

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 4243  
Response Of The City Of Newport,  
Utilities Division, Water Department  
To The Division Of Public Utilities and Carriers'  
Data Requests  
Set 1**

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Div. 1-1: With regard to RFC Schedule 2 showing FY 2010 operating requirements of \$7,274,483 compared to the Docket No. 4025 allowed expenses of \$8,127,112:

- a. Please state whether any expenses were deferred to future years during FY 2010 due to cash flow or other constraints.
- b. To the extent the answer to part a. of this question is yes, identify the nature and amount of the expenses deferred to future periods and explain when those expenses are now projected to be incurred.

Response:

1a. Certain expenditures were postponed in FY10 due to a revenue decline and staffing issues. The revenue decline resulted from water sales in FY 2010 that were lower than forecasted in Docket 4025. Newport's total revenue requirement in Docket 4025 was \$11,528,666 before offsets, and its net revenue requirement was \$10,788,288. Newport forecasted \$10,797,498 in revenues from rates and charges in FY10. Newport's actual revenue from rates and charges was \$9,826,320,

Also in FY2010, the Deputy Utilities Director-Engineering was out on extended medical leave. In addition, a Distribution/Source of Supply supervisor position was vacant for part of the year due to retirement. This supervisor was an experienced long-term employee. Since the vacancy and the medical leave coincided in the Spring of 2010, maintenance activities that normally would have been planned for that period were delayed until the new supervisor could get acclimated and the Deputy Director returned from medical leave.

1b. Repair and maintenance expenses - The rehabilitation of the roof at 70 Halsey Street garage/office was postponed until 2011 due to the medical leave of the Deputy Utilities Director-Engineering. This project was advertised for bid June 25, 2010, bids received July 15, 2010, and the project was completed October 18, 2010.

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Reservoir maintenance expenses - Dam inspection expenses were postponed until 2011 and 2012 per RIDEM dam regulation requirements. Four dam inspections (Watson, Nonquit, Lawton Valley, and St. Marys) were completed in FY 2011, and a contract has been executed to complete four additional dam inspections (Sissons, Gardiner, Paradise, and North Easton Pond) in FY 2012.

Operating supplies - Operating supplies expenses postponed until 2011 and 2012 consisted of gas detectors and confined space equipment for the Customer Service section, tapping tools, grease guns and cutting wheels for the Distribution section and pump supplies, tools, gauges, and electrical/test meters for the Treatment Plant sections.

Prepared by: J. Forgue

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Div. 1-2: Please provide a listing of all the employee positions approved in Docket No. 4025 showing the approved salary, the actual FY 2010 salary and the requested FY 2012 salary. Also identify any new positions requested in the current proceeding and the associated FY 2011 and FY 2012 salaries.

Response: By way of clarification, legal counsel for Newport Water notes that the Docket 4025 Order does not approve separate employee positions. Rather, an overall salary expense was approved. While Newport's compliance schedules did show this salary expense being divided among employee positions, no particular position was included or excluded by the Commission in Order Number 19940. With this understanding, Newport Water responds as follows:

Newport Water has not created any new positions since Docket 4025, but two positions have moved. The Customer Service Senior Maintenance Mechanic was transferred to the Source of Supply - Island Distribution/Collection Foreman. One half (50%) of the Water Plant Foreman Operator was moved from Lawton Valley to Station One. (See Attached Schedule)

Prepared by: Joseph A. Keough, Jr., Esquire and J. Tracey

**City of Newport - Utilities Department - Water Division**  
**Docket 4243**  
**Div I-2**  
**Salaries and Wages**

		Docket 4025 Compliance	Actual FY 2010	Proposed FY 2012
Administration				
15-500-2200				
	Director of Utilities - 60%	\$ 60,298	\$ 59,620	\$ 63,851
	Aministrative Secretary - 60%	\$ 28,486	\$ 26,945	\$ 27,753
	Deputy Director - Finance - 60%	\$ 52,865	\$ 48,600	\$ 58,372
	Deputy Director - Engineering - 60%	\$ 55,294	\$ 51,868	\$ 55,027
	Financial Analyst	\$ 67,594	\$ 66,880	\$ 68,886
	Total	\$ 265,000	\$ 253,913	\$ 274,000
Customer Service				
15-500-2209				
	Water Meter Repair/Reader	\$40,934	\$39,425	\$36,757
	Water Meter Repair/Reader	\$45,601	\$36,757	\$38,996
	Principal Account Clerk	\$49,491	\$49,491	\$35,687
	Water Meter Repair/Reader	\$42,818	\$41,865	\$46,483
	Maintenance Mechanic	\$48,879	\$46,570	\$45,889
Position to SSI	Sr. Maintenance Mechanic	\$46,822	\$0	\$0
	Water Meter Foreman	\$51,493	\$49,870	\$52,523
	Total	\$326,100	\$263,978	\$256,400
Source of Supply - Island				
15-500-2212				
	Supervisor Water Dist/Coll 50%	\$ 39,526	\$ 33,639	\$ 33,647
Position from Cust. Ser	Distribution/Collection Foreman		\$ 48,964	\$ 52,029
	Distribution/Collection Mechanic	\$ 51,003	\$ 46,672	\$ 49,546
	Distribution/Collection Operator	\$ 42,945	\$ 40,772	\$ 41,995
	Distribution/Collection Operator	\$ 44,560	\$ 41,763	\$ 44,409
	Distribution/Collection Operator	\$ 48,085	\$ 11,384	\$ 39,584
	Laborer	\$ 37,840	\$ 34,647	\$ 36,757
	adjustment for vacancies	\$ (47,121)		
	Total	\$ 216,900	\$ 257,841	\$ 298,000

**City of Newport - Utilities Department - Water Division**  
**Docket 4243**  
**Div I-2**  
**Salaries and Wages**

		Docket 4025 Compliance	Actual FY 2010	Proposed FY 2012
Station One				
15-500-2222				
	Water Quality Production Supv (50%	\$ 35,145	\$ 35,249	\$ 36,347
	Assistant WQP Supervisor (50%)	\$ 24,784		\$ 31,162
	Water Plant Foreman Operator(50%)			\$ 27,113
Acting Foreman	Water Plant Operator - Grade 3	\$ 54,458	\$ 49,580	\$ 36,757
	Water Plant Operator - Grade 3	\$ 52,201	\$ 49,357	\$ 52,362
	Water Plant Operator - Grade 3	\$ 51,516	\$ 41,867	\$ 44,432
	Water Plant Operator - Grade 3	\$ 51,347	\$ 49,190	\$ 52,251
	Water Plant Operator - Grade 3	\$ 46,413	\$ 44,103	\$ 46,746
	Water Plant Operator - Grade 3	\$ 45,528	\$ 44,369	\$ 45,743
	Water Plant Operator - Grade 2	\$ 41,377	\$ 39,123	\$ 41,521
	Water Plant Operator - Grade 1	\$ 38,618	\$ 35,387	\$ 36,757
	Total	\$ 441,500	\$ 388,225	\$ 451,200
Lawton Valley				
15-500-2223				
	Water Quality Production Supv (50%	\$ 35,145	\$ 35,249	\$ 36,347
	Assistant WQP Supervisor (50%)	\$ 24,874		\$ 31,162
	Water Plant Foreman Operator(50%)	\$ 52,163		\$ 27,113
Acting Fore	Water Plant Operator - 3	\$ 53,208	\$ 50,940	\$ 54,226
	Water Plant Operator - 3	\$ 52,306	\$ 49,357	\$ 52,362
	Water Plant Operator - 3	\$ 51,356	\$ 49,293	\$ 52,496
	Water Plant Operator - 3	\$ 45,580	\$ 44,386	\$ 47,093
	Water Plant Operator - 3	\$ 44,617	\$ 43,132	\$ 45,743
	Water Plant Operator - 3	\$ 38,618	\$ 38,637	\$ 40,913
	Water Plant Operator - 3	\$ 50,550	\$ 35,330	\$ 37,506
	Water Plant Operator - 3	\$ 51,628	\$ 34,647	\$ 36,757
	Total	\$ 500,100	\$ 380,971	\$ 461,800
Laboratory				
15-500-2235				
	Laboratory Supervisor	\$ 67,573	\$ 40,530	\$ 62,504
	Microbiologist	\$ 60,072	\$ 31,670	\$ 41,854
	Total	\$ 127,700	\$ 72,200	\$ 105,000

**City of Newport - Utilities Department - Water Division**  
**Docket 4243**  
**Div I-2**  
**Salaries and Wages**

	Docket 4025 Compliance	Actual FY 2010	Proposed FY 2012
Distribution 15-500-2241			
Supervisor Water Dist/Coll 50%	\$ 39,526	\$ 33,639	\$ 33,647
Distribution/Collection Mechanic	\$ 52,398	\$ 47,919	\$ 50,838
Heavy Equipment Operator	\$ 46,457	\$ 45,097	\$ 47,918
Distribution/Collection Mechanic	\$ 52,616	\$ 46,117	\$ 49,009
Distribution/Collection Foreman	\$ 45,459	\$ 45,404	\$ 54,226
Parts/Inventory Control Tech	\$ 41,441	\$ 38,995	\$ 41,370
Distribution/Collection Operator	\$ 47,794	\$ 39,585	\$ 41,995
Engineering Technician	\$ 55,729	\$ 53,815	\$ 55,460
Distribution/Collection Operator	\$ 41,411	\$ 39,497	\$ 41,995
Distribution/Collection Operator	\$ 40,440	\$ 38,432	\$ 40,773
Adjustment for Vacancies	\$ (47,121)		
Total	\$ 416,200	\$ 428,500	\$ 457,300
	\$ 2,293,500	\$ 2,045,628	\$ 2,303,700

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Div. 1-3: Please identify which positions identified in the prior response are currently vacant and the status of the process to fill each vacant position.

Response: Positions currently vacant are:

1. Source of Supply – Island (Laborer) – this position was advertised internally, but no other city employees applied and will now be advertised externally.
2. Station One & Lawton Valley (50% each) (Assistant WQP Supervisor and Water Plant Foreman Operator) - Negotiations are under way with the AFSCME union regarding the reorganization of management positions and the two treatment plant positions will be filled as soon as negotiations are complete
3. Distribution (Distribution/Collection Operator – two positions) - Filling the two Distribution/Collection Operator positions was on hold pending certification of the two employees who were promoted out of those positions. Both passed and the internal advertising process will begin.

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Div. 1-4: Please explain how 300 hours of overtime was determined to be the ongoing level in FY 2012 for Customer Service. Provide the number of overtime hours in each of the three years preceding the radio read conversion project.

Response: Proposed overtime hours are based upon the historical amount of overtime utilized prior to the initiation of the Radio Read project as further delineated below.

Overtime hours for the Customer Service section is comprised of hours which are worked for instances such as the following:

- Scheduled replacement of a large meter which runs in excess of an 8 hour work day.
- Emergency replacement of meters due to damage or meter freeze up.
- Late call from a contractor to install a meter or restore a service after normal business hours. (This is billed to the contractor as a sundry bill).
- Equipment malfunction of a meter reading device which may require overtime to complete reads for the billing period.

Overtime hours in each of the three years preceding the radio read conversion project is as follows:

- FY 2005 – 782 hours
- FY 2006 – 253 hours
- FY 2007 – 45 hours

Prepared by: K. Mason



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Div. 1-5: Please identify the number of overtime hours for Source of Supply - Island in each of fiscal years 2006-2010.

Response: The number of hours of overtime for Source of Supply-Island for fiscal years 2006-2010 is as follows:

FY 2006	1,026.5 hours
FY 2007	920 hours
FY 2008	1,049 hours
FY 2009	268.5 hours
FY 2010	976 hours

Prepared by: K. Mason

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Div. 1-6: Please identify the number of hours of temporary labor employed at Source of Supply in each of the fiscal years 2006-2010.

Response: The number of hours of temporary labor employed at Source of Supply - Island for fiscal years 2006-2010 is as follows:

FY 2006	920.5 hours
FY 2007	0 hours
FY 2008	152 hours
FY 2009	376 hours
FY 2010	408 hours

Prepared by: K. Mason

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Div. 1-7: Please identify the number of hours of temporary labor employed at Source of Supply - Mainland in each of the fiscal years 2006-2010.

Response: The number of temporary labor hours employed at Source of Supply – Mainland for fiscal years 2006-2010 is as follows:

FY 2006	900 hours
FY 2007	0 hours
FY 2008	1298 hours
FY 2009	884 hours
FY 2010	663 hours

Prepared by: K. Mason

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Div. 1-8: Please provide supporting documentation for the FY 2012 pension fund contribution of 17.08%.

