

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION**

**IN RE: CITY OF WOONSOCKET, WATER DIVISION  
REQUEST TO CHANGE RATES**

**September 11, 2018**

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION**

**Docket No. \_\_\_\_\_**

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# **TAB 1**

September 11, 2018

Via Hand Delivery

The Honorable Margaret E. Curran, Chairperson  
Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

**Re: Woonsocket Water Division Rate Change Filing**

Dear Chairperson Curran:

On behalf of the City of Woonsocket Water Division ("WWD"), enclosed please find an original and nine copies of WWD's revised rate documents.

Through this rate filing, WWD seeks to implement a multi-year rate plan through a five step increase pursuant to R.I. Gen. Laws § 39-15.1-4. The revised tariff is proposed for effect in thirty (30) days. The new rates are designed to collect additional revenues in the amount of \$799,205 for the first step increase and represents an approximate 9.73% increase to a typical residential customer. The remaining step increase would be a 4.99% for the second year, 6.77% for the third year, 13.64% for the fourth year and 11.81% for the fifth year. We have included in this filing pre-filed testimony from witnesses, including supporting schedules that support WWD's request for raised rates.

WWD has complied with all requirements of the Commission's Rules of Practice and Procedure and R.I. Gen. Laws § 39-3-12.1. As required by statute, we are providing a copy of this filing to the following communities and organizations:

1. Rhode Island Attorney General
2. Town Clerk of the Town of Cumberland
3. City Clerk of the City of Woonsocket
4. Town Clerk of the Town of North Smithfield
5. Town Clerk of the Town of Bellingham
6. Town Clerk of the Town of Blackstone

We have also included a copy of our proposed notice to be published in the *Providence Journal* and the *Woonsocket Call*. We would respectfully request that the Commission and staff immediately review and approve the enclosed notice so that it might be

Chairperson Curran  
September 11, 2018  
Page 2

published within the ten-day period prescribed by law. If we are unable to provide notices of the proposed increase in our billing, we will be sending separate mail notices to all our customers in accordance with Section 2.4 of the Rules of Practice and Procedure.

The following individuals should be added to the Service List:


Alan M. Shoer, Esq.  
Nicole M. Verdi, Esq.  
Adler Pollock & Sheehan P.C.  
One Citizens Plaza, 8<sup>th</sup> Floor  
Providence, RI 02903  
ashoer@apslaw.com  
nverdi@apslaw.com

Steven D'Agostino  
Jon R. Pratt, P.E.  
City of Woonsocket  
Department of Public Works  
169 Main Street  
Woonsocket, Rhode Island 02895  
sdagostino@woonsocketri.org  
jpratt@woonsocketri.org

David G. Bebyn  
B&E Consulting, LLC  
21 Dryden Lane  
Providence, RI 02904  
dbebyn@beconsulting.biz

CITY OF WOONSOCKET WATER DIVISION

By its Attorneys:

  
\_\_\_\_\_  
Alan M. Shoer (#3248)  
Nicole M. Verdi (#9370)

Enclosures

# **TAB 2**

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**  
**PUBLIC UTILITIES COMMISSION**  
**Docket No. \_\_\_\_\_**

**NOTICE OF PROPOSED CHANGES IN RATES**

Pursuant to Rhode Island General Laws (“R.I.G.L.”), Section 39-3-11, and in accordance with the Rules of Practice and Procedure of the Rhode Island Public Utilities Commission, the City of Woonsocket Water Division (“WWD”) hereby gives notice of a proposed change in water rates filed and published in conformity with R.I.G.L. § 39-3-10.

In its filing, WWD seeks to implement a multi-year rate plan through a five (5) step increase pursuant to R.I.G.L. § 39-15.1-4. In the first step of the increase, proposed to take effect on September 11, 2018, the WWD’s proposed rates are designed to collect additional operating revenue in the amount of \$799,205 to support total operating revenue requirements of \$8,916,284. The impact of this request for a typical residential customer in Woonsocket who uses 8,000 cubic feet of water per year (165 gallons per day) will result in an increase of \$45 per year, or 9.73%. The impact of this request for a typical residential customer in other communities served by WWD who uses 8,000 cubic feet of water per year (165 gallons per day) will result in an increase of \$52 per year, or 13.34%. The impact of the proposed rate increase on other retail customer classes is between 9.73% and 13.34%, wholesale customers 12.85% and Private Fire Service is a decrease of 1.43% to 14.84%. Municipal Fire Service is a decrease of 17.21% per hydrant.

In the second step of the increase, proposed to take effect on January 1, 2020, the WWD’s proposed rates are designed to collect additional operating revenue in the amount of \$445,221 to support total operating revenue requirements of \$9,361,505. The impact of this request will result in an across-the board rate increase of approximately 4.99% on all rate classes. For a typical residential customer who uses 8,000 cubic feet of water per year (165 gallons per day), the impact of this request will result in an increase of \$25 per year.

In the third step of the increase, proposed to take effect on January 1, 2021, the WWD’s proposed rates are designed to collect additional operating revenue in the amount of \$633,928 to support total operating revenue requirements of \$9,995,433. The impact of this request will result in an across-the board rate increase of approximately 6.77% on all rate classes. For a typical residential customer who uses 8,000 cubic feet of water per year (165 gallons per day), the impact of this request will result in an increase of \$36 per year.

In the fourth step of the increase, proposed to take effect on January 1, 2022, the WWD’s proposed rates are designed to collect additional operating revenue in the amount of \$1,363,132 to support total operating revenue requirements of \$11,358,565. The impact of this request will result in an across-the board rate increase of approximately 13.64% on all rate classes. For a typical residential customer who uses 8,000 cubic feet of water per year (165 gallons per day), the impact of this request will result in an increase of \$77 per year.



In the fifth step of the increase, proposed to take effect on January 1, 2023, the WWD's proposed rates are designed to collect additional operating revenue in the amount of \$1,341,568 to support total operating revenue requirements of \$12,700,133. The impact of this request will result in an across-the board rate increase of approximately 11.81% on all rate classes. For a typical residential customer who uses 8,000 cubic feet of water per year (165 gallons per day), the impact of this request will result in an increase of \$76 per year.

Additionally, WWD respectfully represents that:

- (1) WWD is a body corporate in politic constituting a municipal corporation creating and existing under the laws of the State of Rhode Island with offices located at 169 Main Street, Woonsocket, Rhode Island 02895.
- (2) WWD sells water to customers in the City of Woonsocket, and the Towns of Cumberland and North Smithfield, Rhode Island and the Towns of Blackstone and Bellingham, Massachusetts.
- (3) Correspondence regarding this rate change should be addressed to Steven D'Agostino, Director, Public Works, City of Woonsocket, 169 Main Street, Woonsocket, RI 02895 and Alan M. Shoer, Esq., One Citizens Plaza, 8<sup>th</sup> Floor, Providence, RI 02903-1345.
- (4) A copy of the filing has been sent or delivered to the City of Woonsocket, the Towns of Cumberland and North Smithfield, Rhode Island, the Towns of Blackstone and Bellingham, Massachusetts, the Attorney General for the State of Rhode Island and the State of Rhode Island Water Resources Board. A copy of the filing is also available for examination at the office of the City Clerk, City of Woonsocket, 169 Main Street, Woonsocket, Rhode Island 02895 and the Office of the Public Utilities Commission, 89 Jefferson Boulevard, Warwick, Rhode Island 02888.
- (5) Submitted with this request for a rate adjustment are the documents and statements required by R.I. Gen. Laws §39-3-12.1 and the information required by Part II of the Rhode Island Public Utilities Commission.

City of Woonsocket, Water Division  
By Its Attorneys,



Alan M. Shoer, Esq. (#3248)  
Nicole M. Verdi, Esq. (#9370)  
Adler Pollock & Sheehan P.C.  
One Citizens Plaza, 8<sup>th</sup> Floor  
Providence, Rhode Island 02903  
Tel: (401) 274-7200  
Fax: (401) 351-4607

# **TAB 3**

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**  
**PUBLIC UTILITIES COMMISSION**  
Docket No. \_\_\_\_\_

**NOTICE OF FILING AND CHANGES IN RATES AND RATE SCHEDULES**

Pursuant to Rhode Island General Laws (“R.I.G.L.”), Section 39-3-11, and in accordance with the Rules of Practice and Procedure of the Rhode Island Public Utilities Commission, the City of Woonsocket Water Division (“WWD”) hereby gives notice of a proposed change in water rates filed and published in conformity with R.I.G.L. § 39-3-10. The new rates, as proposed by WWD, are to become effective September 11, 2018. However, the Public Utilities Commission may suspend the proposed rates for a longer period for the purpose of conducting investigations and hearings. Please also note that the Commission, after further investigation and hearings, may require a different revenue requirement and rates.

