

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

**PROVIDENCE WATER)
SUPPLY BOARD) DOCKET NO. 4406**

**SETTLEMENT TESTIMONY
OF
JEROME D. MIERZWA**

**ON BEHALF OF THE
DIVISION OF PUBLIC UTILITIES AND CARRIERS**

NOVEMBER 4, 2013

EXETER

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

1 I identify the positions of PWSB witness Harold J. Smith, Kent County Water
2 Authority ("KCWA") witness Christopher P.N. Woodcock, and Bristol County
3 Water Authority ("BCWA") witnesses David F. Russell and Pamela M.
4 Marchand.

5 **Lost and Unaccounted-For Water**

6 Q. PLEASE SUMMARIZE THE PARTIES' POSITIONS WITH RESPECT
7 TO THE ALLOCATION OF LOST AND UNACCOUNTED-FOR
8 WATER ("LUFW").

9 A. PWSB initially proposed to allocate LUFW between wholesale and retail
10 customers based on the same inch-miles calculation approved in PWSB
11 Docket No. 3832. In my direct testimony, I noted that the Commission had
12 since approved an alternative approach for the allocation of LUFW in
13 Pawtucket Water Supply Board Docket No. 3945 ("Pawtucket") which relied
14 only on the length of pipe. I used this alternative approach to allocate LUFW
15 in the cost of service study I presented in my direct testimony. In developing
16 my allocation, I included 225 miles of service pipe. This represented PWSB's
17 estimate of the length of service pipe between the main and curb stop.
18 BCWA also recommended that the approach used in Pawtucket be used to
19 allocate LUFW, as did KCWA. However, KCWA included an additional
20 125 miles of service pipe to represent the length of pipe between the curb
21 stop and PWSB's customers' structures.

22 Q. WHAT WAS PWSB'S RESPONSE TO THE VARIOUS PROPOSALS
23 FOR THE ALLOCATION OF LUFW?

1 A. In his rebuttal testimony, PWSB witness Smith accepted the Division's
2 allocation of LUFW. PWSB claimed that the additional 125 miles of service
3 pipe included by KCWA was excessive.

4 Q. HOW IS THE ALLOCATION OF LUFW ADDRESSED UNDER THE
5 SETTLEMENT?

6 A. The settlement adopts the position of the Division presented in my direct
7 testimony, which was subsequently agreed to by PWSB in its rebuttal
8 testimony. I would note that the impact of including an additional 125 miles of
9 service pipe on wholesale rates is minimal (i.e., about 0.3 percent).

10 **Classification of 12-inch Mains**

11 Q. BRIEFLY SUMMARIZE THE POSITIONS OF THE PARTIES WITH
12 RESPECT TO THE CLASSIFICATION OF 12-INCH MAINS.

13 A. PWSB has classified 12-inch mains as transmission mains. The costs
14 associated with transmission mains are allocated to retail and wholesale
15 customers. KCWA and BCWA have claimed that 12-inch mains should be
16 classified as distribution mains. The costs associated with distribution mains
17 are allocated only to retail customers. The Division has not challenged
18 PWSB's classification of 12-inch mains. In rebuttal testimony, PWSB witness
19 Paul J. Gadoury explains why the position of KCWA and BCWA that 12-inch
20 mains should be classified as distribution mains should be rejected.

21 Q. HOW IS THE CLASSIFICATION OF 12-INCH MAINS ADDRESSED
22 IN THE SETTLEMENT?

23 A. The settlement adopts the position of PWSB to classify 12-inch mains as
24 transmission mains.

1 **Pro-Forma Water Consumption and LUFW**

2 Q. WHAT WAS PWSB'S INITIAL PROPOSAL FOR PRO-FORMA
3 WATER CONSUMPTION AND LUFW?

4 A. PWSB witness Smith initially proposed to base retail pro forma water
5 consumption on a three year average of water sales for the retail class from
6 2010-2012, and a four-year average for the period 2009-2012 for pro forma
7 water consumption for the wholesale customer class. LUFW was based on
8 the four-year average of LUFW for the period 2009-2012.

9 Q. DID ANY PARTY OPPOSE PWSB'S PRO FORMA CONSUMPTION
10 AND LUFW PROPOSALS?

11 A. Yes. KCWA opposed PWSB's use of different time periods to determine pro
12 forma consumption for retail and wholesale customers and for LUFW.

13 Q. WHAT DID PWSB PROPOSE IN ITS REBUTTAL TESTIMONY?

14 A. PWSB proposed to use an average for the four-year period 2010-2013 to
15 determine pro forma retail and wholesale consumption, as well as LUFW.

16 Q. HOW IS PRO-FORMA WATER CONSUMPTION AND LUFW
17 ADDRESSED UNDER THE SETTLEMENT?

18 A. The settlement adopts the proposal of PWSB presented in its rebuttal
19 testimony to use four-year averages for both retail and wholesale pro-forma
20 consumption and LUFW.

21 **Units of Service**

22 Q. IN HIS DIRECT TESTIMONY, KCWA WITNESS WOODCOCK
23 PROPOSED UPDATING THE NUMBER OF ACCOUNTS, PRIVATE
24 FIRE LINES, AND PUBLIC FIRE HYDRANTS THROUGH MARCH
25 2013. HAS PWSB AGREED TO KCWA'S PROPOSAL?

1 A. Yes, PWSB has agreed to KCWA's proposal and the settlement adopts
2 KCWA's proposal.

3 **Factors HM, HMC, and HOC**

4 Q. BRIEFLY DESCRIBE THE POSITIONS OF THE PARTIES RELATED
5 TO FACTORS HM, HMC, AND HOC.

6 A. Factors HM, HMC, and HOC are used to allocate rate year operation and
7 maintenance expenditures associated with PWSB's transmission and
8 distribution system. They are calculated based on a detailed allocation of
9 PWSB's work and service order projects. Initially, PWSB maintained the
10 same values for these factors from Docket No. 3832. The Division, KCWA,
11 and BCWA all recommended that these factors be updated to reflect the
12 average allocation for these factors from the three-year period 2010-2012. In
13 his rebuttal testimony, PWSB witness Smith claimed that use of a three-year
14 average would cause a significant increase in the costs allocated to fire
15 protection service. Witness Smith proposed to calculate these factors based
16 on a six-year average (2007-2012) to mitigate rate shock for the
17 municipalities in which fire protection service is provided, in addition to
18 Providence rate payers who pay the fire protection service charge.

19 Q. HOW DOES THE SETTLEMENT ADDRESS THE CALCULATION OF
20 FACTORS HM, HMC, AND HOC?

21 A. The settlement adopts PWSB'S proposal to calculate factors HM, HMC, and
22 HOC based on a six-year average. Use of a six-year average reduces the
23 allocation of costs to wholesale customers by a minimal amount (i.e., about
24 0.3 percent).

1 **Factors X1 and X2**

2 Q. BRIEFLY DESCRIBE THE POSITION OF THE PARTIES RELATED
3 TO FACTORS X1 AND X2.

4 A. Factors X1 and X2 are used in the development of allocators HM and HOC.
5 The majority of projects presented in the work and service order data utilized
6 to develop factors HM and HOC are allocated based on Factors FP, F, C, or
7 TD. However, some projects are not clearly allocable on these factors (e.g.,
8 snow removal), and as a result, receive a general allocation based on the
9 allocation of all other projects within that group. That is, Factor X1 is used to
10 allocate non-allocable projects for allocator HM, and Factor X2 is used to
11 allocate non-allocable projects for allocator HOC. In Docket No. 3832, the
12 Commission approved the use of the most recent year for which data was
13 available for the purpose of calculating Factors X1 and X2. PWSB initially
14 proposed to use the most recent year available (i.e., FY 2012) to develop
15 Factors X1 and X2. Both KCWA and BCWA have proposed that the
16 calculation of these factors be modified from the Docket No. 3832
17 methodology and that they be based on a three-year average from 2010-
18 2012, similar to their proposal for allocators HM and HOC.

19 Q. DID PWSB ACCEPT THE RECOMMENDATION OF KCWA AND
20 BCWA?

21 A. Yes. PWSB and the Division accept KCWA's and BCWA's proposed
22 modification to Factors X1 and X2 and this modification is reflected in the
23 settlement.

1 **Infrastructure Replacement Costs**

2 Q. PLEASE SUMMARIZE THE ISSUE RELATED TO THE ALLOCATION
3 OF INFRASTRUCTURE REPLACEMENT (“IFR”) COSTS.

4 A. In his direct testimony, KCWA witness Woodcock noted that previously,
5 Chapter 46-15.6-6 required all IFR costs to be paid “directly proportionate to
6 the user’s water consumption.” This meant that any IFR costs related to fixed
7 charges, like service or fire protection charges, needed to be reallocated to
8 the base functional cost category so that the recovery of those costs would be
9 “directly proportionate to the user’s water consumption.” In 2009, the “directly
10 proportionate to the water user’s consumption” language was removed by the
11 Rhode Island Legislature. In recognition of this change, witness Woodcock
12 has recommended that IFR costs not be reallocated from fire protection
13 service.

14 Q. HOW IS THE ALLOCATION OF IFR COSTS ADDRESSED IN THE
15 SETTLEMENT?

16 A. Conceptually, the Division agrees with witness Woodcock’s recommendation
17 as being reasonable in light of the change to Chapter 46-15.6-6. However,
18 adoption of witness Woodcock’s position would result in significant increases
19 to fire protection service charges. Due to the same rate shock concerns
20 previously identified with respect to using a three-year average to develop
21 Factors HM, HMC, and HOC, and the fact that the subsequently discussed
22 changes to Factors N, NO, and P also increase the allocation of costs to fire
23 protection service, the settlement agreement does not reflect witness
24 Woodcock’s recommendation. I would note that witness Woodcock’s
25 recommendation has no impact on the allocation of costs to wholesale
26 customers. I discuss an additional change to the allocation of costs to public

1 fire protection which has been reflected in the settlement later in my
2 testimony.