Response: See Attached Schedule.

Prepared by: J. Tracey



# Employees' Retirement System of Rhode Island

## ERSRI Board:

Frank T. Caprio  
*General Treasurer  
Chairman*

William B. Finelli  
*Vice Chairman*

Gary R. Alger

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Linda C. Riendeau

Susan K. Rodriguez

Jean Rondeau

Frank J. Karpinski  
*Executive Director*

## Rates Memo

**TO: NANCY A LALLI,**  
**City of Newport**  
**43 Broadway**  
**Newport, RI 02840 2792**

**FROM: FRANK J KARPINSKI, Executive Director**

**DATE: September 22, 2010**

**RE: AGENCY# 1352, City of Newport**

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The following rates will be effective July 01 2011, for agency# 1352

<b>Employee</b>	<b>7%</b>
<b>Employer:</b>	<b>17.08%</b>
<b>Federally Funded:</b>	<b>0%</b>
<b>Dept of Education:</b>	<b>0%</b>

The following benefits exist for Agency# 1352

### **Plan B COLA Non-Compounded**

Please note these rates are based on the assumption that the same retirement benefit package will be offered for the entire period as was in place when the corresponding actuarial valuation was performed. If this will not be the case, these rates should not be used for budgeting purposes and you should contact our office as soon as possible so we can work with you to provide appropriate contribution rates.

Please contact me if you have any questions.

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Div. 1-9: Please provide work papers and supporting documentation showing the derivation of the benefits expense amounts for FY 2012 shown on RFC Schedules B-1 through B-9.

Response: See Attached Schedule. The benefit expense amounts identified in the filing have been reduced in the attached schedule based on the latest available rate information from our benefit providers. See Attached Health rates, Dental rates and Life Insurance rates. This reduction will be incorporated into Newport's rebuttal schedules.

Prepared by: J. Tracey

<b>City of Newport - Utilities Department - Water Division</b>													
<b>Docket 4243</b>													
<b>Div I-9</b>													
<b>Employee Benefits</b>													
								<b>Proposed FY 2012</b>					
	Base	Shift	Health	3%	Total	Cost	FICA	7.65%	17.08%	FY 2011	FY 2011	\$ .135 per	
	Pay	Differ.	Buy	MERS	Pay	Share	Taxable	FICA	of base	+ 2.4%	-3.1%	\$1,000	Total
<b>Title</b>			Back					<b>MEDIC</b>	<b>Pension</b>	<b>Health</b>	<b>Dental</b>	<b>Life Ins</b>	<b>Benefits</b>
<b>Admin</b>													
Director of Utilities	61,409		600	1,842	63,851	-	63,851	4,885	10,489	-	-	49	15,422
Administrative Asst	26,945		-	808	27,753	(2,509)	25,245	1,931	4,602	11,114	642	49	18,338
Dep.Dir., Finance	56,671		-	1,700	58,371	(1,039)	57,333	4,386	9,679	4,601	204	49	18,920
Dep.Dir., Engineer	53,424		-	1,603	55,026	(2,509)	52,518	4,018	9,125	11,114	642	49	24,947
Financial Analyst	66,880		-	2,006	68,886	(4,181)	64,705	4,950	11,423	18,523	1,071	81	36,048
Leave Buyback & standby								14,527					14,527
	<b>265,328</b>		<b>600</b>	<b>7,960</b>	<b>273,888</b>	<b>(10,237)</b>	<b>263,651</b>	<b>34,697</b>	<b>45,318</b>	<b>45,353</b>	<b>2,560</b>	<b>275</b>	<b>128,203</b>
<b>Customer Accounts</b>													
Meter Repairman/Reader	35,686		-	1,071	36,757	(4,181)	32,576	2,492	6,095	18,523	1,071	81	28,262
Meter Repairman/Reader	37,860		-	1,136	38,996	(1,731)	37,265	2,851	6,466	7,669	341	81	17,408
Prin. Account Clerk	34,647		-	1,039	35,687	(4,181)	31,506	2,410	5,918	18,523	1,071	81	28,003
Meter Repairman/Reader	45,130		-	1,354	46,483	(4,181)	42,302	3,236	7,708	18,523	1,071	81	30,619
Maintenance Mechanic	44,553		-	1,337	45,890	(4,181)	41,708	3,191	7,610	18,523	1,071	81	30,475
Water Meter Foreman	50,993		-	1,530	52,523	(4,181)	48,342	3,698	8,710	18,523	1,071	81	32,083
Leave Buyback, temp, ot								1,943					1,943
	<b>248,869</b>		<b>-</b>	<b>7,466</b>	<b>256,335</b>	<b>(22,636)</b>	<b>233,699</b>	<b>19,821</b>	<b>42,507</b>	<b>100,285</b>	<b>5,695</b>	<b>486</b>	<b>168,794</b>
<b>Source of Supply Island</b>													
Super., Water Dist/Collect 50%	32,667		-	980	33,647	(2,091)	31,556	2,414	5,580	9,262	535	41	17,831
Dist/Collect Foreman	50,514		-	1,515	52,029	(4,181)	47,848	3,660	8,628	18,523	1,071	81	31,963
Dist/Collect Mechanic	47,132		1,000	1,414	49,546	-	49,546	3,790	8,050	-	1,071	81	12,992
Dist/Collection Operator	40,772		-	1,223	41,995	(1,731)	40,264	3,080	6,964	7,669	341	81	18,134
Dist/Collect Operator	43,116		-	1,293	44,409	(4,181)	40,228	3,077	7,364	18,523	1,071	81	30,117
Dist/Collect Operator	38,431		-	1,153	39,584	(1,731)	37,853	2,896	6,564	7,669	341	81	17,550
Laborer	35,686		-	1,071	36,757	(4,181)	32,576	2,492	6,095	18,523	1,071	81	28,262
Leave Buyback, temp, ot								3,465					3,465
	<b>288,317</b>		<b>1,000</b>	<b>8,650</b>	<b>297,967</b>	<b>(18,096)</b>		<b>24,876</b>	<b>49,245</b>	<b>80,169</b>	<b>5,500</b>	<b>527</b>	<b>160,316</b>
<b>Source of Supply Mainland</b>													
Leave Buyback, temp, ot								<b>2,525</b>					<b>2,525</b>
<b>Newport Water Plant</b>													
Water Qual/Prod Sup. 50%	35,289		-	1,059	36,347	(2,091)	34,257	2,621	6,027	9,262	535	41	18,486
Assistant WQP Supervisor 50%	30,254		-	908	31,162	(2,091)	29,071	2,224	5,167	9,262	535	41	17,229
Water Plant Op Foreman 50%	26,324		-	790	27,113	(2,091)	25,023	1,914	4,496	9,262	535	41	16,248
Water Plant Op - Grade1	35,686	-	-	1,071	36,757	(4,181)	32,576	2,492	6,095	18,523	1,071	81	28,262
Water Plant Op - Grade3	50,837	-	-	1,525	52,362	(4,181)	48,181	3,686	8,683	18,523	1,071	81	32,044
Water Plant Op - Grade3	42,411	749	-	1,272	44,432	(4,181)	40,251	3,079	7,244	18,523	1,071	81	29,998
Water Plant Op - Grade3	50,002	749	-	1,500	52,251	(4,181)	48,070	3,677	8,540	18,523	1,071	81	31,893
Water Plant Op - Grade3	43,683	749	1,000	1,310	46,743	-	46,743	3,576	7,461	-	1,071	81	12,189
Water Plant Op - Grade3	43,683	749	-	1,310	45,743	(4,181)	41,562	3,179	7,461	18,523	1,071	81	30,316
Water Plant Op - Grade3	39,584	749	-	1,188	41,521	(4,181)	37,340	2,856	6,761	18,523	1,071	81	29,293
Water Plant Op - Grade1	35,686	-	-	1,071	36,757	(4,181)	32,576	2,492	6,095	18,523	1,071	81	28,262
Leave Buyback, temp, ot								6,288					6,288
	<b>433,440</b>	<b>3,744</b>	<b>1,000</b>	<b>13,003</b>	<b>451,188</b>	<b>(35,539)</b>		<b>38,085</b>	<b>74,032</b>	<b>157,448</b>	<b>10,172</b>	<b>770</b>	<b>280,507</b>

<b>City of Newport - Utilities Department - Water Division</b>													
<b>Docket 4243</b>													
<b>Div I-9</b>													
<b>Employee Benefits</b>													
								<b>Proposed FY 2012</b>					
	Base	Shift	Health	3%	Total	Cost	FICA	7.65%	17.08%	FY 2011	FY 2011	\$135 per	
	Pay	Differ.	Buy	MERS	Pay	Share	Taxable	FICA	of base	+ 2.4%	-3.1%	\$1,000	Total
<b>Title</b>			Back					<b>MEDIC</b>	<b>Pension</b>	<b>Health</b>	<b>Dental</b>	<b>Life Ins</b>	<b>Benefits</b>
<b>Lawton Valley</b>													
Water Qual/Prod Sup. 50%	35,289		-	1,059	36,347	(2,091)	34,257	2,621	6,027	9,262	535	41	18,486
Assistant WQP Supervisor 50%	30,254		-	908	31,162	(2,091)	29,071	2,224	5,167	9,262	535	41	17,229
Water Plant Op Foreman 50%	26,324		-	790	27,113	(2,091)	25,023	1,914	4,496	9,262	535	41	16,248
Water Plant Op - PC#3 acting foreman	52,647	-	-	1,579	54,226	(4,181)	50,045	3,828	8,992	18,523	1,071	81	32,496
Water Plant Op - PC#3	50,837	-	-	1,525	52,362	(4,181)	48,181	3,686	8,683	18,523	1,071	81	32,044
Water Plant Op - PC#3	50,240	749	-	1,507	52,496	(4,181)	48,315	3,696	8,581	18,523	1,071	81	31,952
Water Plant Op - PC#3	44,995	749	-	1,350	47,093	(4,181)	42,912	3,283	7,685	18,523	1,071	81	30,643
Water Plant Op - PC#3	43,683	749	-	1,310	45,743	(4,181)	41,562	3,179	7,461	18,523	1,071	81	30,316
Water Plant Op - Grade2	38,995	749	-	1,170	40,913	(4,181)	36,732	2,810	6,660	18,523	1,071	81	29,145
Water Plant Op - PC#1	35,686	749	-	1,071	37,506	(4,181)	33,325	2,549	6,095	18,523	1,071	81	28,320
Water Plant Op - PC#1	35,686	-	-	1,071	36,757	(1,731)	35,026	2,679	6,095	7,669	341	81	16,865
Leave Buyback, temp, ot								4,475					4,475
	<b>444,636</b>	<b>3,744</b>	<b>-</b>	<b>13,339</b>	<b>461,720</b>	<b>(37,270)</b>		<b>36,946</b>	<b>75,944</b>	<b>165,117</b>	<b>9,442</b>	<b>770</b>	<b>288,218</b>
<b>Water Laboratory</b>													
Laboratory Supervisor	60,683	-	-	1,820	62,503	(4,181)	58,322	4,462	10,365	18,523	1,071	81	34,501
Microbiologist	40,635	-	-	1,219	41,854	(4,181)	37,673	2,882	6,940	18,523	1,071	81	29,497
Leave Buyback								214					214
	<b>101,318</b>	<b>-</b>	<b>-</b>	<b>3,040</b>	<b>104,357</b>	<b>(8,362)</b>		<b>7,558</b>	<b>17,305</b>	<b>37,047</b>	<b>2,142</b>	<b>162</b>	<b>64,213</b>
<b>Distribution</b>													
Allocated 50%	32,667	-	-	980	33,647	(2,091)	31,556	2,414	5,580	9,262	535	41	17,831
Dist/Collect Mechanic	49,357	-	-	1,481	50,838	(4,181)	46,657	3,569	8,430	18,523	1,071	81	31,675
Heavy Equip Op-Utilities	46,523	-	-	1,396	47,918	(4,181)	43,737	3,346	7,946	18,523	1,071	81	30,967
Dist/Collect Mechanic	47,582	-	-	1,427	49,009	(1,731)	47,278	3,617	8,127	7,669	341	81	19,834
Dist/Collect Foreman	52,647	-	-	1,579	54,226	(4,181)	50,045	3,828	8,992	18,523	1,071	81	32,496
Dist/Collect Operator	40,772	-	-	1,223	41,995	(4,181)	37,814	2,893	6,964	18,523	1,071	81	29,532
Parts/Invent. Control Tech	40,165	-	-	1,205	41,370	(4,181)	37,189	2,845	6,860	18,523	1,071	81	29,380
Engineering Technician	53,845	-	-	1,615	55,460	(4,181)	51,279	3,923	9,197	18,523	1,071	81	32,795
Dist/Collect Operator	40,772	-	-	1,223	41,995	(4,181)	37,814	2,893	6,964	18,523	1,071	81	29,532
Dist/Collect Operator	39,585	-	-	1,188	40,773	(1,731)	39,042	2,987	6,761	7,669	341	81	17,838
Leave Buyback, temp, ot								5,661					5,661
	<b>443,913</b>	<b>-</b>	<b>-</b>	<b>13,317</b>	<b>457,231</b>	<b>(34,820)</b>		<b>37,975</b>	<b>75,820</b>	<b>154,262</b>	<b>8,712</b>	<b>770</b>	<b>277,540</b>
<b>TOTAL WATER FUND</b>	<b>2,225,822</b>	<b>7,488</b>	<b>2,600</b>	<b>66,775</b>	<b>2,302,685</b>	<b>(166,959)</b>		<b>202,482</b>	<b>380,170</b>	<b>739,681</b>	<b>44,223</b>	<b>3,758</b>	<b>1,370,315</b>



