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February 12, 2016

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

***Re: City of Newport, Utilities Department, Water Division  
Docket 4595***

Dear Ms. Massaro:

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

1. City of Newport, Utilities Division, Water Department's Response to the Division of Public Utilities and Carrier's Data Request (Set 1).

Please note that an electronic copy of this document has been provided to the service list.

Thank you for your attention to this matter.

Sincerely,



Joseph A. Keough, Jr.

JAK/kf  
Enclosure  
cc: Docket 4595 Service List (*via electronic mail*)

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 4595  
Response Of The City Of Newport,  
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**DIV. 1-1:** Please provide details and any relevant calculations on how the projected 19.65% increase in the sewer charge for FY 2017 was determined, as referenced on page 13 of Julia A. Forgue's Direct Testimony.

**Response:** Please see response to Comm. 1-25.

**Prepared by:** Julia A. Forgue

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**DIV. 1-2:** In HJS Schedules D-9 through D-16, please provide a header label for the column between the “comments” column and the “Docket 4243” column. If a single header is not applicable, please provide additional labels for all values in this column not explained in the ‘comments’ column.

**Response:** On HJS Schedules D-9 through D-17, the column between the “Comments” column and the “Docket 4243” column is used as a workspace to develop estimates of the annual expense for each line item. As such, the column should be labeled “Build Up of Estimated Expenses.” This label will be added to future versions of the model.

**Prepared by:** Harold Smith

**DIV. 1-3:** Please provide all workpapers referenced in HJS Schedule D-9 for the following accounts. Please provide the requested information in Excel format.

- a. 50103 – Retiree Insurance Coverage;
- b. 50239 – Fire & Liability Insurance;
- c. 50251 – Telephone & Communications; and
- d. 50271 – Gasoline & Vehicle Allowance.

**Response:** 1-3a: Please see the attached workpaper in Excel format for Retiree Insurance Coverage. The workpaper shows the actual type and number of retiree plans and the premiums paid for fiscal years 2015 and 2016. It was assumed that there would be one additional retiree added in fiscal year 2017 but the average cost per plan would remain equal to the average premium paid during the last two fiscal years. The result is a total cost of \$370,000 for fiscal year 2017.

1-3b: Please see the attached workpaper in Excel format for Fire & Liability Insurance. This spreadsheet shows the annual insurance premiums for the various sections within the Water Division for the fiscal years 2013 through 2016. The amount shown for fiscal year 2017 assumes a 5% cost increase from fiscal year 2016.

1-3c: Please see the attached workpaper in Excel format for Telephone & Communications. This spreadsheet shows the annual cost of cell phones and a tablet assigned to Water Division staff for fiscal years 2012 through 2015. The usage and equipment costs for 2015 were then used as the basis for fiscal years 2016 and 2017 without any escalation.

1-3d: Please see the attached workpaper in Excel format for Gasoline and Vehicle Allowance. As background, the City contracts with a private company to provide maintenance services for all City vehicles including those of the Water Division. Costs are collected by vehicle for gasoline, maintenance and body work and in turn back charged monthly to the Water Division. The Agreement with the service provider calls for

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reimbursement of fuel at actual cost and maintenance costs increase yearly based on the CPI. There is a 3% cap on any annual CPI increase.

The workpaper shows the total and per vehicle cost history for fiscal years 2013 through 2105. The projected cost for fiscal years 2016 and 2017 assumes a cost increase of 2% per year but no additional vehicles. The total cost for the Division was then allocated back to each section on a straight line basis depending upon the number of vehicles in the section.

**Prepared by:** William Yost

Division Data Request 1.3 a

City of Newport  
Water Division  
Retiree Insurance  
Account # 50103

	<u>Monthly</u>	<u># of Retirees</u>	<u>City Contribution Annual</u>	<u>Average cost per Retiree</u>
<u>FY 2015</u>				
Family	\$ 1,472.51	1	\$ 17,670.12	
Family	\$ 1,428.33	1	\$ 17,139.96	
Individual	\$ 609.62	9	\$ 65,838.96	
Family	\$ 1,472.51	8	\$ 141,360.96	
Family	\$ 1,428.33	2	\$ 34,279.92	
Individual	\$ 548.66	1	\$ 6,583.92	
Family	\$ 1,428.33	2	\$ 34,279.92	
Individual	\$ 369.80	8	\$ 35,500.80	
individual & 2	\$ 739.60	3	\$ 26,625.60	
Total		35	\$ 379,280.16	\$ 10,836.58
<u>FY2016</u>				
Family	\$ 1,410.43	1	\$ 16,925.16	
Family		0		
Individual	\$ 601.98	10	\$ 72,237.60	
Family	\$ 1,454.05	6	\$ 104,691.60	
Family	\$ 1,410.43	3	\$ 50,775.48	
Individual	\$ 336.00	1	\$ 4,032.00	
Family	\$ 1,410.43	2	\$ 33,850.32	
Individual	\$ 373.33	9	\$ 40,319.64	
individual & 2	\$ 746.66	4	\$ 35,839.68	
Total		36	\$ 358,671.48	\$ 9,963.10

Fiscal Year 2017		
Assumptions:		
Add one additional Retiree		37
Keep Insurance Premium at 2016 level (rounded)	X \$	10,000
Projected Cost	\$	<b>370,000.00</b>

Division Data Request 1.3b

City of Newport  
Water Division  
Fire & Laibility Insurance  
Account # 50239  
HJS schedule # D-9

<u>Department</u>	<u>Department #</u>	<u>HJS schedule #</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u> inc by 5%	<u>USE</u>
Administration	2200	D-9	\$98,362	\$128,065	\$16,853	\$63,980	\$67,179	\$67,000
Station 1	2222	D-13	\$15,445	\$20,156	\$60,531	\$33,236	\$34,898	\$35,000
Lawton Valley	2223	D-14	\$22,652	\$29,560	\$93,577	\$51,516	\$54,092	\$54,000
Transmission & Distribution	2235	D-16	\$22,822	\$29,782	\$20,061	\$11,051	\$11,604	\$12,000
			\$159,281	\$207,563	\$191,022	\$159,783	\$167,772	\$168,000

## Division Data Request 1.3 c

City of Newport  
Water Division  
Workpaper for Telephone & Communications  
Account # 50251

<u>CELL PHONES / TABLET</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
ON CALL-BACKHOE	\$395.79	\$369.92	\$363.37	\$360.06	\$360.06	\$360.06
METER REPAIR	\$387.63	\$364.99	\$360.61	\$361.77	\$361.77	\$361.77
DEPUTY DIRECTOR	\$653.16	\$638.50	\$552.69	n/a	n/a	n/a
DIRECTOR	\$644.42	\$628.16	\$629.05	\$630.04	\$630.04	\$630.04
ON CALL-COLLECTION	\$386.45	\$363.95	\$361.05	\$362.10	\$362.10	\$362.10
DISTRIBUTION SUPERVISOR	\$742.93	\$630.53	\$629.05	\$630.04	\$630.04	\$630.04
ASSIGNMENT PHONE	\$385.89	\$364.85	\$359.40	\$359.80	\$359.80	\$359.80
ON CALL-DISTRIBUTION	\$396.12	\$364.64	\$361.50	\$362.05	\$362.05	\$362.05
WTP SUPERVISOR	\$385.56	\$282.86	\$629.05	\$630.04	\$630.04	\$630.04
METER SUPERVISOR		\$365.44	\$370.55	\$374.66	\$374.66	\$374.66
DISTRIBUTION FOREMAN			\$164.52	\$359.80	\$359.80	\$359.80
TRANSMISSION & DISTRIBUTION DEPT.			\$164.52	\$359.80	\$359.80	\$359.80
DIG SAFE TABLET				\$895.80	\$895.80	\$895.80
NEW EQUIPMENT CHARGES	<u>\$249.99</u>	<u>\$667.44</u>	<u>\$399.99</u>	<u>\$330.02</u>	<u>\$330.02</u>	<u>\$330.02</u>
TOTAL	\$4,627.94	\$5,041.28	\$5,345.35	\$6,015.98	\$6,015.98	\$6,015.98



Division Data Request 1.3 d

City of Newport  
Water Division  
Gasoline & Vehicle Allowance  
acct # 50271

f/y 2013		f/y 2014		f/y 2015		f/y 2016 (a)	f/y 2017 (a)
<u>Month</u>	<u>Cost</u>	<u>Month</u>	<u>Cost</u>	<u>Month</u>	<u>Cost</u>	<u>w 2% CPI</u>	<u>w 2% CPI</u>
12-Jul	\$15,319.13	13-Jul	\$13,190.42	14-Jul	\$11,021.00		
12-Aug	\$18,811.07	13-Aug	\$11,533.60	14-Aug	\$9,499.32		
12-Sep	\$13,205.56	13-Sep	\$10,994.32	14-Sep	\$14,142.68		
12-Oct	\$14,366.42	13-Oct	\$12,520.72	14-Oct	\$10,426.70		
12-Nov	\$13,753.54	13-Nov	\$10,066.80	14-Nov	\$7,214.35		
12-Dec	\$15,136.34	13-Dec	\$8,946.99	14-Dec	\$11,941.89		
13-Jan	\$14,340.10	14-Jan	\$12,825.45	15-Jan	\$17,619.30		
13-Feb	\$13,087.87	14-Feb	\$10,666.74	15-Feb	\$18,136.58		
13-Mar	\$13,646.26	14-Mar	\$13,433.90	15-Mar	\$17,387.53		
13-Apr	\$14,715.31	14-Apr	\$11,675.21	15-Apr	\$17,479.96		
13-May	\$14,306.28	14-May	\$11,094.98	15-May	\$17,069.57		
13-Jun	<u>\$11,709.19</u>	14-Jun	<u>\$21,377.06</u>	15-Jun	<u>\$13,812.63</u>		
Total	\$172,397.07	Total	\$148,326.19	Total	\$165,751.51	\$169,066.54	\$172,447.87
# of vehicles	32	32		33		32	32
avg cost per vehicle per year	\$5,387.41	\$4,635.19		\$5,022.77		\$5,283.33	\$5,389.00

<u>DJS Sch #</u>	<u>Department</u>	<u>Dept. #</u>	<u># of vehicles</u>	<u>Cost</u>	<u>Cost</u>
D-9	Adminsitration	2200	1	\$5,283.33	\$5,389.00
D-10	Customer Service	2209	5	\$26,416.65	\$26,944.98
D-11	Source of Supply	2220	11	\$58,116.62	\$59,278.96
D-13	Station One	2222	1	\$5,283.33	\$5,389.00
D-14	Lawton Valley	2223	1	\$5,283.33	\$5,389.00
D-16	Trans & Distribution	2235	<u>13</u>	<u>\$68,683.28</u>	<u>\$70,056.95</u>
Total			32	\$169,066.54	\$172,447.87

(a) Maintenance is increased by estimated CPI of 2%

**DIV. 1-4:** Please provide all workpapers referenced in HJS Schedule D-13 for the following accounts. Please provide the requested information in Excel format.

- a. 50239 - Fire & Liability Insurance; and
- b. 50305 – Sewer Charge.

**Response:** a. Please see the response to Div. 1-3b.

b. Please see attached workpaper in Excel format for Sewer Charge as per HJS Schedule D-13; the Station One Treatment Plant. The workpaper shows the gallons of sludge created in fiscal years 2012 through 2015 prior to and through the renovation period of the Treatment Plant. Fiscal years 2014 and 2015 were averaged and became the basis for the expected volume for fiscal years 2016 and 2017. These estimates were then multiplied against the City Council approved City wide sewer rates for the applicable year. The volume of sludge is very dependent upon the quality of the raw water that is being treated, which was not factored into the volume calculation.

**Prepared by:** William Yost

Division Data Request 1.4 b

City of Newport  
Water Division  
Sewer Costs Station One  
Account # 50305

	Status	Gallons	Station 1 \$ per Gallon	Cost
FY 2012	Prior to renovation	22,901,000	\$0.01127	\$258,094.27
FY 2013	Prior to renovation	23,661,000	\$0.01127	\$266,659.47
FY 2014	Phase 1 of renovation	15,328,000	\$0.01192	\$182,709.76
Fy 2015	Plant renovation complete	9,100,000	\$0.01192	\$108,472.00
FY 2016	new rate / average usage of fy 2014 & 2015	12,000,000	\$0.01389	\$126,399.00
FY 2017	new rate / average usage of fy 2014 & 2015	12,000,000	\$0.01662	\$199,440.00

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**DIV. 1-5:** Please provide all workpapers referenced in HJS Schedule D-16 for 50239 – Fire & Liability Insurance. Please provide the requested information in Excel format.

**Response:** Please see response to Div. 1-3 b.

**Prepared by:** William Yost

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**DIV. 1-6:** Please provide detail on how the water rate was determined on page 49, HJS Schedule D-9 for the 50305 Water account.

**Response:** The water rate used in the calculation for 50305 Water Account shown in HJS Schedule D-9 is the current Non- Residential Rate of \$11.22/1000 gallons established in Commission Order 4243 & 4355 effective July 1, 2014.

