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September 26, 2014

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

Re: *Narragansett Bay Commission*
Docket 4478

Dear Ms. Massaro:

Enclosed herewith please find an original and nine copies of the Narragansett Bay Commission's Compliance Filing that reflects the Cost of Service from Docket 4478 as approved by the Public Utilities Commission at its September 19, 2014 Open Meeting. This compliance filing includes the tariffs as well as the updated Settlement Agreement schedules prepared by Mr. Catlin that reflect the adjustments for the fish tank maintenance and health care waivers. These documents are being submitted pursuant to Rule 2.11 of the Rhode Island Public Utilities Commission's Rules of Practice and Procedure, and an electronic copy of this filing has been provided to the service list.

Thank you for your attention to this matter.

Sincerely,



Joseph A. Keough, Jr.

JAK/kf
Enclosures

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

SCHEDULE A

EFFECTIVE: CUSTOMER CHARGE September 19, 2014
CONSUMPTION CHARGE September 19, 2014

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:

\$ 210.51 per dwelling unit per year

CONSUMPTION CHARGE:

\$ 3.397 per hundred cubic feet of 100% of water used

RESIDENTIAL WELL CUSTOMERS:

\$ 480.95 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"	\$503
3/4"	\$752
1"	\$1,250
1 ½"	\$2,509
2"	\$4,006
3"	\$7,506
4"	\$12,508
6"	\$25,025
8"	\$40,039
10"	\$57,558

CONSUMPTION CHARGE:

NBC Service Area:

\$ 3.167 per hundred cubic feet of 100% of water used.

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

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"	\$503
	3/4"	\$752
	1"	\$1,250
	1 ½"	\$2,509
	2"	\$4,006
	3"	\$7,506
	4"	\$12,508
	6"	\$25,025
	8"	\$40,039
	10"	\$57,558

CONSUMPTION CHARGE:

NBC Service Area: \$ 4.926 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

SCHEDULE B

Miscellaneous Charges

EFFECTIVE:

Pretreatment Annual Permit Fee:	June 30, 2003
New Sewer Connection Fee:	July 1, 2005
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
BOD/TSS Surcharge:	January 1, 2013

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.

<u>CAT #</u>	<u>User Classification</u>	<u>Annual Permit Fee</u>
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
24	Printers	
	Gravure	\$3,623
	Other Flow ≥ 2,500 GPD	\$1,087
	Other Flow < 2,500 GPD	\$725
25	Industrial Laundries	\$3,623
26	Machine Shops/Machinery Rebuilders	\$1,449

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

CAT #	User Classification	Annual Permit Fee
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
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

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

CAT #	User Classification	Annual Permit Fee
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
89	Other Commercial Facilities with Potential to Discharge Conventional Pollutants	
	< 2,500 GPD	\$362
	\geq 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 \geq 2 washers	\$725
93	Photo Processing	
	< 1,000 GPD	\$362
	1,000 GPD \leq Flow < 2,500	\$725
	2,500 GPD - 5,000 GPD	\$1,087
	> 5,000 GPD	\$1,449

TARIFFS OF THE NARRAGANSETT BAY COMMISSION

CAT #	User Classification	Annual Permit Fee
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.

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: \$0 per 1,000 pounds of BOD with a concentration of >300 mg/l

Charge: \$0 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 of 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

THE NARRAGANSETT BAY COMMISSION

Summary of Revenues and Expenses at
Present and Proposed Rates
Rate Year Ended June 30, 2015

