

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION**

**IN RE: CITY OF WOONSOCKET            :**  
**WATER DIVISION APPLICATION        :**                             **DOCKET NO. 4320**  
**TO CHANGE RATES                    :**

**SETTLEMENT AGREEMENT**

This Settlement Agreement is entered into by and between The City of Woonsocket, Water Division (“WWD”) and the Division of Public Utilities and Carriers (“Division”), collectively the “Parties”, in order to resolve the issues pending in the above-captioned proceeding. The Parties jointly request approval of this Settlement Agreement by the Rhode Island Public Utilities Commission (“Commission”).

**I. RECITALS**

Pursuant to R.I.G.L. § 39-3-11, on March 16, 2012, WWD filed with the Commission a Filing for Rate Change. In the initial filing, WWD requested approval of new rates designed to collect additional revenues in a 12-month period equal to \$813,326, over the current rates and charges, or an increase of approximately 10.86% (11.58% to a typical residential customer). The filed total revenue requirement was \$8,301,954. In the initial filing, WWD filed testimony and supporting exhibits and schedules by Sheila McGauvran, the City of Woonsocket’s Director of Public Works, Walter E. Edge, MBA, C.P.A., and David Bebyn C.P.A. After the procedural schedule was established by the Commission, the Town of North Smithfield intervened as a party on May 18, 2012.

In response to WWD's filing, the Division conducted an investigation of WWD's proposed rate request through data requests. The Division, through its consultants Ms. Crane and Mr. Mierzwa, filed direct testimony, dated July 13, 2012. Ms. Crane reviewed revenue requirements and recommended several adjustments to the WWD’s request for additional revenues concerning

the following expense items: Light and Power expenses; Property and Fire Tax Expenses; Insurance Expenses; City Services Charges (including hydrant charges); Infrastructure Replacement Fund (IFR); Debt Service Reserve; and Operating Revenue allowance. The Division's adjustments, taken together, suggested a revenue increase for WWD of \$6,544, or an increase over present rates of 0.09%. Mr. Mierzwa reviewed WWD's Cost of Service Study and rate design proposals. Mr. Mierzwa did not recommend any changes to WWD's Cost of Service Study and rate design with this rate proceeding before the Commission. However, Mr. Mierzwa did recommend that WWD re-examine and document the reasonableness of its historical allocation factors in its next rate case.

On August 17, 2012, WWD filed Rebuttal Testimony through its consultant Walter E. Edge, Jr. and by its Public Works Director, Sheila McGauvran. Mr. Edge's Rebuttal Testimony concurred with the Division's consultant, Mr. Mierzwa regarding cost of service and rate design recommendations. Mr. Edge concurred with the Division's consultant, (Ms. Crane) regarding Light and Power Expenses. However, Mr. Edge and Ms. McGauvran did not agree with Ms. Crane's recommendations regarding: IFR; City Services; Insurance Expenses; Operating Reserve Allowance; Debt Service; and Property and Tax Expenses.

On September 19<sup>th</sup>, after the Division's surrebuttal filing, WWD and the Division met to discuss several issues and the possibility of settlement. During this meeting the parties reviewed the information in the filing which resulted in modification of several schedules. Subsequently, on September 25, 2012, a pre-hearing conference was held with Commission legal counsel, Commission staff, WWD and the Division.

Following this conference, another settlement conference was held between the Division and WWD. During negotiations with the Division, it was determined that the pro-forma

chemical costs were underestimated by \$100,000. The initial filing called for carbon filter replacement every other year, however, the filters must be replaced yearly thus raising the chemical account costs by \$100,000. Had WWD's original filing included the appropriate level for chemical expense, the requested revenue increase would have been \$913,326 or 12.2% and a total revenue requirement of \$8,401,954. Additionally, the Division recommended that the rate case account and the chemical account be unrestricted, however due to WWD's underestimate, it was agreed that only the rate case account will be unrestricted.

After due consideration of the Parties' testimony, exhibits and other documentation included in the filings of WWD and the Division, the Parties have now agreed to a settlement which resolves all issues relating to WWD's Rate Filing. Schedules reflecting the settlement are restated and incorporated in this settlement agreement and are attached hereto and marked as: The Rate Year Summary ("Schedule SETTLEMENT – 1"); Statement of Revenues - Rate Year ("Schedule SETTLEMENT – 1A"); Expense Summary - Rate Year ("Schedule SETTLEMENT – 1B"); Comparison of Existing and Proposed Rates and Charges ("Schedule SETTLEMENT – 2"); Proof of Revenues ("Schedule SETTLEMENT – 3"); Impact of Proposed Rates ("Schedule SETTLEMENT – 4"). Schedules WEE-9 and WEE-10 are restated and incorporated in this Settlement Agreement by reference. The Parties believe that this settlement, as a whole, constitutes a just and reasonable resolution of the issues in this proceeding, and jointly request its approval by the Commission.