3 **Factors N, NO and NP**

4 Q. BRIEFLY DESCRIBE THE POSITIONS OF THE PARTIES RELATED
5 TO FACTORS N, NO, AND NP.

6 A. Factors N, NO, and NP are used to allocate rate year revenue requirements
7 associated with pumping potable water throughout PWSB's service area. In
8 Docket No. 3832, these allocators were developed based on an allocation of
9 the costs associated with each of PWSB's pumping stations using allocation
10 Factors A, AA, or TD, a methodology which was maintained by PWSB in this
11 proceeding. In direct testimony, KCWA has proposed incorporating an
12 allocation to fire protection service.

13 Q. DID PWSB ACCEPT KCWA'S PROPOSAL AND HOW IS KCWA'S
14 PROPOSAL ADDRESSED IN THE SETTLEMENT?

15 A. Yes. PWSB and the Division accept KCWA's proposed modifications to
16 factors N, NO, and NP and the settlement adopts KCWA's proposal.

17 **Bad Debt Expense**

18 Q. IN THE DIVISION'S DIRECT TESTIMONY, YOU PROPOSED AN
19 ALTERNATIVE ALLOCATION FOR BAD DEBT EXPENSE. DID
20 PWSB ADDRESS YOUR ALTERNATIVE AND HOW IS THIS ISSUE
21 ADDRESSED IN THE SETTLEMENT?

22 A. PWSB initially assigned bad debt expense in its cost of service study
23 50 percent to the meter and services functional cost category and 50 percent
24 to the billing cost category. In my direct testimony, I recommended that bad
25 debt expense be allocated to all functional cost categories. In his rebuttal

1 testimony, based on the recommendation of Division witness Catlin, PWSB
2 witness Smith eliminated its bad debt expense claim. Since bad debt
3 expense is not included in PWSB's revenue requirement, the allocation of bad
4 debt expense is not addressed in the settlement.

5 **Factor P**

6 Q. BRIEFLY DESCRIBE THE POSITIONS OF THE PARTIES RELATED
7 TO FACTOR P.

8 A. Factor P is used to allocate the rate year revenue requirements associated
9 with purchased power. In Docket No. 3832, this allocator was calculated by
10 allocating 10 percent of costs to the maximum day functional cost category,
11 with the remaining 90 percent allocated based on Factor A, which is based on
12 pro forma retail and wholesale consumption. Although this approach was
13 generally maintained by PWSB, the consumption was not adjusted to account
14 for the wholesale and retail contributions to LUFW. KCWA and BCWA have
15 proposed that Factor P be modified to account for LUFW.

16 Q. DID PWSB ACCEPT KCWA'S AND BCWA'S PROPOSAL AND HOW
17 IS THE CALCULATION OF FACTOR P ADDRESSED IN THE
18 SETTLEMENT?

19 A. Yes. PWSB and the Division accept KCWA's and BCWA's proposal to
20 modify Factor P, and the proposal has been adopted in the settlement.

21 **Factors K1 and K2 and Land Accounts**

22 Q. PLEASE DESCRIBE ALLOCATION FACTORS K1 AND K2 AND THE
23 ISSUE RELATED TO THE INCLUSION OF THE LAND ACCOUNTS
24 IN DEVELOPING THESE FACTORS.

1 A. Factors K1 and K2 are used to assign IFR, Capital Fund, and Equipment
2 Replacement Fund capital costs (collectively "Capital Costs") to the functional
3 cost categories. Factor K2 assigns costs to the functional category based on
4 the net asset value of PWSB's total plant investment. Factor K1 does the
5 same, but those costs assigned to the meter/services, billing/collecting, and
6 direct fire functional categories are reallocated to the other functional cost
7 categories. Initially, PWSB eliminated land related accounts in its
8 development of Factors K1 and K2, with the exception of: (1) Source of
9 Supply Lakes, Rivers, and Other Intakes; and (2) Water Treatment Plant Land
10 and Land Rights. In the responses to KCWA 1-19 and 1-20, PWSB agreed to
11 also exclude these two land related accounts in developing Factors K1 and
12 K2. No basis for this change was provided by PWSB.

13 In the Division's direct testimony, I recommended that none of PWSB's
14 land related accounts be excluded in developing Factors K1 and K2. The
15 basis for my recommendation was that PWSB Capital Costs have been and
16 can be expected to be used to purchase land related assets in the future.
17 Therefore, all land related asset accounts should be used in developing
18 Factors K1 and K2.

19 Q. WHAT WAS PWSB'S RESPONSE TO YOUR RECOMMENDATION
20 TO INCLUDE LAND ACCOUNTS IN DEVELOPING FACTORS K1
21 AND K2?

22 A. In his rebuttal testimony, PWSB witness Smith agreed with the Division's
23 position to include all land related accounts in developing factors K1 and K2.

24 Q. DOES THE SETTLEMENT INCLUDE ALL LAND RELATED
25 ACCOUNTS IN DEVELOPING FACTORS K1 AND K2?

1 A. No. In his surrebuttal testimony, KCWA witness Woodcock contended that
2 source of supply land accounts should not be included in developing factors
3 K1 and K2 because PWSB's source of supply land purchases have generally
4 been funded through the Water Quality Protection Fund. The settlement
5 accepts KCWA's position, with source of supply land accounts being
6 excluded in developing factors K1 and K2. All other land accounts are
7 included in developing factors K1 and K2.

8 **Transmission & Distribution Contract Service – Engineering**

9 Q. HOW WERE TRANSMISSION & DISTRIBUTION CONTRACT
10 SERVICES – ENGINEERING COSTS INITIALLY ASSIGNED TO
11 FUNCTIONAL COST CATEGORIES BY PWSB?

12 A. T&D Contract Services – Engineering costs, which are primarily associated
13 with PWSB's unidirectional flushing program, were initially assigned to
14 functional cost categories based on Factor HM.

15 Q. DID PWSB CHANGE THE ALLOCATION OF T&D CONTRACT
16 SERVICES – ENGINEERING COSTS?

17 A. Yes. In its revised study, submitted in response to DIV 3-1, PWSB used
18 Factor TD to assign T&D Contract Services – Engineering costs to functional
19 cost categories. Factor TD assigns costs to the base, maximum day, and
20 maximum hour functional cost categories of retail customers. As such,
21 wholesale customers are excluded from an allocation of these costs.

22 Q. DID THE DIVISION AGREE WITH PWSB'S PROPOSED CHANGE
23 TO USE FACTOR TD?

24 A. No. In the Division's direct testimony, I noted that T&D Contract Services –

1 Engineering costs were allocated based on Factor HM in Docket No. 3163
2 because these types of costs can change from year to year and, therefore, it
3 is appropriate to use a multi-year average for the allocation of these costs.

4 Q. DID PWSB CONCUR WITH YOUR RECOMMENDATION IN ITS
5 REBUTTAL TESTIMONY?

6 A. Yes, PWSB concurred with the Division's recommendation with respect to the
7 allocation of T&D Contract Services – Engineering.

8 Q. WHAT IS THE AMOUNT OF T&D CONTRACT SERVICES –
9 ENGINEERING COSTS ALLOCATED TO WHOLESALE
10 CUSTOMERS IN THE SETTLEMENT COST OF SERVICE STUDY?

11 A. The T&D Contract Services – Engineering costs allocated to wholesale
12 customers in in the settlement cost of service study total \$9,279.

13 **Bank Processing Fees**

14 Q. PWSB HAS INSTITUTED A PROGRAM TO CONVERT ALL OF ITS
15 CUSTOMERS FROM QUARTERLY TO MONTHLY BILLING. WHAT
16 COST ALLOCATION ISSUE DID THIS RAISE FOR BCWA?

17 A. Because wholesale customers are already being billed on a monthly basis,
18 BCWA has claimed that nearly all of the incremental costs associated with the
19 program are attributable to retail customers. In the response to BCWA 1-4a.,
20 PWSB has indicated that none of the direct costs associated with the
21 conversion to monthly billing are being allocated to wholesale customers.
22 However, BCWA claims that because PWSB's administrative banking fee
23 costs will increase, the allocation of these administrative costs will increase.
24 BCWA witness Russell believes that since the increase in administrative

1 costs to BCWA will not be attributable to wholesale customers, the allocation
2 of these costs to wholesale customer should not increase.

3 Q. HOW IS THE ALLOCATION OF BANK PROCESSING FEES
4 ADDRESSED IN THE SETTLEMENT?

5 A. The revenue requirement agreed upon in the settlement eliminates the
6 incremental costs associated with the conversion to monthly billing and,
7 therefore, the allocation of these fees is no longer at issue.

8 **Contributions-in-Aid-of-Construction ("CIAC")**

9 Q. WHAT IS CIAC AND HOW WAS IT ALLOCATED BY PWSB IN ITS
10 COST OF SERVICE STUDY?

11 A. CIAC are amounts or property received by a water utility from a customer or
12 developer that is provided at no cost to the utility. With PWSB, CIAC
13 generally reflects amounts or property received in conjunction with the
14 extension of service to new customers. CIAC amounts or property values are
15 added to a utility's investment account. As indicated previously, PWSB's
16 investment accounts are used to develop factors K1 and K2 which are
17 subsequently used to allocate Capital Costs. Because CIAC is not funded by
18 PWSB, these amounts are reflected as a credit to the applicable investment
19 account in PWSB's cost of service study. In its cost of service study, PWSB's
20 total CIAC amount of \$26.6 million was credited entirely against service line
21 investment in the development of factors K1 and K2. This suggested that all
22 of the CIAC received by PWSB was associated with service lines paid for by
23 newly added customers. This was the same approach adopted in Docket No.
24 3163.

