

General Rate Filing

October 5, 2012



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*ADMITTED TO PRACTICE IN
RHODE ISLAND & MASSACHUSETTS

October 5, 2012

The Honorable Elia Germani, Chairman
State of Rhode Island
Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

RE: Narragansett Bay Commission
General Rate Filing

Dear Chairman Germani:

On behalf of the Narragansett Bay Commission (hereinafter "NBC"), enclosed you will find revised rate schedules, which NBC proposes to be placed in effect in thirty (30) days. The new rates are designed to collect increased revenues in the amount of \$12,483,704 for a total rate year revenue of \$98,568,187, which is an increase of approximately 14.5%. NBC's rate filing includes pre-filed testimony from three witnesses as well as schedules and exhibits in support of the revised rates. NBC's rate filing also includes a copy of its proposed notice to be published in the Providence Journal. NBC respectfully requests that your staff review the proposed notice so that it can be published.

Please note that I will act as legal counsel for NBC and will represent the utility in all matters concerning this rate application.

Thank you for your attention to these matters.

Sincerely,



Joseph A. Keough, Jr.

PUC General Rate Filing Checklist	Location/Title
Certificate of Service and Notice of Change in Rate Schedules	TAB 1
Existing Tariffs	TAB 2
Marked-Up Tariffs	TAB 3
Proposed Tariffs	TAB 4
Attestation Under Rule 2.7	TAB 5
Walter E. Edge Direct Testimony	TAB 6
Walter E. Edge Supporting Schedules	TAB 7
Cost of service schedules for the Test Year and Rate Year	WEE-1
Workpapers detailing the Test Year revenues by source, tariff, rate class, etc. Sales volumes/quantities and customer counts by rate class, included.	WEE-2
Workpapers detailing the Adjusted Test Year revenues by source, tariff, rate class, etc. Sales volumes/quantities and customer counts by rate class, included.	WEE-2A
A comparative statement of revenues and expenditures for the past three (3) fiscal years.	WEE-3
Supporting calculations and data for known and measurable changes allowed per Rule 2.10(b)	WEE-4 thru WEE-13
Calculation of Rate Increase	WEE-14
Rate Year Revenue Check	WEE-15
Effect on Rate Payers	WEE-16
William J. Fazioli Direct Testimony	TAB 8
Joseph Pratt Direct Testimony	TAB 9
General Filing Exhibits	TAB 10
Schedule of lease payments for all property and equipment for the test and rate years	Lease Schedule
A schedule presenting the principal and interest amounts paid on debt service (long-term and short-term debt) for the test year.	Principal and Interest Paid during the Test Year
Debt Service Payment for Fiscal Year 2014	Debt Service
Description of each issue to include: source of funding, amount of original issue, date, interest rate, repayment terms, security pledged on borrowing, and other pertinent information.	Long Term Debt
Number of employees at beginning and end of test year and the dollar amount of overtime paid during the test year and the previous two years.	Employee/Overtime Analysis
A summary on the status of compliance and reporting required by prior Commission orders.	Compliance Reporting

An accounting summary of restricted accounts to provide the funding, interest accrual, and expenditures of each restricted account since the date of the last rate order.

**Compliance Reporting on Restricted
Accounts**

Balance Sheet for the Test Year

**See Statement of Net Assets and
Statement of Revenues, Expenses and
Changes in Net Assets**

Amortization of Regulatory Expense

WEE Testimony Page 18-19

Annual Report for previous two years

**Previously filed with PUC, additional
copies available upon request**

CERTIFICATE OF SERVICE

I, Karen L. Giebink, hereby certify that I have, this 5th day of October 2012 caused a copy of the within General Rate Case Filing of the Narragansett Bay Commission to be served on the Administrator of the Division of Public Utilities and Carriers and the Office of the Attorney General.



Karen L. Giebink,
Director of Administration and Finance

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

PUBLIC UTILITIES COMMISSION

IN RE: NARRAGANSETT BAY COMMISSION
GENERAL RATE AND FILING OF October 5, 2012

NOTICE OF CHANGE IN RATE SCHEDULES

Pursuant to R.I.G.L. SECTION 39-3-11, and in accordance with Rule 1.9 and Part Two of the Rules of Practice and Procedure of the Rhode Island Public Utilities Commission ("Commission"), the Narragansett Bay Commission ("NBC") hereby gives notice of proposed changes in rates, which we previously filed and published in compliance with R.I.G.L., Section 39-3-10.

The proposed changes are contained in the accompanying Exhibits. The new residential and non-residential rates, as proposed, are to become effective July 1, 2013. The new rates are designed to collect revenues in a 12-month period equal to \$98,568,187.

- 1) NBC is a public corporation of the State of Rhode Island, created by chapter 25 of title 46 of the Rhode Island General Laws, and having a distinct legal existence separate from the State, NBC's principal address is Narragansett Bay Commission, One Service Road, Providence, RI 02905. Pursuant to the Chapter 25 of Title 46, NBC is authorized to do business within the State of Rhode Island.
- 2) Correspondence in accordance with Rule 1.9 (a)(2) should be addressed to Karen Giebink, Director of Administration and Finance, Narragansett Bay Commission, One Service Road, Providence, RI, 02903 and Joseph A. Keough, Jr., Esquire, Legal Counsel, Keough & Sweeney, Ltd., 41 Mendon Avenue, Pawtucket, RI 02861.
- 3) In accordance with rule 1.9 and part Two of the Rules, the documents accompanying this filing contain data, information and testimony in support of NBC's application.


- 4) A copy of the materials herewith filed has been sent to the Administrator of the Division and the Attorney General for the State of Rhode Island.



Karen L. Giebink
Director of Administration and Finance
Narragansett Bay Commission

STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE

Subscribed and sworn to before me on this the 5th day of October 2012, Pursuant the PUC Rule 1.9.



Notary Public
Exp. 9/24/2016
ID # 53982

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

Existing Tariffs

SCHEDULE A

EFFECTIVE: CUSTOMER CHARGE January 1, 2013
CONSUMPTION CHARGE January 1, 2013

Applicability

Applicable throughout the entire territory served by the Field's Point and Bucklin Point Wastewater Treatment Facilities and operated by the Narragansett Bay Commission.

Sewer Use Fee Schedule

RESIDENTIAL

All residential structures up to and including six (6) dwelling units. All residential condominiums will be billed under residential tariffs regardless of the number of dwelling units per structure/meter.

NBC Service Area:

CUSTOMER CHARGE:

\$ 184.63 per dwelling unit per year

CONSUMPTION CHARGE:

\$ 2.979 per hundred cubic feet of 100% of water used

RESIDENTIAL WELL CUSTOMERS:

\$ 421.79 Based upon fixed fee and average annual usage of 79.61 HCF

INDUSTRIAL

All structures in which water is utilized for the production and/or manufacturing based operations including non-contact cooling water. As of May 1st, 2010 this category includes industrial laundries as defined by the EPA and categorized by the North American Industry Classification System (NAICCS) code 812332.

CUSTOMER CHARGE:

METER SIZE:

FIXED FEE

5/8"	\$441
3/4"	\$659
1"	\$1,096
1 1/2"	\$2,200
2"	\$3,514
3"	\$6,583
4"	\$10,970
6"	\$21,949
8"	\$35,117
10"	\$50,482

CONSUMPTION CHARGE:

NBC Service Area:

\$ 2.778 per hundred cubic feet of 100% of water used.

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

Existing Tariffs

COMMERCIAL

All other structures. This includes mixed use structures (i.e., combined residential/non-residential) and half-way houses and/or boarding type facilities where unrelated persons rent rooms.

<u>CUSTOMER CHARGE:</u>	<u>METER SIZE:</u>	<u>FIXED FEE</u>
	5/8"	\$441
	3/4"	\$659
	1"	\$1,096
	1 ½"	\$2,200
	2"	\$3,514
	3"	\$6,583
	4"	\$10,970
	6"	\$21,949
	8"	\$35,117
	10"	\$50,482

CONSUMPTION CHARGE:

NBC Service Area: \$ 4.321 per hundred cubic feet of 100% of water used.

BILLING

Residential - Fixed fees and consumption to be billed monthly.

Condominiums (residential) - Fixed fees and consumption bills to be rendered to property owners and/or associations monthly.

Industrial - Fixed fees and consumption to be billed monthly.

Commercial - Fixed fees and consumption to be billed monthly.

Industrial Surcharge - If any, to be billed with consumption.

PAYMENT

All bills are due and payable upon receipt. Interest will be charged 30 days after the billing date at the rate of 1% per month on any unpaid balance, including any outstanding interest charges.

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

Existing Tariffs

SCHEDULE B

Miscellaneous Charges

EFFECTIVE:

Pretreatment Annual Permit Fee:	June 30, 2003
New Sewer Connection Fee:	July 1, 2005
BOD/TSS Surcharge:	June 30, 2003
Septic Tank Waste Discharge Fee:	
A. Septic Tank Waste Discharge Fee:	May 6, 2005
B. Uniform Septage Disposal Fee:	April 1, 2008
Sewer Back-up Removal Fee:	March 24, 1995
Abatement Application Fee:	January 29, 2001
Credit Card Transaction Fee	On or after February 2, 2011

1. Pretreatment Annual Permit Fee: Applicable to all users regulated under R.I.G.L. 46-25-25 and the NBC's Rules and Regulations.

CAT #	User Classification	Annual Permit Fee
11	Electroplater/Metalfinisher	
	Flow < 2,500 GPD	\$1,811
	Flow ≥ 2,500 < 10,000 GPD	\$3,623
	Flow ≥ 10,000 GPD < 50,000	\$7,246
	Flow ≥ 50,000 GPD < 100,000 GPD	\$10,144
	Flow ≥ 100,000	\$10,869
12	Metal Molding and Casting	\$1,087
13	Organic Chemical Manufacturers	\$7,246
14	Other Categorical Industries	\$1,087
15	Metal Formers	\$5,797
21	Tubbing/Vibratory/Mass Finishing	
	Flow < 5,000 GPD	\$725
	Flow ≥ 5,000 GPD	\$1,449
22	Chemical Transporters, Refiners, Recyclers, Manufacturers	\$2,898
23	Textile Processing Firms	
	Flow < 2,500 GPD	\$1,449
	Flow ≥ 2,500 < 10,000 GPD	\$3,768
	Flow ≥ 10,000 < 50,000	\$5,072
	Flow ≥ 50,000 GPD	\$7,246

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

Existing Tariffs

CAT #	User Classification	Annual Permit Fee
24	Printers	
	Gravure	\$3,623
	Other Flow \geq 2,500 GPD	\$1,087
	Other Flow < 2,500 GPD	\$725
25	Industrial Laundries	\$3,623
26	Machine Shops/Machinery Rebuilders	\$1,449
27	Other firms discharging toxics and/or prohibited pollutants	
	Flow \geq 10,000 GPD	\$2,898
	Flow \geq 2,500 GPD < 10,000 GPD	\$1,449
	Flow < 2,500 GPD	\$725
28	Central Treatment Facilities - Hazardous Waste	\$14,492
29	Central Treatment Facilities	\$4,348
	Non-Hazardous Waste	
34	Manufacturers with high BOD/TSS wastestreams	
	Flow \geq 100,000 GPD	\$5,797
	50,000 GPD \leq Flow < 100,000 GPD	\$3,623
	10,000 GPD \leq Flow < 50,000 GPD	\$1,811
	Flow < 10,000 GPD	\$1,087
35	Other facilities discharging conventional pollutants	
	Flow \geq 10,000 GPD	\$1,449
	Flow < 10,000 GPD	\$725
37	Automotive Maintenance/Service Facilities	
	Small \leq 2 Bays	\$435
	Large \geq 3 Bays	\$1,449
40	Groundwater Remediation/Excavation Projects	
	Flow \geq 10,000 GPD	\$1,449
	Flow < 10,000 GPD	\$725
41	Recycle or Disconnected Electroplating or Chemical Processes	\$725
42	Other Process Operations Disconnected or Recycled	\$290
43	Recycle or Disconnected Electroplating or Chemical Processes with Cooling Water or Boiler Discharges	\$870

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

Existing Tariffs

CAT #	User Classification	Annual Permit Fee
44	Other Recycled or Disconnected Process Operations with Cooling Water or Boiler Discharges	\$362
46	Cooling Water with Solvent, Toxic and/or Hazardous Chemicals on Site	\$362
49	Other Discharges with Solvents, Toxics and/or Hazardous Chemicals on Site	
	Flow \geq 10,000 GPD	\$1,087
	Flow < 10,000 GPD	\$725
51	Cooling Water with No Solvents, Toxic or Hazardous Chemicals on Site	\$362
52	Boiler Blowdown/Condensate Discharges	\$362
53	Cooling Tower Discharges	\$362
59	Other Non-Toxic Industrial Discharges	
	Flow \geq 5,000 GPD	\$725
	Flow < 5,000 GPD	\$362
80	Septage Haulers/Dischargers	\$435
81	Food/Fish/Meat/Produce Processing (wholesale)	
	Flow < 1,000 GPD	\$362
	1,000 GPD \leq Flow < 10,000 GPD	\$725
	Flow \geq 10,000 GPD	\$1,449
82	Supermarkets (Retail Food Processing)	\$725
83	Parking Garages/Lots	\$725
84	Cooling Water/Groundwater/Boiler Discharges with Potential to Discharge Conventional Pollutants	\$362
85	Restaurants	
	< 50 seats	\$217
	\geq 50 seats < 100 seats	\$435
	>100 seats of fast food (2 or more fryolators and/or drive through window)	\$580
86	Commercial Buildings with Cafeteria and/or laundry operations	\$725

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

Existing Tariffs

CAT #	User Classification	Annual Permit Fee
89	Other Commercial Facilities with Potential to Discharge Conventional Pollutants	
	< 2,500 GPD	\$362
	≥ 2,500 GPD	\$725
90	Hospitals	\$3,623
91	Cooling Water/Groundwater/Boiler Discharges with Potential to Discharge Toxic, Prohibited and/or Conventional Pollutants	\$362
92	Laundries/Dry Cleaners	
	Laundromats	\$725
	Dry Cleaners with 1 washer or less	\$362
	Dry Cleaners with ≥ 2 washers	\$725
93	Photo Processing	
	< 1,000 GPD	\$362
	1,000 GPD ≤ Flow < 2,500	\$725
	2,500 GPD - 5,000 GPD	\$1,087
	> 5,000 GPD	\$1,449
94	X-Ray Processing	
	≤ 2 processors	\$362
	3 - 4 processors	\$725
	5 - 9 processors	\$1,087
	≥ 10 processors	\$1,449
95	Clinical, Medical and Analytical Laboratories	\$725
96	Funeral Homes/Enbalming Operations	\$362
97	Motor Vehicle Service/Washing Operations	
	rate per tunnel	\$725
	rate per bay	\$217
	maximum rate per facility	\$1,449
99	Other Commercial Users with Potential to Discharge Toxic, Prohibited and/or Conventional Pollutants	
	Flow < 2,500 GPD	\$362
	Flow ≥ 2,500 GPD	\$725

NOTE: All flow rates are based upon operating days.

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

Existing Tariffs

2. New Sewer Connection Fee: Applicable to all applications for a new service connection directly or indirectly to NBC facilities. Payable at the time of application.

Residential	\$260	per connection
Commercial	\$779	per connection
Industrial	\$779	per connection

3. Sewer Back-up Removal Fee: Applicable to all visits by Commission personnel to clear a sewer blockage when such blockage is determined to be a private sewer and is cleared by Commission personnel.

Charge: \$75.00 per incident

4. Septic Tank Waste Discharge Fee: Applicable to all discharges of septic tank waste into the NBC system.

A. Charge: \$42 per thousand gallons

B. Uniform Septage Disposal fee: \$1.00 per hundred gallons

5. BOD/TSS Surcharge: (if applicable)

Charge: \$87.00 per 1,000 pounds of BOD with a concentration of >300 mg/l

Charge: \$87.00 per 1,000 pounds of TSS with a concentration of >300 mg/l

* To be assessed as the result of compliance with an industrial permit or NBC requirement.

6. Abatement Application Fee: Applicable to all applicants who request an abatement to sewer user fees charged. Payable at the time of application.

Charge: \$36.00

7. Credit Card Transaction Fee: For payments with credit cards NBC will charge a fee of 1.75% rounded up to the nearest \$0.50 of the user-selected amount, plus \$1.00

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

Marked-Up Tariffs

SCHEDULE A

EFFECTIVE: CUSTOMER CHARGE	January 1, 2013	July 1, 2013
CONSUMPTION CHARGE	January 1, 2013	July 1, 2013

Applicability

Applicable throughout the entire territory served by the Field's Point and Bucklin Point Wastewater Treatment Facilities and operated by the Narragansett Bay Commission.

Sewer Use Fee Schedule

RESIDENTIAL

All residential structures up to and including six (6) dwelling units. All residential condominiums will be billed under residential tariffs regardless of the number of dwelling units per structure/meter.

NBC Service Area:

CUSTOMER CHARGE:

~~\$ 184.63~~ per dwelling unit per year
\$ 212.29

CONSUMPTION CHARGE:

~~\$ 2.979~~ per hundred cubic feet of 100% of water used
\$ 3.425

RESIDENTIAL WELL CUSTOMERS:

~~\$ 421.79~~ Based upon fixed fee and average annual usage of 79.61 HCF
\$ 484.95

INDUSTRIAL

All structures in which water is utilized for the production and/or manufacturing based operations including non-contact cooling water. As of May 1st, 2010 this category includes industrial laundries as defined by the EPA and categorized by the North American Industry Classification System (NAICCS) code 812332.

CUSTOMER CHARGE:

METER SIZE:

FIXED FEE

5/8"	\$441	\$507
3/4"	\$659	\$758
1"	\$1,096	\$1,260
1 1/2"	\$2,200	\$2,530
2"	\$3,514	\$4,040
3"	\$6,583	\$7,569
4"	\$10,970	\$12,613
6"	\$21,949	\$25,237
8"	\$35,117	\$40,378
10"	\$50,482	\$58,044

CONSUMPTION CHARGE:

NBC Service Area:

~~\$ 2.778~~ per hundred cubic feet of 100% of water used.
\$ 3.194

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

Marked-Up Tariffs

COMMERCIAL

All other structures. This includes mixed use structures (i.e., combined residential/non-residential) and half-way houses and/or boarding type facilities where unrelated persons rent rooms.

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	6"	\$21,949	\$25,237
	8"	\$35,117	\$40,378
	10"	\$50,482	\$58,044

CONSUMPTION CHARGE:

NBC Service Area: ~~\$ 4.321~~ per hundred cubic feet of 100% of water used.
\$ 4.968

BILLING

Residential - Fixed fees and consumption to be billed monthly.

Condominiums (residential) - Fixed fees and consumption bills to be rendered to property owners and/or associations monthly.

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Commercial - Fixed fees and consumption to be billed monthly.

Industrial Surcharge - If any, to be billed with consumption.

PAYMENT

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TARIFFS OF THE NARRAGANSETT BAY COMMISSION

Marked-Up Tariffs

SCHEDULE B

Miscellaneous Charges

EFFECTIVE:

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	Flow ≥ 50,000 GPD < 100,000 GPD	\$10,144
	Flow ≥ 100,000	\$10,869
12	Metal Molding and Casting	\$1,087
13	Organic Chemical Manufacturers	\$7,246
14	Other Categorical Industries	\$1,087
15	Metal Formers	\$5,797
21	Tubbing/Vibratory/Mass Finishing	
	Flow < 5,000 GPD	\$725
	Flow ≥ 5,000 GPD	\$1,449
22	Chemical Transporters, Refiners, Recyclers, Manufacturers	\$2,898
23	Textile Processing Firms	
	Flow < 2,500 GPD	\$1,449
	Flow ≥ 2,500 < 10,000 GPD	\$3,768
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	Flow \geq 2,500 GPD < 10,000 GPD	\$1,449
	Flow < 2,500 GPD	\$725
28	Central Treatment Facilities - Hazardous Waste	\$14,492
29	Central Treatment Facilities	\$4,348
	Non-Hazardous Waste	
34	Manufacturers with high BOD/TSS wastestreams	
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	50,000 GPD \leq Flow < 100,000 GPD	\$3,623
	10,000 GPD \leq Flow < 50,000 GPD	\$1,811
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37	Automotive Maintenance/Service Facilities	
	Small \leq 2 Bays	\$435
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42	Other Process Operations Disconnected or Recycled	\$290
43	Recycle or Disconnected Electroplating or Chemical Processes with Cooling Water or Boiler Discharges	\$870

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

Marked-Up Tariffs

CAT #	User Classification	Annual Permit Fee
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49	Other Discharges with Solvents, Toxics and/or Hazardous Chemicals on Site	
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51	Cooling Water with No Solvents, Toxic or Hazardous Chemicals on Site	\$362
52	Boiler Blowdown/Condensate Discharges	\$362
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	Flow \geq 5,000 GPD	\$725
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	1,000 GPD \leq Flow < 10,000 GPD	\$725
	Flow \geq 10,000 GPD	\$1,449
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83	Parking Garages/Lots	\$725
84	Cooling Water/Groundwater/Boiler Discharges with Potential to Discharge Conventional Pollutants	\$362
85	Restaurants	
	< 50 seats	\$217
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86	Commercial Buildings with Cafeteria and/or laundry operations	\$725

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

Marked-Up Tariffs

CAT #	User Classification	Annual Permit Fee
89	Other Commercial Facilities with Potential to Discharge Conventional Pollutants	
	< 2,500 GPD	\$362
	≥ 2,500 GPD	\$725
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91	Cooling Water/Groundwater/Boiler Discharges with Potential to Discharge Toxic, Prohibited and/or Conventional Pollutants	\$362
92	Laundries/Dry Cleaners	
	Laundromats	\$725
	Dry Cleaners with 1 washer or less	\$362
	Dry Cleaners with ≥ 2 washers	\$725
93	Photo Processing	
	< 1,000 GPD	\$362
	1,000 GPD ≤ Flow < 2,500	\$725
	2,500 GPD - 5,000 GPD	\$1,087
	> 5,000 GPD	\$1,449
94	X-Ray Processing	
	≤ 2 processors	\$362
	3 - 4 processors	\$725
	5 - 9 processors	\$1,087
	≥ 10 processors	\$1,449
95	Clinical, Medical and Analytical Laboratories	\$725
96	Funeral Homes/Enbalming Operations	\$362
97	Motor Vehicle Service/Washing Operations	
	rate per tunnel	\$725
	rate per bay	\$217
	maximum rate per facility	\$1,449
99	Other Commercial Users with Potential to Discharge Toxic, Prohibited and/or Conventional Pollutants	
	Flow < 2,500 GPD	\$362
	Flow ≥ 2,500 GPD	\$725

NOTE: All flow rates are based upon operating days.

