\$202,881</u>	<u>\$274,457</u>
<i>Total Revenue</i>	\$16,400,886	\$3,443,100	\$19,843,985
Expenses			
<u>O&M</u>			
Admin	\$2,089,151	-\$185,773	\$1,903,378
Customer Serv	\$932,573	\$142,716	\$1,075,289
Supply	\$362,835	\$10,488	\$373,323
Purification	\$2,407,640	\$365,490	\$2,773,130
Trans & Distrib	<u>\$2,168,261</u>	<u>\$114,300</u>	<u>\$2,282,561</u>
Total O&M	\$7,960,460	\$447,222	\$8,407,682
<u>Capital</u>			
Property Taxes	\$796,171	\$61,066	\$857,238
Bond Principal & Interest	\$6,688,543	\$721,311	\$7,409,854
Leases	\$149,781	-\$149,781	\$0
IFR	\$3,100,000	-\$600,000	\$2,500,000
CF Franchise Fee	\$0		\$0
Calgon Royalties Fund	\$0	\$0	\$0
CF System Fund	\$0	\$0	\$0
Trustee Fees	\$273,894	\$107,324	\$381,218
O&M Reserve Deposit	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Capital	\$11,008,389	\$139,921	\$11,148,309
<u>Operating Revenue Allowance</u>	<u>\$0</u>	<u>\$289,223</u>	<u>\$289,223</u>
<i>Total Expenses</i>	\$18,968,849	\$876,365	\$19,845,214

PROPOSED YEAR 2 STEP INCREASE

PWSB Rate Year (CY 2011) Revenue Requirements = \$19,845,214

PWSB Claimed CY 2012 Revenue Requirements = \$ 20,745,600
Proposed Step Increase for CY 2012 4.5%

		<u>Current</u>	<u>Proposed</u> <u>(CY2011)</u>	<u>Step Increase</u> <u>(CY 2012)</u>
<u>Metered Rates</u>				
Small (5/8 - 1")		\$3.459	\$4.117	\$ 4.304
Medium (1.5 - 2" & By pass)		\$3.251	\$3.691	\$ 3.858
Large (3" and up)		\$3.140	\$3.481	\$ 3.639
Wholesale		\$2.590	\$2.837	\$ 2.966
<u>Service Charges</u>				
Quarterly	5/8	\$18.72	\$25.05	\$26.19
	3/4	\$24.07	\$33.75	\$35.28
	1	\$32.59	\$47.62	\$49.78
	1 1/2	\$61.33	\$94.37	\$98.65
	2	\$78.18	\$121.78	\$127.31
	3	\$88.09	\$137.90	\$144.16
	4	\$199.07	\$318.47	\$332.92
	6	\$296.19	\$476.47	\$498.09
	8	\$421.05	\$679.61	\$710.44
Monthly	5/8	\$9.47	\$10.00	\$10.45
	3/4	\$11.26	\$12.90	\$13.49
	1	\$14.10	\$17.52	\$18.31
	1 1/2	\$23.68	\$33.11	\$34.61
	2	\$29.29	\$42.25	\$44.17
	3	\$32.59	\$47.62	\$49.78
	4	\$69.59	\$107.81	\$112.70
	6	\$101.96	\$160.48	\$167.76
	8	\$143.58	\$228.19	\$238.54
<u>Fire Service (annual)</u>				
Public	/hydrant/yr	\$337.25	\$354.11	\$370.18
Private				
	2	\$125.42	\$185.44	\$193.85
	4	\$254.33	\$422.44	\$441.61
	6	\$640.81	\$1,095.13	\$1,144.82
	8	\$1,131.52	\$2,003.10	\$2,093.98
	10	\$1,597.19	\$2,978.11	\$3,113.23
	12	\$2,242.58	\$4,329.44	\$4,525.87
	2	\$10.45	\$17.72	\$18.53
	4	\$21.19	\$37.47	\$39.17
	6	\$53.40	\$93.53	\$97.78
	8	\$94.29	\$169.20	\$176.87
	10	\$133.10	\$250.45	\$261.81
	12	\$186.88	\$363.06	\$379.53

EXHIBIT TSC-2

ALLOCATION OF RATE YEAR EXPENSES TO COST FUNCTIONS

<u>EXPENSE ITEM</u>	Pro Forma <u>Expense</u>	Allocation <u>Symbol (1)</u>	<u>Base</u>	<u>Max Day</u>	Peak <u>Hour</u>	<u>Merering</u>	<u>Billing</u>	<u>Direct Fire</u>
ADMINISTRATION								
Salaries & Wages - (601)	\$692,241	L-M	\$627,750	\$24,196	\$9,163	\$0	\$0	\$31,132
Salaries & Wages - Payroll Taxes	\$9,844	L-M	\$8,927	\$344	\$130	\$0	\$0	\$443
Employee Pensions & Benefits (604)	\$239,672	L-M	\$217,344	\$8,377	\$3,172	\$0	\$0	\$10,779
Workers Comp	\$8,768	L-M	\$7,951	\$306	\$116	\$0	\$0	\$394
Materials and Supplies (Account 620)	\$38,176	E-M	\$30,977	\$6,004	\$268	\$0	\$0	\$927
Contractual Services - Legal (Account 633)	\$82,389	E-M	\$66,854	\$12,958	\$578	\$0	\$0	\$2,000
Contractual Services - Mgt. Fees (634) City Chg	\$172,136	E-M	\$139,678	\$27,073	\$1,207	\$0	\$0	\$4,178
Contractual Services - Other (Account 635)	\$8,789	E-M	\$7,132	\$1,382	\$62	\$0	\$0	\$213
Rental of Equipment (Account 642)	\$7,579	E-M	\$6,150	\$1,192	\$53	\$0	\$0	\$184
Transportation Expenses (Account 650)	\$16,745	E-M	\$13,588	\$2,634	\$117	\$0	\$0	\$406
Insurance - General Liability (Account 657)	\$205,086	E-M	\$166,416	\$32,255	\$1,438	\$0	\$0	\$4,978
Insurance - Worker's Compensation (658)	\$15,524	L-M	\$14,077	\$543	\$205	\$0	\$0	\$698
Insurance - Other (Account 659)	\$15,673	E-M	\$12,717	\$2,465	\$110	\$0	\$0	\$380
Regulatory Com Expense - Other (667)	\$55,526	E-M	\$45,056	\$8,733	\$389	\$0	\$0	\$1,348
Reg Com Exp - Amort of Rate Case Exp (666)	\$100,000	E-M	\$81,144	\$15,727	\$701	\$0	\$0	\$2,427
Miscellaneous Expense (Account 675)	\$40,743	E-M	\$33,061	\$6,408	\$286	\$0	\$0	\$989
Other -pba fees	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
Education Training	\$5,188	E-M	\$4,210	\$816	\$36	\$0	\$0	\$126
Maint of Misc Plant	\$32,127	E-M	\$26,069	\$5,053	\$225	\$0	\$0	\$780
Purchased Power	\$51,587	E-M	\$41,860	\$8,113	\$362	\$0	\$0	\$1,252
Other Utilities	\$50,491	E-M	\$40,971	\$7,941	\$354	\$0	\$0	\$1,225
Printing	\$9,718	E-M	\$7,886	\$1,528	\$68	\$0	\$0	\$236
Postage	\$7,749	E-M	\$6,288	\$1,219	\$54	\$0	\$0	\$188
Subtotal - Admin	\$1,865,751		\$1,606,107	\$175,266	\$19,095	\$0	\$0	\$65,283
CUSTOMER ACCOUNTS								
Salary & Wages - Cust Ser	\$196,820	B	\$0	\$0	\$0	\$0	\$196,820	\$0
Salary & Wages - Meter	\$380,771	M	\$0	\$0	\$0	\$261,780	\$118,991	\$0
Salary & Wages Payroll Tx(CS)	\$2,789	B	\$0	\$0	\$0	\$0	\$2,789	\$0
Salary & Wages Payroll Tx (Meters)	\$5,358	M	\$0	\$0	\$0	\$3,684	\$1,674	\$0
Empl Pensions & Benefits (Cust Ser)	\$77,609	B	\$0	\$0	\$0	\$0	\$77,609	\$0
Empl Pensions & Benefits (Meters)	\$166,132	M	\$0	\$0	\$0	\$114,216	\$51,916	\$0
Mats & Supp (Cust Serv)	\$2,601	B	\$0	\$0	\$0	\$0	\$2,601	\$0
Mats & Supp (Meters)	\$7,432	M	\$0	\$0	\$0	\$5,110	\$2,323	\$0
Contractual Services - Other - [Cust. Svc.] (Account	\$16,245	B	\$0	\$0	\$0	\$0	\$16,245	\$0
Rental of Equipment (Account 642)	\$530	B	\$0	\$0	\$0	\$0	\$530	\$0
Workers Comp - Cust Serv	\$903	B	\$0	\$0	\$0	\$0	\$903	\$0
Workers Comp - Meters	\$21,658	B	\$0	\$0	\$0	\$0	\$21,658	\$0
Transportation Expenses - [Cust svc.] (Account 650)	\$4,049	B	\$0	\$0	\$0	\$0	\$4,049	\$0
Transportation Expenses - [Meter] (Account 650)	\$9,574	M	\$0	\$0	\$0	\$6,582	\$2,992	\$0
Bad Debt Expense (Account 670)	\$7,321	B	\$0	\$0	\$0	\$0	\$7,321	\$0
Miscellaneous Expense - [Cust. Svc.] (Account 675)	\$325	B	\$0	\$0	\$0	\$0	\$325	\$0
Miscellaneous Expense - [Meter] (Account 675)	\$682	M	\$0	\$0	\$0	\$469	\$213	\$0
Education Training - [Cust. Svc.]	\$2,157	B	\$0	\$0	\$0	\$0	\$2,157	\$0
Education Training - [Meter]	\$627	M	\$0	\$0	\$0	\$431	\$196	\$0
Repairs & Maintenance - general	\$95	B	\$0	\$0	\$0	\$0	\$95	\$0
Repairs & Maintenance - meters	\$0	M	\$0	\$0	\$0	\$0	\$0	\$0
Other Utilities - [Cust. Svc.]	\$2,636	B	\$0	\$0	\$0	\$0	\$2,636	\$0
Other Utilities - [Meter]	\$4,775	M	\$0	\$0	\$0	\$3,283	\$1,492	\$0
Printing - [Cust. Svc.]	\$63,423	B	\$0	\$0	\$0	\$0	\$63,423	\$0
Printing - [Meter]	\$0	M	\$0	\$0	\$0	\$0	\$0	\$0
Postage-[Cust. Svc.]	\$100,779	B	\$0	\$0	\$0	\$0	\$100,779	\$0
Subtotal - Customer Accts	\$1,075,289		\$0	\$0	\$0	\$395,554	\$679,735	\$0