## **II. TERMS OF SETTLEMENT**

1. The Parties agree to a net revenue requirement of \$7,997,009 which is an increase of \$508,381 or 6.79 % over WWD's present rate revenues. See Schedule SETTLEMENT-1.

2. The increase shall be applied to all WWD customer classes based upon the rate design submitted by WWD in this filing. As noted in the previous section the Division proposed no changes to the rate design submitted by WWD.

3. The Parties agree funding to a chemical level of \$396,000, as more fully set forward in the revised schedule WEE-9 attached to this settlement. This revised schedule correctly listed carbon change out every year instead of every other year.

4. The Parties agreed a funding account for IFR of \$1,700,000, as more fully set forward in the revised schedule WEE-10 attached to this settlement. This revised schedule also corrects the beginning carryover balance from \$5,746,580 to \$3,361,210. The FY 2012 expenditures have been updated to reflect actual amounts and the schedule includes projects listed on the Project Priority List (PPL). This correction is detailed in the data response to Commission request 5-1, filed on October 5, 2012.

5. The Parties agree to unrestrict the rate case expense account.

6. WWD shall file with the Commission revised semi-annual reports from 2006 to 2012.

7. WWD shall re-examine and document the reasonableness of its historical allocation factors in its next rate case.

8. All other accounts shall be funded at levels in the Rate Year as reflected in the attached "Schedule SETTLEMENT-1B," for "Expense Summary – Rate Year."

9. This Settlement Agreement is the product of negotiation and compromise. The making of this agreement establishes no principles or precedents. This agreement shall not be deemed to foreclose any party from making any contention in any future proceeding or investigation.

10. The acceptance of this agreement by the Commission shall not in any respect constitute a determination by the Commission as to the merits of any issue in any subsequent rate proceeding.

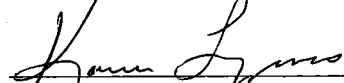
11. In the event that the Commission (i) rejects this Settlement Agreement, (ii) fails to accept this Settlement Agreement as filed, or (iii) accepts the Settlement Agreement subject to conditions unacceptable to any party hereto, then this Settlement Agreement shall be deemed withdrawn and shall be null and void in all respects.

12. The undersigned signatories hereby attest that each believes that the settlement is reasonable, in the public interest and in accordance with law and regulatory policy.

DIVISION OF PUBLIC UTILITIES  
AND CARRIERS

By its attorney,

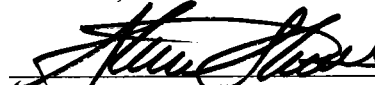
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THE CITY OF WOONSOCKET, WATER  
DIVISION

By its attorney,

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TAB 1

RATE YEAR SUMMARY  
WOONSOCKET WATER DIVISION

Schedule SETTLEMENT-1

|            | WWD<br>Claim | WWD/Division<br>Adjustments | Proposed<br>Settlement | Rate Increase | Proposed<br>New rates |       |
|------------|--------------|-----------------------------|------------------------|---------------|-----------------------|-------|
| Revenue    | \$ 7,488,628 | \$ -                        | \$ 7,488,628           | \$ 508,381    | \$ 7,997,009          | 6.79% |
| Expenses   | 8,301,954    | (304,945)                   | 7,997,009              | (63,180)      | 7,933,829             |       |
| Net Profit | \$ (813,326) | \$ 304,945                  | \$ (508,381)           | \$ 571,561    | \$ 63,180             |       |

|                         |                     |
|-------------------------|---------------------|
| Net revenue requirement | \$ 7,752,077        |
| Rate Revenues           | 244,932             |
| Misc. Revenues          | <u>\$ 7,997,009</u> |

TAB A



**STATEMENT OF REVENUE - RATE YEAR    Schedule SETTLEMENT-1A**  
**WOONSOCKET WATER DIVISION**

| ACCT. #                               | BUDGET ACCOUNT DESCRIPTION      | WWD<br>CLAIM        | WWD/DIVISION<br>ADJUSTMENT | PROPOSED<br>SETTLEMENT |
|---------------------------------------|---------------------------------|---------------------|----------------------------|------------------------|
| <b>REVENUE</b>                        |                                 |                     |                            |                        |
| <i>Revenue from Rates and Charges</i> |                                 |                     |                            |                        |
| 41010                                 | Water Sales                     | \$ 5,795,350        |                            | \$ 5,795,350           |
|                                       | Wholesale Sales                 | 193,146             | -                          | 193,146                |
|                                       | Customer Service Revenue        | 1,162,655           |                            | 1,162,655              |
|                                       | Public Fire Service Revenue     | 21,374              |                            | 21,374                 |
|                                       | Private Fire Service Revenue    | 71,171              |                            | 71,171                 |
|                                       |                                 | 7,243,696           | -                          | 7,243,696              |
| <i>Miscellaneous Revenue</i>          |                                 |                     |                            |                        |
| 41030                                 | Service & Extensions            | 57,709              |                            | 57,709                 |
| 41035                                 | Repairs                         | 6,017               |                            | 6,017                  |
| 41040                                 | Miscellaneous Income            | 41,335              |                            | 41,335                 |
| 41070                                 | Water Surcharge                 | 21,787              |                            | 21,787                 |
| 42310                                 | Interest on Bills               | 117,635             |                            | 117,635                |
| 42320                                 | Interest on Investments         | 449                 |                            | 449                    |
|                                       | Interest on Restricted Accounts | -                   |                            | -                      |
|                                       |                                 | 244,932             | -                          | 244,932                |
|                                       | <b>TOTAL REVENUE</b>            | <b>\$ 7,488,628</b> | <b>\$ -</b>                | <b>\$ 7,488,628</b>    |