**Prepared by:** Julia A. Forgue

STATE OF RHODE ISLAND  
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**DIV. 1-7:** Please provide detail supporting the 50308 – Property Taxes rate year adjustment, including a list of all assumptions.

**Response:** Please see attached. The workpaper shows the actual property tax charges for fiscal years 2013 through 2016. The property tax for fiscal year 2017 assumes a 3% cost increase from the fiscal year 2016 cost.

**Prepared by:** William Yost

Division Data Request 1.7

City of Newport  
Water Division  
Property Taxes

Municipality	Assessment date	Tax Year	Newport Fiscal Year	Amount	
Little Compton	12/31/2011	2012	2013	\$	12,530.31
	12/31/2012	2013	2014	\$	11,607.36
	12/31/2013	2014	2015	\$	12,166.62
	12/31/2014	2015	2016	\$	12,403.90
Middletown	12/31/2011	2012	2013	\$	51,675.10
	12/31/2012	2013	2014	\$	52,684.20
	12/31/2013	2014	2015	\$	53,079.23
	12/31/2014	2015	2016	\$	55,464.91
Portsmouth	12/31/2011	2012	2013	\$	94,160.81
	12/31/2012	2013	2014	\$	103,413.50
	12/31/2013	2014	2015	\$	358,468.82
	12/31/2014	2015	2016	\$	442,161.15
Tiverton	12/31/2011	2012	2013	\$	36,278.80
	12/31/2012	2013	2014	\$	40,632.45
	12/31/2013	2014	2015	\$	40,485.61
	12/31/2014	2015	2016	\$	42,439.12
			2013	\$	194,645.02
			2014	\$	208,337.51
			2015	\$	464,200.28
			2016	\$	552,469.08
			2017	\$	569,043.15

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**DIV. 1-8:** Please provide detail supporting the 50275 – Repairs & Maintenance rate year adjustment, including a list of all assumptions.

**Response:** Repairs & Maintenance has components in Administration, Customer Service, Source of Supply Island, Source of Supply Mainland, Station One, Lawton Valley, Laboratory Transmission & Distribution and Fire Protection.

50275 – Repairs & Maintenance Rate Year Adjustment	
2200 - Administration	\$1,200
2209 - Customer Service	\$1,551
2212 - Source of Supply Island	-\$1,633
2213 - Source of Supply Mainland	-\$6,908
2222 - Station One	\$57,049
2223 - Lawton Valley	\$41,429
2235 - Laboratory	\$1,444
2241 - Transmission & Distribution	-2,521
2245 - Fire Protection	\$12,215
Total	\$103,826

The FY15 Test Year had overlapping expenses between the old treatment plants and new with the turnover occurring in the beginning of FY 15. The Repairs & Maintenance rate year adjustment is principally comprised of expense associated with the Station One and Lawton Valley Water Treatment Plants. These contracts fulfill the maintenance needs on a systematic, scheduled basis virtually eliminating unplanned downtime, maintaining useful life and operability of the facilities. The proposed FY17 preventative maintenance contracts for Station One and Lawton Valley are listed as follows:



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Preventative Maintenance Contract	Station One	Lawton Valley
Variable Frequency Drives	\$3,000	\$3,000
Gas Boilers & Hot Water Heater	\$5,600	\$5,600
Backup Generator	\$1,500	\$1,500
Transfer Switches Inspection & Service	\$600	\$600
SCADA Maintenance & Repair	\$10,628	\$10,000
HACH Water Treatment Analyzers	\$9,625	\$9,625
Building Automation System (BAS)	\$18,036	\$18,036
Fire Panel Maintenance	\$480	\$480
Dissolved Air Flotation	\$4,100	\$4,100
MCC Breaker Panel Inspection	\$2,067	
Fire Extinguisher Service	\$180	
	\$55,816	\$52,941

The above contract values were provided by various vendors verbally and/or written. Attached herein are the HACH Analyzer Contract, Gas Boilers & Hot Water Heater Contract and DAF Contract. Please note, the preventative maintenance provided under these contracts is specialized and can't be self-performed. In addition to the preventative maintenance contracts other repair or maintenance items (e.g. Pump Repair and/or Replacement, Misc. Electrical Repair, Tank Inspections) round out the accounts.

Building Automation System (BAS) controls Air Conditioners, Air Handlers, Exhaust Fans and other appurtenances to ensure required air exchange rates for a safe and comfortable environment within the plants. The system receives input from temperature, humidity numerous sensors to maximize energy efficiency in producing said environment. The contract covers system inspection and preventive maintenance tasks for the automation system and all associated mechanical equipment.


The Repairs & Maintenance rate year adjustment for the 2200 – Administration is comprised of HVAC Maintenance, Smoke Detector Testing/Service and Other Minor Repairs.

The Repairs & Maintenance rate year adjustment for the 2209 - Customer Service is comprised of ME Mobile Meter Reading Receiver Repair and / or Replacements.

The Repairs & Maintenance rate year adjustment for the 2235 – Laboratory is comprised of third party Cleaning, Recalculation & Certification of equipment.

The Repairs & Maintenance rate year adjustment for the 2245 - Fire Protection is comprised of hydrants (e.g. Penn-Troy hydrants) in need of repair and/or replacement that don't meet the age of 50 years old requirement. It is assumed that the average cost of materials for a complete hydrant replacement with all appurtenances (e.g. valve, fittings, lateral) is approximately \$4,500.

**Prepared by:** Julia A. Forgue

	<b>HACH SERVICE PARTNERSHIP</b>	Page : 1 of 3 Partnership Number : HACH487679
	<b>Headquarters</b> P.O. Box 389 5600 Lindbergh Drive Loveland, CO 80539-0389  <b>Purchase Orders</b>	<b>WebSite:</b> <a href="http://www.hach.com">www.hach.com</a>  <b>Remittance</b> 2207 Collections Center Dr Chicago, IL 60693  <b>Wire Transfers</b> Bank of America 231 S. LaSalle St. Chicago, IL 60604 Account: 8765602385 Routing (ABA): 026009593



**Partnership Number :** HACH487679

**Hach Company Contact :** Quint, Jamie

**Service Partnership Phone :**

**Service Partnership Email :** jqint@hachultra.com


**Customer Ref :** 31645  
**Customer Phone :** 401-845-5825

**Customer Fax :**

**Customer Contact :** PECKHAM, CHARLIE  
**Customer Email :** cpeckham@cityofnewport.com

<u>Bill-To Account # 004484</u>		<u>Ship-To Account # 004484</u>			
Customer Name	CITY OF NEWPORT	Customer Name	CITY OF NEWPORT	<b>Payment Terms:</b>	Net 30
Address4	ATTN: AP	Address4	ATTN: AP	<b>Billing Method:</b>	Annually
Address1	43 BROADWAY	Address1	43 BROADWAY	<b>Currency:</b>	USD
Address2		Address2			
Address3		Address3			
City,State,PostalCode	NEWPORT-RI-02840	City,State,Postalcode	NEWPORT-RI-02840		
Province/Country	US	Province/Country	US		

Line	Service Name				Line Total
	Covered Product	Start Date	End Date	Description/Serial Number	
1	FSP1720E	19-JAN-15	18-JAN-16	Fld Svc-4V 1720E Turb Sensor:19-JAN-2015:18-JAN-2016 1720E LR TURBIDITY SENSOR, HACH ; 130308217888 1720E LR TURBIDITY SENSOR, HACH ; 130308217880 1720E LR TURBIDITY SENSOR, HACH ; 130308217881 1720E LR TURBIDITY SENSOR, HACH ; 130308217900 1720E LR TURBIDITY SENSOR, HACH ; 130308217879	\$3,230.00
	1.1	LPV417.99.00002			
	1.2	LPV417.99.00002			
	1.3	LPV417.99.00002			
	1.4	LPV417.99.00002			
	1.5	LPV417.99.00002			
2	FSP2200PCX	19-JAN-15	18-JAN-16	Fld Svc-1V 2200PCX Particle Cntr:19-JAN-2015:18-JAN-2016 PCX/ANA I/O KIT/WWEIR ; 1302332004DUP0	\$965.20
	2.1	2084433-01			
3	FSPAF7000	19-JAN-15	18-JAN-16	Field Service Partnership for AF7000 - 2 visits:19-JAN-2015:18-JAN-2016 AF7000 SCM, 110V 60Hz, US CORD ; 1000010110	\$1,957.00
	3.1	LXV510.99.10000			

	<b>HACH SERVICE PARTNERSHIP</b>	Page : 2 of 3	<b>HACH487679</b>
	<b>Headquarters</b> P.O. Box 389 5600 Lindbergh Drive Loveland, CO 80539-0389  <b>Purchase Orders</b>	Partnership Number :  <b>WebSite:</b> <a href="http://www.hach.com">www.hach.com</a>	<b>Remittance</b> 2207 Collections Center Dr Chicago, IL 60693  <b>Wire Transfers</b> Bank of America 231 S. LaSalle St. Chicago, IL 60604 Account: 8765602385 Routing (ABA): 026009593

4	FSPCA610	19-JAN-15	18-JAN-16	Fld Svc-2V CA610 Fluoride:19-JAN-2015:18-JAN-2016 CA610 FLUORIDE ANALYZR W/KITS ; 130300468362	\$1,808.80
	4.1	5740000			
5	PMP-1720E-1V	19-JAN-15	18-JAN-16	PMP-1720E TURB-1V (FRV4):19-JAN-2015:18-JAN-2016 1720E LR TURBIDITY SENSOR, HACH ; 130308217883 1720E LR TURBIDITY SENSOR, HACH ; 130308217885 1720E LR TURBIDITY SENSOR, HACH ; 130308217886 1720E LR TURBIDITY SENSOR, HACH ; 140200483841 1720E LR TURBIDITY SENSOR, HACH ; 130308217884	\$926.25
	5.1	LPV417.99.00002			
	5.2	LPV417.99.00002			
	5.3	LPV417.99.00002			
	5.4	LPV417.99.00002			
	5.5	LPV417.99.00002			
6	PMP-GLPHORP-1V	19-JAN-15	18-JAN-16	PMP-GLI pH ORP PROBE-1V (FRV 1):19-JAN-2015:18-JAN-2016 PHD,RYTON, pH-Wide Range ; 1301431024 PHD,RYTON, pH-Wide Range ; 1302431278 PHD,RYTON, pH-Wide Range ; 1408431533	\$738.15
	6.1	PD1R1			
	6.2	PD1R1			
	6.3	PD1R1			
7	HACH PM 4 VISIT	19-JAN-15	18-JAN-16	4 ON SITE VISITS:19-JAN-2015:18-JAN-2016 Field Service Contract site visit ; HACH487679	\$0.00
	7.1	FIELD CONTRACT SITE			

**Sub Total :** \$9,625.40  
**Tax:** \$0.00  
**Total :** \$9,625.40

#### Partnership Notes :


PAYMENT IN FULL IS DUE AT THE TIME OF AGREEMENT ACTIVATION. Please keep in mind that the first time your units are serviced they will be evaluated. Any repairs required, above a preventative maintenance, must be taken care of as a separate billable charge.

For immediate assistance, contact our exclusive partnership technical support group at 1-866-902-HACH(4224). Please reference your partnership agreement number when calling.

To schedule onsite visits, please contact the Service Dispatch Team by phone at 1-800-227-4224 x6179 or by email at [Dispatch@hach.com](mailto:Dispatch@hach.com)

\*\*\*\*\*

All purchases of Hach Company products and/or services are expressly and without limitation subject to Hach Company's Terms & Conditions of Sale ("Hach TCS"), incorporated herein by reference and published on Hach Company's website at [www.hach.com/terms](http://www.hach.com/terms). Hach TCS are incorporated by reference into each of Hach's offers or quotations, order acknowledgments, and invoice and shipping documents. The first of the following acts shall constitute an acceptance of Hach's offer and not a counteroffer and shall create a contract of sale ("Contract") in accordance with the Hach TCS, subject to Hach's final credit approval: (i) Buyer's issuance of a purchase order document against Hach's offer or quotation; (ii) Hach's acknowledgement of Buyer's order; or (iii) commencement of any performance by Hach in response to Buyer's order. Provisions contained in Buyer's purchase documents that materially alter, add to or subtract from the provisions of these Terms and Conditions of Sale

	<b>HACH SERVICE PARTNERSHIP</b>	Page : Partnership Number :	3 of 3 <b>HACH487679</b>
	<i>Headquarters</i> P.O. Box 389 5600 Lindbergh Drive Loveland, CO 80539-0389  <i>Purchase Orders</i>	<i>WebSite:</i> <a href="http://www.hach.com">www.hach.com</a>	<i>Remittance</i> 2207 Collections Center Dr Chicago, IL 60693  <i>Wire Transfers</i> Bank of America 231 S. LaSalle St. Chicago, IL 60604 Account: 8765602385 Routing (ABA): 026009593

shall be null and void and not considered part of the Contract

**Customer Name** : CITY OF NEWPORT

**Customer P.O. Number** : \_\_\_\_\_

**Customer Reference Number** : \_\_\_\_\_



65 York Avenue  
Randolph, MA 02368  
Tel: 781-963-6440  
Fax: 781-963-2067

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City of Newport WTF Station #1  
100 Bliss Mine Road  
Newport, RI. 02840

Proposal: 042115ML2  
Date: April 21, 2015  
Page: 1 of 2

Subject: Boiler Planned Maintenance and annual cleaning  
Attention: Charles Peckham/ Jim Roberts

---

Dear Charles,

Per your recent request, we are pleased to quote you on the following Service Maintenance Program. The Frank I. Rounds has built its Service and Parts Department to better serve our customer. To assure you of maximum efficiency and reliability, we offer this regulated maintenance program for your Boilers, Camus (2) DRNH-1600-MSI SN#091216299 & 300

**Monthly Preventative Maintenance Visits**

Check air intake and exhaust vent outlets for restriction, cracks or sagging  
Test combustion & Take readings to ensure proper efficiency  
Test operation of gas pressure sensor  
Check for proper operating temperatures  
Check the condensate drain system/ clean flush as necessary  
Make sure the control is staging each boiler as designed. Review the overall operation  
Make any recommendations for repair or parts

**Total per pre planned visit \$650.00 (we Suggest Quarterly visits)**

**Annual Service (Once a year visit)**

Clean Burner and inspect.  
Remove existing ignition igniter in each boiler and replace.  
Check all operating controls and make recommendations for replacement parts if needed.  
Inspect and clean heat exchanger (If soot is present).  
Drain and flush the water side of the heat exchanger.  
Test fire boiler and adjust combustion for proper efficiencies.