# Newport City & School (110 - 116) \*

## RI Interlocal Risk Management Trust

July 1, 2011 - June 30, 2012 Delta Dental PPO Plus Premier Renewal

### Summary of Present & Renewal Cost Plus Working Rates (1)

#### Recommended Mature Working Rates

Present Rates Eff.  
7/1/10 - 6/30/11

Renewal Rates Eff.  
7/1/11 - 6/30/12

<u>Div</u>	<u>Division Name</u>	<u>Ind</u>	<u>Fam</u>	<u>Ind</u>	<u>Fam</u>
5885-110	Newport School Department	\$29.31	\$92.09	\$28.40	\$89.23
5885-111	Newport School Department	\$29.31	\$92.09	\$28.40	\$89.23
5885-112	City of Newport	\$29.31	\$92.09	\$28.40	\$89.23
5885-113	City of Newport	\$29.31	\$92.09	\$28.40	\$89.23
5885-114	City of Newport	\$29.31	\$92.09	\$28.40	\$89.23
5885-115	City of Newport Fire Retirees	\$43.96	\$115.63	\$42.60	\$112.04
5885-115	City of Newport Fire Retirees	\$0.00	\$87.92	\$0.00	\$85.19
5885-116	City of Newport Police Retirees	\$43.96	\$115.63	\$42.60	\$112.04
5885-116	City of Newport Police Retirees	\$0.00	\$87.92	\$0.00	\$85.19

Calculated Renewal Rate Adjustment

-3.10%

\* New groups effective 7/1/10

(1) The renewal rates assume no benefit changes to the medical and dental benefit plans in effect as of the last renewal date.

# NEWPORT

Account 6470

## The Trust Working Rates by Group

Effective: 07/01/11 - 06/30/12

### Group 100646 - CITY OF NEWPORT - POLICE

Office Visit: \$15, Specialist Office Visit: \$25, Allergy Dermatologist Office Visit: \$25, Vision Office Visit: \$25, Urgicenter Office Visit: \$25, Chiro Office Visit: \$25, Basic Deductible Coinsurance Stoploss: \$250/\$500, 100/0, \$0/\$0 EXCL PREV/DIAG LAB/X-RAY/MACHINE, ER Copay: \$75, Out of Network Coverage: \$250/\$500, 80/20, \$4K/\$8K, Fee for Service Rx: 20% MAND.GENERIC, \$600PP OOP MAX, 20% SPEC \$75 MAX PER SCRIPT, Behavioral Health Copays: \$25 IND PER SESSION/\$25 GRP PER SESSION, Good Health Benefit: GOOD HEALTH,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$609.00	\$1,471.01	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$623.96	\$1,507.14	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$639.06	\$1,543.61	2.4%

### Group 100720 - CITY OF NEWPORT-SUPERVISORS

HealthMate - 6532

Office Visit: \$15, Specialist Office Visit: \$25, Allergy Dermatologist Office Visit: \$25, Vision Office Visit: \$25, Urgicenter Office Visit: \$25, Chiro Office Visit: \$25, Basic Deductible Coinsurance Stoploss: \$250/\$500, 100/0, \$0/\$0 EXCL PREV/DIAG LAB/X-RAY/MACHINE, ER Copay: \$75, Out of Network Coverage: \$250/\$500, 80/20, \$4K/\$8K, Fee for Service Rx: 20% MAND.GENERIC, \$600PP OOP MAX, 20% SPEC \$75 MAX PER SCRIPT, Behavioral Health Copays: \$25 IND PER SESSION/\$25 GRP PER SESSION, Good Health Benefit: GOOD HEALTH,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$609.00	\$1,471.01	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$623.96	\$1,507.14	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$639.06	\$1,543.61	2.4%

### Group 102428 - CITY OF NEWPORT SUPV-UNION

HealthMate - 6532

Office Visit: \$15, Specialist Office Visit: \$25, Allergy Dermatologist Office Visit: \$25, Vision Office Visit: \$25, Urgicenter Office Visit: \$25, Chiro Office Visit: \$25, Basic Deductible Coinsurance Stoploss: \$250/\$500, 100/0, \$0/\$0 EXCL PREV/DIAG LAB/X-RAY/MACHINE, ER Copay: \$75, Out of Network Coverage: \$250/\$500, 80/20, \$4K/\$8K, Fee for Service Rx: 20% MAND.GENERIC, \$600PP OOP MAX, 20% SPEC \$75 MAX PER SCRIPT, Behavioral Health Copays: \$25 IND PER SESSION/\$25 GRP PER SESSION, Good Health Benefit: GOOD HEALTH,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$609.00	\$1,471.01	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$623.96	\$1,507.14	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$639.06	\$1,543.61	2.4%

### Group 136 - NEWPORT SCHOOL DEPT NON TEACHING

HealthMate - 4350

Office Visit: \$10, Specialist Office Visit: \$10, Allergy Dermatologist Office Visit: \$15, Vision Office Visit: \$10, Urgicenter Office Visit: \$10, Chiro Office Visit: \$10, ER Copay: \$25, Out of Network Coverage: \$200/600, 80/20, 3K/9K, Fee for Service Rx: (80/20 300/600 OOP), Behavioral Health Copays: \$15 IND PER SESSION/\$10 GRP PER SESSION, Good Health Benefit: GOOD HEALTH,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$662.12	\$1,599.32	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$677.08	\$1,635.45	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$693.46	\$1,675.03	2.4%



**Group 136R - NEWPORT SCHOOL DEPT NON-TEACHING RE**

HealthMate - 4350

Office Visit: \$10, Specialist Office Visit: \$10, Allergy Dermatologist Office Visit: \$15, Vision Office Visit: \$10, Urgicenter Office Visit: \$10, Chiro Office Visit: \$10, ER Copay: \$25, Out of Network Coverage: \$200/600, 80/20, 3K/9K, Fee for Service Rx: (80/20 300/600 OOP), Behavioral Health Copays: \$15 IND PER SESSION/\$10 GRP PER SESSION, Good Health Benefit: GOOD HEALTH,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$662.12	\$1,599.32	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$677.08	\$1,635.45	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$693.46	\$1,675.03	2.4%

**Group 1B289 - CITY OF NEWPORT RETIREES**

HealthMate - 6532

Office Visit: \$15, Specialist Office Visit: \$25, Allergy Dermatologist Office Visit: \$25, Vision Office Visit: \$25, Urgicenter Office Visit: \$25, Chiro Office Visit: \$25, Basic Deductible Coinsurance Stoploss: \$250/\$500, 100/0, \$0/\$0 EXCL PREV/DIAG LAB/X-RAY/MACHINE, ER Copay: \$75, Out of Network Coverage: \$250/\$500, 80/20, \$4K/\$8K, Fee for Service Rx: 20% MAND.GENERIC, \$600PP OOP MAX, 20% SPEC \$75 MAX PER SCRIPT, Behavioral Health Copays: \$25 IND PER SESSION/\$25 GRP PER SESSION, Good Health Benefit: GOOD HEALTH,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$609.00	\$1,471.01	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$623.96	\$1,507.14	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$639.06	\$1,543.61	2.4%

**Group 1B290 - CITY OF NEWPORT LIBRARY**

HealthMate - 6532

Office Visit: \$15, Specialist Office Visit: \$25, Allergy Dermatologist Office Visit: \$25, Vision Office Visit: \$25, Urgicenter Office Visit: \$25, Chiro Office Visit: \$25, Basic Deductible Coinsurance Stoploss: \$250/\$500, 100/0, \$0/\$0 EXCL PREV/DIAG LAB/X-RAY/MACHINE, ER Copay: \$75, Out of Network Coverage: \$250/\$500, 80/20, \$4K/\$8K, Fee for Service Rx: 20% MAND.GENERIC, \$600PP OOP MAX, 20% SPEC \$75 MAX PER SCRIPT, Behavioral Health Copays: \$25 IND PER SESSION/\$25 GRP PER SESSION, Good Health Benefit: GOOD HEALTH,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$609.00	\$1,471.01	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$623.96	\$1,507.14	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$639.06	\$1,543.61	2.4%

**Group 46 - NEWPORT SCHOOL DEPARTMENT**

HealthMate - 4350

Office Visit: \$10, Specialist Office Visit: \$10, Allergy Dermatologist Office Visit: \$15, Vision Office Visit: \$10, Urgicenter Office Visit: \$10, Chiro Office Visit: \$10, ER Copay: \$25, Out of Network Coverage: \$200/600, 80/20, 3K/9K, Fee for Service Rx: (80/20 300/600 OOP), Behavioral Health Copays: \$15 IND PER SESSION/\$10 GRP PER SESSION, Good Health Benefit: GOOD HEALTH,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$662.12	\$1,599.32	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$677.08	\$1,635.45	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$693.46	\$1,675.03	2.4%

**Group 46R - NEWPORT SCHOOL DEPARTMENT RETIREES**

HealthMate - 4350

Office Visit: \$10, Specialist Office Visit: \$10, Allergy Dermatologist Office Visit: \$15, Vision Office Visit: \$10, Urgicenter Office Visit: \$10, Chiro Office Visit: \$10, ER Copay: \$25, Out of Network Coverage: \$200/600, 80/20, 3K/9K, Fee for Service Rx: (80/20 300/600 OOP), Behavioral Health Copays: \$15 IND PER SESSION/\$10 GRP PER SESSION, Good Health Benefit: GOOD HEALTH,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$662.12	\$1,599.32	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$677.08	\$1,635.45	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$693.46	\$1,675.03	2.4%

**Group 6470 - CITY OF NEWPORT AFSCME****HealthMate - 6532**

Office Visit: \$15, Specialist Office Visit: \$25, Allergy Dermatologist Office Visit: \$25, Vision Office Visit: \$25, Urgicenter Office Visit: \$25, Chiro Office Visit: \$25, Basic Deductible Coinsurance Stoploss: \$250/\$500, 100/0, \$0/\$0 EXCL PREV/DIAG LAB/X-RAY/MACHINE, ER Copay: \$75, Out of Network Coverage: \$250/\$500, 80/20, \$4K/\$8K, Fee for Service Rx: 20% MAND.GENERIC, \$600PP OOP MAX, 20% SPEC \$75 MAX PER SCRIPT, Behavioral Health Copays: \$25 IND PER SESSION/\$25 GRP PER SESSION, Good Health Benefit: GOOD HEALTH,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$609.00	\$1,471.01	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$623.96	\$1,507.14	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$639.06	\$1,543.61	2.4%

**Group 6471 - CITY OF NEWPORT - FIRE****HealthMate - 6518**

Office Visit: \$15, Specialist Office Visit: \$25, Allergy Dermatologist Office Visit: \$25, Vision Office Visit: \$25, Urgicenter Office Visit: \$25, Chiro Office Visit: \$25, Basic Deductible Coinsurance Stoploss: \$250/\$500, 100/0, \$0/\$0 EXCL PREV/DIAG LAB/X-RAY/MACHINE, ER Copay: \$75, Out of Network Coverage: \$250/\$500, 80/20, \$4K/\$8K, Fee for Service Rx: 20% MAND.GENERIC, \$600PP OOP MAX, 20% SPEC \$75 MAX PER SCRIPT, Behavioral Health Copays: \$25 IND PER SESSION/\$25 GRP PER SESSION, Good Health Benefit: GOOD HEALTH, Vision Hardware Reimbursement: \$100 MAX FOR FRAMES AND LENSES PER CY,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$613.21	\$1,481.14	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$628.17	\$1,517.27	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$643.37	\$1,553.99	2.4%