**TAB B**

**EXPENSE SUMMARY - RATE YEAR  
WOONSOCKET WATER DIVISION**

**Schedule SETTLEMENT-1B**

| ACCT. #   | BUDGET ACCOUNT DESCRIPTION         | WWD CLAIM    | WWD/DIVISION ADJUSTMENT | PROPOSED SETTLEMENT |
|---|------------------------------------|--------------|-------------------------|---------------------|
| <b>EXPENSES</b>                                   |                                    |              |                         |                     |
| <i>Personnel Expense</i>                          |                                    |              |                         |                     |
| 51110   | Permanent Services                 | \$ 1,217,021 |                         | 1,217,021           |
| 51122   | Temporary Labor                    | 14,075       |                         | 14,075              |
| 51141   | Overtime Pay                       | 157,108      |                         | 157,108             |
| 51144   | Out of Class                       | 1,094        |                         | 1,094               |
| 51145   | Longevity Pay                      | 47,886       |                         | 47,886              |
| 51146   | Medical Buy Back                   | -            |                         | -                   |
| 51147   | Sick Leave Reimbursement           | 59           |                         | 59                  |
| 51149   | Shift Differential                 | 8,424        |                         | 8,424               |
| 51153   | Non-sick/Injury Bonus              | 500          |                         | 500                 |
| 51155   | Bonus for Course                   | 19,395       |                         | 19,395              |
| 51160   | Retirement                         | 32,110       |                         | 32,110              |
| <i>Total Personnel Expenses</i>                   |                                    | 1,497,672    | -                       | 1,497,672           |
| <i>Maintenance &amp; Servicing Expenses</i>       |                                    |              |                         |                     |
| 52211   | Postage                            | 16,055       |                         | 16,055              |
| 52212   | Telephone                          | 20,105       |                         | 20,105              |
| 52213   | Dues & Subscriptions               | 1,414        |                         | 1,414               |
| 52214   | Advertising                        | 2,382        |                         | 2,382               |
| 52216   | Travel Out of City                 | 174          |                         | 174                 |
| 52219   | Educational Training               | 6,761        |                         | 6,761               |
| 52221   | Printing & Reproducing             | 13,573       |                         | 13,573              |
| 52231   | General Maint. & Upkeep            | 27,041       |                         | 27,041              |
| 52234   | Vehicle & Outside Equip. Upkeep    | 21,119       |                         | 21,119              |
| 52236   | Maintenance - Office Equipment     | 406          |                         | 406                 |
| 52238   | Maintenance - Roads & Walks        | 88,129       |                         | 88,129              |
| 52239   | Computer Software                  | 19,057       |                         | 19,057              |
| 52244   | Land Rental Charges                | 2,043        |                         | 2,043               |
| 52249   | Other Rentals                      | 6,685        |                         | 6,685               |
| 52251   | Heating                            | 16,093       |                         | 16,093              |
| 52252   | Light & Power                      | 261,881      | (1) (1,202)             | 260,679             |
| 52255   | Property & Fire Taxes              | 171,030      | (2) (3,516)             | 167,514             |
| 52256   | Sewer Assessment                   | 53,771       |                         | 53,771              |
| 52258   | State Pollution Monitoring Program | 13,183       |                         | 13,183              |
| 52260   | Regulatory Assessments             | 34,556       |                         | 34,556              |
| 52261   | Conservation Services              | 2,070        |                         | 2,070               |
| 52266   | Police Details                     | 6,029        |                         | 6,029               |
| 52281   | Other Independent Service          | 65,623       |                         | 65,623              |
| 52282   | Audit Service                      | 7,500        |                         | 7,500               |
| 52283   | Legal Service                      | 37,778       |                         | 37,778              |
| 52289   | Medical Examinations               | -            |                         | -                   |
| 52290   | Engineering Service                | 4,063        |                         | 4,063               |
| <i>Total Maintenance &amp; Servicing Expenses</i> |                                    | 898,518      | (4,718)                 | 893,800             |
| <i>Operating Supplies &amp; Expenses</i>          |                                    |              |                         |                     |
| 53311   | Office Supplies                    | 3,552        |                         | 3,552               |
| 53321   | Gas & Diesel                       | 28,357       |                         | 28,357              |
| 53322   | Tires & Batteries                  | 541          |                         | 541                 |
| 53336   | Chemicals - Water Supply           | -            |                         | -                   |