ALLOCATION OF RATE YEAR EXPENSES TO COST FUNCTIONS

<u>EXPENSE ITEM</u>	<u>Pro Forma Expense</u>	<u>Allocation Symbol (1)</u>	<u>Base</u>	<u>Max Day</u>	<u>Peak Hour</u>	<u>Merering</u>	<u>Billing</u>	<u>Direct Fire</u>
SOURCE OF SUPPLY								
Salaries & Wages - (601)	\$113,904	A	\$113,904	\$0	\$0	\$0	\$0	\$0
Salaries & Wages - Payroll Taxes	\$1,608	A	\$1,608	\$0	\$0	\$0	\$0	\$0
Employee Pensions & Benefits (604)	\$50,116	A	\$50,116	\$0	\$0	\$0	\$0	\$0
Workers Comp	\$8,767	A	\$8,767	\$0	\$0	\$0	\$0	\$0
Purchased Power (Account 615)	\$24,761	A	\$24,761	\$0	\$0	\$0	\$0	\$0
Materials and Supplies (Account 620)	\$2,475	A	\$2,475	\$0	\$0	\$0	\$0	\$0
Transportation Expenses (Account 650)	\$4,211	A	\$4,211	\$0	\$0	\$0	\$0	\$0
Miscellaneous Expense (Account 675)	\$751	A	\$751	\$0	\$0	\$0	\$0	\$0
Security Service	\$85,928	A	\$85,928	\$0	\$0	\$0	\$0	\$0
Education Training	\$544	A	\$544	\$0	\$0	\$0	\$0	\$0
Maint of Misc Plant	\$77,664	A	\$77,664	\$0	\$0	\$0	\$0	\$0
Other Utilities	\$2,592	A	\$2,592	\$0	\$0	\$0	\$0	\$0
Subtotal - Supply	\$373,323		\$373,323	\$0	\$0	\$0	\$0	\$0
PURIFICATION								
DBC O&M Contract	\$1,749,927	D	\$879,678	\$870,249	\$0	\$0	\$0	\$0
Purchased Power (Account 615)	\$1,015,031	A	\$1,015,031	\$0	\$0	\$0	\$0	\$0
Other Utilities	\$8,172	A	\$8,172	\$0	\$0	\$0	\$0	\$0
Subtotal - Purification	\$2,773,130		\$1,902,881	\$870,249	\$0	\$0	\$0	\$0
TRANSMISSION & DISTRIBUTION								
Salaries & Wages - (601)	\$959,450	O	\$52,763	\$52,198	\$19,768	\$767,560	\$0	\$67,162
Salaries & Wages -[Engineering] (601)	\$283,136	O	\$15,571	\$15,404	\$5,833	\$226,509	\$0	\$19,820
Salaries & Wages - Payroll Taxes -	\$13,553	O	\$745	\$737	\$279	\$10,843	\$0	\$949
Salaries & Wages - Payroll Taxes - [Engineering]	-\$4,473	O	-\$246	-\$243	-\$92	-\$3,578	\$0	-\$313
Salaries & Wages - Police Details	\$47,018	O-A	\$40,200	\$2,558	\$969	\$0	\$0	\$3,291
Employee Pensions & Benefits - (604)	\$381,578	O	\$20,984	\$20,759	\$7,862	\$305,262	\$0	\$26,710
Employee Pensions & Benefits - [Engineering] (604)	\$81,793	O	\$4,498	\$4,450	\$1,685	\$65,435	\$0	\$5,726
Materials and Supplies - (Account 620)	\$38,283	O	\$2,105	\$2,083	\$789	\$30,626	\$0	\$2,680
Materials and Supplies - [Engineering] (Account 620)	\$18,284	O	\$1,005	\$995	\$377	\$14,627	\$0	\$1,280
Rental of Equipment (Account 642)	\$2,941	O	\$162	\$160	\$61	\$2,353	\$0	\$206
Rental of Equipment - [Engineering] (Account 642)	\$723	O	\$40	\$39	\$15	\$578	\$0	\$51
Transportation Expenses - (Account 650)	\$39,017	O	\$2,146	\$2,123	\$804	\$31,213	\$0	\$2,731
Transportation Expenses - [Engineering](Account 651)	\$8,602	O	\$473	\$468	\$177	\$6,881	\$0	\$602
Workers Comp T&D	\$67,796	O	\$3,728	\$3,688	\$1,397	\$54,236	\$0	\$4,746
Workers Comp - Engineering	\$13,537	O	\$744	\$736	\$279	\$10,830	\$0	\$948
Miscellaneous Expense - (Account 675)	\$10,887	O	\$599	\$592	\$224	\$8,709	\$0	\$762
Miscellaneous Expense - [Engineering] (Account 675)	\$415	O	\$23	\$23	\$9	\$332	\$0	\$29
Education Training	\$1,805	O	\$99	\$98	\$37	\$1,444	\$0	\$126
Education Training - [Engineering]	\$640	O	\$35	\$35	\$13	\$512	\$0	\$45
Repairs & Maintenance - general	\$3,381	O	\$186	\$184	\$70	\$2,705	\$0	\$237
Repairs & Maintenance - T&D	\$16,190	T	\$6,849	\$6,776	\$2,566	\$0	\$0	\$0
Repairs & Maintenance - fire services	\$2,583	F	\$0	\$0	\$0	\$0	\$0	\$2,583
Repairs & Maintenance - services	\$12,465	S	\$0	\$0	\$0	\$12,465	\$0	\$0
Repairs & Maintenance - Hydrants	\$8,961	F	\$0	\$0	\$0	\$0	\$0	\$8,961
Road surface restoration	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Repairs & Maintenance - general	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Purchased Power	\$17,980	O	\$989	\$978	\$370	\$14,384	\$0	\$1,259
Other Utilities	\$15,690	O	\$863	\$854	\$323	\$12,552	\$0	\$1,098
Other Utilities - [Engineering]	\$6,782	O	\$373	\$369	\$140	\$5,425	\$0	\$475
Printing	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Postage--[Engineering]	\$797	O	\$44	\$43	\$16	\$638	\$0	\$56
Subtotal - T&D	\$2,049,812		\$154,978	\$116,106	\$43,970	\$1,582,541	\$0	\$152,217
TOTAL O&M	\$8,137,306	I	\$4,037,289	\$1,161,621	\$63,065	\$1,978,095	\$679,735	\$217,499

