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January 21, 2014

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

Re: Docket 4478 - Narragansett Bay Commission

Dear Ms. Massaro:

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

1. The Narragansett Bay Commission's Response to the Division of Public Utilities And Carriers' First Set of Data Requests.

Please note that an electronic copy of this filing has been sent to the service list. Thank you for your attention to this matter.

Sincerely,

Joseph A. Keough Jr.

JAK/kf
Enclosures

DIV 1.1 Please provide a copy of Mr. Edge's Schedules in Excel format with all formulas and links intact.

Answer: See Attached.

Prepared by: WEE

DIV 1-2. Referring to Schedule WEE-1, please state whether it is correct that the amounts in the column titled "Adjustments" are simply the difference between the FY 2013 actual expenses and the projected FY 2014 rate year expensed approved in Docket No. 4364. If not, please explain any differences.

Answer: No, the "Adjustments" are the difference between the normalized test year ending 6/30/2013 and the 2014 rate year expenses approved in Docket 4364. See WEE-1A which shows the adjustments to the 2013 actual amounts to achieve the normalized test year amounts. These adjustments are required to reflect the projected interim year costs which were used to establish NBC's current rates. Change(s) identified by NBC as well as additional change(s) identified by the Division through this rate case can be made as rate year adjustments.

Prepared by: WEE

DIV 1-3. Please provide a reconciliation of Grant Revenues and Grant Operating Expenses in FY 2013 as reflected in the test year adjustments on Schedule WEE-1A.

Answer: Grant revenue received in FY 2013 was the following:

Grant Revenue

$	4,900	SIG Grant
	9,900	SIG Grant
	90	Energy Efficiency Tech. Assistance
$	14,890	

Grant Expenses

$	4,900	University of Rhode Island (reimbursed in FY 13)
	15,672	Grant revenue received in FY 2013 used for other services
$	20,572	

Prepared by: WEE

DIV 1-4. Please explain how the $13,000 adjustment to Public Outreach Education shown on Schedule WEE-1A was determined.

Answer: See attached account analysis report for detailed expenses.

Prepared by: WEE

ORACLE Subledger Accounting

Account Analysis Report

Report Date **07-Jan-14**

NARRAGANSETT BAY COMMISSION Date From **2012-07-01T00:00:00.000-04:00** Date To **2013-06-30T00:00:00.000-04:00**

Ledger / Ledger Set	**NARRAGANSETT BAY COMMISSION**
Period From	**JUL-13**
Period To	**JUN-13**
Accounting Flexfield From	**02-085-00-53370**
Accounting Flexfield To	**02-085-00-53370**
Balance Type	**Actual**
Encumbrance Type / Budget Name	
Include Zero Amount Lines	**No**
Include User Transaction Identifiers	**No**
Include Statistical Amount Lines	**No**
Include Accounts With No Activity	**No**

ORACLE Subledger Accounting

Account Analysis Report

Report Date **07-Jan-14**

NARRAGANSETT BAY COMMISSION Date From **2012-07-01T00:00:00.000-04:00** Date To **2013-06-30T00:00:00.000-04:00**

Ledger Name	**NARRAGANSETT BAY COMMISSION**	Ledger Currency	**USD**	Balance Type	**Actual**

Account	**02-085-00-53370**	Description	**NARRAGANSETT BAY COMMISSI-ENVIRONMENTAL ENFORCEMENT-DEFAULT-PUBLIC OUTREACH EDUCATION**

Beginning Balance for Period	JUL-13	**0.00**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Payables	Purchase Invoices	Jul 19, 2012	Invoices	00426	contribution to the Leonard Walker Memorial Scholarship Fund	3,500.00	
					METROPOLITAN REGIONAL CAREER & TECHNICAL CENTER		
					Period Total	3,500.00	0.00

Ending Balance for Period	JUL-13	**3,500.00**	**0.00**

Beginning Balance for Period	NOV-13	**3,500.00**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Payables	Purchase Invoices	Nov 8, 2012	Invoices	10102012-3078	EEF grant for Johnston Historical Society and the historic Belknap School	2,500.00	
					JOHNSTON HISTORIC SOCIETY		
					Period Total	2,500.00	0.00

Ending Balance for Period	NOV-13	**6,000.00**	**0.00**

Beginning Balance for Period	JAN-13	**6,000.00**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Payables	Purchase Invoices	Jan 3, 2013	Invoices	10262012-2832	EEF grant award to the Providence Children's Museum	5,000.00	
					PROVIDENCE CHILDRENS MUSEUM		
					Period Total	5,000.00	0.00

Ending Balance for Period	JAN-13	**11,000.00**	**0.00**

Beginning Balance for Period	MAR-13	**11,000.00**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Payables	Purchase Invoices	Mar 1, 2013	Invoices	01252013-2579	EEF Grant 12-005 for Governor's Bay Day	2,000.00	
					RI NATIONAL HISTORY SURVEY		
					Period Total	2,000.00	0.00

Ending Balance for Period	MAR-13	**13,000.00**	**0.00**

Account Total	**13,000.00**	**0.00**
Ledger Total	**13,000.00**	**0.00**

End of Report

DIV 1-5. Please identify the number of union and non-union regular and non-union limited employees in each month from July 1, 2012 through the most recent month available.

Answer:

	Non-Union	Union	Non-Union Limited
Jul-12	120	125	6
Aug-12	120	125	6
Sep-12	123	127	-
Oct-12	123	127	-
Nov-12	124	127	-
Dec-12	125	128	-
Jan-13	126	127	-
Feb-13	125	126	-
Mar-13	126	125	-
Apr-13	126	127	-
May-13	126	129	-
Jun-13	125	129	-
Jul-13	123	129	11
Aug-13	123	127	11
Sep-13	122	125	-
Oct-13	126	125	-
Nov-13	125	126	-
Dec-13	125	127	-

Prepared by: WEE

DIV 1-6. Please identify the 7/1/2013 contracted step increases and COLA/Merit increases if different than reflected on Schedule WEE-4 in Docket No. 4364.