In its filing, WWD seeks to implement a multi-year rate plan through a five (5) step increase pursuant to R.I.G.L. § 39-15.1-4. In the first step of the increase, proposed to take effect on September 11, 2018, the WWD’s proposed rates are designed to collect additional operating revenue in the amount of \$799,205 to support total operating revenue requirements of \$8,916,284. The impact of this request for a typical residential customer in Woonsocket who uses 8,000 cubic feet of water per year (165 gallons per day) will result in an increase of \$45 per year, or 9.73%. The impact of this request for a typical residential customer in other communities served by WWD who uses 8,000 cubic feet of water per year (165 gallons per day) will result in an increase of \$52 per year, or 13.34%. The impact of the proposed rate increase on other retail customer classes is between 9.73% and 13.34%, wholesale customers 12.85% and Private Fire Service is a decrease of 1.43% to 14.84%. Municipal Fire Service is a decrease of 17.21% per hydrant.

In the second step of the increase, proposed to take effect on January 1, 2020, the WWD’s proposed rates are designed to collect additional operating revenue in the amount of \$445,221 to support total operating revenue requirements of \$9,361,505. The impact of this request will result in an across-the board rate increase of approximately 4.99% on all rate classes. For a typical residential customer who uses 8,000 cubic feet of water per year (165 gallons per day), the impact of this request will result in an increase of \$25 per year.

In the third step of the increase, proposed to take effect on January 1, 2021, the WWD’s proposed rates are designed to collect additional operating revenue in the amount of \$633,928 to support total operating revenue requirements of \$9,995,433. The impact of this request will result in an across-the board rate increase of approximately 6.77% on all rate classes. For a typical residential customer who uses 8,000 cubic feet of water per year (165 gallons per day), the impact of this request will result in an increase of \$36 per year.

In the fourth step of the increase, proposed to take effect on January 1, 2022, the WWD’s proposed rates are designed to collect additional operating revenue in the amount of \$1,363,132

to support total operating revenue requirements of \$11,358,565. The impact of this request will result in an across-the board rate increase of approximately 13.64% on all rate classes. For a typical residential customer who uses 8,000 cubic feet of water per year (165 gallons per day), the impact of this request will result in an increase of \$77 per year.

In the fifth step of the increase, proposed to take effect on January 1, 2023, the WWD's proposed rates are designed to collect additional operating revenue in the amount of \$1,341,568 to support total operating revenue requirements of \$12,700,133. The impact of this request will result in an across-the board rate increase of approximately 11.81% on all rate classes. For a typical residential customer who uses 8,000 cubic feet of water per year (165 gallons per day), the impact of this request will result in an increase of \$76 per year.

In accordance with the Rules of Practice and Procedure of the Rhode Island Public Utilities Commission, the documents encompassing the rate filing are available for review between 8:30 a.m. and 4:00 p.m., Monday through Friday at the Office of the City Clerk, City of Woonsocket, 169 Main Street, Woonsocket, Rhode Island, or at the Clerk's Office of the following cities and towns where WWD provides service, including: Town of Blackstone, Town of North Smithfield and Town of Cumberland. A copy of the application was also provided to the Rhode Island Attorney General. The Commission will publish a notice of the hearing dates when they are scheduled. At that time, ratepayers may comment on this proposal.

City of Woonsocket, Water Division  
169 Main Street  
Woonsocket, Rhode Island 02895

# **TAB 4**

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**  
**PUBLIC UTILITIES COMMISSION**  
**Docket No. \_\_\_\_\_**

**INTENDED NOTICE TO CUSTOMERS OF FILING AND**  
**CHANGE IN RATES AND RATE SCHEDULES**

On \_\_\_\_\_, and pursuant to Rhode Island General Laws (“R.I.G.L.”), Section 39-3-11 and Part II of the Rhode Island Public Utilities Commission’s (“Commission’s”) Rules of Practice and Procedure, the City of Woonsocket, Water Division hereby gives notice that it has filed with the Commission an application to increase its rates, as follows:

Pursuant to R.I.G.L. § 39-3-11, and in accordance with the Rules of Practice and Procedure of the Commission, the City of Woonsocket Water Division (“WWD”) hereby gives notice of a proposed change in water rates filed and published in conformity with R.I.G.L. § 39-3-10. The new rates, as proposed, are to become effective September 11, 2018. However, the Public Utilities Commission may suspend the proposed rates for a longer period for the purpose of conducting investigations and hearings. Please also note that the Commission, after further investigation and hearings, may require a different revenue requirement and rates.

In its filing, WWD seeks to implement a multi-year rate plan through a five (5) step increase pursuant to R.I.G.L. § 39-15.1-4. In the first step of the increase, proposed to take effect on September 11, 2018, the WWD’s proposed rates are designed to collect additional operating revenue in the amount of \$799,205 to support total operating revenue requirements of \$8,916,284. The impact of this request for a typical residential customer in Woonsocket who uses 8,000 cubic feet of water per year (165 gallons per day) will result in an increase of \$45 per year, or 9.73%. The impact of this request for a typical residential customer in other communities served by WWD who uses 8,000 cubic feet of water per year (165 gallons per day) will result in an increase of \$52 per year, or 13.34%. The impact of the proposed rate increase on other retail customer classes is between 9.73% and 13.34%, wholesale customers 12.85% and Private Fire Service is a decrease of 1.43% to 14.84%. Municipal Fire Service is a decrease of 17.21% per hydrant.

In the second step of the increase, proposed to take effect on January 1, 2020, the WWD’s proposed rates are designed to collect additional operating revenue in the amount of \$445,221 to support total operating revenue requirements of \$9,361,505. The impact of this request will result in an across-the board rate increase of approximately 4.99% on all rate classes. For a typical residential customer who uses 8,000 cubic feet of water per year (165 gallons per day), the impact of this request will result in an increase of \$25 per year.

In the third step of the increase, proposed to take effect on January 1, 2021, the WWD’s proposed rates are designed to collect additional operating revenue in the amount of \$633,928 to support total operating revenue requirements of \$9,995,433. The impact of this request will result

in an across-the board rate increase of approximately 6.77% on all rate classes. For a typical residential customer who uses 8,000 cubic feet of water per year (165 gallons per day), the impact of this request will result in an increase of \$36 per year.

In the fourth step of the increase, proposed to take effect on January 1, 2022, the WWD's proposed rates are designed to collect additional operating revenue in the amount of \$1,363,132 to support total operating revenue requirements of \$11,358,565. The impact of this request will result in an across-the board rate increase of approximately 13.64% on all rate classes. For a typical residential customer who uses 8,000 cubic feet of water per year (165 gallons per day), the impact of this request will result in an increase of \$77 per year.

In the fifth step of the increase, proposed to take effect on January 1, 2023, the WWD's proposed rates are designed to collect additional operating revenue in the amount of \$1,341,568 to support total operating revenue requirements of \$12,700,133. The impact of this request will result in an across-the board rate increase of approximately 11.81% on all rate classes. For a typical residential customer who uses 8,000 cubic feet of water per year (165 gallons per day), the impact of this request will result in an increase of \$76 per year.

In accordance with the Rules of Practice and Procedure of the Rhode Island Public Utilities Commission, the documents encompassing the rate filing are available for review between 8:30 a.m. and 4:00 p.m., Monday through Friday at the Office of the City Clerk, City of Woonsocket, 169 Main Street, Woonsocket, Rhode Island, or at the Clerk's Office of the following cities and towns where WWD provides service, including: Town of Blackstone, Town of North Smithfield and Town of Cumberland. A copy of the application was also provided to the Rhode Island Attorney General. The Commission will publish a notice of the hearing dates when they are scheduled. At that time, ratepayers may comment on this proposal.

City of Woonsocket, Water Division  
169 Main Street  
Woonsocket, Rhode Island 02895

# **TAB 5**



September 11, 2018

Leo Wold, Esquire  
Assistant Attorney General  
Department of Attorney General  
150 South Main Street  
Providence, RI 02903

**Re: Woonsocket Water Division  
Application For Rate Change with The Public Utilities Commission**

Dear Attorney Wold:

Pursuant to Section 39-3-11 of the General Laws of the State of Rhode Island, the City of Woonsocket has filed the enclosed document with the Rhode Island Public Utilities Commission in support of its request for a change in water rates.

Sincerely,



ALAN M. SHOER  
Attorney for Woonsocket Water Division

Enclosure

September 11, 2018

Ms. Sandra Giovanelli, Town Clerk  
Town of Cumberland  
45 Broad Street  
Cumberland, RI 02864

**Re: Woonsocket Water Division  
Application For Rate Change With The Public Utilities Commission**

Dear Ms. Giovanelli:

Pursuant to Section 39-3-11 of the General Laws of the State of Rhode Island, the Woonsocket Water Division has filed the enclosed document with the Rhode Island Public Utilities Commission in support of its request to change rates. Copies of these documents are to be filed with the governing council of your community. Please notify them of this filing and that you are in possession of the complete document. You may also wish to leave it out for public display.