ALLOCATION OF RATE YEAR EXPENSES TO COST FUNCTIONS

<u>EXPENSE ITEM</u>	<u>Pro Forma Expense</u>	<u>Allocation Symbol (1)</u>	<u>Base</u>	<u>Max Day</u>	<u>Peak Hour</u>	<u>Merereng</u>	<u>Billing</u>	<u>Direct Fire</u>
<u>CAPITAL EXPENSE</u>								
Property Taxes								
Source of Supply	\$413,892	A	\$413,892	\$0	\$0	\$0	\$0	\$0
Treatment-Pumping	\$0	D	\$0	\$0	\$0	\$0	\$0	\$0
Treatment-Purification	\$86,449	D	\$43,457	\$42,992	\$0	\$0	\$0	\$0
Trans & Distrib	\$295,830	T-C	\$107,119	\$105,970	\$40,136	\$38,808	\$0	\$3,797
Rental Property	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
Restrict. Bond Principal & Interest	\$7,114,878	P-M 50	\$3,756,215	\$2,591,876	\$468,345	\$244,753	\$6,595	\$47,094
Leases	\$0	P-M 50	\$0	\$0	\$0	\$0	\$0	\$0
IFR	\$2,500,000	P	\$1,231,527	\$910,724	\$164,565	\$172,001	\$4,635	\$16,548
CF Franchise Fee	\$0	P	\$0	\$0	\$0	\$0	\$0	\$0
Calgon Royalties Fund	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
CF System Fund	\$0	T-C	\$0	\$0	\$0	\$0	\$0	\$0
Trustee Fees	\$381,218	P-M 50	\$201,259	\$138,874	\$25,094	\$13,114	\$353	\$2,523
O&M Reserve Deposit	\$0	E	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - Capital	<u>\$10,792,267</u>		<u>\$5,753,468</u>	<u>\$3,790,435</u>	<u>\$698,141</u>	<u>\$468,676</u>	<u>\$11,583</u>	<u>\$69,963</u>
TOTAL EXPENSES	\$18,929,573		\$9,790,759	\$4,952,057	\$761,206	\$2,446,771	\$691,318	\$287,462
PLUS: Rev. Stabiliz./Oper. Rev. Allowance	\$278,030	I	\$137,943	\$39,689	\$2,155	\$67,586	\$23,225	\$7,431
LESS: Service Instal Revenue	-\$182,732	S	\$0	\$0	\$0	-\$182,732	\$0	\$0
LESS: State Surcharge Revenue	-\$52,261	I	-\$25,929	-\$7,460	-\$405	-\$12,704	-\$4,366	-\$1,397
LESS: Penalties	-\$104,415	I	-\$51,805	-\$14,906	-\$809	-\$25,382	-\$8,722	-\$2,791
LESS: Cumberland Tax Reduction	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
LESS: Non-Operating Rental	-\$22,065	A	-\$22,065	\$0	\$0	\$0	\$0	\$0
LESS: Interest Income	-\$253	I	-\$126	-\$36	-\$2	-\$62	-\$21	-\$7
LESS: Misc Non-Operating	-\$31,537	I	-\$15,647	-\$4,502	-\$244	-\$7,666	-\$2,634	-\$843
LESS: Gain/Loss Disposal Property	<u>-\$987</u>	P	<u>-\$486</u>	<u>-\$360</u>	<u>-\$65</u>	<u>-\$68</u>	<u>-\$2</u>	<u>-\$7</u>
REQUIRED FROM RATES	\$18,813,352		\$9,812,644	\$4,964,483	\$761,835	\$2,285,743	\$698,798	\$289,849

ALLOCATION OF PLANT IN SERVICE TO COST FUNCTIONS

<u>PLANT COMPONENT</u>	<u>Net Plant</u>	<u>Allocation Symbol (1)</u>	<u>Base</u>	<u>Max Day</u>	<u>Peak Hour</u>	<u>Merering</u>	<u>Billing</u>	<u>Direct Fire</u>
<u>SOURCE OF SUPPLY</u>								
Land & Land Rights	\$5,560,444	A	\$5,560,444	\$0	\$0	\$0	\$0	\$0
Structures & Improvements	\$10,035,594	A	\$10,035,594	\$0	\$0	\$0	\$0	\$0
Wells & Springs	\$227,169	A	\$227,169	\$0	\$0	\$0	\$0	\$0
<u>PUMPING</u>								
Land & Land Rights	\$30,133	D	\$15,148	\$14,985	\$0	\$0	\$0	\$0
Structures & Improvements	\$266,381	D	\$133,908	\$132,473	\$0	\$0	\$0	\$0
Electric Pumping Equipment	\$3,078	D	\$1,547	\$1,531	\$0	\$0	\$0	\$0
<u>PURIFICATION</u>								
Land & Land Rights	\$26,046	D	\$13,093	\$12,953	\$0	\$0	\$0	\$0
Structures & Improvements	\$49,424,713	D	\$24,845,510	\$24,579,202	\$0	\$0	\$0	\$0
Water Treatment Equipment	\$0	D	\$0	\$0	\$0	\$0	\$0	\$0
<u>TRANSM & DISTRIBUTION</u>								
Land & Land Rights	\$1,590	H	\$645	\$638	\$307	\$0	\$0	\$0
Distribution Reservoirs	\$22,432	H	\$9,099	\$9,001	\$4,332	\$0	\$0	\$0
Transmission Mains	\$9,749,955	D	\$4,901,245	\$4,848,710	\$0	\$0	\$0	\$0
Distribution mains	\$44,619,335	H	\$18,098,316	\$17,904,329	\$8,616,690	\$0	\$0	\$0
Services	\$4,703,680	S	\$0	\$0	\$0	\$4,703,680	\$0	\$0
Meters	\$3,632,187	S	\$0	\$0	\$0	\$3,632,187	\$0	\$0
Hydrants	\$815,631	F	\$0	\$0	\$0	\$0	\$0	\$815,631
Other Misc Equip	\$88,151	H	\$35,755	\$35,372	\$17,023	\$0	\$0	\$0
<u>GENERAL</u>								
Structures & Improvements	\$1,250,886	E	\$484,909	\$196,732	\$8,770	\$394,539	\$135,576	\$30,360
Office furniture & equipment	\$369,164	E	\$143,107	\$58,060	\$2,588	\$116,437	\$40,011	\$8,960
Transportation equipment	\$605,523	E	\$234,732	\$95,233	\$4,245	\$190,986	\$65,629	\$14,697
Stores equipment	\$0	E	\$0	\$0	\$0	\$0	\$0	\$0
Tools, shop & garage equipment	\$0	E	\$0	\$0	\$0	\$0	\$0	\$0
Laboratory equipment	\$13,978	A	\$13,978	\$0	\$0	\$0	\$0	\$0
Power equipment	\$7,311	E	\$2,834	\$1,150	\$51	\$2,306	\$792	\$177
Communication equipment	\$0	E	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous equipment	\$15,826	E	\$6,135	\$2,489	\$111	\$4,992	\$1,715	\$384
TOTAL PLANT	\$131,469,206		\$64,763,169	\$47,892,859	\$8,654,118	\$9,045,127	\$243,724	\$870,210
PERCENT		P	49.26%	36.43%	6.58%	6.88%	0.19%	0.66%