**Total for Labor \$2,750.00**

**Budgetary Material Cost \$450.00 per unit**



65 York Avenue  
Randolph, MA 02368  
Tel: 781-963-6440  
Fax: 781-963-2067

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Contract to run one year from signature date

***\*\*Note: Should additional labor be required to remove excessive scale or soot deposits it will be done at our current labor rate.***

***\*\*Boiler must be off line and cool prior to annual cleaning.***

***\*\* Suggested spare parts list available upon request***

**All services are to be provided by Licensed and Factory Trained Service Personnel.**

*Prices quoted are for listed work and normal working hours only. **Additional parts are not included.** Emergency service is available at our current rate of \$122.00 per hour during normal working hours. (Mon - Friday 7:30 a.m.- 4:00 p.m.) Our rate for time/half \$183.00 per hour (after 4:00 p.m. Mon-Fri and SAT's 12:00 a.m.-11:59 PM) our rate for double time is \$244.00 per hour (Sundays, Holidays)*

**Thank you for the opportunity to quote these services**

**State Taxes not included / Freight Charges not included**

**Contract to run one year from signature date**

---

**F.O.B. FACTORY**  
**Payment: 30 Days Net**

**Approximate Shipping Weight:**  
**Approximate shipment after receipt of order:**

---

Date\_\_\_\_\_ 2015

By\_\_\_\_\_

*Mark J. Lynas*  
**Mark J. Lynas**  
**Aftermarket Sales**

# Atlas Copco CTS



## Service Plan Quote #08882872

Committed to sustainable productivity.

CITY OF NEWPORT, RI

**Attn: Charles Peckham**  
43 BROADWAY  
NEWPORT, RI 02840

(401) 845-5414  
cpeckham@cityofnewport.com

11/06/15



Dear Charles,

We appreciate your invitation to quote on an Atlas Copco Service Plan.

Service plans are specially designed to assure our customers high equipment efficiency and availability at minimum overall costs and worry-free operation. Atlas Copco will relieve you of the burden of maintenance planning and will take over responsibility for servicing your equipment on a regular basis.

When service is due, you will be notified and a mutually suitable date will be arranged. This will significantly reduce the chances of a breakdown, as potential problems will be recognised in advance and appropriate preventive measures can be taken before any problems occur and your production is jeopardized.

Atlas Copco is always available to provide you solutions for all of your compressed air needs, from generation to point of use, guaranteeing best performance from your whole system. Genuine parts and lubricants, specially developed for your compressor needs, are kept in stock and our service technicians are always up to date with our maintenance standards and will provide you with the best service in the market.

In case you need additional information on this quotation or any of our other service products, please feel free to contact me at any time.

Kind regards,

**Frank Sampson**  
Service Sales Manager

Atlas Copco LLC  
West Springfield, MA 1085

Cell: 978-490-9321  
Fax: 508-425-6382  
Frank.Sampson@us.atlascopco.com





## REASONS to rely on Atlas Copco Customer Support Plans



1

### *Most cost effective approach*

A periodic check of your installation keeps your maintenance costs down. And when the costs are fixed and known in advance, you will have less administration costs and avoid unbudgeted surprises.



2

### *Longer life expectancy of your compressor installation*

Regular maintenance significantly lowers the risk of deterioration and ensures that your installation will last longer. Our technician will notice and replace poorly working parts. A quick reaction and change of parts keep the machine running longer in working conditions.



3

### *Reliability, quality and productivity*

Regular and well-performed maintenance assures the reliability of your installation and the quality of your compressed air. This way you lower the risks of a possible loss of quality of your production or a breakdown followed by production loss, which ultimately leads to lower profitability.



4

### *Global presence, local service*

Atlas Copco Customer Support Plans are not limited by borders; from the extreme cold of Northern Canada to the deserts of central Australia, our approximately 3000 factory trained technicians are never more than a phone call away. Combined with our genuine parts distribution system, operating 24/7, you can rest assured your production continuity is in safe hands.



5

### *Energy savings*

Regular replacement of worn out parts combined with the use of genuine Atlas Copco parts make your compressed air installation last longer and cause a minimal average pressure drop, which leads to energy savings.

**Table 1 - Pricing and Services Summary**

Machine Description	Serial Nr	Yearly Running hours	Service Type	Planned visits	# of visits per year	Plan Duration	Number of oil changes	Oil type	Planned element overhaul included	Planned main motor overhaul included	Electrical parts included	Cooler cleaning included	Annual price
GX 2-FF 60Hz	CAI590605	2000	Preventive Maintenance	IAIBIAIBIA	2.00	5	2x1G	RotoXtend	N	N	N	N	\$ 1,256.93
GX 2-FF 60Hz	CAI590622	2000	Preventive Maintenance	IAIBIAIBIA	2.00	5	2x1G	RotoXtend	N	N	N	N	\$ 1,256.93
GX 2-FF 60Hz	CAI590332	2000	Preventive Maintenance	IAIBIAIBIA	2.00	5	2x1G	RotoXtend	N	N	N	N	\$ 1,256.93
DD9		2000	Preventive Maintenance	IAIAI	1.00	5			N	N	N	N	\$ 109.80
DD9		2000	Preventive Maintenance	IAIAI	1.00	5			N	N	N	N	\$ 109.80
DD9		2000	Preventive Maintenance	IAIAI	1.00	5			N	N	N	N	\$ 109.80
<b>Total annual price</b>													<b>\$ 4,100.19</b>



*Running hrs per year* - Estimated yearly running hours for each machine – in case limits are exceeded by 1.000h, pricing are subjected to review

*Type* - Type of agreement for each specific machine\*:

*Total visit schedule* - Foreseen preventive maintenances on the duration of this agreement

*Compressor element, main motor overhaul, electrical parts and cooler cleaning* – indicate if these parts (when quoting a TR) are included

\*More details referring to each service plan level can be found in the following pages of this quote, and also in the terms and conditions sheet.



## Activities list

Equipment: GX 2-FF 60Hz- CAI590605	Available visits						
Visit Type	I Visit	A Visit	B Visit	C Visit	D Visit	E Visit	F Visit
Follow Customer Specific Safety Rules	x	x	x				
Inspection	x	x	x				
Check oil level	x	x	x				
Check/clean condensate drain(s)	x	x	x				
Change air filter element(s)		x	x				
Change compressor oil filter		x	x				
Change oil separator element			x				
Change compressor oil (ZR/ZT: 2y)			x				
Change belt(s)			x				
Check for reffridgerant leaks(FF only)			x				
Check Dewpoint & Indicator Lamps(FFonly)			x				
Clean compressor	x	x	x				
Check electrical components	x	x	x				
Check safeties	x	x	x				
Check for air- water- & oil leakage	x	x	x				
Check Coupling/Belts	x	x	x				
Clean filter housing	x	x	x				
Check condition of cooling fan assy (AC)	x	x	x				

Equipment: GX 2-FF 60Hz- CAI590622	Available visits						
Visit Type	I Visit	A Visit	B Visit	C Visit	D Visit	E Visit	F Visit
Follow Customer Specific Safety Rules	x	x	x				
Inspection	x	x	x				
Check oil level	x	x	x				
Check/clean condensate drain(s)	x	x	x				
Change air filter element(s)		x	x				
Change compressor oil filter		x	x				
Change oil separator element			x				
Change compressor oil (ZR/ZT: 2y)			x				
Change belt(s)			x				
Check for reffridgerant leaks(FF only)			x				
Check Dewpoint & Indicator Lamps(FFonly)			x				
Clean compressor	x	x	x				
Check electrical components	x	x	x				
Check safeties	x	x	x				
Check for air- water- & oil leakage	x	x	x				
Check Coupling/Belts	x	x	x				
Clean filter housing	x	x	x				
Check condition of cooling fan assy (AC)	x	x	x				

Equipment: GX 2-FF 60Hz- CAI590332	Available visits						
Visit Type	I Visit	A Visit	B Visit	C Visit	D Visit	E Visit	F Visit
Follow Customer Specific Safety Rules	x	x	x				
Inspection	x	x	x				
Check oil level	x	x	x				
Check/clean condensate drain(s)	x	x	x				
Change air filter element(s)		x	x				
Change compressor oil filter		x	x				
Change oil separator element			x				
Change compressor oil (ZR/ZT: 2y)			x				
Change belt(s)			x				
Check for reffridgerant leaks(FF only)			x				
Check Dewpoint & Indicator Lamps(FFonly)			x				
Clean compressor	x	x	x				
Check electrical components	x	x	x				
Check safeties	x	x	x				
Check for air- water- & oil leakage	x	x	x				
Check Coupling/Belts	x	x	x				
Clean filter housing	x	x	x				
Check condition of cooling fan assy (AC)	x	x	x				

Equipment: DD9-	Available visits						
Visit Type	I Visit	A Visit	B Visit	C Visit	D Visit	E Visit	F Visit
Follow Customer Specific Safety Rules	x	x					
Inspection	x	x					
Check/clean condensate drain(s)	x	x					
Check pressure drop	x	x					
Change cartridge		x					
Change Condensate Drain		x					

Equipment: DD9-	Available visits						
Visit Type	I Visit	A Visit	B Visit	C Visit	D Visit	E Visit	F Visit
Follow Customer Specific Safety Rules	x	x					
Inspection	x	x					
Check/clean condensate drain(s)	x	x					
Check pressure drop	x	x					
Change cartridge		x					
Change Condensate Drain		x					

Equipment: DD9-	Available visits						
Visit Type	I Visit	A Visit	B Visit	C Visit	D Visit	E Visit	F Visit
Follow Customer Specific Safety Rules	x	x					
Inspection	x	x					
Check/clean condensate drain(s)	x	x					
Check pressure drop	x	x					
Change cartridge		x					
Change Condensate Drain		x					



## Definitions and Conditions<sup>3</sup>

	Inspection Plan (IP)	Parts Plan (PP)	Preventive Maintenance Plan (PM)	Extended Warranty + (XT)	Total Responsibility Plan (TR)
Machine inspection	✓		✓	✓	✓
Detailed visit reports with recommendations via email	✓		✓	✓	✓
All parts and lubricants required for preventive maintenance		✓	✓	✓	✓
Expert labor included			✓	✓	✓
Travel and mileage included	✓		✓	✓	✓
Bumper to bumper warranty				✓	✓
Breakdown parts and lubricants				✓	✓
Breakdown labor				✓	✓
Breakdown travel and mileage				✓	✓
Scheduled overhaul included					✓
Automated visit scheduling	✓		✓	✓	✓
Automated parts ordering and shipping		✓	✓	✓	✓
Reliability related product updates				✓	✓
Priority service			✓	✓	✓
Fixed yearly price for contract duration	✓	✓	✓	✓	✓

This table is an overview comparison of various Service Plans. Some of the above-referenced Service Plans might not be included in this Agreement. Refer to the 'Service Type' column in the Pricing and Services Summary to see which applies to your specific equipment.

## **Pre Work Site Assessment**

**Location/Customer site:** \_\_\_\_\_

**Date:** \_\_\_\_\_

<b><u>Risk Analysis</u></b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Corrective Action Taken?</b>
Is there a Fall risk (compressor on platform, no safety railing, etc.) or ladder use?				
Is the lighting adequate?				
Is there risk of touching hot parts (burn hazard)?				
Is there a danger of flying dust?				
Is there fire exposure?				
Is there a fire extinguisher in the workplace?				
What process has the vacuum pump has been used for?				
What customer permissions are needed? (LOTO, Hot-work, Confined Space, etc.)				
If required, will adequate lifting equipment be supplied?				
Are there any other hazards not listed above?				
Given the hazards, what controls, including Personal Protective Equipment, are required?				
Other comments and considerations				

<b><u>Site Specific Requirements</u></b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>If yes, then how many hours?</b>
Is additional time needed to access the equipment because it's in a difficult location?				
Is there safety or site training required?				
Is additional time needed for the LOTO process?				
Is there enough clearance around the equipment to access it properly?				