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

Marked-Up Tariffs

2. New Sewer Connection Fee: Applicable to all applications for a new service connection directly or indirectly to NBC facilities. Payable at the time of application.

Residential	\$260	per connection
Commercial	\$779	per connection
Industrial	\$779	per connection

3. Sewer Back-up Removal Fee: Applicable to all visits by Commission personnel to clear a sewer blockage when such blockage is determined to be a private sewer and is cleared by Commission personnel.

Charge: \$75.00 per incident

4. Septic Tank Waste Discharge Fee: Applicable to all discharges of septic tank waste into the NBC system.

A. Charge: \$42 per thousand gallons

B. Uniform Septage Disposal fee: \$1.00 per hundred gallons

5. BOD/TSS Surcharge: (if applicable)

Charge: \$87.00 per 1,000 pounds of BOD with a concentration of >300 mg/l

Charge: \$87.00 per 1,000 pounds of TSS with a concentration of >300 mg/l

* To be assessed as the result of compliance with an industrial permit or NBC requirement.

6. Abatement Application Fee: Applicable to all applicants who request an abatement to sewer user fees charged. Payable at the time of application.

Charge: \$36.00

7. Credit Card Transaction Fee: For payments with credit cards NBC will charge a fee of 1.75% rounded up to the nearest \$0.50 of the user-selected amount, plus \$1.00

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

Proposed Tariffs

SCHEDULE A

EFFECTIVE: CUSTOMER CHARGE July 1, 2013
CONSUMPTION CHARGE July 1, 2013

Applicability

Applicable throughout the entire territory served by the Field's Point and Bucklin Point Wastewater Treatment Facilities and operated by the Narragansett Bay Commission.

Sewer Use Fee Schedule

RESIDENTIAL

All residential structures up to and including six (6) dwelling units. All residential condominiums will be billed under residential tariffs regardless of the number of dwelling units per structure/meter.

NBC Service Area:

CUSTOMER CHARGE:

\$ 212.29 per dwelling unit per year

CONSUMPTION CHARGE:

\$ 3.425 per hundred cubic feet of 100% of water used

RESIDENTIAL WELL CUSTOMERS:

\$ 484.95 Based upon fixed fee and average annual usage of 79.61 HCF

INDUSTRIAL

All structures in which water is utilized for the production and/or manufacturing based operations including non-contact cooling water. As of May 1st, 2010 this category includes industrial laundries as defined by the EPA and categorized by the North American Industry Classification System (NAICCS) code 812332.

CUSTOMER CHARGE:

METER SIZE:

FIXED FEE

5/8"	\$507
3/4"	\$758
1"	\$1,260
1 1/2"	\$2,530
2"	\$4,040
3"	\$7,569
4"	\$12,613
6"	\$25,237
8"	\$40,378
10"	\$58,044

CONSUMPTION CHARGE:

NBC Service Area:

\$ 3.194 per hundred cubic feet of 100% of water used.

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

Proposed Tariffs

COMMERCIAL

All other structures. This includes mixed use structures (i.e., combined residential/non-residential) and half-way houses and/or boarding type facilities where unrelated persons rent rooms.

<u>CUSTOMER CHARGE:</u>	<u>METER SIZE:</u>	<u>FIXED FEE</u>
	5/8"	\$507
	3/4"	\$758
	1"	\$1,260
	1 ½"	\$2,530
	2"	\$4,040
	3"	\$7,569
	4"	\$12,613
	6"	\$25,237
	8"	\$40,378
	10"	\$58,044

CONSUMPTION CHARGE:

NBC Service Area: \$ 4.968 per hundred cubic feet of 100% of water used.

BILLING

Residential - Fixed fees and consumption to be billed monthly.

Condominiums (residential) - Fixed fees and consumption bills to be rendered to property owners and/or associations monthly.

Industrial - Fixed fees and consumption to be billed monthly.

Commercial - Fixed fees and consumption to be billed monthly.

Industrial Surcharge - If any, to be billed with consumption.

PAYMENT

All bills are due and payable upon receipt. Interest will be charged 30 days after the billing date at the rate of 1% per month on any unpaid balance, including any outstanding interest charges.

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

Proposed Tariffs

SCHEDULE B

Miscellaneous Charges

EFFECTIVE:

Pretreatment Annual Permit Fee:	June 30, 2003
New Sewer Connection Fee:	July 1, 2005
BOD/TSS Surcharge:	June 30, 2003
Septic Tank Waste Discharge Fee:	
A. Septic Tank Waste Discharge Fee:	May 6, 2005
B. Uniform Septage Disposal Fee:	April 1, 2008
Sewer Back-up Removal Fee:	March 24, 1995
Abatement Application Fee:	January 29, 2001
Credit Card Transaction Fee	On or after February 2, 2011

1. Pretreatment Annual Permit Fee: Applicable to all users regulated under R.I.G.L. 46-25-25 and the NBC's Rules and Regulations.

CAT #	User Classification	Annual Permit Fee
11	Electroplater/Metalfinisher	
	Flow < 2,500 GPD	\$1,811
	Flow ≥ 2,500 < 10,000 GPD	\$3,623
	Flow ≥ 10,000 GPD < 50,000	\$7,246
	Flow ≥ 50,000 GPD < 100,000 GPD	\$10,144
	Flow ≥ 100,000	\$10,869
12	Metal Molding and Casting	\$1,087
13	Organic Chemical Manufacturers	\$7,246
14	Other Categorical Industries	\$1,087
15	Metal Formers	\$5,797
21	Tubbing/Vibratory/Mass Finishing	
	Flow < 5,000 GPD	\$725
	Flow ≥ 5,000 GPD	\$1,449
22	Chemical Transporters, Refiners, Recyclers, Manufacturers	\$2,898
23	Textile Processing Firms	
	Flow < 2,500 GPD	\$1,449
	Flow ≥ 2,500 < 10,000 GPD	\$3,768
	Flow ≥ 10,000 < 50,000	\$5,072
	Flow ≥ 50,000 GPD	\$7,246

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

Proposed Tariffs

CAT #	User Classification	Annual Permit Fee
24	Printers	
	Gravure	\$3,623
	Other Flow $\geq 2,500$ GPD	\$1,087
	Other Flow $< 2,500$ GPD	\$725
25	Industrial Laundries	\$3,623
26	Machine Shops/Machinery Rebuilders	\$1,449
27	Other firms discharging toxics and/or prohibited pollutants	
	Flow $\geq 10,000$ GPD	\$2,898
	Flow $\geq 2,500$ GPD $< 10,000$ GPD	\$1,449
	Flow $< 2,500$ GPD	\$725
28	Central Treatment Facilities - Hazardous Waste	\$14,492
29	Central Treatment Facilities	\$4,348
	Non-Hazardous Waste	
34	Manufacturers with high BOD/TSS wastestreams	
	Flow $\geq 100,000$ GPD	\$5,797
	50,000 GPD \leq Flow $< 100,000$ GPD	\$3,623
	10,000 GPD \leq Flow $< 50,000$ GPD	\$1,811
	Flow $< 10,000$ GPD	\$1,087
35	Other facilities discharging conventional pollutants	
	Flow $\geq 10,000$ GPD	\$1,449
	Flow $< 10,000$ GPD	\$725
37	Automotive Maintenance/Service Facilities	
	Small ≤ 2 Bays	\$435
	Large ≥ 3 Bays	\$1,449
40	Groundwater Remediation/Excavation Projects	
	Flow $\geq 10,000$ GPD	\$1,449
	Flow $< 10,000$ GPD	\$725
41	Recycle or Disconnected Electroplating or Chemical Processes	\$725
42	Other Process Operations Disconnected or Recycled	\$290
43	Recycle or Disconnected Electroplating or Chemical Processes with Cooling Water or Boiler Discharges	\$870

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

Proposed Tariffs

CAT #	User Classification	Annual Permit Fee
44	Other Recycled or Disconnected Process Operations with Cooling Water or Boiler Discharges	\$362
46	Cooling Water with Solvent, Toxic and/or Hazardous Chemicals on Site	\$362
49	Other Discharges with Solvents, Toxics and/or Hazardous Chemicals on Site	
	Flow \geq 10,000 GPD	\$1,087
	Flow < 10,000 GPD	\$725
51	Cooling Water with No Solvents, Toxic or Hazardous Chemicals on Site	\$362
52	Boiler Blowdown/Condensate Discharges	\$362
53	Cooling Tower Discharges	\$362
59	Other Non-Toxic Industrial Discharges	
	Flow \geq 5,000 GPD	\$725
	Flow < 5,000 GPD	\$362
80	Septage Haulers/Dischargers	\$435
81	Food/Fish/Meat/Produce Processing (wholesale)	
	Flow < 1,000 GPD	\$362
	1,000 GPD \leq Flow < 10,000 GPD	\$725
	Flow \geq 10,000 GPD	\$1,449
82	Supermarkets (Retail Food Processing)	\$725
83	Parking Garages/Lots	\$725
84	Cooling Water/Groundwater/Boiler Discharges with Potential to Discharge Conventional Pollutants	\$362
85	Restaurants	
	< 50 seats	\$217
	\geq 50 seats < 100 seats	\$435
	>100 seats of fast food (2 or more fryolators and/or drive through window)	\$580
86	Commercial Buildings with Cafeteria and/or laundry operations	\$725

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

Proposed Tariffs

CAT #	User Classification	Annual Permit Fee
89	Other Commercial Facilities with Potential to Discharge Conventional Pollutants	
	< 2,500 GPD	\$362
	≥ 2,500 GPD	\$725
90	Hospitals	\$3,623
91	Cooling Water/Groundwater/Boiler Discharges with Potential to Discharge Toxic, Prohibited and/or Conventional Pollutants	\$362
92	Laundries/Dry Cleaners	
	Laundromats	\$725
	Dry Cleaners with 1 washer or less	\$362
	Dry Cleaners with ≥ 2 washers	\$725
93	Photo Processing	
	< 1,000 GPD	\$362
	1,000 GPD ≤ Flow < 2,500	\$725
	2,500 GPD - 5,000 GPD	\$1,087
	> 5,000 GPD	\$1,449
94	X-Ray Processing	
	≤ 2 processors	\$362
	3 - 4 processors	\$725
	5 - 9 processors	\$1,087
	≥ 10 processors	\$1,449
95	Clinical, Medical and Analytical Laboratories	\$725
96	Funeral Homes/Enbalming Operations	\$362
97	Motor Vehicle Service/Washing Operations	
	rate per tunnel	\$725
	rate per bay	\$217
	maximum rate per facility	\$1,449
99	Other Commercial Users with Potential to Discharge Toxic, Prohibited and/or Conventional Pollutants	
	Flow < 2,500 GPD	\$362
	Flow ≥ 2,500 GPD	\$725

NOTE: All flow rates are based upon operating days.

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

Proposed Tariffs

2. New Sewer Connection Fee: Applicable to all applications for a new service connection directly or indirectly to NBC facilities. Payable at the time of application.

Residential	\$260	per connection
Commercial	\$779	per connection
Industrial	\$779	per connection

3. Sewer Back-up Removal Fee: Applicable to all visits by Commission personnel to clear a sewer blockage when such blockage is determined to be a private sewer and is cleared by Commission personnel.

Charge: \$75.00 per incident

4. Septic Tank Waste Discharge Fee: Applicable to all discharges of septic tank waste into the NBC system.

A. Charge: \$42 per thousand gallons

B. Uniform Septage Disposal fee: \$1.00 per hundred gallons

5. BOD/TSS Surcharge: (if applicable)

Charge: \$87.00 per 1,000 pounds of BOD with a concentration of >300 mg/l

Charge: \$87.00 per 1,000 pounds of TSS with a concentration of >300 mg/l

* To be assessed as the result of compliance with an industrial permit or NBC requirement.

6. Abatement Application Fee: Applicable to all applicants who request an abatement to sewer user fees charged. Payable at the time of application.

Charge: \$36.00

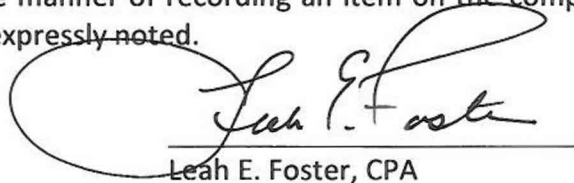
7. Credit Card Transaction Fee: For payments with credit cards NBC will charge a fee of 1.75% rounded up to the nearest \$0.50 of the user-selected amount, plus \$1.00

IN RE:
NARRAGANSETT BAY COMMISSION
TARIFF FILING OF October 5, 2012

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION


ATTESTATION UNDER RULE 2.7

I, Leah E. Foster, Controller, of the Narragansett Bay Commission, in conformance with part 2.7, of the Rules of Practice and Procedure of the Public Utilities Commission, hereby attest that the financial data presented in the rate base, cost of service, revenue statements and supporting data submitted herein are an accurate reflection of the books of the Narragansett Bay Commission. Any differences between the books and the test year data, and any changes in the manner of recording an item on the company's books during the test year have been expressly noted.


Leah E. Foster, CPA

STATE OF RHODE ISLAND
PROVIDENCE, SC.

Subscribed and sworn to before me on this 5th day of Oct. 2012.

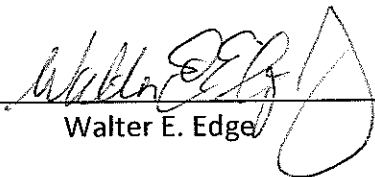

Notary Public
ID# 53982
Exp. 9/24/2014

IN RE:
NARRAGANSETT BAY COMMISSION
TARIFF FILING OF October 5, 2012

NARRAGANSETT BAY COMMISSION

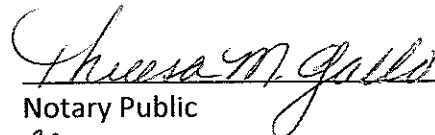
ATTESTATION

I, Walter E. Edge, President of B&E Consulting, hereby make affidavit that the testimony I presented on behalf of the Narragansett Bay Commission is true and correct to the best of my knowledge, information and belief.


Walter E. Edge

STATE OF RHODE ISLAND
PROVIDENCE, SC.

Subscribed and sworn to before me on this 5th day of October 2012.


Notary Public
My Comm. Expires: 12/19/14
Notary ID #59481

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

**for
THE NARRAGANSETT BAY COMMISSION**

DOCKET No. _____

October 5, 2012

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. Are you the same Walter E. Edge Jr. who has testified as an expert accounting and rate**
11 **witness in previous rate filings for Narragansett Bay Commission (NBC)?**

12 A. Yes. I have provided expert accounting and rate testimony before the Rhode Island Public
13 Utilities Commission (PUC) for NBC and many other clients. Some of the other clients include
14 Interstate Navigation Company, Block Island Power Company, Providence Water Supply Board,
15 Pawtucket Water Supply Board, Newport Water, Woonsocket Water, and Stone Bridge Fire
16 District.

17

18 **Q. What is the scope of your engagement in this docket?**

19 A. NBC hired B&E to develop a normalized test year, FYE June 30, 2012 and a rate year, FYE June
20 30, 2014. B&E was engaged to prepare expert testimony in support of both the test year and
21 the rate year, which included all the schedules and exhibits required by the rules and regulations
22 of the Rhode Island Public Utilities Commission (PUC). In addition, B&E was asked to prepare
23 and present appropriate rate design testimony (if necessary). As part of the engagement, B&E
24 was to review the testimony of others, and assist with cross-examination. Lastly, B&E was
25 engaged to assist legal counsel with the preparation of briefs if needed.

26

1 **Q. Can you please provide a summary of the NBC's rate filings during the last five years?**

2 A. Yes, not including this application, NBC has filed for rate relief six times during the last four
3 years. As is evident in the table below, these filings have been needed primarily to support
4 the debt service and debt service coverage associated with financing the Capital
5 Improvement Program (CIP). In fact, four out of the six filings were debt service compliance
6 filings. NBC has not received rate relief related to Operations and Maintenance since
7 December 22, 2008 and nearly all of that rate increase or 73%, was required to address
8 consumption shortfalls.

Narragansett Bay Commission Rate Filing History						
New Rate Effective Date	7/1/2009	7/1/2010	Withdrawn	7/1/2011	7/1/2012	1/1/13*
Date Filed	12/22/2008	3/2/2010	10/8/2010	11/24/2010	12/20/2011	8/27/2012
Docket No.	4026	4151	4205	4214	4305	4352
Purpose	O&M/Rate Base	Debt	O&M/Rate Base	Debt	Debt	Debt
Type of Filing	General	Compliance	General	Compliance	Compliance	Compliance
Revenue Increase	10.29%	2.17%		3.21%	2.17%	7.09%
User Rate Increase	10.73%	2.25%		3.33%	2.25%	7.35%
Average Annual Residential Rate	\$410	\$419		\$433	\$443	\$475
*Pending						

10
11
12 **Q. Before you begin your explanation of the test year, rate year and rate design, would you**
13 **please give the PUC and the Division of the Public Utilities and Carriers (Division) an update as**
14 **to the status of items raised in the last general rate filing that resulted in the issuance of a**
15 **Report and Order from the PUC?**

16 A. Certainly. The last general rate filing that resulted in the issuance of a Report and Order
17 from the PUC was Docket 4026 which was filed on December 22, 2008 for implementation in
18 the rate year ending June 30, 2010. The major items considered in Docket 4026 and their
19 current status is as follows:

20
21 1. As in Docket 3905 and prior dockets, the continued revenue shortfall in the rate year was
22 the most important revenue requirement issue in Docket 4026. Revenue shortfalls in
23 previous years resulted from the over-estimation of consumption for the rate year and
24 other factors. In other words, rate year consumption in previous dockets was significantly
25 over-estimated, causing consumption rates to be calculated lower than they should have
26 been. This resulted in significant rate year revenue shortfalls. In Docket 4026, NBC based

1 the rate year consumption on a continued downward trend and this method was accepted
2 by the Division and approved by the PUC.

3
4 In this Docket, NBC bases rate year consumption on test year levels. Although NBC has
5 never billed as much consumption approved by the PUC under Docket 4026, the decline in
6 overall consumption appears to have leveled off over the last two fiscal years.

7
8 2. The test year in Docket 4026 (FYE June 30, 2008) did not include costs for the CSO Phase I
9 Facilities since they did not become operational until November 2008. Consequently, the
10 NBC projected the annual operating costs related to the CSO Phase I Facilities for the rate
11 year. This filing includes a full year of CSO Phase I Facilities operating costs in the test year,
12 FYE June 30, 2012.

13
14 3. Docket 4026 included lengthy discussions regarding NBC's Operating Reserve which was
15 reduced in Docket 3905 to 1% of operating expenses, excluding debt service and personnel
16 expenses. NBC believes that this is not reasonable given that more than 57% of its user fee
17 revenues are restricted for debt related costs and therefore NBC has virtually no flexibility to
18 pay for exceptional high utility, biosolids disposal, or chemical use required to meet its
19 permits. In this docket, NBC will request that the PUC allow an increase in the operating
20 reserve to a more reasonable level similar to what the PUC has allowed for water utilities in
21 Rhode Island.

22
23 4. Other lesser items addressed in Docket 4026 include: 1) regulatory expense, 2) salary
24 increases, 3) health insurance premiums and co-payments, 4) management audit services, 5)
25 insurance, 6) lab supplies, 7) maintenance and service agreements, 8) utilities, and 9) rate
26 design (an increase in the flat fees only as proposed by the Division and supported by NBC
27 and approved by the PUC). Many of these same items will be addressed in this filing.

28
29
30 **Q. Does that conclude your review of the significant issues addressed in the last general rate**
31 **case docket?**

32 A. Yes.

1
2 **Q. What are the major items driving this rate request?**

3 A. They are as follows:
4

5 **1. The need to update the base rates with respect to consumption:**

6 NBC proposes the use of the test year billing units as the basis for the user charge
7 calculation. This is less conservative than the method used and approved in Docket
8 4026 that resulted in a decrease in consumption in the interim and rate years.
9

10 **2. The need to update the number of non-residential meters:**

11 NBC has not been billing flat fees at the PUC approved levels primarily as a result of a
12 reduction in both the number of non-residential meters and the size of billable meters.
13 Using the test year units to calculate rates will result in rates that are more likely to
14 generate the PUC approved revenues.
15

16 **3. Salaries and Related Fringe Benefits:**

17 NBC's rate year cost of service reflects contracted union step increases and projected
18 increases in salaries and wages for union and non-union employees. In addition, NBC
19 included salaries and fringe for FTEs in the test year. Fringe benefits have been adjusted
20 for increases in health insurance premiums that will be offset, in part, by increases in
21 premium co-payments.
22

23 **4. Utility Increases:**

24 The rate year reflects an entire year with higher utility usage associated with the
25 operation of the new Biological Nutrient Removal (BNR) facilities at Field's Point that is
26 partially offset by the operation of the wind turbines. NBC is also projecting a decrease
27 in the supply cost of electricity.
28

29
30 **5. Debt Service:**

31 NBC requires additional revenues to meet its debt service and debt service coverage
32 requirements associated with funding its Capital Improvement Program (CIP). In

1 addition, FY 2013 is the last year of the five-year debt service compliance filing
2 mechanism and NBC is seeking an additional five year approval of this program.

3

4 **6. Miscellaneous Adjustments:**

5 NBC has also made adjustments to two large line items, Biosolids Disposal and
6 Management/Audit Services to reflect contracted price adjustments. Chemicals were
7 adjusted to reflect two new chemicals that will be used for the BNR facilities. Other
8 accounts such as Maintenance/Service Agreements and Insurance were also adjusted.

9

10 **Q. How much of a rate increase is NBC requesting in this docket?**

11 A. NBC is requesting additional revenue in the amount of \$12,483,704 million that will increase
12 total rate year revenue to \$98,568,187. This represents a rate increase over test year
13 revenue of 14.50%.