	Rate Year Amount Per NBC	NBC Rebuttal Adjustments	Revised Amount Per NBC	Settlement and Compliance Adjustments	Rate Year at Present Rates	Allowable Rate Increase	Rate Year at Proposed Rates
Revenue							
User Fee Revenue	\$ 89,740,797	\$ (548,725)	\$ 89,192,072	\$ 36,647 (1)	\$ 89,228,719	\$ 3,544,941	\$ 92,773,660
Other Service Revenue	1,476,784	-	1,476,784	-	1,476,784	-	1,476,784
Late Payment	918,943	-	918,943	94,386 (2)	1,013,329	-	1,013,329
Miscellaneous	615,147	38,017	653,164	80,837	734,001	-	734,001
Total Revenue	\$ 92,751,671	\$ (510,708)	\$ 92,240,963	\$ 211,870	\$ 92,452,833	\$ 3,544,941	\$ 95,997,774
Expenses							
Personnel Services	22,561,063	(467,567)	22,093,496	(353,700)	21,739,796	-	21,739,796
Operating Supplies & Expenses	15,277,232	111,500	15,388,732	(454,831)	14,933,901	-	14,933,901
Professional Services	3,080,449	(142,365)	2,938,084	-	2,938,084	-	2,938,084
Capital Outlays	-	-	-	-	-	-	-
Amortization	-	-	-	-	-	-	-
Debt Service	44,894,330	-	44,894,330	-	44,894,330	-	44,894,330
Debt Coverage	11,223,583	-	11,223,583	-	11,223,583	-	11,223,583
Total Expenses	\$ 97,036,657	\$ (498,432)	\$ 96,538,225	\$ (808,531)	\$ 95,729,694	\$ -	\$ 95,729,694
Operating Reserve	613,781	(7,476)	606,305	(338,225)	268,080	-	268,080
Total Cost of Service	\$ 97,650,438	\$ (505,908)	\$ 97,144,530	\$ (1,146,756)	\$ 95,997,774	\$ -	\$ 95,997,774
Revenue Surplus/(Deficiency)	\$ (4,898,767)	\$ (4,800)	\$ (4,903,567)	\$ 1,358,626	\$ (3,544,941)	\$ 3,544,941	\$ -

Notes:

(1) Reflects adjustment to reflect June 30, 2014 residential billing units per response to DIV 3-22.

(2) Reflects late payment revenue for FY 2014.

THE NARRAGANSETT BAY COMMISSION

Summary of Settlement Adjustments to
 Rate Year Revenues and Expenses at Present Rates
 Rate Year Ended June 30, 2015

<u>Description</u>	<u>Amount</u>	<u>Source</u>
<u>Revenue Adjustments</u>		
Revenue from REC Sales	\$ -	Schedule TSC-8
Special Master Fund Amortization	80,837	Schedule TSC-13
Residential Billing Unit Update	36,647	Schedule TSC-1
Late Payment Revenue	<u>94,386</u>	Schedule TSC-1
Total Adjustmenst to Revenues	\$ 211,870	
<u>Expense Adjustments</u>		
Personnel Expense (See Note 1)	(313,200)	Schedule TSC-3
Workers' Compensation-Old Claims	-	Schedule TSC-4
Postage Expense	(23,174)	Schedule TSC-5
Biosolids Disposal Costs	(105,381)	Schedule TSC-6
Maintenance & Service Agreements	(127,670)	Schedule TSC-7
Electricity Expense	-	Schedule TSC-8
Natural Gas Costs	(31,902)	Schedule TSC-9
Field's Point Chemicals	(163,445)	Schedule TSC-10
Management and Audit Services	-	Schedule TSC-11
Debt Service	-	Schedule TSC-12
Compliance Adjustments	(43,759)	See Note (3)
Operating Reserve	<u>(338,225)</u>	See Note (2)
Total Adjustments to Expenses	\$ (1,146,756)	
Total Adjustment to Operating Income	\$ 1,358,626	

Notes:

- (1) Includes \$304,328 reduction to reflect NBC's decision to eliminate claim for additional funding of non-union retirement plan. Also reflected in NBC Rebuttal
- (2) Adjusted to reflect 1.5% of Division Operating Expenses excluding Personnel and Debt costs per Schedule TSC-1. Refer to direct testimony for explanation.
- (3) Includes removal of \$3,259 for fish tank related expenses and \$40,500 to reflect reduction in medical waiver from \$2,500 to \$1,000 for 27 employees

THE NARRAGANSETT BAY COMMISSION

Adjustment to Personnel Costs
 Rate Year Ended June 30, 2015

Base Salaries		
	Union	Non-Union
FY 2013 Amount (1)	\$ 5,568,502	\$ 8,449,979
7/1/2013 Contracted Steps (3)	144,301	-
Adjusted Base Salaries	\$ 5,712,803	\$ 8,449,979
7/1/2013 Increase (4)	2.25%	4.15%
7/1/2013 Total Salaries	\$ 5,841,341	\$ 8,800,653
7/1/14 Contracted Steps (5)	75,618	-
Base Salary	5,916,960	8,800,653
7/1/14 COLA/Merit (6)	2.25%	2.50%
Rate Year Salaries Per Division	6,050,091	9,020,669
Normalized Compensated Absences (2)	-	100,000
Rate Year Salaries plus Compensated Absences	6,050,091	9,120,669
Rate Year Salaries Per NBC (5)	6,094,468	9,332,859
Rate Year Adjustment	\$ (44,377)	\$ (212,190)