Thank you for your assistance.

Very truly yours,

Handwritten signature of Alan M. Shoer in blue ink, including the initials "/nmv".

ALAN M. SHOER  
Attorney for Woonsocket Water Division

Enclosure

September 11, 2018

Christina Harmon-Duarte  
City of Woonsocket  
169 Main Street  
Woonsocket, RI 02895

**Re: Woonsocket Water Division  
Application For Rate Change With The Public Utilities Commission**

Dear Ms. Harmon-Duarte:

Pursuant to Section 39-3-11 of the General Laws of the State of Rhode Island, the Woonsocket Water Division has filed the enclosed document with the Rhode Island Public Utilities Commission in support of its request to change rates. Copies of these documents are to be filed with the governing council of your community. Please notify them of this filing and that you are in possession of the complete document. You may also wish to leave it out for public display.

Thank you for your assistance.

Very truly yours,



ALAN M. SHOER  
Attorney for Woonsocket Water Division

Enclosure

September 11, 2018

Debra A. Todd  
Town of North Smithfield  
Memorial Town Hall  
1 Main Street  
Slatersville, RI 02876

**Re: Woonsocket Water Division  
Application For Rate Change With The Public Utilities Commission**

Dear Ms. Todd:

Pursuant to Section 39-3-11 of the General Laws of the State of Rhode Island, the Woonsocket Water Division has filed the enclosed document with the Rhode Island Public Utilities Commission in support of its request to change rates. Copies of these documents are to be filed with the governing council of your community. Please notify them of this filing and that you are in possession of the complete document. You may also wish to leave it out for public display.

Thank you for your assistance.

Very truly yours,

*alan m. shoer/nmv*

ALAN M. SHOER  
Attorney for Woonsocket Water Division

Enclosure

September 11, 2018

Ann Odabashian  
Town Clerk, Records Access Officer  
Municipal Center  
10 Mechanic Street  
Bellingham, MA 02019

**Re: Woonsocket Water Division  
Application For Rate Change With The Public Utilities Commission**

Dear Ms. Odabashian:

Pursuant to Section 39-3-11 of the General Laws of the State of Rhode Island, the Woonsocket Water Division has filed the enclosed document with the Rhode Island Public Utilities Commission in support of its request to change rates. Copies of these documents are to be filed with the governing council of your community. Please notify them of this filing and that you are in possession of the complete document. You may also wish to leave it out for public display.

Thank you for your assistance.

Very truly yours,



ALAN M. SHOER  
Attorney for Woonsocket Water Division

Enclosure

September 11, 2018

Claudette C. Dolinski  
Town Clerk  
Town of Blackstone  
15 St. Paul Street  
Blackstone, MA 01504

**Re: Woonsocket Water Division  
Application For Rate Change With The Public Utilities Commission**

Dear Ms. Dolinski:

Pursuant to Section 39-3-11 of the General Laws of the State of Rhode Island, the Woonsocket Water Division has filed the enclosed document with the Rhode Island Public Utilities Commission in support of its request to change rates. Copies of these documents are to be filed with the governing council of your community. Please notify them of this filing and that you are in possession of the complete document. You may also wish to leave it out for public display.

Thank you for your assistance.

Very truly yours,



ALAN M. SHOER  
Attorney for Woonsocket Water Division

Enclosure

# **TAB 6**

**Pre-Filed Direct Testimony  
of  
Jonathan R. Pratt, P.E.**

**Woonsocket Water Division  
Docket \_\_\_\_\_**

**September 11, 2018**



**INTRODUCTION**

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**Q. Please provide your full name, title and address.**

A. My name is Jonathan Pratt. I am employed by the City of Woonsocket (the City) as the City Engineer, working for the Department of Public Works which, along with Engineering, Solid Waste, Building Inspection, Highway and Parks, has responsibility for managing both the City's Water Division and Wastewater Divisions. My office address is 169 Main Street, Woonsocket, RI.

**Q. How long have you held this position?**

A. I began my appointment as City Engineer on August 1, 2016.

**Q. Please describe your background, experience and education.**

A. Before my appointment as City Engineer, I was employed in various positions as a Professional Engineer, registered to practice Civil Engineering in the State of RI for over twenty five (25) years. Most recently, I was a Senior Engineer for Thielsch Engineering, Inc. for three (3) years overseeing the Construction Testing Services division. Prior to that, I was the Town Engineer in Westerly, RI for eight (8) years.

**Q. Please describe your educational background and professional associations or memberships.**

A. I have a Bachelor of Science in Civil Engineering from Worcester Polytechnic Institute with a major in Structural Engineering and minors in Traffic and Geotechnical Engineering. I am a member of the American Society of Civil Engineers.

**Q. Please summarize your testimony.**

A. My testimony is intended support this rate adjustment request of the City of Woonsocket, Water Division (WWD). The Rhode Island Public Utilities Commission (Commission) last established rates for the Water Division in Docket 4320, as explained in the Commission's written Order dated June 13, 2013. Since that time, with the benefit of several years of data on the utility's revenues and expenses, plus more information on the development of the City's

1 plans for a new water treatment facility, it is clear that a rate adjustment is necessary, as  
2 explained in more detailed in the testimony of David Bebyn. Recently, the City contracted with  
3 Woonsocket Water Services LLC (whose members are AECOM Technical Services, Inc. and  
4 Suez Water, Inc.) to design, build and operate a new treatment plant. In order to assist with the  
5 financing of the new water treatment facility, WWD filed for authorizations with the Division of  
6 Public Utilities and Carriers (Division), in Dockets D-17-43 and D-18-06, which were approved  
7 by orders of the Division issued on November 27, 2017 and July 18, 2018. For the details on the  
8 utility's recent rate history, rate year revenue requirements, normalized test year, rate design and  
9 impacts to ratepayers, I refer the Commission to the testimony of Mr. Bebyn, as well as his  
10 supporting schedules.

11

12 **Q. Can you summarize what WWD is seeking in terms of new rates and the focus of your**  
13 **testimony on behalf of WWD?**

14 **A.** Yes. The City is seeking a revenue requirement increase in the amount of \$799,205 which  
15 will represent an increase in total rate year revenues to \$8,916,284. As Mr. Bebyn explains in  
16 more detail, in order to secure these additional revenues from ratepayers, a typical residential  
17 ratepayer would see a rate increase of about 13.34 % and an annual bill increase \$52. The City is  
18 also proposing to implement a multi-year step increase in rate adjustments, as explained in Mr.  
19 Bebyn's testimony. My testimony will provide the Commission with an update on the City's  
20 plans to address the need to replace the existing water treatment plant, certain other infrastructure  
21 activities and other updates.

22

23

**WATER TREATMENT PLANT**

24

25 **Q. Please describe some relevant background for the City's efforts to support the costs**  
26 **associated with the new water treatment facility.**

27 **A.** As the Commission is aware, the City needs to take action to develop and construct a new  
28 water treatment facility. First, the existing facility is over fifty-five (55) years old, upgraded in  
29 1989. Second, in order to comply with Rhode Island Department of Environmental Management  
30 (RIDEM) water quality standards, the City must build a new facility at a different location with

1 new treatment technologies that will eliminate the need for filter backwash into the Blackstone  
2 River.

3  
4 **Q. Can you update the Commission on the physical status of the water treatment facility?**

5 **A.** Yes. The current facility is fifty-five (55) years old, constructed in 1962 and upgraded in  
6 1989. Facility evaluations (following up on previous reports in 1999 and 2004) conducted by  
7 one of our engineering consultants, Camp Dresser & McKee Inc. (CDM), documented the  
8 structural and regulatory compliance concerns regarding the existing water treatment facility.  
9 CDM's reports highlighted the complications of continuing operation of the aging treatment  
10 facility, compounded by the newer and stricter regulations that are being imposed by RIDEM  
11 both at the Water Treatment Plant (and the Wastewater Treatment Plant).

12  
13 **Q. Can you elaborate on the specific types of problems you are confronting with your  
14 existing water treatment facility?**

15 **A.** Yes. This aged plant consists of five (5) steel tanks, three (3) that operate as filters and two  
16 (2) as clearwells. These tanks are seriously rusted and engineers have expressed concern about  
17 the structural viability due to the potential failure of the bottom plates. Also, the concrete  
18 foundations exhibit serious spalling. As a result, the facility is becoming increasingly exposed to  
19 the failure of a major treatment component and the resulting inability to meet water quality and  
20 water volume requirements. In particular, RIDEM has certain regulatory requirements, related  
21 to the discharge of filter back wash to the Blackstone River, that cannot be met at the existing  
22 site without substantial funding of infrastructure for pretreatment and attenuation. Also, there  
23 are physical constraints at our existing site that will not accommodate either the construction of a  
24 new plant or the construction of the facilities necessary to comply with the RIDEM  
25 requirements. All of these concerns have forced WWD to confront the difficult decision to hire a  
26 company to design, build and manage a new treatment facility to address these problems.