14

15 **Q. Will all rates increase by the 14.50%?**

16 A. No, see Schedule WEE-14 which shows the calculation of the percentage increase on sewer
17 rates based on a uniform across-the-board increase of 14.98%. In addition, I have provided
18 Schedule WEE-15 which shows the rate year revenue check and Schedule WEE-16 which
19 provides ratepayer impact.

20

21 **Q. Does that conclude your overview?**

22 A. Yes.

23

1 **TEST YEAR (FYE June 30, 2012)**

2
3 **Q. Mr. Edge, did B&E audit the test year?**

4 A. No, B&E did not audit the FY 2012 financial statements. However, an independent audit of
5 NBC was completed by a CPA firm and the audit results were used as the basis of the unadjusted
6 test year. As part of my preparation for this filing, I reviewed the year end audit results
7 (Audited Financial Statements), the audited trial balance and some of the detailed posting to the
8 general ledger accounts. As a result of this review, I obtained a better understanding of the
9 detailed transactions included in the revenues and expenses. My review and discussions with
10 management were the basis for the normalized test year.

11
12 **Q. How did you prepare the test year for this filing?**

13 A. I began the test year preparation with the June 30, 2012 audited financial statements that
14 were prepared using Generally Accepted Accounting Principles (GAAP). I then made certain
15 rate-making adjustments to convert the GAAP basis financial statements to a rate-making basis,
16 such as removing depreciation and adding principal payments on long term debt. In addition to
17 the rate-making adjustments, a number of other test year adjustments were made.

18
19 The test year adjustments are as follows:

20
21 **REVENUES:**

- 22
23 ➤ My first revenue adjustment was the elimination of the Investment Income earned
24 during the test year on the Project Fund and Debt Service Fund (\$6,360). This
25 investment income is not available for operations.
26
27 ➤ As in previous rate cases, I eliminated Environmental Enforcement Fund revenues
28 (\$1,000) and related expenses in the following accounts: 1) Printing and Binding (\$133)
29 2) Rental - Equipment (\$1,321) 3) Rental – Outside Property (\$400) 4) Public Outreach
30 Education (\$10,300) 5) Other Operating Supplies and Expense (\$3,041) and 6) Office
31 Expense (\$90).
32

➤ Grant activity is the next test year adjustment. Grant revenue is related specifically to grant approved expenditures and therefore the revenue is not available to pay for normal operations. I have removed all of the Grant revenues (\$129,327) and Grant expenses in Supplies Building & Maintenance (\$43,459) and Other Services (\$38,733).

➤ I eliminated the Capital Contributions (\$1,550,547). This represents principal forgiveness associated with loans from the RICWFA. The contributed capital is used to fund the CIP and is not a revenue source for ratemaking purposes, further it is a non-recurring revenue source.

Q. Did you make any other adjustments to the test year revenues?

A. Yes. I made two adjustments to the user fee accounts. First, I adjusted the test year revenues by the 2.25% rate increase approved by the PUC in Docket 4305 for rates effective on July 1, 2012. I then made a second adjustment to reflect the 7.35% rate increase as filed by NBC in Docket 4352. Although, these rates have yet to be authorized by the PUC, the proposed effective date is January 1, 2013 and therefore the new rates would be in effect prior to the completion of this Docket (See Schedule WEE-2A). Please see the table below for a summary of the adjustments.

Acct Number	Account Name	Test Year FY 2012	Docket 4305 2.25%	Docket 4352 7.35%	Per WEE 2A	Difference Rounding
41000	Residential Flat Fees	\$ 19,852,377	\$ 20,299,055	\$ 21,791,036	\$ 21,790,217	\$ (819)
41100	Residential Consumption	23,413,926	23,940,739	25,700,384	25,700,104	(280)
41501, 41502	Non-Residential Flat Fees	12,019,228	12,289,661	13,192,951	13,192,676	(275)
41510	Commercial Consumption	19,529,666	19,969,083	21,436,811	21,439,959	3,148
41511	Industrial Consumption	1,106,556	1,131,454	1,214,615	1,214,544	(71)
				<u>\$ 83,335,797</u>	<u>\$ 83,337,500</u>	<u>\$ 1,703</u>

Q. Do you have any other test year revenue adjustments?

A. No, I do not.

1 EXPENSES:

- 2
- 3 ➤ I increased workmen's compensation insurance by \$12,354 to remove a one-time
- 4 dividend that is non-recurring.
- 5
- 6 ➤ I eliminated the Bond and Note Fees (\$60,883) as these are paid out of the Stabilization
- 7 Account in the Debt Service Fund.
- 8
- 9 ➤ The next adjustment was the removal of Depreciation (\$10,173,415) and all but \$9,690
- 10 of the annual amortization expense of \$396,210 from the test year. The amortization
- 11 of \$9,690 is for the Bucklin Point organization cost that was established a number of
- 12 years ago by the Auditor General's office. This adjustment is needed because NBC is
- 13 regulated on a cash basis.
- 14
- 15 ➤ The next adjustment was to reflect the Operating Capital Outlays purchased in the test
- 16 year in the amount of \$2,271,597 that were charged to Operating Capital accounts and
- 17 not expensed. I made these test year adjustments to show the level of Operating
- 18 Capital Outlays in the test year. I will reverse these adjustments in the rate year
- 19 because these items are funded with the Debt Service Coverage Carry-Forward.
- 20
- 21 ➤ I added to the test year expense, Interest (\$4,887,365), Principal (\$25,354,064) and Debt
- 22 Service Coverage (\$10,504,546) to reflect the rate year debt service and Debt Service
- 23 Coverage as requested by NBC in Docket 4352.
- 24
- 25 ➤ Finally, I calculated the Net Operating Reserve in the amount of \$154,349 based on the
- 26 methodology requested by NBC in Docket 4026.
- 27

28 **Q. Mr. Edge, why have you spent so much time and effort on the test year?**

29 A. The test year is an important foundation on which to build an appropriate rate year. A

30 large number of accounts have been left at test year levels for the rate year so having a

31 representative of a normal test year is important. In addition, it makes it easier to understand

32 the combined impact of NBC's pending rate case and this rate request.

1

2 **Q. Mr. Edge, did you complete a schedule that shows the test year revenue by source that**
3 **ties into the audited financial statements for FY 2012?**

4 A. Yes, see Schedule WEE-2.

5

6 **Q. Have you provided historic revenues and expenses for the last three years?**

7 A. Yes I have, see Schedule WEE-3.

8

9 **Q. Does your adjusted test year represent a level of activity for a normalized year of the**
10 **NBC?**

11 A. Yes, it does.

12

1 **RATE YEAR (FYE June 30, 2012)**

2
3 **Q. Mr. Edge, how would you like to proceed with your rate year testimony?**

4 A. In an attempt to reduce the number of issues in this docket, I have reviewed the test year
5 revenue and expense accounts to determine the best approach for dealing with the more than
6 80 general ledger accounts. Consistent with previous dockets, I noticed that the accounts can
7 be divided into four groups. To make things easier, these groupings were reviewed and
8 evaluated together. The remaining individual accounts not included in one of the four groups
9 were analyzed separately. The groups are as follows:

- 10
- 11 1. Revenue accounts (there are 14 accounts in the adjusted test year).
 - 12
 - 13 2. Personnel service accounts (there are 17 accounts in the adjusted test year). These
14 accounts are all payroll and payroll related accounts.
 - 15
 - 16 3. Capital Outlay accounts (excluding Depreciation and Amortization there are 7 capital
17 outlay accounts in the adjusted test year). These non-operating expenditures were
18 added to the test year to show the level of capital spending in the test year. As
19 stated earlier, these capital expenditures are not paid for with operating revenues
20 therefore I will remove them from the rate year.
 - 21
 - 22 4. There are 8 revenue and 39 expense accounts that have balances in the test year of
23 less than \$200,000. As I have done previously I left these accounts at their test year
24 levels (Please note that a \$200,000 balance in any one account represents only
25 about 0.20%; which is less than ¼ of one percent of the rate year revenue
26 requirement). I believe that if I took the time to project the individual rate year
27 balances for all of these accounts the net change would be immaterial to the overall
28 revenue requirement. Further, I believe that the overall adjustment would most
29 likely be an increase to the revenue requirement because of inflationary trends.
 - 30
 - 31

1 **REVENUES:**

2
3 **Consumption Revenue**

4 **Q. Mr. Edge, what has been the most significant issue regarding consumption projections in**
5 **NBC's recent dockets?**

6 A. The most significant issue regarding consumption projections in prior dockets has been the
7 use of test year consumption levels to project rate year consumption. In the past this has
8 adversely impacted NBC's ability to bill at the PUC approved revenue levels. In NBC's last general
9 rate case, however, the NBC provided significant evidence that supported using a downward
10 trend in consumption for both the interim year (FY June 30, 2009) and the rate year (FY June 30,
11 2010). The Division and PUC reviewed the evidence provided and agreed with NBC's downward
12 trend in consumption projection. As a result, the PUC approved the rate year levels filed by
13 NBC.

14
15 **Q. Was the use of the projected downward consumption trend method adopted in Docket**
16 **4026 successful?**

17 A. The use of the projected downward trend method was not as successful as anticipated but it
18 was certainly better than leaving consumption at test year levels. Although the projected rate
19 year consumption based on the two-year decline was closer to the actual rate year
20 consumption, NBC's actual revenues for the rate year failed to reach the rate year revenue level
21 projected in Docket 4026. Actual consumption declined further than NBC projected for the year
22 ending June 30, 2010 and has continued to be below PUC approved levels as set forth in Docket
23 4026 every year since as is seen in the table below.

24

Consumption (HCF)				
	Residential	Commercial	Industrial	Total
Actual FY 2008	9,964,506	5,713,560	569,139	16,247,206
Actual FY 2009	8,791,484	4,989,452	405,012	14,185,948
Actual FY 2010	8,621,448	4,821,132	381,549	13,824,129
Actual FY 2011	8,679,884	4,882,491	462,110	14,024,485
Actual FY 2012	8,627,091	4,961,805	437,201	14,026,098
Per Docket 4026				
FY 2010	9,114,443	5,071,297	389,608	14,575,348

25

1 **Q. Mr. Edge, how has NBC managed to have a net income on a ratemaking basis despite these**
2 **significant revenue shortfalls?**

3 A. Bar an extreme circumstance, the NBC should finish each and every year with a significant
4 net income because its rates, as approved by the PUC, are designed to generate 125% of
5 principal and interest so that NBC meets its debt coverage requirements. So far NBC has been
6 able to meet its debt coverage requirements despite the consumption revenue shortfalls but
7 this is a concern given NBC's continuing need to access capital markets in order to finance its
8 Capital Improvement Program (CIP).

9
10 **Q. Mr. Edge, what approach have you used to calculate the rate year consumption revenue in**
11 **this docket?**

12 A. Although NBC continues to bill below the PUC approved levels, the consumption decline
13 appears to have abated and I do not propose any additional downward adjustments to
14 consumption from test year levels.

15
16 **Q. Did you make any additional adjustments to the revenue accounts?**

17 A. No, none were required or appropriate.

18
19 **Q. Does that complete your review of revenues for the rate year?**

20 A. Yes.

1 **EXPENSES:**

2 **Q. How would you like to proceed with your review of expenses?**

3 A. I would like to review the expense accounts in the same order as they are listed on Schedule
4 WEE-1. The first group of accounts is personnel services accounts.

5
6 I have prepared Schedule WEE-4 to show my calculations for rate year salaries and other
7 personnel related accounts. To arrive at the rate year salaries, I started my calculations using
8 the adjusted test year salary expense for non-union and union employees.

9
10 Next, I increased the adjusted test year salaries for union employees for contracted step
11 increases and COLA's effective on July 1, 2012 the interim year and July 1, 2013, the rate year.
12 The contracted COLA's are 2.0% and 2.25% for FY 2013 and FY 2014 respectively. The adjusted
13 test year salaries for non-union employees were increased to reflect merit increases of 3%
14 effective on July 1, 2012 the interim year and July 1, 2013, the rate year. After arriving at the
15 rate year salary and salary related cost calculations I made the appropriate adjustment to
16 Schedule WEE-1.

17
18 **Q. Mr. Edge, how did you calculate the rate year level for the two reimbursement accounts
19 and overtime?**

20 A. I calculated the capital related salaries and fringe benefits (reimbursements) for the rate
21 year in the same fashion that I had increased the salaries above for non-union employees. I
22 then calculated the union, non-union overtime and limited for the rate year in the same manner
23 (see the calculation on Schedule WEE-4). The appropriate adjustments were then made to
24 Schedule WEE-1.

25
26 **Q. Did you increase FICA and Medicare for the rate year?**

27 A. Yes, FICA and Medicare expense is a function of payroll expense. See Schedule WEE-4 for
28 my calculation.

29
30 **Q. How did you adjust the retirement accounts?**

31 A. The union retirement account expense was calculated using 24.05% of union salaries in the
32 rate year based on the planning values provided by the State of Rhode Island Budget Office for

1 FY 2014. The non-union pension expense was calculated in the same manner as NBC's prior
2 dockets at 10% of non-union and limited rate year salaries. See the calculation on Schedule
3 WEE-4. The union retirement health account reflects the retiree health costs for NBC's union
4 employees who participate in the Employees' Retirement System of Rhode Island and was
5 calculated based upon the value from State of Rhode Island's Budget Office of 7.80% (based on
6 the valuation study issued in May 2012.)

7
8 **Q. Have you made an allowance for turnover?**

9 A. No, I have not. No turnover allowance is needed in this docket because the test year payroll
10 and payroll related expenses reflect actual turnover in the test year.

11
12 **Q. Mr. Edge, have you prepared a schedule for health and dental insurance?**

13 A. Yes I have. I prepared a schedule to calculate the health and dental costs for the rate year
14 (see Schedule WEE-5). On this schedule, I have calculated the rate year health and dental
15 insurance costs by multiplying the average number of covered FTE's during the test year by the
16 projected weighted average rate year premium (based upon the two year average percentage
17 rate increase). I then reduced the rate year health insurance costs by the projected employee
18 premium co-pay amount to arrive at the rate year.

19
20 **Q. What other accounts have been adjusted?**

21 A. I have reviewed a number of accounts individually and made appropriate adjustments as
22 follows:

23
24 ***Biosolids Disposal:***

25 The adjusted test year level of expense was \$4,097,569. I calculated the rate year cost of
26 Biosolids Disposal at \$4,300,094 resulting in a rate year adjustment of \$202,525. The rate year
27 calculations reflect contracted CPI increases to the current rate to arrive at the projected interim
28 and rate year rates. Since the rate increase is effective mid-year, I applied the resulting rate
29 year rates to the two-year average monthly dry tons for Field's Point and Bucklin Point to arrive
30 at the rate year amount. (See calculations in Schedule WEE-6)

1 **Maintenance/Service Agreements:**

2 I have increased the Maintenance/Service Agreements expense to reflect the average
3 percentage increase for the past two years. In addition, I have made an adjustment for three
4 specific items that are new including new equipment at Field's Point that was previously under
5 warranty, the new Laboratory Information Management System software, and laboratory
6 instruments that did not previously have service contracts. This results in an adjustment to
7 increase in maintenance service agreement expense of \$325,378. See schedule WEE-7 for the
8 detailed calculation.

9
10 **Insurance:**

11 I adjusted the Insurance Expense based on the two-year average annual percentage increase,
12 resulting in an increase of \$63,995 (See Schedule WEE-8).

13
14 **Natural Gas:**

15 Schedule WEE-9 shows the rate year calculation of natural gas expense. I used the two year
16 average Therms for my calculations. Also reflected on Schedule WEE-9 is the increased usage of
17 natural gas due to the new Field's Point Biological Nutrient Removal (BNR) facilities that will be
18 operational in the rate year. I then multiplied the average Therms by facility by the two year
19 average rate per Therm to project the rate year natural gas expense of \$454,609 and the
20 \$139,809 rate year adjustment.

21
22 **Electricity:**

23 I have calculated the rate year increase for electric costs on Schedule WEE-10. I used the two
24 year average. Also reflected on Schedule WEE-10 is the increased usage of electricity due to the
25 Field's Point Biological Nutrient Removal (BNR) facilities new that will be operational in the rate
26 year. I reduced the rate year kWh to reflect the projected electricity that will be generated
27 once the wind turbines become operational. I then multiplied the average kWh by facility by the
28 rate per kWh based on the average National Grid Standard Offer for the 12 month period ending
29 June 30, 2012.

1 **Chemicals:**

2 **Hypochlorite and Bisulfite:**

3 These are two chemicals that have been used by NBC as part of traditional operations. I
4 calculated the rate year cost for each of these two chemicals using a two-year average for both
5 the usage and the rate. This resulted in a rate year cost for Hypochlorite that is \$129,788 higher
6 than the adjusted test year and a rate year cost for Bisulfite that is \$140,099 higher than the
7 adjusted test year.

9 **Carbon Feed and Sodium Hydroxide:**

10 In addition, operation of the new BNR Facilities at Field's Point involves the addition of two new
11 chemicals, Carbon Feed and Sodium Hydroxide, to achieve the total seasonal nitrogen permit
12 levels. I have made rate year adjustments of \$172,800 for Carbon Feed and \$196,468 for
13 Sodium Hydroxide based on projected usage and rates.

15 See my Schedule WEE-11 for the detailed calculations of all of the chemical costs.

17 **Management/Audit Services:**

18 The largest item in this account is the contract to manage the Bucklin Point Wastewater
19 Treatment Facility. This account was adjusted to reflect the contracted CPI increase (See
20 Schedule WEE-12 for the detailed calculations).

22 **Capital Outlays:**

23 As I stated earlier, I removed these accounts from the rate year revenue requirement in
24 accordance with the PUC Report and Order that sets forth that Capital Outlays are paid from the
25 prior year restricted Debt Service Coverage carry-forward.

27 **Debt Service:**

28 I have increased the debt service accounts to reflect the borrowing expected in the rate year.
29 The debt issuance is based on the long-term debt model (See Exhibit WF-1) and is required to
30 support NBC's CIP. The model shows the issuance of \$98 million in open market revenue bonds
31 and the borrowing of \$12 million from the Rhode Island Clean Water Finance Agency. NBC's
32 Trust Indenture requires that NBC's rates generate 125% of principal and interest, therefore

1 NBC must seek rate relief prior to issuance of additional debt. This is an increase in rate year
2 debt service of \$5.7 million and an increase in the coverage allowance of \$1.4 million. My
3 adjustment to debt service and debt service coverage is shown in Schedule WEE-13. Please see
4 the debt service schedules provided in this docket and refer to Mr. Fazioli's testimony and
5 schedules for further details.

6
7 As part of Docket 3905 (PUC Order 19380) the PUC allowed for NBC to "continue with the
8 current debt service compliance filing mechanism provided for in Docket 3483 for the period of
9 FY 2009 through FY 2013" (page 17 of the Order). I would also like to take this opportunity to
10 request that the PUC extend the debt service compliance filing mechanism which is to reach the
11 end of its second term provided by the PUC. The debt service compliance filing methodology
12 has worked well for the PUC, NBC and its ratepayers and has enabled NBC to take advantage of
13 low-cost financing opportunities while meeting its ongoing capital needs. This mechanism has
14 also enabled NBC to issue variable rate debt which has saved ratepayers millions of dollars over
15 the life of the issue due to historic low short-term interest rates. Finally, it is also a factor that
16 has been cited by Standard and Poor's as favorable since the ability of a utility to raise its rates
17 to meet debt service commitments is critical.

18
19 NBC will be accessing the capital markets and/or borrowing from the RICWFA regularly for the
20 next several years to fund mandated capital improvements. The debt service compliance filing
21 mechanism is an excellent vehicle for addressing this limited set of issues (debt service and debt
22 service coverage allowance). NBC is not requesting pre-approval of rates but the continuance of
23 debt service compliance filing mechanism approach for an additional five years.

24
25 **Q. Mr. Edge does that conclude your review on the expense accounts?**

26 A. No it does not. NBC has filed at least one rate case (in some years NBC filed two) each of
27 the last nine years. NBC expects that it will continue to file annually with the PUC in order to
28 finance its mandated Capital Improvement Program. Therefore, NBC is requesting that rate
29 case expense be left at the test year level in this docket and that all rate case expense be
30 charged directly to rate case expense and not amortized over any future period. This is the
31 same treatment of rate case expense as the last docket which was approved by the PUC.

1
2 **Q. Now does that complete your detailed review of NBC's expense accounts?**

3 A. Yes. The only other adjustment that I made was to recalculate the net operating reserve
4 using 1.5% versus the 1% approved in Docket 4026, on a base that does not exclude the
5 personnel services from the calculation. The PUC has calculated the net operating reserve in
6 the most recent NBC dockets on a base that excludes debt service and personnel services from
7 the operating expenses but I am requesting once again that the PUC reconsider its position on
8 this matter given the inability of NBC to reduce operating costs should NBC face higher
9 chemical, biosolids disposal, or utility (electricity and natural gas) demands in order to meet
10 permit requirements. In fact, under the current method for calculating the operating reserve,
11 these large account expenses alone are 57% of the base.
12

	Annual Amount
Annual Expense for Large Accounts	\$ 9,825,115
Total Operating Reserve Current Base	17,245,281
Percent	57%
Annual Operating Reserve Existing Method	\$ 172,453
Annual Operating Reserve Proposed Method	\$ 573,852
Monthly Expense for Large Accounts	\$ 818,760

13
14
15 Increasing the operating reserve by \$419,503 increases the revenue requirement by less than ½
16 of one percent and will give NBC the flexibility to meet its operating costs should NBC
17 experience higher operational costs in attaining permit requirements.

18
19 It should be noted that the PUC's approval of the establishment and funding of the Operating
20 Reserve for Revenue Stability Fund (Revenue Stability Reserve) has been viewed positively by
21 NBC's credit rating agency but the Revenue Stability Reserve addresses revenue shortfalls not
22 increases in operating expenses. NBC may only access these funds in the case of a serious
23 revenue shortfall where NBC is unable to make its required monthly fund transfers. Enhancing
24 NBC's ability to meet unanticipated cost increases is important given the size and complexity of
25 NBC's operations. I respectfully request that the PUC allow NBC to collect the operating reserve

1 at the requested level in this filing, which is below the operating reserves approved for PUC
2 regulated Rhode Island water utilities.