*Note: Test Year Net Plant plus CWIP

ALLOCATION OF NON-ADMINISTRATIVE LABOR COSTS TO COST COMPONENTS

<u>EXPENSE ITEM</u>	<u>Pro Forma Expense</u>	<u>Allocation Symbol (1)</u>	<u>Base</u>	<u>Max Day</u>	<u>Peak Hour</u>	<u>Merering</u>	<u>Billing</u>	<u>Direct Fire</u>
<u>CUSTOMER ACCOUNTS</u>								
Salary & Wages - Cust Ser	\$196,820	B	\$0	\$0	\$0	\$0	\$196,820	\$0
Salary & Wages - Meter	\$380,771	M	\$0	\$0	\$0	\$261,780	\$118,991	\$0
<u>SOURCE OF SUPPLY</u>								
Salaries & Wages - (601)	\$113,904	A	\$113,904	\$0	\$0	\$0	\$0	\$0
<u>TRANSMISSION & DISTRIBUTION</u>								
Salaries & Wages - (601)	\$959,450	O	\$52,763	\$52,198	\$19,768	\$767,560	\$0	\$67,162
Salaries & Wages -[Engineering] (601)	<u>\$283,136</u>	O	<u>\$15,571</u>	<u>\$15,404</u>	<u>\$5,833</u>	<u>\$226,509</u>	<u>\$0</u>	<u>\$19,820</u>
TOTALS	\$1,934,082		\$182,238	\$67,601	\$25,601	\$1,255,849	\$315,811	\$86,981
PERCENT		L	9.4%	3.5%	1.3%	64.9%	16.3%	4.5%

Note:

(1) Refer to Schedule TSC-4 for allocation symbol definitions.

ALLOCATION TO FIRE, WHOLESALE & RETAIL SERVICE

<u>UNITS OF SERVICE</u>	<u>TOTAL</u>	<u>Base</u>	<u>Max Day</u>	<u>Peak Hour</u>	<u>Merering</u>	<u>Billing</u>	<u>Fire</u>
Number Units		4,240,033 ccf/yr	18,925 ccf/day	20,061 ccf/day	26,353 equiv meters	282,408 bills	1,915 hydrants
Revenue Requirements	\$18,813,352	\$9,812,644	\$4,964,483	\$761,835	\$2,285,743	\$698,798	\$289,849
Allocation to Fire Protection	\$1,425,431	\$49,063	\$757,529	\$328,989	included in calculation		\$289,849
Allocation to Wholesale *	\$1,457,165	\$1,153,833	\$302,654	\$679			
Net To Retail Metered Rates	\$15,930,757	\$8,609,748	\$3,904,300	\$432,167	\$2,285,743	\$698,798	\$0

* Allocation to wholesale based on:

<u>BASE</u>			
Metered Sales (ccf/yr)	4,240,033		
Retail Sales (ccf/yr)	3,680,576		
Retail Unacctd For (ccf/yr)	<u>539,837</u>	Based on miles of pipe: 100% of distr./service costs plus 86.8% of trans. plus estimated fire	
Total Retail (ccf/yr)	4,220,413		
Wholesale Sales (ccf/yr)	559,457		
Wholesale Unacctd For (ccf/yr)	<u>2,936</u>		
Total Wholesale (ccf/yr)	<u>562,393</u>		
Grand Total (ccf/yr)	4,782,805		
Wholesale Percent of Grand Total	11.8%		
Total Base Allocation	\$9,812,644		
Wholesale Allocation	\$1,153,833		
<u>MAX DAY</u>			
Total Max Day Allocation	\$4,964,483		
Less: Distribution Costs			
95.7% of T&D O&M	-\$111,100		
Admin O&M Share	-\$16,763	15.1%	
Distribution Capital Items	<u>-\$2,345,424</u>	61.88% (Less Distribution Mains & Gen'l Items allocated to Max Day)	
Total Net of Distribution	\$2,491,196		
Wholesale Max Day %	12.15%	See Sch. 2.2	
Wholesale Allocation	\$302,654		
<u>PEAK HOUR</u>			
Total Peak Hour Allocation	\$761,835		
Less: Distribution Costs			
95.7% of T&D O&M	-\$42,074		
Admin O&M Share	-\$12,739	30.3%	
Capital Items	<u>-\$698,141</u>	100.00% (All Capital Peak Hour costs = distribution)	
Total Net of Distribution	\$8,881		
Wholesale Peak Hr %	7.64%	See Sch. 2.2	
Wholesale Allocation	\$679		

UNITS OF SERVICE

METERS

Meter Size	Test Year		Rate Year			Equiv Factor	# of Equivs
	Quarterly	Monthly	Quarterly	Monthly	Total		
5/8	21,516	11	0	21,527	21,527	1.00	21,527
3/4	255	4	0	259	259	1.39	359
1	487	11	0	498	498	2.00	996
1 1/2	222	5	0	227	227	4.07	924
2	356	43	0	399	399	5.29	2,109
3	12	12	0	24	24	6.00	144
4	6	6	0	12	12	14.00	168
6	1	5	0	6	6	21.00	126
8	0	0	0	0	0	30.00	0
Totals	22,855	97	0	22,952	22,952		26,353

PUBLIC FIRE HYDRANTS

	Test Year	Adjustments	Rate Year
Pawtucket	1,515	-2	1,513
Central Falls	202	0	202
Valley Falls	199	1	200
Totals	1,916	-1	1,915

PRIVATE FIRE SERVICE

Size	Test Year	Adjustments	Rate Year	Equiv Factor *	# of Equivs
2	26	2	28	4.07	114
4	49	6	55	6.00	330
6	392	13	405	14.00	5,670
8	90	-1	89	21.00	1,869
10	4	-1	3	21.00	63
12	2	0	2	21.00	42
Total	563	19	582		8,088

* one size down to equate to meter equivalent

UNITS OF SERVICE

METERED WATER USE (ccf/year)

<u>Class</u>	<u>Test Year</u>	<u>Adjustments</u>	<u>Rate Year</u>
Small (5/8 - 1")	2,773,813	0	2,773,813
Medium (1.5 - 2" & By pass)	640,780	0	640,780
Large (3" and up)	<u>265,983</u>	<u>0</u>	<u>265,983</u>
Total	3,680,576	0	3,680,576

Wholesale			
Cumberland	578,899	-19,442	559,457
Seekonk	<u>0</u>	<u>0</u>	<u>0</u>
Total	578,899	-19,442	559,457