The following conditions apply to the above:

1. This agreement may be cancelled by either party with 30 days written notice. The customer is entitled for a refund for any services that haven't been performed but already paid for.
2. Atlas Copco reserves the right to not renew a service agreement after expiry of the term.
3. The breakdown provision in a TR includes labour, parts and travel for breakdown of components contained within the compressor frame and canopy over the term of the agreement.
4. Customer must make the compressor available for an overhaul (and pay for an overhaul if XT, PM or IP option is selected) if SPM readings or other metrics indicate the need for an overhaul. If this is not the case then Atlas Copco's responsibility, when under a TR, to cover breakdowns will cease.
5. Overhauls are generally performed on site, otherwise freight costs and other costs may apply.
6. When under a TR, after an overhaul is performed, the agreement can only be cancelled by paying the list price for the overhaul maintenance.
7. Repairs or upgrades beyond the overhaul scope will be invoiced separately after authorisation by the customer.
8. Alternative air supply is not covered by service plans.
9. Breakdowns and repairs caused by negligence, abuse, operation outside specified parameters and due to maintenance due over 60 days are not covered by service plans.
10. Neither party shall be liable for any special, indirect, incidental, punitive or consequential damages, including, but not limited to, loss of total or partial use of products, downtime cost, loss of profits or revenues.

This quote is valid for **30 days** from generation.

Number of invoices per year: 1,2

Agreement duration: Duration of the Purchase Order or 5 years, whichever is of less duration.

P.O. / Agreement # \_\_\_\_\_  
Expiry date \_\_\_\_\_

By signing this agreement you are authorizing Atlas Copco Compressors LLC to automatically invoice as detailed above, using the PO/agreement number stated in this document. This agreement and the associated invoicing can be cancelled with 30 days written notice.

Pricing includes freight.  
Pricing does not include any applicable taxes.

Pricing applies to services performed during normal working hours, weekdays, from 8am – 5pm  
Atlas Copco SERVICE TERMS AND CONDITIONS form an integral part of this quotation  
Quoted service type 'Definitions and Conditions' apply.

Quote Nr.: **08882872**

**Atlas Copco Compressors LLC**

Signature Frank Sampson  
Printed name Frank Sampson  
Date 6/11/2015

**CITY OF NEWPORT, RI**

Signature \_\_\_\_\_  
Printed name \_\_\_\_\_  
Date \_\_\_\_\_



## Service Terms and Conditions

(Revised April 20, 2011)

Atlas Copco Compressors LLC (a Delaware limited liability company having its principal place of business at 1800 Overview Drive, Rock Hill, South Carolina 29730, USA) is referred to herein as "Atlas Copco", and the customer or legal entity purchasing a service from Atlas Copco is referred to as the "Customer".

These Service Terms and Conditions along with Atlas Copco's applicable proposal/quotation ("quotation") constitute the complete and exclusive statement and understanding of the terms of the agreement governing the supply of service by Atlas Copco to the Customer. The Customer's issuance of a purchase order and/or the Customer's acceptance of any work performed by Atlas Copco shall constitute acceptance of these Service Terms and Conditions. Notwithstanding any contrary provision in the Customer's purchase order or other document, commencement of performance by Atlas Copco shall not constitute acceptance of the Customer's terms and conditions to the extent any such terms or conditions are inconsistent with or in addition to the these Service Terms and Conditions. Any and all terms, conditions, and other provisions from the Customer (whether or not contained in a request for quotation, purchase order, or otherwise) which are inconsistent with or in addition to these Service Terms and Conditions are rejected and shall not be binding on Atlas Copco. No waiver, alteration, amendment, or other modification of these Service Terms and Conditions shall be binding on Atlas Copco unless made in a writing (identifying the applicable quotation number and clearly identifying and agreeing to the modification) signed by an authorized Atlas Copco manager at Atlas Copco's offices.

### 1. Quotation Validity

Unless otherwise expressly stated in the quotation, the quotation is valid for a period of 30 days after it is issued by Atlas Copco. Beyond that, quotations will require confirmation or adjustment by Atlas Copco.

### 2. Terms of Payment

Unless otherwise expressly agreed in writing by Atlas Copco, each invoice is due and payable 30 days after the invoice date. The Customer shall have no rights to any setoffs relating to any payments due under this Agreement. Atlas Copco reserves the right to charge interest at the lower of an annual rate equal to 12% or any applicable maximum statutory rate on all unpaid amounts calculated on a day to day basis until the actual date of payment, in the event of late payment.

### 3. Price Adjustments

a. If the term of this Agreement (or of a specific Service Plan within this Agreement) or of any renewal term is less than three years, the annual price is subject to an adjustment (at Atlas Copco's discretion) on completion of each twelve months from the commencement date (hereinafter referred to as the "review date"). The price increase at each review date shall not exceed 5% of the preceding twelve month period's price. Unless otherwise expressly agreed in writing by Atlas Copco, the above-stated price adjustment is not applicable to Service Plans that have terms of three years or more.

b. Regardless of the duration of the term and even if the price is stated as a fixed annual price, the price is subject to an adjustment at any time during the term if any major change occurs in the operating or site conditions of the compressor. Major changes to the operating or site conditions of the compressor include but are not limited to: Customer's act of moving the compressor (even within the facility), or placing another piece of equipment in such a way that coolant air inflow into the compressor is affected, or making electric power-related changes, or exceeding the compressor's estimated yearly running hours (specified in the quotation's Pricing and Services Summary, in the column entitled "Estimated Running Hours per Year") by more than one thousand (1,000) hours. In addition, the price is subject to an adjustment at any time if there is any addition of service.

### 4. Taxes

The price does not include taxes. Any and all applicable taxes will be added to any price payable by the Customer.

### 5. Service

a. Atlas Copco will provide the number of visits indicated in the quotation's Pricing and Service Summary (in the column entitled "Visits per Year") to carry out, on the specific compressor identified in the quotation, the activities specified in the quotation's Activities List for the specific compressor. The activities will be performed by Atlas Copco in accordance with the compressor's instruction manual or as determined by the compressor's operating context. After each visit, an electronic service report will be provided by Atlas Copco to the Customer. The service report will outline the service provided and any repairs recommended. (Repairs are not within the services supplied under this Agreement, unless expressly set forth otherwise in this Agreement.) The service report must be signed by a Customer representative, thereby verifying the work, as specified, has been completed.

b. If this Agreement specifies that the compressor is serviced under a Preventative Maintenance Plan, "Total Responsibility" Plan, or AirXtend, Atlas Copco will provide all spare parts, consumables, labor, and travel deemed applicable by Atlas Copco to perform the activities specified in the quotation's Activities List for each above-mentioned visit for the compressor, subject to the limitations set forth in Section 6 below. If this Agreement specifies that an Inspection Plan applies to the compressor, Atlas Copco will provide all labor and travel deemed applicable by Atlas Copco to perform the activities specified in the quotation's Activities List for each above-mentioned visit for the compressor, subject to the limitations set forth in Section 6 below.

c. If this Agreement specifies that the compressor is serviced under a "Total Responsibility" Plan or "AirXtend", the repair of unexpected compressor failures influencing the function of the compressor are within the services supplied under this Agreement at no extra charge for the costs of labor and the spare parts required to restore function of the compressor, subject to the limitations set forth in Section 6 below.

d. Atlas Copco will contact the Customer before the visit. All work will be performed during Atlas Copco's normal working hours (8:00 am to 5:00 pm, Monday through Friday excluding public holidays), except to the extent Atlas Copco and the Customer agree otherwise in writing. If Atlas Copco agrees to perform work outside of Atlas Copco's normal working hours, Atlas Copco reserves the right to charge the Customer extra in accordance with Atlas Copco's applicable rates. Irrespective of the foregoing, if this Agreement specifies that the compressor is serviced under a "Total Responsibility" Plan or "AirXtend", Atlas Copco will at no extra cost to the Customer perform (only) the above-mentioned breakdown service outside of Atlas Copco's normal working hours, subject to availability of Atlas Copco's service personnel and the limitations set forth in Section 6 below.

### 6. Limitations of Service Obligations

a. Atlas Copco shall not be obligated to inspect or service any compressor under this Agreement (whether under a "Total Responsibility" Plan, "AirXtend" or otherwise) in the event of:



(i) Customer's failure to perform any of its responsibilities set forth in Section 7 below, including but not limited to the Customer's responsibility to perform daily and weekly (8 and 40 hour) servicing and inspection on the compressor in accordance with the compressor's instruction manual;

(ii) Any failures influencing the function of the compressor caused by unforeseen circumstances including, but not limited to, accidental or wilful damage to the compressor by the Customer or a third party, failure of electric power for the compressor (or interruption or fluctuations of electric power, or out-of-specification electric power), improper quality and/or quantity of air going into the compressor, introduced contamination, or improper repair, servicing, or alteration of the compressor by the Customer or a third party; or

(iii) Operation outside specified parameters

b. Even if this Agreement specifies that the compressor is serviced under a "Total Responsibility" Plan and specifies that the service and price includes planned element overhaul and/or planned motor overhaul, the Customer shall bear the cost (including labor, parts, and travel) for any and all such overhauls that Atlas Copco performed on the compressor, if the Customer terminates this Agreement (or the specific Service Plan within this Agreement which covers the specific compressor) prior to the end of its stated expiration. In connection with any such early termination, Atlas Copco will invoice the Customer for any and all such overhauls previously performed by Atlas Copco.

c. If this agreement specifies that the equipment is serviced under a Preventive Maintenance Plan, electrical components not supplied as a standard component of the compressor package are not within the services of this Agreement.

d. Temporary hire of compressors/ alternative air supply is not included to cover compressor outages unless specifically agreed in writing signed by an authorized Atlas Copco manager.

#### **7. Customer Responsibilities**

Customer shall (even if a "Total Responsibility" Plan or any other Service Plan applies to the compressor) do all of the following:

a. Perform daily and weekly (8 and 40 hour) inspection on the compressor in accordance with the compressor's instruction manual (including in the manual's preventative maintenance schedule);

b. Keep the compressor within the environmental conditions (including but not limited to temperature range, humidity range, and other factors), and operate it as recommended in the compressor's instruction manual and in accordance with recommendations (if any) of Atlas Copco's service specialists.

c. Ensure that water in the compressor's cooling circuits (if applicable) and ventilation is within the limits of quality, quantity and temperature as recommended by Atlas Copco.

d. Use only genuine Atlas Copco Parts and Lubricants approved by Atlas Copco.

e. Advise Atlas Copco immediately of any changes of compressor operational conditions or site conditions and any malfunctions or failures that may influence the proper functioning of the compressor.

f. Provide Atlas Copco with free and full access to the compressor, during previously agreed-upon times, to perform scheduled visits pursuant to this Agreement. The Customer will at its own cost supply adequate lighting, power, and other facilities to which Atlas Copco may reasonably need access to in connection with performing the service. If Atlas Copco's service technician has to wait for more than thirty minutes for access to the compressor during a scheduled visit, additional hour charges may apply. If the technician is not allowed in and a new visit has to be scheduled, the Customer shall bear the mileage and displacement time charges.

g. If any forklift and/or other lifting or rigging equipment is necessary (as reasonably determined by Atlas Copco) for Atlas Copco to perform any activity under this Agreement, the Customer shall supply such lifting/rigging equipment at the Customer's own cost together with sufficiently skilled and qualified labor in connection therewith.

h. Take the necessary action on compressor repairs recommended by Atlas Copco.

i. Make the compressor available for an overhaul of the compressor's element and/or main motor (and pay extra for the overhaul unless the compressor is serviced under a "Total Responsibility" Plan which is not terminated by the Customer before expiry of its term) if shock pulse monitoring ("SPM") readings by Atlas Copco or other metrics indicate the need for an overhaul. If the Customer fails to do this, then Atlas Copco's responsibility to provide service for the compressor under this Agreement will cease. Overhauls are generally performed on site, otherwise freight costs and other costs may apply. After an overhaul is performed, this Agreement can only be terminated early by the Customer paying the list price for the overhaul.

j. Promptly return any and all hardware and software (including but not limited to AIRConnect remote monitoring products) furnished by Atlas Copco in connection with this Agreement, upon expiration/termination of the Service Plan, unless expressly agreed otherwise by Atlas Copco.

#### **8. Software License**

Any and all software and source code and all revisions thereof embedded in or otherwise associated with any service or product (whether AIRConnect remote monitoring or otherwise) furnished by Atlas Copco (the "Software") is and shall remain the proprietary property of Atlas Copco (and/or its licensors), and in no event will title thereto be sold or transferred to the Customer. Subject to the Customer complying with all terms and conditions of this Agreement, Atlas Copco grants to the Customer a revocable, non-exclusive, non-transferable license to use, until termination or expiration of the Service Plan (whichever occurs first), the Software solely in accordance with the use intended by Atlas Copco. The Customer may not make copies, may not transfer, and may not export the Software unless expressly agreed in a written agreement signed by authorized representatives of Atlas Copco and the Customer.