Overtime			
	Union	Non-Union	Non-Union Ltd
FY 2013 Amount (1)	\$ 439,426	\$ 76,451	\$ 23,282
7/1/2013 Contracted Steps (3)	10,913	-	-
Adjusted Overtime	\$ 450,339	\$ 76,451	\$ 23,282
7/1/2013 Increase (4)	2.25%	4.15%	4.15%
7/1/2013 Total Overtime	\$ 460,472	\$ 79,623	\$ 24,248
7/1/14 Contracted Steps (5)	5,719	-	-
Adjusted Overtime	466,191	79,623	24,248
7/1/14 COLA/Merit (6)	2.25%	2.50%	2.50%
Rate Year Overtime Per Division	\$ 476,680	\$ 81,614	\$ 24,854
Rate Year Overtime Per NBC (5)	480,176	82,012	24,976
Rate Year Adjustment	\$ (3,496)	\$ (398)	\$ (122)

Capitalized Salaries and Fringe Benefits		
	Salary Reimbursement Account 59000	Fringe Reimbursement Account 59001
FY 2013 Amount (1)	\$ (1,236,491)	\$ (670,080)
7/1/2013 Increase (4)	1,0415	1,0415
7/1/2014 Increase (5)	1,0250	1,0250
Rate Year Reimbursement Per Division	(1,320,001)	(715,336)
Rate Year Reimbursement Per NBC (5)	(1,326,440)	(718,825)
Rate Year Adjustment	\$ 6,439	\$ 3,489

THE NARRAGANSETT BAY COMMISSION

Adjustment to Personnel Costs
 Rate Year Ended June 30, 2015

FICA Taxes			
	FICA		Total FICA
	Social Security	Medicare	
Rate Year Salaries	\$ 15,070,761	\$ 15,070,761	
Overtime & Limited	583,148	583,148	
Wages Over FICA Limit	(120,000)	-	
Wages Subject to FICA	15,533,909	15,653,909	
Percent	6.20%	1.45%	
Rate Year FICA Per Division	963,102	226,982	1,190,084
Rate Year FICA Per NBC (5)			1,217,567
Rate Year Adjustment			\$ (27,483)

Retirement Benefits			
	Union Retirement	Union Retiree Health	Non-Union Retirement
Salaries	\$ 6,050,091	\$ 6,050,091	\$ 9,120,669
Overtime & Limited			106,468
Eligible Wages	6,050,091	6,050,091	9,227,138
Employer Contribution Rate (5)	24.33%	6.75%	10%
Rate Year Retirement Benefits Per Division	1,471,987	408,381	922,714
Rate Year Retirement Benefits Per NBC (5)	1,482,784	411,377	943,985
Rate Year Adjustment	\$ (10,797)	\$ (2,996)	\$ (21,271)

Notes:

- (1) Amounts per Schedule WEE-3.
- (2) Reflects FY 2015 and FY 2016 amounts per response to DIV 3-11. Amount is inclusive of FICA taxes.
- (3) Per Schedule WEE-4 in Docket No. 4364.
- (4) Per response to DIV 1-6.
- (5) Per Schedule WEE-R3.
- (6) Increases on 7/1/2014 updated to reflect most recent information.

THE NARRAGANSETT BAY COMMISSION

Adjustment to Workers' Compensation Claims Expense
Rate Year Ended June 30, 2015

	<u>Amount</u>
Ongoing Worker's Comp-Old Claims (1)	\$ 23,388
Amount per NBC (2)	<u>23,388</u>
Adjustment to Rate Year Expense	<u><u>\$ -</u></u>

Notes:

- (1) Per supplemental response to DIV. 1-12.
- (2) Per Schedule WEE-R4.

THE NARRAGANSETT BAY COMMISSION

Adjustment to Postage Expense
Rate Year Ended June 30, 2015

	<u>Amount</u>
FY 2014 Postage Expense (1)	\$ 387,497
FY 2014 Bills (2)	<u>978,274</u>
Average Postage expense per bill	\$ 0.3961
Postage Increase (3)	<u>\$ 0.025</u>
Adjusted Postage per Bill	\$ 0.4211
Number of Bills (2)	<u>978,274</u>
Adjusted Postage Expense per Division	\$ 411,954
Amount per NBC (1)	<u>435,128</u>
Adjustment to Rate Year Expense	<u><u>\$ (23,174)</u></u>

Notes:

(1) Per Schedule WEE-6.

