

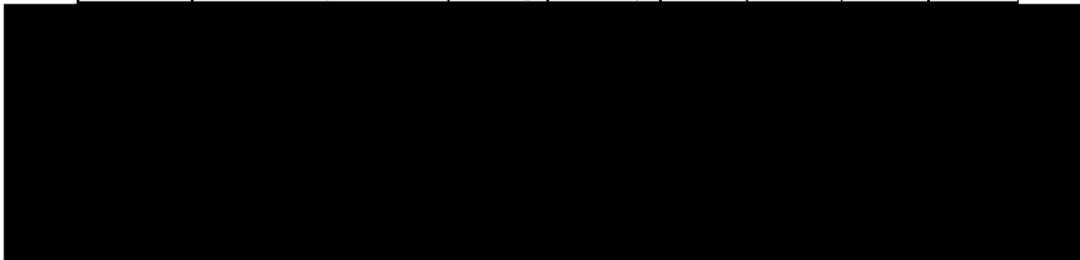
**PUBLIC/REDACTED VERSION**  
**SUEZ WATER RHODE ISLAND, INC.**  
**Docket No. 4800**  
**Third Set of Data Requests of the**  
**Division of Public Utilities and Carriers**  
**March 5, 2018**

- 3-9** Payroll Expense. Refer to page 4 of the direct testimony of Company witness Katherine Arp and Exhibit 3 (Arp), Schedule 2A from the Company's filing.
- a. Referring to Exhibit 3 (Arp), Schedule 2A (page 1), please explain fully and show in detail how the 3.00% salary increases that were applied to the 2017 hourly rates (projected 2018 base salaries) and projected 2018 hourly rates (projected 2019 base salaries) were determined.
  - b. Please state whether the 3.00% salary increase has been applied to the 2017 hourly rates (for 2018 base salaries). If so, state the specific date the 3.00% increase was granted. If not, when does the Company anticipate granting the 2018 salary increases?
  - c. For each calendar year 2014, 2015, 2016 and 2017, please provide the actual salary increase percentages that were granted to each category of SWRI's employees (e.g., hourly, union, salaried, etc.). In your answer, for each year, please state the specific date in which the salary increases to each group of employees were granted.
  - d. Referring to Exhibit 3 (Arp) Schedule 2A (pages 2- 3), please explain fully and show in detail the rationale for including the "Labor Transferred In" amount of \$10,023 in the derivation of the rate year payroll expense.

**Response:**

- a.b. The 3.00% salary increase was an estimated increase based upon average increase over recent years. Salary increases are to become effective on April 1, 2018. After the actual salaries are known, Exhibit 3, Schedule 2A will be updated.
- c. The salary increases are granted April 1<sup>st</sup> of each year (2014, 2015, 2016, and 2017)

Hiring Date	Position Description	Bargaining / Non-Barg	Exempt/ Non-Exempt	2014 Merit 4/1/2014	2015 Merit 4/1/2015	2016 Merit 4/1/2016	2017 Merit 4/1/2017
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(Arp)

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- d. "Labor Transferred In" is part of SWRI's total payroll expense and represents charges from the regional office in NY for management, customer service, and finance assistance.

This calculation detail can be found in Exhibit 3, Schedule 2A.

<b>Labor Transferred in:</b>			
		Rate Year	
Total Labor		\$	837,587
Transferred in Rate (See "Exhibit 3 Schedule 2B")			1.20%
Rate Year Transferred In		\$	10,023