Answer: The Union salary step and COLA increases did not change from the amounts reflected in WEE-4 in Docket No. 4364. The average Non-Union merit increases were 3.83% and 4.15% for fiscal year 2013 and 2014 respectively.

Prepared by: WEE

DIV 1-7. Please provide supporting documentation for the employer contribution rates of 24.33 percent for Union Retirement and 6.75 percent for Union Retiree Health shown on Schedule WEE-4.

Answer: These figures are from the State of Rhode Island Budget Office. See Attached.

Prepared by: WEE

Table 1

Planning Values for the FY 2014 Revised and FY 2015 Budgets

	RIFANS Natural Account	FY2014 Enacted	FY2014 Revised Budget	FY2015 Planning	Notes
Retirement					
State Employees					
Regular	620100	23.05%	23.05%	23.33%	Applied to salaries of permanent employee
Defined Contribution	620110	1.00%	1.00%	1.00%	
Judges	620300	27.28%	27.28%	28.32%	Applied to salaries of judges hired after 12/31/89
State Police	620200	14.45%	14.45%	17.24%	Applied to salaries of State Police hired after 7/1/87
Teachers	671300		20.68%	22.58%	
State Share			8.27%	*tbd*	Burrillville, East Greenwich, Little Compton, New Shorham and Nort
Local Share			12.41%	*tbd*	Smithfield
Defined Contribution	671310	0.40%	0.40%	0.40%	State Share
Retiree Health Insuranc					
State Employees					
Regular	626300	7.07%	7.07%	6.75%	Applied to salaries of permanent employees
Judges	626320	0.12%	0.12%	0.12%	
Legislators	626330	0.00%	0.00%	0.00%	
State Police	626310	39.00%	39.00%	39.00%	
FICA					
Social Security Rate	621110	6.20%	6.20%	6.20%	This portion of FICA is calculated on salaries and OT
					up to an established level on a calendar year basis. Th
					estimated salary limits for affected calendar years ar
					2014 $117,500 (estimated by Budget Office)
					2015 $121,400 (estimated by Budget Office)
Medicare Tax	621120	1.45%	1.45%	1.45%	This portion of FICA is applied to 100% of salaries and OT
Assessed Fringe					
Benefit	626100	3.75%	4.25%	4.25%	Applied to direct salaries (excluding OT)
Exception Rate	626110	1.90%	1.96%	1.96%	State Police Troopers, Military Staff, Fire Marshals, Lottery, State Marshalls, Sheriffs Capitol Police, and Fugitive Task Force Members, Environ. Police and Environ. Criminal Investigators
	626110	3.49%	3.77%	3.77%	URI, RIC and CCRI Academic Year Faculty
Unemployment Compensatior	626200				Budgeted under assessed fringe benefit
Worker's Compensatior	625xxx				Budgeted under assessed fringe benefit

DIV 1-8. Please identify the actual employer contribution percentage and contributed amounts for Union Retirement and Union Retiree Health for FY 2013.

Answer: The employer contribution percentages and amounts in FY 2013 were the following:

Union Retirement:	Percentage		Amount
Defined Benefit	21.18%	$	1,164,519
Defined Contribution	1.00%		52,714
Union Retiree Health:	6.86%		375,736

Prepared by: WEE

DIV 1-9. Please provide supporting workpapers and supporting documentation showing the derivation of the weighted average health insurance of 6.85% and dental insurance premiums of 6.0% shown on Schedule WEE-5. Include the current actual premiums and support for all assumptions regarding projected increases. Include an electronic copy in Excel format.

Answer:

Projected increase in ER Share of Health and Dental Premiums

Annual Health Premium	FY 2012	FY 2013	FY 2014	Average % Increase	Projected FY 2015
Family	$ 18,585	$ 20,057	$ 21,712	8.41%	$ 23,538
Single	6,801	7,340	7,945	8.41%	8,614

	FY 2013	FY 2014	FY 2015
EE Co-Pays	16%	20%	20%
actual avg. based on salary	14.9%	18.6%	18.6%
Employer Increase			6.85%

Annual Dental Premium	FY 2012	FY 2013	FY 2014	Negotiated CAP	Projected FY 2015
Family	$ 1,078	$ 1,159	$ 1,229	6.0%	$ 1,302
Single	371	399	423	6.0%	449

Prepared by: WEE

DIV 1-10. To the extent not provided in the previous question, please identify the current number of employees who take family, single and waiver for medical and dental insurance and identify the actual FY 2014 premiums for each type of coverage or waiver. Also show the amount of the premiums subject to copays. Include an electronic copy in Excel format.

Answer:

Health	Employees
Family	166
Single	57
Waiver	29

Dental	
Family	185
Single	57
Waiver	10

Health:
Unitedhealthcare: July 1, 2013 to June 30, 2014
Annual Premium:

Family	$ 21,711.60
Single	7,945.32
Waiver	2,500.00

Dental:
Delta Dental: July 1, 2013 to June 30, 2014

Family	$ 1,228.44
Single	423.48
Waiver	110.00

The entire health insurance premium is subject to co-pays.

Prepared by: WEE

DIV 1-11. Please state whether the employee copays for medical of dental insurance are changing in FY 2015. If yes, provide details.

Answer: No.

Prepared by: WEE

DIV 1-12. Please state whether there has been any change in the status of the former employees eligible for Workers Compensation – Old Claims provided in the responses to DIV. 1-10 and DIV. 2-4 in Docket No 4364. If yes, provide details.

Answer: Yes, see table below.