#### **9. Warranty**

a. Warranty on parts and labor supplied under this Agreement will be in accordance with the warranty provisions of the equipment.

- b. Should a "Total Responsibility" Plan" or "AirXtend" be in place for the compressor, then the warranty parts, warranty labor and travel costs will be borne by Atlas Copco for the duration of the "Total Responsibility" Plan or "AirXtend".
- c. For all other service plans, the warranty on parts is 90 days and labor 30 days from the date of site attendance. Travel costs and accommodation are not included and will be charged to the Customer at the rates ruling at the date of site attendance.
- d. Repair or replacement of non-conforming parts and re-performance of labor (in a workmanlike manner) shall be the Customer's exclusive remedy with respect to the quality of or any defect in the parts or other material or associated services delivered or performed hereunder.
- e. THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OF QUALITY OR OTHERWISE, WRITTEN, ORAL OR IMPLIED, AND ALL OTHER WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE ARE HEREBY DISCLAIMED.

#### 10. Termination

- a. This Agreement (or a specific Service Plan for a specific compressor under this Agreement) may be terminated before the expiry of the term by mutual agreement in writing of the parties.
- b. Either party may terminate this Agreement (or a specific Service Plan for a specific compressor under this Agreement) before the expiry of the term upon 30 days written notice of termination to the other party.
- c. Atlas Copco shall at any time be entitled to terminate this Agreement, or to suspend its performance under this Agreement, with immediate effect by notice in writing to the Customer:
  - (i) In the event of any major change to the operating or site conditions of the compressor;
  - (ii) If Customer neglects to perform the Customer's daily/weekly inspection and maintenance responsibilities set forth in this Agreement;
  - (iii) If the Customer commits any continuing or material breach of any term of this Agreement and in the case of such breach which is capable of remedy, fails to remedy the same within 30 days after receipt of a written notice to do so from Atlas Copco;
  - (iv) If the Customer goes into liquidation or makes any voluntary arrangement with its creditors or becomes subject to an administration order or an encumbrance takes possession of or a receiver is appointed over any of the property or assets of the Customer; or
  - (v) If the Customer ceases or threatens to cease to carry on business.
- d. Upon termination, the Customer is entitled to a refund for any services that have not been performed but already paid for.

#### 11. Limitation of Liability

NEITHER PARTY SHALL BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING, BUT NOT LIMITED TO, LOSS OF TOTAL OR PARTIAL USE OF PRODUCTS OR FACILITIES OR SERVICES, DOWNTIME COST, LOSS OF PROFITS, AND LOSS OF REVENUE, WHETHER BASED ON CONTRACT, WARRANTY, STATUTE, TORT (INCLUDING BUT NOT LIMITED TO STRICT LIABILITY AND NEGLIGENCE), OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

THE CUMULATIVE TOTAL LIABILITY OF ATLAS COPCO ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM THIS AGREEMENT OR ANY SERVICES FURNISHED UNDER THIS AGREEMENT SHALL NOT EXCEED IN THE AGGREGATE AN AMOUNT EQUAL TO THE PRICE PAID BY THE CUSTOMER TO ATLAS COPCO FOR THE SERVICE TO THE SPECIFIC COMPRESSOR(S) GIVING RISE TO THE CLAIM.

#### 12. Force Majeure

The performance of any obligation under this Agreement shall be postponed during the period if any of the following reasons prevents totally or partially the due performance of such obligation: Act of God, restriction in the use of power, storm, lock out, strike, fire, civil commotion or civil unrest, act of war, compliance with the regulation or order of any governmental authority or any other reason beyond the control of the parties.

#### 13. Environmental Disclaimer

The environmental management at any site on which any compressor is used is the responsibility of the Customer. Atlas Copco shall not be liable for any violation by the Customer of any environmental law or regulation, including but not limited to any law or regulation pertaining to noise, water, atmosphere, air, sewer, hazardous waste, disposal, etc.

#### 14. Miscellaneous

**(a) Notices:** Where written notices are required under this Agreement, they shall be deemed duly given when made in writing and delivered to the other party's address shown in this Agreement. Addresses may be changed by written notice to the other party. Notices shall be delivered by hand, overnight courier service or certified mail, return receipt requested. Notification will be deemed to have taken place upon delivery, if delivery is by hand, overnight courier service or 5 calendar days after posting if sent by certified mail. **(b) Partial Invalidity:** If any term of this Agreement is held by any court or other competent authority to be void or unenforceable in whole or in part the other terms of this Agreement and the remainder of the affected term shall continue to be valid. **(c) Waiver:** Any waiver by Atlas Copco of a breach of any terms of this Agreement by the Customer shall not be considered as a waiver of any subsequent breach of the same term or any other term. **(d) Assignment:** The Customer may not assign this Agreement, or any portion thereof, without the express written consent of Atlas Copco. Subject to the foregoing, this Agreement inures to the benefit of, and is binding upon the successors and assigns of the parties hereto.

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 4595  
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**DIV. 1-9:** Please provide detail supporting the 50280 – Regulatory Expense rate year adjustment, including a list of all assumptions.

**Response:** Regulatory Expense in the previous Docket 4243 was \$10,000. It was determined this could be reduced to \$5,000 in the current Docket. The expense in this account is reduced since NWD no longer mails a copy of the annual Consumer Confidence Report (CCR) to every user. The RIDOH now allows a Water Supplier to provide notice to water users that the CCR is available electronically. NWD provides notification in a monthly billing including a direct link to the CCR on the City's website. A hard copy is mailed if requested by the customer.

Regulatory Expense rate year adjustment includes the expense of one required public notification. The last required public notification cost \$4,109.79. Please note Regulatory Expense was \$16,304.55 in FY13 and \$11,357.20 in FY14.

**Prepared by:** Robert Schultz

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**DIV. 1-10:** In reference to the Direct Testimony of Witness Forgue's page 4 lines 20 through 22, please detail any costs for the WTP Projects that have not been approved and are being requested for recovery through this rate case.

**Response:** There are no costs for the Design Build WTP Projects that have not been approved that are included in this rate case.

**Prepared by:** Julia A. Forgue



**DIV. 1-11:** Please provide supporting evidence for the tariff increases referenced on page 16 of the Direct Testimony of Witness Forgue, lines 13 through 17.

**Response:** Temporary Water Services are provided from fire hydrants and are primarily utilized by contractors and/or landscapers. In the last two (2) years three (3) hydrant meter assemblies have been stolen and/or damaged beyond repair. The most recent hydrant meter with integrated backflow assembly and hydrant lock costs \$2,248.90, invoice attached. The requested increase in the required deposit better reflects the value of the assemblies and should increase the odds they will be returned in good condition.

The increase in rental charge from \$5/day to \$10/day is a reflection of the equipment value and required testing. When the meter is to be returned, staff completes an inspection of the hydrant, meter assembly, and backflow assembly. As a result of the increased wear and tear, rental assemblies require much more frequent testing of the meter and backflow assembly (minimum annually). It is typical for some portion (e.g. meter head, valve, nest, etc.) of the assembly to require repair or replacement on an annual basis.

**Prepared by:** Julia A. Forgue



**PURCHASE ORDER NUMBER**  
**32855**

This number must appear on all invoices, packages, cartons, bills of lading, and packing slips.

**Issue Date : 06/03/2015**

**Status : ORIGINAL**

**Vendor No.: 8539**

**Terms : DUE UPON RECEIPT**

**Bill To: Accounting**  
**City of Newport - City Hall**  
**43 Broadway**  
**Newport, RI 02840**  
**401-845-5372**

**Vendor: EASTON WINWATER WORKS CO INC**  
**95 TURNPIKE ST**  
**WEST BRIDGEWATER MA 02379**

**Ship To: Utilities Dept-Water Cust Svc**  
**70 Halsey Street**  
**Newport RI 02840**

**Contact:**  
**Phone: 508-583-8080**

**Requester: Don Havey**  
**Phone: (401) 845-5611**

LINE	QTY	UOM	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
			Invoice by mail 15-500-2209-50275		
1	1.00	EA	FHD300S-RP HYDRANT METER W/BACKFLOW RPZ Deliver on June 9, 2015	2,135.77	2,135.77
2	1.00	EA	PBHL P HYDRANT LOCK BREAKAWAY Deliver on June 9, 2015	113.13	113.13
Total Amount:					\$2,248.90

*Nancy A. Lalli*

**DIV. 1-12:** With regard to Witness Forgue's Direct Testimony on page 10, lines 8 through 10, and HJS Schedule D-13 Account 50045, please clarify whether the Lead Plant Operator Stipend is \$80 per week or per shift.

**Response:** If an operator receives the Lead Operator Stipend it is \$80 per week. An operator serves as the "Lead" for his/her shift for one week. The stipend is prorated at \$16 per day assuming a five day work week. There are three shifts per day, and one Lead Operator per shift. Thus, Newport Water currently pays an \$80 stipend to each of the three Lead Operators each week.

**Prepared by:** Julia A. Forgue

**DIV. 1-13:** With regard to the rate year adjustment to the Lead Plant Operator Stipend:

- a. What was the stipend amount per foreman?; and
- b. If there was an increase in the Lead Plant Operator Stipend, please provide an explanation for the increase from the prior compensation level.

**Response:** a. The Water Plant Foreman did not receive a stipend. The Foreman position was paid at a higher Grade than the Water Plant Operators 1, 2 and 3.

b. The Lead Plant Operator stipend is currently \$80 per week for each of the three Lead Operators. Due to the pending AFSCME negotiations, an increase to \$100 per week for each of the three Lead Operators was assumed for this rate case.

**Prepared by:** Julia A. Forgue

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**DIV. 1-14:** Please differentiate between the proposed Lead Operator's weekly differential pay of the \$100/week and the Lead Plant Operator Stipend of \$80/shift.

**Response:** There is only one stipend for each of the three Lead Plant Operators on each of the treatment plant shifts. The current stipend is \$80/week per shift. Due to the AFSCME contract negotiations still pending, we assumed an increase to \$100/week for the Lead Plant Operator Stipend in this rate case.

**Prepared by:** Julia A. Forgue

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**DIV. 1-15:** Please detail whether the proposed increase in the Lead Operator's weekly differential pay from \$80/week to \$100/week is the result of discussions with AFSCME.

**Response:** The AFSCME contract negotiations have not been completed, but we assumed an increase to \$100/week in preparation for this rate case.

**Prepared by:** Julia A. Forgue

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**DIV. 1-16:** With regard to HJS Schedule D9:

- a. Please provide an explanation for the increase in account 50212 Conferences and Training for Administration; and
- b. Please provide an explanation for the inclusion of Account 50214 Tuition Reimbursement.

**Response:** a. The Administration Conferences and Training account supports the Director of Utilities, Deputy Utilities Director – Engineer and Deputy Utilities Director – Finance. The proposed amount continues the expense from the previous Docket. The Conferences and Training account is projected to include, but not be limited to, the following:

	Director of Utilities	Deputy Utilities Director – Engineer	Deputy Utilities Director – Finance
RIWWA Meetings/Training (4)	\$160	\$160	\$160
NEWWA Regional Conference		\$1,150	
AWWA ACE	\$995	\$775	

The above detailed conferences and training totals \$3,400 and it is assumed that travel and lodging expenses for ACE will be \$600.

b. The City's contracts with Rhode Island Council 94, AFSCME, Local 911 and Newport Municipal Employees Association National Education Association of Rhode Island Local 840 provide for tuition reimbursement programs for job related courses at accredited colleges, universities, trade schools or continuing adult education classes. The employee is required to apply in advance for approval of the reimbursement of tuition. Reimbursement are made upon successful completion of the course(s) taken with a grade of "C" or better or a "pass" in a course where there is a "pass/fail" grade system.

An example of the benefits of this tuition reimbursement program is providing a pathway for employees to advance from T1 – T4 certifications. The Rules and Regulations Pertaining to the Certification of Public Drinking Water Supply Treatment and Public Drinking Water Supply Transmission and Distribution Operators requires an Associate's Degree in the physical and/or biological sciences, Bachelor's degree in the physical and/or biological sciences or a minimum of 14 semester credits of post high school education in the physical and/or biological sciences including chemistry, math, biology with varying experience requirements for certification as a Treatment 4 Operator.

**Prepared by:** Robert Schultz



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**DIV. 1-17:** In regards to Account 50220 Consultant Fees;

- a. Please provide the workpapers showing the calculations used to determine the rate year adjustment values for this account in Excel format; and
- b. Please provide a detailed explanation of what is included in "other Committed in 2015" stated in HJS Schedule D9.

**Response:**

- a. Please see attached workpaper for Consultant fees used to determine the rate year adjustment in Excel format as well as Consultant costs for fiscal years 2014 through 2016.
- b. The amounts shown in "other Committed in 2015" represents the balance of Purchase Orders for Keough + Sweeney and Raftelis which were budgeted at the beginning of fiscal year 2015, but were not subsequently paid.