1 Q. WAS THE TREATMENT OF CIAC RAISED AS AN ISSUE IN ANY OF
2 THE TESTIMONY PRESENTED BY THE PWSB OR THE DIVISION,
3 OR DID KCWA OR BCWA PROPOSE AN ALTERNATIVE
4 ALLOCATION FOR CIAC?

5 A. No.

6 Q. IF THE ALLOCATION OF CIAC WAS NOT RAISED AS AN ISSUE IN
7 TESTIMONY, WHY IS THE ALLOCATION OF CIAC ADDRESSED IN
8 THE SETTLEMENT?

9 A. The Division's review of PWSB's response to KCWA 9-1 which was received
10 on October 24, 2013 indicated that PWSB's treatment of CIAC in the cost of
11 service study under the approach used in Docket No. 3163 was not accurate.
12 As subsequently explained, further discussions between the PWSB and the
13 Division revealed that PWSB's accounting procedures for CIAC were not
14 sufficient for cost allocation purposes. As part of the settlement agreement,
15 PWSB has agreed to hire a consultant to address its accounting for CIAC.
16 The consultant's findings will be included in PWSB's next rate filing.

17 Q. WHAT WAS THE BASIS FOR THE \$26.6 MILLION IN CIAC
18 INCLUDED IN PWSB'S COST OF SERVICE STUDY?

19 A. As indicated in the response to KCWA 9-1(b), a portion of the \$26.6 million
20 consisted of a CIAC balance of \$16.8 million as of 1987. During the period
21 1988-2001, an additional \$9.8 million of CIAC was added, resulting in a total
22 CIAC balance of \$26.6 million. The \$26.6 million CIAC balance does not
23 include any additions since 2001.

24 Q. HOW IS CIAC ACCOUNTED FOR IN THE DEVELOPMENT OF
25 FACTORS K1 AND K2 UNDER THE SETTLEMENT?

1 A. The total CIAC balance of \$26.6 million was credited against transmission
2 mains, distribution mains, services and hydrant investment in proportion to
3 the CIAC which accrued during the period 1988-2001. CIAC account
4 balances as of 1987 were not used in the allocation because PWSB has
5 indicated that these amounts were not an accurate indication of the
6 associated CIAC plant accounts. The 1987 CIAC balances reflected an
7 allocation based on all plant investment rather than a direct assignment of
8 CIAC for the appropriate plant account.

9 **Public Fire Hydrant Rates**

10 Q. EARLIER IN YOUR TESTIMONY, YOU INDICATED THAT AN
11 ADDITIONAL CHANGE TO THE ALLOCATION OF COSTS TO
12 PUBLIC FIRE PROTECTION HAS BEEN MADE UNDER THE
13 SETTLEMENT. PLEASE DISCUSS THIS CHANGE.

14 A. The notice which PWSB sent to the municipalities which are assessed public
15 fire hydrant charges indicated that PWSB was proposing to increase that
16 charge to \$394.86. Under the settlement cost of service study, absent any
17 modifications, the public fire hydrant charge would have been \$533.22. In
18 order to avoid rate shock and setting a rate in excess of the noticed level, the
19 settlement provides for a reallocation of public fire protection charges to retail
20 service charges sufficient to reduce the public fire hydrant charge to \$394.82.

21 **Settlement Cost of Service Study**

22 Q. HAVE YOU PREPARED A COST OF SERVICE STUDY
23 REFLECTING THE COST ALLOCATIONS AGREED UPON IN THE
24 SETTLEMENT AND THE AGREED UPON REVENUE
25 REQUIREMENT?

1 A. Yes. A cost of service study reflecting the agreed upon cost allocations and
2 revenue requirement is attached to my testimony.

3 Q. DOES THIS CONCLUDE YOUR SETTLEMENT TESTIMONY?

4 A. Yes, it does.

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

**PROVIDENCE WATER)
SUPPLY BOARD) DOCKET NO. 4406**

**SCHEDULES ACCOMPANYING THE
SETTLEMENT TESTIMONY
OF
JEROME D. MIERZWA**

**ON BEHALF OF THE
DIVISION OF PUBLIC UTILITIES AND CARRIERS**

NOVEMBER 4, 2013

EXETER

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

Test Year Revenue Under Existing Rates
Rate Year Ending December 31, 2014

Retail Consumption Charges

Residential (HCF)	8,517,528	\$	2.488	\$	21,191,609
Commercial (HCF)	4,427,015	\$	2.390	\$	10,580,565
Industrial (HCF)	189,644	\$	2.346	\$	444,905
Total	13,134,187			\$	32,217,079

Wholesale Consumption Charges

Consumption (HCF)	12,898,865	\$	1.269514		
Gallons (Million)	9,648	\$	1,697.21	\$	16,375,278

Billing Unit	Units of Service	Current Rates	Service Charge Revenue
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Quarterly Service Charges

5/8"	53,151	\$	18.34	\$	3,899,157.36
3/4"	10,645	\$	19.47	\$	829,032.60
1"	5,067	\$	22.85	\$	463,123.80
1.5"	1,493	\$	27.39	\$	163,573.08
2"	1,502	\$	39.77	\$	238,938.16
3"	93	\$	131.15	\$	48,787.80
4"	32	\$	164.98	\$	21,117.44
6"	59	\$	243.95	\$	57,572.20
8"	36	\$	334.19	\$	48,123.36
10"	2	\$	415.97	\$	3,327.76
12"	1	\$	497.76	\$	1,991.04
Total	72,081			\$	5,774,744.60

Monthly Service Charges

5/8"	1	\$	10.82	\$	129.84
3/4"	0	\$	11.19	\$	-
1"	0	\$	12.32	\$	-
1.5"	2	\$	13.83	\$	331.92
2"	34	\$	17.97	\$	7,331.76
3"	13	\$	48.42	\$	7,553.52
4"	7	\$	59.70	\$	5,014.80
6"	17	\$	86.02	\$	17,548.08
8"	8	\$	116.11	\$	11,146.56
10"	0	\$	143.37	\$	-
12"	1	\$	170.63	\$	2,047.56
Total	83			\$	51,104.04

Total Service Charge Revenue

\$ 5,825,848.64

Quarterly Fire Protection Service Charge (Providence Only)

	Units of Service (Providence Only)	Current Rates	Fire Protection Revenue
5/8"	25,446	\$ 3.08	\$ 313,494.72
3/4"	4,258	\$ 4.62	\$ 78,687.84
1"	1,996	\$ 11.54	\$ 92,135.36

Test Year Revenue Under Existing Rates
Rate Year Ending December 31, 2014

1.5"	894	\$	30.77	\$	110,033.52
2"	891	\$	73.86	\$	263,237.04
3"	69	\$	200.04	\$	55,211.04
4"	21	\$	338.52	\$	28,435.68
6"	31	\$	692.43	\$	85,861.32
8"	14	\$	1,046.34	\$	58,595.04
10"	1	\$	1,600.29	\$	6,401.16
12"	-	\$	2,646.63	\$	-
Total	33,621			\$	1,092,092.72

**Monthly Fire Protection
Service Charge
(Providence Only)**

5/8"	1	\$	1.03	\$	12.36
3/4"	-	\$	1.54	\$	-
1"	-	\$	3.85	\$	-
1.5"	-	\$	10.26	\$	-
2"	27	\$	24.62	\$	7,976.88
3"	11	\$	66.68	\$	8,801.76
4"	5	\$	112.84	\$	6,770.40
6"	12	\$	230.81	\$	33,236.64
8"	8	\$	348.78	\$	33,482.88
10"	-	\$	533.43	\$	-
12"	-	\$	882.21	\$	-
Total	64			\$	90,280.92

Total Retail FPSC (Providence Only)

\$ 1,182,373.64

Total Service Charge

\$ 7,008,222

Private Fire Service Charges

3/4"	3	\$	19.67	\$	236
1"	10	\$	23.31	\$	932
1.5"	3	\$	28.70	\$	344
2"	50	\$	42.63	\$	8,526
4"	349	\$	182.72	\$	255,077
6"	1,272	\$	295.45	\$	1,503,250
8"	254	\$	443.93	\$	451,033
10"	4	\$	613.33	\$	9,813
12"	17	\$	816.53	\$	55,524
16"	1	\$	1,340.64	\$	5,363
Total	1,963			\$	2,290,098

Public Fire Service Charges

Hydrants (Excluding Providence) 2832 \$ 339.33 \$ 960,983

Total Rate Revenues

\$ 58,851,660

Schedule JDM-11 Settlement
O&M Cost Allocation

Allocation of Operating and Maintenance and City Services Expense
Rate Year Ending December 31, 2014