Claimant	Date of Loss	Status
Former Employee 1	9/21/1983	Deceased
Former Employee 2	12/19/1988	Deceased
Former Employee 3	12/4/1993	No longer in college - Ineligible
Former Employee 4	8/26/199	Claim - Closed
Former Employee 5	11/15/1984	Continue - est. $1,000/year

Prepared by: WEE

DIV 1-13. With regard to Schedule WEE-6, please state whether any change in billing frequency for any NBC customers during FY 2011 through FY 2013 or any other material changes in mailing practices that contributed to increased mailings during this period. If yes, provide details. If not, please explain to what NBC attributes the increased postage costs other than postage rate increases.

Answer: There has been a trending increase in the number of bills mailed over the past three years and postage rates have increased every year for the past 3 years. The USPS has announced a $0.03 or 7% increase in January 2014. See table below for bill history.

	Bills Mailed
FY 2011	925,209
FY 2012	936,094
FY 2013	977,919

Prepared by: WEE

DIV 1-14. Please identify the primary postage rates that NBC paid in each year from FY 2011 through FY 2013 and currently and identify the amounts and dates of the changes.

Answer: See below:

Historic First Class Postage Rates		
May 11, 2009	$	0.44
January 22, 2012	$	0.45
January 27, 2013	$	0.46
January 26, 2014	$	0.49

Historic Bulk Postage Rates		
May 11, 2009	$	0.34
January 22, 2012	$	0.35
January 27, 2013	$	0.36
January 26, 2014*	$	0.39

* Rate increase was announced and is based on the first class postage rate increase

Prepared by: WEE

DIV 1-15. Please provide the dry tons of biosolids production at Field's Point by month for FY 2011 through FY 2014 to date. Include an electronic copy in Excel format.

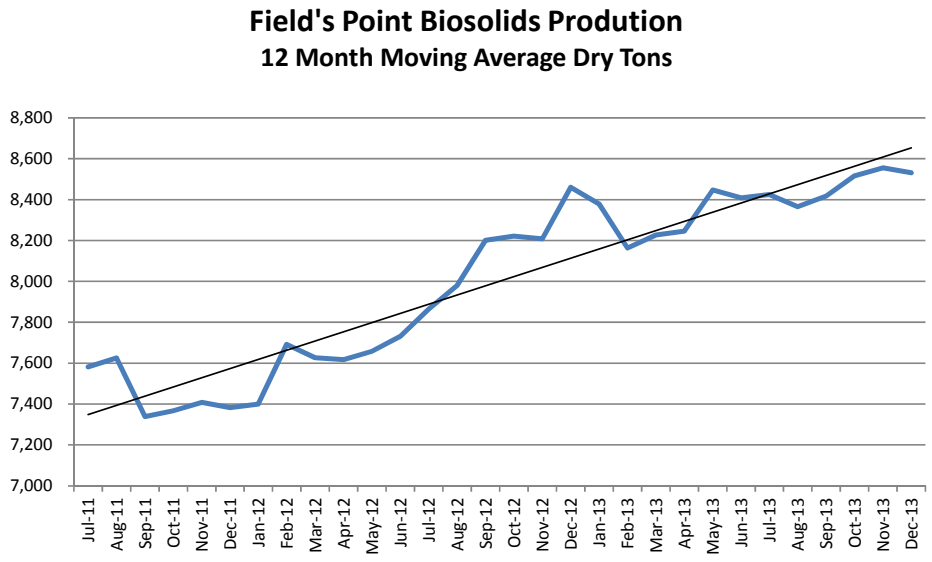
Answer: See below and attached.

DT	Field's Point
Jul-10	630
Aug-10	612
Sep-10	544
Oct-10	569
Nov-10	609
Dec-10	592
Jan-11	608
Feb-11	663
Mar-11	695
Apr-11	737
May-11	689
Jun-11	636
Jul-11	673
Aug-11	326
Sep-11	572
Oct-11	611
Nov-11	582
Dec-11	610
Jan-12	899
Feb-12	598
Mar-12	685
Apr-12	778
May-12	762
Jun-12	770
Jul-12	787
Aug-12	548
Sep-12	592
Oct-12	597
Nov-12	835
Dec-12	529
Jan-13	682
Feb-13	662
Mar-13	704
Apr-13	979
May-13	725
Jun-13	785
Jul-13	727
Aug-13	600
Sep-13	691
Oct-13	636
Nov-13	810
Dec-13	1,017

Prepared by: WEE

DIV 1-16. Please provide supporting documentation for the assumption that the biosolids production at Field's Point will continue to increase beyond the most recent levels.

Answer: The figures clearly show an increasing trend with respect to biosolids production and according to NBC's Operations Manager this is the result of higher treatment levels achieved through the new BNR facilities at Field's Point. The facilities went on line in April 2013 and the chart below shows that on a 12-month moving average (which adjusts for seasonal impacts) the annual production is clearly trending upward. Simply straight-lining dry ton production from April 2013 through December 2013 results in an annual production of nearly 9,300 dry tons for FY 2014, the interim year in this docket.



Prepared by: WEE

DIV 1-17. With regard to Schedule WEE-8:

a. Please identify when the new service agreements for the New Fields Point facilities and the Laboratory instruments include on Schedule WEE-7 in Docket No. 4364 took effect.

b. Please provide Maintenance and Service agreement expense for FY 2014 to date.

Answer: a. See table below.

Field's Point	**Amount**	**Effective**
IFAS Analyzers, transmitters, meters, etc.	65,354	FY 2013
Plant Computer servers	1,500	FY 2014
TPS Pump RTU unit	1,210	FY 2014
Precision	625	FY 2014
Central Nursery - Admin. Bldg. Ground Maint.	2,000	FY 2014
	$ 70,689	
Laboratory		
Desco	4,200	FY 2013
Lachat	7,467	FY 2013
Perkin Elmer	12,396	FY 2013
OI Analytical	9,252	FY 2013
Metrohm	4,430	FY 2013
	$ 37,745	

b. It is $ 345,744 through 12/31/13.