3 **Q. Mr. Edge, have you calculated the revenue requirement percentage rate increase for this**
4 **docket, the ratepayer impact and the revenue check?**

5 A. Yes. I have calculated the rate increase as a straight across-the-board rate increase on user
6 charges which is shown on Schedule WEE-14. The revenue proof for is shown on Schedule
7 WEE-15 and the ratepayer impact is shown on Schedule WEE-16.

8

9 **Q. Does that conclude your rate year analysis?**

10 A. Yes. However I would like to address one last item before moving on to the rate design issue
11 in this docket. NBC was required to spend a significant amount of time preparing the rate year
12 revenue and debt issuance information. NBC is requesting that in spite of this minor delay, the
13 rates be effective July 1, 2013 as an effective date of the first of the year is easiest for ratepayers
14 to understand and for NBC to implement.

15

16 **RATE DESIGN:**

17 **Q. Mr. Edge, are there any rate design issues proposed for this Docket?**

18 A. No. I am proposing that rates be increased equally across the board.

19

20 **Q. Does that conclude your testimony?**

21 A. Yes it does.

Narragansett Bay Commission
Test Year and Rate Year

Schedule WEE - 1

Acct Number	Account Name	Test Year FY 2012	Test Year Adjustments	Adjusted Test Year	Rate Year Adjustments	Rate Year FY 2014
Revenue						
41000	FLAT FEES RESIDENTIAL	\$ 19,852,377	\$ 1,938,659	\$ 21,791,036	\$ -	\$ 21,791,036
41100	CONSUMPTION FEE - RESIDENTIAL	23,413,926	2,286,458	25,700,384	-	25,700,384
41501, 41502	FLAT FEES COMMERCIAL & INDUSTRIAL	12,019,228	1,173,723	13,192,951	-	13,192,951
41510	CONSUMPTION FEE - COMMERCIAL	19,529,666	1,907,145	21,436,811	-	21,436,811
41511	CONSUMPTION FEE - INDUSTRIAL	1,106,556	108,059	1,214,615	-	1,214,615
42000	PRETREATMENT FEES	1,087,140	-	1,087,140	-	1,087,140
42500	CONNECTION PERMIT FEES	85,487	-	85,487	-	85,487
43000	BOD/TSS SURCHARGE	93,462	-	93,462	-	93,462
43500	SEPTAGE INCOME	304,157	-	304,157	-	304,157
45100, 45200	INVESTMENT INCOME	10,868	(6,360)	4,508	-	4,508
45500	LATE CHARGE PENALTY	918,943	-	918,943	-	918,943
46500	ENVIRONMENTAL ENFORCEMENT	1,000	(1,000)	-	-	-
47502	GRANT	129,327	(129,327)	-	-	-
42600	ABATEMENT FEE	2,160	-	2,160	-	2,160
	CONTRIBUTED CAPITAL	1,550,547	(1,550,547)	-	-	-
49002	MISCELLANEOUS INCOME	120,414	-	120,414	-	120,414
49003	RENTAL REVENUE	132,415	-	132,415	-	132,415
TOTAL REVENUE		80,357,673	5,726,810	86,084,483	-	86,084,483
PERSONNEL SERVICES						
52100	UNION - REGULAR	5,589,017	-	5,589,017	460,460	6,049,477
52150	UNION OVERTIME	422,694	-	422,694	34,824	457,518
52300	NON-UNION REGULAR	8,102,630	-	8,102,630	493,450	8,596,080
52350	NON-UNION OVERTIME	66,499	-	66,499	4,050	70,549
52400	NON-UNION LIMITED	21,324	-	21,324	1,299	22,623
52800	UNION PENSION	1,234,841	-	1,234,841	220,058	1,454,899
52810	FICA	1,032,696	-	1,032,696	122,786	1,155,482
52820	UNEMPLOYMENT	29,912	-	29,912	-	29,912
52920	NON UNION PENSION	795,779	-	795,779	70,884	866,663
52940	UNION RETIREMENT HEALTH	362,175	-	362,175	109,684	471,859
52950	HEALTH INSURANCE	3,163,226	-	3,163,226	96,740	3,259,966
52970	DENTAL INSURANCE	224,574	-	224,574	26,099	250,673
52980	VISION INSURANCE	39,441	-	39,441	-	39,441
52990	DISABILITY INSURANCE	39,401	-	39,401	-	39,401
53690	WORK. COMP. - OLD CLAIMS	62,620	-	62,620	-	62,620
TOTAL PERSONNEL SERVICES		21,186,829	-	21,186,829	1,640,334	22,827,163
59000	SALARY REIMBURSEMENT	(1,106,720)	-	(1,106,720)	(67,399)	(1,174,119)
59001	FRINGE REIMBURSEMENT	(604,725)	-	(604,725)	(36,828)	(641,553)
NET PERSONNEL SERVICES		19,475,384	-	19,475,384	1,536,107	21,011,491
OPERATING SUPPLIES/EXPENSES						
52610	MEDICAL SVCS.	8,055	-	8,055	-	8,055
53210	POSTAGE	347,745	-	347,745	-	347,745
53240	DUES & SUBSCRIPTIONS	50,942	-	50,942	-	50,942
53250	FREIGHT	39,639	-	39,639	-	39,639
53310	PRINTING & BINDING	122,615	(133)	122,482	-	122,482
53320	ADVERTISING	8,254	(1,321)	6,933	-	6,933
53330	RENTAL- EQUIPMENT	14,805	-	14,805	-	14,805
53340	RENTAL- CLOTHING	30,305	-	30,305	-	30,305
53350	RENTAL-OUTSIDE PROPERTY	5,841	(400)	5,441	-	5,441
53370	PUBLIC OUTREACH ED.	23,412	(10,300)	13,112	-	13,112
53410	LOCAL TRAVEL	1,742	-	1,742	-	1,742
53420	LONG DISTANCE TRAVEL	37,258	-	37,258	-	37,258
53470	BLDG. & GRND. MAINT.	121,298	-	121,298	-	121,298
53480	BIOSOLIDS DISPOSAL	4,097,569	-	4,097,569	202,525	4,300,094
53490	SCREENING & GRIT DISPOSAL	163,809	-	163,809	-	163,809
53510	VEHICLE FUEL & MAINTENANCE	233,892	-	233,892	-	233,892
53610	REPAIRS BLDG, STRUCT,EQUIP.	486,470	-	486,470	-	486,470
53620	REPAIR-HIGHWAY & WALKS	3,149	-	3,149	-	3,149
53630	MAINTENANCE/SERVICE AGREE.	735,174	-	735,174	325,378	1,060,552
53650	HIGHWAY & LANDSCAPE	728	-	728	-	728

Narragansett Bay Commission
Test Year and Rate Year

Schedule WEE - 1

Acct Number	Account Name	Test Year FY 2012	Test Year Adjustments	Adjusted Test Year	Rate Year Adjustments	Rate Year FY 2014
53660	INSURANCE	412,515	-	412,515	63,995	476,510
53680	WORK. COMP. INSURANCE	346,788	12,354	359,142	-	359,142
53900	CENTRAL PHONE SVCS.	5,653	-	5,653	-	5,653
54000	TELEPHONE	138,079	-	138,079	-	138,079
54020	FUEL OIL #2 - DIESEL	37,168	-	37,168	-	37,168
54060	FUEL-GAS	314,800	-	314,800	139,809	454,609
54090	ELECTRICITY	3,755,779	-	3,755,779	196,353	3,952,132
54110	WATER	33,557	-	33,557	-	33,557
54200	CLOTHING	23,057	-	23,057	-	23,057
54330	CHEM, HOUSE, LAUND SUPP.	39,056	-	39,056	-	39,056
54332	CHLORINE/HYPOCHLORITE	239,759	-	239,759	129,788	369,547
54333	CARBON FEED	-	-	-	172,800	172,800
54336	SODIUM HYDROXIDE	-	-	-	196,468	196,468
54337	SODIUM BISULFITE	239,366	-	239,366	140,099	379,465
54340	LAB SUPPLIES	264,201	-	264,201	-	264,201
54370	SUPPLIES BUILDING & MAINT.	209,244	(43,459)	165,785	-	165,785
54410	EDUCATIONAL SUPP. & EXP.	41,702	-	41,702	-	41,702
54420	COMPUTER SUPPLIES	73,034	-	73,034	-	73,034
54430	OTHER OP. SUPPLIES & EXP.	14,216	(3,041)	11,175	-	11,175
54440	SAFETY EQUIPMENT	29,529	-	29,529	-	29,529
54500	OFFICE EXPENSE	69,772	(90)	69,682	-	69,682
57913	LEASE EXPENSE	8,799	-	8,799	-	8,799
53200	BAD DEBT EXPENSE	170,457	-	170,457	-	170,457
57800	BOND AND NOTE ISSUANCE COST	60,883	(60,883)	-	-	-
TOTAL OPERATING SUPP. & EXP.		13,060,116	(107,274)	12,952,842	1,567,215	14,520,058
PROFESSIONAL SERVICES						
52600	REGULATORY EXPENSE	233,849	-	233,849	-	233,849
52650	SECURITY SERVICES	38,143	-	38,143	-	38,143
52660	LEGAL SERVICES	136,128	-	136,128	-	136,128
52670	MGMT/AUDIT SERVICES	1,885,592	-	1,885,592	243,164	2,128,756
52680	CLERICAL SERVICES	68,146	-	68,146	-	68,146
52690	OTHER SERVICES	149,244	(38,733)	110,511	-	110,511
TOTAL PROFESSIONAL SERVICES		2,511,102	(38,733)	2,472,369	243,164	2,715,533
TOTAL OPERATIONS & MAINTENANCE		35,046,602	(146,006)	34,900,596	3,346,486	38,247,082
CAPITAL OUTLAYS						
57500	DEPRECIATION	10,173,415	(10,173,415)	-	-	-
57010	AMORTIZATION	396,210	(386,520)	9,690	-	9,690
16510	AUTOMOTIVE EQUIP.	-	-	-	-	-
16520	BLDG. & PLANT EQUIP.	-	287,946	287,946	(287,946)	-
16580	OFFICE FURN&EQUIP.	-	-	-	-	-
16583	COMPUTER SOFTWARE	-	709,761	709,761	(709,761)	-
16585	COMPUTER HARDWARE	-	312,693	312,693	(312,693)	-
16590	OTHER EQUIPMENT	-	3,155	3,155	(3,155)	-
16600	REPLACEMENT RESERVE	-	715,429	715,429	(715,429)	-
16610	BUILDING & OTHER STRUCT.	-	166,770	166,770	(166,770)	-
16630	IMP.-NOT BLDG OR STRUCT.	-	75,843	75,843	(75,843)	-
TOTAL CAPITAL OUTLAYS		10,569,625	(8,288,338)	2,281,287	(2,271,597)	9,690
DEBT SERVICE						
	PRINCIPAL	-	25,354,064	25,354,064	22,435,986	47,790,051
	INTEREST	11,776,754	4,887,365	16,664,119	(16,664,119)	-
	DEBT SERVICE COVERAGE	-	10,504,546	10,504,546	1,442,967	11,947,513
TOTAL DEBT SERVICE		11,776,754	40,745,975	52,522,729	7,214,835	59,737,564
Operating Reserve		-	154,349	154,349	419,503	573,852
TOTAL EXPENSES		57,392,981	32,465,980	89,858,961	8,709,227	98,568,187
NET INCOME		\$ 22,964,692	\$ (26,739,169)	\$ (3,774,477)	\$ (8,709,227)	\$ (12,483,704)

Narragansett Bay Commission
Test Year Revenue by Source

Schedule WEE - 2

	Test Year Rates (Docket 4214)	Test Year Units	Test Year Revenues
Residential			
Dwelling Units	\$ 168.21	118,021	\$ 19,852,377
Consumption	2.714	8,627,091	23,413,926
Non-Residential - Metered Accounts			
5/8"	402	3,685	1,481,370
3/4"	600	1,016	609,600
1"	999	1,161	1,159,839
1 1/2"	2,004	843	1,689,372
2"	3,201	1,457	4,663,857
3"	5,997	84	503,748
4"	9,994	41	409,754
6"	19,996	52	1,039,792
8"	31,993	13	415,909
10"	45,991	1	45,991
Total Flat Fees from Metered Accounts			12,019,228
Commercial Consumption	3.936	4,961,805	19,529,666
Industrial Consumption	2.531	437,201	1,106,556
Total User Fee Revenues			75,921,753
Miscellaneous Revenue			
Discharge Permit Fees		1,087,140	
Connection Permit Fees		85,487	
BOD/TSS Surcharge		93,462	
Septage Income		304,157	
Interest Income		10,868	
Late Charge Penalty		918,943	
Abatement Fee		2,160	
Misc. Income		120,414	
Rental Revenue		132,415	
Environmental Enforcement		1,000	
Grant Revenue		129,327	
Contributed Capital		1,550,547	
Total Miscellaneous Revenue			4,435,920
	Total Revenues		80,357,672
	Total Revenues per Audit		80,357,672
	Difference	\$	-

Narragansett Bay Commission
Adjusted Test Year Revenue by Source

Schedule WEE - 2A

	Docket 4352 Rates	Test Year Units	Test Year Revenues
Residential			
Dwelling Units	\$ 184.63	118,021	\$ 21,790,217
Consumption	2.979	8,627,091	25,700,104
Non-Residential - Metered Accounts			
5/8"	441	3,685	1,625,085
3/4"	659	1,016	669,544
1"	1,096	1,161	1,272,456
1 1/2"	2,200	843	1,854,600
2"	3,514	1,457	5,119,898
3"	6,583	84	552,972
4"	10,970	41	449,770
6"	21,949	52	1,141,348
8"	35,117	13	456,521
10"	50,482	1	50,482
Total Flat Fees from Metered Accounts			13,192,676
Commercial Consumption	4.321	4,961,805	21,439,959
Industrial Consumption	2.778	437,201	1,214,544
Total User Fee Revenues			83,337,500
Miscellaneous Revenue			
Discharge Permit Fees		1,087,140	
Connection Permit Fees		85,487	
BOD/TSS Surcharge		93,462	
Septage Income		304,157	
Interest Income		4,508	
Late Charge Penalty		918,943	
Abatement Fee		2,160	
Misc. Income		120,414	
Rental Revenue		132,415	
Total Miscellaneous Revenue			2,748,686
Total Revenues			<u><u>\$ 86,086,186</u></u>

Narragansett Bay Commission
Three Year Comparison

Schedule WEE - 3

Acct. Number	Account Name	FY 2010	FY 2011	FY 2012
41000	FLAT FEES RESIDENTIAL	\$ 18,637,895	\$ 19,090,820	\$ 19,852,377
41100	MEASURED FEE - RESIDENTIAL	20,754,902	22,802,049	23,413,926
41501	FLAT FEES COMMERCIAL	11,141,528	11,116,288	11,356,537
41502	FLAT FEES INDUSTRIAL	680,056	674,454	662,691
41510	CONSUMPTION FEE - COMMERCIAL	17,153,965	18,597,393	19,529,666
41511	CONSUMPTION FEE - INDUSTRIAL	856,068	1,131,702	1,106,556
42000	PRETREATMENT FEES	1,114,004	1,109,709	1,087,140
42500	CONNECTION PERMIT FEES	86,009	82,914	85,487
43000	BOD/TSS SURCHARGE	29,419	44,704	93,462
43500	SEPTAGE INCOME	380,579	293,718	304,157
45100, 45200	INTEREST INCOME	47,803	11,609	10,868
45500	LATE CHARGE PENALTY	901,619	951,351	918,943
46500	ENVIRONMENTAL ENFORCEMENT	13,650	8,315	1,000
47502	GRANT	167,118	66,851	129,327
42600	ABATEMENT FEE	2,916	3,096	2,160
49005, 49006	CAPITAL CONTRIBUTIONS	4,905,969	4,042,838	1,550,547
42603, 49002	MISCELLANEOUS INCOME	211,507	269,300	120,414
47503	FEMA REVENUE	112,860	-	-
5900	RENTAL INCOME	78,008	-	132,415
	TOTAL REVENUE	77,275,874	80,297,111	80,357,673
52150	UNION OVERTIME	394,385	415,783	422,694
52100	UNION REGULAR	5,234,488	5,384,389	5,589,017
52300	NON-UNION REGULAR	8,032,049	7,808,173	8,102,630
52350	NON-UNION OT	63,254	59,947	66,499
52400	NON-UNION LIMITED	38,711	21,089	21,324
52800	UNION PENSION	1,104,451	1,102,968	1,234,841
52920	NON-UNION PENSION	848,282	769,390	795,779
52810	FICA	1,151,418	1,005,074	1,032,696
52820	UNEMPLOYMENT INSURANCE	53,086	81,056	29,912
52940	UNION RETIREMENT HEALTH	292,339	235,945	362,175
52950, 52970, 52980	HEALTH INS., DENTAL, VISION	3,133,294	3,382,497	3,427,240
52990	DISABILITY INS.	36,583	40,064	39,401
53690	WORKERS COMP-OLD CLAIMS	58,595	59,540	62,620
	TOTAL PERSONNEL SERVICES	20,440,935	20,365,915	21,186,828
59000	SALARY REIMBURSEMENT	(1,042,505)	(1,004,197)	(1,106,720)
59001	FRINGE REIMBURSEMENT	(572,552)	(550,880)	(604,725)
	NET PERSONNEL SERVICES	18,825,878	18,810,838	19,475,383
52610	MEDICAL SVCS.	8,469	7,938	8,055
53470	BLDG. & GRND. MAINT.	99,448	85,442	121,298
53480	BIOSOLIDS DISPOSAL	4,098,227	3,948,169	4,097,569
53490	SCREENINGS & GRIT DISPOSAL	161,167	145,168	163,809
53200	BAD DEBT EXPENSE	(12,582)	-	170,457
53210	POSTAGE	298,699	333,531	347,745
54000	TELEPHONE	136,398	141,034	138,079
54500	OFFICE EXPENSE	81,381	69,914	69,772
53240	DUES & SUBSCRIPTIONS	46,667	49,471	50,942
53250	FREIGHT, CART. & EXP.	34,913	36,202	39,639
53660	INSURANCE	358,851	438,166	412,515
53680	WORKERS' COMP. INSURANCE	443,980	418,213	346,788
53900	CENTRAL PHONE SVCS.	5,216	5,611	5,653
53310	PRINTING & BINDING	114,334	122,245	122,615
53320	ADVERTISING	9,650	7,769	8,254
53410	LOCAL TRAVEL	2,069	2,112	1,742
53420	LONG DISTANCE TRAVEL	30,796	39,178	37,258
53510	VEHICLE FUEL AND MAINTENANCE	176,996	193,448	233,892
53610	REPAIR BLDG & EQUIPMENT	394,470	399,961	486,470

Narragansett Bay Commission
Three Year Comparison

Schedule WEE - 3

Acct. Number	Account Name	FY 2010	FY 2011	FY 2012
53620	REPAIR-HIGHWAY & WALKS	12,237	9,093	3,149
53630	MAINTENANCE & SERVICE AGREEMENTS	576,136	597,968	735,174
53350	RENTAL-OUTSIDE PROPERTY	5,423	6,526	5,841
53330	RENTAL- EQUIPMENT	20,072	24,217	14,805
53340	RENTAL- CLOTHING	36,199	35,821	30,306
54020	DIESEL FOR EQUIPMENT	-	13,689	37,168
54060	NATURAL GAS	413,260	424,814	314,799
54090	ELECTRICITY	3,608,648	3,321,247	3,755,779
54110	WATER	23,863	47,419	33,557
54200	CLOTHING	25,796	25,980	23,057
54440	SAFETY EQUIPMENT	25,274	18,804	29,529
53370	PUBLIC OUTREACH EDUCATION	35,727	50,092	23,412
54330	CHEMICALS, HOUSE & LAUNDRY SUPPLY	31,380	33,100	39,056
54332	CHEM-CHLORINE/HYPOCHLORITE	535,281	398,814	239,759
54337	CHEM-SODIUM BISULFITE	345,670	279,932	239,366
54340	LAB SUPPLIES	229,977	238,991	264,201
53650	HIGHWAY & LANDSCAPE	6,372	16,286	728
54370	SUPPLIES BLDG & MAINTENANCE	169,315	149,785	209,244
54410	EDUCATIONAL SUPPLIES AND EXPENSE	49,541	63,948	41,702
54420	COMPUTER SUPPLIES & EXPENSE	75,159	57,542	73,034
54430	OTHER OPERATING EXPENSE	12,184	7,736	14,216
57600	LOSS ON DISPOSAL OF ASSETS	15,086	-	
57800	BOND AND NOTE FEES	21,295	136,664	60,883
57913	LEASE INTEREST EXPENSE	20,573	14,992	8,799
	TOTAL OPERATING SUPPLIES & EXPENSES	12,783,617	12,417,032	13,060,116
52600	REGULATORY EXPENSE	192,511	269,913	233,849
52650	SECURITY SERVICES	42,663	36,655	38,143
52660	LEGAL SERVICES	155,131	177,612	136,128
52670	MGMT/AUDIT SERVICES	2,106,568	1,901,664	1,885,592
52680	CLERICAL SERVICES	42,550	19,585	68,146
52690	OTHER SERVICES	200,928	107,316	149,244
	TOTAL SPECIAL SERVICES	2,740,351	2,512,745	2,511,102
	TOTAL O&M EXPENSES	34,349,846	33,740,615	35,046,601
57010	AMORTIZATION	371,704	363,391	396,210
57500	DEPRECIATION	8,716,555	10,073,668	10,173,415
	TOTAL DEPRECIATION & AMORTIZATION	9,088,259	10,437,059	10,569,625
	INTEREST	10,776,647	10,872,035	11,776,754
	TOTAL DEBT SERVICE	10,776,647	10,872,035	11,776,754
	TOTAL EXPENSES	54,214,752	55,049,709	57,392,980
	NET INCOME	\$ 23,061,122	\$ 25,247,402	\$ 22,964,693