TITLE	Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protect	Wholesale
601 Operating Fund									
<i>Source of Supply</i>									
60110 Salaries + Wages - Emp	A	\$ 626,738	\$ 344,912	\$ -	\$ -	\$ -	\$ -	\$ 6,267	\$ 275,559
60120 Salaries + Wages - Emp	A	\$ 453,642	\$ 249,652	\$ -	\$ -	\$ -	\$ -	\$ 4,536	\$ 199,454
60320 Sal. + Wages - Officers, Dir	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60410 Employee Pension + Ben	A	\$ 184,548	\$ 101,562	\$ -	\$ -	\$ -	\$ -	\$ 1,845	\$ 81,141
60420 Employee Pension + Ben	A	\$ 206,426	\$ 113,602	\$ -	\$ -	\$ -	\$ -	\$ 2,064	\$ 90,760
61510 Purchase Power	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61610 Fuel for Power Purch	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62010 Material + Supplies	A	\$ 19,848	\$ 10,923	\$ -	\$ -	\$ -	\$ -	\$ 198	\$ 8,727
62020 Material + Supplies	A	\$ 76,727	\$ 42,225	\$ -	\$ -	\$ -	\$ -	\$ 767	\$ 33,735
63110 Contractual Services - Engineer	A	\$ 2,576	\$ 1,417	\$ -	\$ -	\$ -	\$ -	\$ 26	\$ 1,132
63120 Contractual Services - Engineer	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63310 Contract Services - Legal	A	\$ 19,094	\$ 10,508	\$ -	\$ -	\$ -	\$ -	\$ 191	\$ 8,395
63420 Contractual Services - Mgt. Fees	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63510 Contractual Services - Other	A	\$ 439,630	\$ 241,941	\$ -	\$ -	\$ -	\$ -	\$ 4,396	\$ 193,293
63520 Contractual Services - Other	A	\$ 33,263	\$ 18,306	\$ -	\$ -	\$ -	\$ -	\$ 333	\$ 14,625
64210 Rental of Equipment	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64220 Rental of Equipment	A	\$ 152	\$ 84	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 67
65010 Transportation Exp.	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65020 Transportation Exp.	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67510 Misc. Expenses	A	\$ 72,378	\$ 39,831	\$ -	\$ -	\$ -	\$ -	\$ 724	\$ 31,822
67520 Misc. Expenses	A	\$ 4,764	\$ 2,622	\$ -	\$ -	\$ -	\$ -	\$ 48	\$ 2,094
Total Source of Supply Expense	Check	\$ 2,139,785	\$ 1,177,585	\$ -	\$ -	\$ -	\$ -	\$ 21,398	\$ 940,802
Pumping Expenses									
60123 Salaries + Wages - Emp	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60126 Salaries + Wages - Emp	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60423 Employee Pension + Ben	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60426 Employee Pension + Ben	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61523 Purchased Power	NP	\$ 778,684	\$ 441,581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 337,102
61623 Fuel for Power Purch	NP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62023 Material + Supplies	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62026 Material + Supplies	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63123 Contractual Services - Engineer	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63126 Contractual Services - Engineer	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63523 Contractual Services - Other	NO	\$ 12,175	\$ 3,932	\$ 2,833	\$ 532	\$ -	\$ -	\$ 97	\$ 4,780
63526 Contractual Services - Other	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64223 Rental of Equipment	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64226 Rental of Equipment	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65023 Transportation Exp.	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67523 Misc. Expenses	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67526 Misc. Expenses	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Pumping Expenses	Check	\$ 790,858	\$ 445,513	\$ 2,833	\$ 532	\$ -	\$ -	\$ 97	\$ 341,882
Water Treatment Expenses									
60130 Salaries + Wages - Emp	AA	\$ 2,086,058	\$ 597,481	\$ 444,451	\$ -	\$ -	\$ -	\$ 20,861	\$ 1,023,264
60140 Salaries + Wages - Emp	AA	\$ 340,245	\$ 97,452	\$ 72,492	\$ -	\$ -	\$ -	\$ 3,402	\$ 166,899
60430 Employee Pension + Ben	AA	\$ 663,647	\$ 190,079	\$ 141,395	\$ -	\$ -	\$ -	\$ 6,636	\$ 325,536
60440 Employee Pension + Ben	AA	\$ 147,670	\$ 42,295	\$ 31,462	\$ -	\$ -	\$ -	\$ 1,477	\$ 72,436
61530 Purchase Power	P	\$ 226,424	\$ 112,147	\$ 22,642	\$ -	\$ -	\$ -	\$ 2,038	\$ 89,597
61630 Fuel for Power Purch	AA	\$ 230,829	\$ 66,113	\$ 49,180	\$ -	\$ -	\$ -	\$ 2,308	\$ 113,228
61830 Chemicals	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62030 Material + Supplies	AA	\$ 130,694	\$ 37,433	\$ 27,845	\$ -	\$ -	\$ -	\$ 1,307	\$ 64,109
62040 Material + Supplies	AA	\$ 70,209	\$ 20,109	\$ 14,959	\$ -	\$ -	\$ -	\$ 702	\$ 34,439

Schedule JDM-11 Settlement
O&M Cost Allocation

Allocation of Operating and Maintenance and City Services Expense
Rate Year Ending December 31, 2014

TITLE	Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire	Protect Wholesale
63130 Contractual Services - Engineer	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63240 Contract Services - Acctg	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63430 Contractual Services - Mgt. Fees	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63530 Contractual Services - Other	AA	\$ 148,455	\$ 42,520	\$ 31,630	\$ -	\$ -	\$ -	\$ 1,485	\$ 72,821
63540 Contractual Services - Other	AA	\$ 89,703	\$ 25,692	\$ 19,112	\$ -	\$ -	\$ -	\$ 897	\$ 44,002
64140 Rental Bldg/Real Prop	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64230 Rental of Equipment	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64240 Rental of Equipment	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65030 Transportation Exp.	AA	\$ 6,078	\$ 1,741	\$ 1,295	\$ -	\$ -	\$ -	\$ 61	\$ 2,982
65640 Insurance Vehicle	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65830 Insurance - W/C	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65840 Insurance - W/C	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
66730 Regulatory Com Exp -Other	AA	\$ 101,260	\$ 29,002	\$ 21,574	\$ -	\$ -	\$ -	\$ 1,013	\$ 49,670
67530 Misc. Expenses	AA	\$ 2,122	\$ 608	\$ 452	\$ -	\$ -	\$ -	\$ 21	\$ 1,041
67540 Misc. Expenses	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Treatment Expense	Check	\$ 4,243,393	\$ 1,262,673	\$ 878,490	\$ -	\$ -	\$ -	\$ 42,208	\$ 2,060,023
Transmission + Dist. Expense:									
60150 Salaries + Wages - Emp	HM	\$ 1,085,380	\$ 283,761	\$ 188,249	\$ 132,316	\$ 346,865	\$ -	\$ 103,468	\$ 30,721
60160 Salaries + Wages - Emp	HM	\$ 2,273,119	\$ 594,282	\$ 394,250	\$ 277,110	\$ 726,442	\$ -	\$ 216,895	\$ 64,340
60250 Payroll Clearing -Emp	HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60260 Payroll Clearing -Emp	HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60450 Employee Pension + Ben	HMY	\$ 306,672	\$ 178,182	\$ 53,189	\$ 37,386	\$ -	\$ -	\$ 29,235	\$ 8,680
60460 Employee Pension + Ben	HMY	\$ 926,764	\$ 538,467	\$ 160,738	\$ 112,979	\$ -	\$ -	\$ 88,348	\$ 26,232
60550 Overhead Rate Applied	HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60560 Overhead Rate Applied	HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61550 Purchase Power	P	\$ 12,019	\$ 5,953	\$ 1,202	\$ -	\$ -	\$ -	\$ 108	\$ 4,756
62050 Material + Supplies	F	\$ 282,490	\$ 118,815	\$ 78,823	\$ 55,403	\$ -	\$ -	\$ 5,650	\$ 23,800
62060 Material + Supplies	F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62560 Inventory Clearing	HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63150 Contractual Services - Engineer	HM	\$ 327,816	\$ 85,704	\$ 56,856	\$ 39,963	\$ 104,763	\$ -	\$ 31,250	\$ 9,279
63350 Contractual Services - Legal T&D	HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63460 Contractual Services - Mgt. Fees	C	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63550 Contractual Services - Other	HOC	\$ 475,030	\$ 200,376	\$ 132,930	\$ 93,434	\$ -	\$ -	\$ 9,264	\$ 39,026
63560 Contractual Services - Other	HMC	\$ 68,071	\$ -	\$ -	\$ -	\$ 68,071	\$ -	\$ -	\$ -
64150 Rental Bldg/Real Prop	F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64160 Rental Bldg/Real Prop	F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64250 Rental of Equipment	F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64260 Rental of Equipment	F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65050 Transportation Exp. T&D	F	\$ 2,877	\$ 1,210	\$ 803	\$ 564	\$ -	\$ -	\$ 58	\$ 242
65850 Insurance W/C	HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65860 Insurance W/C	HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65950 Insurance Other	F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
66750 Regulatory Com Exp - Other T & D	F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
66760 Regulatory Com Exp - Other T & D	F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67550 Misc. Expenses	F	\$ 39,778	\$ 16,730	\$ 11,099	\$ 7,801	\$ -	\$ -	\$ 796	\$ 3,351
67560 Misc. Expenses	F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Transmission & Distribution	Check	\$ 5,800,015	\$ 2,023,479	\$ 1,078,140	\$ 756,956	\$ 1,246,140	\$ -	\$ 484,871	\$ 210,428
Customer Accounts Expense:									
60170 Salaries + Wages - Emp	D	\$ 1,939,751	\$ -	\$ -	\$ -	\$ 969,876	\$ 969,876	\$ -	\$ -
60270 Payroll Clearing -Emp	D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60470 Employee Pension + Ben	DY	\$ 790,001	\$ 790,001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60570 Overhead Rate Applied	D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61670 Fuel for Power Purch	D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Schedule JDM-11 Settlement
O&M Cost Allocation

Allocation of Operating and Maintenance and City Services Expense
Rate Year Ending December 31, 2014

	Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protect	Wholesale
62070	Material + Supplies	\$ 2,583	\$ -	\$ -	\$ -	\$ 1,291	\$ 1,291	\$ -	\$ -
63370	Contractual Services - Legal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63570	Contractual Services - Other	\$ 11,495	\$ -	\$ -	\$ -	\$ 5,747	\$ 5,747	\$ -	\$ -
65070	Transportation Exp. -CAO	\$ 1,060	\$ -	\$ -	\$ -	\$ 530	\$ 530	\$ -	\$ -
65870	Insurance - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65970	Insurance Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67070	Bad Debt Expense - CAO	\$ -	\$ -	\$ -	\$ -	\$ 101,648	\$ 101,648	\$ -	\$ -
67570	Misc. Expenses	\$ 203,297	\$ -	\$ -	\$ -	\$ 1,079,093	\$ 1,079,093	\$ -	\$ -
	Total Customer Accounts	\$ 2,948,186	\$ 790,001	\$ -	\$ -	\$ 1,079,093	\$ 1,079,093	\$ -	\$ -
	Check	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Administrative and General								
60180	Salaries + Wages - Emp	\$ 1,369,381	\$ -	\$ 694,592	\$ 258,662	\$ 1,290,816	\$ 612,736	\$ 224,423	\$ 1,112,061
60280	Payroll Cleaning -Emp	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60380	Salaries + wages - Officers, Dir.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60480	Employee Pension + Ben	\$ 5,041,534	\$ 1,241,091	\$ 629,519	\$ 234,429	\$ 1,169,887	\$ 555,332	\$ 203,398	\$ 1,007,878
60580	Overhead Rate Applied	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61580	Purchase Power	\$ 113,972	\$ 40,795	\$ 14,026	\$ 5,422	\$ 16,644	\$ 7,724	\$ 3,927	\$ 25,433
61680	Fuel for Power Purch	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62080	Material + Supplies	\$ 539,883	\$ 193,247	\$ 66,440	\$ 25,685	\$ 78,843	\$ 36,589	\$ 18,601	\$ 120,478
63180	Contractual Services - Engineer	\$ 47,387	\$ 11,666	\$ 5,917	\$ 2,203	\$ 10,996	\$ 5,220	\$ 1,912	\$ 9,473
63280	Contract Services - Acctg	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63380	Contractual Services - Legal	\$ 53,228	\$ 13,103	\$ 6,646	\$ 2,475	\$ 12,352	\$ 5,863	\$ 2,147	\$ 10,641
63480	Contractual Services - Mgt. Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63580	Contractual Services - Other	\$ 1,028,748	\$ 253,250	\$ 128,456	\$ 47,836	\$ 238,721	\$ 113,318	\$ 41,504	\$ 205,662
64180	Rental Buildg/Real Prop	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64280	Rental of Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65080	Transportation Exp.	\$ 6,690	\$ 2,395	\$ 823	\$ 318	\$ 977	\$ 453	\$ 230	\$ 1,493
65780	Ins. Gen. Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65880	Insurance - W/C	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65980	Insurance Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
66080	Advertising Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
66680	Reg Com Exp - Amort of Rate Case	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
66780	Regulatory Com Exp. -Other	\$ 370,066	\$ 186,043	\$ 63,964	\$ 24,727	\$ 42,131	\$ 19,552	\$ 9,940	\$ 82,582
67580	Misc. Expenses	\$ 288,495	\$ 103,265	\$ 35,504	\$ 13,725	\$ 42,131	\$ 19,552	\$ 9,940	\$ 64,379
	Total Administration + General	\$ 13,052,674	\$ 3,414,236	\$ 1,645,888	\$ 615,483	\$ 2,861,366	\$ 1,356,788	\$ 518,832	\$ 2,640,081
	Check	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total Operation & Maintenance	\$ 28,974,912	\$ 9,113,487	\$ 3,605,351	\$ 1,372,972	\$ 5,186,599	\$ 2,435,881	\$ 1,067,406	\$ 6,193,216
	Check	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	857 Insurance Fund								
65840	Insurance W/C - WTM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65870	Insurance W/C - CAO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62080	Materials + Supplies - A&GO	\$ 18,428	\$ 6,596	\$ 2,268	\$ 877	\$ 2,691	\$ 1,249	\$ 635	\$ 4,112
63180	Contractual Services-Engineer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63380	Contract Services - Legal A&GO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63580	Contract Services - Other A&GO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65780	Injuries and Damages	\$ 64,348	\$ 37,861	\$ 8,035	\$ 2,992	\$ -	\$ -	\$ 2,596	\$ 12,864
65780	Ins. Gen. Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65980	Insurance-Other A&GO	\$ 1,018,753	\$ 364,655	\$ 125,372	\$ 48,466	\$ 148,775	\$ 69,044	\$ 35,099	\$ 227,340
65880	Insurance - W/C	\$ 693,532	\$ 408,056	\$ 86,599	\$ 32,249	\$ -	\$ -	\$ 27,980	\$ 138,647
67070	Bad Debt Expense-CAO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67580	Misc. Expense	\$ 7,486	\$ 2,680	\$ 921	\$ 356	\$ 1,093	\$ 507	\$ 258	\$ 1,671
	Funding Requirement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Schedule JDM-11 Settlement
O&M Cost Allocation

Allocation of Operating and Maintenance and City Services Expense
Rate Year Ending December 31, 2014

TITLE	Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire	Protect Wholesale
		\$	\$	\$	\$	\$	\$	\$	\$
Total Insurance Fund	Check	1,802,547	819,848	223,195	84,940	152,560	70,800	66,568	384,635
878 Chemical and Sludge Maintenance Fund	Check	2,499,322	1,375,448	-	-	-	-	24,993	1,098,880
61830 Chemicals - WTO	A	-	-	-	-	-	-	-	-
62030 Materials + Supplies WTO	A	-	-	-	-	-	-	-	-
62050 Materials + Supplies T&DO	A	-	-	-	-	-	-	-	-
63540 Contract Services - Other WTM	A	1,608,918	885,434	-	-	-	-	16,089	707,395
Funding Requirement	A	391,760	215,597	-	-	-	-	3,918	172,246
Total Chemical and Sludge Maintenance Fund	Check	4,500,000	2,476,479	-	-	-	-	45,000	1,978,521
Total Operating and Maintenance Expense	Check	35,277,459	12,409,814	3,828,546	1,457,912	5,339,159	2,506,681	1,178,974	8,556,372
Less Capital Reimbursement	X4	(2,091,772)	(910,619)	(423,232)	(215,832)	(88,004)	-	(7,536)	(446,549)
Net Operating and Maintenance Expense		33,185,687	11,499,195	3,405,315	1,242,080	5,251,155	2,506,681	1,171,439	8,109,823
City Services Cost	Z	839,167	300,374	103,272	39,923	122,549	56,873	28,912	187,265
New Meters	C	38,443	-	-	-	-	-	-	-
Lost or Stolen Meters	C	41,676	-	-	-	38,443	-	-	-
Abandonment	A	225	124	-	-	41,676	-	-	-
Admin Fee from NBC	D	25,000	-	-	-	-	-	2	99
Misc. Accounts	A	15,594	8,582	-	-	12,500	12,500	-	-
Narragansett Shut-Off	D	6,634	-	-	-	3,317	3,317	156	6,856
Narragansett Shut-Off	D	37,911	-	-	-	18,956	18,956	-	-
Road Restoration	TD	31,572	14,824	9,835	6,913	-	-	-	-
Shut Off Service Charge	D	-	-	-	-	-	-	-	-
Shut Off For Seasonal	D	1,408	-	-	-	704	704	-	-
Shut Off Service Charge	D	127,232	-	-	-	63,616	63,616	-	-
Subpoena	A	11	6	-	-	-	-	0	5
Title Search Charge	D	20,538	-	-	-	10,269	10,269	-	-
\$ Transaction at Closing	A	279	154	-	-	-	-	3	123
Turn On Meter	C	86,086	-	-	-	86,086	-	-	-
Scrap Meter Fees Garbage Pick-Up	C	42,330	-	-	-	42,330	-	-	-
Other Misc.	A	4,633	2,550	-	-	-	-	46	2,037
Rental Income	Z	1,200	430	148	57	175	81	41	268
Interest on Delinquent Accounts	RR	472,048	259,273	87,188	39,830	61,651	24,106	288	12,667
Forest Product Sales	A	28,809	15,855	-	-	-	-	62	2,717
Bad Checks	A	6,180	3,401	-	-	-	-	-	-
Federal Grants	A	-	-	-	-	-	-	-	-
Net Loss Disposal Fixed Assets	A	1,145	630	-	-	-	-	11	503
Misc. Revenue Water Lien	A	867	477	-	-	-	-	9	381
State 1 Surcharge	RR	189,348	104,000	34,973	15,977	24,730	9,669	-	-
Less: Miscellaneous Revenues		1,179,169	410,305	132,143	62,776	404,453	143,218	619	25,656

**Schedule JDM-13 Settlement
Property Tax Allocation**

Allocation of Property Taxes

Rate Year Ending December 31, 2014

Allocation Factor	Pro Forma Rate Year	Base	Maximum Day	Maximum Hour	Meters	Billing & Collection	Fire Protection	Wholesale
*Scituate	\$ 5,621,785	3,093,829	-	-	-	-	56,218	2,471,738
Foster	\$ 310,980	171,141	-	-	-	-	3,110	136,729
North Providence	\$ 270,819	113,906	75,566	53,114	-	-	5,416	22,817
Johnston	\$ 96,805	53,275	-	-	-	-	968	42,562
Cranston	\$ 122,555	67,446	-	-	-	-	1,226	53,884
*Glocester	\$ 56,793	31,255	-	-	-	-	568	24,970
West Warwick	\$ 3,719	2,047	-	-	-	-	37	1,635
West Glocester Fire	\$ 3,745	2,061	-	-	-	-	37	1,647
Harmony Fire District	\$ 174	96	-	-	-	-	2	76
Chepachet Fire District	\$ 141	78	-	-	-	-	1	62
Warwick	\$ -	-	-	-	-	-	-	-
	\$ 6,487,515	\$ 3,535,132	\$ 75,566	\$ 53,114	\$ -	\$ -	\$ 67,583	\$ 2,756,120