**Group 7219 - CITY OF NEWPORT****HealthMate - 6532**

Office Visit: \$15, Specialist Office Visit: \$25, Allergy Dermatologist Office Visit: \$25, Vision Office Visit: \$25, Urgicenter Office Visit: \$25, Chiro Office Visit: \$25, Basic Deductible Coinsurance Stoploss: \$250/\$500, 100/0, \$0/\$0 EXCL PREV/DIAG LAB/X-RAY/MACHINE, ER Copay: \$75, Out of Network Coverage: \$250/\$500, 80/20, \$4K/\$8K, Fee for Service Rx: 20% MAND.GENERIC, \$600PP OOP MAX, 20% SPEC \$75 MAX PER SCRIPT, Behavioral Health Copays: \$25 IND PER SESSION/\$25 GRP PER SESSION, Good Health Benefit: GOOD HEALTH,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$609.00	\$1,471.01	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$623.96	\$1,507.14	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$639.06	\$1,543.61	2.4%

**Group M10064 - CITY OF NEWPORT - POLICE****BCHP - 6476**

Office Visit: \$5, Specialist Office Visit: \$5, Allergy Dermatologist Office Visit: \$5, Vision Office Visit: \$5, Urgicenter Office Visit: \$15, Chiro Office Visit: \$5, ER Copay: \$25, Out of Network Coverage: FLEX B - \$250/500 80/20 3K/6K, Fee for Service Rx: \$5/\$15/\$30, SPECIALTY \$30, M/O \$12.5/\$37.5/\$75, Capitated Behavioral Health: \$5 IND PER SESSION/\$5 GRP PER SESSION, Good Health Benefit: GOOD HEALTH, Vision Hardware Reimbursement: \$100 MAX FOR FRAMES AND LENSES PER CY,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$647.67	\$1,564.70	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$662.63	\$1,600.83	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$678.66	\$1,639.57	2.4%

**Group M10064 - CITY OF NEWPORT - POLICE****Classic - 4325**

ER Copay: \$25, Major Medical with Rx: \$200/400, 80/20, Behavioral Health Copays: \$0 PER SESSION, Good Health Benefit: GOOD HEALTH, Vision Hardware Reimbursement: \$100 MAX FOR FRAMES AND LENSES PER CY,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$742.31	\$1,793.59	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$757.27	\$1,829.72	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$775.59	\$1,874.00	2.4%

**Group M10072 - CITY OF NEWPORT SUPERVISORS**

BCHP - 6476

Office Visit: \$5, Specialist Office Visit: \$5, Allergy Dermatologist Office Visit: \$5, Vision Office Visit: \$5, Urgicenter Office Visit: \$15, Chiro Office Visit: \$5, ER Copay: \$25, Out of Network Coverage: FLEX B - \$250/500 80/20 3K/6K, Fee for Service Rx: \$5/\$15/\$30, SPECIALTY \$30, M/O \$12.5/\$37.5/\$75, Capitated Behavioral Health: \$5 IND PER SESSION/\$5 GRP PER SESSION, Good Health Benefit: GOOD HEALTH, Vision Hardware Reimbursement: \$100 MAX FOR FRAMES AND LENSES PER CY,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$647.67	\$1,564.70	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$662.63	\$1,600.83	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$678.66	\$1,639.57	2.4%

**Group M10072 - CITY OF NEWPORT SUPERVISORS**

Classic - 4325

ER Copay: \$25, Major Medical with Rx: \$200/400, 80/20, Behavioral Health Copays: \$0 PER SESSION, Good Health Benefit: GOOD HEALTH, Vision Hardware Reimbursement: \$100 MAX FOR FRAMES AND LENSES PER CY,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$742.31	\$1,793.59	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$757.27	\$1,829.72	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$775.59	\$1,874.00	2.4%

**Group M10242 - CITY OF NEWPORT SUPV - UNION**

Classic - 4325

ER Copay: \$25, Major Medical with Rx: \$200/400, 80/20, Behavioral Health Copays: \$0 PER SESSION, Good Health Benefit: GOOD HEALTH, Vision Hardware Reimbursement: \$100 MAX FOR FRAMES AND LENSES PER CY,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$742.31	\$1,793.59	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$757.27	\$1,829.72	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$775.59	\$1,874.00	2.4%

**Group M10242 - CITY OF NEWPORT SUPV - UNION**

BCHP - 6476

Office Visit: \$5, Specialist Office Visit: \$5, Allergy Dermatologist Office Visit: \$5, Vision Office Visit: \$5, Urgicenter Office Visit: \$15, Chiro Office Visit: \$5, ER Copay: \$25, Out of Network Coverage: FLEX B - \$250/500 80/20 3K/6K, Fee for Service Rx: \$5/\$15/\$30, SPECIALTY \$30, M/O \$12.5/\$37.5/\$75, Capitated Behavioral Health: \$5 IND PER SESSION/\$5 GRP PER SESSION, Good Health Benefit: GOOD HEALTH, Vision Hardware Reimbursement: \$100 MAX FOR FRAMES AND LENSES PER CY,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$647.67	\$1,564.70	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$662.63	\$1,600.83	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$678.66	\$1,639.57	2.4%

**Group M18289 - CITY OF NEWPORT RETIREES**

BCHP - 6476

Office Visit: \$5, Specialist Office Visit: \$5, Allergy Dermatologist Office Visit: \$5, Vision Office Visit: \$5, Urgicenter Office Visit: \$15, Chiro Office Visit: \$5, ER Copay: \$25, Out of Network Coverage: FLEX B - \$250/500 80/20 3K/6K, Fee for Service Rx: \$5/\$15/\$30, SPECIALTY \$30, M/O \$12.5/\$37.5/\$75, Capitated Behavioral Health: \$5 IND PER SESSION/\$5 GRP PER SESSION, Good Health Benefit: GOOD HEALTH, Vision Hardware Reimbursement: \$100 MAX FOR FRAMES AND LENSES PER CY,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$647.67	\$1,564.70	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$662.63	\$1,600.83	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$678.66	\$1,639.57	2.4%



**Group M1B289 - CITY OF NEWPORT RETIREES**

Classic - 4325

ER Copay: \$25, Major Medical with Rx: \$200/400, 80/20, Behavioral Health Copays: \$0 PER SESSION, Good Health Benefit: GOOD HEALTH, Vision Hardware Reimbursement: \$100 MAX FOR FRAMES AND LENSES PER CY,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$742.31	\$1,793.59	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$757.27	\$1,829.72	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$775.59	\$1,874.00	2.4%

**Group M1B290 - CITY OF NEWPORT LIBRARY**

Classic - 4325

ER Copay: \$25, Major Medical with Rx: \$200/400, 80/20, Behavioral Health Copays: \$0 PER SESSION, Good Health Benefit: GOOD HEALTH, Vision Hardware Reimbursement: \$100 MAX FOR FRAMES AND LENSES PER CY,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$742.31	\$1,793.59	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$757.27	\$1,829.72	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$775.59	\$1,874.00	2.4%

**Group M1B290- CITY OF NEWPORT LIBRARY**

BCHP - 6476

Office Visit: \$5, Specialist Office Visit: \$5, Allergy Dermatologist Office Visit: \$5, Vision Office Visit: \$5, Urgicenter Office Visit: \$15, Chiro Office Visit: \$5, ER Copay: \$25, Out of Network Coverage: FLEX B - \$250/500 80/20 3K/6K, Fee for Service Rx: \$5/\$15/\$30, SPECIALTY \$30, M/O \$12.5/\$37.5/\$75, Capitated Behavioral Health: \$5 IND PER SESSION/\$5 GRP PER SESSION, Good Health Benefit: GOOD HEALTH, Vision Hardware Reimbursement: \$100 MAX FOR FRAMES AND LENSES PER CY,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$647.67	\$1,564.70	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$662.63	\$1,600.83	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$678.66	\$1,639.57	2.4%

**Group M46 - NEWPORT SCHOOL DEPARTMENT**

BCHP - 1599

Office Visit: \$5, Specialist Office Visit: \$5, Allergy Dermatologist Office Visit: \$5, Vision Office Visit: \$5, Urgicenter Office Visit: \$15, Chiro Office Visit: \$5, ER Copay: \$25, Out of Network Coverage: FLEX B - \$250/500 80/20 3K/6K, Fee for Service Rx: \$5/\$15/\$30 PHARMACY, \$10/\$30/\$60 M/O, Capitated Behavioral Health: \$5 IND PER SESSION/\$5 GRP PER SESSION, Good Health Benefit: GOOD HEALTH, Vision Hardware Reimbursement: \$100 MAX FOR FRAMES AND LENSES PER CY,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$647.67	\$1,564.70	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$662.63	\$1,600.83	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$678.66	\$1,639.57	2.4%

**Group M46 - NEWPORT SCHOOL DEPARTMENT**

Classic - 4329

ER Copay: \$0, Major Medical with Rx: \$50/100, 80/20, BH 50/50, Behavioral Health Copays: \$0 PER SESSION, Good Health Benefit: GOOD HEALTH,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$761.39	\$1,844.44	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$776.35	\$1,880.57	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$795.14	\$1,926.08	2.4%

**Group M46R - NEWPORT SCHOOL DEPARTMENT-RETIRES**  
**Classic - 4329**

ER Copay: \$0, Major Medical with Rx: \$50/100, 80/20, BH 50/50, Behavioral Health Copays: \$0 PER SESSION, Good Health Benefit: GOOD HEALTH,

	Individual	Family	Rate Increase
<b>Present</b>			
<b>Present</b>			
Health Rate	\$761.39	\$1,844.44	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$776.35	\$1,880.57	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$795.14	\$1,926.08	2.4%

**Group M46R - NEWPORT SCHOOL DEPARTMENT-RETIRES**  
**BCHP - 1599**

Office Visit: \$5, Specialist Office Visit: \$5, Allergy Dermatologist Office Visit: \$5, Vision Office Visit: \$5, Urgicenter Office Visit: \$15, Chiro Office Visit: \$5, ER Copay: \$25, Out of Network Coverage: FLEX B - \$250/500 80/20 3K/6K, Fee for Service Rx: \$5/\$15/\$30 PHARMACY, \$10/\$30/\$60 M/O, Capitated Behavioral Health: \$5 IND PER SESSION/\$5 GRP PER SESSION, Good Health Benefit: GOOD HEALTH, Vision Hardware Reimbursement: \$100 MAX FOR FRAMES AND LENSES PER CY,

	Individual	Family	Rate Increase
<b>Present</b>			
<b>Present</b>			
Health Rate	\$647.67	\$1,564.70	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$662.63	\$1,600.83	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$678.66	\$1,639.57	2.4%

**Group M6470 - CITY OF NEWPORT**  
**BCHP - 6476**

Office Visit: \$5, Specialist Office Visit: \$5, Allergy Dermatologist Office Visit: \$5, Vision Office Visit: \$5, Urgicenter Office Visit: \$15, Chiro Office Visit: \$5, ER Copay: \$25, Out of Network Coverage: FLEX B - \$250/500 80/20 3K/6K, Fee for Service Rx: \$5/\$15/\$30, SPECIALTY \$30, M/O \$12.5/\$37.5/\$75, Capitated Behavioral Health: \$5 IND PER SESSION/\$5 GRP PER SESSION, Good Health Benefit: GOOD HEALTH, Vision Hardware Reimbursement: \$100 MAX FOR FRAMES AND LENSES PER CY,

	Individual	Family	Rate Increase
<b>Present</b>			
<b>Present</b>			
Health Rate	\$647.67	\$1,564.70	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$662.63	\$1,600.83	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$678.66	\$1,639.57	2.4%

**Group M6470 - CITY OF NEWPORT AFSCME**  
**Classic - 4325**

ER Copay: \$25, Major Medical with Rx: \$200/400, 80/20, Behavioral Health Copays: \$0 PER SESSION, Good Health Benefit: GOOD HEALTH, Vision Hardware Reimbursement: \$100 MAX FOR FRAMES AND LENSES PER CY,

	Individual	Family	Rate Increase
<b>Present</b>			
<b>Present</b>			
Health Rate	\$742.31	\$1,793.59	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$757.27	\$1,829.72	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$775.59	\$1,874.00	2.4%

**Group M6471 - CITY OF NEWPORT - FIRE**  
**BCHP - 6476**

Office Visit: \$5, Specialist Office Visit: \$5, Allergy Dermatologist Office Visit: \$5, Vision Office Visit: \$5, Urgicenter Office Visit: \$15, Chiro Office Visit: \$5, ER Copay: \$25, Out of Network Coverage: FLEX B - \$250/500 80/20 3K/6K, Fee for Service Rx: \$5/\$15/\$30, SPECIALTY \$30, M/O \$12.5/\$37.5/\$75, Capitated Behavioral Health: \$5 IND PER SESSION/\$5 GRP PER SESSION, Good Health Benefit: GOOD HEALTH, Vision Hardware Reimbursement: \$100 MAX FOR FRAMES AND LENSES PER CY,

