RHODE ISLAND PUBLIC UTILITIES COMMISSION

DOCKET NO. 4595
NEWPORT WATER DIVISION

PREFILED SURREBUTTAL TESTIMONY OF CHRISTOPHER P.N. WOODCOCK ON BEHALF OF PORTSMOUTH WATER & FIRE DISTRICT

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PREFILED SURREBUTTAL TESTIMONY OF
CHRISTOPHER P.N. WOODCOCK

Q: Please state your name and business address.

A: My name is Christopher P.N. Woodcock and my business address is 18 Increase Ward Drive, Northborough, Massachusetts 01532.

Q: Are you the same Christopher Woodcock that submitted prefiled direct testimony in this docket on behalf of the Portsmouth Water and Fire District ("Portsmouth Water")?

A: Yes.

I. SUMMARY OF TESTIMONY

Q: What is the purpose of your surrebuttal testimony?

A: My surrebuttal testimony responds to the rebuttal testimony submitted by Julia Forgue, Laura Sitrin, and Harold Smith on behalf of the City of Newport, Utilities Department, Water Division ("Newport Water"). Additionally, my surrebuttal testimony addresses certain issues raised in the direct testimony of Jerome Mierzwa and Stacy Sherwood on behalf of the Rhode Island Division of Public Utilities and Carriers (the "Division") and in the direct testimony of Brian C. Collins on behalf of the United States Department of the Navy (the "Navy"). To the extent that Mr. Mierzwa, Ms. Sherwood, and Mr. Collins raised issues in their direct testimony that are not addressed in my direct testimony or in this surrebuttal testimony, Portsmouth Water does not take a position on those issues.

Q: How is your surrebuttal testimony organized?

A: First, I explain Portsmouth Water's position concerning the differences between Newport Water's calculation of base revenues under existing rates and the Division's calculation of those revenues. Second, I address Newport Water's position concerning the use and fund-

ing of restricted accounts and explain Portsmouth Water's position on the funding of the restricted capital account, restricted electricity account, and restricted chemical account in response to Newport Water's testimony. Third, I respond to the remaining issues raised in Ms. Forgue's, Mr. Smith's, and Ms. Sitrin's rebuttal testimony, identifying areas of agreement and disagreement, and provide reasons and explanations in support of Portsmouth Water's position in the areas of disagreement. Finally, I provide Portsmouth Water's position on the concept of gradualism proposed by the Division and the Navy in their direct testimony.

Q: Can you summarize your testimony?

A: After reviewing the direct testimony from the Navy and the Division and the rebuttal testimony from Newport Water, I have prepared surrebuttal schedules, attached to my surrebuttal testimony, that reflect modifications to Portsmouth Water's original positions. Specifically, those modifications are:

- An update to Newport Water's Self-insurance cost to reflect the Division's proposed $5,000 reduction, which Newport Water accepted in Ms. Forgue's rebuttal testimony;
- An update to Newport Water's miscellaneous revenues (Sch. A-1A) based on Newport Water's responses to data requests. Newport Water accepted these updated figures in Mr. Smith's rebuttal testimony;
- Revised asset values reclassifying two assets as treatment assets instead of water study assets and removing a wastewater pump station asset. This revised listing reflects the asset listing Newport Water agreed to in Mr. Smith's rebuttal testimony.
- Based on Newport Water's responses to Data Request 3-1 from Portsmouth Water, revisions to the 2015 general fund, civic support/library, and debt/capital amounts used to determine the allocation percentage for some City Service Expenses.

- An update to Newport Water's restricted capital account cash flow based on the fund balances reported by Newport Water as of March 31, 2016 in its quarterly report to the Rhode Island Public Utilities Commission (the "Commission").

Although Portsmouth Water determined that certain changes are appropriate, Portsmouth Water maintains its position on most of the issues raised in my direct testimony.

II. CALCULATION OF BASE REVENUES UNDER EXISTING RATES

Q: What is the discrepancy between Newport Water's calculation of the base revenues under existing rates and the Division's calculation?

A: On behalf of Newport Water, Mr. Smith calculated base rates under existing revenues to be $936,424. On behalf of the Division, Ms. Sherwood calculated those revenues to be $934,255.

Q: Does Portsmouth Water agree with either of these calculations?

A: Yes. As shown on Surrebuttal Schedule A-2, I have calculated the base revenues under the existing rates to be the $936,424 that Mr. Smith shows in his rebuttal testimony rather than the $934,255 Ms. Sherwood presented.

III. NEWPORT WATER'S RESTRICTED ACCOUNTS

Q: What are the restricted accounts at issue in this proceeding?

A: Although all of Newport Water's restricted accounts are impacted by Newport Water's rate filing, there is specific disagreement about three restricted accounts in this proceeding: (1) the restricted capital account, (2) the restricted chemical account, and (3) the restricted electric account.

Q: Generally, what is Portsmouth Water's position regarding Newport Water's restricted accounts?

A: The Commission should require Newport Water to begin to use some of its restricted funds to offset rate increases rather than allowing Newport Water to accumulate greater and greater reserves.

Q: Why should the Commission require Newport Water to begin using its restricted accounts to offset rate increases?

A: Newport Water has an unusually high number of restricted accounts with combined balances as of March 31, 2016 of more than $8.2 million dollars. Specifically, Newport Water had the following restricted accounts with the following balances as of that date:

- Capital: $3,261,516
- Debt Service: $2,080,618
- Chemicals: $230,689
- Electricity: $314,327
- Retiree Insurance: $442,101
- Accrued Benefits: $947,749
- Revenue Reserve: $724,958
- Payroll: $206,143

The Commission has asked for an update of the amounts in these restricted accounts in a recent data request. Portsmouth Water acknowledges that the restricted debt service account is required by Newport Water's Trust Indenture, but even excluding that account, Newport Water has more than $6.1 million in restricted accounts. That balance is equal to nearly one-third (1/3) of the total revenues in the test year Newport Water used for this rate filing.

Because Newport Water maintains so many restricted accounts with such large balances, the Commission should continue to require that Newport Water report periodically on, at least, its capital program progress and the balances in its various restricted accounts.

Q: Why are the current balances in the restricted accounts excessive?

A: The purpose of restricted accounts is to provide a cushion to protect the utility when cost increases are likely but the exact amount is unknown or when annual variations may necessitate a reserve. In the past, Newport Water has sought to fund restricted accounts for various reasons (e.g., labor contracts in negotiations). In this docket, Newport Water claims it needs to overfund certain restricted accounts because of alleged uncertainty related to the operation of its new water treatment plant facilities. These "new" facilities, however, have now been in operation for nearly two years. That history should provide sufficient data for Newport Water to fairly predict its chemical and electric expenses. Newport Water should now be able to accurately forecast these expenses and should no longer need substantial reserves to cover any variances. All of Newport Water's customers have paid for the accumulation of these restricted balances, and now that the cost uncertainty associated with the new treatment plants has passed, the customers should be able to benefit from the excess revenue Newport Water has received.

Q: What is Portsmouth Water's proposal for the use of funds from restricted accounts?

A: Portsmouth Water has taken a conservative approach to beginning to reduce the excess balances in the restricted accounts. As explained in my direct testimony, Portsmouth Water proposed reducing the funds in only three (3) of the eight (8) restricted accounts – the restricted chemical account, the restricted electricity account, and the restricted capital account. Of the $8,208,101 Newport Water maintains in reserves in the restricted accounts as of March 31, 2016, Portsmouth Water proposes using only $125,000 from the restricted chemical account and $100,000 from the restricted electricity account for a total of $225,000 – less than 3% of the total funds in Newport Water's restricted accounts.

Additionally, Portsmouth Water proposes maintaining the level of funding previously approved for the restricted capital account. If Newport Water actually spends what it has proposed for capital expenses, Portsmouth Water's proposal would also reduce the balance in Newport Water's restricted capital account, but that account would still have a positive balance in excess of $1 million at the end of the rate year and more than $250,000 at the end of the following year.

Q: Does Newport Water agree with Portsmouth Water's proposed use of funds from the restricted accounts for chemicals and electricity?

A: No.

Q: What is Newport Water's position regarding the use of funds in the restricted chemical account?

A: In Ms. Forgue's rebuttal testimony, she asserts that the uncertainty of the operating costs of the new water treatment facilities necessitates the balances in the restricted accounts. Additionally, Ms. Forgue contends that Newport Water might face unanticipated chemical costs to maintain water quality that cannot be deferred.

Q: Do you agree with Ms. Forgue's rationale for maintaining the balance in the restricted chemical account?

A: No.

Q: Why not?

A: First, as I explained earlier, the new water treatment plants have both been in operation for nearly two years. The uncertainty associated with the costs of operating those plants no longer exists or at least has diminished considerably. Newport Water should be required to examine that history to make a fair and accurate forecast of the costs of opera-

tion. It should not be permitted to rely on collecting revenues in excess of its operational needs.

Second, Portsmouth Water understands that Newport Water will need funds for chemicals and carbon filter replacements. In recognition of these necessary costs, Portsmouth Water has not requested any reduction to Newport Water's requested revenue amounts to pay for chemical costs, which represent an increase of $83,000 from the test year chemical expenses. Rather, Portsmouth Water asserts that Newport Water should reduce the balance of the restricted chemical account to offset the rate increases that would result from funding these increased chemical expenses.

Third, Portsmouth Water is not seeking to eliminate the reserves in the restricted chemical account. Rather, Portsmouth Water is proposing to use $125,000 of those reserves – about half of the $231,000 in reserves that are available in that account – to offset rate impacts. After doing so, Newport Water will still have more than $100,000 in available reserves in the restricted chemical account.

Q: Can you describe in detail the funds that would be available for Newport Water's chemical expenses under Portsmouth Water's proposal?

A: Under Portsmouth Water's proposal, Newport Water will be able to pay for all its known chemical costs based on historical operations, and will still have: (a) nearly $300,000 from the operating revenue allowance to pay for unanticipated chemical costs and carbon filter replacements, and (b) more than $100,000 in reserves in the restricted chemical account to use, if necessary, to pay for such unanticipated costs. The funds available for unanticipated chemical costs are equal to nearly half (1/2) of Newport Water's total claimed chemical costs. Under Portsmouth Water's proposal, there will be substantial funds available for the unanticipated chemical costs about which Newport Water is concerned.

Q: What is Newport Water's position regarding the use of funds in the restricted electricity account?

A: In Ms. Forgue's rebuttal testimony, she asserts that Newport Water has been depleting the balance of the restricted electricity account because current rates do not adequately account for all of Newport Water's electric expenses from the new Lawton Valley Water Treatment Plant. Additionally, Ms. Forgue asserts that the new water treatment plants create uncertainty in Newport Water's electric costs.

Q: Do you agree with Ms. Forgue's rationale for maintaining the balance in the restricted electricity account?

A: No.

Q: Why not?

A: First, as explained previously, the now nearly two-year history of operation of the "new" water treatment plants provides the necessary data to forecast the costs of operating those plants, including electricity costs. Notably, the Pawtucket Water Supply Board ("PWSB") has a relatively new water treatment facility, but does not have a restricted electricity account because of uncertainty in electric costs.

Second, Ms. Forgue's claim that the restricted electricity account has been reduced is incorrect. At the start of the calendar year, Newport Water had $277,886 in its restricted electric account. By March 31, 2016, this balance grew to $314,327. Additionally, Newport Water's rate request includes more than $107,000 for proposed electricity cost increases. Thus, despite Ms. Forgue's assertion that the restricted electric account is expected to have $250,000 by the end of the current fiscal year, the balance history on the account and the requested rate increase for electric costs contradict Newport Water's contention that it "is prudent" to overfund the restricted electricity account.

Q: Why does Newport Water have a restricted electricity account?

A: The Commission initially approved the creation of the restricted electricity account in Docket 3578 (in 2004) to guard against the high costs of pumping raw water supply from Newport Water's off-island water sources and the uncertainties surrounding that need because of water quality issues with on-Island supplies. The new treatment facilities have eliminated some of those water quality concerns, and water sales have dropped since the restricted account was first established more than a decade ago. Thus, the unusual circumstances that led to the creation of the restricted electricity account have dissipated. Acknowledging this, the Commission should treat Newport Water more similarly to PWSB, the Kent County Authority and Providence Water, none of which have a restricted electricity account.

Q: Does Portsmouth Water propose eliminating the restricted electricity account entirely?

A: No. Portsmouth Water proposes using $100,000 from the restricted electricity account to moderate rate increases. Even accepting Ms. Forgue's forecast that this restricted account balance will be reduced to $250,000 by the end of the current fiscal year, Portsmouth Water's proposal would leave $150,000 of reserves available in the restricted electricity account.

Q: Does Newport Water agree with Portsmouth Water's proposal to maintain the previously approved funding levels for the restricted capital account?

A: No. In my direct testimony, Portsmouth Water proposed maintaining funding for the restricted capital account at $2,500,000 per year. In their rebuttal testimony, Ms. Forgue and Mr. Smith reduced their original funding request for this account from $3,180,502 per year to $2,700,000 per year because funding plans have changed and the balance in this restricted account has grown since Newport Water made its original filing.

Q: Does Portsmouth Water agree that Newport Water should fund its capital restricted account at the rate of $2,700,000 per year?

A: No.

Q: Why not?

A: From January 1, 2016 through March 31, 2016, Newport Water's balance in its restricted capital account grew by more than $300,000 from $2,957,000 to $3,262,000. As shown in my direct testimony and as updated on my Surrebuttal Schedule D-6, even if Newport Water's estimated projections for capital spending are correct (see response to Data Request 1-1 from Newport Water to Portsmouth Water), funding the restricted capital account at the rate of $2,500,000 per year will provide Newport Water with sufficient funds through the rate year and the following year.

Newport Water's capital program, however, is ever changing. As per Ms. Forgue, since Newport Water's initial filing in this proceeding, more than $1,000,000 that Newport Water expected to be spend from rate revenues has now been bonded, lowering the annual capital cost substantially. If: (a) Newport Water's actual capital spending is less than anticipated, (b) Newport Water transfers additional costs from rate revenues to bond issues, and/or (c) Newport Water obtains additional grant revenue, then Newport Water will have sufficient funds for two full years beyond the rate year.

Additionally, Newport Water has based its capital funding request on projected costs through 2021 – four years beyond the rate year (see rebuttal testimony of Harold Smith at page 12, lines 1-17). That is improper. If Newport Water is concerned about capital costs in years beyond the rate year, the appropriate mechanism to recover those costs is through requested step increases. Newport Water chose not to use that mechanism. That decision does not justify overfunding the capital restricted account to avoid depleting the reserves Newport Water has accumulated.

Q: What is your response to Mr. Smith's contention that Portsmouth Water has approved of using multi-year averages for capital expenses in the past?

A: In Docket 4025, Portsmouth Water recommended a two-year average of the capital costs because the rate year (2010) amount of $1,652,019 was quite close to the next year (2011) amount of $1,502,817, and the amounts Newport Water claimed for the following years dropped off considerably. Portsmouth Water has not proposed examining anticipated costs four years beyond the rate year as Newport Water has done in this proceeding. Additionally, in Docket 4025, Mr. Smith projected that the restricted capital account would have only $350,000 at the start of the rate year. By comparison, in this docket the restricted capital account had a balance of $3,261,516 on March 31, 2016. The circumstances in this docket are quite different than they were in Docket 4025.

IV. RESPONSE TO OTHER ISSUES IN MS. FORGUE'S REBUTTAL TESTIMONY

Q: Please summarize Ms. Forgue's rebuttal positions other than with respect to restricted accounts.

A: First, Ms. Forgue addressed a number of issues raised by the Division that Portsmouth Water did not address in my direct testimony. Ms. Forgue disagreed with the Division's position on the amount the Commission should allow for:

- Salary and Wages; and
- Accrued Benefits buy-out.

Portsmouth Water defers to the Division on these issues, and they are not addressed in my surrebuttal testimony.

Second, Ms. Forgue agreed with the Division's position on the amount the Commission should allow for:

- Reducing the allowance for Consultant Fees by $45,000;
- Reducing Telephone Expenses by $415; and
- Reducing Self-insurance expense by $5,000.

Finally, Ms. Forgue responded to the issue raised in my direct testimony on behalf of Portsmouth Water regarding the inclusion of bond advisor costs as Consultant Fees. Ms. Forgue clarified that the $10,000 in bond advisor costs should be classified as trustee fees and proposed an allowance based on a mix of 2- and 5-year averages.

Q: After reviewing Ms. Forgue's rebuttal testimony on these issues have you updated your positions?

A: Like the Division, I had also adjusted Portsmouth Water's proposed revenue requirements for Telephone expense, and I have adjusted the Self-insurance expense as recommended by the Division and accepted by Ms. Forgue. Portsmouth Water is not in complete agreement with Newport Water, however, with respect to Consultant Fees.

Q: Please explain Portsmouth Water's position regarding consultant fees.

A: Portsmouth Water agrees with the inclusion of the $10,000 in Trustee Fees. As Ms. Forgue points out, the $10,000 that was initially labelled "Bond Advisor Fees" was corrected in response to data requests and as shown in the exhibits attached to my prefiled direct testimony. Portsmouth Water has continued to include this $10,000 expense and relabeled it as Trustee Fees (see my Schedule D-9).

Portsmouth Water disagrees with Newport Water's proposal to derive its proposed rate-case consultant costs from a two-year average but calculate its other, non-rate-case consultant fees from a five year average. Neither Ms. Forgue nor any other witness for Newport Water has provided any rationale or support for calculating these costs in this manner. In fact, doing so arbitrarily inflates the rate-case consultant fees because using the two

years in which Newport Water filed a rate case to calculate rate-case consultant costs ignores the fact that Newport Water will incur lower costs in years when it does not file a rate case. Newport Water does not file a rate case every year. Therefore, Newport Water does not need to recover rate-case consultant costs every year that are equal to the average year in which Newport Water files a rate case. Rather, the Commission should use the $137,064 five-year average proposed by Portsmouth Water, which takes into account the non-rate case years.

V. RESPONSE TO ISSUES IN MS. SITRIN'S REBUTTAL TESTIMONY

Q: Can you summarize Ms. Sitrin's rebuttal testimony?

A: Ms. Sitrin's rebuttal testimony focused solely on the Administrative and Data Processing assessments or charges from the City of Newport (City Service Expenses). She noted that Newport Water proposed an increase of only $25,000 from the amount allowed in Docket 4355 and that the Division and the Navy had not questioned her proposed charges. Ms. Sitrin also spent considerable time discussing the history of past disputes over the allocation of City Services Expenses and explaining her disagreement with the comment in my direct testimony that the parties have spent considerable time on the issue, but that Newport Water continues to make changes to the allocation that disadvantage Portsmouth Water and its ratepayers.

Ms. Sitrin failed to directly address most of the specific issues I raised in my direct testimony regarding City Service Expenses. Instead, she avoided directly addressing the substantive issues and proposed to return to deriving City Services Expenses based on Docket 4025. Ms. Sitrin has acknowledged, however, that circumstances have changed since that docket such that the allocation approved in that docket is inappropriate.

Q: Did Ms. Sitrin agree with any of Portsmouth Water's positions regarding City Service Expenses?

A: Yes. She agreed that Newport Water should use the actual FY 2015 amounts for these categories.

Q: What issues did Portsmouth Water raise with respect to City Services Expenses that Ms. Sitrin failed to address?

A: Ms. Sitrin failed to address the following matters:

- Portsmouth Water challenged Ms. Sitrin's use of the City of Newport's budget to allocate $10,091,631 in City Services Expenses to Newport Water instead of using the actual Test Year expenses (FY 2015) of $8,734,259. In prior cases, the parties have settled on or agreed to use the actual test year amounts. The allocation used by Ms. Sitrin is more than $1.3 million higher than the test year expenses and increases the water allocation by nearly 2%.

- Portsmouth Water updated the basis of some of the City Services Expenses allocations using matching years based on the number of Water Department "mentions" in the City Council minutes for FY 2015 (the budget year Ms. Sitrin used) and adjusting the allocation based on this more recent count.

- Portsmouth Water challenged Ms. Sitrin's assignment of a larger share of the City Solicitor's budget based on alleged new duties associated with union negotiations and arbitration. In my direct testimony, I identified that Newport Water had not quantified or explained how these new duties justified an increase of the allocation from 50% of the total budget (as previously agreed) to more than 80% of the total budget – an increase of more than $70,000. Additionally, Portsmouth Water noted, as it has in previous dockets, that Newport Water has its own legal counsel who

handles many of Newport Water's legal issues and representation – a benefit the other City departments do not have.

- Portsmouth Water proposed substantial modifications to the "data processing services" that are assigned to Newport Water, including the removal of many capital costs and other costs that are not provided to the Water Fund.

Q: Why does Portsmouth Water disagree with Ms. Sitrin's use of the City Services Expenses allocation from Docket 4025?

A: Portsmouth Water disagrees with this proposal because it does not take into account the reality of Newport Water's actual share of City Services Expenses. Ms. Sitrin's own testimony establishes this point. For example, in her direct testimony, Ms. Sitrin proposed an allocation of 1.74% of the Human Resource budget to Newport Water, or $5,835. She explained that this decreased allocation is appropriate because the Human Resource office no longer provides certain services to Newport Water related to union negotiations, arbitrations, and other union-related matters. Ms. Sitrin, therefore, admitted that the prior allocation percentages for Human Resource expense are no longer valid based on these changed circumstances. In her rebuttal testimony, however, Ms. Sitrin abandoned her previous position and proposed that Newport Water revert to the City Services Expense allocations from Docket 4025. Applying the Docket 4025 allocations would result in the allocation of more than 10% of the total Human Resources expense or $33,858 to Newport Water. Thus, Ms. Sitrin is now proposing on rebuttal to increase the allocation of Human Resources expense to Newport Water by more than $28,000 from the $5,835 she testified was the reasonable allocation in her direct testimony. Ms. Sitrin has not provided any factual support for her rebuttal position, which in fact contradicts the factual basis she provided for her original position in her direct testimony.

Similarly, in prior dockets it has been determined that the City of Newport's Assessor's office provides no services to Newport Water. All parties agreed to eliminate any allocations for the costs of the Assessor's office to Newport Water because it provides no services, and the Commission has approved the removal of these costs. Ms. Sitrin's rebuttal proposal to revert to the Docket 4025 allocations, however, would assign nearly $15,000 in Assessor's office costs to Newport Water – in direct contradiction of the undisputed fact that Newport Water would receive nothing for it.

The Commission should not take Ms. Sitrin's invitation to apply the City Services Expenses allocations from Docket 4025 to this docket. These examples demonstrate that those allocations contain many incorrect allocation percentages that the parties and the Commission have previously agreed should be changed. Newport Water has a responsibility to all its ratepayers to fairly and accurately allocate these City Services Expenses. Newport Water's disagreement with Portsmouth Water as to the correct allocation percentages is not a reason to apply allocations that Newport Water knows are incorrect to avoid addressing that disagreement.