(2) Per response to DIV 1-13.

(3) Per response to DIV 1-14. Reflects one-half year effect of \$0.03 increase on January 26, 2014.

THE NARRAGANSETT BAY COMMISSION

Adjustment to Biosolids Disposal Costs
 Rate Year Ended June 30, 2015

	<u>7/1/2013 to 12/31/2013</u>	<u>1/1/2014 to 6/30/2014</u>	<u>Total</u>
Field's Point-Dry Tons (1)	5,400	5,400	10,800
Bucklin Point-Dry Tons (1)	<u>1,016</u>	<u>1,016</u>	<u>2,032</u>
Total Biosolids for Disposal-Dry Tons	6,416.1	6,416.1	12,832
Rate per Ton (2)	<u>\$ 429.72</u>	<u>\$ 438.33</u>	
Biosolids Disposal Costs	\$ 2,757,126	\$ 2,812,369	\$ 5,569,496
Amount per NBC (1)			<u>5,674,877</u>
Adjustment to Rate Year Expense			<u><u>\$ (105,381)</u></u>

Notes:

(1) Estimated quantities based on recent experience and operator estimates.

(2) Per Schedule WEE-R6.

(2) Rates calculated as follows:

Disposal rate for Calendar Year 2013	\$ 425.72
Increase in CPI for Boston Area from November 2012 to November 2013	<u>1.009</u>
Disposal rate for Calendar Year 2014	\$ 429.72
Projected increase in CPI-U from 4Q14 to 4Q15 per Blue Chip Economic Indicators dated 4/10/2014	<u>1.0200</u>
Disposal rate for Calendar Year 2014	\$ 438.33

THE NARRAGANSETT BAY COMMISSION

Adjustment to Maintenance & Service Agreement Costs
Rate Year Ended June 30, 2015

	<u>Amount</u>
FY 2014 Maintenance & Service Agreement Expense (1)	\$ 906,276
Annual Escalation Rate (2)	<u>1.120</u>
Rate Year Allowance for Existing Agreements (3)	\$ 1,015,029
Amount per NBC (1)	<u>1,142,699</u>
Adjustment to Rate Year Expense	<u>\$ (127,670)</u>

Notes:

- (1) Reflects final FY 2014 expense.
- (2) Based on annual growth rate from FY 2012 to FY 2014.
- (3) Reflects escalation for from FY 2014 to FY 2015 at 12.0% per year.

THE NARRAGANSETT BAY COMMISSION

Adjustment to Electricity Costs to Reflect
Updated Supply Costs and Offset for REC Revenues
Rate Year Ended June 30, 2015

	Cost per NBC (1)	Cost per Division (2)	Adjustment
Field's Point			
Field's Point	\$ 948,469	\$ 948,469	\$ -
Tunnel Pump Station	711,072	711,072	-
Bucklin Point	1,361,165	1,361,165	-
Bucklin Point BNR	148,643	148,643	-
Interceptor Maintenance	127,995	127,995	-
COB	152,549	152,549	-
Total Electricity Cost	\$ 3,449,893	\$ 3,449,893	<u>\$ -</u>
Revenue from REC Sales (3)	\$ 417,280	\$ 417,280	<u>\$ -</u>

Notes:

(1) Per WEE-R8.

(2) Reflects agreement with NBC Rebuttal.

(3) Division amount based on 6,520 MWh of RECs generated in CY 2013 and a price of \$64 based on actual sale price for first and second quarter RECs per DIV 1-24.

THE NARRAGANSETT BAY COMMISSION

Adjustment to Natural Gas Costs to Reflect
National Grid Gas Supply Costs for the Rate Year
Rate Year Ended June 30, 2015

	<u>Cost Per Settlement (1)</u>
Field's Point	238,440
Bucklin Point	112,932
Interceptor Maintenance	31,640
COB	30,725
Lab	<u>24,594</u>
Total	\$ 438,331
Amount per NBC (2)	<u>470,233</u>
Adjustment to Natural Gas Costs	<u><u>\$ (31,902)</u></u>

Notes:

(1) Settlement amounts per page 2 of this schedule.

(2) Per Schedule WEE-1.