	Individual	Family	Rate Increase
<b>Present</b>			
<b>Present</b>			
Health Rate	\$647.67	\$1,564.70	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$662.63	\$1,600.83	
	Individual	Family	
<b>Renewal</b>			
Health Rate	\$678.66	\$1,639.57	2.4%

**Group M6471 - CITY OF NEWPORT - FIRE**

Classic - 4326

ER Copay: \$25, Major Medical with Rx: \$200/400, 80/20, BH 50/50, Behavioral Health Copays: \$0 PER SESSION, Good Health Benefit: GOOD HEALTH, Vision Hardware Reimbursement: \$100 MAX FOR FRAMES AND LENSES PER CY,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$742.31	\$1,793.59	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$757.27	\$1,829.72	

	Individual	Family	
<b>Renewal</b>			
Health Rate	\$775.59	\$1,874.00	2.4%

**Group M7219 - CITY OF NEWPORT**

Classic - 4325

ER Copay: \$25, Major Medical with Rx: \$200/400, 80/20, Behavioral Health Copays: \$0 PER SESSION, Good Health Benefit: GOOD HEALTH, Vision Hardware Reimbursement: \$100 MAX FOR FRAMES AND LENSES PER CY,

	Individual	Family	Rate Increase
<b>Present</b>			
Health Rate	\$742.31	\$1,793.59	
Stop Loss Rate	\$14.96	\$36.13	
Combined Health Rate	\$757.27	\$1,829.72	

	Individual	Family	
<b>Renewal</b>			
Health Rate	\$775.59	\$1,874.00	2.4%





Communication #  
Docket Date:

City of Newport  
**REQUEST FOR CITY COUNCIL ACTION**

---

To: Mayor Napolitano & City Council  
From: Edward F. Lavalley, City Manager  
Date: June 14, 2010  
Subject: Life Insurance

**RECOMMENDATION:**

Recommend that the City Council award a three-year contract with an option to extend for one additional year to GBG Consulting and Newport Financial Consulting with Boston Mutual Insurance Company to provide life insurance to the City of Newport at rates of \$0.135/\$1,000 for active employees and \$0.997/\$1,000 for retired employees for a total cost to the City not to exceed \$52,000.

**BACKGROUND AND FINDINGS:**

The City issued an RFP for life insurance for the City of Newport active and retired employees on May 21, 2010 after receiving notice of significant increases in the proposed rate from the Rhode Island Interlocal Trust (current provider). The City of Newport currently provides life insurance to all active employees after two years of service, and to police retirees. The City also allows other retirees to purchase life insurance through us at the combined active and retiree rate which means that the City has been subsidizing retirees that choose to purchase life insurance through the City of Newport.

The RFP requested quotes on a combined rate for active and retired employees and a split rate. We received seven responses of which six met our requirements. A team of 3 staff members evaluated the proposals. The RFP specified that evaluation of the proposals would be graded on a scale of 1 to 5 on Quality of Services Proposed for 30%, Capabilities of the Proposer for 20%, References for 20% and Cost for 30%.

The evaluation can be found on the attached sheet. The staff is recommending that the Council award a contract for split rates thus significantly reducing the City's cost.

**PREVIOUS LEGISLATIVE ACTION**

None

**FISCAL IMPACT**

☒ Currently Budgeted    ☐ Requires additional appropriation    ☐ No Fiscal Impact

Budgeted in department benefits line items.

**SUPPORTING DOCUMENTS**

Resolution  
Evaluation of Proposals  
List of Officers

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Finance Dept Review: \_\_\_\_\_ Date By: \_\_\_\_\_ (if applicable)

**CITY OF NEWPORT**

**RESOLUTION**

**OF**

**THE COUNCIL**

**NO. 2010-108**

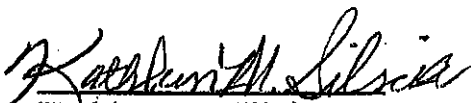
**RESOLVED:** The proposal of GBG Consulting and Newport Financial Consultants with Boston Mutual is hereby accepted in accordance with the following rates, but in no case at a cost to exceed \$52,000 per year, and the Vice Chair of the Council is authorized to execute a contract on behalf of the City, subject to favorable review by the City Solicitor.

**Approved Rates:**

Life Insurance for active employees	\$0.135/\$1,000
Life Insurance for retired employees	\$0.997/\$1,000

**IN COUNCIL  
READ AND PASSED**

June 23, 2010

  
Kathleen M. Silvia  
City Clerk

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 4243  
Response Of The City Of Newport,  
Utilities Division, Water Department  
To The Division Of Public Utilities and Carriers'  
Data Requests  
Set 1**

---

Div. 1-10: With regard to the Consultant fees shown on RFC Schedule B-1:

- a. Please provide a detailed breakdown of the costs of this current rate case. If any amounts are in other than FY 2011, identify the amounts by year.
- b. Please provide a detailed breakdown of the amounts included in FY 2011 and FY 2012 for consultants other than those identified in response to part a. of this question as being related to the current rate case.
- c. Please provide a detailed breakdown of the costs incurred in FY 2010 by provider and activity/proceeding.

Response: See Attached Schedules.

Prepared by: J. Tracey

**City of Newport - Utilities Department - Water Division**  
**Docket 4243**  
**Div I-10a**  
**Current And Projected Rate Case Expenses**

Vendor	Invoice Date	Invoice #	Total	Description	FY 2010	FY 2011	FY 2012
<b>Raftelis Financial Consultants, Inc. (RFC)</b>							
RFC	9/1/2010	NWRI1005-1.01	\$ 5,425	Professional Services 4/10-6/10	\$	5,425	
RFC	9/1/2010	NWRI1005-2.01	750	Professional Services July 2010		750	
RFC	11/3/2010	NWRI1005-4.01	6,240	Professional Services October 2010		6,240	
RFC	12/5/2010	NWRI1005-5.01	12,140	Professional Services November 2010		12,140	
RFC	1/25/2011	NWRI1005-6.01	1,875	Professional Services December 2010		1,875	
RFC	4/11/2011	NWRI1005-6.01	14,945	Professional Services 1/11-3/11		14,945	
RFC	Balance of PO		57,055	Professional Services ten months		28,255	\$ 28,800
	Subtotal				-	69,630	28,800
<b>Keough &amp; Sweeney (K&amp;S)</b>							
K&S	10/4/2010	2185	100	Professional Services September 2010		100	
K&S	2/3/2011	3246	438	Professional Services January 2011		438	
K&S	3/2/2011	3283	4,813	Professional Services February 2011		4,813	
K&S	4/5/2011	3788	8,590	Professional Services March 2011		8,590	
K&S	5/3/2011	3820	9,629	Professional Services April 2011		9,629	
K&S	Estimate based on Docket 4025 and PO		98,781	Professional Services ten months		28,581	70,200
	Subtotal				-	52,150	70,200
<b>Division of Public Utilities and Carriers (DPUC)</b>							
DPUC	Estimate based on Docket 4025 actual		35,000	Professional Services ten months		10,500	24,500
			<u>\$ 255,780</u>		<u>\$ -</u>	<u>\$ 132,280</u>	<u>\$ 123,500</u>

**City of Newport - Utilities Department - Water Division**  
**Docket 4243**  
**Div I-10b**  
**Consultants other than Projected Rate Case Expenses**

		<b>FY 2011</b>	<b>FY 2012</b>
<b>50222</b>	<b>Consultant Fees</b>		
	<b>Legal Fees</b>		
	Keough & Sweeney (K&S)	\$ 125,000	\$ 125,000
	Less Docket 4223 Rate Case Expenses	52,150	70,200
		<u>72,850</u>	<u>54,800</u>
	<b>Financial Consultant</b>		
	Raftelis Financial Consultants, Inc. (RFC)	128,380	128,380
	Less Docket 4223 Rate Case Expenses	69,630	28,800
		<u>58,750</u>	<u>99,580</u>
	<b>Other Fees</b>		
	Division of Public Utilities and Carriers (DPUC)	40,000	66,800
	Less Docket 4223 Rate Case Expenses	10,500	24,500
		<u>29,500</u>	<u>42,300</u>
	<b>Bond Advisor</b>		
	Wells Fargo 4 bond issues @ \$2,500 per issue	10,000	10,000
		<u>10,000</u>	<u>10,000</u>
	<b>Code Red</b>		3,000
		<u>171,100</u>	<u>209,680</u>
		<u>\$ 171,100</u>	<u>\$ 209,680</u>

**City of Newport - Utilities Department - Water Division**  
**Docket 4243**  
**Div I-10c**  
**Consultants FY 2010**

		<b><u>FY 2010</u></b>
<b>50222</b>	<b>Consultant Fees</b>	
	<b>Legal Fees</b>	
	Keough & Sweeney (K&S)	
	Docket 4025	\$ 12,924
	Docket 4128	41,121
	Div 09-108	4,800
	RIDOH	3,950
	Borrowings	7,240
	Other (Monthly, Quarterly, Annual reports, etc)	7,000
		<u>77,035</u>
	<b>Financial Consultant</b>	
	Raftelis Financial Consultants, Inc. (RFC)	
	Docket 4128	<u>53,977</u>
	<b>Division of Public Utilities and Carriers (DPUC)</b>	
	Docket 4025	31,268
	Docket 4128	30,065
		<u>61,333</u>
	<b>Bond Advisor</b>	
	Wells Fargo 4 bond issues	<u>7,500</u>
	<b>Risk Management Study</b>	
	Environmental Compliance	<u>5,060</u>
		<u><u>\$ 204,905</u></u>

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 4243  
Response Of The City Of Newport,  
Utilities Division, Water Department  
To The Division Of Public Utilities and Carriers'  
Data Requests  
Set 1**

---

Div. 1-11: Please provide the gallons of waste subject to sewer charges at Lawton Valley for fiscal years 2008 through 2010 and for the most recent 12 months available.

Response: The gallons of waste subject sewer charges at Lawton Valley are as follows:

FY 2008 – 8,974,555 gallons (discharge from this location began January, 2008 at startup of the Residuals Management system)

FY 2009 – 29,168,804 gallons

FY 2010 – 31,470,895 gallons

May 2010 through April 2011 – 31,480,023 gallons.

Prepared by: K. Mason

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 4243  
Response Of The City Of Newport,  
Utilities Division, Water Department  
To The Division Of Public Utilities and Carriers'  
Data Requests  
Set 1**

---

Div. 1-12: Please provide the gallons of waste water subject to sewer charges at Station One for the most recent 12 months available.

Response: The gallons of wastewater subject to sewer charges at Station One for the previous 12 months (May 1, 2010 through April 30, 2011) is 24,177,000 gallons.

Prepared by: K. Mason



**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 4243  
Response Of The City Of Newport,  
Utilities Division, Water Department  
To The Division Of Public Utilities and Carriers'  
Data Requests  
Set 1**

---

Div. 1-13: Please provide supporting documentation for the projected FY 2012 sewer rate increase of 15%.

Response: Attached is the summary page from the Recommended FY2012 Budget presented to the City Council the Water Pollution Control Division. The sewer rate will be determined with the final passage of the FY2012 Budget which will occur on or before June 22, 2012.

Prepared by: J. Forgue

**FUNCTION:** Water Pollution Control  
**DEPARTMENT:** Water Pollution Control  
**DIVISION OR ACTIVITY:** Water Pollution Control Fund

**BUDGET COMMENTS:**

The WPC rates and charges are to be changed as follows: Sewer Usage Fee based on Volume to \$11.68 per 1,000 gallons from \$10.19 (15% increase).

The CSO fixed fee is to increase by 1% to fund CSO capital needs:

	FY2011	FY2012
Less than 1" meter size	\$ 190	\$ 192
1" meter size	263	265
1 1/2" meter size	496	500
2" meter size	727	733
3" meter size	1,759	1,774
4" meter size	2,927	2,951
5" meter size	4,441	4,478
6" meter size	5,845	5,894

The Industrial Pretreatment Fee and disposal permit fees will not increase.

Contract operations, utilities and depreciation are the major expenses in this fund. Capital needs are significant and are for various sanitary sewer improvements; to pay for an engineering firm to act as program manager to oversee or complete tasks identified as part of the CSO corrective action plan; various tasks related to the CSO corrective action plan.