**Prepared by:** William Yost

Division Data Request 1.17

City of newport  
Water Division  
Consultants  
Account # 50220

<u>Fiscal Year</u>		<u>PUC</u>	Keough + <u>Sweeney</u> legal	<u>Raftelis</u> financial	<u>US Bank</u> Trustee	<u>Wells Fargo</u> bond fees	<u>Other</u> summarized	<u>Total</u>
2014		\$1,140	\$45,126	\$28,655			\$5,826	<b>\$80,747</b>
2015		\$0	\$9,435	\$11,070	\$9,000		\$1,160	<b>\$30,665</b>
2016 ( 6 months)			\$14,800	\$33,995				<b>\$48,795</b>
2017	Projected	\$40,000	\$125,000	\$75,000	\$10,000			<b>\$250,000</b>

**DIV. 1-18:** Please provide workpapers showing the calculations used to determine the rate year adjustments values to each of the following accounts, for each O&M Costs Category in which the account appears (Administration, Customer Service, Source of Supply – Island, Source of Supply – Mainland, Station One, Lawton Valley, Laboratory, Transmission & Distribution, and Fire Protection), in HJS Schedule A-1A. Please provide the requested information in Excel format.

- a. Account 50001 Salaries and Wages;
- b. Account 50100 Employee Benefits;
- c. Account 50207 Advertising;
- d. Account 50238 Postage;
- e. Account 50266 Legal & Administrative (separately by subsection);
- f. Account 50267 Data Processing; and
- g. Account 50520 Accrued Benefits Buyout.

**Response:**

- a. Please see attached workpaper of Salaries and Wages projected for fiscal year 2017 in Excel format.
- b. Please see attached Workpaper of Employee Benefits projected for fiscal year 2017 in Excel format.
- c. Please see attached Workpaper of Advertising projected for fiscal year 2017 in Excel format. The advertising account is used to collect charges usually from newspapers for employment openings, Public Meeting notices, as well as engineering and construction bid announcements. The 2017 amount was kept at the same level as the Docket 4243 amount.
- d. Please see attached Workpaper of Postage for fiscal year 2017 in Excel format. The Postage account in the Customer Service section is used to collect charges for mailing of bills. This is a direct reimbursement to the printing company. Registered mailing and overnight delivery charges for

general administrative purposes is collected in the Administration section Postage account. Postage charges increased in fiscal year 2015 due to the change to monthly billings for all customers.

e. Please see attached Workpaper of Legal & Administration for fiscal year 2017 in Excel format. Proposed legal and administrative services fees decrease by \$25,889 in the Docket No. 4595 rate filing from the currently approved allocation from Docket 4243. Services included in this allocation are audit fees; Other Post –Employment Benefit contributions to a Trust; City Council, City Clerk, City Manager and Solicitor fees; human resources charges; and finance, purchasing, collections, accounts payable, payroll and debt management fees.

f. Please see attached Workpaper of Data Processing (MIS) for fiscal year 2017 in Excel format. Data Processing, known as Management Information Systems, provides or pays for all technology licensing, hardware, software and support. They also provide computer training to all City users. They provide all telephone and communications equipment, hardware, software and support. They provide all copier, computer and related supplies to City departments. Please see attachments for documentation.

g. Please see attached Workpaper of Accrued Benefits Buyout account for fiscal year 2017 in Excel format. Accrued Benefits Buyout represents the cost of accrued vacation and sick time when employees either retire or leave the Water Department. All accrued leave is paid at 100%; however sick time is limited to a payment of 65% and is capped depending upon years of employment.

We did a detailed review of the current funding level as well as the total benefit liability based on current staff levels, earned entitlements and projected pay rates for fiscal year 2017. The work paper for the Accrued Benefits Buyout account starts with total earned and accrued paid leave hours and sick time hours as of August 2015. The hours were then converted to dollars with an expected salary increase of 2.25% for both fiscal years 2016 and 2017. The sick time amounts were reduced to 65% of the liability and capped to either \$10,000 or \$25,000 depending upon

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an individual's longevity with the City. The average entitlement of both Paid Leave and Sick was subtotaled, FICA tax was applied and the per person sum multiplied by three employees which has been the average number of employee separations over the last three fiscal years, (2013-2015).

**Prepared by:** William Yost 1.18 a, b, c, d, g; Laura Sitrin 1.18 e, f

City of Newport  
Water Division Salaries and Wages  
Projected 2017

(step and COLA)										
Title	Qual.	Projected Salaries 6/30/2016 w 2.25% increase	Step Increases	2.25% increase 0.0225	Salary Increase	FY 2017 Salary Base projected	MERS 3%	Health Buyback	Longevity	Total Projected Salary Cost 2017
<b><u>Admin</u></b>										
Director of Utilities	SUP	\$118,446	\$2,967	\$2,670	\$5,637	\$124,082	\$3,722			\$127,805
Director of Utilities 40% to WPC	SUP	-\$47,378	-\$1,187	-\$1,068	-\$2,255	-\$49,633	-\$1,489	\$0		-\$51,122
Administrative Asst	NEA	\$44,478	\$0	\$1,026	\$1,026	\$45,503	\$1,365			\$46,869
Administrative Asst 40% to WPC	NEA	-\$17,791	\$0	-\$410	-\$410	-\$18,201	-\$546			-\$18,747
Dep.Dir., Util/AssocDirFin-Util	SUP	\$87,402	\$2,158	\$1,942	\$4,099	\$91,501	\$2,745			\$94,246
Dep.Dir., Util/AssocDirFin 40% to WPC	SUP	-\$34,961	-\$863	-\$777	-\$1,640	-\$36,601	-\$1,098	\$0		-\$37,699
Dep.Dir., Util Engineer	SUP	\$100,049	\$2,500	\$2,250	\$4,749	\$104,798	\$3,144	\$1,000		\$108,942
Dep.Dir., Util Engineer 40% to WPC	SUP	-\$40,019	-\$1,000	-\$900	-\$1,900	-\$41,919	-\$1,258	-\$400		-\$43,577
Financial Analyst	NEA	<u>\$52,071</u>	<u>\$0</u>	<u>\$1,197</u>	<u>\$1,197</u>	<u>\$53,267</u>	<u>\$1,598</u>			<u>\$54,865</u>
		<b>\$262,295</b>	<b>\$4,574</b>	<b>\$5,929</b>	<b>\$10,503</b>	<b>\$272,798</b>	<b>\$8,184</b>	<b>\$600</b>	<b>\$0</b>	<b>\$281,582</b>
<b><u>Customer Accounts</u></b>										
Meter Repairman/Reader	AFS	\$40,245	\$1,179	\$933	\$2,112	\$43,586	\$1,308		\$1,526	\$46,419
Maintenance Mechanic	AFS	\$45,266	\$0	\$1,020	\$1,020	\$46,371	\$1,391		\$3,014	\$50,776
Meter Repairman/Reader	AFS	\$40,825	\$1,162	\$920	\$2,082	\$42,956	\$1,289		\$0	\$44,245
Meter Repairman/Reader	AFS	\$43,947	\$0	\$991	\$991	\$45,022	\$1,351		\$0	\$46,373
Prin. Account Clerk	AFS	\$40,266		\$906	\$906	\$41,172	\$1,235		\$0	\$42,407
Allocate 50% to WPC	AFS	-\$20,133		-\$453	-\$453	-\$20,586	-\$618			-\$21,204
Prin. Account Clerk	AFS	\$36,786		\$809	\$809	\$36,786	\$1,104			\$37,890
Water Meter Foreman	AFS	<u>\$57,469</u>	<u>\$0</u>	<u>\$1,295</u>	<u>\$1,295</u>	<u>\$58,872</u>	<u>\$1,766</u>		\$1,766	<u>\$62,404</u>
		<b>\$284,671</b>	<b>\$2,341</b>	<b>\$6,422</b>	<b>\$8,763</b>	<b>\$294,179</b>	<b>\$8,825</b>	<b>\$0</b>	<b>\$6,306</b>	<b>\$309,310</b>
<b><u>Source of Supply</u></b>										
Laborer	AFS	\$43,311	\$1,233	\$976	\$2,209	\$45,573	\$1,367		\$0	\$46,940
Dist/Collection Foreman	AFS	\$54,089	\$0	\$1,219	\$1,219	\$55,411	\$1,662		\$3,602	\$60,675
Dist/Collect Operator	AFS	\$50,708	\$0	\$1,143	\$1,143	\$51,947	\$1,558		\$3,247	\$56,752
Dist/Collect Operator	AFS	\$47,329	\$0	\$1,067	\$1,067	\$48,486	\$1,455		\$1,455	\$51,395
Super., Water Dist/Collect	NEA	\$75,839	\$2,159	\$1,708	\$3,867	\$79,797	\$2,394			\$82,191
Allocate 50% (Distribution)	NEA	-\$37,920	-\$1,080	-\$854	-\$1,934	-\$39,899	-\$1,197			-\$41,095
FICA Benefits S of S Mainland										
Dist/Collect Operator	AFS	<u>\$47,329</u>	<u>\$0</u>	<u>\$1,067</u>	<u>\$1,067</u>	<u>\$48,486</u>	<u>\$1,455</u>		<u>\$3,152</u>	<u>\$53,092</u>
		<b>\$280,686</b>	<b>\$2,313</b>	<b>\$6,326</b>	<b>\$8,639</b>	<b>\$289,802</b>	<b>\$8,694</b>	<b>\$0</b>	<b>\$11,455</b>	<b>\$309,950</b>
<b><u>Newport Station One</u></b>										
Water Plant Op - Grade3	AFS	\$50,707	\$1,442	\$1,142	\$2,584	\$53,352	\$1,601	\$1,000	\$1,867	\$57,820
Water Plant Op - Grade3	AFS	\$49,232	\$1,402	\$1,109	\$2,511	\$51,802	\$1,554		\$0	\$53,356
Water Plant Op - PC#3	AFS	\$50,708	\$0	\$1,143	\$1,143	\$51,947	\$1,558		\$3,377	\$56,882
Water Plant Operator		\$36,786								\$35,976
Projected Stand By Salary Increase						\$3,536				\$3,536
Water Plant Op - Grade3	AFS	\$50,708	\$0	\$1,143	\$1,143	\$51,947	\$1,558		\$3,377	\$56,882