Narragansett Bay Commission
Personnel

Schedule WEE - 4

	Union Salary Account 52100	Non-Union Regular Account 52300
Adjusted Test Year	\$ 5,589,017	\$ 8,102,630
7/1/12 Contracted Steps	69,863	-
Base Salary	5,658,880	8,102,630
7/1/12 COLA/Merit	2.0%	3.0%
7/1/12 Total Salaries	5,772,057	8,345,709
7/1/13 Contracted Steps	144,301	-
Base Salary	5,916,359	8,345,709
7/1/13 COLA/Merit	2.25%	3.0%
Rate Year	6,049,477	8,596,080
Adjusted Test Year	(5,589,017)	(8,102,630)
Rate Year Adjustment	\$ 460,460	\$ 493,450

	Salary Reimbursement Account 59000	Fringe Reimbursement Account 59001
Adjusted Test Year	\$ (1,106,720)	\$ (604,725)
7/1/12 Merit	3.0%	3.0%
FY 2013	(1,139,922)	(622,867)
7/1/13 Merit	3.0%	3.0%
Rate Year	(1,174,119)	(641,553)
Adjusted Test Year	1,106,720	604,725
Rate Year Adjustment	\$ (67,399)	\$ (36,828)

	Union Overtime Account 52150	Non-Union Overtime Account 52350	Non-Union Limited Account 52400
Adjusted Test Year	\$ 422,694	\$ 66,499	\$ 21,324
7/1/12 Contracted Steps	5,284	-	-
Base Salary	427,978	66,499	21,324
7/1/12 COLA/Merit	2.0%	3.0%	3.0%
7/1/12 Total Salaries	436,537	68,494	21,964
7/1/13 Contracted Steps	10,913	-	-
Base Salary	447,451	68,494	21,964
7/1/13 COLA/Merit	2.25%	3.0%	3.0%
Rate Year	457,518	70,549	22,623
Adjusted Test Year	(422,694)	(66,499)	(21,324)
Rate Year Adjustment	\$ 34,824	\$ 4,050	\$ 1,299

Narragansett Bay Commission
Personnel

Schedule WEE - 4

	FICA		TOTAL FICA
	Social Security	Medicare	Account 52810
Rate Year Salaries	\$ 14,645,557	\$ 14,645,557	
Overtime & Limited	550,690	550,690	
Wages Over FICA Limit	(113,403)	-	
Wages Subject to FICA	15,082,844	15,196,247	
Percent	6.20%	1.45%	
Rate Year	935,136	220,346	1,155,482
Adjusted Test Year			(1,032,696)
Rate Year Adjustment			<u>\$ 122,786</u>

	Union Retirement		Union Retiree Health		Non-Union Retirement
	Account 52800		Account 52940		Account 52920
Salaries	\$ 6,049,477	\$ 6,049,477	\$ 6,049,477	\$ 8,596,080	
Overtime & Limited	-	-	-	70,549	
	6,049,477	6,049,477	6,049,477	8,666,629	
Employer Contribution Rate	24.05%	7.80%	10%		
Rate Year	1,454,899	471,859	866,663		
Adjusted Test Year	(1,234,841)	(362,175)	(795,779)		
Rate Year Adjustment	<u>\$ 220,058</u>	<u>\$ 109,684</u>	<u>\$ 70,884</u>		

Narragansett Bay Commission
Account Analysis - Health

Schedule WEE - 5

Health Insurance Account 52950	FTEs	Weighted Average Premium	Rate Year
Insurance Premium	249	\$ 16,084	\$ 4,004,872
Less 18.6 % Copays*			<u>(744,906)</u>
		Rate Year	3,259,966
		Adjusted Test Year	(3,163,226)
		Rate Year Adjustment	<u>\$ 96,740</u>

*20% Contracted Copay

**Dental Insurance
Account 52970**

Insurance Premium	249	\$ 1,007	\$ 250,673
		Rate Year	250,673
		Adjusted Test Year	<u>(224,574)</u>
		Rate Year Adjustment	<u>\$ 26,099</u>

Biosolids Disposal Rate

Service Period	Current Rate	CPI	Projected Rate
1/01/2011 - 12/31/2011	\$ 405.12		\$ -
1/01/2012 - 12/31/2012	405.12	1.0312	417.77
1/01/2013 - 12/31/2013	417.77	1.0312	430.81
1/01/2014 - 12/31/2014	430.81	1.0312	444.26

Biosolids Production

	FY 2011 Dry Tons	FY 2012 Dry Tons	Average Monthly Dry Tons
Field's Point	7,582	7,865	644
Bucklin Point	2,178	2,023	175

Field's Point	Dry Tons	Rate	Rate Year
7/01/13 - 12/31/13	3,864	\$ 430.81	\$ 1,664,650
1/01/14 - 6/30/14	3,864	444.26	1,716,621
Total Field's Point			3,381,270

Bucklin Point	Dry Tons	Rate	Rate Year
7/01/13 - 12/31/13	1,050	\$ 430.81	452,351
1/01/14 - 6/30/14	1,050	444.26	466,473
Total Bucklin Point			918,824

Rate Year 4,300,094

Adjusted Test Year (4,097,569)

Rate Year Adjustment \$ 202,525

Narragansett Bay Commission
Account Analysis - Maintenance and Service Agreements

Schedule WEE - 7

	Maintenance & Service Agreements	Rate Year
FY 2010	\$ 576,136	
FY 2011	597,968	
FY 2012	735,174	
Average Annual Increase	13.8%	
Projected with Annual Increases		<u>\$ 952,118</u>
Plus New Agreements:		
New Field's Point Facilities		70,689
Laboratory Instruments		<u>37,745</u>
	Rate Year	1,060,552
	Adjusted Test Year	<u>(735,174)</u>
	Rate Year Adjustment	<u>\$ 325,378</u>

Narragansett Bay Commission
Account Analysis - Insurance

Schedule WEE - 8

	<u>Insurance</u>	<u>Rate Year</u>
FY 2010	\$ 358,851	
FY 2011	438,166	
FY 2012	412,515	
Average Annual Increase	7.5%	
Projected based an annual increase		<u>\$ 476,510</u>
	Rate Year	\$ 476,510
	Adjusted Test Year	<u>(412,515)</u>
	Rate Year Adjustment	<u><u>\$ 63,995</u></u>

Narragansett Bay Commission
Account Analysis - Natural Gas

Schedule WEE - 9

	Therms					
	FY 2011	FY 2012	2 Year Average	Rate Year	Rate per Therm*	Rate Year
Field's Point	167,298	124,178	145,738	-	\$ 1.3260	\$ 193,253
Bucklin Point	119,238	90,440	104,839	-	1.3309	139,531
IM	15,128	11,453	13,291	-	1.9296	25,645
COB	18,745	21,209	19,977	-	1.3512	26,992
LAB	17,050	15,177	16,113	-	1.3012	20,967
FP New Facilities	-	-	-	36,658	1.3154	<u>48,220</u>

Rate Year \$ 454,609

Adjusted Test Year (314,800)

Rate Year Adjustment \$ 139,809

* Rate per Therm includes Rhode Island Gross Earnings Tax (RIGET)

	kWh					
	FY 2011	FY 2012	2 Year Average	Rate Year	Rate per kWh*	Rate Year
Field's Point	16,563,200	18,932,000	17,747,600	-	\$ 0.10355	\$ 1,837,685
Bucklin Point	10,746,000	11,696,000	11,221,000	-	0.1022	1,147,336
IM	1,079,299	980,394	1,029,847	-	0.1355	139,572
COB	1,385,000	1,406,000	1,395,500	-	0.1071	149,502
FP New Facilities	-	-	-	12,181,159	0.0990	1,206,367
FP Wind Turbines	-	-	-	(5,334,750)	0.0990	(528,329)
				Rate Year		\$ 3,952,132
				Adjusted Test Year		<u>(3,755,779)</u>
				Rate Year Adjustment		<u><u>\$ 196,353</u></u>

* Rate per kWh is based on the average National Grid Standard Offer for 12-month period ending 6/30/12 and includes Rhode Island Gross Earnings Tax (RIGET)

Hypochlorite & Bisulfite:

Hypochlorite (Account 54332)

Service Period	Current Rate	Projected Rate	2 Year Average Gallons	Rate Year	Adjusted Test Year	Rate Year Adjustment
7/01/11 - 3/31/12	\$ 0.5167					
4/1/2012 - 6/30/12	0.5167	0.00%				
7/01/12 - 6/30/13	0.5692	10.16%				
7/01/14 - 6/30/14		\$0.5981	617,850	\$ 369,547	\$ (239,759)	<u><u>\$ 129,788</u></u>

Bisulfite (Account 54337)

Service Period	Current Rate	Projected Rate	2 Year Average Gallons	Rate Year	Adjusted Test Year	Rate Year Adjustment
7/01/11 - 3/31/12	\$ 1.2400					
4/1/2012 - 6/30/12	1.2400	0.00%				
7/01/12 - 6/30/13	1.3822	11.47%				
7/01/14 - 6/30/14		\$1.4615	259,649	\$ 379,465	\$ (239,366)	<u><u>\$ 140,099</u></u>

Carbon Feed & Sodium Hydroxide

Carbon Feed (Account 54333)

Nitrogen Permit (May-October)

	Gallons	Rate	Rate Year
Field's Point	180,000	\$ 0.96	\$ 172,800
Adjusted Test Year			-
Rate Year Adjustment			<u><u>\$ 172,800</u></u>

Sodium Hydroxide (Account 54336)

Nitrogen Permit (May-October)

	Tons	Rate	Rate Year
Field's Point	517	\$ 380.00	\$ 196,468
Adjusted Test Year			-
Rate Year Adjustment			<u><u>\$ 196,468</u></u>

<u>Bucklin Point Management Contract</u>		<u>Rate Year</u>
Base Contract FY 2013	\$ 1,892,235	
CPI	<u>102.30%</u>	
Rate Year Base Contract		\$ 1,935,756
Total BP Contract in Rate Year		1,935,756
Other Mgmt and Audit Expense*		<u>193,000</u>
	Rate Year	\$ 2,128,756
Adjusted Test Year		<u>(1,885,592)</u>
Rate Year Adjustment		<u><u>\$ 243,164</u></u>

CPI Calculation	
4/1/2011	224.906
4/1/2012	230.085
% Change	102.30%

* Other expenses charged to that account (i.e. Audit Fees).
Expenses were left at test year levels.

Narragansett Bay Commission
Rate Year Debt Service

Schedule WEE - 13

	Test Year FY 2012	Test Year Adjustments	Adjusted Test Year	Rate Year FY 2014	*Rate Year Adjustments
DEBT SERVICE					
DEBT SERVICE	\$ 11,776,754	\$ 30,241,429	\$ 42,018,183	\$ 47,790,051	\$ 5,771,868
DEBT SERVICE COVERAGE	-	10,504,546	10,504,546	11,947,513	1,442,967
TOTAL DEBT SERVICE & COVERAGE	\$ 11,776,754	\$ 40,745,975	\$ 52,522,729	\$ 59,737,564	\$ 7,214,835

* See WEE Testimony, page 17 "Debt Service"

Calculation of Percentage Increase in Revenue Requirement

Revenue Increase (WEE-1)	<u>\$ 12,483,704</u>	
Adjusted Test Year Revenue at Docket 4352 Rates	86,084,483	<u>14.50%</u>

Calculation of Across the Board Increase Percentage

Revenue Increase	<u>12,483,704</u>	(A)
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Revenue Items which could be increased by an across
the board % Increase

Flat Fees Residential	21,791,036
Measured Fee - Residential	25,700,384
Flat Fees Commercial & Industrial	13,192,951
Measured Fee - Commercial	21,436,811
Measured Fee - Industrial	1,214,615

Total Revenue Available for Increase \$ 83,335,797 (B)

Across the Board Percentage Increase 14.98% (A/B)

Narragansett Bay Commission
Rate Year Revenue Proof

Schedule WEE - 15

	Proposed Rates	Rate Year Projected Units	Revenue
User Fee Revenues			
Residential			
Dwelling Units	\$ 212.29	118,021	\$ 25,054,442
Consumption	3.425	8,627,091	29,547,787
Non-Residential			
Meter Size			
5/8 "	507	3,685	1,868,295
3/4 "	758	1,016	770,128
1"	1,260	1,161	1,462,860
1 1/2"	2,530	843	2,132,790
2"	4,040	1,457	5,886,280
3"	7,569	84	635,796
4"	12,613	41	517,133
6"	25,237	52	1,312,324
8"	40,378	13	524,914
10"	58,044	1	58,044
Non-Residential Flat Fees			15,168,564
Commercial Consumption	4.968	4,961,805	24,650,247
Industrial Consumption	3.194	437,201	1,396,420
Total User Fee Revenues			95,817,460
Miscellaneous Revenue:			
Discharge Permit Fees (Pretreatment)		1,087,140	
Connection Permit Fees		85,487	
BOD/TSS Surcharge		93,462	
Septage Income		304,157	
Interest Income		4,508	
Late Charge Penalty		918,943	
Abatement Fee		2,160	
Miscellaneous Income		120,414	
Rental Revenue		132,415	
			2,748,686
			98,566,146
Revenue Requirement (Per WEE 1)			98,568,187
Difference	\$		(2,041)

Narragansett Bay Commission
Effect on Ratepayers

Schedule WEE - 16

	Dkt 4352 Rates	Proposed Rates	Dollar Increase	% Increase
97.6 HCF Residential				
Customer Charge	\$ 184.63	\$ 212.29	\$ 27.66	
Consumption	290.75	334.28	43.53	
Total 97.6 HCF Residential	<u>\$ 475.38</u>	<u>\$ 546.57</u>	<u>\$ 71.19</u>	<u>14.98%</u>
5/8" meter, 244 HCF Commercial				
Customer Charge	\$ 441.00	\$ 507.00	\$ 66.00	
Consumption	1,054.32	1,212.19	157.87	
Total 5/8" meter, 244 HCF Commercial	<u>\$ 1,495.32</u>	<u>\$ 1,719.19</u>	<u>\$ 223.87</u>	<u>14.98%</u>
2" meter, 2440 HCF Commercial				
Customer Charge	\$ 3,514.00	\$ 4,040.00	\$ 526.00	
Consumption	10,543.24	12,121.92	1,578.68	
Total 2" meter, 2440 HCF Commercial	<u>\$ 14,057.24</u>	<u>\$ 16,161.92</u>	<u>\$ 2,104.68</u>	<u>14.98%</u>
5/8" meter, 244 HCF Industrial				
Customer Charge	\$ 441.00	\$ 507.00	\$ 66.00	
Consumption	677.83	779.34	101.50	
Total 5/8" meter, 244 HCF Industrial	<u>\$ 1,118.83</u>	<u>\$ 1,286.34</u>	<u>\$ 167.50</u>	<u>14.98%</u>
2" meter, 2440 HCF Industrial				
Customer Charge	\$ 3,514.00	\$ 4,040.00	\$ 526.00	
Consumption	6,778.32	7,793.36	1,015.04	
Total 2" meter, 2440 HCF Industrial	<u>\$ 10,292.32</u>	<u>\$ 11,833.36</u>	<u>\$ 1,541.04</u>	<u>14.98%</u>

1 **NARRAGANSETT BAY COMMISSION**

2

3 **PRE-FILED DIRECT TESTIMONY**

4 **OF WILLIAM FAZIOLI**

5

6 **Q. Please state your name.**

7 A. My name is William J. Fazioli, Senior Managing Consultant with Public Financial
8 Management, Inc.

9

10 **Q. Could you please describe your educational and employment background?**

11 A. I hold a Master of Public Administration degree from the Rockefeller College at
12 the State University of New York - Albany and two Bachelor of Arts degrees from
13 Rhode Island College. With over 24 years of public finance experience, I have
14 served as financial advisor to governmental issuers in Rhode Island and
15 throughout New England. A sample of communities that I have served during
16 my career as a financial advisor include the cities of Newport and Warwick, as
17 well as the Hartford Metropolitan District Commission in Connecticut. In
18 addition, I have extensive experience assisting borrowers through the Rhode
19 Island Clean Water Finance Agency State Revolving Fund Program. I have served
20 the public sector as City Manager of East Providence, Treasurer for the Town of
21 Charlestown, and Finance Director for the Town of North Providence.

22

23 **Q. Can you describe the organization of Public Financial Management Inc. and the**
24 **types of services that it provides?**

25 A. Over the past 37 years, Public Financial Management (PFM) has provided
26 independent financial advisory services to public entities. PFM has grown into a
27 national firm with over 450 employees in 34 offices across the United States. For
28 the 9th consecutive year, PFM has maintained its position as the number one
29 financial advisor in the industry, providing financial advisory services in more

1 than 750 transactions for a total par amount in excess of \$39.6 billion. In terms
2 of wastewater issuers, PFM has been the top ranked financial advisor in this
3 sector for several years as well while representing other large wastewater
4 operators including the Massachusetts Water Resources Authority and the DC
5 Water and Sewer District.

6

7 **Q. Do you hold any special licenses or certifications?**

8 A. I am a registered representative with the Municipal Securities Rulemaking
9 Board, and licensed as a Municipal Securities Principal and Uniform Securities
10 Agent.

11

12 **Q. What is your relationship with the Narragansett Bay Commission (NBC)?**

13 A. PFM was appointed to serve as Financial Advisor to the NBC by its Board of
14 Commissioners. I, as well as two of my colleagues at PFM, have experience
15 working with the NBC and we are familiar with NBC's borrowing history and
16 capital needs.

17

18 **Q. What is the purpose of your testimony?**

19 A. The NBC requested that I provide information regarding their long-term
20 financing plans, their debt issuance needs and the importance of continuing with
21 the compliance filing mechanism for debt related rate relief.

22

23 **Q. Would you please provide an update regarding NBC's outstanding debt?**

24 A. Yes. NBC's long-term financing strategy has resulted in the issuance of both
25 variable and fixed rate revenue bonds as well as numerous borrowings from the
26 Rhode Island Clean Water Finance Agency (State Revolving Funds). As of August
27 31, 2012 the NBC's outstanding debt was \$492.8 million of which \$60.0 million is
28 Variable Rate Demand Bonds (VRDB) and \$91.8 million is open market revenue
29 bonds (see table on the following page).

1

Narragansett Bay Commission Outstanding Debt 8/31/12

	Par Amount	Outstanding Debt
2008 Series A	\$ 66,360,000	\$ 59,990,000
2005 Series A	45,000,000	47,429,506
2007 Series A	42,500,000	44,419,216
Subtotal Long-Term Debt	153,860,000	151,838,722
State Revolving Fund	458,169,710	340,979,944
Total Long-Term Debt	\$ 612,029,710	\$ 492,818,666

2

3

4 **Q. Would you please provide an update regarding NBC's borrowing plans?**

5 A. PFM has worked closely with the staff of NBC to develop a long-term financing
6 strategy that enables NBC to meet the significant needs of its Capital
7 Improvement Program (CIP) while mitigating rate payer impact. NBC's lowest
8 cost method of financing its capital program has been through subsidized low
9 interest loans from the Rhode Island Clean Water Finance Agency (RICWFA) and
10 the issuance of variable rate debt. NBC's financing strategy has historically
11 maximized the use of these loans from the RICWFA and supplemented the
12 capital program with the issuance of open market debt when RICWFA had
13 insufficient capacity to meet NBC's needs.

14

15 PFM, in conjunction with NBC, has updated the long-term financing model to
16 reflect funding needs and funding sources. The long-term financing model was
17 recently updated to reflect the FY 2014 – 2018 CIP, updated cash flows and cash
18 balances. I have included the updated model as an attachment to my testimony
19 (see Exhibit WF-1). A summary of the projected borrowings over the current
20 year and next four years are shown in the table on the following page.

21

22

NBC's Projected Borrowings FY 2013 – FY 2017

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	Total
SRF Bonds	\$ 12.0	\$ 12.0	\$ 12.0	\$ 12.0	\$ 12.0	\$ 60.0
Open Market Bonds	61.3	98.3	49.7	15.4	0.0	224.7
	<u>\$ 73.3</u>	<u>\$ 110.3</u>	<u>\$ 61.7</u>	<u>\$ 27.4</u>	<u>\$ 12.0</u>	<u>\$ 284.7</u>

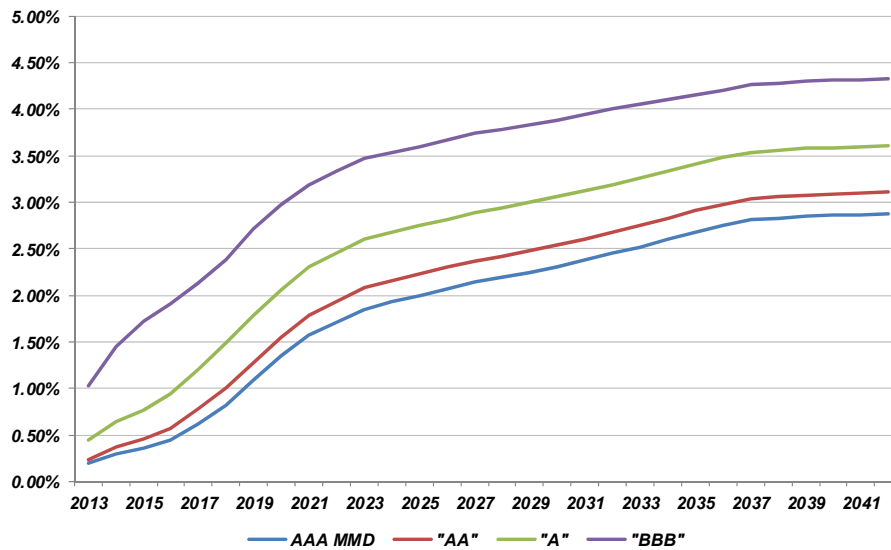
NBC has a significant CIP, with programmed expenditures of \$310 million over the next three fiscal years and \$126 million in FY 2013 alone. The RICWFA does not have sufficient capacity to meet NBC's needs. Keeping in mind that the projections will continue to be refined as projects progress through design and construction, the model shows debt issuance of more than \$280 million over the five-year period.