**PROGRAM:**

This Fund supports the operation, maintenance and debt service expenditures associated with the Water Pollution Control Division of the Public Works Department. Areas of responsibility include the City's sanitary and storm sewer system. Included in this system are all sewer lines, pump stations, the Wellington Avenue Microstrainer Combined Sewer Overflow (CSO), Washington Street CSO facility, and the Treatment Plant facilities located on Connell Highway. The system serves not only the City of Newport, but the Town of Middletown and the U. S. Navy Base as well. Both of these jurisdictions have long-term contracts with the City for payment of their share of water pollution control operation costs.

**OBJECTIVE:**

To ensure effective sewer services to city customers and to ensure treatment capacity availability for future use by administering the contract with United Water for sewage treatment.

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 4243  
Response Of The City Of Newport,  
Utilities Division, Water Department  
To The Division Of Public Utilities and Carriers'  
Data Requests  
Set 1**

---

Div. 1-14: With regard to the claims for electricity costs

- a. Please provide the usage at Source of Supply- Island, Source of Supply- Mainland, Station One, Lawton Valley and Distribution for each fiscal year from 2006 through 2010 and for the most recent 12 months to date.
- b. Please provide supporting documentation for the projected fixed and deliveries charges at Source of Supply (S/S) Island, S/S Mainland, Station One, Lawton Valley and Distribution as shown on RFC Scheduler B-3 through B-6 and B-8.

Response:

- a. See attached schedule indicating usage at Source of Supply Island, Source of Supply Mainland, Station One, Lawton Valley, and Distribution for FY 06 through FY 10 and also the most 12 recent months.
- b. Charges for fixed and delivery costs have been tabulated from the March, 2011 National Grid monthly invoices received by the Water Division. These are the costs Newport Water has used in RFC Schedules B-3, through B-6 and B-8. The attached schedule indicates the current Supply Charge, Customer Charge, Distribution Energy Charge, Distribution Charge, Transmission Demand Charge, Transmission Adjustment, Transition Charge, Energy Efficiency Program Charges, and Demand Side Management Charges for each section.

Prepared by: K. Mason

City of Newport - Utilities Department Water Division Docket No. 4243

DIV 1-14 (a)

Electrical Consumption in KWH

Section Description	FY06	FY07	FY08	FY09	FY10	Last 12 Months April 2010 -March 2011
Station 1	1,730,080	1,608,480	1,869,440	1,822,400	2,007,360	1,872,480
Lawton Valley WTP	1,110,880	1,175,460	1,127,334	1,114,560	1,114,160	1,238,480
Source of Supply- Island	225,800	76,100	237,540	216,540	103,470	238,500
Source of Supply-Mainland	488,730	98,166	646,829	444,300	348,853	751,500
Distribution	117,814	109,451	130,189	103,137	107,456	109,628

City of Newport - Utilities Department Water Division Docket No. 4243  
DIV 1-14 (b)

Charge Description per KWH unless otherwise noted	Station 1	Lawton Valley WTP	Lawton Valley WTP Pump station	Source of Supply Island	Source of Supply Mainland	Distribution
Supply Charge	0.09463	0.09463	0.09463	0.09463	0.09463	0.09463
Customer Charge (monthly)	750	750	125	133	750	116
Distribution Energy Charge	0.00873	0.0873	0.00771	0.00771	0.00873	0.00777585
Distribution Demand Charge	2	2	4.5	4.5	2	3.97
Transmission Demand Charge	2.28	2.28	2.29	2.29	2.28	1.92
Transmission Adjustment	0.00575	0.00575	0.00671	0.00671	0.00575	0.00833619
Transition Charge	0.00068	0.00068	0.00068	0.00068	0.00068	0.00127103
Energy Efficiency Programs	0.00556	0.00556	0.00556		0.00556	
Demand Side Management Charge				0.0035	0.0035	0.0035

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 4243  
Response Of The City Of Newport,  
Utilities Division, Water Department  
To The Division Of Public Utilities and Carriers'  
Data Requests  
Set 1**

---

Div. 1-15: Please provide a schedule similar to RFC Schedule 11 showing the actual additions and deductions for each restricted account in FY 2009 and FY 2010. Also provide amounts for FY 2011 to date.

Response: See attached Schedule.

Prepared by: J. Tracey

City of Newport - Utilities Department - Water Division  
Docket 4243  
Div I-15  
Restricted Accounts Balances

	2009	2010	To 4/30/11 2011
<b><u>Debt Service Account</u></b>			
<b>Beginning Cash Balance</b>	\$ 653,716	\$ 657,786	\$ 1,394,463
<b><u>Additions</u></b>			
From Rates	1,230,000	2,010,823	1,675,686
From Capital Restricted Acct.	322	-	-
Interest Income	3,476	198	137
<b>Total Additions</b>	\$ 1,233,798	\$ 2,011,021	\$ 1,675,823
<b>Interest Rate</b>	0.53%	0.02%	0.01%
<b><u>Deductions</u></b>			
Existing Revenue Bond Debt Service	959,783	910,552	587,360
SRF Debt Service	269,945	363,792	772,905
<b>Total Deductions</b>	\$ 1,229,728	\$ 1,274,344	\$ 1,360,265
<b>Ending Cash Balance</b>	<b>\$ 657,786</b>	<b>\$ 1,394,463</b>	<b>\$ 1,710,021</b>
<b><u>Capital Spending Account</u></b>			
<b>Beginning Cash Balance</b>	\$ 790,498	\$ 1,224,153	\$ 1,879,557
<b><u>Additions</u></b>			
From Rates	1,297,182	1,146,918	955,765
From Repayment from RICWFA			792,950
Interest income	5,136	4,274	2,111
<b>Total Additions</b>	\$ 1,302,318	\$ 1,151,192	\$ 1,750,826
<b>Interest Rate</b>	0.51%	0.28%	0.11%
<b><u>Deductions</u></b>			
To Debt Service Restricted Acct.	322	-	-
Capital Outlays	868,341	495,788	1,561,139
<b>Total Deductions</b>	\$ 868,663	\$ 495,788	\$ 1,561,139
<b>Ending Cash Balance</b>	<b>\$ 1,224,153</b>	<b>\$ 1,879,557</b>	<b>\$ 2,069,244</b>
<b><u>Chemical Allowance Account</u></b>			
<b>Beginning Cash Balance</b>	\$ 99,911	\$ 420	\$ 13,764
<b><u>Additions</u></b>			
From Water Rates			
335 Contribution to Chemical Restricted Account	504,200	669,000	557,500
Interest Income	135	58	23
<b>Total Additions</b>	\$ 504,335	\$ 669,058	\$ 557,523
<b>Interest Rate</b>	0.27%	0.82%	0.04%
<b><u>Deductions</u></b>			
335 Chemicals	603,826	655,714	470,302
<b>Total Deductions</b>	\$ 603,826	\$ 655,714	\$ 470,302
<b>Ending Cash Balance</b>	<b>\$ 420</b>	<b>\$ 13,764</b>	<b>\$ 100,985</b>

City of Newport - Utilities Department - Water Division  
Docket 4243  
Div I-15  
Restricted Accounts Balances

	2009	2010	To 4/30/11 2011
<b><u>Electricity Account</u></b>			
<b>Beginning Cash Balance</b>	<b>\$ 130,039</b>	<b>\$ 98,789</b>	<b>\$ 163,899</b>
<b><u>Additions</u></b>			
From Water Rates			
254 Contribution to Electricity Account	423,903	582,400	542,065
Interest Income	660	357	142
<b>Total Additions</b>	<b>\$ 424,563</b>	<b>\$ 582,757</b>	<b>\$ 542,207</b>
<b>Interest Rate</b>	<b>0.37%</b>	<b>0.20%</b>	<b>0.06%</b>
<b><u>Deductions</u></b>			
254 Electricity	455,813	517,647	554,655
<b>Total Deductions</b>	<b>\$ 455,813</b>	<b>\$ 517,647</b>	<b>\$ 554,655</b>
<b>Ending Cash Balance</b>	<b>\$ 98,789</b>	<b>\$ 163,899</b>	<b>\$ 151,451</b>
<b><u>Retiree Insurance</u></b>			
<b>Beginning Cash Balance</b>	<b>\$ 11,233</b>	<b>\$ 77</b>	<b>\$ 29,804</b>
<b><u>Additions</u></b>			
From Water Rates			
254 Contribution to Retiree Insurance Account	210,000	347,200	289,333
Interest Income	14	27	4
<b>Total Additions</b>	<b>\$ 210,014</b>	<b>\$ 347,227</b>	<b>\$ 289,337</b>
<b>Interest Rate</b>	<b>0.25%</b>	<b>0.18%</b>	<b>0.03%</b>
<b><u>Deductions</u></b>			
254 Retiree Insurance	221,170	317,500	319,000
<b>Total Deductions</b>	<b>\$ 221,170</b>	<b>\$ 317,500</b>	<b>\$ 319,000</b>
<b>Ending Cash Balance</b>	<b>\$ 77</b>	<b>\$ 29,804</b>	<b>\$ 141</b>
<b><u>Accrued Benefit Buyout</u></b>			
<b>Beginning Cash Balance</b>	<b>\$ 15,285</b>	<b>\$ 553</b>	<b>\$ 58,799</b>
<b><u>Additions</u></b>			
From Water Rates			
Contribution to Accrued Benefit Buyout Account	69,996	175,000	145,833
Interest Income	208	50	111
<b>Total Additions</b>	<b>\$ 70,204</b>	<b>\$ 175,050</b>	<b>\$ 145,944</b>
<b>Interest Rate</b>	<b>2.63%</b>	<b>0.17%</b>	<b>0.11%</b>
<b><u>Deductions</u></b>			
Accrued Benefit Buyout	84,936	116,804	53,011
<b>Total Deductions</b>	<b>84,936</b>	<b>116,804</b>	<b>53,011</b>
<b>Ending Cash Balance</b>	<b>\$ 553</b>	<b>\$ 58,799</b>	<b>\$ 151,732</b>



City of Newport - Utilities Department - Water Division  
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Div I-15  
Restricted Accounts Balances

	2009	2010	To 4/30/11 2011
<b><u>Salary and Wage Increase Account</u></b>			
<b>Beginning Cash Balance</b>	\$ -	\$ -	\$ 91,328
<b><u>Additions</u></b>			
From Water Rates			
Contribution to Salary and Wage Increase Account	-	91,213	76,011
Interest Income	-	115	136
<b>Total Additions</b>	\$ -	\$ 91,328	\$ 76,147
<b>Interest Rate</b>		0.25%	0.11%
<b><u>Deductions</u></b>			
Withdrawals to Cover Salary and Wage Increases	-	-	-
<b>Total Deductions</b>	\$ -	\$ -	\$ -
<b>Ending Cash Balance</b>	\$ -	\$ 91,328	\$ 167,475
<b><u>Operating Revenue Allowance</u></b>			
<b>Beginning Cash Balance</b>	\$ -	\$ -	\$ 122,032
<b><u>Additions</u></b>			
From Water Rates			
Contribution to Operating Revenue Allowance Account	-	121,907	101,589
Interest Income	-	125	182
<b>Total Additions</b>	\$ -	\$ 122,032	\$ 101,771
<b>Interest Rate</b>		0.20%	0.11%
<b><u>Deductions</u></b>			
Approved Withdrawals	-	-	-
<b>Total Deductions</b>	\$ -	\$ -	\$ -
<b>Ending Cash Balance</b>	\$ -	\$ 122,032	\$ 223,803

**STATE OF RHODE ISLAND  
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DOCKET NO. 4243  
Response Of The City Of Newport,  
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Div 1-16: Please provide a schedule similar to RFC Schedule 5 in Docket No. 4025 showing the actual rate funded capital projects in FY 2009 and FY 2010.

Response: See attached schedule showing actual rate funded capital projects in FY 2009 and FY 2010.