Water Plant Op - PC#3	AFS	\$46,407	\$1,324	\$1,045	\$2,369	\$48,832	\$1,465		\$0	\$50,297
Water Qual/Prod Sup.	SUP	\$93,297	\$0	\$2,058	\$2,058	\$93,521	\$2,806			\$96,325
Allocate 50% (Lawton Valley)	SUP	-\$46,648	\$0	-\$1,029	-\$1,029	-\$46,760	-\$1,403			-\$48,163
Assist Water Treat Super	SUP	\$72,021	\$1,764	\$1,588	\$3,352	\$73,916	\$2,217			\$76,133
Allocate 50% (Lawton Valley)		-\$36,011	-\$882	-\$794	-\$1,676	-\$36,958	-\$1,109			-\$38,067
Water Plant Op - PC#3	AFS	\$45,053	\$1,282	\$1,015	\$2,297	\$47,404	\$1,422		\$0	\$48,826
Water Plant Op - Grade1	AFS	\$41,424	\$1,179	\$933	\$2,112	\$43,586	\$1,308		\$0	\$44,894
Water Plant Op - Grade3	AFS	<u>\$50,708</u>	<u>\$0</u>	<u>\$1,143</u>	<u>\$1,143</u>	<u>\$51,947</u>	<u>\$1,558</u>		<u>\$3,377</u>	<u>\$56,882</u>
		<b>\$504,393</b>	<b>\$7,511</b>	<b>\$10,497</b>	<b>\$18,008</b>	<b>\$488,072</b>	<b>\$14,536</b>	<b>\$1,000</b>	<b>\$11,997</b>	<b>\$551,581</b>
<b>Lawton Valley</b>										
Water Plant Op - PC#3	AFS	\$50,708	\$0	\$1,143	\$1,143	\$51,947	\$1,558		\$3,377	\$56,882
Water Plant Op - PC#3	AFS	\$50,708	\$0	\$1,143	\$1,143	\$51,947	\$1,558		\$1,818	\$55,324
Water Plant Op - Grade2	AFS	\$47,798	\$1,359	\$1,077	\$2,436	\$50,291	\$1,509		\$0	\$51,799
Water Plant Operator	AFS	\$37,889		\$0	\$0					\$0
Projected Stand By Salary Increase					\$0	\$4,243				\$4,243
Water Plant Op - PC#3	AFS	\$51,382	\$1,442	\$1,817	\$3,259	\$52,824	\$1,585		\$1,717	\$56,126
Allocated 50%	SUP	\$46,648	\$0	\$1,029	\$1,029	\$46,760	\$1,403			\$48,163
Allocate 50%	SUP	\$36,011	\$882	\$794	\$1,676	\$36,958	\$1,109			\$38,067
Water Plant Op - PC#3	AFS		\$1,282	\$1,015	\$2,297	\$47,404	\$1,422		\$0	\$48,826
Water Plant Op 1		\$37,909	\$1,079	\$854	\$1,933	\$39,887	\$1,197		\$0	\$41,084
Water Plant Op - PC#3	AFS	\$50,708	\$0	\$1,143	\$1,143	\$51,947	\$1,558		\$3,377	\$56,882
Water Plant Op 1	AFS	<u>\$36,831</u>	<u>\$1,112</u>	<u>\$855</u>	<u>\$1,967</u>	<u>\$39,948</u>	<u>\$1,198</u>		<u>\$0</u>	<u>\$41,146</u>
		<b>\$446,592</b>	<b>\$7,156</b>	<b>\$10,870</b>	<b>\$18,026</b>	<b>\$474,156</b>	<b>\$14,097</b>	<b>\$0</b>	<b>\$10,288</b>	<b>\$498,541</b>
<b>Water Laboratory</b>										
Microbiologist	NEA	\$47,168	\$1,342	\$1,063	\$2,405	\$49,629	\$1,489			\$51,117
Laboratory Supervisor	NEA	<u>\$65,125</u>	<u>\$0</u>	<u>\$1,497</u>	<u>\$1,497</u>	<u>\$68,021</u>	<u>\$2,041</u>			<u>\$70,061</u>
		<b>\$112,293</b>	<b>\$1,342</b>	<b>\$2,559</b>	<b>\$3,901</b>	<b>\$117,649</b>	<b>\$3,529</b>	<b>\$0</b>	<b>\$0</b>	<b>\$121,179</b>
<b>Distribution</b>										
Dist/Collect Foreman	AFS	\$48,384	\$1,402	\$1,109	\$2,511	\$51,802	\$1,554		\$1,684	\$55,040
Dist/Collect Operator	AFS	\$46,262		\$0						\$41,510
Dist/Collect Operator	AFS	\$49,232	\$1,402	\$1,109	\$2,511	\$51,802	\$1,554		\$1,684	\$55,040
Parts/Invent. Control Tech	AFS	\$43,947	\$0	\$991	\$991	\$45,022	\$1,351	\$1,000	\$1,351	\$48,723
Dist/Collect Operator	AFS	\$47,329	\$0	\$1,067	\$1,067	\$48,486	\$1,455		\$3,152	\$53,092
Dist/Collect Operator	AFS	\$47,328	\$1,348	\$1,066	\$2,414	\$49,799	\$1,494		\$0	\$51,293
Laborer	AFS	\$41,452	\$1,215	\$961	\$2,176	\$44,894	\$1,347		\$0	\$46,241
Dist/Collect Operator	AFS	\$47,798	\$1,359	\$1,077	\$2,436	\$50,291	\$1,509		\$0	\$51,799
Engineering Technician	AFS	\$55,712	\$0	\$1,256	\$1,256	\$57,073	\$1,712		\$3,710	\$62,495
Engineering Technician	AFS	\$45,330	\$1,368	\$1,052	\$2,420	\$49,166	\$1,475		\$0	\$50,641
Super Water Dist Allocate 50%	NEA	<u>\$37,855</u>	<u>\$0</u>	<u>\$790</u>	<u>\$790</u>	<u>\$35,881</u>	<u>\$1,076</u>			<u>\$36,957</u>
		<b>\$510,628</b>	<b>\$8,094</b>	<b>\$10,477</b>	<b>\$18,571</b>	<b>\$484,215</b>	<b>\$14,526</b>	<b>\$1,000</b>	<b>\$11,579</b>	<b>\$552,831</b>
	<b>TOTAL</b>	<b>\$2,401,557</b>	<b>\$33,331</b>	<b>\$53,080</b>	<b>\$86,411</b>	<b>\$2,420,871</b>	<b>\$72,393</b>	<b>\$2,600</b>	<b>\$51,625</b>	<b>\$2,624,974</b>

## Division Data Request 1.18 b

City of Newport  
Water Division  
Employee Benefits  
Projected 2017

Title	Qual.	Total Projected Salary Cost 2017	FICA MEDICARE 7.65%	Pension 21%	Health 3.0% for FY17	Dental	Life Insur.		Cost Share	Total Benefits
<b><u>Admin</u></b>										
Director of Utilities	SUP	\$127,805	\$9,777	\$26,839	\$18,747	\$982	\$81	F	-\$2,812	\$53,614
Director of Utilities 40% to WPC	SUP	-\$51,122	-\$3,911	-\$10,736	-\$7,499	-\$393	-\$32		\$1,125	-\$21,446
Administrative Asst	NEA	\$46,869	\$3,585	\$9,842		\$982	\$81	B		\$14,491
Administrative Asst 40% to WPC	NEA	-\$18,747	-\$1,434	-\$3,937	\$0	-\$393	-\$32			-\$5,796
Dep.Dir., Util/AssocDirFin-Util	SUP	\$94,246	\$7,210	\$19,792	\$18,747	\$982	\$81	F	-\$2,812	\$44,000
Dep.Dir., Util/AssocDirFin 40% to WPC	SUP	-\$37,699	-\$2,884	-\$7,917	-\$7,499	-\$393	-\$32		\$1,125	-\$17,600
Dep.Dir., Util Engineer	SUP	\$108,942	\$8,334	\$22,878	\$0	\$314	\$81	n/a	\$0	\$31,607
Dep.Dir., Util Engineer 40% to WPC	SUP	-\$43,577	-\$3,334	-\$9,151	\$0	-\$126	-\$32		\$0	-\$12,643
Financial Analyst	NEA	<u>\$54,865</u>	<u>\$4,197</u>	<u>\$11,522</u>	<u>\$18,747</u>	<u>\$982</u>	<u>\$81</u>	F	<u>-\$2,699</u>	<u>\$32,830</u>
		<b>\$281,582</b>	<b>\$21,541</b>	<b>\$59,132</b>	<b>\$41,243</b>	<b>\$2,938</b>	<b>\$275</b>		<b>-\$6,073</b>	<b>\$119,057</b>
<b><u>Customer Accounts</u></b>										
Meter Repairman/Reader	AFS	\$46,419	\$3,551	\$9,748	\$7,761	\$314	\$81	I	-\$872	\$20,583
Maintenance Mechanic	AFS	\$50,776	\$3,884	\$10,663	\$18,747	\$982	\$81	F	-\$1,855	\$32,503
Meter Repairman/Reader	AFS	\$44,245	\$3,385	\$9,291	\$18,747	\$982	\$81	F	-\$2,812	\$29,674
Meter Repairman/Reader	AFS	\$46,373	\$3,548	\$9,738	\$18,747	\$982	\$81	F	-\$2,812	\$30,284
Prin. Account Clerk	AFS	\$42,407	\$3,244	\$8,906	\$18,747	\$982	\$81	F	-\$2,812	\$29,148
Allocate 50% to WPC	AFS	-\$21,204	-\$1,622	-\$4,453	-\$9,374	-\$491	-\$41	F	\$1,406	-\$14,574
Prin. Account Clerk	AFS	\$37,890	\$2,899	\$7,957	\$18,747	\$982	\$81	F	-\$2,812	\$27,853
Water Meter Foreman	AFS	<u>\$62,404</u>	<u>\$4,774</u>	<u>\$13,105</u>	<u>\$18,747</u>	<u>\$982</u>	<u>\$81</u>	F	<u>-\$2,355</u>	<u>\$35,334</u>
		<b>\$309,310</b>	<b>\$23,662</b>	<b>\$64,955</b>	<b>\$110,870</b>	<b>\$5,715</b>	<b>\$527</b>		<b>-\$14,924</b>	<b>\$190,805</b>
<b><u>Source of Supply</u></b>										
Laborer	AFS	\$46,940	\$3,591	\$9,857	\$18,747	\$982	\$81	F	-\$2,812	\$30,446
Dist/Collection Foreman	AFS	\$60,675	\$4,642	\$12,742	\$18,747	\$982	\$81	F	-\$2,216	\$34,977
Dist/Collect Operator	AFS	\$56,752	\$4,342	\$11,918	\$18,747	\$982	\$81	F	-\$2,078	\$33,992
Dist/Collect Operator	AFS	\$51,395	\$3,932	\$10,793	\$18,747	\$982	\$81	F	-\$970	\$33,565
Super., Water Dist/Collect	NEA	\$82,191	\$6,288	\$17,260	\$18,747	\$982	\$81	F	-\$2,812	\$40,546
Allocate 50% (Distribution)	NEA	-\$41,095	-\$3,144	-\$8,630	-\$9,374	-\$491	-\$41		\$1,406	-\$20,273
FICA Benefits S of S Mainland			\$2,525	\$0						\$2,525
Dist/Collect Operator	AFS	<u>\$53,092</u>	<u>\$4,062</u>	<u>\$11,149</u>	<u>\$7,761</u>	<u>\$314</u>	<u>\$81</u>	I	<u>-\$970</u>	<u>\$22,397</u>
		<b>\$309,950</b>	<b>\$26,236</b>	<b>\$65,090</b>	<b>\$92,123</b>	<b>\$4,733</b>	<b>\$446</b>		<b>-\$10,452</b>	<b>\$178,175</b>
<b><u>Newport Station One</u></b>										
Water Plant Op - Grade3	AFS	\$57,820	\$4,423	\$12,142		\$982	\$81	B		\$17,628
Water Plant Op - Grade3	AFS	\$53,356	\$4,082	\$11,205	\$18,747	\$982	\$81	F	-\$2,812	\$32,284
Water Plant Op - PC#3	AFS	\$56,882	\$4,351	\$11,945	\$18,747	\$982	\$81	F	-\$2,078	\$34,029



Water Plant Operator		\$35,976	\$2,752	\$7,555	\$7,761	\$314	\$81	I	-\$1,164	\$17,299
Projected Stand By Salary Increase		\$3,536	\$271							\$271
Water Plant Op - Grade3	AFS	\$56,882	\$4,351	\$11,945	\$18,747	\$982	\$81	F	-\$2,078	\$34,029
Water Plant Op - PC#3	AFS	\$50,297	\$3,848	\$10,562	\$18,747	\$982	\$81	F	-\$2,812	\$31,408
Water Qual/Prod Sup.	SUP	\$96,325	\$7,369	\$20,228	\$18,747	\$982	\$81	F	-\$2,812	\$44,595
Allocate 50% (Lawton Valley)	SUP	-\$48,163	-\$3,684	-\$10,114	-\$9,374	-\$491	-\$41		\$1,406	-\$22,298
Assist Water Treat Super	SUP	\$76,133	\$5,824	\$15,988	\$18,747	\$982	\$81	F	-\$2,812	\$38,810
Allocate 50% (Lawton Valley)		-\$38,067	-\$2,912	-\$7,994	-\$9,374	-\$491	-\$41		\$1,406	-\$19,405
Water Plant Op - PC#3	AFS	\$48,826	\$3,735	\$10,253	\$7,761	\$314	\$81	I	-\$1,164	\$20,981
Water Plant Op - Grade1	AFS	\$44,894	\$3,434	\$9,428	\$7,761	\$314	\$81	I	-\$1,164	\$19,854
Water Plant Op - Grade3	AFS	<u>\$56,882</u>	<u>\$4,351</u>	<u>\$11,945</u>	<u>\$18,747</u>	<u>\$982</u>	<u>\$81</u>	F	<u>-\$2,078</u>	<u>\$34,029</u>
		<b>\$551,581</b>	<b>\$42,196</b>	<b>\$115,089</b>	<b>\$135,765</b>	<b>\$7,816</b>	<b>\$810</b>		<b>-\$18,162</b>	<b>\$283,514</b>
<b><u>Lawton Valley</u></b>										
Water Plant Op - PC#3	AFS	\$56,882	\$4,351	\$11,945	\$18,747	\$982	\$81	F	-\$2,078	\$34,029
Water Plant Op - PC#3	AFS	\$55,324	\$4,232	\$11,618	\$18,747	\$982	\$81	F	-\$2,078	\$33,582
Water Plant Op - Grade2	AFS	\$51,799	\$3,963	\$10,878	\$18,747	\$982	\$81	F	-\$2,012	\$32,639
Water Plant Operator	AFS	\$0								
Projected Stand By Salary Increase		\$4,243	\$325							\$325
Water Plant Op - PC#3	AFS	\$56,126	\$4,294	\$11,786	\$18,747	\$982	\$81	F	-\$2,113	\$33,777
Allocated 50%	SUP	\$48,163	\$3,684	\$10,114	\$9,374	\$491	\$41	F	-\$1,406	\$22,298
Allocate 50%	SUP	\$38,067	\$2,912	\$7,994	\$9,374	\$491	\$41		-\$1,406	\$19,405
Water Plant Op - PC#3	AFS	\$48,826	\$3,735	\$10,253	\$18,747	\$982	\$81	F	-\$2,812	\$30,987
Water Plant Op 1		\$41,084	\$3,143	\$8,628	\$18,747	\$982	\$81	F	-\$2,812	\$28,768
Water Plant Op - PC#3	AFS	\$56,882	\$4,351	\$11,945	\$7,761	\$314	\$81	I	-\$1,039	\$23,414
Water Plant Op 1	AFS	<u>\$41,146</u>	<u>\$3,148</u>	<u>\$8,641</u>	<u>\$7,761</u>	<u>\$314</u>	<u>\$81</u>	I	<u>-\$1,164</u>	<u>\$18,780</u>
		<b>\$498,541</b>	<b>\$38,138</b>	<b>\$103,803</b>	<b>\$146,751</b>	<b>\$7,502</b>	<b>\$729</b>		<b>-\$18,920</b>	<b>\$278,003</b>
<b><u>Water Laboratory</u></b>										
Microbiologist	NEA	\$51,117	\$3,910	\$10,735	\$7,761	\$314	<u>\$81</u>	I	-\$1,164	\$21,637
Laboratory Supervisor	NEA	<u>\$70,061</u>	<u>\$5,360</u>	<u>\$14,713</u>	<u>\$18,747</u>	<u>\$982</u>	<u>\$81</u>	F	-\$2,812	\$37,071
		<b>\$121,179</b>	<b>\$9,270</b>	<b>\$25,448</b>	<b>\$26,508</b>	<b>\$1,296</b>	<b>\$162</b>		-\$3,976	\$58,708
<b><u>Distribution</u></b>										
Dist/Collect Foreman	AFS	\$55,040	\$4,211	\$11,558	\$18,747	\$982	\$81	F	-\$2,072	\$33,507
Dist/Collect Operator	AFS	\$41,510	\$3,176	\$8,717	\$18,747	\$982	\$81	F	-\$2,812	\$28,891
Dist/Collect Operator	AFS	\$55,040	\$4,211	\$11,558	\$18,747	\$982	\$81	F	-\$2,072	\$33,507
Parts/Invent. Control Tech	AFS	\$48,723	\$3,727	\$10,232	\$18,747	\$982	\$81	F	-\$1,801	\$31,968
Dist/Collect Operator	AFS	\$53,092	\$4,062	\$11,149	\$7,761	\$314	\$81	I	-\$970	\$22,397
Dist/Collect Operator	AFS	\$51,293	\$3,924	\$10,772	\$18,747	\$982	\$81	F	-\$2,812	\$31,693
Laborer	AFS	\$46,241	\$3,537	\$9,711	\$18,747	\$982	\$81	F	-\$2,812	\$30,246
Dist/Collect Operator	AFS	\$51,799	\$3,963	\$10,878	\$18,747	\$982	\$81	F	-\$2,812	\$31,838
Engineering Technician	AFS	\$62,495	\$4,781	\$13,124	\$18,747	\$982	\$81	F	-\$2,283	\$35,432
Engineering Technician	AFS	\$50,641	\$3,874	\$10,635	\$18,747	\$982	\$81	F	-\$2,812	\$31,507
Super Water Dist Allocate 50%	NEA	<u>\$36,957</u>	<u>\$2,827</u>	<u>\$7,761</u>	<u>\$9,374</u>	<u>\$491</u>	<u>\$41</u>		<u>-\$1,406</u>	<u>\$19,087</u>
		<b>\$552,831</b>	<b>\$42,292</b>	<b>\$116,094</b>	<b>\$185,858</b>	<b>\$9,643</b>	<b>\$851</b>		<b>-\$24,664</b>	<b>\$330,073</b>
<b>TOTAL</b>		<b>\$2,624,974</b>	<b>\$203,336</b>	<b>\$549,611</b>	<b>\$739,117</b>	<b>\$39,643</b>	<b>\$3,799</b>		<b>-\$97,171</b>	<b>\$1,438,334</b>