Q: How does Portsmouth Water propose the Commission allocate City Services Expenses in this rate filing?

A: In light of Newport Water's failure to rebut the specific issues raised by Portsmouth Water with respect to the City Services Expenses allocation, Portsmouth Water proposes that the Commission adopt the allocation presented in my surrebuttal schedules.

Q: What is Portsmouth Water's response to Ms. Sitrin's statement that her original proposed increase in City Services Expenses allocation is only $25,000 and that the Division and the Navy did not raise concerns with it?

A: The magnitude of the change is irrelevant to whether the proposed allocation is correct, and the absence of comment from the other parties is inconsequential. Newport Water

has an obligation to provide a fair and accurate allocation and a responsibility to address the concerns raised by any party - regardless of the value of any proposed changes or whether anyone else agrees with the party that raises the concern. Newport Water's examination and acceptance of the Division's proposed change to the Telephone expense in this docket, which amounted to a reduction of only $415 and was not raised by all parties, demonstrates this point. Every dollar that is transferred from Newport Water to the City of Newport General Fund benefits the taxpayers of Newport, at the expense of water customers in Newport, Middletown, Portsmouth and the Navy, particularly to the extent those costs are recovered from ratepayers that do not pay property taxes to the City.

VI. RESPONSE TO ADDITIONAL ISSUES IN MR. SMITH'S REBUTTAL TESTIMONY

Q: Can you summarize Mr. Smith's rebuttal testimony?

A: Mr. Smith first described the changes that Newport Water agreed to make to its proposed revenue requirements and cost allocation model in response to the direct testimony of the other parties. Mr. Smith also addressed the proposal from the Navy and the Division to introduce the concept of gradualism or the phasing-in of rate adjustments. Finally, Mr. Smith also addressed several matters raised in my direct testimony (in addition to his testimony regarding the restricted capital account). Those issues were:

- Newport Water's asset listing and asset values used for the functionalization of capital costs;
- Newport Water's derivation of class demand factors;
- Newport Water's use of inconsistent time periods used to calculate water use and sales;
- Errors on Newport Water's Schedule B-1;
- Miscellaneous revenues; and
- The projection of rate year demand for the Residential class.

Q: What are the changes that Mr. Smith agreed Newport Water would make to its proposed revenue requirements and cost allocation model?

A. First, all parties now agree that Newport Water will allocate the debt costs for the new water treatment plants based on historic demands and not on the "reserved capacity" basis initially suggested by Newport Water.

Second, Mr. Smith has agreed to correct the errors Portsmouth Water identified on his Schedule B-1. His description of those errors in his rebuttal testimony is correct. There were misalignments and label issues that had no bearing on the results (other than making it hard to follow). He has agreed to make those changes in the model as it is consistent with the methodology to remove all electric and chemical costs before deriving the administration allocator. However, as noted on the derivation of the administration allocator on my Schedule B-1, Portsmouth Water also removed the electric costs associated with Transportation and Distribution ("T&D"). The intent is to remove all the chemical and electric costs from the administration allocation. There is no reason why the T&D electricity should remain.

Third, Mr. Smith made revisions to the miscellaneous revenues that address the concerns raised in my direct testimony. Portsmouth Water agrees to Newport Water's revisions on this issue.

Finally, Mr. Smith revised the data regarding the July 2015 water sales to adequately address the concerns raised in my direct testimony.

Q: What are the issues associated with Newport Water's asset listing and asset values used for the functionalization of capital costs?

A: Portsmouth Water raised two issues in my direct testimony: (1) that some assets appeared to be misclassified, and (2) the value of Newport Water's service line pipes still did not appear to be correct.

Q: How did Mr. Smith respond to Portsmouth Water's concern that certain assets had been misclassified?

A: Portsmouth Water raised the issue of the misclassifications shortly after Newport Water provided the data, and I specifically raised questions about the classification of specific assets in an email to the parties on January 6, 2016. One week later, Mr. Smith told Portsmouth Water that the Newport Water staff was reviewing those classifications. Newport Water provided no further response until Mr. Smith's rebuttal testimony, in which he agreed to reclassify all but three of the assets Portsmouth Water had identified – keeping the same classification for two of them, and removing one from the list entirely. Portsmouth Water now agrees with the list of assets identified and the classifications of each of those assets, but it should not have taken Newport Water six months to inform Portsmouth Water of the results of its analysis, which caused Portsmouth Water to address this point in my direct testimony and now again in my rebuttal testimony.

Q: Can you provide some history about the dispute regarding asset values used for the functionalization of capital costs?

A: For years, Newport Water has been setting rates and charges and allocating millions of dollars of capital costs based on asset records that Newport Water admits are incorrect.

In 1992, the Commission directed Newport Water to develop a proper cost of service study by 1995, which necessarily required providing an asset listing and associated values to functionalize capital costs. Newport Water failed to complete that cost of service study until 2013, but even when it did, Newport Water failed to fully address the inadequacy of its asset listing and values.

Newport Water implemented the cost of service study in Docket 4355. In that docket, Newport Water showed a value of $0 for service lines. Portsmouth Water challenged that value, and ultimately agreed to use a service-line value equal to half the amount Portsmouth Water believed was appropriate. Portsmouth Water agreed to this compromise only because it understood that Newport Water would work with all the other parties to come to an agreement on a correct asset listing and value before it filed its next rate case.

Q: What happened after Docket 4355 with respect to asset values?

A: Nothing. Newport Water had years to investigate its records and work with the parties to reach an agreed-upon value. Instead, only two days before making its initial filing in this docket, Newport Water provided a memorandum that simply summarized its proposed asset listing and values. As a result, the parties had no time to analyze and assess the asset values before Newport Water's filing in this docket, much less attempt to reach any agreement on those values.

Q: What did Newport Water propose as a value for service line pipes in this docket?

A: Newport Water started with a value of $2,738,410 based on its 2005 listing for this item and then added the value for service lines installed since 2005 for a total value of $3,726,343. Newport Water has not, however, been able to provide any support or basis for the 2005 value, which is the cornerstone for its entire calculation. It is critical that Newport Water use a reasonable, supportable value for the pre-2005 service line assets.

Q: Does Portsmouth Water agree with Newport Water's proposed asset values?

A: No. Newport Water has had years since the prior docket to provide a well-supported calculation, but has failed to meet its burden to demonstrate that its proposed asset value for service lines is reasonable.

Q: What is Portsmouth Water's proposal for the value of service line assets?

A: Portsmouth Water compared the value of service lines per account for PWSB and Providence Water as a "reality check" against Newport Water's proposed values and found that Newport Water's listed values are about 60% of PWSB's values and 25% of Providence Water's values. Portsmouth Water proposes to use the PWSB values per service line to calculate the total service line assets for Newport Water.

Q: Why should the Commission accept the PWSB service line asset value to calculate Newport Water's service line assets?

A: First, PWSB and Newport Water are similar-sized water utilities located less than 30 miles apart in the same state. (Portsmouth Water intentionally did not use the service line values for Providence Water because it is larger, somewhat more urban, and has been spending considerable amounts on service line replacements in recent years, thus differentiating Providence Water from Newport Water.)

Second, PWSB's service line asset values are actual values from another regulated water utility in Rhode Island approved by the Commission. The PWSB values are, therefore, based on real data, whereas Newport Water simply has not provided records to support the value it has proposed for its service line assets.

Third, Newport Water has failed to provide any testimony or evidence to refute the assertion that the cost of service lines for Newport Water would not be somewhat similar to those for the PWSB.

Finally, Newport Water has known that Portsmouth Water took the position that PWSB's service line asset values provided an appropriate basis for estimating Newport Water's service line asset values since Docket 4355, yet they just recently called PWSB to check them –

finding that they were accurate. Meanwhile, Newport Water has failed to ascertain any further data or information to support any other value for its service line assets.

Q: How do you respond to Mr. Smith's assertion that the comparison to PWSB is unfair?

A: Mr. Smith says that using the PWSB service line values is "akin to Providence Water using the value of Newport's treatment facilities as the basis for its allocation of capital costs." That is a false analogy. Such a comparison does not make any sense because of: (a) the differences between Providence Water's treatment costs and those of Newport Water, (b) the enormous size differences between the two utilities, and (c) the differences in the treatment processes used by the two utilities. It is nothing like comparing the values of hard assets of two similarly sized, similarly situated utilities like Newport Water and PWSB.

Q: How do you respond to Mr. Smith's concerns that the changes to the meter and service line values will cause a significant increase to the base charge?

A: Mr. Smith's concern is irrelevant. If using correct data has a significant impact, that does not justify using an incorrect number. Additionally, the $1.8 million service line asset value used in Docket 4355 was undisputedly incorrect. It does not make sense to compare the base charge using that incorrect asset value as a baseline to determine the impact of a base charge increase that results from replacing it with the correct number. Rather, Mr. Smith's testimony on the impact of correcting the service and meter line asset values demonstrates that Newport Water's base charge calculations have been incorrect historically.

Q: How do you respond to Mr. Smith's rebuttal testimony regarding the derivation of class demand factors?

A: First, Mr. Smith acknowledges that he developed new demand data for the retail class only based on a methodology from the American Water Works Association ("AWWA") manual to estimate class demands. The appendix to the AWWA Manual Mr. Smith relies upon ex-

pressly states, "One means for determining peaking factors by customer class is to undertake a formal demand study." The parties agreed to perform such a demand study many years ago after Newport Water unsuccessfully tried to estimate demands from its billing records. The AWWA manual's appendix also states that there are "less sophisticated though adequate" methods such as the one presented in the appendix and used by Newport Water here. The AWWA manual also notes, however, that recent advances in metering allow utilities to derive actual demand data to calculate class demands, such as the data developed by Newport Water for 2011 and 2012 in the demand study. The AWWA manual, therefore, does not support the use of the alternative, less sophisticated estimating method employed by Newport Water as a substitute for actual, real data that was carefully developed and vetted by the parties and the Commission. Regardless, Newport Water should not use this alternate estimating method for some of its customers (the retail customers) while using real data for the other customer classes.

Q: Has Portsmouth Water previously suggested that Newport Water use the AWWA estimating method for all customers?

A: No. On behalf of Portsmouth Water, I previously suggested using that, if Newport Water used the AWWA estimation method for some customers, then it should use that method for all customers. To achieve fairness in rates, there must be consistency across customer classes in the calculation methodology.

Q: Mr. Smith says his demand factors for Portsmouth Water and the Navy are "more accurate (than AWWA method estimates) because it uses the customer's actual maximum day demands." Is this true?

A: Yes it is. And the demand data derived for the retail customers in Docket 4355 also used actual maximum daily and actual peak hourly demands from retail customers, not estimates based on theory and assumptions, and using that data would also be more accurate than relying on estimates using the AWWA method.

Q: Does Mr. Smith acknowledge that the method he used is imprecise?

A: Yes. On page 24, line 24 of his rebuttal testimony he acknowledges that the method is inaccurate: "the M-1 Manual clearly states that an adjustment should be applied or the resulting peaking factors *will likely understate* class maximum day demand." (Emphasis added.)

Q: Do you agree with Mr. Smith's assertion that your testimony on page 16 said he should not use weekly adjustment factors?

A: No. My testimony on page 16 said "Newport Water applied weekly adjustment factors for both residential and nonresidential customers without any basis for doing so, and in direct contradiction to the data it was using." I went on to note that Newport Water admitted there was no variation in use between the classes to cause there to be such an adjustment factor. As Mr. Smith notes, if he didn't introduce his unsupported, phantom adjustment factor, he would get different results. I believe this admission is sufficient evidence that the Newport Water's method to approximate what demands might be under certain conditions is no substitute for using the real data from the demand study.

Q: In conclusion, Mr. Smith testifies that "the demand factors for all customer classes used in the COS Model for this filing were developed according to standard industry practice and using the best available data." Do you agree?

A: No. The estimates he used for some customers were not "the best available data." The real data from the demand study were the "best available data." Further, there is no support for his claim that using his estimation method is "industry standard" when real data is available.

Q: But doesn't Mr. Smith explain that he is now changing the method to determine the retail class demands because he has monthly billing data?

A: Yes he does; however, just because he now has monthly demand data doesn't mean he should discard actual hourly data to use the less sophisticated, less precise means to estimate demand. The demand data that was developed for Newport Water was based on hourly demand readings from a representative sample of customers. It is not based on estimates from monthly use – it is the real peak hourly and daily demands from real customers. Although it is based on data from 2011 and 2012, actual data from four to five years ago is not stale and is preferable to estimations made from more recent data. No one has suggested that the actual data from 2011 and 2012 is no longer valid. The demand study, which was funded by all ratepayers, took considerable time and money to collect and analyze. Newport Water should not be permitted to discard it without justification.

Q: Are you suggesting that it would never be appropriate to revisit this matter?

A: No. If something were to happen to suggest a major shift or change in water use habits, or if a significant new customer was added or subtracted from the system, it might be appropriate to re-examine the demands. That has not happened. If Newport Water does see such a change, it still should not use the methods and equations that only provide an estimate based on various assumptions. Newport Water has the capability to get hourly and daily peak demands with its new metering technology. As the AWWA manual suggests, Newport Water should use that capability and work with real data. They have real data from Portsmouth Water and the Navy; now Newport Water can get real data from retail customers.

Q: Mr. Smith concludes his testimony on this matter by noting that using the real data in place of his estimates has little impact on Portsmouth Water's rates but increases the retail fire charges substantially. What is your reaction to this testimony?

A: Portsmouth Water does not dispute Mr. Smith's calculations. The fact that Portsmouth Water's recommendations result in different rate impacts does not make them wrong. Portsmouth Water's proposal is to use the reliable real data when calculating demand in-

stead of less reliable estimates. That is the correct procedure. If rates derived from that correct procedure do not reflect Newport Water's preferred outcome, that is not a reason to dismiss those calculations and substitute a less reliable method.

Q: The next matter that Mr. Smith addresses is your testimony on the use of inconsistent time periods. Can you discuss this?

A: Yes. Mr. Smith noted four areas in my testimony:

- Rate Year demand projections are based on the average demand during the two previous fiscal years for which actual data is available.
- On HJS B7, the maximum day factor is based on one year (2013 – the highest value) but the maximum hour is based on an average of 2014-2015;
- The Navy and Portsmouth Water maximum day values are based only on FY 2015;
- The allocation of lost water is based on projected Rate Year (FY 2017) sales, but the projection of lost water in the Rate Year is based on a three-year average.

Mr. Smith defends these inconsistencies by asserting that Newport Water used these time periods in Docket 4355.

Portsmouth Water has raised its concerns with the use of inconsistent time periods numerous times in previous dockets. The use of an incorrect method in a previous docket does not justify continuing to use that incorrect method. Mr. Smith provides no reasoned justification for Newport Water's failure to use consistent time periods for allocating costs to various functions and for then allocating those functional costs to customer classes.

Q: How do you respond to Mr. Smith's assertion that Portsmouth Water's positions regarding the derivation of demand factors and the use of consistent time periods for the calculation of water usage reflect an inconsistency in Portsmouth Water's position regarding whether it is appropriate to make changes to previously agreed-upon models?

A: Mr. Smith fails to recognize the critical distinctions and responds to all the issues raised in my direct testimony with a broad brush that doesn't apply.

- With respect to Newport Water's proposal to use a new method to derive demand factors for some customer classes, but not others: It is Newport Water that has proposed to stop using real data gathered over many years and many dockets that resulted in an agreed-upon approach. Newport Water now wants to unilaterally discard that real data for some of its customer classes and instead use a theoretical calculation that a water utility should resort to only in the absence of real data. There is no justification for using that method here because the parties have spent years gathering the real data for Newport Water and no circumstances have arisen that dictate discarding that data in favor of estimations.

- Portsmouth Water's proposal to use a consistent time period when calculating water demands, production, and water losses is consistent with its position in previous dockets. In my direct testimony in Docket 4355 (page 8), I raised this issue and discussed how Newport Water failed to correct the Docket 4128 model to use consistent time periods to calculate various demands and allocations. This matter was also addressed in my surrebuttal testimony on behalf of Portsmouth Water in Docket 4128. Portsmouth Water's agreement to the calculation time periods in Docket 4355 was the result of a negotiated settlement that is not binding on Portsmouth Water's future positions. When allocating costs to various functions based on water production or sales and then allocating those costs based on customer use or demands, the same time frames should be used when performing those calculations. It would be absurd, for example, to allocate costs based on 1994 conditions and then assign those costs to classes based on 2014 demands.

These positions are consistent. Portsmouth Water is not arguing that there should never be changes from previously agreed-to methods. Rather, Portsmouth Water's position is

that Newport Water should not discard previously-agreed to methods without justification for doing so. Here, there is no justification for discarding the real data when calculating demand factors, but there is also no basis to continue using inconsistent time periods to calculate usage and demand incorrectly simply because doing so was agreed to as part of a compromise in a prior docket.

Q: Do you have any comments regarding Mr. Smith's Schedule D-8A that compared the impact of your proposals?

A: Yes. Portsmouth Water's proposals are not incorrect because they result in a significant change in rates and impact different customer classes. Mr. Smith's criticism of the impact of Portsmouth Water's proposals focuses on the customer classes impacted and the magnitude of that impact – not on the underlying reasons for the impact. This criticism is insufficient to justify rejecting these proposals. If Portsmouth Water's proposal applies the correct methodology, then any large impacts are justified. Thus, rather than demonstrating errors in Portsmouth Water's proposals, Mr. Smith's Schedule D-8A actually demonstrates the flaws in Newport Water's past and current positions.

Q: Were there any matters Portsmouth Water raised in your direct testimony that Mr. Smith did not address?

A: Yes. On page 19 of my direct testimony I discussed a revision to the allocator for treatment capital costs. As noted in my direct testimony, the treatment plants are designed for an average day of 8 million gallons and a maximum day of 16 million gallons. Based on the design values, the capital costs (that are driven by the design considerations and not necessarily the day-to-day or year-to-year operations) should be allocated 50% to base and 50% to maximum day.

VII. GRADUALISM

Q: What is Portsmouth Water's position regarding the Division and the Navy's suggestion that the Commission apply gradualism to Newport Water's proposed rates?

A: Portsmouth Water does not oppose the concept of gradualism to phase in large rate adjustments. Once the parties and the Commission determine the correct rates and charges, then the parties and the Commission should assess whether any particularly large increases should be phased in, as well as the appropriate method to achieve any phase-in. Portsmouth Water suggests that the Commission should apply principles of gradualism, as recommended by the Division and the Navy, to phase-in the significant difference between the wholesale and retail water rate increases. Gradualism should be applied to the increases in retail base charges, if the Commission finds those to be significant, as well.

Q: What is Portsmouth Water's position with respect to the proposed application of gradualism to adjust the calculation of the Navy's Maximum Day Demand Factor?

A: Portsmouth Water agrees with Mr. Smith's agreement to adjust the calculation of the Navy's Maximum Day Demand Factor to exclude the impacts of the Navy's broken water main. While Portsmouth Water agrees with this change, it is not really an application of gradualism. Rather, it is a fair acknowledgement that the anomaly of a broken water main should not unfairly impact a customer's rates.

VIII. CONCLUSION

Q: Have you updated your schedules and exhibits based on your surrebuttal testimony?

A: Yes I have. I have relabeled the Schedules as "CW Surebut Sch. xx" to distinguish them from my initial direct testimony.

Q: Does this conclude your direct testimony?

A: Yes.