27  
28 **Q. Have you attempted to address these concerns with RIDEM?**

29 **A.** Yes we have. The WWD and the City's Public Works' Director have worked for many years  
30 with RIDEM to address these new regulatory requirements. We entered into a Consent  
31 Agreement with RIDEM in March, 2008, and later updated and modified that agreement to allow

1 WWD to continue to operate its existing treatment plant with specified modifications, at which  
2 time a permanent treatment processes and facilities for the treatment of the filter backwash can  
3 be completed.

4  
5 **Q. Beyond bringing your facility into compliance with RIDEM regulations, would a new**  
6 **water treatment facility allow you to sell more water to other customers in other**  
7 **communities, consistent with your studies identified above?**

8 A. Yes. We have the capability of producing a safe yield of approximately 13.5 million gallons  
9 per day (MGD). However, we produce and sell much less than that, actually about 3 MGD of  
10 potable water each day on average. Increasing reliable production of significant volumes of  
11 potable water beyond the 5.5 – 6.0 MGD range cannot easily or safely be provided by our  
12 existing treatment facility. At the same time, we can provide rate relief to our existing customers  
13 if we could sell more water to more customers in other communities, and a new treatment plant  
14 could in theory accommodate these increased water sales.

15  
16 **Q. Please describe what steps the City and/or WWD have taken towards the construction**  
17 **of the new water treatment facility since Docket 4320.**

18 A. In Docket 4320, Sheila McGauvran, then the Direct of Public Works, provided the  
19 Commission an overview of the status of the new water treatment plant and infrastructure  
20 replacement (IFR) projects at that time. As she explained then, the City was looking for a new  
21 site for a treatment plant to be located within the City. Since the filing of that testimony, the City  
22 acquired a property located on Jillson Avenue in Woonsocket. Through an extensive request for  
23 proposals (RFP) process, a preferred design, build and operate (DBO) contractor was then  
24 selected to enter into negotiation of a contract to design, construct, and operate a new facility for  
25 a period of twenty (20) years. Through the efforts of the City and its engineering and legal  
26 consultants, a satisfactory contract was drafted and executed by the parties in July of 2017.

27  
28 **Q. Have you been updating the Commission on these activities related to the water**  
29 **treatment plant?**

30 A. Yes. We regularly update the Commission and Division staff with reports and if requested,  
31 on-site tours. We have also responded to specific Division data questions concerning the status

1 of efforts and with regular updates on the status of new treatment plant actions. We recently  
2 updated the Division on the content of our request for borrowing authorization in Division  
3 Docket D-17-43.

4  
5 **Q. Please summarize the key terms of the contract you have with Woonsocket Water  
6 Services, LLC.**

7 **A.** The City entered into the agreement with Woonsocket Water Services, LLC (the Company)  
8 on July 31, 2017. The agreement is for the Company to design, construct, and operate a new  
9 water treatment facility with a design capacity of 7.0 MGD, expandable to 10.5 MGD, on the  
10 City-owned property on Jillson Avenue. The Company is to take over operational responsibility  
11 for the existing water treatment plant on Manville Road on July 31, 2018 and the construction of  
12 the new facility is to be complete and the facility fully operation no later than December 31,  
13 2020. The Company will continue the operation of the new facility for a period of twenty (20)  
14 years.

15  
16 **Q. Can you describe the more recent activities that have occurred?**

17 **A.** Yes. The Company began the design and permitting process for the new treatment facility in  
18 August 2017. In July 2018, the design and permitting was complete to the point where initial  
19 site work could begin with site clearing and blasting of materials. At present, the design of the  
20 new facility is nearly complete and the majority of the necessary permits and approvals either  
21 have been obtained or are close to being obtained. Construction will proceed as allowed for the  
22 next 18 to 24 months.

23  
24 **Q. In Docket 4320, WWD testified that a new treatment plant would allow it to meet  
25 certain stricter water quality standards and that WWD's new pH adjustment system for  
26 backwash from the treatment plan was installed in order to meet one component of a  
27 consent agreement with the RIDEM. Is the current treatment plant able to meet these  
28 water quality standards?**

29 **A.** Yes. Because the plant produces only a monthly average of 3 MGD, with a peak of 6 MGD  
30 in the summer, the current treatment plant continues to meet all applicable water quality  
31 standards. As I pointed out above, the City and RIDEM entered into a Consent Agreement,

1 dated June 27, 2008 and later modified. In that Agreement, RIDEM imposed certain regulatory  
2 requirements, related to total suspended solids and the discharge of filter backwash into the river.  
3 The Consent Agreement also contained interim milestone requirements regarding certain pH  
4 limitations. To meet these requirements CDM designed a pH adjustment system for backwash  
5 from the treatment plant, and WWD awarded the installation job to the lowest bidder.

6  
7 **INFRASTRUCTURE REPLACEMENT UPDATE**  
8

9 **Q. Please provide the Commission an update of your Infrastructure Replacement Plan.**

10 **A.** As a public water supplier, WWD continues to work very closely with the Rhode Island  
11 Department of Health (RIDOH) and its implementation of strategies to improve the  
12 infrastructure that is used to provide safe and high quality drinking water to our customers. As  
13 the Commission recalls, our original IFR plan was approved by the RIDOH in 1999. Working  
14 from that plan, the City rehabilitated its source dams, high service area booster pump stations,  
15 many of its storage tanks and the major transmission mains in the system.

16  
17 In 2007, WWD updated its IFR plan. At the time of our last rate case in Docket 4320, as  
18 explained in testimony and since that time (as summarized above), the RIDOH approved the  
19 updated IFR plan, as required under state law. This updated plan is described in more detail in  
20 CDM's November 2007 "Water Distribution System Evaluation." CDM prepared this report in  
21 order to assess the condition of the existing water distribution system and its hydraulic  
22 capabilities, and to provide further suggestions as our update to the 1999 infrastructure plan and  
23 to suggest improvements to improve the City's ability to provide safe and quality water to its  
24 customers. As part of the plan, WWD has been working to increase the number of  
25 interconnections with other communities.

26  
27 CDM also pointed out that the City's water supply is basically self-contained, meaning that there  
28 are no nearby communities with sufficient transmission or supply connections for redundancy or  
29 back-up. The City has been working on this problem, to provide interconnections with other  
30 nearby communities, and currently has one water supply connection with the Lincoln Water  
31 Commission in Lincoln, RI and two interconnections with the Town of Cumberland, RI. The

1 City also supplies sections of North Smithfield, RI on a permanent basis through an  
2 interconnection.

3

4 One major project recommended by CDM was recently completed, that of cleaning and lining or  
5 replacing approximately 4400 linear feet of existing transmission and distribution piping on  
6 Manville Road.

7

8 **Q. Has a review of the City's transmission and distribution system, and an updated IFR  
9 plan occurred since Docket 4320?**

10 **A.** Yes. CDM just recently completed an updated IFR plan for the City in July 2018. CDM  
11 recommended a prioritized plan for improvements to the transmission and distribution system. It  
12 has been sent to RIDOH for review and approval.

13

14

#### REPORTING REQUIREMENTS

15

16 **Q. Has the City filed its required reports with the Commission?**

17 **A.** Yes. The Commission requires WWD to provide annual financials, semi-annual financials,  
18 and four month periodic reports, including a status report on the progress towards completion of  
19 a new treatment plant. These have been provided to staff and the Commission. WWD  
20 appreciates the importance of these reports to keep the Commission apprised of the utility's  
21 finances and status. WWD is not seeking any alterations at this time in the type of reporting that  
22 the City provides to the Commission and the Division.

23

24 **Q. Does this conclude your pre-filed direct testimony?**

25 **A.** Yes.

# **TAB 7**



**Pre-Filed Direct Testimony  
of  
David G. Bebyn, CPA**

**Woonsocket Water Division  
Docket \_\_\_\_\_**

**September 11, 2018**

**INTRODUCTION**

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**Q. Please state your name and business address for the record.**

**A.** My name is David G. Bebyn CPA and my business address is 21 Dryden Lane, Providence, Rhode Island 02904.

**Q. By whom are you employed and in what capacity?**

**A.** I am the Vice President of B&E Consulting LLC. (B&E). B&E is a CPA firm that specializes in utility regulation, expert rate and accounting testimony, school budget reviews and accounting services.