**EXPENSE SUMMARY - RATE YEAR  
WOONSOCKET WATER DIVISION**

Schedule SETTLEMENT-1B

| ACCT. #  | BUDGET ACCOUNT DESCRIPTION         | WWD CLAIM    | WWD/DIVISION ADJUSTMENT | PROPOSED SETTLEMENT |
|--|------------------------------------|--------------|-------------------------|---------------------|
| <i>Operating Supplies &amp; Expenses (Continued)</i> |                                    |              |                         | -                   |
| 53344  | Tools & Implements                 | 5,476        |                         | 5,476               |
| 53346  | Cleaning & Housekeeping Supplies   | 1,616        |                         | 1,616               |
| 53349  | Other Supplies                     | 33,055       |                         | 33,055              |
| 53351  | Lab Supplies                       | 22,542       |                         | 22,542              |
| 53363  | Clothing & Footware                | 5,406        |                         | 5,406               |
| 53366  | Drug & Medical Supplies            | 1,098        |                         | 1,098               |
| 53369  | Clothing Allowance                 | 4,490        |                         | 4,490               |
| <i>Total Operating Supplies &amp; Expenses</i>       |                                    | 106,133      | -                       | 106,133             |
| <i>General Expenses</i>                              |                                    |              |                         |                     |
| 54433  | Pensions                           | 43,513       |                         | 43,513              |
| 54434  | FICA Employer Cost                 | 114,572      |                         | 114,572             |
| 54446  | City Service Charges               | 320,453      | (3) (10,718)            | 309,735             |
| 54451  | Insurance - Vehicles & Equipment   | 78,280       | (4) (2,779)             | 75,501              |
| 54452  | Insurance - Workmen's Comp         | 136,652      | (4) (4,852)             | 131,800             |
| 54453  | Insurance - Liability              | 126,822      | (4) (4,503)             | 122,319             |
| 54456  | Insurance - Group Life             | 7,563        | (4) (269)               | 7,294               |
| 54471  | Health Insurance                   | 735,829      | (4) (26,127)            | 709,702             |
| 54472  | Dental Insurance                   | 41,394       | (4) (1,470)             | 39,924              |
| <i>Total General Expenses</i>                        |                                    | 1,605,078    | (50,718)                | 1,554,360           |
| <i>Restricted Account Expenses</i>                   |                                    |              |                         | -                   |
| 53336  | Chemicals - Water Supply           | 296,000      | (5) 100,000.00          | 396,000             |
| 54417  | Operating Resrve                   | 122,689      | (6) (59,509)            | 63,180              |
| 54463  | Infrastructure Replacement         | 1,956,000    | (7) (256,000)           | 1,700,000           |
| 54464  | Rate Case Expense                  | 69,864       | (8) (4,000)             | 65,864              |
| 54467  | Debt Service Reimbursement Non-IFR | 505,000      | -                       | 505,000             |
|  | Debt Service Reimbursement IFR     | 1,125,000    | (9) (30,000)            | 1,095,000           |
| 54473  | Renewal & Replace Fund             | 120,000      | -                       | 120,000             |
| <i>Total Other Miscellaneous Expenses</i>            |                                    | 4,194,553    | (249,509)               | 3,945,044           |
| <b>TOTAL EXPENSES</b>                                |                                    | \$ 8,301,954 | \$ (304,945)            | \$ 7,997,009        |

Excluding Operating Reserve \$ 7,933,829

- (1) = Electrical adjustment per ACC-2
- (2) = Property tax adjustment per ACC-3
- (3) = Executive allocation to City Service adjustment per ACC-6
- (4) = Net \$40,000 adjustment to Insurance expense spread among the various insurance account pro-rata.
- (5) = Agreed upon adjustment to Chemical Reserve
- (6) = Agreed upon adjustment to Operating reserve
- (7) = Agreed upon adjustment to IFR
- (8) = Rate Case adjustment to remove transcript costs of \$8,000 amortized over 2 years
- (9) = Debt Service adjustment per ACC-7