Rhode Island Public Utilities Commission
Docket 4595
FY 2017 Rate Filing

Index of Model Schedules

Account		Test Year (FY2015)	Test Year Normalizing Adjustments	Normalized Test Year	Rate Year Adjustments	Proposed Rate Year FY2017
O&M COSTS						
Administration						
50001	Salaries & Wages	$ 262,222	$ -	$ 262,222	$ 19,360	$ 281,582
	AFSCME retro	-	$ -	$ -	$ -	-
	NEA retro	-	$ -	$ -	$ -	-
	AFSCME benefits on retro pay	-	$ -	$ -	$ -	-
	NEA benefits on retro pay	-	$ -	$ -	$ -	-
50044	Standby Salaries	12,528	$ -	$ 12,528	$ 6,192	18,720
50520	Accrued Benefits Buyout	15,500	$ -	$ 15,500	$ 43,500	59,000
50100	Employee Benefits	110,408	$ -	$ 110,408	$ 8,649	119,057
50103	Retiree Insurance Coverage	351,563	$ -	$ 351,563	$ 18,437	370,000
50105	Workers Compensation	59,456	$ -	$ 59,456	$ 4,544	64,000
50175	Annual Leave Buyback	3,260	$ -	$ 3,260	$ 40	3,300
50207	Advertisement	4,041	$ -	$ 4,041	$ 4,959	9,000
50210	Membership Dues & Subscriptions	4,447	$ -	$ 4,447	$ (1,947)	2,500
50212	Conferences & Training	868	$ -	$ 868	$ 3,132	4,000
50214	Tuition Reimbursement	-	$ -	$ -	$ 2,000	2,000
50220	Consultant Fees	210,410	$ -	$ 210,410	$ (73,346)	137,064
50238	Postage	360	$ -	$ 360	$ 640	1,000
50239	Fire & Liability Insurance	16,853	$ -	$ 16,853	$ 50,147	67,000
50251	Telephone & Communication	5,569	$ -	$ 5,569	$ 31	5,600
50305	Water	1,275	$ -	$ 1,275	$ 740	2,015
50306	Electricity	10,121	$ -	$ 10,121	$ (2,165)	7,956
50307	Natural Gas	5,918	$ -	$ 5,918	$ (692)	5,226
50308	Property Taxes	464,200	$ -	$ 464,200	$ 104,843	569,043
50266	Legal & Administrative		$ -	$ -	$ -	
	Audit Fees	4,349	$ -	$ 4,349	$ (116)	4,233
	OPEB Contribution		$ -	$ -	$ 19,200	19,200
	City Council	4,649	$ -	$ 4,649	$ (2,386)	2,263
	City Clerk	3,381	$ -	$ 3,381	$ (401)	2,980
	City Manager	54,131	$ -	$ 54,131	$ (864)	53,267
	Human Resources	30,121	$ -	$ 30,121	$ (24,265)	5,856
	City Solicitor	20,459	$ -	$ 20,459	$ (7,713)	12,746
	Finance Admistrative 50%	19,822	$ -	$ 19,822	$ 3,792	23,614
	Finance Admistrative 5%	7,020	$ -	$ 7,020	$ (3,943)	3,078
	Finance Admin 10% Inv/Debt		$ -	$ -	$ 13,113	13,113
	Purchasing	18,314	$ -	$ 18,314	$ (1,175)	17,139
	Collections	46,979	$ -	$ 46,979	$ (28,829)	18,150
	Accounting - Wires - 5%	10,679	$ -	$ 10,679	$ 3,724	14,403
	Accounting	70,516	$ -	$ 70,516	$ (27,632)	42,884
	Public Safety		$ -	$ -	$ -	
	Facilities Maintenance	13,266	$ -	$ 13,266	$ (13,266)	
50267	MIS Data Processing	143,888	$ -	$ 143,888	$ (81,773)	62,115
50268	Mileage Allowance	875	$ -	$ 875	$ 1,125	2,000
50271	Gasoline & Vehicle Allowance	9,354	$ -	$ 9,354	$ (3,965)	5,389
50275	Repairs & Maintenance	-	$ -	$ -	$ 1,200	1,200
50280	Regulatory Expense	590	$ -	$ 590	$ 4,410	5,000
50281	Regulatory Assessment	79,698	$ -	$ 79,698	$ 302	80,000
50361	Office Supplies	14,469	$ -	$ 14,469	$ 531	15,000
50505	Self Insurance	118	$ -	$ 118	$ 4,882	5,000
50515	Unemployment Claims	-	$ -	$ -	$ -	-
	Subtotal:	**$ 2,091,677**	**$ -**	**$ 2,091,677**	**$ 45,016**	**$ 2,136,693**

Account		Test Year (FY2015)	Test Year Normalizing Adjustments	Normalized Test Year	Rate Year Adjustments	Proposed Rate Year - FY2017
Customer Service						
50001	Salaries & Wages	$ 263,080	$ -	$ 263,080	$ 46,230	$ 309,310
50002	Overtime	116	$ -	$ 116	$ 5,293	5,409
	Collections		$ -	$ -	$ -	-
50004	Temp Salaries	18,831	$ -	$ 18,831	$ (3,855)	14,976
50056	Injury Pay	-	$ -	$ -	$ -	-
50100	Employee Benefits	149,435	$ -	$ 149,435	$ 41,370	190,805
50120	Bank Fees (lock box)	13,711	$ -	$ 13,711	$ 3,089	16,800
50175	Annual Leave Buyback	4,531	$ -	$ 4,531	$ (31)	4,500
50205	Copying & binding	511	$ -	$ 511	$ (11)	500
50212	Conferences & Training	(263)	$ -	$ (263)	$ 5,263	5,000
50225	Support Services	32,784	$ -	$ 32,784	$ (6,609)	26,175
50238	Postage	57,265	$ -	$ 57,265	$ 17,415	74,680
50271	Gasoline & Vehicle Allowance	39,667	$ -	$ 39,667	$ (12,722)	26,945
50275	Repairs & Maintenance	33,449	$ -	$ 33,449	$ 1,551	35,000
50299	Meter Maintenance	7,734	$ -	$ 7,734	$ 2,266	10,000
50311	Operating Supplies	3,658	$ -	$ 3,658	$ 1,342	5,000
50320	Uniforms & protective Gear	957	$ -	$ 957	$ 43	1,000
50380	Customer Service Supplies	166	$ -	$ 166	$ 4,834	5,000
	Subtotal:	**$ 625,632**	**$ -**	**$ 625,632**	**$ 105,468**	**$ 731,100**
Source of Supply - Island						
50001	Salaries & Wages	$ 321,324	$ -	$ 321,324	$ (11,374)	$ 309,950
50002	Overtime	36,123	$ -	$ 36,123	$ (3,123)	33,000
50004	Temp Salaries	-	$ -	$ -	$ 26,180	26,180
50056	Injury Pay	-	$ -	$ -	$ -	-
50100	Employee Benefits	185,081	$ -	$ 185,081	$ (9,431)	175,650
50175	Annual Leave Buyback	3,783	$ -	$ 3,783	$ 17	3,800
50306	Electricity	38,527	$ -	$ 38,527	$ 11,353	49,880
50271	Gas/Vehicle Maintenance	63,620	$ -	$ 63,620	$ (4,341)	59,279
50275	Repairs & Maintenance	11,633	$ -	$ 11,633	$ (1,633)	10,000
50277	Reservoir Maintenance	16,236	$ -	$ 16,236	$ (236)	16,000
50311	Operating Supplies	2,802	$ -	$ 2,802	$ 4,698	7,500
50320	Uniforms & protective Gear	935	$ -	$ 935	$ 575	1,510
50335	Chemicals	72,671	$ -	$ 72,671	$ (30,871)	41,800
	Subtotal:	**$ 752,735**	**$ -**	**$ 752,735**	**$ (18,186)**	**$ 734,549**
Source of Supply - Mainland						
50002	Overtime	$ 13,513	$ -	$ 13,513	$ (1,903)	$ 11,610
50004	Temp Salaries	18,784	$ -	$ 18,784	$ 11,212	29,996
50005	Permanent Part time	14,200	$ -	$ 14,200	$ (1,300)	12,900
50100	Employee Benefits	6,453	$ -	$ 6,453	$ (3,928)	2,525
50306	Electricity	122,917	$ -	$ 122,917	$ 31,507	154,424
50275	Repairs & Maintenance	13,908	$ -	$ 13,908	$ (6,908)	7,000
50277	Reservoir Maintenance	-	$ -	$ -	$ 4,500	4,500
50311	Operating Supplies	236	$ -	$ 236	$ 764	1,000
	Subtotal:	**$ 190,011**	**$ -**	**$ 190,011**	**$ 33,944**	**$ 223,955**

Account		Test Year (FY2015)	Test Year Normalizing Adjustments	Normalized Test Year	Rate Year Adjustments	Proposed Rate Year - FY2017
Station One						
50001	Salaries & Wages	$ 519,694	$ -	$ 519,694	$ 31,887	$ 551,581
50002	Overtime	110,009	$ -	$ 110,009	$ (7,069)	102,940
50003	Holiday Pay	18,936	$ -	$ 18,936	$ 3,096	22,032
50045	Lead Plant Operator Stipend	6,627	$ -	$ 6,627	$ 5,853	12,480
50100	Employee Benefits	$ 296,163	$ -	$ 296,163	$ (12,650)	$ 283,513
50175	Annual Leave Buyback	11,785	$ -	$ 11,785	$ 215	12,000
50212	Conferences & Training	1,049	$ -	$ 1,049	$ 3,451	4,500
50239	Fire & Liability Insurance	60,531	$ -	$ 60,531	$ (25,531)	35,000
50306	Electricity	$ 207,037	$ -	$ 207,037	$ (44,553)	$ 162,484
50307	Natural Gas	43,410	$ -	$ 43,410	$ -	43,410
50260	Rental of Equipment	922	$ -	$ 922	$ 78	1,000
50305	Sewer Charge	108,472	$ -	$ 108,472	$ 90,968	199,440
50271	Gas/Vehicle Maintenance	9,831	$ -	$ 9,831	$ (4,442)	5,389
50275	Repairs & Maintenance	$ 9,738	$ -	$ 9,738	$ 57,049	$ 66,787
50311	Operating Supplies	$ 18,895	$ -	$ 18,895	$ (1,734)	$ 17,161
50320	Uniforms & protective Gear	1,027	$ -	$ 1,027	$ 399	1,426
50335	Chemicals	350,158	$ -	$ 350,158	$ (33,843)	316,315
	Subtotal:	**$ 1,774,284**	**$ -**	**$ 1,774,284**	**$ 63,174**	**$ 1,837,458**
Lawton Valley						
50001	Salaries & Wages	$ 449,625	$ -	$ 449,625	$ 48,916	$ 498,541
50002	Overtime	98,692	$ -	$ 98,692	$ 211	98,903
50003	Holiday Pay	15,904	$ -	$ 15,904	$ 4,088	19,992
50045	Lead Plant Operator Stipend	7,830	$ -	$ 7,830	$ 4,650	12,480
50100	Employee Benefits	$ 273,138	$ -	$ 273,138	$ 4,864	$ 278,002
50175	Annual Leave Buyback	7,368	$ -	$ 7,368	$ 32	7,400
50212	Conferences & Training	850	$ -	$ 850	$ 3,270	4,120
50239	Fire & Liability Insurance	93,577	$ -	$ 93,577	$ (39,577)	54,000
50306	Electricity	$ 310,343	$ -	$ 310,343	$ 14,748	$ 325,091
50307	Natural Gas	34,663	$ -	$ 34,663	$ -	34,663
50260	Rental of Equipment	722	$ -	$ 722	$ 278	1,000
50305	Sewer Charge	358,682	$ -	$ 358,682	$ 139,918	498,600
50271	Gas/Vehicle Maintenance	7,482	$ -	$ 7,482	$ (2,093)	5,389
50275	Repairs & Maintenance	$ 19,922	$ -	$ 19,922	$ 41,429	$ 61,351
50311	Operating Supplies	$ 8,971	$ -	$ 8,971	$ 4,340	$ 13,311
50320	Uniforms & protective Gear	1,539	$ -	$ 1,539	$ (236)	1,303
50335	Chemicals	262,215	$ -	$ 262,215	$ 16,452	278,667
	Subtotal:	**$ 1,951,523**	**$ -**	**$ 1,951,523**	**$ 241,291**	**$ 2,192,814**
Laboratory						
50001	Salaries & Wages	$ 114,425	$ -	$ 114,425	$ 6,754	$ 121,179
50100	Employee Benefits	54,984	$ -	$ 54,984	$ 3,724	58,708
50175	Annual Leave Buyback	1,560	$ -	$ 1,560	$ (60)	1,500
50275	Repairs & Maintenance	256	$ -	$ 256	$ 1,444	1,700
50281	Regulatory Assessment	47,696	$ -	$ 47,696	$ (672)	47,024
50339	Laboratory Supplies	16,924	$ -	$ 16,924	$ 18,703	35,627
	Subtotal:	**$ 235,845**	**$ -**	**$ 235,845**	**$ 29,893**	**$ 265,738**

Account		Test Year (FY2015)	Test Year Normalizing Adjustments	Normalized Test Year	Rate Year Adjustments	Proposed Rate Year - FY2017
Transmission & Distribution						
50001	Salaries & Wages	$ 437,907	$ -	$ 437,907	$ 114,926	$ 552,833
50002	Overtime	48,703	$ -	$ 48,703	$ 3,661	52,364
50004	Temp Salaries	18,106	$ -	$ 18,106	$ 8,074	26,180
50056	Injury Pay	-	$ -	$ -	$ -	-
50100	Employee Benefits	259,991	$ -	$ 259,991	$ 70,083	330,074
50175	Annual Leave Buyback	7,484	$ -	$ 7,484	$ 16	7,500
50212	Conferences & Training	1,776	$ -	$ 1,776	$ 2,224	4,000
50225	Contract Services	10,524	$ -	$ 10,524	$ 11,001	21,525
50239	Fire & Liability Insurance	20,061	$ -	$ 20,061	$ (8,061)	12,000
50306	Electricity	34,641	$ -	$ 34,641	$ (14,034)	20,607
50260	Heavy Equipment Rental	10,706	$ -	$ 10,706	$ (2,446)	8,260
50271	Gas/Vehicle Maintenance	93,222	$ -	$ 93,222	$ (23,165)	70,057
50275	Repairs & Maintenance	28,521	$ -	$ 28,521	$ (2,521)	26,000
50276	Main Maintenance	94,546	$ -	$ 94,546	$ (3,346)	91,200
50296	Service Maintenance	28,090	$ -	$ 28,090	$ 1,910	30,000
50311	Operating Supplies	4,964	$ -	$ 4,964	$ 3,036	8,000
50320	Uniforms & protective Gear	1,725	$ -	$ 1,725	$ 2,275	4,000
	Subtotal:	**$ 1,100,967**	**$ -**	**$ 1,100,967**	**$ 163,633**	**$ 1,264,600**
Fire Protection						
50275	Repair & Maintenance - Equipment	$ 11,585	$ -	$ 11,585	$ 12,215	$ 23,800
	Subtotal:	**$ 11,585**	**$ -**	**$ 11,585**	**$ 12,215**	**$ 23,800**
	Total O&M Costs	**$ 8,734,259**	**$ -**	**$ 8,734,259**	**$ 676,449**	**$ 9,410,708**

Account	Test Year (FY2015)	Test Year Normalizing Adjustments	Normalized Test Year	Rate Year Adjustments	Proposed Rate Year - FY2017
CAPITAL COSTS					
Contribution to Capital Spending Acct.	$2,735,664	($235,664)	$2,500,000	$ -	$ 2,500,000
Contribution to Debt Service Acct.	$6,810,996	$ 4	$ 6,811,000	$ -	$ 6,811,000
Total Capital Costs	**$ 9,546,660**	**$ (235,660)**	**$ 9,311,000**	**$ -**	**$ 9,311,000**
Operating Revenue Allowance	$ 262,028	$ (1,469)	$ 260,558	$ 21,763	$ 282,321
Total Costs before Offsets	**$ 18,542,947**	**$ (237,130)**	**$ 18,305,817**	**$ 698,212**	**$ 19,004,029**
OFFSETS					
Nonrate Revenues					
Sundry charges	$ 147,125	$ -	$ 147,125	$ (20,875)	$ 126,250
WPC cost share on customer service	$ 291,365	$ -	$ 291,365	$ 38,635	330,000
Middletown cost share on customer servic	$ 146,895	$ -	$ 146,895	$ 20,105	167,000
Rental of Property	$ 91,893	$ -	$ 91,893	$ 3,307	95,200
Water Penalty	$ 54,474	$ -	$ 54,474	$ (3,274)	51,200
Miscellaneous	$ 7,853	$ -	$ 7,853	$ 2,647	10,500
Investment Interest Income	$ 3,090	$ -	$ 3,090	$ (1,840)	1,250
Water Quality Protection Fees	$ 23,638	$ -	$ 23,638	$ (1,388)	22,250
Total Nonrate Revenues	**$ 766,333**	**$ -**	**$ 766,333**	**$ 37,317**	**$ 803,650**
Net Costs to Be Recovered through Rates	**$ 17,776,614**	**$ (237,130)**	**$ 17,539,484**	**$ 660,895**	**$ 18,200,379**

Rhode Island Public Utilities Commission
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Cost of Service Rates and Charges

	Docket 4355 Rates	Cost of Service	Proposed Rates	% Change	Projected Revenues	Revenues Existing
Base Charge (per bill)						
Monthly						
5/8	$ 4.89	$ 5.5186	**$ 5.52**	*13%*	$712,014	$630,751
3/4	$ 5.01	5.6921	**5.70**	*14%*	$170,726	$150,060
1	$ 6.07	7.6299	**7.63**	*26%*	$51,915	$41,300
1.5	$ 8.78	12.8892	**12.89**	*47%*	$58,160	$39,615
2	$ 11.35	17.3027	**17.31**	*53%*	$54,630	$35,821
3	$ 25.22	39.4480	**39.45**	*56%*	$27,457	$17,553
4	$ 28.90	44.6528	**44.66**	*55%*	$8,575	$5,549
5	$ 33.80	51.5926	**51.60**	*53%*	$0	$0
6	$ 37.48	56.7974	**56.80**	*52%*	$21,811	$14,392
8	$ 47.29	70.6769	**70.68**	*49%*	$848	$567
10	$ 65.07	95.8336	**95.84**	*47%*	$1,150	$781
Portsmouth Base Charge (4")	$ 2.86	2.1355	**2.14**	*-25%*	437	$34
					1,107,723	$936,423.96
Volume Charge (per 1,000 gallons)						
Retail						
Residential	$ 10.02	$ 9.1617	**$ 9.17**	*-8%*	6,063,447	
Non-Residential	$ 11.22	$ 10.4966	**$ 10.50**	*-6%*	4,800,653	
					$ 10,864,100	
Wholesale						
Navy	$ 6.5189	$ 6.8994	**$ 6.8995**	*6%*	1,704,715	
Portsmouth Water & Fire District	$ 5.1507	$ 6.1354	**$ 6.1354**	*19%*	2,655,290	
					4,360,004	
Fire Protection						
Public (per hydrant)	$ 944.22	$ 1,278.53	**$ 1,278.53**	*35%*	$ 1,328,393	
Private (by Connection Size)						
Connection Size / Existing Charge Differential						
<2		$25.99	$ 45.89	**$ 45.90**	*77%*	
2 / 6.19		$108.85	$ 192.21	**$ 192.22**	*77%*	-
4 / 38.32		$399.08	$ 644.58	**$ 644.59**	*62%*	47,700
6 / 111.31		$951.11	$ 1,451.67	**$ 1,451.67**	*53%*	341,142
8 / 237.21		$1,903.25	$ 2,843.73	**$ 2,843.73**	*49%*	156,405
10 / 426.58		$3,335.46	$ 4,937.68	**$ 4,937.68**	*48%*	-
12 / 689.04		$5,320.45	$ 7,839.81	**$ 7,839.82**	*47%*	-
					$ 545,247	
				Total Projected Rate Revenues	**$ 18,205,466**	

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Customer Class		Proposed 5/8 Inch Meter				Proposed 3/4 Inch Meter				Proposed 1 Inch Meter				Proposed 1.5 Inch Meter				Proposed 2 Inch Meter				Proposed 3 Inch Meter			
	Consumption per Bill (gallons)	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed	Dollar Change	Percent Change
Residential (Monthly)																									
	1,000	$178.92	$176.28	-$2.64	-1.5%	$180.36	$178.44	-$1.92	-1.1%	$193.08	$201.60	$8.52	4.8%	$225.60	$264.72	$39.12	21.9%	$256.44	$317.76	$61.32	34.3%	$422.88	$583.44	$160.56	89.7%
	2,000	$299.16	$286.32	-$12.84	-4.3%	$300.60	$288.48	-$12.12	-4.1%	$313.32	$311.64	-$1.68	-0.6%	$345.84	$374.76	$28.92	9.7%	$376.68	$427.80	$51.12	17.1%	$543.12	$693.48	$150.36	50.3%
	4,000	$539.64	$506.40	-$33.24	-6.2%	$541.08	$508.56	-$32.52	-6.0%	$553.80	$531.72	-$22.08	-4.1%	$586.32	$594.84	$8.52	1.6%	$617.16	$647.88	$30.72	5.7%	$783.60	$913.56	$129.96	24.1%
	5,000	$659.88	$616.44	-$43.44	-6.6%	$661.32	$618.60	-$42.72	-6.5%	$674.04	$641.76	-$32.28	-4.9%	$706.56	$704.88	-$1.68	-0.3%	$737.40	$757.92	$20.52	3.1%	$903.84	$1,023.60	$119.76	18.1%
	7,500	$960.48	$891.54	-$68.94	-7.2%	$961.92	$893.70	-$68.22	-7.1%	$974.64	$916.86	-$57.78	-6.0%	$1,007.16	$979.98	-$27.18	-2.8%	$1,038.00	$1,033.02	-$4.98	-0.5%	$1,204.44	$1,298.70	$94.26	9.8%
	10,000	$1,261.08	$1,166.64	-$94.44	-7.5%	$1,262.52	$1,168.80	-$93.72	-7.4%	$1,275.24	$1,191.96	-$83.28	-6.6%	$1,307.76	$1,255.08	-$52.68	-4.2%	$1,338.60	$1,308.12	-$30.48	-2.4%	$1,505.04	$1,573.80	$68.76	5.5%
	15,000	$1,862.28	$1,716.84	-$145.44	-7.8%	$1,863.72	$1,719.00	-$144.72	-7.8%	$1,876.44	$1,742.16	-$134.28	-7.2%	$1,908.96	$1,805.28	-$103.68	-5.6%	$1,939.80	$1,858.32	-$81.48	-4.4%	$2,106.24	$2,124.00	$17.76	1.0%
	20,000	$2,463.48	$2,267.04	-$196.44	-8.0%	$2,464.92	$2,269.20	-$195.72	-7.9%	$2,477.64	$2,292.36	-$185.28	-7.5%	$2,510.16	$2,355.48	-$154.68	-6.3%	$2,541.00	$2,408.52	-$132.48	-5.4%	$2,707.44	$2,674.20	-$33.24	-1.3%
	25,000	$3,064.68	$2,817.24	-$247.44	-8.1%	$3,066.12	$2,819.40	-$246.72	-8.1%	$3,078.84	$2,842.56	-$236.28	-7.7%	$3,111.36	$2,905.68	-$205.68	-6.7%	$3,142.20	$2,958.72	-$183.48	-6.0%	$3,308.64	$3,224.40	-$84.24	-2.7%
	30,000	$3,665.88	$3,367.44	-$298.44	-8.1%	$3,667.32	$3,369.60	-$297.72	-8.1%	$3,680.04	$3,392.76	-$287.28	-7.8%	$3,712.56	$3,455.88	-$256.68	-7.0%	$3,743.40	$3,508.92	-$234.48	-6.4%	$3,909.84	$3,774.60	-$135.24	-3.7%

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Customer Class		Proposed 5/8 Inch Meter				Proposed 3/4 Inch Meter				Proposed 1 Inch Meter				Proposed 1.5 Inch Meter				Proposed 2 Inch Meter				Proposed 3 Inch Meter			
	Monthly Consumption (gallons)	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed	Dollar Change	Percent Change
Commercial (Monthly)																									
	2,000	$327.96	$318.24	-$9.72	-3.0%	$329.40	$320.40	-$9.00	-2.7%	$342.12	$343.56	$1.44	0.4%	$374.64	$406.68	$32.04	9.8%	$405.48	$459.72	$54.24	16.5%	$543.12	$693.48	$150.36	45.8%
	5,000	$731.88	$696.24	-$35.64	-4.9%	$733.32	$698.40	-$34.92	-4.8%	$746.04	$721.56	-$24.48	-3.3%	$778.56	$784.68	$6.12	0.8%	$809.40	$837.72	$28.32	3.9%	$903.84	$1,023.60	$119.76	16.4%
	10,000	$1,405.08	$1,326.24	-$78.84	-5.6%	$1,406.52	$1,328.40	-$78.12	-5.6%	$1,419.24	$1,351.56	-$67.68	-4.8%	$1,451.76	$1,414.68	-$37.08	-2.6%	$1,482.60	$1,467.72	-$14.88	-1.1%	$1,505.04	$1,573.80	$68.76	4.9%
	25,000	$3,424.68	$3,216.24	-$208.44	-6.1%	$3,426.12	$3,218.40	-$207.72	-6.1%	$3,438.84	$3,241.56	-$197.28	-5.8%	$3,471.36	$3,304.68	-$166.68	-4.9%	$3,502.20	$3,357.72	-$144.48	-4.2%	$3,308.64	$3,224.40	-$84.24	-2.5%
	30,000	$4,097.88	$3,846.24	-$251.64	-6.1%	$4,099.32	$3,848.40	-$250.92	-6.1%	$4,112.04	$3,871.56	-$240.48	-5.9%	$4,144.56	$3,934.68	-$209.88	-5.1%	$4,175.40	$3,987.72	-$187.68	-4.6%	$3,909.84	$3,774.60	-$135.24	-3.3%
	40,000	$5,444.28	$5,106.24	-$338.04	-6.2%	$5,445.72	$5,108.40	-$337.32	-6.2%	$5,458.44	$5,131.56	-$326.88	-6.0%	$5,490.96	$5,194.68	-$296.28	-5.4%	$5,521.80	$5,247.72	-$274.08	-5.0%	$5,112.24	$4,875.00	-$237.24	-4.4%
	50,000	$6,790.68	$6,366.24	-$424.44	-6.3%	$6,792.12	$6,368.40	-$423.72	-6.2%	$6,804.84	$6,391.56	-$413.28	-6.1%	$6,837.36	$6,454.68	-$382.68	-5.6%	$6,868.20	$6,507.72	-$360.48	-5.3%	$6,314.64	$5,975.40	-$339.24	-5.0%
	75,000	$10,156.68	$9,516.24	-$640.44	-6.3%	$10,158.12	$9,518.40	-$639.72	-6.3%	$10,170.84	$9,541.56	-$629.28	-6.2%	$10,203.36	$9,604.68	-$598.68	-5.9%	$10,234.20	$9,657.72	-$576.48	-5.7%	$9,320.64	$8,726.40	-$594.24	-5.9%
	100,000	$13,522.68	$12,666.24	-$856.44	-6.3%	$13,524.12	$12,668.40	-$855.72	-6.3%	$13,536.84	$12,691.56	-$845.28	-6.3%	$13,569.36	$12,754.68	-$814.68	-6.0%	$13,600.20	$12,807.72	-$792.48	-5.9%	$12,326.64	$11,477.40	-$849.24	-6.3%