**Q. Mr. Bebyn, have you testified as an expert accounting witness prior to this docket?**

**A.** Yes. I have provided testimony on several rate related matters before utility commissions in Rhode Island and Connecticut. Regarding the Rhode Island Public Utilities Commission (Commission), I have prepared testimony and testified in the Woonsocket Water Division's (WWD) last rate filing in Dockets #3800 and #4230 in support for the adjusted test year and rate design. I also prepared testimony and calculated the Fire Protection Service Charge in Docket #4309. I prepared testimony and testified in the Pawtucket Water Supply Board's (PWSB) last five rate filings, Dockets #3378, #3497, #3674, #3945& #4550. In addition to adjusted test year testimony, I also prepared testimony in A&R Marine's general rate filing Docket #4586 and on behalf of the Pascoag Utility District in Docket #4341 in support of the adjusted test year, rate year and rate design.

**Q. What is your educational background?**

**A.** I received my Bachelors of Science Degree in Accounting (BSA) from Rhode Island College. I became a Certified Public Accountant in 2000 after successfully passing the CPA exam.

1 **Q. What is the purpose of your testimony?**

2 A. B&E was engaged by WWD to provide testimony in support of its rate request. My  
3 testimony includes a presentation of the normalized test year (December 31, 2017), the rate  
4 year expenses that I have developed and the proposed rate year revenues. The supporting  
5 schedules also include an updated cost of service study that allocates the functional costs to  
6 various cost components, and then distributes those costs to customer classes and types of  
7 service. I have presented the development of proposed new water rates and charges for the  
8 WWD. Finally, I have included proposed step increases for FY 2020, FY 2021, FY 2022  
9 and FY 2023. (Under the Commission's Practices and Procedures, the rates may not be  
10 approved and implemented prior to January 1, 2019 – the start of the rate year.)

11  
12 In general, I have prepared the analysis attached as supporting schedules along the same  
13 lines as those that have been approved by the Commission in WWD's prior rate filings.  
14 WWD's last full rate filing (Docket #4320) was submitted in March of 2012.

15  
16 **Q. Before starting with the normalization of the test year, would you please give the**  
17 **Division of Public Utilities and Carriers (Division) and Commission an update as to**  
18 **the status of the last docket proceedings on rate issues?**

19 A. Certainly. WWD filed its last rate application with the Commission on March 16,  
20 2012, in Docket #4320. After Commission suspension and subsequent review and  
21 hearings, the rates went into effect for the rate year FYE June 30, 2008. WWD had  
22 requested a rate increase of 10.86% for the collection of \$813,326 in additional operating  
23 revenues for the total service of \$8,301,954. WWD then entered into a settlement  
24 agreement with the Division, which resulted in a rate increase of 6.79% for the collection  
25 of \$508,381 in additional operating revenues, for the total cost of service of \$7,997,009.  
26 After review and hearing, the Commission approved the settlement.

27  
28 The Commission found that the WWD rate design was reasonable for that case. The  
29 Commission also expressed concern with the status of the treatment facility due to several  
30 delays in the construction of the treatment facility prior to Docket #4320. At the time of the

1 filing of Docket #4320, the City of Woonsocket (City) signed a “Consent Agreement” with  
2 the Rhode Island Department of Environmental Management (RIDEM), to allow the City a  
3 period of time to comply with certain new environmental requirements, such as through a  
4 design and construction of a new treatment facility. However, while the City had entered  
5 into a consent agreement, there was still no purchase of land for the new treatment facility,  
6 nor was there a contract for the Design/Build/Operation (DBO) for the new treatment  
7 facility.

8

9 **Q. What is the major reason for this rate request?**

10 A. Subsequent to the approval of Docket #4320, the City acquired a property located on  
11 Jillson Avenue in Woonsocket. Through an extensive request for procurement (RFP)  
12 process, a preferred DBO contractor was selected to enter into negotiation of a contract to  
13 design, construct, and operate a new treatment facility for a period of twenty years.  
14 Through the efforts of engineering, financial and legal consultants hired by the City, a  
15 satisfactory contract was drafted and executed by the parties in July of 2017.

16

17 Among other things, this filing seeks to adjust the base rates to reflect the costs to  
18 implement the DBO contract, including the costs for the DBO contractor to continue to  
19 operate at the current old treatment facility as of January 1, 2019 until the new facility is  
20 completed in December of 2020. WWD expects that some line item costs for the contract  
21 will increase, while WWD’s own costs for operating the existing facility (payroll,  
22 chemical, etc.) will decrease. The net change, however, will require an increase in overall  
23 rates. This filing will also address the financing of the construction of the new facility.

24

25 In addition to the finalizing the purchase of the land and the entering into a DBO contract,  
26 as noted in the previous paragraphs, WWD has not filed for a rate increase since 2012. In  
27 Docket #4320, the projected revenue was set at \$7,997,009 which was never reached  
28 except for FY 2016 and FY 2017. However, for the years following this projected revenue  
29 amount where water sales were well short, these years resulted in revenue shortfalls. The  
30 fact that the revenues came up short during these years also resulted in less funding of the

1 infrastructure replacement (IFR) restricted account and the non-funding of the operating  
2 reserve account. However, all bills were paid, and the other restricted accounts were  
3 funded in full. Regarding the timing of the next rate-filing, WWD determined it would be  
4 difficult to forecast new rates until it could move forward with the new water treatment  
5 facility. Also, WWD felt it was important to coincide its instant rate case so as to present  
6 a comprehensive multi-year plan for rate adjustments with the new treatment facility filing  
7 for new rates. In the meantime, WWD paid its operating bills and adequately funded all of  
8 its restricted accounts, with the exception of the IFR restricted account.

9  
10 **Q. What revenue requirement increase is WWD requesting in this docket?**

11 A. For the first year of the five-year of the multi-year filing, the WWD is requesting  
12 additional revenue in the amount of \$799,205 that will increase total rate year revenue to  
13 \$8,916,284. This represents a revenue requirement increase of 9.85%. The remaining  
14 step increase would be a 4.99% for the second year, 6.77% for the third year, 13.64% for  
15 the fourth year and 11.81% for the fifth year.

16  
17 **Q. Does that conclude your introduction?**

18 A. Yes.

1 TEST YEAR (DECEMBER 31, 2017)

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**Q. What test year did you use?**

A. I used the test year January 1, 2017 to December 31, 2017.

**Q. Please provide the Commission with the detailed steps you took to develop the test year.**

A. I obtained the detailed trial balances and subtracted the year to date balances at December 2016 from the final account balances at June 2017 to determine the January 2017 through December 2017 activity (DGB-TY-3). The resulting balances were added to the year to date December 2017 trial balance to determine the twelve-month test year balances ending December 2017.

**Q. What adjustments did you make to convert the December 31, 2017 financial statements prepared on a Generally Accepted Accounting Principles (GAAP) basis to arrive at a normalized “rate making basis” test year?**

A. I made sixteen adjustments to the test year prepared on a GAAP basis in order to present the test year on a normalized “rate making basis” as follows:

1. Averaged retail consumption for a four-year period and left wholesale consumption at test year levels.
2. Adjusted the customer service fire service revenue for counts at December 2017.
3. Averaged service and extensions, miscellaneous income, and interest on bills for a four-year period.
4. Removed interest income earned on monies held in the restricted accounts required by the Commission. The restricted accounts required by the Commission cover IFR, debt service, chemicals, and renewal and replacement (R&R) reserve.
5. Averaged various expense accounts for a four-year period. (See DGB-TY-1 c.)
6. Removed all depreciation expense from the test year, once again because WWD is regulated on a cash basis.

- 1 7. Adjusted several accounts which had more than twelve months of expenses. For these  
2 accounts, I doubled the six month December 2017 balance.
- 3 8. Adjusted the Federal payroll taxes (FICA) expense to reflect the adjusted test year  
4 personnel expense.
- 5 9. Adjusted several accounts which had more than twelve months of expenses. For these  
6 accounts, I used the FYE ending June 30, 2017 balance.
- 7 10. Adjusted several accounts which had more than twelve months of expenses. For these  
8 accounts, I used December 2017 balance since these reflected a full year of expense.
- 9 11. Increased the chemicals reserve expense level to reflect the amount authorized in  
10 Docket #4320.
- 11 12. Increased the operations and maintenance (O&M) reserve expense level to reflect  
12 the amount authorized in Docket #4320.
- 13 13. Increased the IFR reserve expense for capitalized expenditures and to reflect the  
14 level authorized in Docket #4320.
- 15 14. Increased the rate case reserve expense level to reflect the amount authorized in  
16 Docket #4320.
- 17 15. Increased the debt service reserve for principal payments and expense to reflect the  
18 level authorized in Docket #4320 and restricted per bond covenants and Commission  
19 order.
- 20 16. Increased R&R reserve expense for capitalized expenditures and to reflect the level  
21 authorized in Docket #4320.

22  
23 **Q. Mr. Bebyn, in your professional opinion does your adjusted test year present a**  
24 **proper normalized test year?**

25 A. Yes, I believe that the adjusted, normalized test year that I have prepared for this filing  
26 (DGB-TY-1) fairly presents the operations of WWD in a normal year on a ratemaking  
27 basis with currently approved rates.