TAB 2

**Comparison of Existing and Proposed Rates & Charges**

**Woonsocket Water Division**

**Schedule SETTLEMENT-2**

|   |                            | Current     | Proposed    | % Increase |
|---|----------------------------|-------------|-------------|------------|
| <b><u>Public Fire Protection</u></b>  |                            |             |             |            |
| <b><u>City of Woonsocket</u></b>  |                            |             |             |            |
| 4   | Inch                       | \$ -        | \$ -        | 0.00%      |
| 6   | Inch                       | \$ -        | \$ -        | 0.00%      |
| <b><u>Other</u></b>   |                            |             |             |            |
| 4   | Inch                       | \$ 130.74   | \$ 163.74   | 25.24%     |
| 6   | Inch                       | \$ 379.76   | \$ 475.62   | 25.24%     |
|   | Per Bill                   | \$ 7.84     | \$ 9.27     | 18.26%     |
| <b><u>Private Fire Protection</u></b>   |                            |             |             |            |
| 2   | Inch                       | \$ 39.04    | \$ 46.94    | 20.23%     |
| 3   | Inch                       | \$ 83.08    | \$ 101.54   | 22.22%     |
| 4   | Inch                       | \$ 159.68   | \$ 196.49   | 23.05%     |
| 6   | Inch                       | \$ 424.84   | \$ 526.32   | 23.89%     |
| 8   | Inch                       | \$ 882.24   | \$ 1,095.32 | 24.15%     |
| 10  | Inch                       | \$ 1,556.64 | \$ 1,935.97 | 24.37%     |
| <b><u>Minimum Service Charge</u></b>  |                            |             |             |            |
| <b><u>Customer Service Charge All Ratepayers</u></b>                                  |                            |             |             |            |
| 5/8   | Inch                       | \$ 14.57    | \$ 16.82    | 15.47%     |
| 3/4   | Inch                       | \$ 17.39    | \$ 20.00    | 14.98%     |
| 1   | Inch                       | \$ 19.67    | \$ 22.55    | 14.63%     |
| 1 1/2   | Inch                       | \$ 29.77    | \$ 33.89    | 13.84%     |
| 2   | Inch                       | \$ 38.62    | \$ 43.82    | 13.47%     |
| 3   | Inch                       | \$ 50.23    | \$ 56.85    | 13.18%     |
| 4   | Inch                       | \$ 72.27    | \$ 81.59    | 12.89%     |
| 6   | Inch                       | \$ 121.55   | \$ 136.90   | 12.63%     |
| 8   | Inch                       | \$ 206.73   | \$ 232.51   | 12.47%     |
| 10  | Inch                       | \$ 293.12   | \$ 329.47   | 12.40%     |
| <b><u>Additional Fire Protection Service Charge Only Ratepayers in Woonsocket</u></b> |                            |             |             |            |
| 5/8   | Inch                       | \$ 13.58    | \$ 17.01    | 25.25%     |
| 3/4   | Inch                       | \$ 19.29    | \$ 24.15    | 25.21%     |
| 1   | Inch                       | \$ 23.88    | \$ 29.90    | 25.25%     |
| 1 1/2   | Inch                       | \$ 44.28    | \$ 55.45    | 25.23%     |
| 2   | Inch                       | \$ 62.14    | \$ 77.82    | 25.24%     |
| 3   | Inch                       | \$ 85.56    | \$ 107.16   | 25.24%     |
| 4   | Inch                       | \$ 130.06   | \$ 162.89   | 25.24%     |
| 6   | Inch                       | \$ 229.53   | \$ 287.47   | 25.24%     |
| 8   | Inch                       | \$ 401.47   | \$ 502.81   | 25.24%     |
| 10  | Inch                       | \$ 575.86   | \$ 721.22   | 25.24%     |
| <b><u>Metered Rates</u></b>   |                            |             |             |            |
| Wholesale   | Rate per 1,000,000 gallons | \$ 3,748.14 | \$ 4,544.45 | 21.25%     |
| Retail  | Rate per 100 Cubic Feet    | \$ 3.92     | \$ 4.06     | 3.66%      |