Customer Class		Proposed 5/8 Inch Meter				Proposed 3/4 Inch Meter				Proposed 1 Inch Meter				Proposed 1.5 Inch Meter				Proposed 2 Inch Meter				Proposed 3 Inch Meter			
	Annual Consumption (gallons)	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed	Dollar Change	Percent Change
Commercial with 6" Fire Connection(Monthly Account)																									
Base Charge and Commodity Charges	120,000	$1,405.08	$1,326.24	-$78.84	-5.6%	$1,320.12	$1,328.40	$8.28	0.6%	$1,332.84	$1,351.56	$18.72	1.3%	$1,365.36	$1,414.68	$49.32	3.5%	$1,396.20	$1,467.72	$71.52	5.1%	$1,562.64	$1,733.40	$170.76	12.2%
Fire Protection Charge		$951.11	$1,451.67	$500.56	52.6%	$951.11	$1,451.67	$500.56	52.6%	$951.11	$1,451.67	$500.56	52.6%	$951.11	$1,451.67	$500.56	52.6%	$951.11	$1,451.67	$500.56	52.6%	$951.11	$1,451.67	$500.56	52.6%
Total Annual Charges		$2,356.19	$2,777.91	$421.72	17.9%	$2,271.23	$2,780.07	$508.84	21.6%	$2,283.95	$2,803.23	$519.28	22.0%	$2,316.47	$2,866.35	$549.88	23.3%	$2,347.31	$2,919.39	$572.08	24.3%	$2,513.75	$3,185.07	$671.32	28.5%

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Customer Class	Monthly Consumption (gallons)	Bill at Current Rates	Proposed		
			Bill at Proposed Rates	Dollar Change	Percent Change
Portsmouth (Monthly)					
	10,000,000	$51,512	$61,399	$9,887	19.2%
	20,000,000	$103,019	$122,753	$19,734	19.2%
Avg. Monthly Bill	38,000,000	$195,731	$233,190	$37,458	19.1%
	40,000,000	$206,033	$245,461	$39,428	19.1%
	75,000,000	$386,307	$460,200	$73,892	19.1%
	100,000,000	$515,075	$613,585	$98,510	19.1%
	150,000,000	$772,610	$920,355	$147,745	19.1%
Navy (Monthly)					
	10,000,000	$65,236	$68,995	$3,759	5.8%
Avg. Monthly Bill (All Meters)	20,000,000	$130,443	$137,990	$7,547	5.8%
	38,000,000	$247,718	$262,181	$14,463	5.8%
	50,000,000	$325,956	$344,975	$19,019	5.8%
	75,000,000	$488,929	$517,463	$28,533	5.8%
	100,000,000	$651,905	$689,950	$38,045	5.8%

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Revenue Proof

	Rate Year Revenue	
	Existing Rates	Proposed Rates
REVENUES		
Water Rates		
Base Charge (Billing Charge)	$936,424	$ 1,107,723
Volume Charge		
Residential	6,625,490	6,063,447
Commercial	5,129,840	4,800,653
Navy	1,610,677	1,704,715
Portsmouth Water & Fire District	2,229,129	2,655,290
Fire Protection		
Public	981,045	1,328,393
Private	357,722	545,247
Total Rate Revenues	$ 17,870,326	$ 18,205,466
Other Operating Revenues		
Sundry charges	$ 126,250	126,250
WPC cost share on customer service	$ 330,000	330,000
Middletown cost share on customer service	$ 167,000	167,000
Rental of Property	$ 95,200	95,200
Total Other Operating Revenues	$ 718,450	718,450
Total Operating Revenues	**$ 18,588,776**	**$ 18,923,916**
Add: Non-Operating Revenues		
Water Penalty	51,200	51,200
Miscellaneous	10,500	10,500
Investment Interest Income	1,250	1,250
Water Quality Protection Fees	22,250	22,250
Total Non Operating Revenues	$ 85,200	$ 85,200
Total Revenues	**$ 18,673,976**	**$ 19,009,116**
COSTS		
Departmental O&M	$ (9,410,708)	(9,410,708)
Capital Costs		
Contribution to Capital Spending Acct.	(2,500,000)	(2,500,000)
Contribution to Debt Service Acct.	(6,811,000)	(6,811,000)
Total Capital Costs	$ (9,311,000)	**(9,311,000)**
Operating Revenue Allowance	(282,321)	(282,321)
Total Costs	**$ (19,004,029)**	**$ (19,004,029)**
Revenue Surplus (Deficit)	**$ (330,053)**	**$ 5,088**

Rhode Island Public Utilities Commission
Docket 4595
FY 2017 Rate Filing
CW Surebut Sch. B-1
Base Extra Capacity Cost Allocations

	Rate Year	Allocation Notes	Base	Max Day	Max Hour	Metering	Billing	Services	Fire	Total % Allocated
Operation & Maintenance Costs										
Administration										
Salaries, Wages, & Benefits										
Salaries & Wages	$ 281,582	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	**100%**
AFSCME retro	$ -	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	**100%**
NEA retro	$ -	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	**100%**
AFSCME benefits on retro pay	$ -	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	**100%**
NEA benefits on retro pay	$ -	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	**100%**
Standby Salaries	$ 18,720	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	**100%**
Accrued Benefits Buyout	$ 59,000	Non-Administrative Wages & Salaries	58%	22%	8%	6%	5%	1%	0%	**100%**
Employee Benefits	$ 119,057	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	**100%**
Retiree Insurance Coverage	$ 370,000	Non-Administrative Wages & Salaries	58%	22%	8%	6%	5%	1%	0%	**100%**
Workers Compensation	$ 64,000	Non-Administrative Wages & Salaries	58%	22%	8%	6%	5%	1%	0%	**100%**
Annual Leave Buyback	$ 3,300	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	**100%**
Subtotal	915,659									

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Base Extra Capacity Cost Allocations

	Rate Year	Allocation Notes	Base	Max Day	Max Hour	Metering	Billing	Services	Fire	Total % Allocated
All Other Administrative Costs										
Advertisement	9,000	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	100%
Membership Dues & Subscription	2,500	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	100%
Conferences & Training	4,000	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	100%
Tuition Reimbursement	2,000	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	100%
Consultant Fees	137,064	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	100%
Postage	1,000	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	100%
Fire & Liability Insurance	67,000	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	100%
Telephone & Communication	5,600	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	100%
Water	2,015	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	100%
Electricity	7,956	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	100%
Natural Gas	5,226	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	100%
Property Taxes	569,043	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	100%
Legal & Administrative	-									
Audit Fees	4,233	Total Non-Admin Costs Before Offsets	59%	25%	7%	3%	3%	3%	0%	100%
OPEB Contribution	19,200	Total Non-Admin Costs Before Offsets	59%	25%	7%	3%	3%	3%	0%	100%
City Counsel	2,263	Total Non-Admin Costs Before Offsets	59%	25%	7%	3%	3%	3%	0%	100%
City Clerk	2,980	Total Non-Admin Costs Before Offsets	59%	25%	7%	3%	3%	3%	0%	100%
City Manager	53,267	Total Non-Admin Costs Before Offsets	59%	25%	7%	3%	3%	3%	0%	100%
Human Resources	5,856	Non-Administrative Wages & Salaries	58%	22%	8%	6%	5%	1%	0%	100%
City Solicitor	12,746	Total Non-Admin Costs Before Offsets	59%	25%	7%	3%	3%	3%	0%	100%
Finance Adimistrative 80%	23,614	Total Non-Admin Costs Before Offsets	59%	25%	7%	3%	3%	3%	0%	100%
Finance Adimistrative 5%	3,078	Total Non-Admin Costs Before Offsets	59%	25%	7%	3%	3%	3%	0%	100%
Finance Admin 10% Inv/Debt	13,113	Total Non-Admin Costs Before Offsets	59%	25%	7%	3%	3%	3%	0%	100%
Purchasing	17,139	Total Non-Admin Costs Before Offsets	59%	25%	7%	3%	3%	3%	0%	100%
Collections	18,150	100% Billing	0%	0%	0%	0%	100%	0%	0%	100%
Accounting 5%	14,403	Total Non-Admin Costs Before Offsets	59%	25%	7%	3%	3%	3%	0%	100%
Accounting	42,884	Non-Administrative Wages & Salaries	58%	22%	8%	6%	5%	1%	0%	100%
Data Processing	62,115	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	100%
Mileage Allowance	2,000	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	100%
Gasoline & Vehicle Allowance	5,389	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	100%
Repairs & Maintenance	1,200	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	100%
Regulatory Expense	5,000	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	100%
Regulatory Assessment	80,000	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	100%
Office Supplies	15,000	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	100%
Self Insurance	5,000	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	100%
Unemployment Claims	-	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	100%
Subtotal	1,221,034									

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	Rate Year	Allocation Notes	Base	Max Day	Max Hour	Metering	Billing	Services	Fire	Total % Allocated
Customer Service										
Salaries & Wages	334,195	Customer Servce Salaries and Wages	0%	0%	0%	49%	39%	12%	0%	**100%**
Benefits	190,805	Customer Servce Salaries and Wages	0%	0%	0%	49%	39%	12%	0%	**100%**
Copying & binding	500	100% billing (based on budget analysis)					100%			**100%**
Conferences & Training	5,000	100% billing (based on budget analysis)					100%			**100%**
Support Services	26,175	100% billing (software support & printing/mailing)					100%			**100%**
Postage	74,680	100% billing (based on budget analysis)					100%			**100%**
Bank Fees (lock box)	16,800	100% billing (based on budget analysis)					100%			**100%**
Gasoline & Vehicle Allowance	26,945	Customer Servce Salaries and Wages	0%	0%	0%	49%	39%	12%	0%	**100%**
Repairs & Maintenance	35,000	100% metering (meter repairs)				100%				**100%**
Meter Maintenance	10,000	100% metering (based on budget analysis)				100%				**100%**
Operating Supplies	5,000	100% metering (based on budget analysis)				100%				**100%**
Uniforms & protective Gear	1,000	100% metering (based on budget analysis)				100%				**100%**
Customer Service Supplies	5,000	100% billing (based on budget analysis)					100%			**100%**
Subtotal	**731,100**									
Source of Supply - Island										
Salaries & Wages	$ 309,950	Average Day Demand Patterns	100%	0%	0%	0%	0%	0%	0%	**100%**
Overtime	$ 33,000	Average Day Demand Patterns	100%	0%	0%	0%	0%	0%	0%	**100%**
Temp Salaries	$ 26,180	Average Day Demand Patterns	100%	0%	0%	0%	0%	0%	0%	**100%**
Injury Pay	$ -	Average Day Demand Patterns	100%	0%	0%	0%	0%	0%	0%	**100%**
Employee Benefits	$ 175,650	Average Day Demand Patterns	100%	0%	0%	0%	0%	0%	0%	**100%**
Annual Leave Buyback	$ 3,800	Average Day Demand Patterns	100%	0%	0%	0%	0%	0%	0%	**100%**
Electricity	$ 49,880	Average Day Demand Patterns	100%	0%	0%	0%	0%	0%	0%	**100%**
Gas/Vehicle Maintenance	$ 59,279	Average Day Demand Patterns	100%	0%	0%	0%	0%	0%	0%	**100%**
Repairs & Maintenance	$ 10,000	Average Day Demand Patterns	100%	0%	0%	0%	0%	0%	0%	**100%**
Reservoir Maintenance	$ 16,000	Average Day Demand Patterns	100%	0%	0%	0%	0%	0%	0%	**100%**
Operating Supplies	$ 7,500	Average Day Demand Patterns	100%	0%	0%	0%	0%	0%	0%	**100%**
Uniforms & protective Gear	$ 1,510	Average Day Demand Patterns	100%	0%	0%	0%	0%	0%	0%	**100%**
Chemicals	$ 41,800	Average Day Demand Patterns	100%	0%	0%	0%	0%	0%	0%	**100%**
Subtotal	**$ 734,549**									
Source of Supply - Mainland										
Overtime	$ 11,610	Average Day Demand Patterns	100%	0%	0%	0%	0%	0%	0%	**100%**
Temp Salaries	$ 29,996	Average Day Demand Patterns	100%	0%	0%	0%	0%	0%	0%	**100%**
Permanent Part time	$ 12,900	Average Day Demand Patterns	100%	0%	0%	0%	0%	0%	0%	**100%**
Employee Benefits	$ 2,525	Average Day Demand Patterns	100%	0%	0%	0%	0%	0%	0%	**100%**
Electricity	$ 154,424	Average Day Demand Patterns	100%	0%	0%	0%	0%	0%	0%	**100%**
Repairs & Maintenance	$ 7,000	Average Day Demand Patterns	100%	0%	0%	0%	0%	0%	0%	**100%**
Reservoir Maintenance	$ 4,500	Average Day Demand Patterns	100%	0%	0%	0%	0%	0%	0%	**100%**
Operating Supplies	$ 1,000	Average Day Demand Patterns	100%	0%	0%	0%	0%	0%	0%	**100%**
Subtotal	**$ 223,955**									

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	Rate Year	Allocation Notes	Base	Max Day	Max Hour	Metering	Billing	Services	Fire	Total % Allocated
Station One (Excludes chemicals)										
Salaries & Wages	$ 551,581	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Overtime	$ 102,940	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Holiday Pay	$ 22,032	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Lead Plant Operator Stipend	$ 12,480	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Employee Benefits	$ 283,513	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Annual Leave Buyback	$ 12,000	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Conferences & Training	$ 4,500	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Fire & Liability Insurance	$ 35,000	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Electricity	$ 162,484	100% Base	100%	0%	0%	0%	0%	0%	0%	**100%**
Natural Gas	$ 43,410	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Rental of Equipment	$ 1,000	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Sewer Charge	$ 199,440	100% Base	100%	0%	0%	0%	0%	0%	0%	**100%**
Gas/Vehicle Maintenance	$ 5,389	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Repairs & Maintenance	$ 66,787	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Operating Supplies	$ 17,161	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Uniforms & protective Gear	$ 1,426	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Station One Pumping	$ -	Maximum Hour Demand Patterns	40%	24%	36%	0%	0%	0%	0%	**100%**
Station One Chemicals	$ 316,315	100% Base	100%	0%	0%	0%	0%	0%	0%	**100%**
Subtotal	$ 1,837,458									
Lawton Valley (Excludes chemicals)										
Salaries & Wages	$498,541	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Overtime	$98,903	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Holiday Pay	$19,992	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Lead Plant Operator Stipend	$12,480	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Employee Benefits	$278,002	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Annual Leave Buyback	$7,400	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Conferences & Training	$4,120	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Fire & Liability Insurance	$54,000	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Electricity	$325,091	100% Base	100%	0%	0%	0%	0%	0%	0%	**100%**
Natural Gas	$34,663	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Rental of Equipment	$1,000	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Sewer Charge	$498,600	100% Base	100%	0%	0%	0%	0%	0%	0%	**100%**
Gas/Vehicle Maintenance	$5,389	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Repairs & Maintenance	$61,351	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Operating Supplies	$13,311	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Uniforms & protective Gear	$1,303	Maximum Day Demand Patterns	63%	37%	0%	0%	0%	0%	0%	**100%**
Lawton Valley Pumping	$0	Maximum Hour Demand Patterns	40%	24%	36%	0%	0%	0%	0%	**100%**
Lawton Valley Chemicals	$278,667	100% Base	100%	0%	0%	0%	0%	0%	0%	**100%**
Subtotal	2,192,814									

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	Rate Year	Allocation Notes	Base	Max Day	Max Hour	Metering	Billing	Services	Fire	Total % Allocated
Laboratory										
Salaries & Wages	$ 121,179	100% Base	100%	0%	0%	0%	0%	0%	0%	**100%**
Employee Benefits	$ 58,708	100% Base	100%	0%	0%	0%	0%	0%	0%	**100%**
Annual Leave Buyback	$ 1,500	100% Base	100%	0%	0%	0%	0%	0%	0%	**100%**
Repairs & Maintenance	$ 1,700	100% Base	100%	0%	0%	0%	0%	0%	0%	**100%**
Regulatory Assessment	$ 47,024	100% Base	100%	0%	0%	0%	0%	0%	0%	**100%**
Laboratory Supplies	$ 35,627	100% Base	100%	0%	0%	0%	0%	0%	0%	**100%**
Subtotal	**$ 265,738**									
Transmission and Distribution										
Salaries & Wages	$ 552,833	Maximum Hour Demand Patterns	40%	24%	36%	0%	0%	0%	0%	**100%**
Overtime	$ 52,364	Maximum Hour Demand Patterns	40%	24%	36%	0%	0%	0%	0%	**100%**
Temp Salaries	$ 26,180	Maximum Hour Demand Patterns	40%	24%	36%	0%	0%	0%	0%	**100%**
Injury Pay	$ -	Maximum Hour Demand Patterns	40%	24%	36%	0%	0%	0%	0%	**100%**
Employee Benefits	$ 330,074	Maximum Hour Demand Patterns	40%	24%	36%	0%	0%	0%	0%	**100%**
Annual Leave Buyback	$ 7,500	Maximum Hour Demand Patterns	40%	24%	36%	0%	0%	0%	0%	**100%**
Conferences & Training	$ 4,000	Maximum Hour Demand Patterns	40%	24%	36%	0%	0%	0%	0%	**100%**
Contract Services	$ 21,525	Maximum Hour Demand Patterns	40%	24%	36%	0%	0%	0%	0%	**100%**
Fire & Liability Insurance	$ 12,000	Maximum Hour Demand Patterns	40%	24%	36%	0%	0%	0%	0%	**100%**
Electricity	$ 20,607	Maximum Hour Demand Patterns	40%	24%	36%	0%	0%	0%	0%	**100%**
Heavy Equipment Rental	$ 8,260	Maximum Hour Demand Patterns	40%	24%	36%	0%	0%	0%	0%	**100%**
Gas/Vehicle Maintenance	$ 70,057	Maximum Hour Demand Patterns	40%	24%	36%	0%	0%	0%	0%	**100%**
Repairs & Maintenance	$ 26,000	Maximum Hour Demand Patterns	40%	24%	36%	0%	0%	0%	0%	**100%**
Main Maintenance	$ 91,200	Maximum Hour Demand Patterns	40%	24%	36%	0%	0%	0%	0%	**100%**
Hydrant Maintenance	$ -	100% Fire	0%	0%	0%	0%	0%	0%	100%	**100%**
Service Maintenance	$ 30,000	100% Services	0%	0%	0%	0%	0%	100%	0%	**100%**
Operating Supplies	$ 8,000	Maximum Hour Demand Patterns	40%	24%	36%	0%	0%	0%	0%	**100%**
Uniforms & protective Gear	$ 4,000	Maximum Hour Demand Patterns	40%	24%	36%	0%	0%	0%	0%	**100%**
Subtotal	**$ 1,264,600**									
Fire Protection	23,800	100% Fire	0%	0%	0%	0%	0%	0%	100%	**100%**
Total O&M Costs	**9,410,708**									

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	Rate Year	Allocation Notes	Base	Max Day	Max Hour	Metering	Billing	Services	Fire	Total % Allocated
CAPITAL COSTS										
Water Supply	1,369,099	100% Base	100%	0%	0%	0%	0%	0%	0%	**100%**
Treatment Station 1	2,241,460	Maximum Day Demand Patterns	50%	50%	0%	0%	0%	0%	0%	**100%**
Treatment Lawton Valley	2,529,417	Maximum Day Demand Patterns	50%	50%	0%	0%	0%	0%	0%	**100%**
Treatment Both Plants	466,739	Maximum Day Demand Patterns	50%	50%	0%	0%	0%	0%	0%	**100%**
T&D Pumping	57,858	Maximum Hour Demand Patterns	40%	24%	36%	0%	0%	0%	0%	**100%**
T&D	1,936,118	Maximum Hour Demand Patterns	40%	24%	36%	0%	0%	0%	0%	**100%**
Fire	20,852	100% Fire	0%	0%	0%	0%	0%	0%	100%	**100%**
Meters	197,038	100% Meters	0%	0%	0%	100%	0%	0%	0%	**100%**
Services	324,003	100 % Services	0%	0%	0%	0%	0%	100%	0%	**100%**
Billing	168,415	100% Billing	0%	0%	0%	0%	100%	0%	0%	**100%**
Total Capital Costs excluding Treatment	**9,311,000**									
Revenue Allowance	282,321	100% base	100%							**100%**
Total Costs before Offsets	**19,004,029**									
OFFSETS										
Nonrate Revenues										
Sundry charges	126,250	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	**100%**
WPC cost share on customer serv	330,000	50/50 Split between Metering and Billing	0%	0%	0%	50%	50%	0%	0%	**100%**
Middletown cost share on custom	167,000	50/50 Split between Metering and Billing	0%	0%	0%	50%	50%	0%	0%	**100%**
Rental of Property	95,200	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	**100%**
Water Penalty	51,200	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	**100%**
Miscellaneous	10,500	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	**100%**
Investment Interest Income	1,250	Non Admin less electricity & chemicals	62%	18%	7%	5%	6%	2%	0%	**100%**
Water Quality Protection Fees	22,250	100% Base	100%	0%	0%	0%	0%	0%	0%	**100%**
Total Nonrate Revenues	**803,650**									
Net Costs To Recover Through Rates	**$ 18,200,379**									