Prepared by: WEE

DIV 1-18. With regard to Schedule WEE-9, please provide a breakdown of insurance expense for each year according to the various policies included. Include an electronic copy in Excel format.

Answer: See attached schedules.

Prepared by: WEE

DIV 1-19. With regard to Schedules WEE-9 and WEE-10, please state whether the amounts in any year include refunds or rebates for prior or current year premiums. If yes, please provide complete details.

Answer: The only refund or rebate for insurance was $409 in fiscal year 2013 which resulted from an annual auto insurance audit.

NBC received workers compensation rebates of $12,354.06 and $10,954.11 in fiscal year 2012 and 2013 respectfully. Increased premiums resulting from the audit of the prior fiscal year are also reflected in the Workers' Compensation expense account.

Prepared by: WEE

DIV 1-20. To the extent not previously provided, please identify the most recent renewal premium for each insurance policy and the policy period.

Answer: The FY 2014 premiums included in response to DIV 1-18 are the most recent rates.

Prepared by: WEE

DIV 1-21. Please provide the natural gas usage at each location shown on Schedule WEE-9 in Docket No. 4364 for FY 2013 and for FY 2014 to date and for the 12 months ended December 31, 2013. Please state when the new Field's Point facilities shown on that schedule became operational.

Answer: See below.

	Therms		
	FY 2013	**CY 2013**	**7/1/13 - 12/31/13**
Field's Point*	178,328	192,763	56,484
Bucklin Point	78,929	76,269	12,404
IM	16,249	16,845	3,408
COB	22,927	24,956	10,189
LAB	15,008	14,824	2,967

*Field's Point meter includes New FP Facilities, effective April 2013

Prepared by: WEE

DIV 1-22. Please state whether NBC is aware of any significant changes in National Grid's rates for natural gas delivery service that NBC believes should be recognized. If yes, please provide the current delivery rates per therm and show the derivation of those rates for each location.

Answer: Yes, There are new National Grid natural gas delivery service rates as of January 1, 2014. The current derivation of rate per them is shown in the following table and this will be updated and provided to the Division once NBC receives actual billings from National Grid with the new rates.

	COB	*BP*	*FP*	*IM*	*Lab*	*Proj. Total*
FY 2015 Projected Therms	23,141	84,257	204,711	14,229	12,163	338,501
FY 2015 Projected Cost	$ 25,118	$ 101,227	$ 222,891	$ 21,759	$ 14,486	$ 385,481

therms $

DETAIL

	COB	*BP Admin*	*BP Plant*	*BP Exch*	*BP*	*FP*	*FP Admin*	*TPS*	*ESPS*	*FP*	*IM*	*Lab*
FY 2015 Projected Therms	23,141	5,663	30,403	48,191	84,257	89,805	36,658	55,585	22,663	204,711	14,229	12,163
FY 2015 Projected Cost	$ 25,118	$ 6,929	$ 35,975	$ 58,324	$ 101,227	$ 97,162	$ 38,777	$ 60,419	$ 26,533	$ 222,891	$ 21,759	$ 14,486
Rates:	*COB*	*BP Admin*	*BP Plant*	*BP Exch*	*BP*	*FP*	*FP Admin*	*TPS*	*ESPS*	*FP*	*IM*	*Lab*
Customer Chg.	$ 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	0.3334	0.3239	0.4059		0.7316	0.3935
Supply	0.6927	0.6927	0.6927	0.6927		0.6927	0.6927	0.6927	0.6927		0.6927	0.6927
Customer Chg.	$ 840.00	$ 840.00	$ 2,100.00	$ 2,100.00	$ 5,040.00	$ 2,100.00	$ -	$ 2,100.00	$ 840.00	$ 5,040.00	$ 840.00	$ 840.00
Delivery	7,495	1,958	11,736	21,093	34,788	29,941	12,222	18,004	9,199	69,366	10,410	4,786
Supply	16,029	3,923	21,059	33,381	58,363	62,206	25,392	38,502	15,698	141,798	9,856	8,425
Subtotal	$ 24,365	$ 6,721	$ 34,896	$ 56,574	$ 98,190	$ 94,247	$ 37,614	$ 58,606	$ 25,737	$ 216,204	$ 21,106	$ 14,051
Gross Earnings Tax	$ 754	$ 208	$ 1,079	$ 1,750	$ 3,037	$ 2,915	$ 1,163	$ 1,813	$ 796	$ 6,687	$ 653	$ 435
Total	**$ 25,118**	**$ 6,929**	**$ 35,975**	**$ 58,324**	**$ 101,227**	**$ 97,162**	**$ 38,777**	**$ 60,419**	**$ 26,533**	**$ 222,891**	**$ 21,759**	**$ 14,486**
With RIGET	1.0854				1.2014					1.0888	1.5292	1.1910

Prepared by: WEE

DIV 1-23. Please provide the electricity usage at each location shown on Schedule WEE-10 in Docket No. 4364 for FY 2013 and for FY 2014 to date and for the 12 months ended December 31, 2013. Also provide the generation from the Field's Point for the same time periods. Please state when the new Field's Point facilities shown on that schedule became operational.