Miles of Mains

<u>Size</u>	<u>Miles</u>		<u>Inch-Miles</u>	
Service Pipes	204.31			
2	0.84		1.7	
4	1.42		5.7	
6	106.47		638.8	
8	83.01		664.1	
10	1.61		16.1	
12	49.78	95.7%	597.4	82.1%
16	4.24		67.8	
20	9.13		182.6	
24	6.16		147.8	
30	0.10		3.0	
36	<u>0.53</u>	4.3%	<u>19.1</u>	17.9%
Totals	467.60		2,344	

UNITS OF SERVICE - DEMAND FACTORS

	<u>BASE</u>		<u>Demand Factor</u>	<u>MAXIMUM DAY</u>		<u>Demand Factor</u>	<u>PEAK HOUR</u>		<u>Equivalent Meters & Services</u>	<u>Bills</u>
	<u>Annual Use ccf/year</u>	<u>Average Day ccf/day</u>		<u>Maximum Day ccf/day</u>	<u>Extra Capacity ccf/day</u>		<u>Maximum Hour ccf/day</u>	<u>Extra Capacity ccf/day</u>		
<u>Inside - Retail</u>										
Small (5/8 - 1")	2,773,813	7,599	2.50	18,999	11,399	3.50	26,598	7,599	22,882	267,408
Medium (1.5 - 2" & By ps)	640,780	1,756	2.00	3,511	1,756	3.00	5,267	1,756	3,033	7,512
Large (3" and up)	265,983	729	1.80	1,312	583	2.50	1,822	510	438	504
Fire Protection	6,000 gal/min for 6 hours per Docket		3193	2,888	2,888		11,551	8,663		6,984
<u>Wholesale</u>										
Cumberland	559,457	1,533	2.50	3,832	2,299	3.50	5,365	1,533		
Seekonk	0	0	2.50	0	0	3.50	0	0		
Totals	4,240,033	11,617		30,541	18,925		50,602	20,061	26,353	282,408

ALLOCATION SYMBOLS

Allocation	Symbol	Base	Max Day	Peak Hour	Merering	Billing	Direct Fire	
100.00%	A	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Supply, IFR, Power & Chemicals
100.00%	B	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	Billing
100.00%	D	50.27%	49.73%	0.00%	0.00%	0.00%	0.00%	Max Day Demand
100.00%	E	38.77%	15.73%	0.70%	31.54%	10.84%	2.43%	O&M less A&G
100.00%	E-M	81.14%	15.73%	0.70%	0.00%	0.00%	2.43%	O&M less A&G - No Meter Alloc.
100.00%	F	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	Fire Service
100.00%	H	40.56%	40.13%	19.31%	0.00%	0.00%	0.00%	Max Hour Demand
100.00%	I	49.61%	14.28%	0.78%	24.31%	8.35%	2.67%	Total O&M
100.00%	L	9.42%	3.50%	1.32%	64.93%	16.33%	4.50%	Labor
100.00%	L-M	90.68%	3.50%	1.32%	0.00%	0.00%	4.50%	Labor-No Meter Allocation
100.00%	M	0.00%	0.00%	0.00%	68.8%	31.3%	0.00%	Cust Serv - "Meter"
100.00%	O	5.50%	5.44%	2.06%	80.00%	0.00%	7.00%	O&M Mains, Hydrants & Service
100.00%	O-A	85.50%	5.44%	2.06%	0.00%	0.00%	7.00%	T&D Police Details
100.00%	P	49.26%	36.43%	6.58%	6.88%	0.19%	0.66%	Plant
100.00%	P-M 50	52.79%	36.43%	6.58%	3.44%	0.09%	0.66%	Plant-50% Meter
100.00%	S	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	Services and Meters
100.00%	T	42.30%	41.85%	15.85%	0.00%	0.00%	0.00%	T&D Mains
100.00%	T-C	36.21%	35.82%	13.57%	13.12%	0.00%	1.28%	T&D Capital

Symbol D

	MGD	%
Avg Day	10.582	50.27%
Max Day Inc	<u>10.468</u>	<u>49.73%</u>
Total Max Day	21.050	100.00%

Symbol E

	TOTAL	Base	Max Day	Peak Hour	Merering	Billing	Direct Fire
Amount	\$6,271,554	\$2,431,182	\$986,355	\$43,970	\$1,978,095	\$679,735	\$152,217
Percent	E	38.8%	15.7%	0.7%	31.5%	10.8%	2.4%

Symbol H

	MGD	%
Avg Day	10.582	40.56%
Max Day Inc	10.468	40.13%
Peak Hour Inc	<u>5.038</u>	<u>19.31%</u>
Total Peak Hour	26.088	100.00%

	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	Avg or Max
Avg Day (mgd)	12.23	12.33	10.42	10.71	10.65	8.80	10.58
Max Day (mgd)	19.09	21.05	20.23		17.70	15.87	21.05
Max Hour (mgd)	26.09		20.50	19.70			26.09

Symbol M These accounts include activities associated with meter reading, meter testing, backflow testing, etc. Costs have been split based on the following personnel associated with these activities:

	# Employees	Meter Read	Meters
Meter Reader*	2.5	2.5	
Technician*	4.5		4.5
Backflow	<u>1.0</u>		<u>1.0</u>
Subtotal	8.0	2.5	5.5
Percent		31%	69%
Agent	1.0	0.31	0.69
Supervisor	<u>1.0</u>	<u>0.31</u>	<u>0.69</u>
Total	10.0	3.1	6.9
Percent		31%	69%

* Note: half of one meter reader's time is used as a meter technician.

ALLOCATION SYMBOLS

Symbol O

	<u>% of Time</u>	<u>Base</u>	<u>Max Day</u>	<u>Peak Hour</u>	<u>Merering</u>	<u>Billing</u>	<u>Direct Fire</u>
Mains	13.00%	5.50%	5.44%	2.06%	0.00%	0.00%	0.00%
Hydrants	7.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.00%
Services	<u>80.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>80.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total	100.0%	5.5%	5.4%	2.1%	80.0%	0.0%	7.0%

Note: Based on prior docket analysis of time

Symbol T

	<u>Plant Amt.</u>	<u>Base</u>	<u>Max Day</u>	<u>Peak Hour</u>	<u>Merering</u>	<u>Billing</u>	<u>Direct Fire</u>
Transmission	\$9,749,955	\$4,901,245	\$4,848,710	\$0	\$0	\$0	\$0
Distribution	<u>\$44,619,335</u>	<u>\$18,098,316</u>	<u>\$17,904,329</u>	<u>\$8,616,690</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$54,369,290	\$22,999,561	\$22,753,039	\$8,616,690	\$0	\$0	\$0
		42.30%	41.85%	15.85%	0.00%	0.00%	0.00%

Symbol T-C

	<u>Plant Amt.</u>	<u>Base</u>	<u>Max Day</u>	<u>Peak Hour</u>	<u>Merering</u>	<u>Billing</u>	<u>Direct Fire</u>
Distribution Reservoirs	\$22,432	\$9,099	\$9,001	\$4,332	\$0	\$0	\$0
Transmission Mains	\$9,749,955	\$4,901,245	\$4,848,710	\$0	\$0	\$0	\$0
Distribution mains	\$44,619,335	\$18,098,316	\$17,904,329	\$8,616,690	\$0	\$0	\$0
Services	\$4,703,680	\$0	\$0	\$0	\$4,703,680	\$0	\$0
Meters	\$3,632,187	\$0	\$0	\$0	\$3,632,187	\$0	\$0
Hydrants	<u>\$815,631</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$815,631</u>
Total	\$63,543,221	\$23,008,660	\$22,762,040	\$8,621,022	\$8,335,867	\$0	\$815,631
		36.21%	35.82%	13.57%	13.12%	0.00%	1.28%

