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March 7, 2013

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

Re: Docket 4364 - Narragansett Bay Commission

Dear Ms. Massaro:

Enclosed please find an original and nine (9) copies of the following:

1. Supplemental Direct Testimony of Walter E. Edge Jr. MBA, CPA
and Revised Schedule WEE-5R.

Please note that an electronic copy of this filing has been sent to the service list.

Thank you for your attention to this matter.

Sincerely,



Joseph A. Keough Jr.

JAK/kf
Enclosures

**SUPPLEMENTAL DIRECT TESTIMONY OF
WALTER E. EDGE Jr. MBA CPA
PRESIDENT
B&E CONSULTING LLC**

**for
THE NARRAGANSETT BAY COMMISSION**

DOCKET No. 4364

March 7, 2013

1 **Q. Would you please give your name and business address for the record?**

2 A. Certainly, my name is Walter Edward Edge Jr. MBA, CPA. I work for the
3 accounting/consulting firm of B&E Consulting LLC (B&E) at 21 Dryden Lane, Providence, RI
4 02904.

5

6 **Q. What is B&E?**

7 A. B&E is a certified public accounting firm that specializes in providing accounting and
8 consulting services to small businesses, municipalities, utilities and individuals.

9

10 **Q. Have you previously submitted pre-filed testimony at the request of the Narragansett Bay**
11 **Commission as part of Docket (4364)?**

12 A. Yes, I submitted pre-filed testimony as part of Docket 4364 on October 5, 2012.

13

14 **Q. What is the purpose of this pre-filed testimony?**

15 A. I am correcting Schedule WEE-5 as my original schedule understated the rate year
16 adjustment and rate year expense for health and dental insurance. I recently became aware
17 of the fact that there was a linking error in the spreadsheet. Although the health and dental
18 insurance weighted average calculations were correct, the spreadsheet linked the summary
19 sheet to the wrong cells. As a result, the health insurance line item in the rate year was
20 understated by \$162,745 and the dental insurance line item in the rate year was
21 understated by \$6,165. Please see attached Schedule WEE-5R for the revised rate year
22 adjustments and rate year amounts. I have also included as part of this testimony the
23 weighted average health insurance calculation as Schedule WEE-5R Backup.

24

25 **Q. Does this conclude your pre-filed testimony of March 7, 2013?**

26 A. Yes.

27

28

Narragansett Bay Commission
Account Analysis - Health

Revised
Schedule WEE - 5R

Health Insurance Account 52950	FTEs	Weighted Average Premium	Rate Year
Insurance Premium	249	\$ 16,887	\$ 4,204,805
Less 18.6 % Copays*			<u>(782,094)</u>
		Rate Year	3,422,711
		Adjusted Test Year	(3,163,226)
		Rate Year Adjustment	<u>\$ 259,485</u>

*20% Contracted Copay

Dental Insurance Account 52970			
Insurance Premium	249	\$ 1,031	\$ 256,837
		Rate Year	256,837
		Adjusted Test Year	<u>(224,574)</u>
		Rate Year Adjustment	<u>\$ 32,263</u>

Narragansett Bay Commission
Calculation Backup - Health

Revised
WEE-5R Backup

Annul Health Premium	FY 2012	FY 2013	Average % Increase	Projected FY 2014	FTEs	Weighted Average
Family	\$ 18,585	\$ 20,057	7.9%	\$ 21,646	172	14,892
Single	6,801	7,340	7.9%	7,921	56	1,774
Waivers				2,500	22	220
					250	16,887

Annual Dental Premium	FY 2012	FY 2013	Average % Increase	Projected FY 2014	FTEs	Weighted Average
Family	\$ 1,078	\$ 1,159	7.5%	\$ 1,246	187	932
Single	371	399	7.6%	430	56	96
Waivers				110	7	3
					250	1,031

	FY 2013	FY 2014
Co Pays	16%	20%
actual avg based on salary	14.9%	18.6%

CERTIFICATION

I hereby certify that on March 7, 2013, a copy of the within was sent to all parties set forth on the attached Service List by electronic mail and copies to Luly Massaro, Commission Clerk, by electronic mail and hand delivery.

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