Division Data Request 1.18 c

City of Newport  
Water Division  
Advertising  
Acct #50207

<u>Fiscal Year</u>	<u>Administration</u>
2013	\$7,879
2014	\$7,534
2015	\$4,041
2016 (6 months)	\$3,219
2017 projected	\$9,000

Division Data Request 1.18 d

City of Newport  
Water Division  
Postage  
Acct #50238

<u>Fiscal Year</u>	<u>Administration</u>	<u>Customer Service</u>	<u>Total</u>
2013	\$593	\$26,232	\$26,824
2014	\$799	\$31,741	\$32,540
2015	\$360	\$52,517	\$52,877
2016 (6 months)	\$220	\$43,954	\$44,175
2017	\$1,000	\$74,680	(1) \$75,680

(1) Monthly mailing of bills (avg of \$6,223 per month)

## Division Data Request 1.18 e &amp; f

City of Newport  
Water Division  
Legal & Administrative / Data Processing  
Accounts 50266 & 50267

<u>Allocated Item</u>		<u>Cost To Be Allocated</u>	<u>Water Percent</u>	<u>Water Fund</u>	<u>Water Account #</u>
Audit Fees		\$68,500	6.18%	\$4,233	
OPEB Contribution (1)		\$500,000	3.84%	\$19,200	
City Council		\$100,558	3.42%	\$3,439	
City Clerk		\$332,331	1.00%	\$3,323	
City Manager		\$433,888	13.23%	\$57,403	
Human Resources		\$335,370	1.74%	\$5,835	
City Solicitor		\$391,847	13.23%	\$51,841	
Finance Admin 50%		\$217,505	13.23%	\$28,776	
Finance - 5% RICWFA		\$6,032	50.00%	\$3,016	
Finance Admin 10% Inv/Debt		\$43,501	30.77%	\$13,385	
Purchasing		\$85,114	18.47%	\$15,721	
Collections		\$344,654	5.80%	\$19,990	
Accounting - Wires - 5%		\$12,593	70.00%	\$8,815	
Accounting		<u>\$390,337</u>	10.97%	<u>\$42,820</u>	
<b>Legal &amp; Admin</b>	Subtotal	\$3,262,230		<b>\$277,799</b>	<b>50266</b>
<b>Data Processing</b>		<u>\$1,512,050</u>	<b>13.23%</b>	<u><b>\$200,044</b></u>	<b>50267</b>
	Totals	\$4,774,280		<b>\$477,843</b>	

(1) Based on July 1, 2014 Actuarial Report

City of Newport Water Department  
 Calculation of Accrued benefits Buyout  
 Projected cost as of fiscal year 2017

EE#	Hire Date	hours os of 8/12/2015	2015 Rate	2017 Rate	Paid Leave Amount	Sick Time Amount
1859	12/22/2003	51	\$19.50	\$20.39	\$1,039.76	\$503.57
386	9/13/1982	395	\$25.38	\$26.53	\$10,481.30	\$25,000.00
2356	5/17/2010	41	\$22.17	\$23.18	\$908.97	\$-
1916	9/22/2003	181	\$22.17	\$23.18	\$4,195.38	\$3,435.11
2040	4/28/2008	73	\$23.14	\$24.19	\$1,689.22	\$-
2763	4/13/2015	10	\$17.30	\$18.09	\$173.00	\$-
2596	5/28/2013	47	\$24.95	\$26.09	\$1,172.65	\$-
420	10/8/1978	336	\$25.38	\$26.53	\$8,915.74	\$25,000.00
2214	8/20/2007	193	\$20.65	\$21.59	\$4,166.81	\$6,174.66
2165	4/9/2007	22	\$20.65	\$21.59	\$474.97	\$392.93
2754	1/20/2015	69	\$17.30	\$18.09	\$1,193.70	\$-
1856	3/24/2003	124	\$24.60	\$25.72	\$3,189.21	\$10,000.00
1985	10/18/2004	274	\$23.71	\$24.79	\$6,792.17	\$10,000.00
1731	3/12/2001	330	\$56.95	\$59.54	\$11,789.23	\$10,000.00
2110	6/26/2006	190	\$22.46	\$23.48	\$4,461.99	\$10,000.00
2757	2/17/2015	70	\$17.30	\$18.09	\$1,211.00	\$-
1079	10/7/1991	378	\$25.26	\$26.41	\$9,982.79	\$25,000.00
2041	8/9/2005	72	\$20.65	\$21.59	\$1,554.46	\$10,000.00
757	3/7/1988	278	\$23.69	\$24.77	\$6,885.52	\$25,000.00
960	2/26/1990	342	\$27.07	\$28.30	\$9,679.23	\$10,835.36
629	7/14/1986	109	\$22.65	\$23.68	\$2,581.20	\$10,420.70
2158	2/20/2007	155	\$22.24	\$23.25	\$3,604.07	\$2,267.08
2292	8/1/2011	266	\$19.47	\$20.36	\$5,179.02	\$-
2152	12/10/2007	54	\$22.46	\$23.48	\$1,268.14	\$4,640.47
2315	6/1/2009	87	\$21.81	\$22.80	\$1,897.47	\$-
1996	12/13/2004	185	\$24.43	\$25.54	\$4,725.22	\$10,000.00
2273	4/5/2010	292	\$19.19	\$20.06	\$5,603.48	\$-
1930	3/22/2004	250	\$23.96	\$25.05	\$6,262.58	\$8,108.79
405	9/12/1983	352	\$43.86	\$45.86	\$16,141.28	\$25,000.00
1091	4/6/1992	360	\$25.26	\$26.41	\$9,507.42	\$25,000.00
2007	5/2/2005	86	\$57.68	\$60.30	\$5,186.21	\$10,000.00
2063	11/28/2005	284	\$22.24	\$23.25	\$6,603.58	\$10,000.00
736	8/17/1987	315	\$27.88	\$29.15	\$9,181.84	\$9,113.35
2513	2/27/2012	21	\$21.38	\$22.35	\$269.39	\$-
1858	4/7/2003	212	\$33.86	\$35.40	\$7,504.98	\$10,000.00
2350	4/26/2010	173	\$35.64	\$37.26	\$6,165.72	\$-
2642	3/10/2014	64	\$17.82	\$18.63	\$1,140.48	\$-
728	9/24/1990	60	\$23.63	\$24.71	\$1,482.32	\$22,048.26
2567	12/10/2012	158	\$48.10	\$50.29	\$4,559.88	\$-
950	12/3/1989	255	\$25.38	\$26.53	\$6,766.41	\$25,000.00
2314	6/1/2009	242	\$21.17	\$22.13	\$5,123.14	\$-
2704	8/25/2014	68	\$21.29	\$22.26	\$1,447.72	\$-
2537	6/4/2012	101	\$19.47	\$20.36	\$1,966.47	\$-
867	2/1/1989	169	\$31.20	\$32.62	\$5,512.75	\$24,213.67
425	3/17/1980	329	\$25.38	\$26.53	\$8,730.00	\$25,000.00
2691	7/21/2014	62	\$42.02	\$43.93	\$1,634.28	\$-

Total \$218,367.88 \$392,153.94

# of employees: 46 29

avg entitlement \$4,747.13 \$13,522.55

subtotal \$18,269.68

FICA @7.65% \$1,397.63

Average cost per employee \$19,667.31

Avg # of employees retiring per year 3

Total Cost \$59,002

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**DIV. 1-19:** Please provide Harold Smith schedules HJS Schedule A-1A through HJS Schedule D-17 in Excel format.

**Response:** An electronic version of schedules HJS Schedule A-1A through HJS Schedule D-17 was provided in Excel format to the service list on January 25, 2016.

**Prepared by:** Harold Smith

**DIV. 1-20:** With regard to the allocations of Base Extra Capacity Cost Allocations shown on HJS Schedule B-1 and the Allocation of Costs to Water Rate Classes shown on HJS Schedule B-2, please state whether there are any differences compared to Docket No. 4355. If yes, please explain the differences.

**Response:** Other than updated revenue requirements and different allocation percentages based on revised asset data and current demand and peaking data, the only difference between the allocation of costs in this filing and the allocations agreed to in Docket 4355 is the allocation of treatment capital costs. In Docket 4355 treatment capital costs were allocated to Base/Extra Capacity cost categories and customer classes according to the historical demands that each customer class placed on the system while in this filing treatment capital costs are allocated to each customer class based on the amount of daily treatment capacity requested by each class prior to the design and construction of the new Lawton Valley plant and the upgrades to the Station 1 plant. This allocation is further explained in my pre-filed direct testimony.

**Prepared by:** Harold Smith

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**DIV. 1-21:** With regard to Administration costs, please explain why Salaries and Wages are allocated based on Non-Admin less electricity and chemical but Accrued Benefits are allocated based on Non-Administrative Wages & Salaries.

**Response:** The COS model agreed to in Docket 4355 allocated each of these costs in the manner described and the allocations were not changed for this filing.

**Prepared by:** Harold Smith



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**CERTIFICATION**

I hereby certify that on February 12, 2016, I sent a copy of the within to all parties set forth on the attached Service List by electronic mail and copies to Luly Massaro, Commission Clerk, by electronic mail and regular mail.

<b>Parties/Address</b>	<b>E-mail Distribution</b>	<b>Phone</b>
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<b>File an original and nine (9) copies w/:</b> Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:Luly.massaro@puc.ri.gov">Luly.massaro@puc.ri.gov</a> ; <a href="mailto:Cynthia.WilsonFrias@puc.ri.gov">Cynthia.WilsonFrias@puc.ri.gov</a> ; <a href="mailto:Sharon.ColbyCamara@puc.ri.gov">Sharon.ColbyCamara@puc.ri.gov</a> ;	401-780-2107

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