Schedule JDM-14 Settlement
Allocations Legend

Allocation Factor Legend

Allocation	Description	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
A	1% allocated to fire protection, remainder allocated to base and wholesale based on consumption	55.03%	0.00%	0.00%	0.00%	0.00%	1.00%	43.97%
AA	1% allocated to fire protection, remainder allocated to base, maximum day, and wholesale based on consumption	28.64%	21.31%	0.00%	0.00%	0.00%	1.00%	49.05%
C	100% to Meters & Services				100.00%			
Com Y	Allocated Based on Methodology in Docket # 2048, Y - Labor Reallocated from Meters and Billing	44.79%	22.72%	8.46%	0.00%	0.00%	4.03%	19.99%
Com Z	Allocated Based on Methodology in Docket # 2048, Z - O&M Reallocated from Meters and Billing	50.27%	17.28%	6.68%	0.00%	0.00%	3.45%	22.32%
Cran	Cranston Taxes, 16% Allocator F, 84% Allocator A	52.96%	4.46%	3.14%	0.00%	0.00%	1.16%	38.28%
D	50% to Billing and Collections, 50% to Meters and Services				50.00%	50.00%		
F	2% to Fire, Allocated to Base & Wholesale by Proportion of T&D Pipe in Inch Miles, Retail to Base, Max Day	42.06%	27.90%	19.61%	0.00%	0.00%	2.00%	8.43%
FP	100% Fire Protection						100.00%	0.00%
HM	T&D Maintenance Based on FY 2007 - FY 2012 Activities	26.14%	17.34%	12.19%	31.96%	0.00%	9.53%	2.83%
HMY	Reallocation from Billing and Collections and Meters and Services to Base of HM	58.10%	17.34%	12.19%			9.53%	2.83%
HMC	T&D Contract Maintenance Based on FY 2007-2012 Activities	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%
HOC	T&D Contract Operations based on FY 2007-2012 activities	42.18%	27.98%	19.67%	0.00%	0.00%	1.95%	8.22%
K1	Allocated Based on Net Plant Investment, Meters and Fire Reallocated to Retail	45.75%	21.24%	10.82%	0.00%	0.00%	0.00%	22.19%
K2	Allocated Based on Net Plant Investment	40.28%	18.70%	9.52%	5.99%	0.00%	3.32%	22.19%
L	Based on Allocation of other Transmission & Distribution Plant except Services & Meters	30.04%	20.86%	8.62%	0.00%	0.00%	20.70%	19.79%
N	Allocation of Pumping Investment and Expenses	46.36%	8.88%	1.67%	0.00%	0.00%	0.92%	42.17%
NO	Allocation of Pumping and Investment Expenses Excluding Raw Water	32.30%	23.27%	4.37%	0.00%	0.00%	0.80%	39.26%
NP	Allocation Factor NO with Maximum Day and Maximum Hour reallocated to base	56.71%	0.00%	0.00%	0.00%	0.00%	0.00%	43.29%
P	10% allocated to maximum day, 90% allocated based on A	49.53%	10.00%	0.00%	0.00%	0.00%	0.90%	39.57%
RR	Retail Revenue	54.93%	18.47%	8.44%	13.06%	5.11%	0.00%	0.00%
T	Allocation of all Non-General Plant	41.72%	16.88%	8.60%	5.41%	0.00%	3.09%	24.31%
TD	Allocation of Base, Max Day and Max Hour of Retail only	46.95%	31.15%	21.89%	0.00%	0.00%	0.00%	0.00%
X1	Allocation within a Particular Group Based on the Relationship between all Other Items in the Group	27.60%	18.31%	12.87%	26.61%	0.00%	11.20%	3.40%
X2	Allocation within a Particular Group Based on the Relationship between all Other Items in the Group	42.26%	28.04%	19.71%	0.00%	0.00%	1.92%	8.07%
X4	Allocation within a Particular Group Based on the Relationship between all Other Items in the Group	43.53%	20.23%	10.32%	4.21%	0.00%	0.36%	21.35%
Y	Based on Labor related O&M Expenses.	24.62%	12.49%	4.65%	23.20%	11.02%	4.03%	19.99%
YY	Reallocation from Billing and Collections and Meters and Services to base of YY	58.84%	12.49%	4.65%			4.03%	19.99%
Z	Based on Total O&M expenses, except for Administrative & General	35.79%	12.31%	4.76%	14.60%	6.78%	3.45%	22.32%
DY	Allocation Factor D with Meters and Services, Billing and Collection Reallocated to Base	100.00%						

Schedule JDM-15 Settlement
Summary of Cost Allocations

Summary of Costs to be Recovered Through Rates
Rate Year Ending December 31, 2014

	Total	Base	Maximum Day	Maximum Hour	Meters	Billing & Collection	Fire Protection	Wholesale
Net Operations and Maintenance Expense	33,185,687	11,499,195	3,405,315	1,242,080	5,251,155	2,506,681	1,171,439	8,109,823
Capital Expense	\$ 28,112,069	\$ 12,238,133	\$ 5,687,961	\$ 2,900,647	\$ 1,182,722	\$ -	\$ 101,273	\$ 6,001,334
City Services Expense	\$ 839,167	\$ 300,374	\$ 103,272	\$ 39,923	\$ 122,549	\$ 56,873	\$ 28,912	\$ 187,265
Property Taxes Expense	\$ 6,487,515	\$ 3,535,132	\$ 75,566	\$ 53,114	\$ -	\$ -	\$ 67,583	\$ 2,756,120
Total Expenses Allocated	68,624,438	27,572,833	9,272,113	4,235,763	6,556,426	2,563,553	1,369,208	17,054,542
Less: Miscellaneous Revenues	\$ (1,179,169.01)	\$ (410,304.75)	\$ (132,142.75)	\$ (62,775.97)	\$ (404,453.20)	\$ (143,217.81)	\$ (618.77)	\$ (25,655.76)
Plus: Net Operating Revenue Allowance	\$ 1,348,905.38	\$ 543,250.57	\$ 182,799.41	\$ 83,459.74	\$ 123,039.45	\$ 48,406.71	\$ 27,371.78	\$ 340,577.72
Net Revenue Requirement	68,794,174	27,705,779	9,322,770	4,256,447	6,275,012	2,468,742	1,395,961	17,369,464

Schedule JDM-16 Settlement
Units of Service

	Units of Service											
	Base		Rate Year Ending December 31, 2014				Maximum Hour				Equivalent	
	Annual Use (HCF)	Average Rate (HCF/Day)	Demand Factor	Total Capacity (HCF/Day)	Extra Capacity (HCF/Day)	Demand Factor	Total Capacity (HCF/Day)	Extra Capacity (HCF/Day)	Total Capacity (HCF/Day)	Meters & Services (Equivalent Meters)	Bills	
		366										
Retail												
Residential	8,517,528	23,272	1.7	39,562	16,290	2.2	51,198	11,635.97				
Commercial	4,427,015	12,096	1.6	19,353	7,257	2	24,191	4,838.27				
Industrial	189,644	518	1.5	777	259	2	1,036	259.08				
Fire Protection				2888	2888		11551	8663				
Total Retail	13,134,187	35,886		62,580	26,695		87,977	25,396	123,918.40	297,172		
Wholesale												
Wholesale	12,898,865	35,242.80	1.7	59,913	24,670	2.15	75772.02	15,859				
Total	26,033,052	71,128.56		122,493.05	51,364.49		163,748.72	41,255.67	123,918.40	297,172.00		

**Schedule JDM-17 Settlement
Unit Cost of Service**

Retail Units of Service	Unit Costs						
	Rate Year Ending December 31, 2014						
	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection
		Ccf	Ccf/Day	Ccf/Day	Equiv. Meters	Bills	Hydrants
Retail Units of Service		13,134,187	26,695	25,396	123,918	297,172	6,057
Number Units							
O&M Expense							
Retail	24,400,798	11,310,668	3,338,635	1,202,890	4,943,636	2,410,732	1,194,236
Retail Unit Cost (\$/Unit)		\$0.86	\$125.07	\$47.36	\$39.89	\$8.11	\$197.17
Wholesale O&M Expense	8,245,850	8,245,850					
Capital Expense							
Retail Capital Expense	\$ 22,552,950	\$ 12,482,895	\$ 5,801,720	\$ 2,958,659	\$ 1,206,376	\$ -	\$ 103,299
Retail Cost (\$/Unit)		\$0.95	\$217.34	\$116.50	\$9.74	\$0.00	\$17.05
Wholesale Capital Expense	\$ 6,121,361	\$ 6,121,361					
City Services Expense							
Retail City Services Expense	\$ 664,940	\$ 306,381	\$ 105,337	\$ 40,721	\$ 125,000	\$ 58,010	\$ 29,490
Retail Cost (\$/Unit)		\$0.02	\$3.95	\$1.60	\$1.01	\$0.20	\$4.87
Wholesale City Services Expense	\$ 191,010	\$ 191,010					
Property Tax Expense							
Retail Property Tax Expense	\$ 3,806,023	\$ 3,605,835	\$ 77,077	\$ 54,176	\$ -	\$ -	\$ 68,935
Retail Cost (\$/Unit)		\$0.27	\$2.89	\$2.13	\$0.00	\$0.00	\$11.38
Wholesale Property Tax Expense	\$ 2,811,243	\$ 2,811,243					
Total Unit Cost of Service							
Retail Cost of Service	\$ 51,424,710.48	\$ 27,705,779.17	\$ 9,322,769.73	\$ 4,256,446.60	\$ 6,275,012.05	\$ 2,468,742.33	\$ 1,395,960.60
Retail Total Unit Cost (\$/Unit)		\$2.11	\$349.24	\$167.60	\$50.64	\$8.31	\$230.47
Wholesale Cost of Service	\$ 17,369,463.77	\$ 17,369,463.77	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cost of Service	\$ 68,794,174.26						