FIRE SERVICE CHARGES

PUBLIC FIRE SERVICE

Annual Charge/Hydrant = \$354.11

PRIVATE FIRE SERVICE

<u>SERVICE SIZE</u> <u>(inches)</u>	<u>MONTHLY</u> <u>CHARGE</u>	<u>QUARTERLY</u> <u>CHARGE</u>	<u>ANNUAL</u> <u>CHARGE</u>
2	\$ 16.10	\$43.34	\$165.93
4	\$ 34.09	\$97.31	\$381.82
6	\$ 84.89	\$249.72	\$991.46
8	\$ 153.86	\$456.62	\$1,819.06
10	\$ 228.70	\$681.14	\$2,717.14
12	\$ 332.42	\$992.32	\$3,961.84

**ALLOCATION OF FIRE SERVICE EXPENSES
TO PUBLIC AND PRIVATE FIRE SERVICE**

	<u>NUMBER</u>	<u>DEMAND FACTOR (1)</u>	<u>NO. OF EQUIVS.</u>	<u>PERCENT OF DEMAND</u>	<u>NON-HYDR. REQUIRED</u>	<u>DIRECT HYDRANT</u>	<u>TOTAL</u>
PUBLIC FIRE SERVICE							
Hydrants	1,915	111.31	213,160.4	74.98%	\$1,010,885	\$77,216	\$1,088,101
PRIVATE FIRE SERVICE							
SIZE (IN)							
2	28	6.19	173.3				
4	55	38.32	2,107.6				
6	405	111.31	45,080.9				
8	89	237.21	21,111.4				
10	3	426.58	1,279.7				
12	<u>2</u>	<u>689.04</u>	<u>1,378.1</u>				
TOTAL-PRIV.	582		71,131.0	25.02%	\$337,330	\$0	\$337,330
	=====		=====	=====	=====	=====	=====
GRAND TOTALS	2,497		284,291.4	100.00%	\$1,348,215	\$77,216	\$1,425,431
Total Fire Allocation		\$1,425,431					
Less O&M for T&D Fire		\$11,641					
Hydrant Capital		\$65,575					
Net Non-Hydrant		\$1,348,215					

Note:

(1) Based on size to the 2.63 power.

DETERMINATION OF FIRE SERVICE CHARGES

<u>PUBLIC FIRE PROTECTION</u>		<u>CALCULATED</u>
		<u>CHARGE</u>
PUBLIC FIRE ALLOCATION (1)	\$678,125	
----- =	----- =	\$354.11 per year
NUMBER OF PUBLIC HYDRANTS	1,915	

<u>PRIVATE FIRE PROTECTION</u>		
PRIVATE FIRE ALLOCATION (1,2)	\$337,330	
----- =	----- =	\$4.74 /EQUIV.
NO. OF EQUIV. UNITS	71,131.02	

<u>SIZE (IN)</u>	<u>DEMAND FACTOR</u>	<u>DEMAND CHARGE</u>	<u>SERVICE LINE CHRG</u>	<u>BILLING CHARGE</u>	<u>ANNUAL CHARGE</u>	<u>QUARTERLY CHARGE (3)</u>	<u>MONTHLY CHARGE (3)</u>
2	6.19	\$29.36	\$134.10	\$2.47	\$165.93	\$ 43.34	\$ 16.10
4	38.32	\$181.72	\$197.62	\$2.47	\$381.82	\$ 97.31	\$ 34.09
6	111.31	\$527.88	\$461.11	\$2.47	\$991.46	\$ 249.72	\$ 84.89
8	237.21	\$1,124.92	\$691.66	\$2.47	\$1,819.06	\$ 456.62	\$ 153.86
10	426.58	\$2,023.00	\$691.66	\$2.47	\$2,717.14	\$ 681.14	\$ 228.70
12	689.04	\$3,267.70	\$691.66	\$2.47	\$3,961.84	\$ 992.32	\$ 332.42

Notes:

(1) Set so fire charges result in 20% increase

(2) Private Fire includes allocated service maintenance costs as detailed below:

Service Line Maintenance Cost =	\$791,271	(Half of total "Metering" O&M)
Service Line Debt Costs =	\$138,107	
Service Line Costs to Private Fire	\$218,251	(23.48%)
Public Fire Shortfall to Private Fire	\$48,138	
Cost per Equiv/year =	\$ 32.94	

(3) Quarterly and Monthly charges equal Demand and Service Line Charges divided by 4 and 12 respectively plus Billing Charge

DETERMINATION OF SERVICE CHARGES**BILLING CHARGE**

CUST. BILLING ALLOC. (2)	=	\$698,798	=	
-----		-----		\$2.47 PER BILLING
NUMBER OF BILLINGS		282,408		

METER CHARGE

CUST. METER ALLOC. (1,2)	=	\$2,224,342	=	
-----		-----		\$84.41 / EQ. METER/YR
NO. EQUIV. METERS		26,353		

TOTAL SERVICE CHARGES

<u>METER SIZE (IN)</u>	<u>QUARTERLY ACCOUNTS</u>			<u>MONTHLY ACCOUNTS</u>		
	<u>METER CHARGE</u>	<u>BILLING CHARGE</u>	<u>TOTAL CHARGE</u>	<u>METER CHARGE</u>	<u>BILLING CHARGE</u>	<u>TOTAL CHARGE</u>
5/8	\$21.10	\$2.47	\$23.58	\$7.03	\$2.47	\$9.51
3/4	\$29.24	\$2.47	\$31.71	\$9.75	\$2.47	\$12.22
1	\$42.20	\$2.47	\$44.68	\$14.07	\$2.47	\$16.54
1 1/2	\$85.91	\$2.47	\$88.39	\$28.64	\$2.47	\$31.11
2	\$111.54	\$2.47	\$114.01	\$37.18	\$2.47	\$39.65
3	\$126.61	\$2.47	\$129.08	\$42.20	\$2.47	\$44.68
4	\$295.42	\$2.47	\$297.89	\$98.47	\$2.47	\$100.95
6	\$443.13	\$2.47	\$445.60	\$147.71	\$2.47	\$150.18
8	\$633.04	\$2.47	\$635.51	\$211.01	\$2.47	\$213.49

Notes:

(1) Less allocation of Service Maintenance Costs to Private Fire Service per Schedule TSC-5

(2) Adjusted to recover reduction in public fire revenues to maintain 5% public fire increase.
and adjusted further to minimize large increase to service charges by reducing the allocations to

- meter and services by	0.0%
- billing by	0.0%

**ALLOCATION OF GENERAL WATER EXPENSES
TO CUSTOMER CLASSES**

Class Demands

CUSTOMER CLASS	AVERAGE DEMANDS		FACTOR	MAX DAY EXTRA CAPACITY		
	(CCF/DAY)	PERCENT		(CCF/DAY)	XTRA CCF/DAY	PERCENT
<i>Retail</i>						
Small (5/8 - 1")	7,599	65.42%	2.50	18,999	11,399	71.08%
Medium (1.5 - 2" & By pass)	1,756	15.11%	2.00	3,511	1,756	10.95%
Large (3" and up)	729	6.27%	1.80	1,312	583	3.64%
<i>Wholesale</i>						
Cumberland	1,533	13.19%	2.50	3,832	2,299	14.34%
Seekonk	0	0.00%	2.50	0	0	0.00%
Total	11,617	100.00%		27,653	16,037	100.00%

CUSTOMER CLASS	AVERAGE DEMANDS		FACTOR	PEAK HOUR EXTRA CAPACITY		
	(CCF/DAY)	PERCENT		(CCF/DAY)	XTRA CCF/DAY	PERCENT
<i>Retail</i>						
Small (5/8 - 1")	7,599	65.42%	3.50	26,598	7,599	66.67%
Medium (1.5 - 2" & By pass)	1,756	15.11%	3.00	5,267	1,756	15.40%
Large (3" and up)	729	6.27%	2.50	1,822	510	4.48%
<i>Wholesale</i>						
Cumberland	1,533	13.19%	3.50	5,365	1,533	13.45%
Seekonk	0	0.00%	3.50	0	0	0.00%
Total	11,617	100.00%		39,051	11,398	100.00%