TAB 3

**Proof of Revenues  
Woonsocket Water Division**

**Schedule SETTLEMENT-3**

|  |                            | Count or Usage | Current Rate | Proposed Rate | Current Revenue     | Proposed Revenue    | Dollar Increase   |
|--|----------------------------|----------------|--------------|---------------|---------------------|---------------------|-------------------|
| <b>Public Fire Protection</b>  |                            |                |              |               |                     |                     |                   |
| <i>City of Woonsocket</i>  |                            |                |              |               |                     |                     |                   |
| 4  | Inch                       | 20             | \$ -         | \$ -          | \$ -                | \$ -                | \$ -              |
| 6  | Inch                       | 1,488          | \$ -         | \$ -          | \$ -                | \$ -                | \$ -              |
| <i>Other</i>   |                            |                |              |               |                     |                     |                   |
| 4  | Inch                       | 9              | \$ 130.74    | \$ 163.74     | \$ 1,177            | \$ 1,474            | \$ 297            |
| 6  | Inch                       | 53             | \$ 379.76    | \$ 475.62     | \$ 20,127           | \$ 25,208           | \$ 5,081          |
|  | Per Bill                   | 9              | \$ 7.84      | \$ 9.27       | \$ 71               | \$ 83               | \$ 13             |
|  |                            |                |              |               | <u>\$ 21,375</u>    | <u>\$ 26,765</u>    | <u>\$ 5,391</u>   |
| <b>Private Fire Protection</b>   |                            |                |              |               |                     |                     |                   |
| 2  | Inch                       | 11             | \$ 39.04     | \$ 46.94      | \$ 429              | \$ 516              | \$ 87             |
| 3  | Inch                       | 6              | \$ 83.08     | \$ 101.54     | \$ 498              | \$ 609              | \$ 111            |
| 4  | Inch                       | 62             | \$ 159.68    | \$ 196.49     | \$ 9,900            | \$ 12,182           | \$ 2,282          |
| 6  | Inch                       | 90             | \$ 424.84    | \$ 526.32     | \$ 38,236           | \$ 47,369           | \$ 9,133          |
| 8  | Inch                       | 18             | \$ 882.24    | \$ 1,095.32   | \$ 15,880           | \$ 19,716           | \$ 3,835          |
| 10   | Inch                       | 4              | \$ 1,556.64  | \$ 1,935.97   | \$ 6,227            | \$ 7,744            | \$ 1,517          |
|  |                            |                |              |               | <u>\$ 71,171</u>    | <u>\$ 88,136</u>    | <u>\$ 16,966</u>  |
| <b>Minimum Service Charge</b>  |                            |                |              |               |                     |                     |                   |
| <i>Customer Service Charge All Ratepayers</i>                                  |                            |                |              |               |                     |                     |                   |
| 5/8  | Inch                       | 33,732         | \$ 14.57     | \$ 16.82      | \$ 491,475          | \$ 567,500          | \$ 76,025         |
| 3/4  | Inch                       | 1,068          | \$ 17.39     | \$ 20.00      | \$ 18,573           | \$ 21,355           | \$ 2,783          |
| 1  | Inch                       | 1,464          | \$ 19.67     | \$ 22.55      | \$ 28,797           | \$ 33,010           | \$ 4,214          |
| 1 1/2  | Inch                       | 272            | \$ 29.77     | \$ 33.89      | \$ 8,097            | \$ 9,218            | \$ 1,121          |
| 2  | Inch                       | 536            | \$ 38.62     | \$ 43.82      | \$ 20,700           | \$ 23,489           | \$ 2,788          |
| 3  | Inch                       | 32             | \$ 50.23     | \$ 56.85      | \$ 1,607            | \$ 1,819            | \$ 212            |
| 4  | Inch                       | 60             | \$ 72.27     | \$ 81.59      | \$ 4,336            | \$ 4,895            | \$ 559            |
| 6  | Inch                       | 44             | \$ 121.55    | \$ 136.90     | \$ 5,348            | \$ 6,024            | \$ 675            |
| 8  | Inch                       | 72             | \$ 206.73    | \$ 232.51     | \$ 14,885           | \$ 16,741           | \$ 1,856          |
| 10   | Inch                       | 4              | \$ 293.12    | \$ 329.47     | \$ 1,172            | \$ 1,318            | \$ 145            |
|  |                            |                |              |               | <u>\$ 594,991</u>   | <u>\$ 685,369</u>   | <u>\$ 90,378</u>  |
| <b>Additional Fire Protection Service Charge Only Ratepayers in Woonsocket</b> |                            |                |              |               |                     |                     |                   |
| 5/8  | Inch                       | 31,476         | \$ 13.58     | \$ 17.01      | \$ 427,452          | \$ 535,405          | \$ 107,952        |
| 3/4  | Inch                       | 964            | \$ 19.29     | \$ 24.15      | \$ 18,596           | \$ 23,285           | \$ 4,689          |
| 1  | Inch                       | 1,352          | \$ 23.88     | \$ 29.90      | \$ 32,279           | \$ 40,429           | \$ 8,150          |
| 1 1/2  | Inch                       | 252            | \$ 44.28     | \$ 55.45      | \$ 11,159           | \$ 13,974           | \$ 2,815          |
| 2  | Inch                       | 516            | \$ 62.14     | \$ 77.82      | \$ 32,063           | \$ 40,155           | \$ 8,092          |
| 3  | Inch                       | 32             | \$ 85.56     | \$ 107.16     | \$ 2,738            | \$ 3,429            | \$ 691            |
| 4  | Inch                       | 60             | \$ 130.06    | \$ 162.89     | \$ 7,803            | \$ 9,773            | \$ 1,970          |
| 6  | Inch                       | 40             | \$ 229.53    | \$ 287.47     | \$ 9,181            | \$ 11,499           | \$ 2,318          |
| 8  | Inch                       | 60             | \$ 401.47    | \$ 502.81     | \$ 24,088           | \$ 30,169           | \$ 6,081          |
| 10   | Inch                       | 4              | \$ 575.86    | \$ 721.22     | \$ 2,303            | \$ 2,885            | \$ 581            |
|  |                            |                |              |               | <u>\$ 567,664</u>   | <u>\$ 711,003</u>   | <u>\$ 143,339</u> |
|  |                            |                |              |               | <u>\$ 1,162,655</u> | <u>\$ 1,396,372</u> | <u>\$ 233,717</u> |
| <b>Metered Rates</b>   |                            |                |              |               |                     |                     |                   |
| Wholesale  | Rate per 1,000,000 gallons | 52             | \$ 3,748.14  | \$ 4,544.45   | \$ 193,146          | \$ 234,181          | \$ 41,035         |
| Retail   | Rate per 100 Cubic Feet    | 1,478,405      | \$ 3.92      | \$ 4.06       | \$ 5,795,348        | \$ 6,007,524        | \$ 212,177        |
|  |                            |                |              |               | <u>\$ 5,988,494</u> | <u>\$ 6,241,705</u> | <u>\$ 253,211</u> |
| Total Rates and Charges  |                            |                |              |               | \$ 7,243,694        | \$ 7,752,979        | \$ 509,285        |
| Misc Revenue   |                            |                |              |               | \$ 244,932          | \$ 244,932          | \$ -              |
| Total Revenue  |                            |                |              |               | \$ 7,488,626        | \$ 7,997,911        | \$ 509,285        |
| Revenue Required   |                            |                |              |               |                     | 7,997,009           |                   |
| Variance   |                            |                |              |               |                     | \$ 902              | 0.01%             |