28

29 **Q. Did you complete any other reviews to prepare your test year adjustments?**

30 A. Yes, I did. I prepared a four-year analysis of the actual (audited) revenue and expenses

1 for the years 2014, 2015, 2016, 2017 & TY 2017(unaudited). Major variances were  
2 investigated to determine if an adjustment was needed.

3

4 **Q. Did you include a schedule of the four-year comparison with this testimony?**

5 A. Yes, see Schedule DGB-TY-2.

6

7 **Q. Did you prepare any other schedules in support of the test year?**

8 A. Yes, I did. I prepared Schedule DGB-TY-1a to detail the test year revenues by source,  
9 tariff and rate class. Sales volumes and customer counts by rate class for the test year were  
10 also presented. I also prepared Schedule DGB-TY-1b to detail the adjusted test year  
11 revenues by source which reflect the rates approved in Docket #4320.

12

13 **Q. Did you prepare any other schedules?**

14 A. Yes, I did. I prepared a test year balance sheet, income statement and a statement of  
15 changes in retained earnings (Schedule DGB-TY-4, the unadjusted test year column of  
16 Schedule DGB-TY-3, and Schedule DGB-TY-5 respectively). This information is required  
17 since the test year does not coincide with the latest fiscal year shown on the annual report.

18

19 **Q. Does that conclude your testimony of the test year?**

20 A. Yes.

21

22 **Q. What would you like to discuss next?**

23 A. I would like to review my schedules for the rate year.

24

25

26

27

28

29

30



**RATE YEAR (FYE DECEMBER 31, 2019)**

**Q. Mr. Bebyn, how would you like to proceed with your rate year testimony?**

**A.** To reduce the number of issues in this docket and to save the Commission and the Division time and ratepayer money, I have reviewed the test year revenue and expense accounts to determine the best approach for addressing each. I noticed that certain accounts could be grouped into nine loosely related account groups which could then be reviewed and evaluated together. My goal was to reduce the number of accounts that needed to be analyzed separately.

The nine groups are as follows:

1. Revenue accounts (twelve accounts ranging in account number from account #41010 to account #42320). See Schedule DGB-RY-2a.
2. Personnel expense accounts (eleven accounts). These accounts are all payroll and payroll related accounts. See Schedules DGB-RY-4, 4a and 4b.
3. Existing facility related expenses covered by the WWD budget prior to the rate year. See Schedule DGB-RY-3 adjustments 2, 3, 4 & 5.
4. Existing facility related expenses covered by the new treatment facility contract being with the rate year. See Schedule DGB-RY-3 adjustment 8.
5. Smaller dollar value expense accounts that do not justify individual review and were left at test year levels for the rate year. Also, there were a few more substantial accounts that were reviewed and evaluated, and it was determined that the test year amount for these accounts was the most reasonable amount for the projected rate year. See Schedule DGB-RY-5.
6. Utilities (light and power). See Schedules DGB-RY-6 and 6a.
7. Property taxes. See Schedule DGB-RY-7.
8. Insurance accounts. See Schedule DGB-RY-8.
9. Restricted accounts. See Schedules DGB-RY-9, 10, 11, 12, 12a and 13.

1 **REVENUES:**

2

3 **Q. Please explain how you calculated your rate year revenue levels.**

4 **A.** I left the rate year water consumption and counts at the same level as the test year.  
5 Given that the other non-rate revenues were adjusted in the test year, I left those revenue  
6 sources at the test year level as well.

7

8 **Q. What is your projected rate year revenue at current rates?**

9 **A.** I have projected \$7,804,289 for revenue from rates as shown on Schedule DGB-RY-  
10 2A, this is added to the rate year miscellaneous revenues of \$312,790 for a total projected  
11 rate year revenue at current rates of \$8,117,079.

12

13 **Q. Does that conclude your revenue analysis?**

14 **A.** Yes, it does. Next, I would like to discuss my expense adjustments (Schedule DGB-  
15 RY-3).

16

17 **EXPENSES:**

18

19 **Q. You mentioned in the introduction that the new treatment facility may impact**  
20 **this rate filing. Can you summarize the impact?**

21 **A.** Certainly. Among other things, the DBO contract to design, build and operate the new  
22 treatment facility, also includes the costs for the DBO contractor to continue to operate at  
23 the current old treatment facility. The DBO contractor will start January 1, 2019 until the  
24 new facility is completed and operational in December of 2020. The first area of the rate  
25 filing impacted beginning in the rate year is the new budget line item for treatment facility  
26 contract fee to cover costs of operating the existing plant then the new facility once its  
27 operational. Along with this new budget item, there are several test year line items where  
28 WWD's own costs for operating the existing facility (payroll, chemical, etc.) will decrease  
29 since they will now be covered by the DBO contract. The next area that will impact this  
30 rate filing, will be the financing of the new treatment facility. The discussion of how the

1 new treatment facility will be financed is covered later in my discussion on the debt service  
2 reserve funding.

3

4 **Q. How would you like to proceed with your review of expenses?**

5 A. As I stated above, many expense accounts adjustments are insignificant (each less than  
6 1% of the total requested revenue requirement for the rate year). In addition, the net  
7 adjustment for all of these accounts from the prior year to the test year would have been  
8 less than 1%. Therefore, I have left these accounts at test year levels (See Schedule DGB-  
9 RY-5). The remaining accounts and groups of accounts will be reviewed in the order  
10 listed on Schedule DGB-RY-3 Expense Summary-Rate Year (whenever possible). The  
11 first group of accounts, after the revenue accounts, is the personnel expense accounts.

12

13 **Q. How did you calculate the rate year level of expense for the personnel expense  
14 accounts?**

15 A. In order to calculate the rate year level of the first two personnel expense accounts, 1)  
16 permanent service (salaries) and 2) longevity, I prepared Schedule DGB-RY-4. This  
17 schedule lists all of the positions paid in the test year and/or projected to be in place in the  
18 rate year. In support of the rate year salary levels on Schedule DGB-RY-4, I completed  
19 Schedule DGB-RY-4a.

20

21 **Q. Mr. Bebyn can you explain Schedule DGB-RY-4a for us?**

22 A. Yes. Schedule DGB-RY-4a shows the rate year salary levels for all of the positions  
23 expected to be employed in the rate year. The salaries for facility employees were  
24 eliminated since these positions will be covered under the new treatment facility operations  
25 contract. Part of the DBO contract in the design of, the building of and operations of the  
26 new treatment facility is for the operation company Woonsocket Water Services LLC  
27 (whose Members are AECOM Technical Services, Inc. and Suez Water, Inc.) to operate  
28 the existing facility until the new facility is completed. The operations contract fee covers  
29 all expenses (labor, supplies, material, chemicals and R&R) to run the existing facility. My  
30 schedule starts with salary paid for all positions in the test year and progresses through the

1 interim year salary levels (see Schedule DGB-RY-4b for detail adjustments regarding the  
2 medical co-share). I then increased the interim year salaries by 0% to arrive at the rate  
3 year salary levels.

4

5 **Q. How did you calculate the longevity adjustment for the rate year?**

6 A. Longevity pay is calculated as a function of salary and years of service. On Schedule  
7 DGB-RY-4, I calculated the longevity pay for the rate year for all employees by  
8 multiplying the rate year salary for each employee times the appropriate longevity  
9 percentage.

10

11 **Q. Are there any other adjustments calculated on your Schedule DGB-RY-4?**

12 A. Yes. FICA is a function of personnel expense, and I have calculated the rate year  
13 FICA expense by multiplying the total personnel expense times 7.65% to arrive at the  
14 employer FICA/medicare payroll tax. Also, I calculated the pension expense which is a  
15 function of the salaries plus longevity times the pension rate provided by the State.

16

17 **Q. Have you adjusted any of the other personnel expense accounts?**

18 A. Yes. There are several other personnel expenses accounts that are impacted by the  
19 new treatment facility DBO contract. Some expenses WWD had been paying directly  
20 regarding water facility employees in the test year but will be covered by the DBO contract  
21 in the rate year. These related expenses have been removed from the rate year since these  
22 expenses related to the operations of the water treatment facility are now covered by the  
23 DBO contract. The removal of these cost are covered under adjustments two, three and  
24 four. The remaining personnel accounts are minor dollar amounts and were left at the test  
25 year levels.

26

27 **Q. What is the next account or group of accounts that you would like to discuss?**

28 A. Other non-personnel expenses which are related to the operations of the treatment  
29 facility. These expenses are once again covered in the rate year by the DBO contract  
30 expenses. These expense accounts include: education and training, general maintenance,

1 sewer assessments, other supplies, lab supplies, clothing and footwear, clothing allowance  
2 and chemicals. These related expenses have been removed from the rate year since these  
3 expenses related to the operations of the water treatment facility are now covered by the  
4 DBO contract. These removals of cost are covered under adjustments three, four and five.