Answer: The new Field's Point facilities became operational during fiscal year 2013, with testing of the facilities in April 2013. In addition, it is worth noting that NBC is under a Consent Agreement to begin BNR operation at Bucklin Point on May 1, 2014 and this is projected to increase electricity use by approximately 1.4 million kWh (see attached BP Projected Operational Cost Impact). The FY and CY 2013 usage and generation are in the table below:

	kWh		
	FY 2013	**CY 2013**	**7/1/13 - 12/31/13**
Field's Point*	15,342,757	14,714,507	8,170,710
Bucklin Point	13,186,000	12,288,000	5,900,000
IM	964,534	838,879	359,730
COB	1,365,800	1,378,800	729,000
Wind Turbines	N/A	6,439,483	2,485,656

*Field's Point meter includes New FP Facilities, effective April 2013

Prepared by: WEE

2014 BUCKLIN POINT CONTRACT 809 ADDITIONAL OPERATIONS COST

Equipment/System	Operating Conditions	Assumptions	Rated Motor HP, Each	KWH/YR	Chemical usage/ YR	Estimated Cost Per Year
A. Bioreactors						
- Aeration blowers	Three bioreactors on line	Negligible change from existing				
- Internal recycle pumps	Three bioreactors on line	Negligible change from existing				
- Pre anoxic mixers	Three bioreactors on line	Negligible change from existing				
- Post anoxic mixers, Cells C-1 and C-2	Three bioreactors on line	4-stage BNR operation 8 months/yr	7.5	207917		$ 22,060
- Post anoxic mixers, Cell D-1	Three bioreactors on line	4-stage BNR operation 8 months/yr	10	138612		$ 14,707
SUBTOTAL						***$ 36,767***
B. Secondary clarifiers/RAS Pumping						
- Secondary clarifiers	Six clarifiers on-line	Negligible change from existing				
- WAS Pumping (from RAS PS#1 to GBT Bldg)	24/7 operation	Negligible change from existing				
- RAS Pumping [delta from previous]	RAS rate 21 mgd, 24/7	Increase from 15 mgd		369654		$ 39,220
SUBTOTAL						***$ 39,220***
C. WAS Thickening						
- WAS storage mixing system (compressor)	24/7 operation	Compressor motor ON 25% of time	20	35134		$ 3,728
- WAS GBT feed pumping	24/7 operation	One pump in service	15	105403		$ 11,183
- GBTs (belt drive, hydraulic power and booster pump)	24/7 operation	One GBT in service	11.5	80809		$ 8,574
- Odor control system (fan)	24/7 operation		7.5	52701		$ 5,592
- Polymer system (pumps and mixers)	24/7 operation	One GBT polymer feed pump	10.5	73782		$ 7,828
- DAFs (deduction)	24/7 operation	One DAF in service	44	309181		$ (32,804)
- Polymer usage [delta from previous] (lbs/yr)	24/7 operation	GBT: 10lb/DT; DAF: 5 lb/DT			16699	$ 2,004
- TWAS Pumping (to digesters)	24/7 operation	Negligible change from existing				
SUBTOTAL						***$ 6,104***
D. Sidestream Equalization						
- Centrate pumping to EQ	8 hr/day, 6 day/week	Digester PS typically not operating	5	10038		$ 1,065
- Sidestream EQ mixing	24/7 operation, 2 EQ tanks		15	210805		$ 22,366
- Sidestream EQ aeration blowers	24/7 operation, 1 blower		15	105403		$ 11,183
- Sidestream pumping to process	24/7 operation	1 pump	15	105403		$ 11,183
- Odor control system fan	24/7 operation		10	70268		$ 7,455
- Building Systems in Sidestream Bldg (& Vehicle storage)	24/7 operation	6 months per year	15	52701		$ 5,592
SUBTOTAL						***$ 58,845***
E. Carbon Storage/Use						
- Supplemental Carbon Use (gal/yr)	24/7 operation	Allowance of 100 gpd, 8 months/yr			24000	$ 61,200
- Building Systems in Carbon Bldg	24/7 operation	6 months per year	29.5	103646		$ 10,997
SUBTOTAL						***$ 72,197***

TOTAL DIFFERENTIAL OPERATIONS COST **$ 213,000**

Energy cost (per KWH)	$0.1061
Assumed motor/drive efficiency	0.93
Supplemental carbon cost (per gallon)	$2.55
Polymer cost (per lb)	$0.12

DIV 1-24. Please provide details regarding any REC sales including quantities and prices by month.

Answer: The sale of the first and second quarter RECs totaling 3,839 were sold at $64/REC for a total of $245,696.

Prepared by: WEE

DIV 1-25. Please state whether NBC is aware of any significant changes in National Grid's rates for electric distribution service that NBC believes should be recognized. If yes, please provide the current customer charge, average delivery rate per kWh and average capacity rate per kWh comparable to the information provided in DIV 1-18 in Docket No. 4364. Include an electronic copy in Excel format.

Answer: NBC is not aware of any changes to the National Grid electricity delivery service rates.

Prepared by: WEE

DIV 1-26. With regard to Chemicals Expense:

a. Please provide the most recent known prices for each chemical used including hypochlorite, bisulfate, carbon feed and sodium hydroxide.

b. Please provide the quantity of each chemical used in FY 2013 and in each month of CY 2013.

Answer:

a. NBC recently bid sodium hypochlorite – winning bid of $ 0.5611 per gallon and bisulfite – winning bid of $ 1.3772 per gallon. The carbon feed and sodium hydroxide used at Field's Point were provided through the construction contract as part of the testing process in 2013. NBC will be responsible for the operation of these facilities this spring. NBC will need to purchase those chemicals and will provide the bid/price information to the Division once it is available. The Bucklin Point nitrogen removal facilities also contemplate the use of carbon feed in the rate year but these facilities are not yet on line. Please see the DR 1-23 BP Projected Operational Cost Impact attachment which shows the projected chemical use in the rate year.

b. See following tables:

Field's Point	Hypochlorite	Bisulfite
FY 2013 Gallons	575,050	199,570
Jan-13	20,704	9,479
Feb-13	33,892	14,471
Mar-13	62,926	19,669
Apr-13	48,518	19,254
May-13	47,468	14,730
Jun-13	137,212	39,128
Jul-13	39,578	14,288
Aug-13	73,384	19,255
Sep-13	61,224	14,650
Oct-13	41,506	14,775
Nov-13	54,640	9,786
Dec-13	55,344	19,768
CY 2013 Gallons	676,395	209,252