TAB 4

**Impact of Proposed Rates  
Woonsocket Water Division**

**Schedule SETTLEMENT-4**

|   |            |                    | <u>Count or Usage</u> | <u>Current Revenue</u> | <u>Proposed Revenue</u> | <u>Dollar Increase</u> | <u>% Increase</u> |
|---|------------|--------------------|-----------------------|------------------------|-------------------------|------------------------|-------------------|
| <i>Ratepayers in the City of Woonsocket</i>                   |            |                    |                       |                        |                         |                        |                   |
| 5/8   | Inch Meter | 7,000 cu ft/yr     | 7,000                 | \$ 387.00              | \$ 419.78               | \$ 33                  | 8.47%             |
| 5/8   | Inch Meter | 10,000 cu ft/yr    | 10,000                | \$ 504.60              | \$ 541.67               | \$ 37                  | 7.35%             |
| 5/8   | Inch Meter | 20,000 cu ft/yr    | 20000                 | \$ 896.60              | \$ 948.04               | \$ 51                  | 5.74%             |
| 1   | Inch Meter | 50,000 cu ft/yr    | 50,000                | \$ 2,134.18            | \$ 2,241.57             | \$ 107                 | 5.03%             |
| 4   | Inch Meter | 500,000 cu ft/yr   | 500,000               | \$ 20,409.31           | \$ 21,295.49            | \$ 886                 | 4.34%             |
| 6   | Inch Meter | 1,000,000 cu ft/yr | 1,000,000             | \$ 40,604.31           | \$ 42,332.64            | \$ 1,728               | 4.26%             |
| <i>Ratepayers in Other Communities serviced by Woonsocket</i> |            |                    |                       |                        |                         |                        |                   |
| 5/8   | Inch Meter | 7,000 cu ft/yr     | 7,000                 | \$ 332.68              | \$ 351.74               | \$ 19                  | 5.73%             |
| 5/8   | Inch Meter | 10,000 cu ft/yr    | 10,000                | \$ 450.28              | \$ 473.63               | \$ 23                  | 5.18%             |
| 5/8   | Inch Meter | 20,000 cu ft/yr    | 20000                 | \$ 842.28              | \$ 880.00               | \$ 38                  | 4.48%             |
| 1   | Inch Meter | 50,000 cu ft/yr    | 50,000                | \$ 2,038.68            | \$ 2,121.95             | \$ 83                  | 4.08%             |
| 4   | Inch Meter | 500,000 cu ft/yr   | 500,000               | \$ 19,889.08           | \$ 20,643.94            | \$ 755                 | 3.80%             |
| 6   | Inch Meter | 1,000,000 cu ft/yr | 1,000,000             | \$ 39,686.20           | \$ 41,182.77            | \$ 1,497               | 3.77%             |

TAB 9

**Woonsocket Water Division  
Chemical  
Sources and Uses of Funds  
Projected FY 2012 - FY 2015**

**Schedule WEE-9  
Settlement**

| Source of Funds                           | <u>Fy 2011</u>         | <u>Interim<br/>Fy 2012</u> | <u>Rate Year<br/>Fy 2013</u> | <u>Fy 2014</u>            | <u>Fy 2015</u>            |
|---|------------------------|----------------------------|------------------------------|---------------------------|---------------------------|
| D3800                                     | 296,000                | 296,000                    | -                            | -                         | -                         |
| cover by Water O&M fund                   | 153,872                |                            |                              |                           |                           |
| New Docket effective 7/1/12 proposed      |                        |                            | 396,000                      | 396,000                   | 396,000                   |
| Interest                                  | -                      | -                          | -                            | -                         | -                         |
| Carryover funds from prior year estimated | 93,212                 | 20,466                     | 94,332                       | (36,401)                  | (167,135)                 |
|   | -                      | -                          | -                            | -                         | -                         |
| <b>Total Sources</b>                      | <b>543,084</b>         | <b>316,466</b>             | <b>490,332</b>               | <b>359,599</b>            | <b>228,865</b>            |
| <b>Less obligated uses of funds</b>       |                        |                            |                              |                           |                           |
| Chemicals                                 | 218,018                | 222,134                    | 222,134                      | 222,134                   | 222,134                   |
| Carbon                                    | 304,600                |                            | 304,600                      | 304,600                   | 304,600                   |
|   | -                      | -                          | -                            | -                         | -                         |
| <b>Total Uses</b>                         | <b>522,618</b>         | <b>222,134</b>             | <b>526,734</b>               | <b>526,734</b>            | <b>526,734</b>            |
| <b>Total</b>                              | <b><u>\$20,466</u></b> | <b><u>\$94,332</u></b>     | <b><u>(\$36,401)</u></b>     | <b><u>(\$167,135)</u></b> | <b><u>(\$297,869)</u></b> |