5

6 **Q. What is the new account titled “Plant Operating Contract Existing”?**

7 **A.** As I described previously, part of the DBO contract in the design of, the building of and  
8 operations of the new treatment facility is for the operation company (Suez) to operate the  
9 existing facility until the new facility completed. The operations contract fee covers all  
10 expenses (labor, supplies, material, chemicals and R&R) to run the existing facility.  
11 Electrical expenses are a pass thru, so the rate year will be maintained as a line item on the  
12 WWD budget. The contract fee has a yearly inflator and the base fee will change,  
13 beginning January 1, 2021 from \$1,941,000 for the operation of the existing facility to  
14 \$2,210,000 operation of the new facility. The cost for operations contract fee is covered  
15 under adjustment eight.

16

17 **Q. What is the next account or group of accounts that you would like to discuss?**

18 **A.** Light and power. I completed a schedule to show my calculations for the rate year  
19 projections for light and power. Schedule DGB-RY-6 uses the FY 2017 and breaks it  
20 down vendor. National Grid represents the distribution portion of the power bill and Direct  
21 Energy Business represents the purchase energy. The FY 2017 costs were adjusted by the  
22 same percentage change of the test year consumption vs the FY 2017 consumption. This  
23 value was very close to the actual FYE 12/31/18 light and power cost. The rate year was  
24 estimated by increasing the national grid portion of the test year light and power bill by the  
25 projected increase of national grid’s rate case before the Commission.

26

27 **Q. Looking down your Schedule DGB-RY-3, the next account that you adjusted for  
28 the rate year is property taxes. Could you explain what you have done?**

29 **A.** Certainly. My Schedule DGB-RY-7 shows that I started with the test year property  
30 tax expense for the six communities to whom WWD pays property taxes. I then obtained

1 the interim bills and posted the interim level cost to my Schedule DGB-RY-7. Lastly, I  
2 calculated the rate year expense for property taxes using the interim year increases/  
3 decreases times the interim level costs. The result was a slight increase in property taxes  
4 of about 3% a year on average. If the rate year increases are known by the hearing dates or  
5 when I prepare my rebuttal testimony, I will be able to update this adjustment.

6  
7 **Q. What accounts did you review next?**

8 **A.** All insurance accounts including health and dental are explained on my Schedule  
9 DGB-RY-8.

10  
11 **Q. Please explain.**

12 **A.** To start, I had the test year and interim year costs. To project the rate year cost, I first  
13 removed expenses WWD had been paying directly regarding water facility employees. I  
14 then multiplied the interim year cost by the actual percentage increase between the interim  
15 year and the test year. Health insurance was increased by 9% for the interim and rate  
16 years. Dental insurance increased by 6% or more while the other insurance expenses  
17 remained at the interim year levels.

18  
19 **Q. It appears that we have reached the restricted accounts. Are there any changes  
20 needed for the restricted accounts?**

21 **A.** Yes, there are. First, before covering the funding of the individual accounts, there is  
22 the issue of reconciling of the restricted accounts to the proper amounts that should have  
23 been transferred into the restricted accounts. Schedule DGB-RY-9 and 9a track the  
24 required transfers that should have been made from the revenue fund to the various  
25 restricted accounts. The reconciliation begins with the last reconciliation done in a data  
26 request Comm 5-1 for Docket #4320. After reviewing the restricted accounts (See  
27 Schedules DGB-RY-9 and 9a), I determined that the balances for the December Periodic  
28 Report filed with the Division and Commission should increase the chemical account by  
29 \$141,086, the IFR account by \$663,422 and debt service account by \$1,161,163.

30

1 **Q. What caused these variances between the funding and the changes needed for the**  
2 **restricted accounts?**

3 **A.** There was a number of factors that were unique to each restricted account. The required  
4 transfer for the chemical account was due to the under-funding of FY 2012 and partial year  
5 FY 2018. The IFR funding delay was caused by the fact that this is the account where  
6 funding happens last if there is a revenue shortfall. For the most part IFR is funded with at  
7 least 80% of its yearly funding level, with the balance to be reconciled with the annual  
8 WWD net income. This reconciliation had not been performed for a few years, however  
9 Schedule DGB-RY-9a, reconciles the account as of the end of FY 2017. The issue with the  
10 debt service account is a little different. The payments for the WWD's debt service are  
11 setup to be wired out of the revenue fund instead of a restricted debt service account. Also,  
12 FY 2014 needed to be accumulating excess funds, as one of bonds is subject to the debt  
13 service fund matured in that year.

14  
15 **Q. Mr. Bebyn have you reviewed every restricted account in detail?**

16 **A.** Yes, I did, and my results are reflected on my Schedules DGB-RY-10-12 & 14. I  
17 believe that the Schedule DGB-RY-14 for R&R is self-explanatory. For the R&R  
18 restricted account, I have estimated the cost for the rate year and four subsequent step  
19 increase years. I then calculated the amount of funding that would result in reasonable  
20 positive balances after five years.

21  
22 **Q. What have you done with the chemical restricted account for the rate year?**

23 **A.** After taking into consideration the corrected December 2017 balance along with the  
24 interim year funding and expenditures, the chemical restricted fund will become over-  
25 funded by the end of the interim year. On Schedule DGB-RY-10, I calculated a surplus in  
26 the interim year of \$145,717. The rate year no longer requires this account since  
27 chemicals will be covered under the new water treatment facility operations contract. This  
28 results in two adjustments for the rate year. The first adjustment is to remove the \$390,000  
29 annual restricted account funding. The second adjustment is to reflect a one-time credit of  
30 the funds in the chemical account back to the ratepayers. (See adjustment 9 on Schedule

1 DGB-RY-3). This one-time adjustment is later removed in the second year of the step  
2 increase. (See Schedule DGB-COS-10).

3

4 **Q. Mr. Bebyn what are you proposing for the IFR restricted account for the rate**  
5 **year?**

6 A. The IFR restricted fund, after taking into consideration the corrected December 2017  
7 balance along with the interim year funding and expenditures, had become over-funded by  
8 the end of the interim year. This overfunding was a result of various project delays. During  
9 the interim, the design phase is expected to be completed and construction is expected to  
10 begin on the new treatment facility. The accumulated overfunding in the IFR account at the  
11 beginning of the year will actually help to cover approximately \$3.5 million of the new  
12 facility and \$2 million in engineering for the construction oversight. The remaining surplus  
13 has also aided in cash flow for project costs before the phase one bonds were closed.  
14 Furthermore, the surplus will aid in reducing the IFR funding while increasing the debt  
15 service funding with a revenue neutral impact to the rate payers.

16

17 Schedule DGB-RY-11 shows the IFR funding along with the projected expenditures. The  
18 schedule shows a long-range plan which ties into the updated 20-year IFR report completed  
19 this month. The planned distribution work to improve fire flow over the next 10 years  
20 should be able to be funded on an exclusively “pay as you go” basis from the IFR account  
21 with the accumulated surplus and new proposed funding level for the rate year.

22

23 **Q. What have you done with the debt service restricted account for the rate year?**

24 A. The debt service restricted fund, after taking into consideration the corrected  
25 December 2017 balance along with the interim year funding and expenditures, had a  
26 surplus by the end of the interim year. As mentioned in my introduction, WWD is seeking  
27 a multi-year increase so as to moderate rate impacts to the ratepayers. In planning for this  
28 filing, WWD and its consultants ran several scenarios to minimize the rate impacts without  
29 adding too much extra financing cost. What was realized in this exercise was that two of  
30 WWD’s existing bonds are expected to be paid off within the next eight years. These



1 payoffs would allow WWD to structure the debt service in a way that would allow for the  
2 new debt for the treatment facility to be wrapped around the existing debt. Consideration  
3 was given to a plan that would minimize the rate impacts for the first few years to allow for  
4 increases to cover additional costs from the last rate case and costs associated with the  
5 transfer of operations of the existing facility to the DBO contract during these initial first  
6 few years. Schedule DGB-RY-12b presents the annual debt service for each bond for the  
7 next twenty years.

8  
9 The Schedule DGB-RY-12 for debt service should be fairly self-explanatory. For the debt  
10 service restricted account, I have estimated the cost for the rate year and four subsequent  
11 step increase years. I then calculated the amount of funding that would result in  
12 reasonable positive balances after five years. The increase in the debt service fund for the  
13 second, third, fourth and fifth years are reflected in the step increase calculations. (See  
14 Schedules DGB-COS-10 thru DGB-COS-14).