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	Base	Max Day	Max Hour	Metering	Billing	Services	Fire	Total $ Allocated
Operation & Maintenance Costs								
Administration								
Salaries, Wages, & Benefits								
Salaries & Wages	175,314	50,738	19,970	14,458	15,554	4,470	1,078	281,582
AFSCME retro	-	-	-	-	-	-	-	-
NEA retro	-	-	-	-	-	-	-	-
AFSCME benefits on retro pay	-	-	-	-	-	-	-	-
NEA benefits on retro pay	-	-	-	-	-	-	-	-
Standby Salaries	11,655	3,373	1,328	961	1,034	297	72	18,720
Accrued Benefits Buyout	34,066	13,157	4,769	3,347	2,766	873	22	59,000
Employee Benefits	74,125	21,453	8,444	6,113	6,576	1,890	456	119,057
Retiree Insurance Coverage	213,635	82,511	29,906	20,991	17,346	5,474	137	370,000
Workers Compensation	36,953	14,272	5,173	3,631	3,000	947	24	64,000
Annual Leave Buyback	2,055	595	234	169	182	52	13	3,300
Subtotal	547,803	186,099	69,822	49,671	46,459	14,003	1,801	915,659

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	Base	Max Day	Max Hour	Metering	Billing	Services	Fire	Total $ Allocated
All Other Administrative Costs								
Advertisement	5,585	1,616	636	461	495	142	34	8,970
Membership Dues & Subscriptions	1,551	449	177	128	138	40	10	2,492
Conferences & Training	2,482	718	283	205	220	63	15	3,987
Tuition Reimbursement	1,241	359	141	102	110	32	8	1,993
Consultant Fees	85,055	24,616	9,689	7,014	7,546	2,169	523	136,611
Postage	621	180	71	51	55	16	4	997
Fire & Liability Insurance	41,577	12,033	4,736	3,429	3,689	1,060	256	66,779
Telephone & Communication	3,475	1,006	396	287	308	89	21	5,581
Water	1,251	362	142	103	111	32	8	2,009
Electricity	4,937	1,429	562	407	438	126	30	7,930
Natural Gas	3,243	939	369	267	288	83	20	5,209
Property Taxes	353,118	102,196	40,224	29,122	31,328	9,004	2,172	567,163
Legal & Administrative								
Audit Fees	2,502	1,062	294	130	128	106	11	4,233
OPEB Contribution	11,346	4,818	1,334	588	582	481	51	19,200
City Counsel	1,337	568	157	69	69	57	6	2,263
City Clerk	1,761	748	207	91	90	75	8	2,980
City Manager	31,477	13,366	3,702	1,630	1,616	1,335	141	53,267
Human Resources	3,381	1,306	473	332	275	87	2	5,856
City Solicitor	7,532	3,198	886	390	387	319	34	12,746
Finance Adimistrative 80%	13,954	5,925	1,641	723	716	592	63	23,614
Finance Adimistrative 5%	1,819	772	214	94	93	77	8	3,078
Finance Admin 10% Inv/Debt	7,749	3,291	911	401	398	329	35	13,113
Purchasing	10,128	4,301	1,191	524	520	429	45	17,139
Collections	-	-	-	-	18,150	-	-	18,150
Accounting 5%	8,511	3,614	1,001	441	437	361	38	14,403
Accounting	24,761	9,563	3,466	2,433	2,011	634	16	42,884
Data Processing	38,545	11,155	4,391	3,179	3,420	983	237	61,910
Mileage Allowance	1,241	359	141	102	110	32	8	1,993
Gasoline & Vehicle Allowance	3,344	968	381	276	297	85	21	5,371
Repairs & Maintenance	745	216	85	61	66	19	5	1,196
Regulatory Expense	3,103	898	353	256	275	79	19	4,983
Regulatory Assessment	49,644	14,367	5,655	4,094	4,404	1,266	305	79,736
Office Supplies	9,308	2,694	1,060	768	826	237	57	14,950
Self Insurance	3,103	898	353	256	275	79	19	4,983
Unemployment Claims	-	-	-	-	-	-	-	-
Subtotal	739,423	229,990	85,325	58,414	79,871	20,516	4,229	1,217,768

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	Base	Max Day	Max Hour	Metering	Billing	Services	Fire	Total $ Allocated
Customer Service								
Salaries & Wages	-	-	-	162,346	130,271	41,578	-	334,195
Benefits	-	-	-	92,690	74,377	23,738	-	190,805
Copying & binding	-	-	-	-	500	-	-	500
Conferences & Training	-	-	-	-	5,000	-	-	5,000
Support Services	-	-	-	-	26,175	-	-	26,175
Postage	-	-	-	-	74,680	-	-	74,680
Bank Fees (lock box)	-	-	-	-	16,800	-	-	16,800
Gasoline & Vehicle Allowance	-	-	-	13,089	10,503	3,352	-	26,945
Repairs & Maintenance	-	-	-	35,000	-	-	-	35,000
Meter Maintenance	-	-	-	10,000	-	-	-	10,000
Operating Supplies	-	-	-	5,000	-	-	-	5,000
Uniforms & protective Gear	-	-	-	1,000	-	-	-	1,000
Customer Service Supplies	-	-	-	-	5,000	-	-	5,000
Source of Supply - Island								
Salaries & Wages	309,950	-	-	-	-	-	-	309,950
Overtime	33,000	-	-	-	-	-	-	33,000
Temp Salaries	26,180	-	-	-	-	-	-	26,180
Injury Pay	-	-	-	-	-	-	-	-
Employee Benefits	175,650	-	-	-	-	-	-	175,650
Annual Leave Buyback	3,800	-	-	-	-	-	-	3,800
Electricity	49,880	-	-	-	-	-	-	49,880
Gas/Vehicle Maintenance	59,279	-	-	-	-	-	-	59,279
Repairs & Maintenance	10,000	-	-	-	-	-	-	10,000
Reservoir Maintenance	16,000	-	-	-	-	-	-	16,000
Operating Supplies	7,500	-	-	-	-	-	-	7,500
Uniforms & protective Gear	1,510	-	-	-	-	-	-	1,510
Chemicals	41,800	-	-	-	-	-	-	41,800
Source of Supply - Mainland								
Overtime	11,610	-	-	-	-	-	-	11,610
Temp Salaries	29,996	-	-	-	-	-	-	29,996
Permanent Part time	12,900	-	-	-	-	-	-	12,900
Employee Benefits	2,525	-	-	-	-	-	-	2,525
Electricity	154,424	-	-	-	-	-	-	154,424
Repairs & Maintenance	7,000	-	-	-	-	-	-	7,000
Reservoir Maintenance	4,500	-	-	-	-	-	-	4,500
Operating Supplies	1,000	-	-	-	-	-	-	1,000

Rhode Island Public Utilities Commission
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CW Surebut Sch. B-1
Base Extra Capacity Cost Allocations

	Base	Max Day	Max Hour	Metering	Billing	Services	Fire	Total $ Allocated
Station One (Excludes chemicals)								
Salaries & Wages	344,864	206,717	-	-	-	-	-	551,581
Overtime	64,361	38,579	-	-	-	-	-	102,940
Holiday Pay	13,775	8,257	-	-	-	-	-	22,032
Lead Plant Operator Stipend	7,803	4,677	-	-	-	-	-	12,480
Employee Benefits	177,261	106,252	-	-	-	-	-	283,513
Annual Leave Buyback	7,503	4,497	-	-	-	-	-	12,000
Conferences & Training	2,814	1,686	-	-	-	-	-	4,500
Fire & Liability Insurance	21,883	13,117	-	-	-	-	-	35,000
Electricity	162,484	-	-	-	-	-	-	162,484
Natural Gas	27,141	16,269	-	-	-	-	-	43,410
Rental of Equipment	625	375	-	-	-	-	-	1,000
Sewer Charge	199,440	-	-	-	-	-	-	199,440
Gas/Vehicle Maintenance	3,369	2,020	-	-	-	-	-	5,389
Repairs & Maintenance	41,757	25,030	-	-	-	-	-	66,787
Operating Supplies	10,730	6,432	-	-	-	-	-	17,161
Uniforms & protective Gear	892	534	-	-	-	-	-	1,426
0	-	-	-	-	-	-	-	-
Station One Chemicals	316,315	-	-	-	-	-	-	316,315
Lawton Valley (Excludes chemicals)								
Salaries & Wages	311,702	186,839	-	-	-	-	-	498,541
Overtime	61,837	37,066	-	-	-	-	-	98,903
Holiday Pay	12,500	7,492	-	-	-	-	-	19,992
Lead Plant Operator Stipend	7,803	4,677	-	-	-	-	-	12,480
Employee Benefits	173,815	104,187	-	-	-	-	-	278,002
Annual Leave Buyback	4,627	2,773	-	-	-	-	-	7,400
Conferences & Training	2,576	1,544	-	-	-	-	-	4,120
Fire & Liability Insurance	33,762	20,238	-	-	-	-	-	54,000
Electricity	325,091	-	-	-	-	-	-	325,091
Natural Gas	21,672	12,991	-	-	-	-	-	34,663
Rental of Equipment	625	375	-	-	-	-	-	1,000
Sewer Charge	498,600	-	-	-	-	-	-	498,600
Gas/Vehicle Maintenance	3,369	2,020	-	-	-	-	-	5,389
Repairs & Maintenance	38,358	22,993	-	-	-	-	-	61,351
Operating Supplies	8,322	4,989	-	-	-	-	-	13,311
Uniforms & protective Gear	815	488	-	-	-	-	-	1,303
Lawton Valley Pumping	-	-	-	-	-	-	-	-
Lawton Valley Chemicals	278,667	-	-	-	-	-	-	278,667

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Base Extra Capacity Cost Allocations

	Base	Max Day	Max Hour	Metering	Billing	Services	Fire	Total $ Allocated
Laboratory								
Salaries & Wages	121,179	-	-	-	-	-	-	121,179
Employee Benefits	58,708	-	-	-	-	-	-	58,708
Annual Leave Buyback	1,500	-	-	-	-	-	-	1,500
Repairs & Maintenance	1,700	-	-	-	-	-	-	1,700
Regulatory Assessment	47,024	-	-	-	-	-	-	47,024
Laboratory Supplies	35,627	-	-	-	-	-	-	35,627
Transmission and Distribution								
Salaries & Wages	220,147	131,959	200,727	-	-	-	-	552,833
Overtime	20,852	12,499	19,013	-	-	-	-	52,364
Temp Salaries	10,425	6,249	9,506	-	-	-	-	26,180
Injury Pay	-	-	-	-	-	-	-	-
Employee Benefits	131,441	78,787	119,846	-	-	-	-	330,074
Annual Leave Buyback	2,987	1,790	2,723	-	-	-	-	7,500
Conferences & Training	1,593	955	1,452	-	-	-	-	4,000
Contract Services	8,572	5,138	7,815	-	-	-	-	21,525
Fire & Liability Insurance	4,779	2,864	4,357	-	-	-	-	12,000
Electricity	8,206	4,919	7,482	-	-	-	-	20,607
Heavy Equipment Rental	3,289	1,972	2,999	-	-	-	-	8,260
Gas/Vehicle Maintenance	27,898	16,722	25,437	-	-	-	-	70,057
Repairs & Maintenance	10,354	6,206	9,440	-	-	-	-	26,000
Main Maintenance	36,317	21,769	33,114	-	-	-	-	91,200
Hydrant Maintenance		-	-	-	-	-	-	-
Service Maintenance	-	-	-	-	-	30,000	-	30,000
Operating Supplies	3,186	1,910	2,905	-	-	-	-	8,000
Uniforms & protective Gear	1,593	955	1,452	-	-	-	-	4,000
Fire Protection	-	-	-	-	-	-	23,800	23,800
Non-Administrative O&M	**4,903,040**	**1,137,807**	**448,268**	**319,126**	**343,306**	**98,669**	**23,800**	**7,274,015**

Rhode Island Public Utilities Commission
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Base Extra Capacity Cost Allocations

	Base	Max Day	Max Hour	Metering	Billing	Services	Fire	Total $ Allocated
Water Supply	1,369,099	-	-	-	-	-	-	1,369,099
Treatment Station 1	1,120,730	1,120,730	-	-	-	-	-	2,241,460
Treatment Lawton Valley	1,264,709	1,264,709	-	-	-	-	-	2,529,417
Treatment Both Plants	233,369	233,369	-	-	-	-	-	466,739
T&D Pumping	23,040	13,811	21,008	-	-	-	-	57,858
T&D	770,993	462,144	702,981	-	-	-	-	1,936,118
Fire	-	-	-	-	-	-	20,852	20,852
Meters	-	-	-	197,038	-	-	-	197,038
Services	-	-	-	-	-	324,003	-	324,003
Billing	-	-	-	-	168,415	-	-	168,415
	4,781,941	**3,094,763**	**723,988**	**197,038**	**168,415**	**324,003**	**20,852**	**9,311,000**
	51%	33%	8%	2%	2%	3%	0%	100%
	282,321	-	-	-	-		-	282,321
Total Non-Admin Costs	**9,967,302**	**4,232,570**	**1,172,257**	**516,163**	**511,721**	**422,671**	**44,652**	**16,867,336**
	59%	25%	7%	3%	3%	3%	0%	100%
	78,344	22,674	8,924	6,461	6,951	1,998	482	125,833
	-	-	-	165,000	165,000	-	-	330,000
	-	-	-	83,500	83,500	-	-	167,000
	59,076	17,097	6,729	4,872	5,241	1,506	363	94,885
	31,772	9,195	3,619	2,620	2,819	810	195	51,031
	6,516	1,886	742	537	578	166	40	10,465
	776	224	88	64	69	20	5	1,246
	22,250	-	-	-	-	-	-	22,250
	198,733	**51,076**	**20,103**	**263,055**	**264,157**	**4,500**	**1,085**	**802,710**
	$ 9,768,568	**$ 4,181,494**	**$ 1,152,153**	**$ 253,109**	**$ 247,563**	**$ 418,171**	**$ 43,567**	**$ 16,064,626**

Rhode Island Public Utilities Commission
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Base Extra Capacity Cost Allocations

Non-Admin O&M Costs	$ 4,903,040	$ 1,137,807	$ 448,268	$ 319,126	$ 343,306	$ 98,669	$ 23,800	**$ 7,274,015**
Less: Chemicals								$ -
Station One	$ (316,315)	$ -	$ -	$ -	$ -	$ -	$ -	$ (316,315)
Lawton Valley	$ (278,667)	$ -	$ -	$ -	$ -	$ -	$ -	$ (278,667)
Source Supply	$ (41,800)	$ -	$ -	$ -	$ -	$ -	$ -	$ (41,800)
Electricity								$ -
Source Supply	$ (204,304)	$ -	$ -	$ -	$ -	$ -	$ -	$ (204,304)
Station One	$ (162,484)	$ -	$ -	$ -	$ -	$ -	$ -	$ (162,484)
Lawton Valley	$ (21,672)	$ (12,991)	$ -	$ -	$ -	$ -	$ -	$ (34,663)
T&D	$ (8,206)	$ (4,919)	$ (7,482)	$ -	$ -	$ -	$ -	
Costs Adjusted	$ 3,869,591	$ 1,119,898	$ 440,786	$ 319,126	$ 343,306	$ 98,669	$ 23,800	$ 6,235,782
	62%	18%	7%	5%	6%	2%	0%	100%

	Base	Max Day	Max Hour	Metering	Billing	Services	Fire	Total $ Allocated
Non-Administrative Labor								
Administration	189,024	54,705	21,532	15,589	16,770	4,820	1,163	303,602
Customer Service	0	0	0	162,346	130,271	41,578	0	334,195
Source of Supply - Island	369,130	0	0	0	0	0	0	369,130
Source of Supply - Mainland	54,506	0	0	0	0	0	0	54,506
Station One	430,504	258,050	0	0	0	0	0	688,553
Lawton Valley	390,666	234,171	0	0	0	0	0	624,836
Laboratory	122,679	0	0	0	0	0	0	122,679
Transmission/Distribution	254,411	152,498	231,969	0	0	0	0	638,877
Total	1,810,920	699,423	253,500	177,935	147,041	46,398	1,163	3,136,380
Percent	58%	22%	8%	6%	5%	1%	0%	100%

Rhode Island Public Utilities Commission
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CW Surebut Sch. B-2
Allocation of Costs to Water Rate Classes

			Commodity Charges					
ALLOCATION PERCENTAGES			Retail		Navy	Portsmouth		
Cost Category	Allocation Basis	**Base Charge**	Residential	Non-Residential			Fire	Total % Allocated
Base	*Average annual demand*		39%	27%	13%	21%	0%	100%
Base Excluding PWFD			50%	34%	16%	0%	0%	100%
Base Excluding PWFD & 50% Navy			54%	37%	9%	0%	0%	100%
Water Quality Protection Fees			59%	41%	0%	0%	0%	100%
Total Base to Class			41%	28%	12%	18%	0%	100%
Max Day	*Estimated customer peaking factors*		26%	28%	8%	17%	21%	100%
Base Excluding PWFD			32%	34%	9%	0%	25%	100%
Max Day Excluding PWFD & 50% Navy			33%	36%	5%	0%	26%	100%
Total Max Day to Class			28%	29%	7%	14%	22%	100%
Max Hour	*Estimated customer peaking factors*		16%	20%	5%	9%	50%	100%
Base Excluding PWFD			17%	22%	5%	0%	55%	100%
Max Hour Excluding PWFD & 50% Navy			18%	23%	3%	0%	57%	100%
Total Max Hour to Class			18%	23%	3%	0%	57%	100%
Metering	*Direct Assignment*	100%						100%
Billing	*Direct Assignment*	100%						100%
Services	*Direct Assignment*	100%						100%
Fire	*Direct Assignment*						100%	100%
Treatment Plant Avg. Day	*Assured Capacity*		0%	0%	0%	0%	0%	0%
Treatment Plant Max. Day	*Assured Capacity*		0%	0%	0%	0%	0%	0%

Rhode Island Public Utilities Commission
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CW Surebut Sch. B-2
Allocation of Costs to Water Rate Classes

ALLOCATION RESULTS

			Commodity Charges					
			Retail					
Cost Category	Rate Year	**Base Charge**	Residential	Non-Residential	Navy	Portsmouth	Fire	Total $ Allocated
Base								
Base excluding T&D&WQPF & Pumping	8,681,630		3,412,404	2,359,507	1,095,561	1,814,158		8,681,630
Transmission & Distribution	1,262,631		681,775	471,413	109,443	-		1,262,631
Pumping	23,040		11,448	7,916	3,676	-		23,040
Water Quality Protection Fees	(22,250)		(13,154)	(9,096)	-	-		(22,250)
Revenue Offsets	(176,483)		(72,695)	(50,265)	(21,401)	(32,122)	-	(176,483)
Administrative Charges	1,287,227		530,221	366,621	156,095	234,289	-	1,287,227
Max Day								
Max Day Except T&D & Pumping	3,461,921		916,452	973,704	261,936	588,228	721,601	3,461,921
Transmission & Distribution	756,839		252,889	268,688	36,140	-	199,121	756,839
Pumping	13,811		4,404	4,679	1,259	-	3,468	13,811
Revenue Offsets	(51,076)		(14,164)	(15,049)	(3,612)	(7,098)	(11,153)	(51,076)
Administrative Charges	416,088		115,387	122,595	29,426	57,827	90,854	416,088
Max Hour								
Max Hr. Except T&D & Pumping	-	-	-	-	-	-	-	-
Transmission & Distribution	1,151,249	-	205,255	262,908	31,328	-	651,758	1,151,249
Pumping	21,008	-	3,646	4,670	1,113	-	11,578	21,008
Revenue Offsets	(20,103)		(3,582)	(4,589)	(556)	-	(11,376)	(20,103)
Administrative Charges	155,147		27,648	35,414	4,294	-	87,792	155,147
Metering	516,163	516,163	-	-	-	-	-	516,163
Revenue Offsets	(263,055)	(263,055)						(263,055)
Administrative Charges	108,085	108,085						108,085
Services	422,671	422,671						422,671
Revenue Offsets	(4,500)	(4,500)						(4,500)
Administrative Charges	34,520	34,520						34,520
Billing	511,721	511,721	-	-	-	-	-	511,721
Revenue Offsets	(264,157)	(264,157)						(264,157)
Administrative Charges	126,331	126,331						126,331
Fire	44,652						44,652	44,652
Revenue Offsets	(1,085)						(1,085)	(1,085)
Administrative Charges	6,030						6,030	6,030
Treatment Plant Capital Costs								-
Treatment Plant Avg. Day	-	-	-	-	-	-	-	-
Treatment Plant Max. Day	-	-	-	-	-	-	-	-
Total To Recover through Rates	**$ 18,198,053**	**$ 1,187,779**	**$ 6,057,934**	**$ 4,799,117**	**$ 1,704,701**	**$ 2,655,282**	**$ 1,793,240**	**$ 18,198,053**
		7%	33%	26%	9%	15%	10%	1.00

COST OF SERVICE PER UNIT

	Metering (1)	(2)	(2)	(2)	(2)	(3)	
Description of Billing Units	Equivalent meters x 12 months	1000's of gallons annually	1000's of gallons annually	1000's of gallons annually	1000's of gallons annually	Equivalent Connections	Total
Percentage of Dollars Allocated	2.0%	33.3%	26.4%	9.4%	14.6%	9.6%	100.0%
Allocated Cost	$ 361,194	$ 6,057,934	$ 4,799,117	$ 1,704,701	$ 2,655,282	$ 1,743,643	$ 18,198,053
Divided by: Number of Units	208,188	661,227	457,205	247,078	432,782	157,692	
Unit Cost of Service	**$1.7349** *per equiv per month*	**$9.16** *per 1000 gallons*	**$10.50** *per 1000 gallons*	**$6.90** *per 1000 gallons*	**$6.14** *per 1000 gallons*	**$11.06** *Equivalent connections*	

	Billing	Services	Hydrants
Description of Billing Units	No. of bills per year	Equivalent Connections	No. of Hydrants
Percentage of Dollars Allocated	2.1%	2.5%	0.3%
Allocated Cost	$ 373,894	$ 452,691	$ 49,597
Divided by: Number of Units	175,084	274,672	1,039
Unit Cost of Service	**$2.1355** *per bill*	**$1.6481** *per equiv*	**$47.7351** *per Hydrant*
	(1)		

(1) From CW Surebut Sch. D-1 , 'Water Accounts, by Size and Class as of Feb 2016 (PWFD 1-15)'
(2) From CW Surebut Sch. B-6 , 'Water Demand History'.
(3) From CW Surebut Sch. D-2 , 'Fire Protection Accounts (Fev 2016 - PWFD 1-15)'