Bucklin Point	Hypochlorite	Bisulfite
FY 2013 Gallons	29,538	77,263
Jan-13	-	-
Feb-13	-	-
Mar-13	5,940	44,141
Apr-13	-	-
May-13	11,744	-
Jun-13	-	-
Jul-13	11,965	-
Aug-13	-	-
Sep-13	6,077	-
Oct-13	5,992	33,122
Nov-13	-	-
Dec-13	-	-
CY 2013 Gallons	41,718	77,263

Polymer	Unit	Rate	Rate Year
(Gallons)	16,699	$0.12	$ 2,004

Carbon	Unit	Rate*	Rate Year
(Lbs.)	24,000	$2.09	50,160

Rate Year $ 52,164

* Rate reflects actual costs paid at Field's Point
Does not tie to the BP Projected Operational Cost Impact

	These figures reflect deliveries not necessarily use		
	Carbon C Gallons	**Rate**	**Amount**
FY 2013	68,578		
CY 2013			
3/13/2013	1,883	$ 2.09	$ 3,935.47
3/13/2013	4,393	2.09	9,181.37
4/1/2013	4,481	2.09	9,365.29
4/1/2013	4,501	2.09	9,407.09
4/5/2013	4,333	2.09	9,055.97
4/5/2013	4,497	2.09	9,398.73
4/15/2013	4,213	2.09	8,805.17
4/15/2013	4,465	2.09	9,331.85
4/23/2013	4,420	1.99	8,795.80
4/23/2013	4,275	1.99	8,507.25
4/26/2013	4,337	1.99	8,630.63
5/24/2013	4,508	1.99	8,970.92
5/30/2013	4,398	1.99	8,752.02
6/14/2013	4,367	2.09	9,127.03
6/14/2013	3,284	2.09	6,863.56
6/27/2013	1,719	2.09	3,592.71
7/5/2013	4,504	2.09	9,413.36
	68,578		$ 141,134
Alternate Product Tested			
7/1/2013	5,000	1.50	7,500.00
7/3/2013	2,000	1.50	3,000.00
	7,000		$ 10,500.00
Total CY	75,578		$ 151,634.22

	These figures reflect deliveries not necessarily use		
	Caustic Tons	**Rate**	**Amount**
FY 2013	293		
CY 2013			
3/11/2013	17.07	$597.50	$10,199.33
3/11/2013	15.98	$597.50	$9,548.05
3/11/2013	16.95	$597.50	$10,127.63
3/19/2013	16.74	$597.50	$10,002.15
3/19/2013	16.72	$597.50	$9,990.20
4/8/2013	15.90	$597.50	$9,500.25
4/8/2013	15.93	$597.50	$9,518.18
4/16/2013	16.61	$597.50	$9,924.48
6/5/2013	15.47	$597.50	$9,243.33
6/5/2013	16.18	$597.50	$9,667.55
6/5/2013	16.11	$597.50	$9,625.73
6/5/2013	16.13	$597.50	$9,637.68
6/12/2013	16.00	$597.50	$9,560.00
6/12/2013	16.40	$597.50	$9,799.00
6/14/2013	16.09	$597.50	$9,613.78
6/26/2013	15.89	$597.50	$9,494.28
6/26/2013	16.51	$597.50	$9,864.73
6/26/2013	15.82	$597.50	$9,452.45
9/11/2013	16.21	$599.59	$9,719.36
9/12/2013	15.85	$599.59	$9,503.51
9/13/2013	15.99	$599.59	$9,587.45
9/16/2013	15.65	$599.59	$9,383.59
9/17/2013	15.86	$599.59	$9,509.51
9/18/2013	15.16	$599.59	$9,089.79
9/19/2013	15.68	$599.59	$9,401.58
9/20/2013	16.24	$599.59	$9,737.35
Total CY	419.14		$250,700.90

Prepared by: WEE

DIV 1-27. With regard to Schedule WEE-13, please explain why the FY 2013 Base Contract cost differs from the FY 2013 Base Contract cost in Docket No. 4364 given that amount was identified as the actual expense. Also, please provide the source documentation for the CPI values shown.

Answer: Schedule WEE-13, incorrectly showed the base contract in FY 2013 as $1,912,350 but it is actually the FY 2014 base contract. The FY 2013 base contract as identified in Docket 4364 remains the same. See the attached REVISED WEE-13 Schedule and the CPI source documentation.

Prepared by: WEE

Bucklin Point Management Contract				**Rate Year**
Base Contract FY 2014	$	1,912,350		
CPI		103.39%		
FY 2015 Base Contract	$	1,977,185		
Base Contract FY 2015				1,977,185
Other Mgmt and Audit Expense*				193,000
		Rate Year	$	2,170,185
		Interim Year		2,128,756
		Rate Year Adjustment	**$**	**41,429**

CPI Calculation	
4/1/2011	224.906
4/1/2012	230.09
4/1/2013	232.53
% Change	103.39%

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

DR 1-27 ATTACHMENT, CPI SOURCE

Databases, Tables & Calculators by Subject

FONT SIZE:

Change Output Options: From: 2003 To: 2013 GO

Include graphs

More Formatting Options

Data extracted on: May 30, 2013 (10:16:35 AM)

Consumer Price Index - All Urban Consumers

Series Id: CUUR0000SA0
Not Seasonally Adjusted
Area: U.S. city average
Item: All items
Base Period: 1982-84=100