Allocation of Retail Metered Sales Costs to Classes (see Schedule TSC-2)

CUSTOMER CLASS	BASE COSTS		MAX. DAY XTRA CAPACITY		PEAK HR. XTRA CAPACITY		TOTAL AMOUNT
	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	
<i>Retail</i>							
Small (5/8 - 1")	75.36%	\$6,488,612	82.98%	\$3,239,683	77.03%	\$332,914	\$10,061,210
Medium (1.5 - 2" & By pass)	17.41%	\$1,498,938	12.78%	\$498,934	17.80%	\$76,907	\$2,074,778
Large (3" and up)	7.23%	\$622,198	4.24%	\$165,683	5.17%	\$22,346	\$810,227
Total	100.00%	\$8,609,748	100.00%	\$3,904,300	100.00%	\$432,167	\$12,946,215
		66.5%		30.2%		3.3%	

METERED WATER RATES

	<u>Commodity Costs</u>		<u>Public Fire Shortfall</u>		<u>Total</u>
<i><u>Small (5/8 - 1")</u></i>					
Total Expense (2)	\$10,061,210		204,988	=	
<hr style="border-top: 1px dashed black;"/>					
Metered Sales (HCF) (1)	2,773,813	+	3,680,576	=	\$ 3.683 per ccf
<i><u>Medium (1.5 - 2" & By pass)</u></i>					
Total Expense (2)	\$2,074,778		204,988	=	
<hr style="border-top: 1px dashed black;"/>					
Metered Sales (HCF) (1)	640,780	+	3,680,576	=	\$ 3.294 per ccf
<i><u>Large (3" and up)</u></i>					
Total Expense (2)	\$810,227		204,988	=	
<hr style="border-top: 1px dashed black;"/>					
Metered Sales (HCF) (1)	265,983	+	3,680,576	=	\$ 3.102 per ccf
<i><u>Wholesale</u></i>					
Total Expense (3)	\$1,457,165			=	
<hr style="border-top: 1px dashed black;"/>					
Metered Sales (HCF) (1)	559,457			=	\$2.605 per ccf

(1) See Schedule TSC-3.

(2) See Schedule TSC-7.

(3) See Schedule TSC-2.

COMPARISON OF CURRENT & PROPOSED RATES

		<u>Current</u>	<u>Proposed</u>	<u>% Change</u>	
<u>Metered Rates</u>					
Small (5/8 - 1")		\$3.459	\$3.683	6.5%	
Medium (1.5 - 2" & By pass)		\$3.251	\$3.294	1.3%	
Large (3" and up)		\$3.140	\$3.102	-1.2%	
<u>Wholesale</u>		\$2.590	\$2.605	0.6%	
<u>Service Charges</u>					
Quarterly	5/8	\$18.72	\$23.58	26.0%	
	3/4	\$24.07	\$31.71	31.7%	
	1	\$32.59	\$44.68	37.1%	
	1 1/2	\$61.33	\$88.39	44.1%	
	2	\$78.18	\$114.01	45.8%	
	3	\$88.09	\$129.08	46.5%	
	4	\$199.07	\$297.89	49.6%	
	6	\$296.19	\$445.60	50.4%	
	8	\$421.05	\$635.51	50.9%	
	Monthly	5/8	\$9.47	\$9.51	0.4%
		3/4	\$11.26	\$12.22	8.5%
		1	\$14.10	\$16.54	17.3%
		1 1/2	\$23.68	\$31.11	31.4%
2		\$29.29	\$39.65	35.4%	
3		\$32.59	\$44.68	37.1%	
4		\$69.59	\$100.95	45.1%	
6		\$101.96	\$150.18	47.3%	
8	\$143.58	\$213.49	48.7%		
<u>Fire Service</u>					
Public (Annual)	/hydrant/yr	\$337.25	\$354.11	5.0%	
Private (Annual)	2	\$125.42	\$165.93	32.3%	
	4	\$254.33	\$381.82	50.1%	
	6	\$640.81	\$991.46	54.7%	
	8	\$1,131.52	\$1,819.06	60.8%	
	10	\$1,597.19	\$2,717.14	70.1%	
	12	\$2,242.58	\$3,961.84	76.7%	
Private (Monthly)	2	\$10.45	\$16.10	54.0%	
	4	\$21.19	\$34.09	60.8%	
	6	\$53.40	\$84.89	59.0%	
	8	\$94.29	\$153.86	63.2%	
	10	\$133.10	\$228.70	71.8%	
	12	\$186.88	\$332.42	77.9%	

IMPACT OF PROPOSED RATES

Meter Size	Monthly Use Cubic Feet	Current Bill	Proposed		
		Average per Month NOTE (1)	Monthly Bill	Dollar Increase	Percent Increase
Metered Service (Monthly Bills)					
Small					
5/8	600	\$26.99	\$31.61	\$4.61	17.09%
5/8	800	\$33.91	\$38.97	\$5.06	14.93%
5/8	1,200	\$47.75	\$53.71	\$5.96	12.48%
5/8	1,700	\$65.04	\$72.12	\$7.08	10.88%
5/8	2,500	\$92.72	\$101.59	\$8.87	9.57%
5/8	3,000	\$110.01	\$120.00	\$9.99	9.08%
5/8	5,000	\$179.19	\$193.66	\$14.47	8.08%
5/8	7,500	\$265.67	\$285.74	\$20.07	7.55%
5/8	9,000	\$317.55	\$340.98	\$23.43	7.38%
1	1,000	\$45.45	\$53.37	\$7.92	17.42%
1	12,000	\$425.94	\$458.50	\$32.56	7.64%
1	25,000	\$875.61	\$937.29	\$61.68	7.04%
Medium					
1 1/2	25,000	\$833.19	\$854.61	\$21.42	2.57%
1 1/2	50,000	\$1,645.94	\$1,678.11	\$32.17	1.95%
2	75,000	\$2,464.31	\$2,510.15	\$45.84	1.86%
2	100,000	\$3,277.06	\$3,333.65	\$56.59	1.73%
Large					
3	75,000	\$2,387.59	\$2,371.18	-\$16.41	-0.69%
3	100,000	\$3,172.59	\$3,146.68	-\$25.91	-0.82%
4	250,000	\$7,919.59	\$7,855.95	-\$63.64	-0.80%
6	300,000	\$9,521.96	\$9,456.18	-\$65.78	-0.69%
6	1,000,000	\$26,001.96	\$26,200.18	\$198.22	0.76%
Fire Service (Monthly Bill)					
Municipal Fire Service	200 hydrants	\$5,620.83	\$5,901.83	\$281.00	5.00%
	1400 hydrants	\$39,345.83	\$41,312.83	\$1,967.00	5.00%
Private Fire Service	4 Inch Service	\$21.19	\$34.09	\$12.89	60.83%
	6 Inch Service	\$53.40	\$84.89	\$31.49	58.97%
	8 Inch Service	\$94.29	\$153.86	\$59.56	63.17%

Note:

(1) For small and medium customers who currently are almost entirely billed quarterly, the average monthly bill is based on currently quarterly bill divided by 3 to show true increase to customer.