Q. What impact does NBC's credit rating have upon its current and future debt service?

A. NBC was upgraded to AA- by Standard and Poor's on July 14, 2008 and the rating has subsequently been affirmed, most recently on May 22, 2012. Given the changes in the financial markets, along with the negligible market value of municipal bond insurance, the underlying credit rating of an issuer has become one of the most important factors when marketing an issue. The chart on the following page shows that the credit spreads have narrowed for high credit quality issuers with the yield curve for a AA credit rating only about 20 basis points higher than a AAA credit rating as of September 27, 2012. The yield curve also shows that the average interest rate spreads between A and AAA rated issues was on average 68 basis points. The value of a AA- credit rating is tangible and will result in cost savings for ratepayers compared to a lower quality credit.

1

Yield Curve as of September 27, 2012



2

3

4

5

6

7

8

9

10 **Q.**

In your opinion, how does the regulatory rate setting process impact NBC's credit rating?

11

12 **A.**

The NBC's credit report clearly states that the regulatory review and rate setting authority are significant credit rating factors. The credit review process has noted the "regular basis" of NBC's rate filings to adjust its revenue requirements. In addition, in the case of the NBC, there are two specific rate setting concepts that contribute to NBC's credit strength. First, the PUC has allowed approval of rates that generate 125% of principal and interest which ensures compliance with the rate covenants set forth in the Trust Indenture. Second, the PUC approved a debt service compliance filing mechanism that enabled NBC to initiate its variable rate debt program and ensure expeditious review and

20

1 approval of rate relief. The May 22, 2012 Standard and Poor's credit report
2 states with respect to the stable outlook assigned to NBC, it reflects their
3 "expectation that the strong financial performance, given a good history of
4 credit-supportive rate decisions by the PUC, will continue."
5

6 **Q. Are there any other factors related to the regulatory review process that**
7 **impact NBC's credit rating?**

8 Yes, credit rating agencies also look at an issuer's liquidity as part of their credit
9 review. Based on my discussions with NBC, it appears that the PUC's decision to
10 allow the NBC to convert to monthly billing has improved NBC's cash position.
11 Further, Standard and Poor's cited that NBC's "unrestricted cash also has not
12 dropped below a level representing 144 days of operating expenses since 2007,
13 and was 160 days in 2011."
14

15 **Q. With respect to the credit rating and debt management what is NBC requesting**
16 **that the PUC allow in this filing?**

17 A. My understanding is that this is the last year of the debt service compliance filing
18 mechanism and this filing includes a request to extend the compliance filing
19 mechanism for an additional five year period (FY 2014 – 2018). The importance
20 of timely rate relief is emphasized in NBC's credit report and is critical to
21 providing debt management flexibility. It is also an important component of the
22 VRDO program whereby NBC has the ability to quickly address any significant
23 changes in short-term interest rates. Standard and Poor's specifically cited the
24 advantage of the PUC's approval of the multi-year rate relief granted under
25 Docket 3905 in its June 1, 2010 credit report by stating that, NBC recently
26 received approval for rates "to maintain 1.25x DSC [debt service coverage] on
27 existing and projected debt for the next five years. Under this long-term
28 approval, [NBC] can file for a compliance rate increase, which is finalized in 60
29 days, as opposed to the seven-month period for a general rate increase

1 request.” Thus, a continuation of the debt service compliance filing mechanism
2 will continue to assist NBC in future borrowings.

3

4

5 **Q. Does this conclude your pre-filed testimony?**

6 A. Yes.

7

NARRAGANSETT BAY COMMISSION
INDENTURE REQUIREMENTS

	2013	2014	2015	2016	2017	2018	2019	2020	2021
OPERATING REVENUES									
User Fees	\$79,985,505	\$79,985,505	\$79,985,505	\$79,985,505	\$79,985,505	\$79,985,505	\$79,985,505	\$79,985,505	\$79,985,505
Transfer from Operating Capital Account	\$3,733,050	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Miscellaneous Revenue	\$2,903,822	\$2,903,822	\$2,903,822	\$2,903,822	\$2,903,822	\$2,903,822	\$2,903,822	\$2,903,822	\$2,903,822
Revenue Adjustment	1,887,257	12,239,861	17,425,898	19,712,765	20,785,325	24,411,899	33,636,860	43,338,437	55,201,126
Total Operating Revenues	\$88,509,634	\$97,129,188	\$102,315,225	\$104,602,092	\$105,674,652	\$109,301,226	\$118,526,187	\$128,227,764	\$140,090,453
DISPOSITION OF REVENUES (Section 13)									
A. OPERATING EXPENSES									
Operating & Maintenance Expense	36,244,184	36,244,184	36,244,184	36,244,184	36,244,184	36,244,184	36,244,184	36,244,184	36,244,184
CIP Impact (per budget)	1,418,204	1,147,441	1,314,452	1,450,849	1,511,253	1,571,563	1,525,000	1,525,000	1,525,000
Total Operating Expenses	\$ 37,662,388	\$ 37,391,625	\$ 37,558,636	\$ 37,695,033	\$ 37,755,437	\$ 37,815,747	\$ 37,769,184	\$ 37,769,184	\$ 37,769,184
Pledged Revenue/Net Revenue	\$50,847,246	\$59,737,564	\$64,756,589	\$66,907,059	\$67,919,215	\$71,485,479	\$80,757,003	\$90,458,580	\$102,321,269
B. DEBT SERVICE									
SRF - Existing	27,760,502	29,131,300	29,090,000	28,984,251	28,952,844	29,214,335	28,741,360	28,274,934	27,805,359
SRF - Proposed	829,126	1,658,251	2,487,377	3,316,503	4,145,628	4,974,754	5,803,880	6,633,005	7,462,131
Total SRF Bond Debt Service:	28,589,628	30,789,551	31,577,377	32,300,753	33,098,472	34,189,090	34,545,240	34,907,939	35,267,490
Existing Open Market Debt	8,104,669	8,097,500	8,098,144	8,091,644	8,097,650	8,091,294	8,121,613	8,114,175	8,114,025
Proposed Open Market Debt Service	3,983,500	8,903,000	12,129,750	13,133,250	13,139,250	14,908,000	21,938,750	29,344,750	38,475,500
Total Open Market Bond Debt Service:	12,088,169	17,000,500	20,227,894	21,224,894	21,236,900	22,999,294	30,060,363	37,458,925	46,589,525
C. TOTAL DEBT SERVICE	40,677,797	47,790,051	51,805,271	53,525,647	54,335,372	57,188,383	64,605,602	72,366,864	81,857,015
EXCESS OF REVENUES OVER O&M AND DS REQUIREMENTS	\$10,169,449	\$11,947,513	\$12,951,318	\$13,381,412	\$13,583,843	\$14,297,096	\$16,151,401	\$18,091,716	\$20,464,254
Debt Coverage Ratio - TOTAL ALL DEBT	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Debt Service Coverage Required	10,169,449	11,947,513	12,951,318	13,381,412	13,583,843	14,297,096	16,151,401	18,091,716	20,464,254
TOTAL REVENUE REQUIREMENT	88,509,634	97,129,188	102,315,225	104,602,092	105,674,652	109,301,226	118,526,187	128,227,764	140,090,453
Capital Projects Summary	126,864,758	114,642,573	68,802,773	36,219,865	19,675,000	50,300,000	128,300,000	136,000,000	141,500,000
Sources of Funds									
Beginning Balance	50,713,625	417	1,293	1,833	4,486	1,850,897	4,240	936	2,537
SRF Bonds	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Open Market Bonds	61,270,000	98,300,000	49,710,000	15,440,000	0	27,275,000	108,020,000	113,990,000	117,620,000
Restricted and Cap Fund	0	0	0	0	0	0	0	0	0
Surplus Revs from Pre Year	9,700,000	10,169,449	11,947,513	12,951,318	13,381,412	13,583,843	14,297,096	16,151,401	18,091,716
Total Sources	133,683,625	120,469,866	73,658,806	40,393,151	25,385,897	54,709,740	134,321,336	142,142,337	147,714,253
Uses of Funds									
Operating Capital	3,733,050	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Increase in DS Payment Fund	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Capital Improvements	126,864,758	114,642,573	68,802,773	36,219,865	19,675,000	50,300,000	128,300,000	136,000,000	141,500,000
Debt Issuance Expense	1,585,400	2,326,000	1,354,200	668,800	360,000	905,500	2,520,400	2,639,800	2,712,400
Total Uses	133,683,208	120,468,573	73,656,973	40,388,665	23,535,000	54,705,500	134,320,400	142,139,800	147,712,400

NARRAGANSETT BAY COMMISSION

PRE-FILED DIRECT TESTIMONY

OF JOSEPH PRATT

1 **Q. Please state your name and business address.**

2 A. Joseph Pratt. My business address is 295 Promenade Street, Providence, Rhode Island
3 02908.

4

5 **Q. For whom are you employed and what is your position?**

6 A. I am employed by the firm of the Louis Berger Group, Inc. I am a Vice President of the
7 firm. As such my primary role is Program Manager for the NBC CSO Program and
8 assisting my firm on wastewater issues nationwide.

9

10 **Q. For how long have you been so employed?**

11 A. I have worked at the Louis Berger Group since November 1991. Prior to that I was a
12 commissioned officer (Corps of Engineers) in the United States Army for over thirty-one
13 years. I retired from the Army in 1991 with the rank of Brigadier General.

14

15 **Q. What are your educational and professional credentials?**

16 A. I have a Masters Degree in Systems Engineering from Michigan State University. I also
17 have a Bachelors Degree in Civil Engineering from the University of Missouri at Rolla and
18 a Bachelors Degree in Chemical Engineering from Clarkson University. I completed all
19 levels of military education through the War College level. I attended the Center for
20 Creative Leadership in Greensboro, NC. I am a Fellow in the Society of American
21 Military Engineers.

22

23 **Q. Have you previously testified before the Rhode Island Public Utilities Commission**
24 **(PUC)?**

25 A. Yes. I testified before the PUC regarding the NBC's Combined Sewer Overflow (CSO)
26 Abatement Program as part of Dockets 3162, 3409, 3483, 3592, and 3905.

27

1 **Q. What is the purpose of your testimony?**

2 A. The purpose of my testimony is to update the PUC regarding the status of the NBC's
3 Combined CSO Phase II Facilities as well as the schedule, the current estimated costs
4 and the separation of construction contracts for the components, based upon task.

5

6 **Q. What is your relationship with the NBC?**

7 A. Since 1992 my firm has been under contract to NBC to provide management services for
8 the CSO Abatement Program. During that time-frame I have been the Program
9 Manager for the CSO Abatement Program and in that capacity I have worked closely
10 with NBC staff on all aspects of the Program. I have also provided information directly
11 to the Board of Commissioners.

12

13 **Q. Can you please provide an update on the status of the Phase II of the CSO Abatement**
14 **Program?**

15 A. Yes. I would like to report that since my last testimony provided in 2010, NBC
16 completed and submitted final design plans to the Rhode Island Department of
17 Environmental Management (RIDEM) in accordance with the schedule in the Consent
18 Agreement between NBC and RIDEM. Once they were approved, NBC proceeded with
19 the construction phase of these facilities. In accordance with the Consent Agreement,
20 NBC has four years to complete the construction of the Phase II Facilities.

21

22 **Q. What is the scope of work to be constructed as part of the Phase II of the CSO**
23 **Abatement Program?**

24 A. Phase II consists of the construction of two interceptors and CSO regulator
25 modifications along the Seekonk and Woonasquatucket Rivers to the CSO Tunnel
26 constructed in Phase I. Phase II also includes two sewer separation areas, which have
27 been split into separate projects, based on location, and a wetlands treatment facility.

28

29 **Q. What is the current status of the Phase II of the CSO Abatement Program?**

30 A. Construction of the Phase II CSO facilities is approximately 30% complete. The projects
31 began in FY 2012 and are scheduled to be complete in FY 2016. The Phase II Facilities
32 have been separated into thirteen (13) construction contracts and one (1) program

1 management contract, based upon the tasks to be completed. Currently, eleven (11) of
2 the thirteen (13) construction contracts have been bid.

3

4 **Q. What are the current cost estimates for Phase II of the CSO Abatement Program?**

5 A. The current construction cost estimate has been revised to reflect the bids received for
6 all but two contracts, which will be bid this fall. The economic climate has been
7 beneficial to the NBC and bids have been well below the engineering estimates. The
8 current cost estimates for Phase II of the CSO Abatement Program are \$21,321,000 for
9 design and \$233,218,000 for construction, which includes a contingency of \$23,953,000
10 or 11% for unforeseen site conditions or design changes. The estimated costs are
11 approximately \$110 million or 32% lower than the amount reflected in NBC's CIP last
12 year. The table below shows the costs by contract, and includes ancillary costs and
13 contingency.

14

Phase II CSO Facilities - Total Construction Cost Comparison		<u>2013-2017 CIP</u>	<u>2014-2018 CIP</u>	<u>Difference</u>
30301RS	Phase II CSO Facilities - Program & Construction Mgmt	\$ 30,315	\$ 30,315	\$ 0
30302C	Phase II CSO Facilities - OF 106	10,197	5,926	(4,271)
30303C	Phase II CSO Facilities - WCSOI	116,332	86,327	(30,005)
30304C	Phase II CSO Facilities - SCSOI Main	73,579	30,976	(42,602)
30305C	Phase II CSO Facilities - OF 027	11,412	11,412	-
30306C	Phase II CSO Facilities - OF 037 West	24,608	12,769	(11,839)
30307C	Phase II CSO Facilities - OF 037 South	15,127	15,127	-
30308C	Phase II CSO Facilities - OF 037 North	15,127	15,127	-
30309C	Phase II CSO Facilities - WCSOI Regulator	1,096	1,240	144
30310C	Phase II CSO Facilities - WCSOI North	24,000	9,366	(14,634)
30311C	Phase II CSO Facilities - WCSOI West	18,076	9,125	(8,951)
30312C	Phase II CSO Facilities - SCSOI Regulator	2,530	1,932	(598)
30313C	Phase II CSO Facilities - WCSOI Site Demolition	667	427	(240)
30314C	Phase II CSO Facilities - WCSOI OF 054	-	3,150	3,150
Total Phase II Facilities - Construction Costs		<u>\$ 343,065</u>	<u>\$ 233,218</u>	<u>\$(109,846)</u>

15

16

17 **Q. How is construction proceeding?**

18 A. To date, construction progress has generally been satisfactory. The Phase II
19 Construction Program has a number of differences from the Phase I Program. The
20 nature of the construction contracts (surface work, public areas) is having significant
21 impact on the general public, particularly in the area of traffic disruption, street
22 conditions, water service, and noise and dust conditions. Every effort is being made to
23 mitigate this impact, but at the "street" level the impact remains.

1 Of the eleven contracts bid to date, nine have been awarded to local companies. The
2 remaining two were the largest and went to out of state firms. Primarily due to the
3 state of the economy and specifically the construction industry in Rhode Island, we
4 received very low bids. In the eleven contracts bid to date, the total bid amount was
5 35% below the estimate. In what I believe is a direct result of these low bids, we are
6 seeing an aggressive pursuit of change orders on most contracts. We are striving to
7 maintain a fair and consistent approach in addressing this issue.

8

9 **Q. Does this conclude your pre-filed testimony?**

10 **A. Yes.**



Phase II CSO Facilities OF 106 - Photo at Emmet Street



Phase II CSO Facilities West - Piping Installation north of Route 6 in Johnston



Phase II CSO Facilities WCSOI Regulator - Water line at Audrey Street



*Phase II CSO Facilities WCSOI Regulator
- Temporary Access for 111 Delaine Water Service*



*Phase II CSO Facilities OF 037 West – Photo of CSO
037 at Cemetary Street*



*Phase II CSO Facilities WCSOI North Infiltration into
existing WCSOI North overflow*

Narragansett Bay Commission Capital Leases							
Lease	Lease	Cost Center	Original Cost	Test Year FY 12		Rate Year FY 14	
				Principal	Interest	Principal	Interest
7	HP	33	323,118.59				
10	De Lage Landen	33	109,569.69				
11	De Lage Landen	33	206,792.58	44,356.59	2,467.85		
12	De Lage Landen	33	92,378.00	16,236.89	264.15		
13	Teletrac	52/55	30,210.00	6,360.00	-		
14	De Lage Landen	33	125,466.49	42,727.93	2,172.11		
15	Ikon	34	11,305.08	3,768.36			
16	HP	33	130,359.00	42,279.78	2,965.07	33,918.33	613.77
17	HP	33	21,452.66	7,501.57	-	7,145.24	356.33
18	HP	33	108,139.94	17,261.29	929.07	36,654.39	1,436.81
Grand Total			1,158,792.03	180,492.41	8,798.25	77,717.96	2,406.91

Debt Service Payments Fiscal Year 2012

Outstanding Debt	Due Dates	Interest	Principal
SRF - NO. PROV. \$2.647M	1-Sep 1-Mar	458	179,760
SRF - WP/RA - \$3.694	1-Sep 1-Mar	8,378 5,654	219,934
SRF -BUTLER - \$1.662M	1-Sep 1-Mar	567 2,172	110,855
SRF POOL LOAN I - \$14.781M	1-Sep 1-Mar	87,148 70,958	882,500
SRF POOL LOAN II - \$17.279M	1-Sep 1-Mar	72,421 77,716	1,019,507
SRF POOL LOAN III - \$8.150M	1-Sep 1-Mar	80,076 72,405	420,978
SRF POOL LOAN IV - \$23.955M	1-Sep 1-Mar	269,315 239,470	1,690,000
SRF POOL LOAN V - \$57M	1-Sep 1-Mar	524,721 467,643	3,600,000
SRF POOL LOAN VI - \$57M	1-Sep 1-Mar	297,591 276,210	2,708,996
SRF POOL LOAN VII - \$40M	1-Sep 1-Mar	298,625 282,437	1,850,000
SRF POOL LOAN VIII - \$40M	1-Sep 1-Mar	320,536 310,399	1,225,000
SRF POOL LOAN IX - \$30M	1-Sep 1-Mar	230,234 218,059	1,368,000
SRF POOL LOAN X - \$30M	1-Sep 1-Mar	221,573 210,080	1,356,000
SRF POOL LOAN XI - \$25M	1-Sep 1-Mar	242,206 235,737	750,000
SRF POOL LOAN XII - \$55M (\$8,000,000 Principal Forgiveness)	1-Sep 1-Mar	353,859 495,916	424,526
SRF POOL LOAN XII - \$2M (\$301,895 Principal Forgiveness)	1-Sep 1-Mar	19,800 19,155	67,924
SRF POOL LOAN XIII - \$20M	1-Sep 1-Mar	138,113 240,455	803,000
SRF POOL LOAN XIV - \$30M (\$1,845,345 Principal Forgiveness)	1-Sep 1-Mar	4,824 143,921	
VRDO \$70M 2008 Series A Refunding (Include	1-Sep Monthly		1,670,000
		547,047	
\$45M 2005 Series A	1-Aug 1-Feb	1,125,000 1,125,000	
\$42.5M 2007 Series A	1-Aug 1-Feb	1,032,781 1,032,781	
Total		11,401,440	20,346,980

Debt Service Payments Fiscal Year 2014

Outstanding Debt	Due Dates	Interest	Principal
SRF - NO. PROV. \$2.647M	1-Sep 1-Mar		
SRF - WP/RA - \$3.694	1-Sep 1-Mar	2,862	231,022
SRF -BUTLER - \$1.662M	1-Sep 1-Mar		
SRF POOL LOAN I - \$14.781M	1-Sep 1-Mar	54,171 36,765	948,750
SRF POOL LOAN II - \$17.279M	1-Sep 1-Mar	59,281 40,199	1,092,361
SRF POOL LOAN III - \$8.150M	1-Sep 1-Mar	64,452 56,208	452,384
SRF POOL LOAN IV - \$23.955M	1-Sep 1-Mar	214,128 189,492	1,395,000
SRF POOL LOAN V - \$57M	1-Sep 1-Mar	414,529 361,415	3,350,000
SRF POOL LOAN VI - \$57M	1-Sep 1-Mar	254,261 231,729	2,854,865
SRF POOL LOAN VII - \$40M	1-Sep 1-Mar	265,217 247,197	1,917,000
SRF POOL LOAN VIII - \$40M	1-Sep 1-Mar	296,524 281,107	1,757,000
SRF POOL LOAN IX - \$30M	1-Sep 1-Mar	205,462 192,345	1,418,000
SRF POOL LOAN X - \$30M	1-Sep 1-Mar	198,359 186,398	1,403,000
SRF POOL LOAN XI - \$25M	1-Sep 1-Mar	225,290 214,516	1,214,000
SRF POOL LOAN XII - \$55M (\$8,000,000 Principal Forgiveness)	1-Sep 1-Mar	648,531 645,028	424,526
SRF POOL LOAN XII - \$2M (\$301,895 Principal Forgiveness)	1-Sep 1-Mar	19,209 18,787	69,622
SRF POOL LOAN XIII - \$20M	1-Sep 1-Mar	271,514 265,494	819,000
SRF POOL LOAN XIV - \$30M (\$1,845,345 Principal Forgiveness)	1-Sep 1-Mar	405,654 416,405	1,123,371
SRF POOL LOAN 15 - \$25,750,000 (354,202 fr	1-Sep 1-Mar	306,354 297,722	1,074,797
VRDO \$70M 2008 Series A Refunding (Include	1-Sep	1,991,937	1,790,000
\$45M 2005 Series A	1-Aug 1-Feb	1,125,000 1,125,000	-
\$42.5M 2007 Series A	1-Aug 1-Feb	1,032,781 1,032,781	-
Total		\$ 13,894,102	\$ 23,334,698

*Narragansett Bay Commission
Long Term Debt*

Commission loan outstanding with the RI Clean Water Finance Agency
The Butler Hospital Project - 1992 - The total loan is \$1,662,055 with an interest rate of 3.2644%.

Commission loan outstanding with the RI Clean Water Finance Agency
The North Providence Interceptor Project – 1992 - The total loan is \$2,647,977 with an interest rate of 3.225%.

Commission loan outstanding with the RI Clean Water Finance Agency
The Washington Park Project – 1993 - The total loan is \$3,694,678 with an interest rate of 1.9773%.

Commission loan outstanding with the RI Clean Water Finance Agency
Pooled Loan #1 - 1993 - The total loan is \$14,781,000 with an interest rate of 3.16917%.

Commission loan outstanding with the RI Clean Water Finance Agency
Pooled Loan #2 – 1994 - The total loan is \$17,279,000 with an interest rate of 2.9938%.