Download: .xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2003	181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185.0	184.5	184.3	184.0	183.3	184.6
2004	185.2	186.2	187.4	188.0	189.1	189.7	189.4	189.5	189.9	190.9	191.0	190.3	188.9	187.6	190.2
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	195.3	193.2	197.4
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	201.6	200.6	202.6
2007	202.416	203.499	205.352	206.686	207.949	208.352	208.299	207.917	208.490	208.936	210.177	210.036	207.342	205.709	208.976
2008	211.080	211.693	213.528	214.823	216.632	218.815	219.964	219.086	218.783	216.573	212.425	210.228	215.303	214.429	216.177
2009	211.143	212.193	212.709	213.240	213.856	215.693	215.351	215.834	215.969	216.177	216.330	215.949	214.537	213.139	215.935
2010	216.687	216.741	217.631	218.009	218.178	217.965	218.011	218.312	218.439	218.711	218.803	219.179	218.056	217.535	218.576
2011	220.223	221.309	223.467	224.906	225.964	225.722	225.922	226.545	226.889	226.421	226.230	225.672	224.939	223.598	226.280
2012	226.665	227.663	229.392	230.085	229.815	229.478	229.104	230.379	231.407	231.317	230.221	229.601	229.594	228.850	230.338
2013	230.280	232.166	232.773	232.531											

1-28. Please identify the amount incurred for Other Management and Audit expense in FY 2011 through FY 2013.

Answer:

	Other Mgmt. Audit
FY 2011	$ 148,720
FY 2012	67,827
FY 2013	128,581

Prepared by: WEE

DIV 1-29. Please identify the amount incurred for Other Regulatory expense in FY 2011 through FY 2013.

Answer:

	Other Regulatory Expense
FY 2011	$ 88,212
FY 2012	19,495
FY 2013	48,837

Prepared by: WEE

DIV 1-30. Please provide the number of dwelling units and the number of non-residential meters by size as of the most recent date available.

Answer: See the data below as of December 31, 2013 vs. Rate Year as filed.

	12/31/13	Rate Year as filed	Difference	Flat Rate as Filed	Revenue Shortfall
Residential Dwelling Units	118,070	118,021	49	$ 212.29	$ 10,402
Non-Residential Meters					
5/8"	3,663	3,685	(22)	507	(11,154)
3/4"	1,028	1,016	12	758	9,096
1"	1,153	1,161	(8)	1,260	(10,080)
1 1/2"	843	843	-	2,530	-
2"	1,375	1,457	(82)	4,040	(331,280)
3"	77	84	(7)	7,569	(52,983)
4"	40	41	(1)	12,613	(12,613)
6"	49	52	(3)	25,237	(75,711)
8"	12	13	(1)	40,378	(40,378)
10"	1	1	-	58,044	-
	8,241	8,353	(112)	152,936	$ (514,701)

Prepared by: WEE

DIV 1-31. Please provide a copy of the most recently updated multi-year Capital Improvement Program.

Answer: See attached.

Prepared by: WEE

DIV 1-32. Please provide the actual residential, commercial and industrial consumption for CY 2013.

Answer: The actual consumption for CY 2013 is significantly lower than the Rate Year as filed consumption as follows:

	CY 2013 HCF	Rate Year as filed	Difference
Residential	8,250,622	8,420,893	(170,271)
Commercial	4,765,479	4,763,451	2,028
Industrial	412,329	425,475	(13,146)

Prepared by: WEE

DIV 1-33. Please provide the number of residential dwelling units and the number of non-residential metered accounts by size as of the end of each calendar quarter of 2012 and 2013.

Answer: NBC's IT department indicated that this information is not available on a historic basis.

Prepared by: WEE

DIV 1-34. Please provide the consumption for each municipality for which NBC provides wastewater service for FY 2011, FY 2012, FY 2013 and CY 2013 broken down by residential, commercial and industrial consumption.

Answer: NBC does not track consumption information by municipality. These figures could be estimated by dividing transaction information by the rate, however, this would not tie into NBC's financials.

Prepared by: WEE

DIV 1-35. Does NBC agree that a significant component of its costs are infiltration and inflow (stormwater) related costs that are unrelated to the services that it provides to its residential, commercial and industrial customers? If not, please explain in detail.

Answer: No, NBC does not agree that infiltration is a significant component of its costs. NBC does agree that inflow is a significant component of its costs as it is stormwater that enters NBC's sewer system in areas of NBC's system that have combined sewers. The stormwater is combined with connections from residential, commercial and industrial customers and it contains pollutants that affect water quality. The costs associated with the treatment of inflow are primarily debt service related to capital expenditures for the CSO control program. A portion of the capital expenditures have been allocated to eliminate inflow through sewer separation but the most cost effective approach has been to divert the overflows into storage for subsequent treatment. There are operation and maintenance costs associated with treating the captured flow and they account for approximately 10% of the wastewater treatment operating costs.

Prepared by: Tom Brueckner

DIV 1-36. Please state whether NBC has undertaken or had prepared any studies, analysis or other reviews of cost recovery mechanisms that would recover more of its costs from stormwater contributors who are not wastewater customers since Docket No. 3342. If yes, please provide a copy of any documents prepared. If not, explain why not.

Answer: No. Previous studies addressed this issue as part of PUC Docket 3342. In addition, as part of that Docket, the PUC concluded that the NBC did not have the legislative authority to bill for stormwater and that legislation would be required for NBC to charge such a fee.

Prepared by: Karen Giebink

DIV 1-37. Please identify the most recent docket in which pretreatment fees, connection fees and septage charges were increased.

Answer: See below.

	Effective Date	Docket
Pretreatment Annual Permit Fee:	June 30, 2003	3483
New Sewer Connection Fee:	July 1, 2005	3639
Septic Tank Waste Discharge Fee:		
A. Septic Tank Waste Discharge Fee:	May 6, 2005	3671*
B. Uniform Septage Disposal Fee:	April 1, 2008	3928

* This rate was actually **decreased**

Prepared by: WEE

DIV 1-38. Please identify the amount of NBC labor expense reimbursed by grant revenues in FY 2013.

Answer: The total NBC labor expense reimbursed by grant revenue in FY 2013 was $9,990.