REVENUE RECONCILIATION

Service Charge:		<----- Current ----->		<----- Proposed ----->	
<u>Quarterly (1)</u>	<u>Number</u>	<u>Rate</u>	<u>Revenue</u>	<u>Rate</u>	<u>Revenue</u>
5/8	21,516	\$18.72	\$1,611,118	\$23.58	\$0
3/4	255	\$24.07	\$24,551	\$31.71	\$0
1	487	\$32.59	\$63,485	\$44.68	\$0
1 1/2	222	\$61.33	\$54,461	\$88.39	\$0
2	356	\$78.18	\$111,328	\$114.01	\$0
3	12	\$88.09	\$4,228	\$129.08	\$0
4	6	\$199.07	\$4,778	\$297.89	\$0
6	1	\$296.19	\$1,185	\$445.60	\$0
8	0	\$421.05	\$0	\$635.51	\$0
<u>Monthly (1)</u>					
5/8	21,527	\$9.47	\$1,250	\$9.51	\$2,456,661
3/4	259	\$11.26	\$540	\$12.22	\$37,980
1	498	\$14.10	\$1,861	\$16.54	\$98,843
1 1/2	227	\$23.68	\$1,421	\$31.11	\$84,744
2	399	\$29.29	\$15,114	\$39.65	\$189,844
3	24	\$32.59	\$4,693	\$44.68	\$12,868
4	12	\$69.59	\$5,010	\$100.95	\$14,537
6	6	\$101.96	\$6,118	\$150.18	\$10,813
8	0	\$143.58	\$0	\$213.49	\$0
Consumption Charge:					
Small (5/8 - 1")	2,773,813	\$3.459	\$9,594,619	\$3.683	\$10,215,953
Medium (1.5 - 2" & By pa	640,780	\$3.251	\$2,083,176	\$3.294	\$2,110,729
Large (3" and up)	265,983	\$3.140	\$835,187	\$3.102	\$825,079
<u>Wholesale</u>	559,457	\$2.590	\$1,448,993	\$2.605	\$1,457,385

Note:

- (1) Quarterly customers shown is based on existing billing frequency per Schedule TSC-3.
 Monthly count shown includes is at proposed rates with all customers billed monthly.
 Monthly revenues at present rates is based on existing monthly billed customers per Schedule 3.

REVENUE RECONCILIATION

		<----- Current ----->		<----- Proposed ----->	
<u>Fire Protection:</u>					
Public Hydrants	1,915	\$337.25	\$645,834	\$354.11	\$678,121
Private Fire Protection					
Annual					
2	28	\$125.42	\$3,512	\$165.93	\$0
4	55	\$254.33	\$13,988	\$381.82	\$0
6	405	\$640.81	\$259,528	\$991.46	\$0
8	89	\$1,131.52	\$100,705	\$1,819.06	\$0
10	3	\$1,597.19	\$4,792	\$2,717.14	\$0
12	2	\$2,242.58	\$4,485	\$3,961.84	\$0
Monthly					
2	28	\$10.45	\$0	\$16.10	\$5,408
4	55	\$21.19	\$0	\$34.09	\$22,497
6	405	\$53.40	\$0	\$84.89	\$412,565
8	89	\$94.29	\$0	\$153.86	\$164,319
10	3	\$133.10	\$0	\$228.70	\$8,233
12	2	\$186.88	\$0	\$332.42	\$7,978
			=====		=====
Total			\$16,905,961		\$18,814,557
Plus: Misc Revenues			\$394,250		\$394,250
			=====		=====
Pro Forma Revenue			\$17,300,211		\$19,208,807
Required Revenue			\$19,207,602		\$19,207,602
Difference			-\$1,907,392		\$1,205
Increase in Revenues					\$1,908,597
Percent Increase in Total Revenues					11.0%
Percent Increase in Rate Revenues (non-misc)					11.3%

SUMMARY OF COST OF SERVICE

	<u>Test Year</u>	<u>Adjustments</u>	<u>Rate Year</u>
Revenues			
Service Charges	\$1,911,142	\$995,147	\$2,906,289
Metered Rates	\$13,961,975	\$647,172	\$14,609,147
Fire Protection	\$1,032,844	\$266,277	\$1,299,121
Miscellaneous	<u>\$477,338</u>	<u>-\$83,088</u>	<u>\$394,250</u>
<i>Total Revenue</i>	\$17,383,299	\$1,825,509	\$19,208,807
Expenses			
<u>O&M</u>			
Admin	\$2,089,151	-\$223,400	\$1,865,751
Customer Serv	\$932,573	\$142,716	\$1,075,289
Supply	\$362,835	\$10,488	\$373,323
Purification	\$2,407,640	\$365,490	\$2,773,130
Trans & Distrib	<u>\$2,168,261</u>	<u>-\$118,449</u>	<u>\$2,049,812</u>
Total O&M	\$7,960,460	\$176,846	\$8,137,306
<u>Capital</u>			
Property Taxes	\$796,171	\$0	\$796,171
Bond Principal & Interest	\$6,688,543	\$426,335	\$7,114,878
Leases	\$149,781	-\$149,781	\$0
IFR	\$3,100,000	-\$600,000	\$2,500,000
CF Franchise Fee	\$0		\$0
Calgon Royalties Fund	\$0	\$0	\$0
CF System Fund	\$0	\$0	\$0
Trustee Fees	\$273,894	\$107,324	\$381,218
O&M Reserve Deposit	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Capital	\$11,008,389	-\$216,122	\$10,792,267
<u>Operating Revenue Allowance</u>	<u>\$0</u>	<u>\$278,030</u>	<u>\$278,030</u>
<i>Total Expenses</i>	\$18,968,849	\$238,754	\$19,207,602

PROPOSED YEAR 2 STEP INCREASE

Division Rate Year (CY 2011) Revenue Requirements = \$19,207,602

Division Estimated CY 2012 Revenue Requirements = \$ 19,791,897
 Proposed Step Increase for CY 2012 3.0%

		<u>Current</u>	<u>Proposed</u> <u>(CY2011)</u>	<u>Step Increase</u> <u>(CY 2012)</u>
<u>Metered Rates</u>				
Small (5/8 - 1")		\$3.459	\$3.683	\$ 3.795
Medium (1.5 - 2" & By pass)		\$3.251	\$3.294	\$ 3.394
Large (3" and up)		\$3.140	\$3.102	\$ 3.196
Wholesale		\$2.590	\$2.605	\$ 2.684
<u>Service Charges</u>				
Quarterly	5/8	\$18.72	\$23.58	\$24.30
	3/4	\$24.07	\$31.71	\$32.67
	1	\$32.59	\$44.68	\$46.04
	1 1/2	\$61.33	\$88.39	\$91.08
	2	\$78.18	\$114.01	\$117.48
	3	\$88.09	\$129.08	\$133.01
	4	\$199.07	\$297.89	\$306.95
	6	\$296.19	\$445.60	\$459.16
	8	\$421.05	\$635.51	\$654.84
Monthly	5/8	\$9.47	\$9.51	\$9.80
	3/4	\$11.26	\$12.22	\$12.59
	1	\$14.10	\$16.54	\$17.04
	1 1/2	\$23.68	\$31.11	\$32.06
	2	\$29.29	\$39.65	\$40.86
	3	\$32.59	\$44.68	\$46.04
	4	\$69.59	\$100.95	\$104.02
	6	\$101.96	\$150.18	\$154.75
	8	\$143.58	\$213.49	\$219.98
<u>Fire Service (annual)</u>				
Public	/hydrant/yr	\$337.25	\$354.11	\$364.88
Private				
	2	\$125.42	\$165.93	\$170.98
	4	\$254.33	\$381.82	\$393.43
	6	\$640.81	\$991.46	\$1,021.62
	8	\$1,131.52	\$1,819.06	\$1,874.40
	10	\$1,597.19	\$2,717.14	\$2,799.80
	12	\$2,242.58	\$3,961.84	\$4,082.36
	2	\$10.45	\$16.10	\$16.59
	4	\$21.19	\$34.09	\$35.12
	6	\$53.40	\$84.89	\$87.47
	8	\$94.29	\$153.86	\$158.54
	10	\$133.10	\$228.70	\$235.65
	12	\$186.88	\$332.42	\$342.53