Prepared by: K. Mason

**City of Newport - Docket 4243**  
**Data Response Div 1-16 & 1-17**

Rate Funded Capital		FY 2009	FY 2010	FY 2011 as of 4/30/2011	FY 2011 est. 5/1/11-6/30/11
S	Safe Yield Study- FY09		123,533		
TD	GIS and Hydraulic Modeling- FY09		263,007	15,999	10,993
TD	IRP Update- RIDOH due Jan 2010		46,494	1,876	
S	Water Quality Protection Plan Update- RIWRB		16,099	2,628	
S	Maguire Amen #11 Sediment Assess prop for NOV-CA	770			
S	Sediment Assessment - Lawton Brook		18,065	16,728	
S	Maguire Amend #9- assist with NOV- CA	1,680			
S	LVWTP RIPDES CA- Constructed Wetlands;Maguire Amend #1	9,250			
S	Constructd Wetlands/Flow Diversion	197,500			
	RIDOH & RIDEM- Reservoir Monitoring				30,000
S	Main from Gardiner to Paradise				31,500
S	Intake at Paradise			2,924	325
S	Intake at Watson & Nonquit			5,847	650
S	Intake at Sissons			2,924	325
S	Demolition of Old Nonquit Pump Sta		2,800	16,900	
S	Dam and Dike Rehabilitation - Lawton Valley				
TRL	Lawton Valley WTP - Chloramine Conversion Design	59,875	10,899	15,339	
TRL	LVWTP pH design	1,441			
TRN	Station 1 - Chloramine Conversion Design	59,875	10,899	15,339	
TRN	Sta 1 pH design	1,441			
S	Distribution Main Improv.(Sherman St) Design & Construct	-	0	5,811	74,500
S	Meter Replacement	67,323	54,256	38,071	26,000
S	Forest Ave Pump Sta Imprv.			-	-
CS	Water Trench Restoration	64,688	68,365	27,783	50,217
F	Fire Hydrant Replacement		16,050	16,773	
M	Equipment and Vehicle Replacement	70,340	94,868	150,854	5,829
<b>Total Rate Funded Capital \$</b>		<b>534,183</b>	<b>\$ 725,334</b>	<b>\$ 335,796</b>	<b>\$ 230,339</b>

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Div 1-17: Please provide the same information requested in the prior question regarding rate-funded capital projects for FY 2011 to date and projected for the remainder of FY 2011.

Response: See schedule provided with Div. 1-16 showing actual rate funded capital projects for the period ending April 30, 2011 and also projected for the remainder of FY 2011.

Prepared by: K. Mason

**STATE OF RHODE ISLAND  
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Div 1-18: Please explain the basis and provide supporting documentation for the assumed interest rate of 6.00% on the projected SRF bonds.

Response: Newport used a conservative rate of 6.00% due to uncertainty over its ability to fully fund the Station One upgrades and the new Lawton Valley water treatment plant with Drinking Water State Revolving Fund (DWSRF) loans, and that uncertainty remains.

It is my understanding that representatives from Newport Water, Rhode Island Clean Water Finance (RICWFA) and the Rhode Island Department of Health have held several meetings regarding the proposed projects and the required funding. RICWFA is in the process of reviewing its lending capacity over the next five years. If RICWFA cannot completely fund these projects through the DWSRF, other alternatives may have to be examined.

Newport Water could potentially borrow through RICWFA on a non-subsidized basis, or it may have to pursue legislation allowing it to issue revenue bonds directly to the public markets. This would allow Newport Water to avoid incurring legal and administrative expenses incurred when it borrows through RICWFA on a non-subsidized basis. These direct market bonds would not provide the same discounted interest rate as the SRF, but they would allow Newport to obtain the necessary funding if RICWFA has insufficient DWSRF lending capacity.

Thus, the use of a conservative estimate of a 6% interest rate on all proposed debt helps ensure that the water rates will support borrowing from sources other than RICWFA. Further, if Newport does obtain favorable interest rates, then there may be excess funds in the restricted debt service account that can help offset the future rate increases in the multi-year plan pursuant to the review mechanism provided for in R.I.G.L. §39-15.1-4.

Prepared by: H. Smith

**STATE OF RHODE ISLAND  
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Div 1-19: Please state whether the RICWFA has provided any estimate or other information regarding the interest rates for Newport Water and SRF loans. If yes, please provide.

Response: RICWFA has not provided any estimate regarding the interest rates associated with Newport's proposed borrowings. As mentioned in the response to Div. 1-18, there is some uncertainty regarding the full amount of funds that will be available from the RICWFA and the terms of any borrowings are not fully known.

Prepared by: H. Smith

**STATE OF RHODE ISLAND  
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Div 1-20: To the extent not provided previously please provide any information available to Newport Water regarding the subsidized interest rate applicable to SRF loans in recent years.

Response: I have attached the relevant pages of the bond indenture agreements regarding the interest rate subsidy on the last three water SRF bonds. The interest rate subsidy was 25% in each case.

Prepared by: L. Sitrin

"2007 Series A Project Account" shall mean the account in the Project Fund so created and created by Section 301 of this First Supplemental Indenture.

"2007 Series A Project" shall mean the Project described in the third WHEREAS clause of this First Supplemental Indenture.

"Tax Compliance Certificate" shall mean the Arbitrage and Use of Proceeds Certificate of the Issuer delivered in connection with the 2007 Series A Bonds.

Section 102. Authority. This First Supplemental Indenture is authorized pursuant to the Indenture.

## ARTICLE II DETAILS AND FORM OF 2007 SERIES A BONDS

Section 201. 2007 Series A Bonds. (1) A Series of Fixed Rate Bonds, designated "Water Revenue Bonds, 2007 Series A" and constituting the first Series of Bonds under the Indenture, is hereby authorized to be issued pursuant to Section 204 of the Indenture in the aggregate Principal Amount of \$3,000,000.

(2) The purposes for which the 2007 Series A Bonds are issued are (a) to provide funds to pay all or a portion of the Cost of the 2007 Series A Project, (b) to provide funds for deposit in an account for the 2007 Series Bonds in the Debt Service Reserve Fund, and (c) to provide for all or a portion of the Cost of Issuance of the 2007 Series A Bonds, subject in all cases to the limitations and provisions provided in Article V of the Indenture and in the amounts determined by or pursuant to Article III hereof.

(3) The 2007 Series A Bonds shall be issued in denominations of \$1,000 or any whole multiple thereof, and shall be lettered and numbered separately from one (1) consecutively upward in order of maturity preceded by the letter "R" and with such further or alternate designation as the Trustee shall determine with the approval of the Issuer. In accordance with Section 303 of the Indenture, the 2007 Series A Bonds shall be authenticated prior to delivery by the Trustee, who is hereby appointed Authenticating Agent for the 2007 Series A Bonds. The Trustee is also hereby appointed registrar for the 2007 Series A Bonds.

(4) All 2007 Series A Bonds shall be dated March 7, 2007 and shall bear interest payable from the date of the first advance to the Issuer pursuant to the Loan Agreement, from September 1 or March 1 to which interest has been paid or duly provided, if no interest has been paid, from the Original Issue Date. Principal of or sinking fund installments on the 2007 Series A Bonds shall be payable on the dates, in the Amounts, at the stated rate, which is the Issuer's Market Interest Rate (the "Market Rate") but with a subsidized interest rate (which is 75% of the respective Market Rate (the "Subsidized Interest Rate") shown below:



<u>Payment Date</u>	<u>Principal Amount or Sinking Fund Installment</u>	<u>Market Rate</u>	<u>Subsidized Rate</u>
September 1, 2007	\$ 1,000*	3.71%	2.78%
September 1, 2008	106,000	3.71	2.78
September 1, 2009	110,000	3.78	2.83
September 1, 2010	114,000	3.84	2.88
September 1, 2011	117,000	3.86	2.89
September 1, 2012	121,000	3.88	2.91
September 1, 2013	125,000	3.91	2.93
September 1, 2014	130,000	3.94	2.95
September 1, 2015	134,000	3.99	2.99
September 1, 2016	139,000	4.04	3.03
September 1, 2017	144,000	4.08	3.06
September 1, 2018	149,000	4.12	3.09
September 1, 2019	154,000	4.15	3.11
September 1, 2020	160,000	4.17	3.13
September 1, 2021	166,000	4.19	3.14
September 1, 2022	172,000	4.21	3.16
September 1, 2023	178,000	4.23	3.17
September 1, 2024	185,000	4.25	3.19
September 1, 2025	191,000	4.27	3.20
September 1, 2026	198,000	4.28	3.21
September 1, 2027	206,000	4.30	3.22

\* Represents sinking fund redemption of September 1, 2008 maturity

Interest on the 2007 Series A Bonds (calculated on the basis of a numerator using 30 days and a denominator using a 360-day year) is payable semi-annually on September 1 and March 1 of each year commencing September 1, 2007 each year until maturity (herein referred to as an "Interest Payment Date"). If any Interest Payment Date or Principal Payment Date is not a Business Day, interest or principal shall be paid on the next succeeding Business Day with no additional interest accruing.

(5) The Principal Amount of, Redemption Price of and interest on the 2007 Series A Bonds shall be payable by the Paying Agent for the 2007 Series A Bonds by check or draft drawn upon the Trustee and mailed to the address of the registered owner thereof as it appears on the registry books of the City determined as of the close of business on the applicable record date, provided, however, that payments of interest to any registered owner of \$1,000,000 or more aggregate principal amount of 2007 Series A Bonds may be paid at the election of the registered owner by wire transfer to the account number of such registered owner on file with the Trustee or to another account number of which the registered owner shall give notice to the Trustee in writing at least five days prior to the Interest Payment Date. The record date for payment of interest on the 2007 Series A Bonds shall be the fifteenth day preceding the date on

"2008 Series A Project" shall mean the Project described in the third WHEREAS clause of this Second Supplemental Indenture.

"Tax Compliance Certificate" shall mean the Arbitrage and Use of Proceeds Certificate of the Issuer delivered in connection with the 2008 Series A Bonds.

Section 102. Authority. This Second Supplemental Indenture is authorized pursuant to the Indenture.

## ARTICLE II DETAILS AND FORM OF 2008 SERIES A BONDS

Section 201. 2008 Series A Bonds. (1) A Series of Fixed Rate Bonds, designated "Water Revenue Bonds, 2008 Series A" and constituting the second Series of Bonds under the Indenture, is hereby authorized to be issued pursuant to Section 204 of the Indenture in the aggregate Principal Amount of \$5,900,000.

(2) The purposes for which the 2008 Series A Bonds are issued are (a) to provide funds to pay all or a portion of the Cost of the 2008 Series A Project, (b) to provide funds for deposit in an account for the 2008 Series A Bonds in the Debt Service Reserve Fund, and (c) to provide for all or a portion of the Cost of Issuance of the 2008 Series A Bonds, subject in all cases to the limitations and provisions provided in Article V of the Indenture and in the amounts determined by or pursuant to Article III hereof.

(3) The 2008 Series A Bonds shall be issued in denominations of \$1,000 or any whole multiple thereof, and shall be lettered and numbered separately from one (1) consecutively upward in order of maturity preceded by the letter "R" and with such further or alternate designation as the Trustee shall determine with the approval of the Issuer. In accordance with Section 303 of the Indenture, the 2008 Series A Bonds shall be authenticated prior to delivery by the Trustee, who is hereby appointed Authenticating Agent for the 2008 Series A Bonds. The Trustee is also hereby appointed registrar for the 2008 Series A Bonds.

(4) All 2008 Series A Bonds shall be dated June 5, 2008 and shall bear interest payable from the date of the first advance to the Issuer pursuant to the Loan Agreement, from September 1 or March 1 to which interest has been paid or duly provided, if no interest has been paid, from the Original Issue Date. Principal of or sinking fund installments on the 2008 Series A Bonds shall be payable on the dates, in the Amounts, at the stated rate, which is the Issuer's Market Interest Rate (the "Market Rate") but with a subsidized interest rate (which is 75% of the respective Market Rate (the "Subsidized Interest Rate") shown below:

<u>Payment Date</u>	<u>Principal Amount or Sinking Fund Installment</u>	<u>Market Rate</u>	<u>Subsidized Rate</u>
September 1, 2008	\$1,000 *	2.78%	2.08%
September 1, 2009	1,000 *	2.78	2.08
September 1, 2010	211,000	2.78	2.08
September 1, 2011	217,000	3.14	2.35
September 1, 2012	223,000	3.40	2.55
September 1, 2013	230,000	3.51	2.63
September 1, 2014	238,000	3.62	2.71
September 1, 2015	245,000	3.75	2.81
September 1, 2016	253,000	3.86	2.89
September 1, 2017	261,000	3.98	2.98
September 1, 2018	270,000	4.10	3.07
September 1, 2019	280,000	4.20	3.15
September 1, 2020	291,000	4.30	3.22
September 1, 2021	301,000	4.39	3.29
September 1, 2022	312,000	4.46	3.34
September 1, 2023	325,000	4.53	3.40
September 1, 2024	337,000	4.59	3.44
September 1, 2025	350,000	4.64	3.48
September 1, 2026	365,000	4.69	3.52
September 1, 2027	379,000	4.74	3.55
September 1, 2028	394,000	4.79	3.59
September 1, 2029	418,000	4.84	3.63

\* Represents sinking fund redemption of September 1, 2010 maturity

Interest on the 2008 Series A Bonds (calculated on the basis of a numerator using 30 days and a denominator using a 360-day year) is payable semi-annually on September 1 and March 1 of each year commencing September 1, 2008 each year until maturity (herein referred to as an "Interest Payment Date"). If any Interest Payment Date or Principal Payment Date is not a Business Day, interest or principal shall be paid on the next succeeding Business Day with no additional interest accruing.