Rhode Island Public Utilities Commission
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CW Surebut Sch. B-3
Cost Allocation Bases

Allocation Basis	Used to allocate the following cost categories	Source Schedule	Base	Max Day	Max Hour	Metering	Billing	Services	Direct Fire Protection	**Total % Allocated**
Average Day Demand Patterns	*Supply, Laboratory*	N/A	100%							100%
Maximum Day Demand Patterns	*Treatment*	B-1	63%	37%	0%					100%
Maximum Hour Demand Patterns	*Pumping, Transmission/Distribution, Storage*	B-1	40%	24%	36%					100%
Fire Protection	*Public/Private Fire Protection Costs*	D-2							100%	100%
Non Admin less electricity & chemicals	*Administration Salaries, Wages, & Benefits*	B-1	62%	18%	7%	5%	6%	2%	0%	100%
Customer Service Salaries and Wages	*Customer Service Salaries, Wages, & Benefits*	B-4	0%	0%	0%	49%	39%	12%	0%	100%
Non-Administrative Wages & Salaries	*Administrative Labor Related*	B-1	58%	22%	8%	6%	5%	1%	0%	100%
Capital Costs	*Certain Legal and Administrative*	B-1	51%	33%	8%	2%	2%	3%	0%	0%
Total Non-Admin Costs before Offsets	*Certain Legal and Administrative*	B-1	59%	25%	7%	3%	3%	3%	0%	100%
Other Costs	*Administration Non-Salary Costs*	B-1	62%	18%	7%	5%	6%	2%	0%	100%
Treatment Plant Capital	*Based on Plant Capacity 8/16 MGD*	B-4	50%	50%						

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CW Surebut Sch. B-4
Allocation Analyses

		Allocation of Salary Costs							
		Base	Max Day	Max Hour	Metering	Billing	Services	Direct Fire Protection	Total Allocated
Administration 15-500-2200									
Salaries by Staff Position									
Director of Utilities	$ 76,683	62%	18%	7%	5%	6%	2%	0%	100%
Administrative Secretary	$ 28,121	62%	18%	7%	5%	6%	2%	0%	100%
Deputy Director - Finance	$ 56,548	62%	18%	7%	5%	6%	2%	0%	100%
Deputy Director - Engineering	$ 65,365	62%	18%	7%	5%	6%	2%	0%	100%
Financial Analyst	$ 54,865	62%	18%	7%	5%	6%	2%	0%	100%
Salary $ Allocation Results	$ 281,582	$ 174,735	$ 50,570	$ 19,904	$ 14,410	$ 15,502	$ 4,455	$ 1,075	**$ 280,651**
Resulting % Allocation of Administration Salaries, Wages, & Benefits		**62%**	**18%**	**7%**	**5%**	**6%**	**2%**	**0%**	**100%**
Customer Service 15-500-2209									
Salaries by Staff Position									
Meter Repairman/Reader	$ 46,419				50%	50%			100%
Meter Repairman/Reader	$ 44,244				50%	50%			100%
Principal Account Clerk	$ 37,889					100%			100%
Meter Repairman/Reader	$ 46,372				100%				100%
Maintenance Mechanic	$ 50,777				33%	33%	34%		100%
Principal Account Clerk	$ 21,204				100%				100%
Water Meter Foreman	$ 62,405				33%	33%	34%		100%
Salary $ Allocation Results	$ 309,310				$ 150,258	$ 120,571	$ 38,482		**$ 309,310**
Resulting % Allocation of Customer Service Salaries, Wages, & Benefits		**0%**	**0%**	**0%**	**49%**	**39%**	**12%**	**0%**	**100%**

Treatment Plant ~~Capital~~ Debt

		Base (Avg. Day)	Max Day	Total
Treatment Station 1	$ 2,241,460	$ 1,120,730	$ 1,120,730	$ 2,241,460
Treatment Lawton Valley	2,529,417	$ 1,264,709	$ 1,264,709	$ 2,529,417
Treatment Both Plants	466,739	$ 233,369	$ 233,369	$ 466,739
	$ 5,237,617	$ 2,618,808	$ 2,618,808	$ 5,237,617

	Residential	Non-Residential	Navy	PWFD	Fire	Treatment Plant Capacity
Capacity Reserved for Avg. Day Demand (MGD)[1]	3.20	2.21	0.95	1.64	N/A	8
% of Avg. Day Treatment Capacity	40.0%	27.6%	11.9%	20.5%	N/A	100%
Capacity Reserved for Max. Day Demand (MGD)[1]	5.47	4.70	1.395	3.00	1.44	16
% of Max. Day Treatment Capacity	34.18%	29.35%	8.72%	18.75%	9.00%	100%
	1.71	2.12	1.47	1.83	#VALUE!	2.00

1 *Per Demand study to determine required treatment capacity for design of DB treatment plant projects.*

Rhode Island Public Utilities Commission
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CW Surebut Sch. B-5
Capital Functionalization

Functional Break Down of Existing Fixed Assets

	Revised based on Corresp. With NWD	Supply	Treatment Station 1	Treatment Lawton Valley	Treatment Both Plants	T&D	T&D Pump	Fire	Meters	Services	Billing	
TRANSMISSION/DISTRIBUTION	$ 34,349,799					100%						100%
LAWTON VALLEY	$ 47,328,373			100%								100%
STATION 1	$ 41,940,359		100%									100%
TREATMENT BOTH	$ 8,733,230				100%							100%
STORAGE	$ 1,877,251					100%						100%
SOURCE OF SUPPLY	$ 25,539,067	100%										100%
METERS	$ 3,686,804								100%			100%
SERVICES	$ 6,062,473									100%		100%
T&D PUMPING	$ 1,082,596						100%					100%
BILLING	$ 3,151,248										100%	100%
FIRE	$ 390,166							100%				100%
WORK IN PROGRESS		100%	0%	0%								100%
Total	$ 174,141,367											
LABORATORY	$ 80,000	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
LAND AND ROW	$ 3,594,491	15%	24%	27%	5%	21%	1%	0%	2%	3%	2%	100%
	$ 3,674,491											

Total Fixed Assets **$ 177,815,858**

		Supply	Treatment Station 1	Treatment Lawton Valley	Treatment Both Plants	T&D	T&D Pump	Fire	Meters	Services	Billing	Total
TRANSMISSION/DISTRIBUTION	$ 34,349,799	$ -	$ -	$ -	$ -	$ 34,349,799	$ -	$ -	$ -	$ -	$ -	$ 34,349,799
LAWTON VALLEY	$ 47,328,373	-	-	47,328,373	-	-	-	-	-	-	-	47,328,373
STATION 1	$ 41,940,359	-	41,940,359	-	-	-	-	-	-	-	-	41,940,359
TREATMENT BOTH	$ 8,733,230	-	-	-	8,733,230	-	-	-	-	-	-	8,733,230
STORAGE	$ 1,877,251	-	-	-	-	1,877,251	-	-	-	-	-	1,877,251
SOURCE OF SUPPLY	$ 25,539,067	25,539,067	-	-	-	-	-	-	-	-	-	25,539,067
METERS	$ 3,686,804	-	-	-	-	-	-	-	3,686,804	-	-	3,686,804
SERVICES	$ 6,062,473	-	-	-	-	-	-	-	-	6,062,473	-	6,062,473
T&D PUMPING	$ 1,082,596	-	-	-	-	-	1,082,596	-	-	-	-	1,082,596
BILLING	$ 3,151,248	-	-	-	-	-	-	-	-	-	3,151,248	3,151,248
FIRE	$ 390,166	-	-	-	-	-	-	390,166	-	-	-	390,166
WORK IN PROGRESS	$ -	-	-	-	-	-	-	-	-	-	-	-
Total	$ 174,141,367	$ 25,539,067	$ 41,940,359	$ 47,328,373	$ 8,733,230	$ 36,227,050	$ 1,082,596	$ 390,166	$ 3,686,804	$ 6,062,473	$ 3,151,248	$ 174,141,367
		15%	24%	27%	5%	21%	1%	0%	2%	3%	2%	
LABORATORY	$ 80,000	80,000	-	-	-	-	-	-	-	-	-	80,000
LAND AND ROW	$ 3,594,491	527,158	865,700	976,916	180,265	747,771	22,346	8,054	76,100	125,137	65,046	3,594,491
	$ 3,674,491	$ 607,158	$ 865,700	$ 976,916	$ 180,265	$ 747,771	$ 22,346	$ 8,054	$ 76,100	$ 125,137	$ 65,046	$ 3,674,491
		17%	24%	27%	5%	20%	1%	0%	2%	3%	2%	
Total Allocated		$ 26,146,225	$ 42,806,059	$ 48,305,288	$ 8,913,495	$ 36,974,820	$ 1,104,942	$ 398,220	$ 3,762,904	$ 6,187,610	$ 3,216,294	$ 177,815,858
% of Total Asset Value		15%	24%	27%	5%	21%	1%	0%	2%	3%	2%	

Rhode Island Public Utilities Commission
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CW Surebut Sch. B-5
Capital Functionalization

Functionalization of Capital Costs

		Supply	Treatment Station 1	Treatment Lawton Valley	Treatment Both Plants	T&D	T&D Pump	Fire	Meters	Services	Billing	
Capital Spending Restricted Account	$ 2,500,000	15%	24%	27%	5%	21%	1%	0%	2%	3%	2%	100%
Debt Service	$ 6,811,000	15%	24%	27%	5%	21%	1%	0%	2%	3%	2%	100%
	$ -											
	$ 9,311,000											

		Supply	Treatment Station 1	Treatment Lawton Valley	Treatment Both Plants	T&D	T&D Pump	Fire	Meters	Services	Billing	Total
Capital Spending Restricted Account	$ 2,500,000	$ 367,603	$ 601,831	$ 679,148	$ 125,319	$ 519,847	$ 15,535	$ 5,599	$ 52,905	$ 86,995	$ 45,219	$ 2,500,000
Debt Service	$ 6,811,000	1,001,496	1,639,629	1,850,270	341,420	1,416,271	42,323	15,253	144,133	237,008	123,196	$ 6,811,000
	$ 9,311,000	$ 1,369,099	$ 2,241,460	$ 2,529,417	$ 466,739	$ 1,936,118	$ 57,858	$ 20,852	$ 197,038	$ 324,003	$ 168,415	$ 9,311,000

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CW Surebut Sch. B-6
Water Demand History

	Annual Demand in 1000s Gallons														Demand Projection Options		Rate Year Demand Projection
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	2-Year	3-Year	
Annual Demand by Class																	
Residential	773,872	780,666	736,577	716,037	749,409	757,478	780,264	690,544	644,285	640,966	618,574	663,331	651,514	670,939	661,227	661,928	661,227
Non-Residential	580,798	583,184	663,766	573,711	493,539	469,164	505,014	519,521	454,981	502,475	472,437	485,331	446,842	467,568	457,205	466,580	457,205
Navy	307,051	348,222	511,299	417,869	373,306	223,457	247,728	225,392	173,790	137,731	222,858	250,769	276,891	217,265	247,078	248,308	247,078
Portsmouth	455,142	451,723	422,944	429,465	463,253	450,942	473,338	444,777	412,324	398,827	407,837	411,578	455,255	410,309	432,782	425,714	432,782
Total (in 1000's Gallons)	2,116,863	2,163,795	2,334,586	2,137,082	2,079,508	1,901,042	2,006,344	1,880,234	1,685,380	1,679,999	1,721,706	1,811,009	1,830,502	1,766,081	1,798,291	1,802,531	**1,798,291**
		2.2%	*7.9%*	*-8.5%*	*-2.7%*	*-8.6%*	*5.5%*	*-6.3%*	*-10.4%*	*-0.3%*	*2.5%*	*5.2%*	*1.1%*	*-3.5%*			

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FY 2017 Rate Filing
CW Surebut Sch. B-7
Water Production Peaking Analysis

	Combined Station #1 and LV WTP Production Volumes in 1,000 gals									Peaking Comparison		
	2007	2008	2009	2010	2011	2012	2013	2014	2015	Production Peaks	System Peaks Estimated from Daily Demand Data	System Diversity Ratio (1)
Annual Production	2,456,363	2,524,784	2,437,440	2,440,630	2,304,024	2,059,646	2,071,219	2,115,343	2,027,100	**2,071,221**		
Average Day Production	6,730	6,917	6,678	6,687	6,312	5,643	5,675	5,795	5,554	**5,674.58**		
Maximum Month Production	256,796	269,819	280,875	254,088	268,468	244,463	236,739	227,653	219,066	**223,360**		
Maximum Day Production	10,165	10,724	12,100	9,800	10,163	10,606	9,721	9,462	8,690	**9,076**		
Max Day Date	6/28/2007	8/4/2007	7/18/2008	8/23/2010	7/23/2011	7/7/2012	7/7/2012	7/6/2013	7/25/2014			
Maximum Day Peaking Factor	1.51	1.55	1.81	1.47	1.61	1.88	1.71	1.63	1.56	**1.6**	**1.96**	**1.23**
Max-Day to Avg. Day/Max-Month Ratio	1.19	1.23	1.34	1.20	1.17	1.34	1.27	1.29	1.23	**1.3**		
Maximum Hour	13,800	15,200	13,250	10,700	12,100	12,500	14,200	12,500	16,000	**14,250**		
Maximum Hour Peaking Factor	2.05	2.20	1.98	1.60	1.92	2.22	2.50	2.16	2.88	**2.5**	**2.72**	**1.08**
										Coincident	Noncoincident Excluding Fire Protection	

(1) Calculated according to AWWA M-1 Guidelines

Rhode Island Public Utilities Commission
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FY 2017 Rate Filing
CW Surebut Sch. B-8
Billed Demand Peaking Analysis: Determination of Customer Class Peaking Factors

Estimation of Each Customer Class' Peaking Factors

Customer Class		Factors Based on: Sample			
		Max Day Demand Factor	Max Hour Demand Factor	Demand Factor From Daily Read Demand	Max Hour Demand Factor From Daily Read Demand Study
Residential		1.82	2.43	1.82	2.43
Non-Residential		2.26	3.39	2.26	3.39
Navy		1.73	2.31	1.73	2.31
Portsmouth		1.99	2.65	1.99	2.65
Fire	(5)				
Estimated Systemwide Peaks		1.96	2.72	1.98	2.76

(5) Fire peaking behavior is estimated using a separate methodology demonstrated in CW Surebut Sch. B-11 , Fire Protection Demand Analysis'.

Rhode Island Public Utilities Commission
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CW Surebut Sch. B-9
System Demands Imposed by Each Customer Class' Peaking Behavior

	Rate Year Demand (1,000 gallons)							
Customer Class	Annual Demand	Average Daily Demand	Lost Water Adjustment	Adjusted Average Daily Demand	% Average Demand by Class	% Average Demand Ex PWFD & 50% Navy	% Average Demand Ex PWFD	
Residential	661,227	1,812	*419*	2,230	**39.31%**	**54%**	**50%**	36.8%
Non-Residential	457,205	1,253	*290*	1,542	**27.18%**	**37%**	**34%**	25.4%
Navy	247,078	677	*39*	716	**12.62%**	**9%**	**16%**	13.7%
Portsmouth	432,782	1,186	-	1,186	**20.90%**	**0%**	**0%**	24.1%
Fire					**N/A**	**N/A**	**N/A**	
Total, w Fire Prot.	**1,798,291**	4,927	13.17%	**5,674**	**100%**	**100%**	**100%**	
			(1)					
Production	2,071,072	5,674	13.17%					

	Max Day Calculations				% of Daily Peaks			Max Hour Calculations			% of Hourly Peaks		
Customer Class	Max Day Peaking Factor	Demand x Peaking Factor (3)	Incremental Peak Demand	% of Daily Peaks	With Full PWFD & Navy	Without PWFD & 50% Navy	Without PWFD	Max Hour Peaking Factor	Demand x Peaking Factor (3)	Incremental Peak Demand	With Full PWFD & Navy	Without PWFD & 50% Navy	Without PWFD
Residential	1.82	4,059	1,829	**26.5%**	**26.5%**	**33.4%**	**31.9%**	2.43	5,420	1,360	**15.8%**	**17.8%**	**17.4%**
Non-Residential	2.26	3,485	1,943	**28.1%**	**28.1%**	**35.5%**	**33.9%**	3.39	5,228	1,743	**20.2%**	**22.8%**	**22.2%**
Navy	1.73	1,239	523	**7.6%**	**7.6%**	**4.8%**	**9.1%**	2.31	1,654	415	**4.8%**	**2.7%**	**5.3%**
Portsmouth	1.99	2,360	1,174	**17.0%**	**17.0%**	**0.0%**	**0.0%**	2.65	3,142	783	**9.1%**	**0.0%**	**0.0%**
Fire (2)		1,440	1,440	**20.8%**	**20.8%**	**26.3%**	**25.1%**		5,760	4,320	**50.1%**	**56.6%**	**55.1%**
Total, w Fire Prot.		12,583	6,908	100.0%	100.0%	100.0%	100.0%		21,204	8,621	100.0%	100.0%	100.0%
Total, without Fire Protection		**11,143**	**5,468**					**15,444**	**4,301**				

(demand is in thousands of gallons)

(1) From CW Surebut Sch. D-4 . The lost water adjustment is made to the peaking analysis so that Portsmouth will not share in that portion of certain operating costs. Navy allocation is reduced to 25%.
(2) From CW Surebut Sch. B-11 , Fire Protection Demand Analysis'.

Rhode Island Public Utilities Commission
Docket 4595
FY 2017 Rate Filing
CW Surebut Sch. B-10
Summary of Peak Load Distributions (by Rate Class and Base/Extra-Capacity Categories)

EACH RATE CLASS' SHARE OF SYSTEM PEAKS

Rate Class	Average Demand	Daily Peaks	Hourly Peaks
Retail			
Residential	39%	26%	16%
Non-Residential	27%	28%	20%
Navy	13%	8%	5%
Portsmouth	21%	17%	9%
Fire	N/A	21%	50%
	100%	**100%**	**100%**

BASE/EXTRA-CAPACITY DISTRIBUTION OF SYSTEM PEAKS

	Incremental Demand	% Distribution for Max Day	% Distribution for Max Hour
Base	5,675	**62.5%**	**39.8%**
Extra Capacity			
Max Day	3,401	**37.5%**	**23.9%**
Max Hour	5,174		**36.3%**
Fire Protection			
Max Day	-	**0.0%**	**0.0%**
Max Hour	-		**0.0%**
Total%		**100.0%**	**100.0%**
Total 1000's Gallons		**9,076**	**14,250**

Rhode Island Public Utilities Commission
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CW Surebut Sch. B-11
Fire Protection Demand Analysis

FIRE PROTECTION ASSUMPTIONS

Fire Protection Flow	(gals per minute)	4,000
Hourly Fire Protection Flow (1000's of gallons)		240
Length of Fire Event (in hours)		6

Rhode Island Public Utilities Commission
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FY 2017 Rate Filing
CW Surebut Sch. D-1
Water Accounts, by Size and Class as of Feb 2016 (PWFD 1-15)

		NON-RESIDENTIAL		RESIDENTIAL		WHOLESALE (Monthly)			
Connection Size	Meter Factors	Meter Read Frequency	Equivalent Meters	Meter Read Frequency	Equivalent Meters	Navy		Portsmouth	
		Monthly	Monthly	Monthly	Monthly	Meters	Equivalents	Meters	Equivalents
5/8	1.0	890	890	9,854	9,854	5	5	0	0
3/4	1.1	305	336	2,190	2,409	1	1	0	0
1	1.4	220	308	346	484	1	1	0	0
1.5	1.8	197	355	178	320	1	2	0	0
2	2.9	168	487	94	273	1	3	0	0
3	11.0	40	440	18	198	0	0	0	0
4	14.0	14	196	2	28	0	0	1	14
5	18.0	-	-	-	-	0	0	0	0
6	21.0	16	336	8	168	8	168	0	0
8	29.0	-	-	1	29	0	0	0	0
10	43.5	-	-	-	-	1	44	0	0
Total	14,560	1,850	3,348	12,691	13,763	18	224	1	14

	Equivalent Billing Units	
Billed Monthly	14,560	174,720
Billed Quarterly	-	-
Billed Annually	364	364
	Total	175,084

Equivalent Meter Units	
17,349	208,188
-	-
N/A	N/A
Total	208,188

Rhode Island Public Utilities Commission
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CW Surebut Sch. D-2
Fire Protection Accounts (Fev 2016 - PWFD 1-15)

	Connection Size	Existing Differential	Number of Connections	Equivalent Connections (2)	
Public Hydrants					
Newport	6	111.31	620	69,013	
Middletown	6	111.31	410	45,637	% of Equiv
Portsmouth	6	111.31	9	1,002	Connections
Subtotal: Public Hydrants			**1039**	**115,652**	**73%**
Private Fire Connections					
	2	6.19	0	-	
	4	38.32	74	2,836	
	6	111.31	235	26,158	
	8	237.21	55	13,046	
	10	426.58	0	-	% of Equiv
	12	689.04	0	-	Connections
Subtotal: Private Fire Connections			**364**	**42,040**	**27%**
Total Fire Connections			**1,403**	**157,692**	**100%**

(1) Demand factors are based on the principles of the Hazen-Williams equation for flow through pressure conduits. For more information, see the AWWA M1 rate manual chapter on fire protection charges.

(2) Equivalent connections are arrived at by multiplying the number of connections by the demand factor.