THE NARRAGANSETT BAY COMMISSION
 Adjustment to Natural Gas Costs to Reflect
 National Grid Gas Supply Costs for the Rate Year
 Rate Year Ended June 30, 2015

DETAIL (1)

	COB	BP Admin	BP Plant	BP Exch	BP	FP	TPS	ESPS	FP	IM	Lab
FY 2015 Projected Therms	24,998	6,820	40,502	36,945	84,267	110,595	63,841	19,872	194,308	19,058	18,739
Rates:											
Customer Charge	\$ 70.00	\$ 70.00	\$ 175.00	\$ 175.00		\$ 175.00	\$ 175.00	\$ 70.00		\$ 70.00	\$ 70.00
Avg. Delivery / Therm	0.3239	0.3458	0.3860	0.4377		0.3334	0.3239	0.4059		0.7316	0.3935
Supply (2)	0.8347	0.8347	0.8347	0.8347		0.8347	0.8102	0.8347		0.8347	0.8347
Cost:											
Customer Charge	\$ 840	\$ 840	\$ 2,100	\$ 2,100	\$ 5,040	\$ 2,100	\$ 2,100	\$ 840	\$ 5,040	\$ 840	\$ 840
Delivery	8,097	2,358	15,635	16,171	34,164	36,872	20,678	8,066	65,617	13,943	7,374
Supply	20,867	5,693	33,808	30,839	70,340	92,317	51,726	16,588	160,631	15,908	15,642
Subtotal	\$ 29,803	\$ 8,891	\$ 51,543	\$ 49,110	\$ 109,544	\$ 131,289	\$ 74,504	\$ 25,494	\$ 231,287	\$ 30,691	\$ 23,856
Gross Earnings Tax	\$ 922	\$ 275	\$ 1,594	\$ 1,519	\$ 3,388	\$ 4,060	\$ 2,304	\$ 788	\$ 7,153	\$ 949	\$ 738
Total	\$ 30,725	\$ 9,166	\$ 53,137	\$ 50,629	\$ 112,932	\$ 135,350	\$ 76,808	\$ 26,282	\$ 238,440	\$ 31,640	\$ 24,594

Notes:

(1) Per response to DIV 1-22 except Supply rate per Note (2).

(2) Reflects Composite of following National Grid 2014 GCR rate for 4 Months and 2015 GCR rate for 8 months:

	Line	High Load Factor	All Other	
2014 GCR Rate	(1)	\$ 0.63810	\$ 0.66260	
2014 surcharge	(2)	\$ 0.25820	\$ 0.25820	surcharge effective April-October 2014
Adjusted rate	(3)=(1)+(2)	\$ 0.89630	\$ 0.92080	
2015 Surcharge	(4)	0.12910	0.12910	1/2 of surcharge to reflect annual volumes and most recent estimated deferred cost balance
2015 GCR Rate	(5)=(1)+(4)	\$ 0.76720	\$ 0.79170	
Weighted Rate	(6)	\$ 0.81023	\$ 0.83473	4/12 x line 3 + 8/12 x line 5

THE NARRAGANSETT BAY COMMISSION
 Adjustment to Field's Point and Bucklin Point Chemicals Costs
 Rate Year Ended June 30, 2015

	<u>Hypochlorite</u>	<u>Bisulfate</u>	<u>Sodium Hydroxide</u>	<u>Carbon Feed</u>	<u>Total</u>
FY 2014 Quantity (1)	675,356	201,829	29,683	41,869	
Unit Price (2)	<u>\$ 0.4493</u>	<u>\$ 1.2000</u>	<u>1.4284</u>	<u>1.5200</u>	
Annualized Expense	\$ 303,437	\$ 242,195	\$ 42,399	\$ 63,641	\$ 651,672
Amount per NBC (3)	<u>343,819</u>	<u>237,582</u>	<u>162,481</u>	<u>71,235</u>	<u>815,117</u>
Adjustment to Rate Year Expense	<u><u>\$ (40,382)</u></u>	<u><u>\$ 4,613</u></u>	<u><u>\$ (120,082)</u></u>	<u><u>\$ (7,594)</u></u>	<u><u>\$ (163,445)</u></u>

Notes:

- (1) Reflects actual FY 2014 quantities.
- (2) Current unit prices per Schedule WEE-R10.
- (3) Per Schedule WEE-R10.