**Schedule JDM-18 Settlement
Cost Distribution to Customer Class**

Allocated Costs by Customer Class							
Rate Year Ending December 31, 2014							
	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection
Total Retail Units of Service	13,613,425	13,134,187	26,695	25,396	123,918	297,172	6,057
Total Retail Cost of Service	\$ 51,424,710	\$ 27,705,779.17	\$ 9,322,769.73	\$ 4,256,446.60	\$ 6,275,012.05	\$ 2,468,742.33	\$ 1,395,960.60
Retail							
Unit Cost of Service (\$/Unit)		\$2.11	\$349.24	\$167.60	\$50.64	\$8.31	\$230.47
Retail Service:							
Residential Volume Charge							
Units of Service - HCF		8,517,528	16290.35342	11,635.97			
Allocation Cost of Service - \$	25,606,631	17,967,214	5,689,226	1,950,192			
Consumption Rate - \$/HCF	\$3.006						
Commercial Volume Charge							
Units of Service - HCF		4,427,015	7257.401066	4,838.27			
Allocation Cost of Service - \$	12,683,984	9,338,522	2,534,567	810,895			
Consumption Rate - \$/HCF	\$2.865						
Industrial Volume Charge							
Units of Service - HCF		189,644	259.076793	259.08			
Allocation Cost of Service - \$	533,944	400,043	90,480	43,421			
Consumption Rate - \$/HCF	\$2.816						
Retail Service Charge							
Units of Service					83,844.20	289,320	
Allocation Cost of Service	\$7,579,237				\$4,245,724.33	\$3,333,512.21	
Fire Protection Service							
Units of Service			2,888	8,663	40,074	7,852	6,057
Allocation Cost of Ser	\$5,020,914		\$648,497.45	\$1,451,938.51	\$2,029,287.72	\$65,230.12	\$825,960.60
Total Retail Allocated Cost of Service	51,424,710	27,705,779.17	8,962,769.73	4,256,446.60	6,275,012.05	3,398,742.33	825,960.60
Sumcheck			(360,000.00)			930,000.00	(570,000.00)
Wholesale							
Wholesale:							
Units of Service		12,898,865					
Allocation Cost of Service	\$ 17,369,464	\$ 17,369,464					
Consumption Rate		1.346589					
Total System Allocated Cost of Service	68,794,174						

**Schedule JDM-19 Settlement
Proposed Rates and Impacts**

Proposed Rates and Impacts
Rate Year Ending December 31, 2014

Billing Unit	Current Units of Service	Proposed Units of Service	Proposed Retail Service Charge	Retail Service Charge Revenues	Current Rates	% Change
Quarterly Service Charges						
5/8"	53,151	-	\$ -	-	18.34	
3/4"	10,645	-	\$ -	-	19.47	
1"	5,067	-	\$ -	-	22.85	
1.5"	1,493	-	\$ -	-	27.39	
2"	1,502	-	\$ -	-	39.77	
3"	93	-	\$ -	-	131.15	
4"	32	-	\$ -	-	164.98	
6"	59	-	\$ -	-	243.95	
8"	36	-	\$ -	-	334.19	
10"	2	-	\$ -	-	415.97	
12"	1	-	\$ -	-	497.76	
Total	72,081	-	\$ -	-		
Monthly Service Charges						
5/8"	1	53,152	\$ 8.07	5,147,239.68	10.82	-25.42%
3/4"	-	10,645	\$ 8.50	1,085,790.00	11.19	-24.04%
1"	-	5,067	\$ 9.76	593,447.04	12.32	-20.78%
1.5"	2	1,495	\$ 11.45	205,413.00	13.83	-17.21%
2"	34	1,536	\$ 16.09	296,570.88	17.97	-10.46%
3"	13	106	\$ 50.27	63,943.44	48.42	3.82%
4"	7	39	\$ 62.93	29,451.24	59.70	5.41%
6"	17	76	\$ 92.47	84,332.64	86.02	7.50%
8"	8	44	\$ 126.23	66,649.44	116.11	8.72%
10"	-	2	\$ 156.82	3,763.68	143.37	9.38%
12"	1	2	\$ 187.42	4,498.08	170.63	9.84%
Total	83	72,164	\$ 7,581,099.12			
Total Retail Service Charge Revenue					\$ 5,825,849	30.13%

**Schedule JDM-19 Settlement
Proposed Rates and Impacts**

Proposed Rates and Impacts
Rate Year Ending December 31, 2014

Billing Unit	Current Units of Service	Proposed Units of Service	Proposed Fire Service Charge	Fire Service Charge Revenues	Current Rates	% Change
Quarterly Service Charges						
5/8"	25,266	-	\$ -	\$ -	3.08	
3/4"	4,207	-	\$ -	\$ -	4.62	
1"	1,998	-	\$ -	\$ -	11.54	
1.5"	896	-	\$ -	\$ -	30.77	
2"	874	-	\$ -	\$ -	73.86	
3"	58	-	\$ -	\$ -	200.04	
4"	14	-	\$ -	\$ -	338.52	
6"	18	-	\$ -	\$ -	692.43	
8"	8	-	\$ -	\$ -	1,046.34	
10"	1	-	\$ -	\$ -	1,600.29	
12"	-	-	\$ -	\$ -	2,646.63	
Total	33,340	-	\$ -	\$ -		
Monthly Service Charges						
5/8"	1	25,267	\$ 1.20	\$ 363,844.80	1.03	16.50%
3/4"	-	4,207	\$ 1.80	\$ 90,871.20	1.54	16.88%
1"	-	1,998	\$ 4.48	\$ 107,412.48	3.85	16.36%
1.5"	-	896	\$ 11.95	\$ 128,486.40	10.26	16.47%
2"	27	901	\$ 28.66	\$ 309,871.92	24.62	16.41%
3"	11	69	\$ 77.62	\$ 64,269.36	66.68	16.41%
4"	5	19	\$ 131.36	\$ 29,950.08	112.84	16.41%
6"	12	30	\$ 268.69	\$ 96,728.40	230.81	16.41%
8"	8	16	\$ 406.01	\$ 77,953.92	348.78	16.41%
10"	-	1	\$ 620.96	\$ 7,451.52	533.43	16.41%
12"	-	-	\$ 1,026.96	\$ -	882.21	16.41%
Total	64	33,404	\$ 1,276,840.08	\$ 1,276,840.08		
Total Retail Fire Protection Service Charge Revenue					\$ 1,182,373.64	8%
Total Retail Service Charge Revenue					\$ 7,008,222.28	26.39%

**Schedule JDM-19 Settlement
Proposed Rates and Impacts**

Proposed Rates and Impacts
Rate Year Ending December 31, 2014

Retail Consumption Charges									
Residential (HCF)	8,517,528	\$	3,006	\$	25,603,688.10			2,488	20.82%
Commercial (HCF)	4,427,015	\$	2,865	\$	12,683,396.97			2,390	19.87%
Industrial (HCF)	189,644	\$	2,816	\$	534,038.10			2,346	20.03%
Total	<u>13,134,187</u>			\$	<u>38,821,123.18</u>			<u>32,217,079</u>	<u>20.50%</u>
Wholesale Charges									
<i>Volume Charge</i>									
Consumption (HCF)	12,898,865	\$	1,346,589		17,369,469.76			16,375,278	6.07%
Consumption (MGD)	9,648	\$	1,800.25						
Total Consumption Charge Revenue					<u>56,190,592.94</u>			<u>48,592,356.99</u>	<u>15.64%</u>

	Current Units of Service	Proposed Units of Service	Proposed Monthly Pvt. Fire Charge	Private Fire Charge Revenues	Current Quarterly Pvt. Fire Charge
Private Fire Service Charges					
3/4"	3	3	\$7.51	270.36	\$ 19.67
1"	10	10	\$8.88	1,065.60	\$ 23.31
1-1/2"	3	3	\$10.93	393.48	\$ 28.70
2"	50	50	\$16.21	9,726.00	\$ 42.63
4"	349	349	\$69.27	290,102.76	\$ 182.72
6"	1,272	1,272	\$112.93	1,723,763.52	\$ 295.45
8"	254	254	\$171.05	521,360.40	\$ 443.93
10"	4	4	\$238.28	11,437.44	\$ 613.33
12"	17	17	\$319.66	65,210.64	\$ 816.53
16"	1	1	\$531.64	6,379.68	\$ 1,340.64
Total	<u>1,963</u>	<u>1,963</u>		<u>2,629,709.88</u>	<u>\$ 2,290,098</u>

Public Fire Service Charges									
Hydrants	2,832		\$394.82	\$1,118,130.24	\$	339.33	\$	960,983	16.35%

Total Fire Protection Charge Revenue				<u>\$3,747,840.12</u>				<u>\$3,251,080.88</u>	<u>15.28%</u>
Miscellaneous Revenues				\$ (1,179,169.01)				\$ (1,179,169.01)	
Total Rate Revenues				68,796,372.26				58,851,660.15	16.90%
Total Revenues				\$ 69,975,541.27				\$ 60,030,829.16	16.57%