General Water Service	Connection Size	Service Cost	No. of Services	Equivalent Connections	
	5/8	1.000	10,749	10,749	
	3/4	1.000	2,496	2,496	
	1	1.860	567	1,055	
	1.5	4.630	376	1,741	
	2	6.150	263	1,617	
	3	11.060	58	641	
	4	11.060	17	188	
	5	11.060	0	0	
	6	11.060	32	354	
	8	11.060	1	11	% of Equiv
	10	11.060	1	11	Connections
Subtotal General Service			**14,560**	**18,863**	**82%**
Private Fire Connections					
	2	6.150	0	-	
	4	11.060	74	818	
	6	11.060	235	2,599	
	8	11.060	55	608	
	10	11.060	0	-	% of Equiv
	12	11.060	0	-	Connections
Subtotal: Private Fire Connections			**364**	**4,026**	**18%**
Annualized				**12**	
Total Retail & Private Fire Connections			**14,924**	**274,672**	**100%**

Rhode Island Public Utilities Commission
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CW Surebut Sch. D-3
Production Summary

	Station #1			Lawton Valley			Combined	
	Max. Month:	In Gallons	in 1000's	Max. Month:	In Gallons	in 1000's	Max. Month:	In Gallons	in 1000's
FY 12 JULY 2011 - JUNE 2012		1,183,810,000	1,183,810		875,836,000	875,836		2,059,646,000	2,059,646
	July	145,762,000	145,762	July	98,700	99	July	244,462,700	244,463
FY 13 JULY 2012 - JUNE 2013		1,076,157,000	1,076,157		995,062,000	995,062		2,071,219,000	2,071,219
	July	116,038,000	116,038	July	120,700,600	120,701	July	236,738,600	236,739
FY14 JULY 2013 - JUNE 2014		1,151,855,000	1,151,855		963,487,700	963,488		2,115,342,700	2,115,343
	September	123,318,000	123,318	July	113,098,100	113,098	July	227,653,100	227,653
FY 15 JULY 2014 - JUNE 2015		874,221,000	874,221		1,152,879,049	1,152,879		2,027,100,049	2,027,100
	July	103,314,000	103,314	August	117,426,100	117,426	August	219,066,100	219,066
FY16 JULY 2015 - JUNE 2016									

MAX DAY PRODUCTION AVAILABLE FOR SALE

	Station #1			Lawton Valley			Combined		
		Max Day Production			Max Day Production			Max Day Production	
	Max Day	In Gallons	in 1000's	Max Day	In Gallons	in 1000's	Max Day	In Gallons	in 1000's
FY 12 JULY 2011 - JUNE 2012	7/4/2011	5,703,000	5,703	8/3/2011	5,981,000	5,981	7/23/2011	10,606,000	10,606
FY 13 JULY 2012 - JUNE 2013	7/6/2012	4,697,000	4,697	9/25/2012	5,400,000	5,400	7/7/2012	9,721,000	9,721
FY14 JULY 2013 - JUNE 2014	9/30/2013	4,749,000	4,749	7/6/2013	5,025,000	5,025	7/6/2013	9,462,000	9,462
FY 15 JULY 2014 - JUNE 2015	9/16/2014	4,096,000	4,096	7/25/2014	5,100,000	5,100	7/25/2014	8,690,000	8,690
FY16 JULY 2015 - JUNE 2016									

PEAK HOURLY FLOW

	Station #1			Lawton Valley		
	Date			Date		
FY 12 JULY 2011 - JUNE 2012	7/5/2011	6.50	MGD	7/7/2011	6.0	MGD
FY 13 JULY 2012 - JUNE 2013	6/11/2013	8.20	MGD	7/17/2012	6.0	MGD
FY14 JULY 2013 - JUNE 2014	10/16/2013	6.50	MGD	7/7/2013	6.0	MGD
FY 15 JULY 2014 - JUNE 2015	8/29/2014	9.00	MGD	11/12/2014	7.0	MGD
FY16 JULY 2015 - JUNE 2016						

Rhode Island Public Utilities Commission
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CW Surebut Sch. D-4
Demand Summary

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 *
Fiscal Year Annual Demand										
Residential	718,022	757,478	780,264	690,544	644,285	640,966	618,574	663,331	651,514	670,939
Non-Residential	505,804	469,164	505,014	519,521	454,981	502,475	472,437	485,331	446,842	467,568
Navy	373,306	223,457	247,728	225,392	173,790	137,731	222,858	250,769	276,891	217,265
Portsmouth	453,618	450,942	473,338	444,777	412,324	398,827	407,837	411,578	455,255	410,309
Total 1000's Gallons	**2,050,751**	**1,901,042**	**2,006,344**	**1,880,234**	**1,685,380**	**1,679,999**	**1,721,706**	**1,811,009**	**1,830,502**	**1,766,081**
		-7.3%	*5.5%*	*-6.3%*	*-10.4%*	*-0.3%*	*2.5%*	*5.2%*	*1.1%*	*-3.5%*

Max Month Demand	*(1000's of gallons)*	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015*	
Residential		79,586	103,115	83,630	83,630	83,630		196,307	185,908	76,838	
Commercial		51,545	66,684	61,978	61,978	61,978		67,646	78,970	58,767	
Navy		29,771	30,475	24,640	24,640	24,640		25,677	33,876	33,876	
Portsmouth		51,270	58,023	61,048	46,840	46,840		51,672	50,961	45,224	
NonCoincident Max Month		**212,172**	**258,296**	**231,296**	**217,088**	**217,088**	-	**341,302**	**349,715**	**214,705**	
Coincident Max Month		**196,132**	**221,941**	**201,008**				**314,693**	**335,417**	**234,604**	1.09
Production Volume, Max Month		**256,796**	**269,819**	**280,875**							
		for FY 15 substituted July 2015 for July 2014 values									

Unaccounted for Water Analysis

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Average
Billed Consumption (1,000 gals.)	1,901,042	2,006,344	1,880,234	1,685,380	1,679,999	1,721,706	1,811,009	1,830,502	1,766,081	1,798,291
Total Water Produced (1,000 gals.)	2,456,363	2,524,784	2,437,440	2,440,630	2,304,024	2,059,646	2,071,219	2,115,343	2,027,100	2,071,221
Unaccounted for Water (1,000 gals.)	555,321	518,440	557,206	755,250	624,026	337,940	260,210	284,841	261,019	272,930
Percent Unaccounted for Water	22.61%	20.53%	22.86%	30.94%	27.08%	16.41%	12.56%	13.47%	12.88%	13.17%

Rhode Island Public Utilities Commission
Docket 4595
FY 2017 Rate Filing
CW Surebut Sch. D-5
Development of Pumping Costs

Pumping Labor and Benefits

Station One		**Lawton Valley**	
Labor hours per day pump	0.5000	Labor hours per day pumping	0.5000
Days per year	365	Days per year	365
Total Hours	182.5000	Total Hours	182.5000
Average per hour pay	$25.59	Average per hour pay	$24.52
Average per hour benefits	$13.48	Average per hour benefits	$14.18
Pumping Salaries	$4,670.18	Pumping Salaries	$4,474.90
Pumping Benefits	$2,460.10	Pumping Benefits	$2,587.85

Pumping Repairs and Supplies

Station One			**Lawton Valley**	
50275	Repair & Maintenance - Equipment		Repair & Maintenance - Equipment	
	None	$0.00	Vendor	amount
Total Repair & Maintenance Pumping		$0.00	None	$0.00
			Total Repair & Maintenance Pumping	$0.00
50311	Operating Supplies		Operating Supplies	
	Vendor	amount	Vendor	amount
Total - Operating Supplies - Pumping		$0.00	Total Operating Supplies Pumping	$0.00

Pumping Electricity

Station One		**Lawton Valley**	
Annual Pumping Power	$2,132	Annual Pumping Power	$67,529

Total Pumping Costs

Station One		**Lawton Valley**	
Pumping Salaries	$4,670	Pumping Salaries	$4,475
Pumping Benefits	$2,460	Pumping Benefits	$2,588
Total Repair & Maintenance Pumping	$0	Total Repair & Maintenance Pumping	$0
Total - Operating Supplies - Pumping	$0	Total Operating Supplies Pumping	$0
Annual Pumping Power	$2,132	Annual Pumping Power	$67,529
Total Annual Pumping Costs	**$9,262**	**Total Annual Pumping Costs**	**$74,592**

Newport Water Division
Budget for Rate Filing
FY 2017
CW Surebut Sch. D-9
Expense Detail - Administration
15-500-2200

Account	Description		comments		Docket 4243	*Actual FY 2015 Test Year*	*Change from Test year to Proposed*	BudgetFY 2016	Proposed FY 2017 Rate Year
50001	Salaries & Wages								$ 3
	Director of Utilities - 60%	S12-H							
	Aministrative Secretary - 60%	NO1-12							
	Deputy Director - Finance - 60%	S10-I							
	Deputy Director - Finance - 60%	S10-E							
	Deputy Director - Engineering - 60%	S10-G							
	Financial Analyst	NO2-17							
	Total				$ 273,889	*$ 262,222*	*$ 19,360*	*$ 271,971*	$ 281,582
50044	Standby Salaries								
	3 employees per week at $100 per week		3 employees 8 hours per wk	$ 18,720	$ 12,500	*$ 12,528*	*$ 6,192*	*$ 12,500*	$ 18,720
	subject to Union negotiation		52 wks						
50520	Accrued Benefits Buyout								
	vacation payout & sick time payout	avg 3 per year		$ 112,000	$ 175,000	*$ 15,500*	*$ 43,500*	*$ 175,000*	$ 59,000
	for employees with 10 yrs of service	Vac / sick / FICA							
50100	Employee Benefits								
	Director of Utilities - 60%								
	Aministrative Secretary - 60%								
	Deputy Director - Finance - 60%								
	Deputy Director - Engineering - 60%								
	Financial Analyst								
	Benefits on standby salaries, buyouts and annual leave buyback								
	Total			$ 122,883	$ 128,202	*$ 110,408*	*$ 8,649*	$ 114,859	$ 119,057
50103	Retiree Insurance Coverage	**see workpaper**			$ 514,000	*$ 351,563*	*$ 18,437*	*$ 457,380*	$ 370,000
50105	Workers Compensation								
	avg change over 2013 - 2015 = 3.8%			$ 64,000	$ 85,000	*$ 59,456*	*$ 4,544*	*$ 89,250*	$ 64,000
50175	Annual Leave Buyback		1 employee	$ 3,260	$ 2,400	*$ 3,260*	*$ 40*	*$ 3,260*	$ 3,300
50207	Advertisement			$ 9,000	$ 9,000	*$ 4,041*	*$ 4,959*	*$ 9,000*	$ 9,000

Newport Water Division
Budget for Rate Filing
FY 2017
CW Surebut Sch. D-9
Expense Detail - Administration
15-500-2200

50210	Membership Dues & Subscriptions										
	Utilities Director			$ 408							
	Laboratory Supervisor			$ 266							
	Supervisor treatment plants			$ 266							
	Distribution Supervisor			$ 266							
	Deputy Director - Finance			$ 418							
	Deputy Director - Engineering			$ 344							
	Water Meter Foreman			$ 266							
	Financial Analyst			$ 266							
	Other			$ -							
	Total			$ 2,500	$ 2,500	*$ 4,447*	*$ (1,947)*	*$ 2,500*	$ 2,500		
50212	Conferences & Training			$ 4,000	$ 4,000	*$ 868*	*$ 3,132*	*$ 4,000*	$ 4,000		
50214	Tuition Reimbursement			$ 2,000	$ 2,000	*$ -*	*$ 2,000*	*$ 2,000*	$ 2,000		
50216	Water Management Study										
				Avg Past 5 yrs							
50220	Consultant Fees		2015								
	Legal Fees	K& S	$9,435	$ 48,704							
	Financial Consultant	Raftelis	$11,070	$ 65,402							
	Bond Advisor		$9,000	$ -							
	Trustee Fees		$1,160	$ 10,000							
	PUC Fees			$ 12,957							
	other Committed in 2015		$179,745	$ -							
	Total		$210,410	$ 137,064	$ 233,033	*$ 210,410*	*$ (73,346)*	*$ 200,000*	$ 137,064		
50238	Postage			$ 1,000	$ 1,000	*$ 360*	*$ 640*	$ 1,000	$ 1,000		
50239	Fire & Liability Insurance	see workpaper		$ 67,000	$ 76,468	*$ 16,853*	*$ 50,147*	$ 77,000	$ 67,000		
	2% increase per year										
50251	Telephone & Communication										
		see workpaper Serv		$ 5,270							
		see workpaper equip		$ 330							
				$ 5,600	$ 5,500	*$ 5,569*	*$ 31*	$ 5,500	$ 5,600		
50305	Water										
	Gallons			46,363							
	water rate			$ 11.2200							
	Fixed Charge			$ 1,495							
	total			$ 2,015.19	$ 1,942.00	*$ 1,275*	*$ 740*	$ 1,942	$ 2,015		

Newport Water Division
Budget for Rate Filing
FY 2017
CW Surebut Sch. D-9
Expense Detail - Administration
15-500-2200

50306 Electricity										
70 Halsey St.	2 yr avg									
Kwh Annual usage			35,246							
total cost		$	7,956	$	5,805	*$*	*10,121*	*$*	*(2,165)*	$ 5,805	$ 7,956
50307 Natural Gas	4 yr avg									
	therms		4,400							
Total Cost		$	5,226	$	7,252	*$*	*5,918*	*$*	*(692)*	$ 7,252	$ 5,226
50308 Property Taxes										
Portsmouth		$	482,851							
Tiverton		$	42,133							
Little Compton		$	54,146							
Middletown		$	13,287							
Total		$	592,417	$	226,774	*$*	*464,200*	*$*	*104,843*	$ 411,200	$ 569,043
50266 Legal & Administrative		$	309,657	$	309,657	*$*	*309,699*	*$*	*(76,774)*	$ 309,669	$ 232,925
50267 Data Processing (MIS)		$	143,888	$	143,888	*$*	*143,888*	*$*	*(81,773)*	$ 143,888	$ 62,115
50268 Mileage Allowance		$	2,000	$	2,000	*$*	*875*	*$*	*1,125*	$ 2,000	$ 2,000
50271 Gasoline & Vehicle Allowance										
See workpaper	1 vehicle									
	$ 5,389									
Total		$	5,389	$	7,508	*$*	*9,354*	*$*	*(3,965)*	$ 8,276	$ 5,389
50275 Repairs & Maintenance										
Halsey St smoke Detector Service		$	450							
Other		$	400							
Heater Maintenance		$	350							
total		$	1,200	$	1,200			*$*	*1,200*		$ 1,200
50280 Regulatory Expense (now electronic COR notices to customers)		$	5,000	$	10,000	*$*	*590*	*$*	*4,410*	$ 10,000	$ 5,000
50281 Regulatory Assessment										
RIWWA - Assessment		$	1,000							
RI Div of PUC - Assessment		$	57,000							
RI Dept of Health - License		$	22,000							
misc										
Total		$	80,000	$	48,096	*$*	*79,698*	*$*	*302*	$ 63,000	$ 80,000

Newport Water Division
Budget for Rate Filing
FY 2017
CW Surebut Sch. D-9
Expense Detail - Administration
15-500-2200

50361 Office Supplies									
2013	$11,371								
2014	$13,525		$ 15,000	$ 20,000	*$ 14,469*	*$ 531*	$ 20,000	$ 15,000	
2015	$14,469								
50505 Self Insurance			$ 5,000	$ 10,000	*$ 118*	*$ 4,882*	$ 10,000	$ 5,000	
50515 Unemployment Claims			$ -	$ 12,000	*$ -*	$ -	$ -	$ -	
50464 Water Revenue reserve									
"not included in budget"		$ 254,733				*$*	-		
Total				**$ 2,330,614**	***$ 2,097,690***	***$ 39,003***	**$ 2,418,252**	**$ 2,136,693**	

L&A Detail

	FY2015 Actual *see PWFD 2-7 and 3-1*	Percentage
General Fund Less School/Civic Support	86,540,090	
Less School (80%)	(18,701,726)	
Less Civic Support/Library	(1,851,475)	
Less Debt/Capital	(7,831,534)	
Net General Fund	58,155,355	73.79%
Water Fund	8,734,259	11.08%
WPC Fund (no capital or deprec.)	9,471,298	12.02%
Maritime Fund (no capital)	998,983	1.27%
Parking Fund (no capital)	1,457,049	1.85%
Combined Budgets	78,816,944	100.00%

Allocation of Legal and Administrative Costs to Enterprise Funds

Allocated Item	Cost To Be Allocated (TY 2015 act.)	Water %	Water Fund
Audit Fees	$ 68,500	**6.18%**	4,233
OPEB Contribution (1)	$ 500,000	**3.84%**	19,200
City Council	$ 99,553	**2.27%**	2,263
City Clerk	$ 298,022	**1.00%**	2,980
City Manager	$ 480,674	**11.08%**	53,267
Human Resources	$ 336,556	**1.74%**	5,856
City Solicitor	$ 115,019	**11.08%**	12,746
Finance Admin 50%	$ 213,087	**11.08%**	23,614
Finance - 5% RICWFA	$ 6,155	**50.00%**	3,078
Finance Admin 10% Inv/Debt	$ 42,617	**30.77%**	13,113
Purchasing	$ 92,795	**18.47%**	17,139
Collections	$ 312,923	**5.80%**	18,150
Accounting - Wires - 5%	$ 20,575	**70.00%**	14,403
Accounting	$ 390,925	**10.97%**	42,884
		Total Allocation	232,925
		Legal & Administrative	**232,925**
		rounded	**$ 232,925**

Allocation of Data Processing Costs to Enterprise Funds

Allocated Item		Cost To Be Allocated	Water %	Water Fund
MIS Communications	$	338,841	3.30%	11,182
MIS Other	$	459,618	11.08%	50,933
MIS	$	798,459		62,115
			Total Allocation	62,115
			Data Processing (1)	62,115
			rounded	$ 62,115
				295,040

Date of Meeting	"Water" Mentioned	Total Items	
6/24/2015	0	16	
6/10/2015	1	32	bid
5/27/2015	1	21	bid
5/13/2015	0	17	
4/22/2015	0	13	
4/8/2015	0	17	
3/25/2015	0	12	
3/18/2015	0	3	
3/11/2015	0	25	
2/25/2015	1	13	change order
2/11/2015	0	22	
1/20/2015	0	1	
1/14/2015	0	20	
12/17/2014	0	1	
10/10/2014	0	19	
12/1/2014	0	1	
11/12/2014	0	11	
10/22/2014	0	13	
10/8/2014	2	18	land purchase inq
9/29/2014	0	11	
9/10/2014	0	13	
8/27/2014	1	15	bid
8/13/2014	2	16	bids
7/23/2014	0	13	
7/9/2014	0	9	
Totals	8	352	
Percent	2.27%		

Newport Water Division
Budget for Rate Filing
FY 2016
CW Surebut Sch. D-11
Expense Detail - Source of Supply - Island
15-500-2212

Account	Description					Docket 4243	Actual FY 2015 Test Year	Change from Test year to Proposed	*Budget 2015*	*Budget FY 2016*	Proposed FY 2017 Rate Year
50001	Salaries & Wages										
		Supervisor Water Dist/Coll 50%	N5G								
position tr	Position from (	Distribution/Collection Foreman	UT5D								
		Distribution/Collection Mechanic	UT4								
		Distribution/Collection Operator	UT3D								
		Distribution/Collection Operator	UT3C								
		Distribution/Collection Operator	UT3B								
		Laborer	UT2A								
		adjustment for vacancies									
		Total				258,897	321,324	-11,374	*336,239*	*$ 298,525*	309,950
50002	Overtime										
			hours		1,000						
			rate	$	33.00						
			total	$	33,000	28,903	36,123	-3,123	*28,903*	*$ 28,903*	33,000
50004	Temp Salaries	2 people 19 weeks @$16/hour plus 7.65%									
				$	26,180	10,000	0	26,180	*10,000*	*$ 13,425*	26,180
50056	Injury Pay					0	0				0
50100	Employee Benefits										
		Supervisor Water Dist/Coll 50%									
		Distribution/Collection Foreman									
		Distribution/Collection Mechanic									
		Distribution/Collection Operator									
		Distribution/Collection Operator									
		Distribution/Collection Operator									
		Laborer									
		Benefits for OT, Temp & Annual leave Buyback									
		Adjustment for vacancies									
		Total				134,334	185,081	-9,431	*179,561*	*$ 164,187*	175,650

Newport Water Division
Budget for Rate Filing
FY 2016
CW Surebut Sch. D-11
Expense Detail - Source of Supply - Island
15-500-2212

50175	Annual Leave Buyback	4 employees		6,300	3,783	17	*6,300*	*$*	*6,300*	3,800
50306	Contribution to Electricity Restricted Account									
	St Mary's & Paradise Pumping Stations	2yr Avg								
	Annual KWH Usage		350,295							
	total cost	$	49,880	42,109	38,527	11,353	*42,108*	*$*	*42,108*	49,880
50271	Gas/Vehicle Maintenance									
		$	5,389							
	vehicles		11							
	total	$	59,279	58,648	63,620	-4,341	*64,648*	*$*	*64,648*	59,279
50275	Repairs & Maintenance									
	Misc Pump & minor repairs									
	Aluminum boat & boat engine supplies									
	Trimmers, blowers, chain saw, supplies,repairs & replace									
	Aeration system misc supplies R & R									
	Pump Station service agreement									
	total	$	10,000	7,425	11,633	-1,633	*4,717*	*$*	*5,000*	10,000
50277	Reservoir Maintenance									
	Tree Removal									
	Dam repairs (gravel, riprap, gabions, etc.)									
	sign installation & Maintenance									
	dam inspections									
	Fence, gates, doors lock, windows repair & maintenance									
	total	$	16,000	16,000	16,236	-236	*16,000*	*$*	*15,000*	16,000

Newport Water Division
Budget for Rate Filing
FY 2016
CW Surebut Sch. D-11
Expense Detail - Source of Supply - Island
15-500-2212

50311	Operating Supplies									
	machine & tool lubricant									
	grease guns									
	Brush cutter/mower									
	parts for trackless									
	small mower replacement									
	coppering bags									
	other									
	replacement blades/brush cutting									
	Total			7,750	2,802	4,698	*7,750*	*$*	*7,250*	7,500
50320	Uniforms & protective Gear	$	1,510	700	935	575	*700*	*$*	*1,200*	1,510
	Eye,ear & hand protection									
	Tyvek protective suits									
	N95 repirator									
50335	Chemicals	(CuSO4)								
	usage in lbs		40,000							
	cost/lb (in fy 20160	$	1.6700							
	total copper sulfate	$	66,800							
	Use of restricted reserve	$	(25,000)							
	total cost	$	41,800	72,735	72,671	-30,871	*72,735*	*$*	*70,980*	41,800
	total			**643,800**	**752,735**	**-18,186**	***769,661***	***$***	***717,526***	**734,549**

Newport Water Division
Budget for Rate Filing
FY 2016
CW Surebut Sch. D-13
Expense Detail - Station One
15-500-2222

Account	Description	Comments			Docket 4243	Actual FY 2015 Test Year	Change from Test year to Proposed	*Budget 2015*	Budget FY 2016	Proposed FY 2017 Rate Year
50001	Salaries & Wages									
		Water Quality Production Supv (50%	SO8D							
		Assistant WQP Supervisor (50%)	SO6D							
		Water Plant Foreman Operator(50%)								
	Acting Foreman	Water Plant Operator - Grade 3	UT4F							
		Water Plant Operator - Grade 3	UT4F							
		Water Plant Operator - Grade 3	UT4B							
		Water Plant Operator - Grade 3	UT4F							
		Water Plant Operator - Grade 3	UT4C							
		Water Plant Operator - Grade 3	UT4D							
		Water Plant Operator - Grade 3	UT3B							
		Water Plant Operator - Grade 2	UT2A							
		Water Plant Operator - Grade 1	UT2							
	AFCSMEContract adj	to Shift Diff to $.70 from $.36 $3,536								
		Total			$ 451,191	$ 519,694	$ 31,887	$ 519,056	$ 491,984	$ 551,581
50002	Overtime									
		average hourly rate =$22.75 ot rate =$34.125								
	2012 - $101k	hours		2,500						
	2013 - $42k	rate(w FICA)	$	41.18						
	2014 - $72k	total	$	102,940	$ 60,021	$ 110,009	$ (7,069)	$ 60,021	$ 60,021	$ 102,940
	2015 - $ 110k									
50003	Holiday Pay									
		Operators		9.0						
		Holidays		12						
		Hours/Holiday		8						
		Average Pay Rate	$	25.50						
		Total	$	22,032	$ 17,045	$ 18,936	$ 3,096	$ 18,935	$ 17,045	$ 22,032
50045	Lead Plant Operator Stipend									
		3 staff $80 per week 52 weeks	$	12,480		$ 6,627	$ 5,853	$ 36,492	$ 12,480	$ 12,480