|                                  | <u>FY 2008</u> | <u>FY 2009</u> | <u>FY 2010</u> | <u>FY 2011</u> | <u>Interim Year</u> |
|----------------------------------|----------------|----------------|----------------|----------------|---------------------|
| Water Production                 | 1,847,137      | 1,744,933      | 1,712,535      | 1,736,195      | 1,736,195           |
| Cost of Chemicals Less Carbon \$ | 144,421.47     | \$ 187,959.00  | \$227,597.00   | \$ 213,526.00  | \$ 222,133.71       |
| Cost per produced \$             | 0.08           | \$ 0.11        | \$ 0.13        | \$ 0.12        | \$ 0.13             |
|                                  |                |                |                |                | 2 year weighted     |

TAB 10

**Woonsocket Water Division  
Infrastructure Replacement Fund  
Sources and Uses of Funds  
Projected FY 2012 - FY 2015**

**Schedule WEE-10  
Settlement**

| Source of Funds   | <u>Fy 2011</u>            | <u>Interim<br/>Fy 2012</u> | <u>Rate Year<br/>Fy 2013</u> | <u>Fy 2014</u>            | <u>Fy 2015</u>            |
|---|---------------------------|----------------------------|------------------------------|---------------------------|---------------------------|
| D3800   | 1,956,000                 | 1,956,000                  | -                            | -                         | -                         |
| Revenue Shortfall   | (714,599)                 | (794,417)                  | -                            | -                         | -                         |
| New Docket effective 7/1/12 proposed                        | -                         | -                          | 1,700,000                    | 1,700,000                 | 1,700,000                 |
| Interest  | 2,455                     | 62                         | 413                          | -                         | -                         |
| Carryover funds from prior year                             | <u>3,361,210</u>          | <u>3,405,726</u>           | <u>3,554,533</u>             | <u>3,826,529</u>          | <u>2,261,554</u>          |
| <b>Total Sources</b>  | <b>4,605,066</b>          | <b>4,567,371</b>           | <b>5,254,946</b>             | <b>5,526,529</b>          | <b>3,961,554</b>          |
| <b>Less obligated uses of funds:</b>                        |                           |                            |                              |                           |                           |
| <i>Source of Supply</i>                                     |                           |                            |                              |                           |                           |
| Water Supply Project  |                           | 31,345                     |                              |                           |                           |
| <i>Treatment</i>  |                           |                            |                              |                           |                           |
| Plant Improvements  | 1,043                     |                            |                              |                           |                           |
| Treatment Facility - Study                                  | -                         |                            |                              |                           |                           |
| New WTP   | 81,408                    | 288,567                    |                              |                           |                           |
| <i>Transmission &amp; Distribution</i>                      |                           |                            |                              |                           |                           |
| Studies - Flushing  |                           | 95,000                     | -                            |                           |                           |
| T&D Improvements  | 11,256                    |                            |                              |                           |                           |
| PPL Highland Tank   |                           |                            |                              | 1,175,700                 |                           |
| Mains - Cumb/Woon Interconnect                              | 364,472                   | 26,481                     |                              |                           |                           |
| Mains - Pawt/Woon Interconnect                              | 195,908                   | -                          |                              |                           |                           |
| Holly Lane  | 2,014                     |                            |                              |                           |                           |
| Cady Street   | 12,384                    | 82,541                     |                              |                           |                           |
| 2007 \$2.1M WTP TransMain-Manville Rd                       | 530,856                   | 488,904                    |                              |                           |                           |
| 2008 \$2.1M WTP TransMain-Remaining                         |                           | -                          | 1,080,204                    |                           |                           |
| Distribution - (\$8,357,100 over 4 years) Fairmount Project |                           | -                          | 348,212.50                   | 2,089,275                 | 2,089,275                 |
| PPL Cleaning & Lining (\$9,825,400 over 4 years)            |                           |                            |                              |                           | 2,458,350                 |
|   | -                         | -                          | -                            | -                         | -                         |
| <b>Total Uses</b>   | <b>1,199,340</b>          | <b>1,012,838</b>           | <b>1,428,417</b>             | <b>3,264,975</b>          | <b>4,545,625</b>          |
| <b>Total</b>  | <b><u>\$3,405,726</u></b> | <b><u>\$3,554,533</u></b>  | <b><u>\$3,826,529</u></b>    | <b><u>\$2,261,554</u></b> | <b><u>(\$584,071)</u></b> |