**Schedule JDM-20 Settlement
Comparison of Revenues by Customer Class**

**Comparison of Revenues by Customer Class
Rate Year Ending December 31, 2014**

	Existing Rates	Proposed Rates	% Change
Retail			
Monthly Service Charge	\$ 5,825,849	\$ 7,581,099	30.1%
Periodic FPSC	\$ 1,182,374	\$ 1,276,840	8.0%
Volume Charge			
Residential	\$ 21,191,609	\$ 25,603,688	20.8%
Commercial	\$ 10,580,565	\$ 12,683,397	19.9%
Industrial	\$ 444,905	\$ 534,038	20.0%
Total Retail	\$ 39,225,301	\$ 47,679,062	21.6%
Wholesale			
East Providence	\$ 2,604,138	\$ 2,762,241	6.1%
East Smithfield	\$ 369,465	\$ 391,896	6.1%
Greenville	\$ 550,307	\$ 583,717	6.1%
Kent County	\$ 3,347,107	\$ 3,550,317	6.1%
Smithfield	\$ 534,048	\$ 566,471	6.1%
Warwick	\$ 5,409,798	\$ 5,738,239	6.1%
Lincoln	\$ 1,307,083	\$ 1,386,439	6.1%
Johnston	\$ 356,412	\$ 378,051	6.1%
Bristol County	\$ 1,896,931	\$ 2,012,098	6.1%
Total Wholesale	\$ 16,375,290	\$ 17,369,470	6.1%
Fire Protection			
Private Fire Protection	\$ 2,290,098	\$ 2,629,710	14.8%
Public Fire Protection	\$ 960,983	\$ 1,118,130	16.4%
Total Fire Protection	\$ 3,251,081	\$ 3,747,840	15.3%
Total Rate Revenues	\$ 58,851,672	\$ 68,796,372	16.9%
Miscellaneous Revenues	\$ (1,179,169)	\$ (1,179,169)	
Total Revenues	\$ 60,030,841	\$ 69,975,541	16.57%

**Schedule JDM-21 Settlement
Typical Bill Comparison**

Comparison of Typical Annual Charges
Rate Year Ending December 31, 2014

	Proposed Rates	Existing Rates	% Change
Residential - (5/8" Meter, 100 HCF)			
Service Charge*	\$ 96.84	\$ 73.36	32.0%
Volume Charge	\$ 300.60	\$ 248.80	20.8%
Total	\$ 397.44	\$ 322.16	23.4%
Commercial - (2" Meter, 2,000 HCF)			
Service Charge*	\$ 193.08	\$ 159.08	21.4%
Volume Charge	\$ 5,730.00	\$ 4,780.00	19.9%
Total	\$ 5,923.08	\$ 4,939.08	19.9%
Industrial - (6" Meter, 10,000 HCF)			
Service Charge *	\$ 1,109.64	\$ 975.80	13.7%
Volume Charge	\$ 28,160.00	\$ 23,460.00	20.0%
Total	\$ 29,269.64	\$ 24,435.80	19.8%

*Existing rates based on Quarterly billing, proposed based on Monthly Billing, for Wholesale Impacts see HJS-20

**Schedule JDM-22 Settlement
Revenue Proof**

Revenue Proof
Rate Year Ending December 31, 2014

Net Operations & Maintenance Expense	\$	33,185,687
Capital Expense	\$	28,112,069
City Services Expense	\$	839,167
Property Taxes Expense	\$	6,487,515
<hr/>		
Total Expenses Allocated	\$	68,624,438
plus: Net Operating Revenue		\$1,348,905.38
<hr/>		
Net Revenue Requirement	\$	69,973,343
Retail		
Monthly Service Charge	\$	7,581,099
Retail FPSC	\$	1,276,840
Volume Charge		
Residential	\$	25,603,688
Commercial	\$	12,683,397
Industrial	\$	534,038
<hr/>		
Total Retail	\$	47,679,062
Wholesale		
East Providence	\$	2,762,241
East Smithfield	\$	391,896
Greenville	\$	583,717
Kent County	\$	3,550,317
Smithfield	\$	566,471
Warwick	\$	5,738,239
Lincoln	\$	1,386,439
Johnston	\$	378,051
Bristol County	\$	2,012,098
<hr/>		
Total Wholesale	\$	17,369,470
Fire Protection		
Private Fire Protection	\$	2,629,710
Public Fire Protection	\$	1,118,130
<hr/>		
Total Fire Protection	\$	3,747,840
<hr/>		
Total Rate Revenues	\$	68,796,372
Miscellaneous Revenues	\$	1,179,169
<hr/>		
Total Revenues	\$	69,975,541
Total Surplus / (Deficit)	\$	2,198

Note: Surplus due rounding

**Schedule JDM-23 Settlement
Projected Volumes**

**Calculation of Rate Year Sales Volumes
Rate Year Ending December 31, 2014
(Volumes in HCF)**

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Four Year Average	Adjustments	Pro Forma Rate Year
Retail								
Residential	9,201,454	8,482,954	8,754,316	8,487,320	8,345,520	8,517,528	-	8,517,528
% Change from previous			-14.11%	-3.05%				
Commercial	4,636,996	4,465,417	4,284,895	4,392,712	4,565,034	4,427,015	-	4,427,015
Industrial	198,132	190,880	181,838	201,227	184,632	189,644	-	189,644
Sub-total Retail	14,036,582	13,139,251	13,221,050	13,081,259	13,095,186	13,134,187		13,134,187
Wholesale								
East Providence	2,034,591	2,024,316	2,217,299	2,015,566	1,947,969.25	2,051,288	-	2,051,288
East Smithfield	318,002	300,103	311,937	279,817	272,257.00	291,029	-	291,029
Greenville	459,960	423,935	450,932	442,414	416,632.89	433,478	-	433,478
Kent County	2,663,178	2,602,627	2,717,984	2,800,752	2,424,742.83	2,636,526	-	2,636,526
Smithfield	454,602	394,162	413,570	438,706	436,247.33	420,671	-	420,671
Warwick	4,674,254	4,195,038	4,526,769	4,272,694	4,050,756.68	4,261,314	-	4,261,314
Lincoln	1,016,655	1,016,536	1,075,944	1,017,940	1,007,954.55	1,029,594	-	1,029,594
Johnston (1)	302,765	248,060	309,030	262,814	303,083.98	280,747	-	280,747
Bristol County (2)	1,283,706	1,210,901	1,502,205	1,682,988	1,580,779.41	1,494,218	-	1,494,218
Narr. Bay Comm (3)								
Sub-total Wholesale	13,207,713	12,415,678	13,525,669	13,213,689	12,440,424	12,898,865		12,898,865
Grand Total	27,244,295	25,554,929	26,746,719	26,294,948	25,535,610	26,033,052		26,033,052
Unaccounted for Water Volume	3,114,862	3,572,170	3,380,059	3,825,119	4,158,147	3,733,874		3,733,874

Land Accounts Source of Supply \$ 21,248,990 \$ 11,693,927 \$ - \$ - \$ - \$ 212,490 \$ 9,342,573

Totals used to determine Allocation Factors:

Total Plant less Source of Supply Land	K2	\$ 196,512,768	\$ 79,150,290	\$ 36,749,433	\$ 18,716,651	\$ 11,772,827	\$ -	\$ 6,525,092	\$ 43,598,475
Reallocated Meters and Fire Protection		\$ 10,758,613	\$ 4,995,218	\$ 2,544,087	\$ (11,772,827)	\$ -	\$ -	\$ (6,525,092)	
Total Plant less Land with Reallocated Meters and Fire Protection	K1	\$ 196,512,768	\$ 89,908,904	\$ 41,744,651	\$ 21,260,738	\$ -	\$ -	\$ -	\$ 43,598,475

***Net of Contributions in Aid of Construction	Amount:	\$26,614,776	Total T&D CIAC	\$5,980,052	CIAC*	Weight	Amount	
					Transmission	\$2,912,718	29.92%	\$7,963,153
					Distribution	3,067,334	31.51%	\$8,385,863
					Services	\$3,387,239	34.79%	\$9,260,468
					Hydrants	\$367,714	3.78%	\$1,005,303
					Total	\$9,735,005	100.00%	\$26,614,776

Allocated based on Inch Miles:

Total Transmission & Distribution Mains	\$ 51,292,664	\$ 21,300,985
Transmission Mains	48.71%	\$ 24,983,236
Distribution Mains	51.29%	\$ 26,309,428
	100.00%	\$ 10,925,865

*Per KCWA 9-1(b)

**Schedule JDM-25 Settlement
Length of Pipe and Inch-Mile Calculations**

Year Ending June 20, 2013

	Pipe Size (inches)	Length (miles)	Inch-Miles		
	6	482.44	2,894.64		
	8	290.25	2,322.00		
	10	3.06	30.60		
	12	93.99	1,127.88		
	16	40.97	655.52		
	20	5.89	117.80		
	24	24.09	578.16		
	30	16.09	482.70		
	36	1.93	69.48		
	42	4.88	204.96		
	48	2.42	116.16		
	60	4.19	251.40		
	66	1.60	105.60		
	78	4.39	342.42		
	90	4.47	402.30		
	102	5.18	528.36		
	Services	225.00			
Totals		<u>1,210.84</u>	10,229.98		
				Length %	Inch-Miles %
Local Distribution (10" or less)		1,000.75	5,247.24	82.65%	51.29%
Transmission (12" and greater)		210.09	4,982.74	17.35%	48.71%

Unaccounted for Water Responsibility

Retail Customers

Local Distribution	82.65%
Transmission	<u>8.75%</u>
Total Retail Share of Unaccounted for Water	91.40%

Wholesale Customers

Local Distribution	0.00%
Transmission	<u>8.60%</u>
Total Wholesale Share of Unaccounted for Water	8.60%