Commission loan outstanding with the RI Clean Water Finance Agency
Pooled Loan #3 – 1997 Series - The total loan is \$8,150,000 with an interest rate of 3.14473%.

Commission loan outstanding with the RI Clean Water Finance Agency
Pooled Loan #4 – 1999 Series - The total loan is \$23,955,000 with an interest rate of 3.032%.

Commission loan outstanding with the RI Clean Water Finance Agency
Pooled Loan #5 – 2001 Series - The total loan is \$57,000,000 with an interest rate of 2.671%.

Commission loan outstanding with the RI Clean Water Finance Agency
Pooled Loan #6 – 2002 Series - The total loan is \$57,000,000 with an interest rate of 1.0785%.

Commission loan outstanding with the RI Clean Water Finance Agency
Pooled Loan #7 – 2003 Series - The total loan is \$40,000,000 with an interest rate of 1.349%.

Commission loan outstanding with the RI Clean Water Finance Agency
Pooled Loan #8 – 2004 Series B - The total loan is \$40,000,000 with an interest rate of 1.404%.

Commission loan outstanding with the RI Clean Water Finance Agency
Pooled Loan #9 – 2005 Series B - The total loan is \$30,000,000 with an interest rate of 1.397%.

Commission loan outstanding with the RI Clean Water Finance Agency
Pooled Loan #10 – 2006 Series A - The total loan is \$30,000,000 with an interest rate of 1.27%.

Commission loan outstanding with the RI Clean Water Finance Agency
Pooled Loan #11 – 2007 Series B - The total loan is \$25,000,000 with an interest rate of 1.475%

Commission loan outstanding with the RI Clean Water Finance Agency
Pooled Loan #12 – 2009 Series A - The total loan is \$55,000,000 with principal forgiveness of \$8,302,114 and an interest rate of .877%

Commission loan outstanding with the RI Clean Water Finance Agency
Pooled Loan #12 (Takeover) – 2010 Series A - The total loan is \$2,000,000 with principal forgiveness of \$301,895 and an interest rate of .522%

Commission loan outstanding with the RI Clean Water Finance Agency
Pooled Loan #13 – 2010 Series B - The total loan is \$20,000,000 with an interest rate of 2.143%

Commission loan outstanding with the RI Clean Water Finance Agency
Pooled Loan #14 – 2011 Series A - The total loan is \$30,000,000 with principal forgiveness of \$1,845,345 and an interest rate of 2.259%

Commission loan outstanding with the RI Clean Water Finance Agency
Pooled Loan #15 – 2012 Series A - The total loan is \$25,750,000 with principal forgiveness of \$354,202 and an interest rate of 2.088%

Wastewater System Revenue Bonds, 2005 Series A, dated August 4, 2005
Total loan amount is \$45,000,000 with an average interest rate of 5.0%

Wastewater System Revenue Bonds, 2007 Series A, dated February 8, 2007
Total loan amount is \$42,500,000 with an average interest rate of 4.84825%

Revenue Bonds (variable rate) 2008 Series A, dated July 17, 2008, maturing
September 1, 2034 - Total loan amount is \$66,360,000

Narragansett Bay Commission - Master Debt Service Schedule

ACCT. #	BOND/SRF DESCRIPTION	DUE DATES	FYE 2013		FYE 2014		FYE 2015		FYE 2016		FYE 2017		FYE 2018	
			INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL
21907	SRF - NO. PROV. \$2.647M	1-Sep 1-Mar												
21909	SRF - WP/RA - \$3.694	1-Sep 1-Mar	5,653.65 2,861.58	225,410.00	2,861.58	231,022.00								
21908	SRF -BUTLER - \$1.662M	1-Sep 1-Mar	2,172.33	115,414.49										
21915	SRF POOL LOAN 1 - \$14.781M	1-Sep 1-Mar	70,957.16 54,170.71	915,000.00	54,170.71 36,765.08	948,750.00	36,765.08 18,717.36	983,750.00	18,717.36	1,020,250.00				
21916	SRF POOL LOAN 2 - \$17.279M	1-Sep 1-Mar	77,716.23 59,281.08	1,055,306.00	59,281.08 40,198.63	1,092,361.00	40,198.63 20,446.11	1,130,718.00	20,446.11	1,170,422.00				
21917	SRF POOL LOAN 3 - \$8.150M	1-Sep 1-Mar	72,404.71 64,451.94	436,398.00	64,451.94 56,207.95	452,384.00	56,207.95 47,661.78	468,955.00	47,661.78 38,802.66	486,133.00	38,802.66 29,619.03	503,940.00	29,619.08 20,099.00	522,400.00
21918	SRF POOL LOAN 4 - \$23.955M	1-Sep 1-Mar	239,469.60 214,127.50	1,435,000.00	214,127.50 189,491.80	1,395,000.00	189,491.80 168,388.10	1,195,000.00	168,388.10 156,114.40	695,000.00	156,114.40 111,611.20	2,520,000.00	111,611.20 74,525.20	2,100,000.00
21919	SRF POOL LOAN 5 - \$57M	1-Sep 1-Mar	467,643.23 414,528.98	3,350,000.00	414,528.98 361,414.73	3,350,000.00	361,414.73 310,599.45	3,205,000.00	310,599.45 258,119.40	3,310,000.00	258,119.40 216,103.65	2,650,000.00	216,103.65 173,612.25	2,680,000.00
21920	SRF POOL LOAN 6 - \$57M	1-Sep 1-Mar	276,209.92 254,261.08	2,780,974.29	254,261.08 231,729.06	2,854,864.78	231,729.06 208,598.36	2,930,718.55	208,598.36 184,853.08	3,008,587.75	184,853.08 160,476.90	3,088,525.91	160,476.90 135,453.03	3,170,588.04
21921	SRF POOL LOAN 7 - \$40M	1-Sep 1-Mar	282,437.30 265,217.00	1,882,000.00	265,217.00 247,197.20	1,917,000.00	247,197.20 228,448.40	1,953,000.00	228,448.40 208,946.40	1,990,000.00	208,946.40 188,757.85	2,029,000.00	188,757.85 167,747.35	2,070,000.00
21922	SRF POOL LOAN 8 - \$40M	1-Sep 1-Mar	310,398.73 296,524.38	1,618,000.00	296,524.38 281,106.70	1,757,000.00	281,106.70 262,855.08	2,045,000.00	262,855.08 243,856.83	2,082,000.00	243,856.83 217,005.70	2,895,000.00	217,005.70 188,721.10	3,009,000.00
21923	SRF POOL LOAN 9 - \$30M	1-Sep 1-Mar	218,059.10 205,461.50	1,392,000.00	205,461.50 192,345.00	1,418,000.00	192,345.00 178,699.20	1,444,000.00	178,699.20 164,614.38	1,471,000.00	164,614.38 150,111.55	1,499,000.00	150,111.55 135,137.15	1,528,000.00
21924	SRF POOL LOAN 10 - \$30M	1-Sep 1-Mar	210,080.50 198,359.00	1,379,000.00	198,359.00 186,398.43	1,403,000.00	186,398.43 174,090.55	1,427,000.00	174,090.55 161,430.58	1,451,000.00	161,430.58 148,441.78	1,476,000.00	148,441.78 135,111.53	1,502,000.00
21925	SRF POOL LOAN 11 - \$25M	1-Sep 1-Mar	235,737.28 225,289.78	1,194,000.00	225,289.78 214,515.53	1,214,000.00	214,515.53 203,360.63	1,236,000.00	203,360.63 191,787.03	1,258,000.00	191,787.03 179,745.63	1,281,000.00	179,745.63 167,208.03	1,306,000.00
21926	SRF POOL LOAN 12 - \$55M (8.3 M Forgiveness)	1-Sep 1-Mar	583,980.41 648,530.67	424,526.25	648,530.67 645,028.31	424,526.25	645,028.31 637,047.22	849,052.48	637,047.22 623,993.04	1,273,578.72	623,993.04 605,144.07	1,698,104.96	605,144.07 575,547.68	2,476,686.09
21927	SRF POOL LOAN 12 - \$2M (\$301,895 M Forgiveness)	1-Sep 1-Mar	19,548.96 19,208.54	68,773.25	19,208.54 18,787.33	69,622.30	18,787.33 18,277.38	71,320.41	18,277.38 17,660.38	73,018.51	17,660.38 16,916.95	74,716.62	16,916.95 16,080.21	76,414.72
21928	SRF POOL LOAN 13 - \$20M	1-Sep 1-Mar	276,206.15 271,513.95	809,000.00	271,513.95 265,494.30	819,000.00	265,494.30 258,181.50	831,000.00	258,181.50 249,731.50	845,000.00	249,731.50 239,947.80	862,000.00	239,947.80 229,023.40	881,000.00
21929	SRF POOL LOAN 14 - \$30M (1,845,345.21 forgive)	1-Sep 1-Mar	341,085.03 376,173.37	1,111,170.38	405,653.77 416,404.78	1,123,370.73	416,404.78 407,653.66	1,136,509.57	407,653.66 396,802.85	1,154,340.84	396,802.85 384,396.84	1,175,926.08	384,396.84 370,533.07	1,200,326.78
21930	SRF POOL LOAN 15 - \$25,750,000 (354,202 forgive)	1-Sep 1-Mar	20,215.33 287,607.71	985.43	306,353.51 297,721.74	1,074,796.99	297,721.74 292,441.56	1,066,703.16	292,441.56 286,245.96	1,077,495.04	286,245.96 279,001.52	1,089,390.98	279,001.52 270,657.39	1,105,182.86
22505	VRDO \$70M 2008 Series A Refunding (Includes fees)	1-Sep	2,054,106.27	1,735,000.00	1,991,937.48	1,790,000.00	1,927,581.27	1,855,000.00	1,861,081.26	1,915,000.00	1,792,087.47	1,990,000.00	1,720,731.21	2,055,000.00
22501	\$45M 2005 Series A	1-Aug 1-Feb	1,125,000.00 1,125,000.00	0.00	1,125,000.00 1,125,000.00	0.00	1,125,000.00 1,125,000.00	0.00	1,125,000.00 1,125,000.00	0.00	1,125,000.00 1,125,000.00	0.00	1,125,000.00 1,125,000.00	0.00
22503	\$42.5M 2007 Series A	1-Aug 1-Feb	1,032,781.25 1,032,781.25	0.00	1,032,781.25 1,032,781.25	0.00	1,032,781.25 1,032,781.25	0.00	1,032,781.25 1,032,781.25	0.00	1,032,781.25 1,032,781.25	0.00	1,032,781.25 1,032,781.25	0.00
Total			13,937,213.16	21,927,958.09	13,894,101.52	23,334,698.05	13,359,416.68	23,828,727.17	12,795,068.59	24,280,825.86	12,217,888.93	24,832,604.55	11,623,030.62	25,682,598.49
Total Interest and Principal Debt Service			\$35,865,171.25	\$37,228,799.57	\$37,188,143.85	\$37,075,894.45	\$37,050,493.48	\$37,305,629.11						
SRF				25,623,265.23		25,506,998.07		25,472,565.61		25,369,270.78		25,341,079.28		25,604,236.94
Open Market Bonds				8,104,668.77		8,097,499.98		8,098,143.77		8,091,643.76		8,097,649.97		8,091,293.71
				<u>33,727,934.00</u>		<u>33,604,498.05</u>		<u>33,570,709.38</u>		<u>33,460,914.54</u>		<u>33,438,729.25</u>		<u>33,695,530.65</u>
Debt Service Open market			6,369,668.77	1,735,000.00	6,307,499.98	1,790,000.00	6,243,143.77	1,855,000.00	6,176,643.76	1,915,000.00	6,107,649.97	1,990,000.00	6,036,293.71	2,055,000.00

Narragansett Bay Commission - Master Debt Service Schedule

ACCT. #	BOND/SRF DESCRIPTION	DUE DATES	FYE 2019		FYE 2020		FYE 2021		FYE 2022		FYE 2023		FYE 2024	
			INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL
21907	SRF - NO. PROV. \$2.647M	1-Sep 1-Mar												
21909	SRF - WP/RA - \$3.694	1-Sep 1-Mar												
21908	SRF -BUTLER - \$1.662M	1-Sep 1-Mar												
21915	SRF POOL LOAN 1 - \$14.781M	1-Sep 1-Mar												
21916	SRF POOL LOAN 2 - \$17.279M	1-Sep 1-Mar												
21917	SRF POOL LOAN 3 - \$8.150M	1-Sep 1-Mar	20,099.00 10,230.25	541,535.00	10,230.25	561,372.00								
21918	SRF POOL LOAN 4 - \$23.955M	1-Sep 1-Mar	74,525.20 45,121.30	1,665,000.00	45,121.30 23,576.10	1,220,000.00	23,576.10	1,335,000.00						
21919	SRF POOL LOAN 5 - \$57M	1-Sep 1-Mar	173,612.25 130,803.75	2,700,000.00	130,803.75 87,202.50	2,750,000.00	87,202.50 43,601.25	2,750,000.00	43,601.25	2,750,000.00				
21920	SRF POOL LOAN 6 - \$57M	1-Sep 1-Mar	135,453.03 109,764.28	3,254,830.57	109,764.28 83,392.98	3,341,311.42	83,392.98 56,321.00	3,430,090.07	56,321.00 28,529.71	3,521,227.57	28,529.71	3,614,786.58		
21921	SRF POOL LOAN 7 - \$40M	1-Sep 1-Mar	167,747.35 145,993.75	2,112,000.00	145,993.75 123,474.00	2,155,000.00	123,474.00 100,154.00	2,200,000.00	100,154.00 76,111.10	2,247,000.00	76,111.10 51,439.85	2,295,000.00	51,439.85 26,007.45	2,344,000.00
21922	SRF POOL LOAN 8 - \$40M	1-Sep 1-Mar	188,721.10 158,879.28	3,133,000.00	158,879.28 127,642.23	3,237,000.00	127,642.23 94,475.65	3,393,000.00	94,475.65 59,389.78	3,553,000.00	59,389.78 36,477.20	2,297,000.00	36,477.20 12,881.55	2,342,000.00
21923	SRF POOL LOAN 9 - \$30M	1-Sep 1-Mar	135,137.15 119,751.90	1,558,000.00	119,751.90 103,981.08	1,589,000.00	103,981.08 87,771.08	1,621,000.00	87,771.08 71,117.10	1,653,000.00	71,117.10 54,046.35	1,686,000.00	54,046.35 36,545.35	1,720,000.00
21924	SRF POOL LOAN 10 - \$30M	1-Sep 1-Mar	135,111.53 121,465.20	1,529,000.00	121,465.20 107,461.20	1,556,000.00	107,461.20 93,126.00	1,584,000.00	93,126.00 78,447.70	1,613,000.00	78,447.70 63,464.45	1,642,000.00	63,464.45 48,123.85	1,672,000.00
21925	SRF POOL LOAN 11 - \$25M	1-Sep 1-Mar	167,208.03 154,230.78	1,331,000.00	154,230.78 140,762.55	1,357,000.00	140,762.55 126,887.95	1,384,000.00	126,887.95 112,601.58	1,411,000.00	112,601.58 97,877.58	1,440,000.00	97,877.58 82,710.15	1,469,000.00
21926	SRF POOL LOAN 12 - \$55M (8.3 M Forgiveness)	1-Sep 1-Mar	575,547.68 543,719.36	2,536,119.76	543,719.36 509,792.00	2,599,798.71	509,792.00 473,933.96	2,666,024.79	473,933.96 436,135.16	2,739,043.32	436,135.16 396,308.45	2,814,608.97	396,308.45 354,496.36	2,893,570.85
21927	SRF POOL LOAN 12 - \$2M (\$301,895 M Forgiveness)	1-Sep 1-Mar	16,080.21 15,144.50	78,961.88	15,144.50 14,136.25	80,659.99	14,136.25 13,058.73	83,207.14	13,058.73 11,913.90	85,754.30	11,913.90 10,692.54	89,150.51	10,692.54 9,404.19	91,697.67
21928	SRF POOL LOAN 13 - \$20M	1-Sep 1-Mar	229,023.40 217,213.15	905,000.00	217,213.15 204,466.90	927,000.00	204,466.90 190,791.35	953,000.00	190,791.35 176,057.40	979,000.00	176,057.40 160,266.55	1,009,000.00	160,266.55 143,454.40	1,041,000.00
21929	SRF POOL LOAN 14 - \$30M (1,845,345.21 forgive)	1-Sep 1-Mar	370,533.07 354,992.79	1,228,481.44	354,992.79 338,065.78	1,258,513.06	338,065.78 319,637.16	1,293,237.14	319,637.16 298,891.68	1,329,838.20	298,891.68 276,321.12	1,372,070.18	276,321.12 252,088.42	1,417,117.62
21930	SRF POOL LOAN 15 - \$25,750,000 (354,202 forgive)	1-Sep 1-Mar	270,657.39 260,793.72	1,120,870.68	260,793.72 249,558.20	1,140,662.56	249,558.20 237,179.16	1,162,350.38	237,179.16 223,517.91	1,187,934.14	223,517.91 208,992.48	1,215,517.90	208,992.48 192,756.96	1,244,101.66
22505	VRDO \$70M 2008 Series A Refunding (Includes fees)	1-Sep	1,646,049.96	2,160,000.00	1,568,612.52	2,230,000.00	1,488,462.54	2,310,000.00	1,405,643.79	2,385,000.00	1,319,937.51	2,470,000.00	1,231,518.72	2,545,000.00
22501	\$45M 2005 Series A	1-Aug 1-Feb	1,125,000.00 1,125,000.00	0.00	1,125,000.00 1,125,000.00	0.00	1,125,000.00 1,125,000.00	0.00	1,125,000.00 1,125,000.00	0.00	1,125,000.00 1,125,000.00	0.00	1,125,000.00 1,125,000.00	0.00
22503	\$42.5M 2007 Series A	1-Aug 1-Feb	1,032,781.25 1,032,781.25	0.00	1,032,781.25 1,032,781.25	0.00	1,032,781.25 1,032,781.25	0.00	1,032,781.25 1,032,781.25	0.00	1,032,781.25 1,032,781.25	0.00	1,032,781.25 1,032,781.25	0.00
Total			11,009,172.86	25,853,799.33	10,385,790.80	26,003,317.74	9,754,474.10	26,164,909.52	9,130,856.60	25,454,797.53	8,564,099.60	21,945,134.14	8,061,436.47	18,779,487.80
Total Interest and Principal Debt Service			\$36,862,972.19		\$36,389,108.54		\$35,919,383.62		\$34,585,654.13		\$30,509,233.74		\$26,840,924.27	
SRF			25,135,030.64		24,672,347.41		24,205,330.76		22,882,449.59		18,808,422.46		15,157,464.79	
Open Market Bonds			8,121,612.46		8,114,175.02		8,114,025.04		8,106,206.29		8,105,500.01		8,092,081.22	
			<u>33,256,643.10</u>		<u>32,786,522.43</u>		<u>32,319,355.80</u>		<u>30,988,655.88</u>		<u>26,913,922.47</u>		<u>23,249,546.01</u>	
Debt Service Open market			5,961,612.46	2,160,000.00	5,884,175.02	2,230,000.00	5,804,025.04	2,310,000.00	5,721,206.29	2,385,000.00	5,635,500.01	2,470,000.00	5,547,081.22	2,545,000.00