(5) The Principal Amount of, Redemption Price of and interest on the 2008 Series A Bonds shall be payable by the Paying Agent for the 2008 Series A Bonds by check or draft drawn upon the Trustee and mailed to the address of the registered owner thereof as it appears on the registry books of the City determined as of the close of business on the applicable record date, provided, however, that payments of interest to any registered owner of \$1,000,000 or more aggregate principal amount of 2008 Series A Bonds may be paid at the election of the registered owner by wire transfer to the account number of such registered owner on file with the

"2009 Series A Project Account" shall mean the account in the Project Fund so designated and created by Section 301 of this Third Supplemental Indenture.

"2009 Series A Project" shall mean the Project described in the third WHEREAS clause of this Third Supplemental Indenture.

"Tax Compliance Certificate" shall mean the Arbitrage and Use of Proceeds Certificate of the Issuer delivered in connection with the 2009 Series A Bonds.

Section 102. Authority. This Third Supplemental Indenture is authorized pursuant to the Indenture.

## ARTICLE II DETAILS AND FORM OF 2009 SERIES A BONDS

Section 201. 2009 Series A Bonds. (1) A Series of Fixed Rate Bonds, designated "Water System Revenue Bonds, 2009 Series A" and constituting the third Series of Bonds under the Indenture, is hereby authorized to be issued pursuant to Section 204 of the Indenture in the aggregate Principal Amount of \$3,300,000.

(2) The purposes for which the 2009 Series A Bonds are issued are (a) to provide funds to pay all or a portion of the Cost of the 2009 Series A Project, (b) to provide funds for deposit in an account for the 2009 Series A Bonds in the Debt Service Reserve Fund, and (c) to provide for all or a portion of the Cost of Issuance of the 2009 Series A Bonds, subject in all cases to the limitations and provisions provided in Article V of the Indenture and in the amounts determined by or pursuant to Article III hereof.

(3) The 2009 Series A Bonds shall be issued in denominations of \$1,000 or any whole multiple thereof, and shall be lettered and numbered separately from one (1) consecutively upward in order of maturity preceded by the letter "R" and with such further or alternate designation as the Trustee shall determine with the approval of the Issuer. In accordance with Section 303 of the Indenture, the 2009 Series A Bonds shall be authenticated prior to delivery by the Trustee, who is hereby appointed Authenticating Agent for the 2009 Series A Bonds. The Trustee is also hereby appointed registrar for the 2009 Series A Bonds.

(4) All 2009 Series A Bonds shall be dated November 19, 2009 and shall bear interest payable from the date of the first advance to the Issuer pursuant to the Loan Agreement, from September 1 or March 1 to which interest has been paid or duly provided, if no interest has been paid, from the Original Issue Date. Principal of or sinking fund installments on the 2009 Series A Bonds shall be payable on the dates, in the Amounts, at the stated rates shown below which is the City's market interest rate (the "Market Interest Rate") but with a subsidized interest which is 75% of the respective Market Interest Rate (the "Subsidized Interest Rate") and a principal forgiveness subsidy as provided in the Loan Agreement:

<u>Payment Date</u>	<u>Principal Amount or Sinking Fund Installment</u>	<u>Market Interest Rate</u>	<u>Subsidized Rate</u>
September 1, 2010	\$ 1,000*	0.86%	0.65%
September 1, 2011	122,000	1.34	1.01
September 1, 2012	124,000	1.82	1.37
September 1, 2013	126,000	2.35	1.76
September 1, 2014	129,000	2.87	2.15
September 1, 2015	133,000	3.32	2.49
September 1, 2016	137,000	3.61	2.71
September 1, 2017	141,000	3.84	2.88
September 1, 2018	146,000	4.00	3.00
September 1, 2019	151,000	4.13	3.10
September 1, 2020	156,000	4.24	3.18
September 1, 2021	162,000	4.32	3.24
September 1, 2022	168,000	4.39	3.29
September 1, 2023	175,000	4.46	3.35
September 1, 2024	181,000	4.53	3.40
September 1, 2025	188,000	4.59	3.44
September 1, 2026	196,000	4.61	3.46
September 1, 2027	204,000	4.63	3.47
September 1, 2028	212,000	4.68	3.51
September 1, 2029	220,000	4.71	3.53
September 1, 2030	228,000	4.72	3.54

\*Represents sinking fund redemption of September 1, 2011 maturity

Interest on the 2009 Series A Bonds (calculated on the basis of a numerator using 30 days and a denominator using a 360-day year) is payable semi-annually on September 1 and March 1 of each year commencing March 1, 2010 each year until maturity (herein referred to as an "Interest Payment Date"). If any Interest Payment Date or Principal Payment Date is not a Business Day, interest or principal shall be paid on the next succeeding Business Day with no additional interest accruing.

(5) The Principal Amount of, Redemption Price of and interest on the 2009 Series A Bonds shall be payable by the Paying Agent for the 2009 Series A Bonds by check or draft drawn upon the Trustee and mailed to the address of the registered owner thereof as it appears on the registry books of the City determined as of the close of business on the applicable record date, provided, however, that payments of interest to any registered owner of \$1,000,000 or more aggregate principal amount of 2009 Series A Bonds may be paid at the election of the registered owner by wire transfer to the account number of such registered owner on file with the Trustee or to another account number of which the registered owner shall give notice to the

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Div 1-21: Please explain how Newport Water's multi-year rate plan takes into account increase in costs other than increase other than debt service.

Response: Newport Water's multi-year rate plan only considers increases in estimated debt service and therefore does not take into account increased costs other than debt service.

Prepared by: H. Smith

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Div 1-22: Please explain whether Newport Water expects to seek rate increases during its proposed multi-year rate program for revenue increases other than those to meet increased debt service requirements?

If yes, please explain when Newport would expect to file for its next such increase.

If yes, please explain why it is appropriate and necessary to approve a five year rate plan that will not be adequate to meet Newport's revenue requirements.

Response: To the extent that revenue under the proposed rates is not sufficient to meet revenue requirements – whether due to increased O&M expenses or decreased sales – Newport Water would have to seek rate increases in addition those proposed in the multi-year plan.

If Newport Water is required to seek rate adjustments in addition to those proposed in its multi-year rate plan, it would seek those adjustments as soon as possible as the need for such adjustments is identified.

It is appropriate and necessary to approve a multi-year plan for several reasons. To begin with, a multi-year plan is provided for under Rhode Island law. In addition, the approval of a multi-year rate plan that provides the revenue necessary to meet debt service requirements gives potential lenders a greater level of certainty that Newport Water will be able to meet its debt service requirements and therefore should result in favorable borrowing terms.

A multi-year plan will also save expenses related to the filing of rate cases. If Newport did not seek a multi-year increase it would only have two other options. First, Newport would have to file a single case seeking a single increase to have the funds in place to service its debt. Newport Water has to secure over \$90 million in loans over the next four years. If Newport sought the funds necessary to service this debt in a single rate increase, there would be extreme rate shock for Newport's customers.

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Newport's second option would be the filing of multiple cases over the next four years. This would be an added expense that Newport's customers would have to absorb.

If Newport has a multi-year plan in place to service its debt, the issues surrounding the request can be litigated in a single rate case. Since this is the single biggest component of Newport's required revenue over the next four to five years, it is likely that any rate filings to address increased O&M expenses or consumption issues will be less costly and may be able to be filed as abbreviated filings.

Prepared by: H. Smith



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Div 1-23: Please explain the basis for assuming that a full year of principal and interest on each new SRF loan will be due in the same year that the bonds are issued, as shown on RFC Schedule C.

Response: As discussed in the response to Div. 1-18, there is uncertainty with respect to the availability and terms of borrowings from RICWFA to fund Newport Water's planned capital program. Therefore, relatively conservative assumptions have been used in the determination of annual debt service needs. The assumption that Newport Water will be required to pay a full year of principal and interest on each new SRF borrowing in the same year the bonds are issued is one of those assumptions. It should be noted that Newport Water is required to deposit the allowed Contribution to the Debt Service Restricted Account into a restricted account that can only be used to make debt service payments. It should also be noted that to the extent that actual debt service requirements are less than projected, the proposed increase to meet the next year's increased debt service requirements would be lower than those proposed in Newport Water's multi-year plan. Thus, if there are excess funds in the restricted debt service account, this could help offset the future rate increases in the multi-year plan pursuant to the review mechanism provided for in R.I.G.L. §39-15.1-4.

Prepared by: H. Smith

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Div 1-24: For the 2007, 2008 and 2009 SRF Loans shown on RFC Schedule C, please explain how the debt service payments for the first three years each loan was outstanding were determined.

Response: The annual debt service payments for the 2007, 2008 and 2009 SRF loans shown on RFC Schedule C were taken from actual debt service schedules provided by RICWFA when these loans were closed.

Prepared by: H. Smith

**STATE OF RHODE ISLAND  
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Div. 1-25: Please identify all savings expected to be realized with the completion of the radio read project and explain how those savings have been reflected in Newport Water's filing.

Response: Newport Water expects to realize a number of benefits with the completion of the Radio Read project. However these are not necessarily cost savings that are reflected in Newport Water's filing. These benefits include the following:

- Virtual elimination of estimated water readings
- Actual readings will allow Newport Water to better account for water usage and will allow us to more easily calculate unaccounted for water
- The radio read meters will improve leak detection by allowing us to read specific areas on a daily basis if needed when there is a suspected problem
- The radio reads will allow Newport Water to consolidate all residential account billing to one quarterly cycle from the current three quarterly cycles, which will allow us to better understand water demand/sales for different periods of the year.

Newport Water does not intend to eliminate positions in the Customer Service Section upon completion of this project as current staff members will completely maintain all the meters throughout our system and serve other functions. Customer Service Section staff are currently being trained/certified as backflow inspectors and testers and will be used by Newport Water in the RIDOH mandated Cross Connection Control Program.

Prepared by: K. Mason

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Div. 1-26: Please identify the quantities of each chemical utilized in FY 2008, FY 2009 and FY 2010 at Source of Supply-Island, Station One and Lawton Valley.

Response: Please see the attached spreadsheet detailing the quantities of each chemical utilized in FY 2008, FY 2009 and FY 2010 at Source of Supply-Island, Station One and Lawton Valley.

Prepared by: K. Mason

City of Newport Utilities Department, Water Division Docket No. 4243  
Div. 1-26

Chemical Usage Source of Supply Island

**Copper Sulfate**

**FY 08**

**Total                      43,000**

**FY 09**

**Total                      30,100**

**FY 10**

**Total                      36,850**

Note: All chemical usages are indicated in pounds

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Div. 1-27: Please provide supporting documentation for the unit chemical costs projected for FY 2012. Also identify the current contract price for each chemical.

Response: Unit price costs for chemicals for FY 2012 has been obtained as a result of Bid number 11-067 received May 3, 2011. Listed below is pricing in effect for the current FY 11 and bid pricing received for FY 12. Please be advised that bidding for Sodium Chlorite and Granular Activated Carbon was not conducted this year as the pricing for these chemicals was previously bid on a long term basis with the pricing for these chemicals fixed through FY 12. Also bidding is not conducted for Polymer, as this is a sole source supplier for this chemical, GE Betz. Pricing for this chemical is based upon the current unit price paid.

<b><u>Chemical Name</u></b>	<b><u>Current FY 11 pricing</u></b>	<b><u>Proposed FY 12 pricing</u></b>
Aluminum Sulfate	\$0.1840/lbs	\$0.1745/lbs
Chlorine	\$0.4250/lbs	\$0.4250/lbs
Fluoride	\$0.4574/lbs	\$0.420/lbs
Sodium Hydroxide	\$0.6298/gallon	\$0.6893/gallon
Copper Sulfate	\$1.44/lbs	\$1.865/lbs
Polymer	\$7.65/lbs	\$7.65/lbs
Sodium Chlorite	\$0.780/lbs	\$0.780/lbs
Granular Activated Carbon	\$48.41/cuft	\$48.41/cuft

Prepared by: K. Mason

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**CERTIFICATION**

I hereby certify that on May 27, 2011, I sent by electronic mail a copy of the within to Service List herein below, and mailed one original and nine copies to Luly Massaro, Clerk, Rhode Island Public Utilities Commission.

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