THE NARRAGANSETT BAY COMMISSION

Adjustment to Management and Audit Services Costs
Rate Year Ended June 30, 2015

	<u>Amount</u>
FY 2014 Bucklin Point Base Contract (1)	\$ 1,912,350
Projected Increase in CPI-U (2)	<u>1.0140</u>
Estimated FY 2015 Bucklin Point Contract	\$ 1,966,271
Other Management and Audit Expense (3)	<u>128,581</u>
Total Management and Audit Services Expense	\$ 2,094,852
Amount per NBC (4)	<u>2,094,852</u>
Adjustment to Rate Year Expense	<u><u>\$ -</u></u>

Notes:

- (1) Per Schedule WEE-13.
- (2) Based on compound annual growth rate from FY 2011 to FY 2013.
- (3) Per response to DIV 1-28. Reflects FY 2013 actual amount.
- (4) Per Schedule WEE-R11.

THE NARRAGANSETT BAY COMMISSION

Adjustment to Debt Service Expense
Rate Year Ended June 30, 2015

	<u>Amount</u>
Total Debt Service (1)	\$ 44,894,330
Coverage Requirement at 25%	<u>\$ 11,223,583</u>
Total Debt Service and Coverage	\$ 56,117,913
Amount per NBC (2)	<u>56,117,913</u>
Adjustment to Rate Year Expense	<u>\$ -</u>

Note:

(1) Reflects acceptance of current allowance in rates.

(2) Per Schedule WEE-1.

THE NARRAGANSETT BAY COMMISSION

Adjustment to Return Unused Special Master Funds
Rate Year Ended June 30, 2015

	<u>Amount</u>
Special Master Fund Balance	\$ 161,674
Amortization Period	<u>2</u>
Annual Amortization	\$ 80,837
Amount per NBC Filing	<u>-</u>
Amortization to Revenue	<u><u>\$ 80,837</u></u>

Note:

(1) Per response to COMM 1-47.

THE NARRAGANSETT BAY COMMISSION

Calculation of Uniform Percentage Increase
Based on Division Recommended Revenue Increase
Rate Year Ended June 30, 2015

Recommended Revenue Increase (1)	<u><u>\$ 3,544,941</u></u>
Revenues from Services Subject to Increase (2)	
Flat Fees-Residential	\$ 23,932,359
Measured Fees-Residential	27,511,057
Flat Fees-Commercial and Industrial	13,920,075
Measured Fees-Commercial	22,569,231
Measured Fees-Industrial	1,295,997
Total Revenue Subject to Increase	<u><u>89,228,719</u></u>
Uniform Percentage Increase	<u><u>3.97%</u></u>

Notes:

(1) Per Schedule TSC-1

(2) Per Schedule TSC-15.

THE NARRAGANSETT BAY COMMISSION

Calculation of Proposed Rates and
Proof of Revenues at Present and Proposed Rates
Rate Year Ended June 30, 2015

	<u>Current Rate</u>	<u>Increase</u>	<u>Proposed Rates</u>	<u>Billing Units (1)</u>	<u>Revenue at Present Rates</u>	<u>Revenue at Proposed Rates</u>
Flat Fees						
Residential	\$ 202.47	3.97%	\$ 210.51	118,202	\$ 23,932,359	\$ 24,882,703
<u>Commercial & Industrial</u>						
Meter Size						
5/8"	\$ 484	3.97%	503.00	3,666	1,774,344	1,843,998
3/4"	723	3.97%	752.00	1,022	738,906	768,544
1"	1,202	3.97%	1,250.00	1,160	1,394,320	1,450,000
1.5"	2,413	3.97%	2,509.00	841	2,029,333	2,110,069
2"	3,853	3.97%	4,006.00	1,373	5,290,169	5,500,238
3"	7,219	3.97%	7,506.00	76	548,644	570,456
4"	12,030	3.97%	12,508.00	38	457,140	475,304
6"	24,069	3.97%	25,025.00	47	1,131,243	1,176,175
8"	38,509	3.97%	40,039.00	13	500,617	520,507
10"	55,359	3.97%	57,558.00	1	55,359	57,558
Total Commercial & Industrial Flat Fees				8,237	\$ 13,920,075	\$ 14,472,849
Measured Fees						
Residential	\$ 3.267	3.97%	3.397	8,420,893	27,511,057	28,605,774
Commercial	4.738	3.97%	4.926	4,763,451	22,569,231	23,464,760
Industrial	3.046	3.97%	3.167	425,475	1,295,997	1,347,479
Total Measured Fees					\$ 51,376,285	\$ 53,418,012
Other Revenue					\$ 3,224,114	\$ 3,224,114
Total Revenue					\$ 92,452,833	\$ 95,997,678
Target Revenue (2)						95,997,774
Variance						\$ (96)

Notes:

(1) Per Schedule WEE-15

(2) Per Schedule TSC-1.