Narragansett Bay Commission - Master Debt Service Schedule

ACCT. #	BOND/SRF DESCRIPTION	DUE DATES	FYE 2025		FYE 2026		FYE 2027		FYE 2028		FYE 2029		FYE 2030		FYE 2031	
			INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL
21907	SRF - NO. PROV. \$2.647M	1-Sep 1-Mar														
21909	SRF - WP/RA - \$3.694	1-Sep 1-Mar														
21908	SRF -BUTLER - \$1.662M	1-Sep 1-Mar														
21915	SRF POOL LOAN 1 - \$14.781M	1-Sep 1-Mar														
21916	SRF POOL LOAN 2 - \$17.279M	1-Sep 1-Mar														
21917	SRF POOL LOAN 3 - \$8.150M	1-Sep 1-Mar														
21918	SRF POOL LOAN 4 - \$23.955M	1-Sep 1-Mar														
21919	SRF POOL LOAN 5 - \$57M	1-Sep 1-Mar														
21920	SRF POOL LOAN 6 - \$57M	1-Sep 1-Mar														
21921	SRF POOL LOAN 7 - \$40M	1-Sep 1-Mar	26,007.45	2,397,000.00												
21922	SRF POOL LOAN 8 - \$40M	1-Sep 1-Mar	12,881.55	1,266,000.00												
21923	SRF POOL LOAN 9 - \$30M	1-Sep 1-Mar	36,545.35 18,512.73	1,755,000.00	18,512.73	1,793,000.00										
21924	SRF POOL LOAN 10 - \$30M	1-Sep 1-Mar	48,123.85 32,456.25	1,703,000.00	32,456.25	1,734,000.00	16,416.75	1,770,000.00								
21925	SRF POOL LOAN 11 - \$25M	1-Sep 1-Mar	82,710.15 67,072.65	1,500,000.00	67,072.65	1,531,000.00	50,997.15 34,468.43	1,563,000.00	34,468.43 17,471.03	1,596,000.00	17,471.03	1,629,000.00				
21926	SRF POOL LOAN 12 - \$55M (8.3 M Forgiveness)	1-Sep 1-Mar	354,496.36 310,563.83	2,978,476.11	310,563.83 264,728.19	3,065,928.51	264,728.19 216,732.28	3,157,626.18	216,732.28 166,477.75	3,252,720.06	166,477.75 113,642.71	3,354,606.35	113,642.71 58,471.01	3,459,039.80	58,471.01	3,609,322.07
21927	SRF POOL LOAN 12 - \$2M (\$301,895 M Forgiveness)	1-Sep 1-Mar	9,404.19 8,039.60	95,093.88	8,039.60 6,604.27	97,641.04	6,604.27 5,088.71	101,037.25	5,088.71 3,490.88	104,433.46	3,490.88 1,795.49	108,678.72	1,795.49 112,923.96			
21928	SRF POOL LOAN 13 - \$20M	1-Sep 1-Mar	143,454.40 125,733.40	1,074,000.00	125,733.40 107,029.89	1,110,000.00	107,029.90 87,416.20	1,147,000.00	87,416.20 66,821.75	1,187,000.00	66,821.75 45,270.35	1,228,000.00	45,270.35 22,946.75	1,272,000.00	22,946.75	1,315,000.00
21929	SRF POOL LOAN 14 - \$30M (1,845,345.21 forgive)	1-Sep 1-Mar	252,088.42 226,085.01	1,464,980.54	226,085.01 198,465.85	1,517,535.90	198,465.85 169,148.63	1,571,968.23	169,148.63 138,384.85	1,632,031.49	138,384.85 106,150.46	1,692,094.75	106,150.46 72,418.93	1,756,850.46	72,418.93	1,824,421.63
21930	SRF POOL LOAN 15 - \$25,750,000 (354,202 forgive)	1-Sep 1-Mar	192,756.96 175,202.53	1,276,685.41	175,202.53 156,438.57	1,312,165.11	156,438.57 136,950.65	1,348,644.81	136,950.65 117,364.00	1,389,124.51	117,364.00 96,936.45	1,428,500.15	96,936.45 73,785.91	1,469,875.79	73,785.91	1,514,251.43
22505	VRDO \$70M 2008 Series A Refunding (Includes fees)	1-Sep	1,140,081.27	2,635,000.00	1,045,493.76	2,725,000.00	947,625.00	2,820,000.00	846,431.28	2,915,000.00	741,781.29	3,015,000.00	633,368.73	3,125,000.00	521,106.27	3,235,000.00
22501	\$45M 2005 Series A	1-Aug 1-Feb	1,125,000.00 1,125,000.00	0.00	1,125,000.00 1,125,000.00	0.00	2,160,500.00	3,580,000.00	1,977,125.00	3,755,000.00	1,784,625.00	3,945,000.00	1,582,500.00	4,140,000.00	1,370,250.00	4,350,000.00
22503	\$42.5M 2007 Series A	1-Aug 1-Feb	1,032,781.25 1,032,781.25	0.00	1,032,781.25 1,032,781.25	0.00	1,032,781.25 1,032,781.25	0.00	1,032,781.25 1,032,781.25	3,390,000.00	948,031.25 948,031.25	3,560,000.00	859,031.25 859,031.25	3,735,000.00	765,656.25 765,656.25	3,920,000.00
Total			7,577,778.45	18,145,235.94	7,125,402.93	14,886,270.56	6,624,173.08	17,059,276.47	6,048,933.94	19,221,309.52	5,296,274.51	19,960,879.97	4,525,349.29	19,070,690.01	3,738,918.65	19,767,995.13
Total Interest and Principal Debt Service			\$25,723,014.39		\$22,011,673.49		\$23,683,449.55		\$25,270,243.46		\$25,257,154.48		\$23,596,039.30		\$23,506,913.78	
SRF			14,044,571.75		10,339,724.26		8,528,145.31		6,738,120.55		6,735,255.03		5,086,090.07		5,005,739.83	
Open Market Bonds			8,090,643.77		8,086,056.26		11,573,687.50		14,949,118.78		14,942,468.79		14,933,931.23		14,927,668.77	
			<u>22,135,215.52</u>		<u>18,425,780.52</u>		<u>20,101,832.81</u>		<u>21,687,239.33</u>		<u>21,677,723.82</u>		<u>20,020,021.30</u>		<u>19,933,408.60</u>	
Debt Service Open market			5,455,643.77	2,635,000.00	5,361,056.26	2,725,000.00	5,173,687.50	6,400,000.00	4,889,118.78	10,060,000.00	4,422,468.79	10,520,000.00	3,933,931.23	11,000,000.00	3,422,668.77	11,505,000.00

Narragansett Bay Commission - Master Debt Service Schedule

ACCT. #	BOND/SRF DESCRIPTION	DUE DATES	FYE 2032		FYE 2033		FYE 2034		FYE 2035		FYE 2036		FYE 2037		Total	
			INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL
21907	SRF - NO. PROV. \$2.647M	1-Sep 1-Mar													0.00 0.00	0.00
21909	SRF - WP/RA - \$3.694	1-Sep 1-Mar													8,515.23 2,861.58	456,432.00
21908	SRF -BUTLER - \$1.662M	1-Sep 1-Mar													2,172.33 0.00	115,414.49
21915	SRF POOL LOAN 1 - \$14.781M	1-Sep 1-Mar													180,610.31 109,653.15	3,867,750.00
21916	SRF POOL LOAN 2 - \$17.279M	1-Sep 1-Mar													197,642.05 119,925.82	4,448,807.00
21917	SRF POOL LOAN 3 - \$8.150M	1-Sep 1-Mar													339,477.37 267,072.61	3,973,117.00
21918	SRF POOL LOAN 4 - \$23.955M	1-Sep 1-Mar													1,222,425.20 982,955.60	13,560,000.00
21919	SRF POOL LOAN 5 - \$57M	1-Sep 1-Mar													2,463,629.19 1,995,985.96	29,495,000.00
21920	SRF POOL LOAN 6 - \$57M	1-Sep 1-Mar													1,729,589.40 1,453,379.48	34,996,505.53
21921	SRF POOL LOAN 7 - \$40M	1-Sep 1-Mar													2,111,931.65 1,829,494.35	27,591,000.00
21922	SRF POOL LOAN 8 - \$40M	1-Sep 1-Mar													2,290,214.21 1,979,815.48	32,627,000.00
21923	SRF POOL LOAN 9 - \$30M	1-Sep 1-Mar													1,736,153.47 1,518,094.37	22,127,000.00
21924	SRF POOL LOAN 10 - \$30M	1-Sep 1-Mar													1,774,873.77 1,564,793.27	23,441,000.00
21925	SRF POOL LOAN 11 - \$25M	1-Sep 1-Mar													2,302,723.76 2,066,986.48	23,700,000.00
21926	SRF POOL LOAN 12 - \$55M (8.3 M Forgiveness)	1-Sep 1-Mar													8,164,272.46 7,580,292.05	46,273,360.23
21927	SRF POOL LOAN 12 - \$2M (\$301,895 M Forgiveness)	1-Sep 1-Mar													225,848.81 206,299.85	1,563,105.61
21928	SRF POOL LOAN 13 - \$20M	1-Sep 1-Mar													3,337,566.70 3,061,360.54	19,194,000.00
21929	SRF POOL LOAN 14 - \$30M (1,845,345.21 forgive)	1-Sep 1-Mar	37,025.15	1,893,869.77											5,510,205.83 5,139,640.40	28,154,654.79
21930	SRF POOL LOAN 15 - \$25,750,000 (354,202 forgive)	1-Sep 1-Mar	51,602.13 26,258.19	1,559,627.07	26,258.19	1,610,931.94									3,959,973.87 3,921,012.74	25,395,798.00
22505	VRDO \$70M 2008 Series A Refunding (Includes fees)	1-Sep	404,993.79	3,345,000.00	284,900.01	3,460,000.00	160,781.28	3,575,000.00	32,375.01	3,700,000.00					26,766,687.69	59,990,000.00
22501	\$45M 2005 Series A	1-Aug 1-Feb	1,147,375.00	4,565,000.00	913,375.00	4,795,000.00	667,625.00	5,035,000.00	409,625.00	5,285,000.00	138,750.00	5,550,000.00			27,901,750.00 15,750,000.00	45,000,000.00
22503	\$42.5M 2007 Series A	1-Aug 1-Feb	667,656.25 667,656.25	4,120,000.00	564,656.25 564,656.25	4,325,000.00	461,937.50 461,937.50	4,530,000.00	354,350.00 354,350.00	4,745,000.00	241,656.25 241,656.25	4,970,000.00	123,618.75 123,618.75	5,205,000.00	21,511,093.75 21,511,093.75	42,500,000.00
Total			3,002,566.76	15,483,496.84	2,353,845.70	14,190,931.94	1,752,281.28	13,140,000.00	1,150,700.01	13,730,000.00	622,062.50	10,520,000.00	247,237.50	5,205,000.00	184,798,074.53	488,469,944.65
Total Interest and Principal Debt Service			\$18,486,063.60		\$16,544,777.64		\$14,892,281.28		\$14,880,700.01		\$11,142,062.50		\$5,452,237.50		\$673,268,019.18	

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Narragansett Bay Commission

Personnel and Overtime Information

Test Year	Number of Employees 7/1/11	Number of Employees 6/30/12
FY 2012	246	248

Fiscal Year	Overtime Amount
2012	\$ 489,193
2011	475,730
2010	457,639

Compliance Reporting

Compliance Items	Status
Capital Projects Compliance Report	Reports are submitted semi-annually. The last Report submitted was for the period ending June 30 th , 2012
Restricted Accounts Report	Reports are submitted quarterly. The last report submitted was for the period ending June 30 th , 2012

Narragansett Bay Commission
Capital Project Compliance Reporting
Period Ending: June 30, 2012

Project	Actual / Projected Start Date	Actual / Projected Completion Date	Total Estimated Project Cost	Total Paid to Date	Percent Complete*
10901C - FPWWTF Nitrogen Removal Facilities - Construction	Feb-09	Mar-15	\$ 71,789,000	\$ 50,540,044	70.4%
1100000 - Site Specific Study	Nov-01	Jun-14	457,000	211,366	46.3%
1140100 - River Model Development	Mar-05	Feb-13	378,000	243,870	64.5%
11601C - FPWWTF Pump Replacement	Jan-12	Apr-13	500,000	180,570	36.1%
11900D - Regulatory Compliance Building - Design	May-09	Feb-13	3,015,361	1,690,365	56.1%
11900C - Regulatory Compliance Building - Construction	Jan-13	Jun-15	18,308,000	-	0.0%
12000D - BPWWTF - Biogas Reuse - Design	Jul-09	Dec-12	455,000	131,313	28.9%
12000C - BPWWTF - Biogas Reuse - Construction	Jul-13	May-15	2,649,000	-	0.0%
12100C - FPWWTF - Wind Turbine - Construction	Mar-09	Dec-14	15,405,606	11,165,307	72.5%
12400D - New IM Facilities - Design	Jan-13	Jun-14	557,000	-	0.0%
12400C - New IM Facilities - Construction	May-14	Jun-16	6,052,000	-	0.0%
12500C - Utility Reliability Improv @FP	Apr-12	Apr-14	1,597,000	22,500	1.4%
30221D - Hydraulic Systems Modeling - Design	Jun-10	Mar-13	327,000	167,327	51.2%
30301D - Phase II CSO Facilities - Design	Jan-07	Jun-14	21,321,262	15,915,478	74.6%
30301RS - Phase II CSO Facilities Program & Construction Management	Nov-10	Jan-16	30,315,000	4,719,463	15.6%
30302C - Phase II CSO Facilities - OF 106	Feb-12	Feb-15	5,925,936	458	0.0%
30303C - Phase II CSO Facilities - WCSOI	Dec-11	May-16	86,327,000	2,830,383	3.3%
30304C - Phase II CSO Facilities - SCSOI Main	Mar-12	Dec-15	30,975,500	2,385	0.0%
30305C - Phase II CSO Facilities - OF 027	Mar-11	May-14	11,412,000	3,805,011	33.3%
30306C - Phase II CSO Facilities - OF 037 West	May-11	Aug-14	12,769,264	690,212	5.4%
30307C - Phase II CSO OF 037 South	Aug-12	May-15	15,126,700	-	0.0%
30308C - Phase II CSO OF 037 North	Aug-12	May-15	15,126,700	-	0.0%
30309C - Phase II CSO WCSOI Regulator	Apr-11	Jun-13	1,240,000	845,304	68.2%
30310C - Phase II CSO WCSOI North	Sep-11	May-14	9,366,000	981,120	10.5%
30311C - Phase II CSO WCSOI West	May-11	Feb-14	9,124,518	5,000,792	54.8%
30312C - Phase II CSO SCSOI Regulator	Nov-11	Nov-13	1,932,000	46,368	2.4%
30313C - Phase II CSO WCSOI Site Demo	Jan-12	Jul-13	426,850	89,006	20.9%
30314C - Phase II CSO WCSOI OF 054	May-12	Apr-14	3,150,000	53	0.0%
30400C - Repair and Construction of CSO Interceptors	Jul-01	Ongoing	5,259,000	-	0.0%
30400M - Inspection & Cleaning of CSO Interceptors	Jul-01	Ongoing	2,594,000	-	0.0%
30421C - Louisquisset Pike Interceptor Replacement - Construction	Aug-13	Jun-15	2,382,000	-	0.0%
30430M - Woonasquatucket Interceptor, Route 10 Inspection & Cleaning	Apr-12	Dec-12	450,000	6,128	1.4%
30438D - Interceptor Easements - Design	Oct-05	Dec-12	774,892	551,983	71.2%
30438C - Interceptor Easements - Construction	Jul-13	Oct-14	612,000	-	0.0%
30444D - Moshassuck Valley Interceptor - Design	Nov-11	Jan-13	312,000	13,557	4.3%
30444C - Moshassuck Valley Interceptor - Construction	Mar-13	Dec-14	2,373,000	-	0.0%
30454C - Branch Ave. Interceptor Improv	Sep-10	Jan-13	1,896,777	1,830,495	96.5%
30455C - Improvements to Interceptors FY 2012	May-11	Aug-14	1,500,000	24,893	1.7%
30500D - NBC Interceptor Easements - Design	Aug-13	Aug-16	2,935,000	-	0.0%
30500C - NBC Interceptor Easements - Construction	Sep-14	Aug-17	2,497,000	-	0.0%
30501D - Interceptor Easements - NBC BVI Design	Sep-09	Oct-12	646,027	92,129	14.3%
30501C - Interceptor Easements - NBC BVI Construction	Jul-13	Jul-14	730,000	-	0.0%
30600D - Floatables Control Facilities - Design	Jun-05	Aug-12	488,138	292,758	60.0%
30600C - Floatables Control Facilities - Construction	Nov-11	Feb-14	5,003,536	711,145	14.2%
30700 - NBC System-wide Facilities Planning	Jul-13	May-16	1,392,400	-	0.0%
30800D - Phase III CSO Facilities - Design	Jul-15	Dec-17	37,012,000	-	0.0%
30800D - Phase III CSO Facilities - Construction	Aug-17	Aug-22	565,950,000	-	0.0%
80900D - BPWWTF - Nitrogen Removal Facilities - Design	Sep-09	Feb-13	3,833,724	3,137,861	81.8%
80900C - BPWWTF - Nitrogen Removal Facilities - Construction	Aug-11	Dec-15	42,725,120	2,352,001	5.5%

* Percent complete is calculated by dividing the Total Paid to Date by Total Estimated Project Cost.

Narragansett Bay Commission Docket #4214
Compliance Reporting on Restricted Accounts for FY 2012

Percentage	Cash Receipts	Capital/Debt	Restricted Account	Debt	Debt Interest	Total Debt & Debt Interest	Debt Coverage	Special Master	Operating Reserve for Revenue Stability Fund
		0.000%	0.000%	45.910%			11.480%		
Receipts:									
Beginning Balance		182,875.22	15,745,550.66			21,975,032.29	11,606,143.12	161,590.64	4,501,065.69
*8/12/2011						(2,290,757.35)	2,290,757.35		
**10/26/2011		2,879,053.00	7,659,672.61				(10,538,725.61)		
		3,061,928.22	23,405,223.27	0.00	0.00	19,684,274.94	3,358,174.86	161,590.64	4,501,065.69
July-11	5,727,917.78	3.30	132.86	2,629,687.05	261.20	2,629,948.25	657,564.96	1.37	38.23
August-11	6,584,161.75	1.31	130.82	3,022,788.66	268.87	3,023,057.53	755,861.77	1.37	38.23
September-11	7,023,838.07	0.29	125.54	3,224,644.06	94.32	3,224,738.38	806,336.61	1.33	37.00
October-11	6,950,999.55	4.74	137.38	3,191,203.89	115.05	3,191,318.94	797,974.75	1.37	38.23
November-11	5,808,439.24	22.85	182.64	2,666,654.46	71.38	2,666,725.84	666,808.82	1.33	37.00
December-11	6,493,645.54	37.28	308.73	2,981,232.67	175.69	2,981,408.36	745,470.51	2.27	63.26
January-12	6,968,565.09	21.12	184.48	3,199,268.23	136.41	3,199,404.64	799,991.27	1.37	38.23
February-12	5,909,957.66	18.72	170.94	2,713,261.56	138.48	2,713,400.04	678,463.14	1.28	35.77
March-12	5,954,143.69	19.33	180.85	2,733,547.37	153.03	2,733,700.40	683,535.70	1.37	38.23
April-12	5,853,113.25	16.37	173.62	2,687,164.29	176.58	2,687,340.87	671,937.40	1.33	37.00
May-12	6,369,074.38	15.00	173.27	2,924,042.05	209.23	2,924,251.28	731,169.74	1.37	38.24
June-12	6,292,437.91	58.90	714.77	2,888,858.24	1,003.70	2,889,861.94	722,371.87	5.75	160.20
	75,936,293.91	3,062,147.43	23,407,839.17	34,862,352.53	2,803.94	54,549,431.41	12,075,661.40	161,612.15	4,501,665.31
Expenses:									
July-11		145,277.28	133,534.17			26,868.48		-	
August-11		19,366.99	241,599.69			2,169,390.41		-	
September-11		88,548.11	586,347.36			23,629,025.02		-	
October-11		144,041.78	105,534.37			23,694.97		-	
November-11		149,861.30	196,940.06			8,057.87		-	
December-11		147,815.43	307,054.43			129,669.51		-	
January-12		55,788.91	181,131.25			29,161.29		-	
February-12		279,224.08	186,502.92			2,161,577.63		-	
March-12		246,856.19	226,781.60			3,477,235.37		-	
April-12		85,613.54	158,801.12			25,089.90		-	
May-12		270,846.47	870,253.80			14,972.50		-	
June-12		168,343.05	495,288.34			112,128.94		-	
		1,801,583.13	3,689,769.11			31,806,871.89		-	-
Balance		\$ 1,260,564.30	\$ 19,718,070.06			\$ 22,742,559.52	\$ 12,075,661.40	\$ 161,612.15	\$ 4,501,665.31

* Realign Debt Balance to the Required Balance as of 6/30/11.

Rates for Debt & Debt Coverage changed from 44.78% and 11.19% to 45.91% and 11.48% respectively on July, 2011 billing per Docket 4214.

** Transfer of funds for FINAL Carryover for 2012

NARRAGANSETT BAY COMMISSION

Statement of Net Assets June 30, 2012

Assets

Current assets

Cash and cash equivalents	\$ 15,448,302
Accounts receivable	
Sewer use fees (net of allowance)	9,991,957
Sewer use unbilled	3,771,489
Receivables, other	189,752
Due from the Rhode Island Clean Water Finance Agency	40,887,057
Prepaid expenses	664,620
Total current assets	70,953,177

Noncurrent assets

Restricted assets

Cash, environmental enforcement	87,748
Cash and cash equivalents, restricted	35,871,076
Cash and cash equivalents, restricted for the acquisition and construction of capital assets	21,146,977
Total restricted assets	57,105,801

Capital assets

Land	2,754,407
Plant and equipment	81,449,851
Capital projects completed	527,255,060
Construction in progress	289,782,521
	901,241,839
Less accumulated depreciation	(142,391,927)
Net capital assets	758,849,912

Other assets

Negative net pension obligation	94,296
Organization costs (net of accumulated amortization)	19,815
Bond and loan issuance costs (net of accumulated amortization)	5,728,057
Total other assets	5,842,168

Total noncurrent assets	821,797,881
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Total assets	\$ 892,751,058
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(Continued)

The notes to the financial statements are an integral part of this statement.

NARRAGANSETT BAY COMMISSION

Statement of Net Assets (Continued)

June 30, 2012

Liabilities

Current liabilities

Accounts and contracts payable	\$ 16,296,283
Accrued interest payable	4,226,176
Accrued expenses	3,154,268
Unearned revenue	272,105
Current portion of loans payable	20,192,958
Current portion of leases payable	133,771
Current portion of long-term debt	1,735,000
<i>Total current liabilities</i>	<u>46,010,561</u>

Noncurrent liabilities

Other accrued expenses	69,892
Long-term loans payable, net	320,786,986
Long-term leases payable, net	115,665
Long-term debt, net	149,568,958
<i>Total noncurrent liabilities</i>	<u>470,541,501</u>

Total liabilities

516,552,062

Net assets

Invested in capital assets, net of related debt	298,407,024
Restricted, environmental enforcement	87,748
Unrestricted	77,704,224
<i>Total net assets</i>	<u>\$ 376,198,996</u>

The notes to the financial statements are an integral part of this statement.

NARRAGANSETT BAY COMMISSION
Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2012

<i>Operating revenues</i>	
User fees, residential	\$ 43,266,302
User fees, commercial and industrial	32,655,450
Permit and connection fees	85,487
Pretreatment	1,087,140
Environmental enforcement	1,000
Septage income	304,157
Abatement fees	2,160
Late charge penalties	918,943
Miscellaneous revenue	5,089
BOD/TSS surcharge	93,462
<i>Total operating revenues</i>	<u>78,419,190</u>
<i>Operating expenses</i>	
Personnel services	19,412,763
Contractual services	6,780,533
Travel	38,999
Repairs and maintenance	1,617,879
Utilities	4,247,867
Supplies	1,143,635
Depreciation and amortization	10,569,625
Bad debt expense	170,457
Insurance	821,924
Miscellaneous	742,863
<i>Total operating expenses</i>	<u>45,546,545</u>
<i>Operating income</i>	<u>32,872,645</u>
<i>Non-Operating revenues (expenses)</i>	
Grants	129,327
Interest expense	(11,785,551)
Interest income	10,868
Miscellaneous non-operating income	247,740
Bond and note fees	(60,883)
<i>Total non-operating revenues (expenses)</i>	<u>(11,458,499)</u>
<i>Income before capital contributions</i>	21,414,146
<i>Capital contributions</i>	<u>1,550,547</u>
<i>Change in net assets</i>	22,964,693
<i>Total net assets - beginning of year</i>	<u>353,234,303</u>
<i>Total net assets - end of year</i>	<u>\$ 376,198,996</u>

The notes to the financial statements are an integral part of this statement.