Newport Water Division
Budget for Rate Filing
FY 2016
CW Surebut Sch. D-13
Expense Detail - Station One
15-500-2222

50100 Employee Benefits											
	Water Quality Production Supv (50%	SO8D									
	Assistant WQP Supervisor (50%)	SO6D									
	Water Plant Foreman Operator(50%)										
	Water Plant Operator - Grade 3	UT4F									
	Water Plant Operator - Grade 3	UT4F									
	Water Plant Operator - Grade 3	UT4B									
	Water Plant Operator - Grade 3	UT4F									
	Water Plant Operator - Grade 3	UT4C									
	Water Plant Operator - Grade 3	UT4D									
	Water Plant Operator - Grade 2	UT3B									
	Water Plant Operator - Grade 1	UT2A									
	Benefits for OT, Annual leave Buyback, Holidays										
	Total			$ 280,498	$ 296,163	$ (12,650)	$ 283,712	$ 266,079	$ 283,513		
50175 Annual Leave Buyback		3 employees		$ 5,000	$ 11,785	$ 215	$ 5,000	$ 5,000	$ 12,000		
50212 Conferences & Training											
RIDOH Required Certifications for 10 employees		$ 2,200									
Supv/Plant Prod - RIWWA		$ 150									
Supv/Plant Prod - NEWWA		$ 550									
Conferences & Training		$ 600									
Training, travel		$ 1,000									
total		$ 4,500	$ 4,500	$ 1,049	$ 3,451	$ 4,500	$ 4,500	$ 4,500			
50239 Fire & Liability Insurance											
RI Interlocal	see workpaper	$ 35,000	$ 12,687	$ 60,531	$ (25,531)	$ 12,687	$ 40,000	$ 35,000			
50306 Contribution to Electricity Restricted Account											
100 Bliss Mine Rd		2 yr average									
	Annual KWH Usage	1,736,107									
	total cost	$ 232,928	$ 266,329	$ 207,037	$ 5,447	$ 252,674	$ 252,674	$ 212,484			
	Less $50,000 from restricted acct							$ 162,484			
50307 Natural Gas		4 yr average									
	Total Cost	$ 33,690	24250	$ 43,410	$ -	$ 24,250	$ 24,250	$ 43,410			
50260 Rental of Equipment											
	Dumpster Rentals	$ 850									
	chemical cylinders	$ 150									
	total	$ 1,000	600	$ 922	$ 78	$ 600	$ 715	$ 1,000			

Newport Water Division
Budget for Rate Filing
FY 2016
CW Surebut Sch. D-13
Expense Detail - Station One
15-500-2222

50305 Sewer Charge												
	workpaper											
Gallons		26,000,000		12,000,000								
$/Gal	$	0.0113	$	0.01662								
Cost	$	293,020	$	199,440	$ 293,020	$ 108,472	$ 90,968	$ 293,020	$ 175,000	$ 199,440		
50271 Gas/Vehicle Maintenance												
			$	5,389								
		vehicles		1								
			$	5,389	$ 7,583	$ 9,831	$ (4,442)	$ 8,360	$ 8,360	$ 5,389		
50275 Repairs & Maintenance												
Variable frequency Drives			$	3,000								
Gas Boilers & Hot water Heater			$	5,600								
Backup Gnerators-annual service			$	1,500								
transfer switches			$	600								
SCADA Maintenance & repair			$	10,628								
Analyzeer service			$	9,625								
Building Systems & AC service contact			$	18,036								
DAF Compressors			$	4,100								
Fire Panel Maintenance			$	480								
Reservoir Rd Storage Inspection			$	4,060								
MCC Breaker Panel Inspection			$	2,067								
Rebuild/Repack Raw water Pumpps 1 & 2			$	6,336								
DAF Pump Repair			$	575								
Fire Extinguisher Service			$	180								
	total		$	66,787	$ 25,000	$ 9,738	$ 57,049	$ 15,000	$ 15,000	$ 66,787		

Newport Water Division
Budget for Rate Filing
FY 2016
CW Surebut Sch. D-13
Expense Detail - Station One
15-500-2222

50311	Operating Supplies											
	Valves	$	4,350									
	Piping	$	500									
	Tools	$	500									
	Mechanical Seals & Packing	$	500									
	Analyical Analyzer Reagents	$	2,728									
	Analyzer probe Salt bridges, Cell Solution, Grit Filters	$	669									
	Fluoride Feeder Filter Pack	$	364									
	Roll towels, bathroom tissue	$	211									
	$ 17,161	$	475									
	Chemical Transfer Pumps	$	2,050									
	GLO2 Generator Maintenance Kit & Filters	$	924									
	HVAC Filters	$	196									
	Generator Fuel	$	2,814									
	Misc.	$	880									
	Total	$	17,161	$	27,800	$	18,895	$	(1,734)	$	25,210	$	24,157	$	17,161
50336	Pumping Cost					$	-	$	-	$	22,428				
50320	Uniforms & protective Gear														
	Overboots	$	320									
	Rain Gear	$	224									
	Misc. Gloves, Eye pprotection	$	361									
	Coveralls	$	306									
	Respirator Work Lights	$	99									
	Work Lights	$	116									
		$	1,426	$	1,062	$	1,027	$	399	$	1,062	$	2,000	$	1,426

Newport Water Division
Budget for Rate Filing
FY 2016
CW Surebut Sch. D-13
Expense Detail - Station One
15-500-2222
50335 Chemicals

PACl Quantity		73,000							
Unit Cost Per Gal	$	1.4500							
PACl Total Cost	$	105,850							
Hypochlorite Wquantity		28,000							
Unit Cost	$	0.6435							
Chlorine Total Cost	$	18,018							
Flouride quantity		6,000							
Unit cost	$	0.5000							
Flouride Total Cost	$	3,000							
Sodium chlorite quantity		109,500							
Unit Cost	$	0.5890							
Sodium chlorite total Cost	$	64,496							
32% HCl Quantity		8,700							
Unit Cost Per Gal	$	1.1823							
Sodium chlorite total Cost	$	10,286							
Polymer Quantity		440							
Unit Cost	$	11.2727							
Polymer Total Cost	$	4,960							
Sodium Hydroxide quantity		37,500							
Unit Cost	$	0.6536							
Sodium Hydroxide total cost	$	24,510							
GAC Filters (816) Quantity		1,640							
Unit Cost Per CF	$	29.8800							
GAC Total Cost	$	49,003							
GAC AWT (400) Quantity		40,596							
Unit Cost Per Vessel	$	2.0000							
GAC Total Cost	$	81,192							
HCl Scrubber Media (Chlorosorb)									
HCl Scrubber Media Total Cost	$	5,000							
Less use of Restricted Funds	$	(50,000)							
total	$	316,314.70	$ 354,210	$ 350,158	$ (33,843)	$ 447,189	$ 509,742	$ 316,315	
		total	**1830796**	**1774284**	**113174**	**2030196**	**1909007**	**1837458**	

Newport Water Division
Budget for Rate Filing
FY 2016
CW Surebut Sch. D-14
Expense Detail - Lawton Valley
15-500-2223

Account	Description	Comments					Docket 4243	Actual FY 2015 Test Year	Change from Test year to Proposed	*Budget 2015*	*Budget FY 2016*	Proposed FY 2017 Rate Year
50001	Salaries & Wages											
		Water Quality Production Supv (50			SO8D							
		Assistant WQP Supervisor (50%			SO6D							
		Water Plant Foreman Operator(50%)										
	Acting Foreman	Water Plant Operator - 3			UT4G							
		Water Plant Operator - 3			UT4F							
		Water Plant Operator - 3			UT4F							
		Water Plant Operator - 3			UT4D							
		Water Plant Operator - 3			UT4C							
		Water Plant Operator - 3			UT2D							
		Water Plant Operator - 3			UT2A							
		Water Plant Operator - 3			UT2A							
	AFCSMEContract adj to Shift Diff to $.70 from $.36 $4,243											
		Total					461718	449625	48916	*444886*	*538135*	498541
50002	Overtime											
	2012 - $82k		2,500	hours								
	2013 $75k	$	39.56	rate w FICA								
	2014 - 84k	$	98,903	total			37657	98692	211	*37657*	*37657*	98903
	2015 - $99k											
50003	Holiday Pay											
	Operators					9						
	Holidays					12						
	Hours/Holiday					8						
	Average Pay Rat		$51k per year		$	24.50						0
	Total				$	19,992	16760	15904	4088	*16760*	*16760*	19992
50045	Lead Plant Oprerator Stipend											
		3 staff $80 per week 52 weeks			$	12,480		7830	4650	*10000*	*12480*	12480

Newport Water Division
Budget for Rate Filing
FY 2016
CW Surebut Sch. D-14
Expense Detail - Lawton Valley
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50100	Employee Benefits									
	Water Quality Production Supv (50	SO8D								
	Assistant WQP Supervisor (50%	SO6D								
	Water Plant Foreman Operator(50%)									
	Water Plant Operator - 3	UT4G								
	Water Plant Operator - 3	UT4F								
	Water Plant Operator - 3	UT4F								
	Water Plant Operator - 3	UT4D								
	Water Plant Operator - 3	UT4C								
	Water Plant Operator - 3	UT2D								
	Water Plant Operator - 3	UT2A								
	Water Plant Operator - 3	UT2A								
	Benefits for OT, Holidays, & Annual leave)									
	Total			288210	273138	4864	*253693*	*322872*		278002
50175	Annual Leave Buyback	3 empl	$ 7,500	3966	7368	32	*3966*	*3966*		7400
50212	Conferences & Training									
	RIDOH Required Certifications for 9 employees		$ 1,980							
	Supv/Plant Prod - RIWWA		$ 150							
	Supv/Plant Prod - NEWWA		$ 550							
	Conferences & Training		$ 540							
	Training, travel		$ 900							
	total		$ 4,120	3000	850	3270	*3000*	*3000*		4120
50239	Fire & Liability Insurance									
	RI Interlocal		$ 54,000	18614	93577	-39577	*18614*	*62000*		54000
50306	Contribution to Electricity Restricted Account									
	Lawton Valley Treatment plant & pumping station		1 yr average							
	Annual KWH Usage		1,260,960							
	total cost		$ 271,075	158340	310343	64748	*132551*	*132551*		375091
	less $50,000 from restricted acct									325091
50307	Natural Gas		4 yr average							
	Total Cost		$ 20,808	29909	34663	0	*29909*	*29909*		34663

Newport Water Division
Budget for Rate Filing
FY 2016
CW Surebut Sch. D-14
Expense Detail - Lawton Valley
15-500-2223

50260	Rental of Equipment									
		Dumpster Rentals		$ 850						
		chemical cylinders		$ 150						
		total		$ 1,000	500	722	278	*500*	*715*	1000
50305	Sewer Charge									
	Gallons		32,000,000	$ 30,000,000						
	$/Gal	$	0.0113	$ 0.0166						
	Cost	$	360,640	$ 498,600	360640	358682	139918	*360640*	*350000*	498600
50271	Gas/Vehicle Maintenance									
		1 vehicle		$ 5,389						
		vehicle		1						
		total		$ 5,389	7882	7482	-2093	*8688*	*8688*	5389
50275	Repairs & Maintenance									
		Variable frequency Drives		$ 3,000						
		Gas Boilers & Hot water Heater		$ 5,600						
		Backup Gnerators-annual service		$ 1,500						
		transfer switches		$ 600						
		SCADA Maintenance & repair		$ 10,000						
		Building Systems & A/C service contract		$ 18,036						
		Analyzeer service		$ 9,625						
		DAF Compressors		$ 4,100						
		Fire Panel Maintenance		$ 480						
		Tank Inspection		$ 4,275						
		Rebuild/Repack Raw water Pumpps 1 & 2		$ 3,000						
		Misc.		$ 1,135						
		total		$ 61,351	35000	19922	41429	*15000*	*15000*	61351

Newport Water Division
Budget for Rate Filing
FY 2016
CW Surebut Sch. D-14
Expense Detail - Lawton Valley
15-500-2223

50311	Operating Supplies								
	Valves	$	500						
	Piping	$	500						
	Tools	$	500						
	Mechanical Seals & Packing	$	500						
	Analyical Analyzer Reagents	$	2,728						
	Analyzer probe Salt bridges, Cell Solution, Grit Filters	$	669						
	Fluoride Feeder Filter Pack	$	364						
	Roll towels, bathroom tissue	$	211						
	Cleaning Supplies	$	475						
	Chemical Transfer Pumps	$	2,050						
	GLO2 Generator Maintenance Kit & Filters	$	924						
	HVAC Filters	$	196						
	Generator Fuel	$	2,814						
	Misc.	$	880						
	Total	$	13,311	20300	8971	4340	*18475*	*18217*	13311
50320	Uniforms & protective Gear								
	Overboots	$	288						
	Rain Gear	$	201						
	Misc. Gloves, Eye pprotection	$	345						
	Coveralls	$	276						
	Respirator Work Lights	$	89						
	Work Lights	$	104						
		$	1,303	1542	1539	-236	*1542*	*1800*	1303
50336	Pumping Cost					0	*31646*		

Newport Water Division
Budget for Rate Filing
FY 2016
CW Surebut Sch. D-14
Expense Detail - Lawton Valley
15-500-2223
50335 Chemicals

	PACl Quantity		65,534						
	Unit Cost Per Gal	$	1.4500						
	PACl Total Cost	$	95,024						
	Hypochlorite Wquantity		24,014						
	Unit Cost	$	0.6435						
	Chlorine Total Cost	$	15,453						
	Flouride quantity		6,000						
	Unit cost	$	0.5000						
	Flouride Total Cost	$	3,000						
	Sodium chlorite quantity		72,902						
	Unit Cost	$	0.5890						
	Sodium chlorite total Cost	$	42,939						
	32% HCl Quantity		6,254						
	Unit Cost Per Gal	$	1.1823						
	Sodium chlorite total Cost	$	7,394						
	Polymer Quantity		440						
	Unit Cost	$	11.2727						
	Polymer Total Cost	$	4,960						
	Sodium Hydroxide quantity		35,000						
	Unit Cost	$	0.6536						
	Sodium Hydroxide total cost	$	22,876						
	GAC Filters (816) Quantity		1,760						
	Unit Cost Per CF	$	28.8800						
	GAC Total Cost	$	50,829						
	GAC AWT (400) Quantity		40,596						
	Unit Cost Per Vessel	$	2						
	GAC Total Cost	$	81,192						
	HCl Scrubber Media (Chlorosorb)								
	HCl Scrubber Media Total Cost	$	5,000						
	Use of Restricted Funds	$	(50,000)						
	total	$	278,667	169977	262215	16452	*271156*	*509742*	278667
total				**1614015**	**1951523**	**291291**	***1658683***	***2063492***	**2192814**

Rhode Island Public Utilities Commission
Docket 4595
FY 2017 Rate Filing
CW Surebut Sch. D-6
Debt Service Restricted Account Cashflow

	FY 2016											
	July	*August*	*September*	October	November	December	January	February	March	April	May	June
	0%											
Capital Spending Account												
Beginning Cash Balance	***$ 2,520,791***	***$ 2,442,672***	***$ 2,140,129***	**$ 2,719,405**	**$ 2,709,339**	**$ 2,800,823**	**$ 2,956,962**	**$ 2,895,486**	**$ 3,077,452**	**$ 3,261,515**	**$ 3,445,607**	**$ 3,629,700**
Additions												
From Rates	*$208,333*	*$208,333*	*$208,333*	$208,333	$208,333	$208,333	$208,333	$208,333	$208,333	$208,333	$208,333	$208,333
From DS Acct.	-	-	*529,779*	-	-	-	-	-	-	-	-	-
National Grid Rebate		*118,519*		34,310				20,625				
Interest Income	*22*	*20*	*19*	23	23	24	25	23	26	56	56	56
Total Additions	*$ 208,355*	*$ 326,873*	*$ 738,132*	$ 242,666	$ 208,356	$ 208,357	$ 208,358	$228,981	$ 208,359	$ 208,389	$ 208,389	$ 208,389
Deductions												
To DS Acct.	-	*529,779*	-	-	-	-	-	-	-	-	-	-
Vendor Payments	*286,473*	*99,637*	*158,855*	252,732	116,872	52,218	269,834	47,015	24,297	24,297	24,297	24,297
Total Deductions	*$ 286,473*	*$ 629,416*	*$ 158,855*	$ 252,732	$ 116,872	$ 52,218	$ 269,834	$ 47,015	$ 24,297	$ 24,297	$ 24,297	$ 24,297
Ending Cash Balance	***$ 2,442,672***	***$ 2,140,129***	***$ 2,719,405***	**$ 2,709,339**	**$ 2,800,823**	**$ 2,956,962**	**$ 2,895,486**	**$ 3,077,452**	**$ 3,261,515**	**$ 3,445,607**	**$ 3,629,700**	**$ 3,813,792**

	FY 2017											
	July	August	September	October	November	December	January	February	March	April	May	June
% increase in DS Alolowance	*0%*											
Capital Spending Account												
Beginning Cash Balance	**$ 1,930,886**	**$ 1,857,259**	**$ 1,783,631**	**$ 1,710,004**	**$ 1,636,377**	**$ 1,562,750**	**$ 1,489,122**	**$ 1,415,495**	**$ 1,341,868**	**$ 1,268,241**	**$ 1,194,613**	**$ 1,120,986**
Additions												
From Rates	$208,333	$208,333	$208,333	$208,333	$208,333	$208,333	$208,333	$208,333	$208,333	$208,333	$208,333	$208,333
From DS Acct.	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	56	56	56	56	56	56	56	56	56	56	56	56
Total Additions	$ 208,389	$ 208,389	$ 208,389	$ 208,389	$ 208,389	$ 208,389	$ 208,389	$ 208,389	$ 208,389	$ 208,389	$ 208,389	$ 208,389
Deductions												
To DS Acct.	-	-	-	-	-	-	-	-	-	-	-	-
Vendor Payments	$ 282,017	282,017	282,017	282,017	282,017	282,017	282,017	282,017	282,017	282,017	282,017	282,017
Total Deductions	$ 282,017	$ 282,017	$ 282,017	$ 282,017	$ 282,017	$ 282,017	$ 282,017	$ 282,017	$ 282,017	$ 282,017	$ 282,017	$ 282,017
Ending Cash Balance	**$ 1,857,259**	**$ 1,783,631**	**$ 1,710,004**	**$ 1,636,377**	**$ 1,562,750**	**$ 1,489,122**	**$ 1,415,495**	**$ 1,341,868**	**$ 1,268,241**	**$ 1,194,613**	**$ 1,120,986**	**$ 1,047,359**

	FY 2018											
	July	August	September	October	November	December	January	February	March	April	May	June
% increase in DS Alolowance	*0%*											
Capital Spending Account												
Beginning Cash Balance	**$ 1,047,359**	**$ 979,923**	**$ 912,487**	**$ 845,052**	**$ 777,616**	**$ 710,181**	**$ 642,745**	**$ 575,309**	**$ 507,874**	**$ 440,438**	**$ 373,003**	**$ 305,567**
Additions												
From Rates	$208,333	$208,333	$208,333	$208,333	$208,333	$208,333	$208,333	$208,333	$208,333	$208,333	$208,333	$208,333
From DS Acct.	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	56	56	56	56	56	56	56	56	56	56	56	56
Total Additions	$ 208,389	$ 208,389	$ 208,389	$ 208,389	$ 208,389	$ 208,389	$ 208,389	$ 208,389	$ 208,389	$ 208,389	$ 208,389	$ 208,389
Deductions												
To DS Acct.	-	-	-	-	-	-	-	-	-	-	-	-
Vendor Payments	$275,825	275,825	275,825	275,825	275,825	275,825	275,825	275,825	275,825	275,825	275,825	275,825
Total Deductions	$ 275,825	$ 275,825	$ 275,825	$ 275,825	$ 275,825	$ 275,825	$ 275,825	$ 275,825	$ 275,825	$ 275,825	$ 275,825	$ 275,825
Ending Cash Balance	**$ 979,923**	**$ 912,487**	**$ 845,052**	**$ 777,616**	**$ 710,181**	**$ 642,745**	**$ 575,309**	**$ 507,874**	**$ 440,438**	**$ 373,003**	**$ 305,567**	**$ 238,131**

	FY 2019											
	July	August	September	October	November	December	January	February	March	April	May	June
% increase in DS Alolowance	*0%*											
Capital Spending Account												
Beginning Cash Balance	**$ 238,131**	**$ 166,487**	**$ 94,843**	**$ 23,200**	**$ (48,444)**	**$ (120,088)**	**$ (191,732)**	**$ (263,376)**	**$ (335,020)**	**$ (406,664)**	**$ (478,308)**	**$ (549,952)**
Additions												
From Rates	$208,333	$208,333	$208,333	$208,333	$208,333	$208,333	$208,333	$208,333	$208,333	$208,333	$208,333	$208,333
From DS Acct.	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	56	56	56	56	56	56	56	56	56	56	56	56
Total Additions	$ 208,389	$ 208,389	$ 208,389	$ 208,389	$ 208,389	$ 208,389	$ 208,389	$ 208,389	$ 208,389	$ 208,389	$ 208,389	$ 208,389
Deductions												
To DS Acct.	-	-	-	-	-	-	-	-	-	-	-	-
Vendor Payments	$280,033	280,033	280,033	280,033	280,033	280,033	280,033	280,033	280,033	280,033	280,033	280,033
Total Deductions	$ 280,033	$ 280,033	$ 280,033	$ 280,033	$ 280,033	$ 280,033	$ 280,033	$ 280,033	$ 280,033	$ 280,033	$ 280,033	$ 280,033
Ending Cash Balance	**$ 166,487**	**$ 94,843**	**$ 23,200**	**$ (48,444)**	**$ (120,088)**	**$ (191,732)**	**$ (263,376)**	**$ (335,020)**	**$ (406,664)**	**$ (478,308)**	**$ (549,952)**	**$ (621,596)**