Prepared by: WEE

DIV 1-39. Please provide a copy of NBC's current debt service schedules inclusive of the restructuring of existing debt and the issuance of new debt as proposed in Division Docket No. D-13-143.

Answer: See below:

Fiscal Year	Current Debt (See Tab 10)	New Debt Series 2014 A Pool Loan 17	Old Series 2008 VRDO	New Restructured 2008 VRDO	Total Debt Service
2014	40,833,805	526	(3,781,937)	3,782,066	40,834,460
2015	43,594,796	471,556	(3,782,581)	1,976,275	42,260,046
2016	43,481,397	3,079,220	(3,776,081)	1,979,899	44,764,435
2017	43,455,346	3,078,013	(3,782,087)	1,972,651	44,723,922
2018	43,610,914	3,076,247	(3,775,731)	1,976,275	44,887,705
2019	43,365,048	3,073,770	(3,806,050)	1,976,275	44,609,044
2020	42,790,823	3,070,718	(3,798,613)	1,979,899	44,042,828
2021	42,865,646	3,067,519	(3,798,463)	1,972,651	44,107,353
2022	42,785,242	3,064,315	(3,790,644)	1,976,275	44,035,188
2023	38,652,225	3,062,231	(3,789,938)	2,950,097	40,874,616
2024	35,735,690	3,059,863	(3,776,519)	4,379,230	39,398,264
2025	33,871,916	3,058,253	(3,775,081)	5,258,892	38,413,980
2026	32,819,367	3,055,567	(3,770,494)	6,308,238	38,412,678
2027	33,181,218	3,053,662	(3,767,625)	5,656,827	38,124,082
2028	33,186,352	3,051,380	(3,761,431)	5,512,161	37,988,461
2029	33,173,095	3,049,554	(3,756,781)	5,360,661	37,826,529
2030	31,533,923	3,047,026	(3,758,369)	5,994,885	36,817,464
2031	31,425,360	3,044,757	(3,756,106)	5,819,885	36,533,896
2032	26,409,645	3,042,710	(3,749,994)	5,645,986	31,348,347
2033	23,410,757	3,040,020	(3,744,900)	6,150,687	28,856,564
2034	25,102,146	3,037,709	(3,735,781)	5,952,060	30,356,134
2035	17,785,100	3,034,683	(3,732,375)	5,815,858	22,903,266
2036	15,104,338				15,104,338
2037	15,103,013				15,103,013
2038	9,648,150				9,648,150
2039	9,652,150				9,652,150
2040	9,648,200				9,648,200
2041	9,649,200				9,649,200
2042	9,651,700				9,651,700
2043	9,650,200				9,650,200
2043	9,649,200				9,649,200
Total	**$ 880,825,960**	**$ 61,619,301**	**$ (82,967,581)**	**$ 90,397,733**	**$ 949,875,412**

Prepared by: WEE

DIV 1-40. With regard to the unfunded O&M Reserve Fund and the Renewal and Replacement Fund discussed in Ms. Giebink's testimony at page 3, lines 21-24, please explain whether or not those reserves may be funded from a future bond issue. If not, please explain why not.

Answer: In addition to concerns about jeopardizing the tax-exempt status of any tax-exempt bond issues, it is not anticipated that expenditures from the O&M Reserve Fund would meet the accounting criteria to be capitalized and therefore it would be inappropriate to finance them through a bond issue. Given the critical nature of NBC's operations from both a permit and public health perspective it is imperative that NBC has the resources needed to pay for operating supplies and expenses. Further, these costs can vary significantly with rainfall, temperature, wind, and imperviousness of the ground. The existing operating reserve is inadequate for the size of a utility such as NBC.

Prepared by: Karen Giebink

DIV 1-41. With regard to the Renewal and Replacement Reserve Fund discussed in Ms. Giebink's testimony at page 4, lines 9-11:

a. Please indicate whether this fund is different than the Renewal and Replacement Fund discussed in Ms. Giebink's testimony at page 3, lines 21-24.

b. Please state whether Ms Giebink believes that it is reasonable to set aside funds to fund future facility replacements at the same time NBC's rates are projected to continue to increase significantly to fund Phase II and Phase III CSO abatement facilities.

c. If the answer to part b. of this request is yes, please identify how the funding of the Renewal and Replacement Reserve Fund to pay for future facility replacements would affect rates. Include a copy of any studies or analyses to support this projection.

Answer:

a. No, it is the same Fund, the word "Reserve" should have been after Renewal and Replacement on page 3.

b. Yes, NBC has a responsibility to ensure that its assets remain capable of generating the revenues that have been pledged to bondholders. In addition, there are items that must be repaired but they do not meet the criteria to be capitalized and funded through NBC's traditional capital funding sources.

c. No funding proposal is included in this application, however, unlike the Operation and Maintenance Reserve Fund that should be funded annually through revenues, the Renewal and Replacement Reserve Fund could be funded through the prior year's debt service coverage.

Prepared by: Karen Giebink

DIV 1-42. With regard to the capital lease principal and interest payments shown on the first page of the filing requirements in Tab 10 of the filing, please identify where each of the line item amounts is included in the Filing for the FY 2014 test year and the FY 2015 rate year. Also, explain why the principal amounts shown for FY 2014 sum to $227,767.09, but the total shown is only $88,056.43.

Answer: The schedule included in Tab 10 did not include the FY 2013 test year. The schedule has been revised to include FY 2013 (see attached). On the original schedule the last two leases were inadvertently left out of the total. The formulas have been corrected in the revised schedule.

NBC will be entering into new leases during FY 2014 and FY 2015. It was determined that the difference between lease interest expense projected in the rate year and the amount included in Docket 4364 would be de minimis. Therefore, the lease interest expense was kept at the lower Docket 4364 level of $8,799.

Prepared by: WEE