15  
16 **Q. Mr. Bebyn, what have you done to address the debt service coverage for the rate**  
17 **year?**

18 **A.** WWD must maintain a 125% coverage on the revenue bonds as required by the bond  
19 indenture. While the IFR and debt service has residual cash balances, these residual  
20 balances are not available to be factored into the yearly coverage calculation. This  
21 coverage must therefore come from current year revenues. One source of this revenue  
22 comes from the debt service funding. For the other source of revenues, WWD is requesting  
23 that the current year IFR funding be used as an additional source of debt service coverage,  
24 similar to the Narragansett Bay Commission's (NBC's) funding stream for their debt  
25 service coverage, where NBC's IFR funds are used the following year for the capital  
26 outlays. As long as current year capital outlays are covered from prior year IFR cash  
27 reserve balance, the current year IFR funding could be used as this additional debt service  
28 coverage allowance. By using both the IFR and debt service current year funding, WWD  
29 would be able to make the coverages each year as shown in Schedule DGB-RY-13.

30

1 **Q. Mr. Bebyn did you calculate an allowance for O&M reserve?**

2 A. Yes, I calculated the allowance to be \$80,280. The reserve was calculated by  
3 multiplying the total operating expense times 1.5%.

4

5 **Q. Does that conclude your rate year analysis?**

6 A. Yes.

7

8 **Q. What would you like to discuss next?**

9 A. I would like to review my schedules for rate design.

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1 RATE DESIGN

2

3 **Q. Mr. Bebyn are you proposing a change in rate design for this case?**

4 **A.** No. While I am not proposing any major change to the general structure of the rates,  
5 the changes to individual rates and charges vary by different percentages. The cost  
6 allocations are in conformance with those approved in Docket #4320. The change to fire  
7 protection service charge was addressed in the recent Docket #4309. The proposed rates  
8 are based on the cost allocation study included in Schedules DGB-3 and DGB-4.

9

10 **Q. Please describe your rate design schedules.**

11 **A.** There are seven main schedules, several of which include supporting schedules. These  
12 schedules are:

- 13
- 14 1. **Schedule DGB-1** This schedule presents the allocation of the rate  
15 year expenses (Schedule DGB-RY-1, DGB-RY-2 & DGB-RY-3) to  
16 the various cost functions. As indicated earlier, this generally  
17 follows the allocations approved in the prior dockets.
- 18 ○ **Schedule DGB-COS-1A** This schedule presents the derivation  
19 of various allocation symbols or allocators that were used in the  
20 prior schedules. For the most part, these are the same or derived  
21 in the same manner as the allocators used in the prior dockets.
  - 22 ○ **Schedule DGB-COS-1B** This schedule presents the  
23 development of the miscellaneous revenue allocation based  
24 upon all other expenses.
  - 25 ○ **Schedule DGB-COS-1C** This schedule presents the allocation  
26 of the labor expenses to cost functions. The overall labor  
27 allocation is used to allocate certain labor related costs.
  - 28 ○ **Schedule DGB-COS-1D** This schedule presents the allocation  
29 of WWD assets to cost functions. The allocation of assets is  
30 used to allocate some of the capital related items.

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- 2. **Schedule DGB-COS-2** This schedule presents the allocation of the functional costs to the various rate schedule elements.
  - **Schedule DGB-COS-2A** This schedule presents the derivation of the allocators used on Schedule DGB-COS-2. Again they are the same or derived in the same manner as the prior dockets
  - **Schedule DGB-COS-2B** This schedule presents the development of the transmission and distribution (T&D) allocation based upon inch-feet of pipe.
  - **Schedule DGB-COS-2C** This schedule presents the development of the pumping allocation based upon production from each pumping station.
  - **Schedule DGB-COS-2D** This schedule presents the development of the general and administrative allocation based upon all other expenses.
  
- 3. **Schedule DGB-COS-3** This schedule presents the units of service including the number of meters by size and billing frequency, the number of billings, the number of private and public fire services by size of connection, and water production and sales.
  
- 4. **Schedule DGB-COS-4** This schedule presents the calculation of the metered retail and wholesale rates.
  
- 5. **Schedule DGB-COS-5** This schedule presents the derivation of the fire service charges. The public hydrant revenues from hydrants in the City are further allocated to DGB-COS-8 to calculate the fire protection service charge.

1           6. **Schedule DGB-COS-6** This schedule presents the calculation of the  
2           service charges on a quarterly basis only.

3  
4           7. **Schedule DGB-COS-7** This schedule presents the calculation of the  
5           fire protection service charges on a quarterly basis only.

6  
7   **Q. What information have you used for water use, numbers of meters, and fire**  
8   **services?**

9   A. This information is presented on Schedule DGB-COS-3. The water meter counts and  
10 fire services are the most recent information and reflect the accounts as of December 31,  
11 2017. The water use data for metered sales and wholesale consumption is for the fiscal  
12 year ending December 31, 2017 (the test year).

13  
14 **Q. Have you prepared any other schedules?**

15 A. Yes. I prepared a schedule summarizing current rates and proposed rates (See Schedule  
16 DGB-COS-8). I also included a revenue check schedule incorporating the overall increase  
17 of rates of 9.85% (See Schedule DGB-COS-9) and a schedule calculating the impact on  
18 each ratepayer class (See Schedule DGB-COS-10).

19  
20 **Q. What is the overall impact of the proposed rates on a typical residential**  
21 **customer?**

22 A. Schedule DGB-COS-10 presents the impacts on various customers and types of  
23 services. A typical residential customer who uses 165 gallons per day, 8,000 cubic feet per  
24 year will see their water bill increase by 9.73% from \$460 to \$505 per for the first year.  
25 This would represent only a \$3.75 increase per month. The smaller customer's increase  
26 was smaller than the overall increase due to the proposed reduction in the service charge  
27 which is a large portion of their total bill. These savings are reduced as the volume of  
28 consumption increases.

1 **Q. Why is the increase of retail rates proposed for ratepayers in the City of**  
2 **Woonsocket 9.53% to 13.53% lower than what ratepayers are seeing in other**  
3 **communities serviced by WWD?**

4 **A.** As a consequence of the Commission's approval of the City's tariff advice in Docket  
5 #4309, the City is now required to collect hydrant revenues from ratepayers in the City  
6 with a separate customer service charge. In addition, there was an increased allocation of  
7 expenses to fire service in this docket since IFR expenditures can now be recovered from  
8 fixed rates including service and fire protection. The results of the funding of the new  
9 treatment facility has driven more of the allocation to base and retail water while lowering  
10 the costs fire protection. Since the retail ratepayers in the City pay a separate customer  
11 service charge for fire protection, and those ratepayers outside of the City do not, the  
12 allocation has generated a smaller percentage increase for those within the City. Those  
13 communities outside of the City pay for the fire protection directly to WWD. It should be  
14 noted, however, that the City retail ratepayer pays a higher overall bill than the ratepayers in  
15 other communities.

**MULTI-YEAR RATE INCREASE**

**Q. Mr. Bebyn, Section 39-15.1-4 of the State’s legislation passed several years ago provides for multi-year rate plans. Have you addressed this in your filing?**

**A.** I have. This section of the law provides for the opportunity of the water utility to propose a future rate plan of up to six years. Specifically, the law requires multi-rate plans to propose rates:

- (1) That are adequate, as described in subsection 39-15.1-3(a) of this chapter, to pay for all reasonable costs of service associated with water supply during the period of the plan, and may include projections of cost increases, and are equitable as described in subsection 39-15.1-3(b);
- (2) That attribute the cost of increased seasonal demand to customers that contribute to increased seasonal demand and that may include conservation pricing pursuant to subsection 39-15.1-3(d);
- (3) That provide for infrastructure maintenance, repair, and replacement, especially in order to meet goals for reduction of leakage and the accounting of non-billed water, that are included in a water supply system management plan; and
- (4) That provide for the establishment and maintenance of operating reserves, capital reserves, and debt service reserves as described in subsection 39-15.1-3(a).

R.I. Gen. Laws § 39-15.1-4. This multi-rate plan meets the language of this statute.

I believe the Pawtucket Water Supply Board was the first utility to request future increases under this provision in Docket #4171 and updated in Docket #4550. I have adopted the same methodology used in Docket #4550 in the step increase schedules presented on Schedules DGB-COS-11 thru DGB-COS-14. These rates are proposed to become effective January 1, 2020, January 1, 2021, January 1, 2022, and January 1, 2023.

**Q. Please start with the second year step increase in rates. How have you determined the rates for that second year?**

**A.** As shown on Schedule DGB-COS-11, I presented eight areas that would require increases for each year: (1) the new debt funding costs that we expect, (2) a 2.62% per year

1 increase to account for the new treatment facility operations contract, (3) the removal of the  
2 one time credit from chemical reserve used to reduce rates in FYE Dec 2019, (4) a 0%  
3 increase in light and power costs, (5) a 3% increase in property taxes, (6) a 2% per year  
4 increase in labor costs, (7) an inflationary increase to all other O&M expenses based on the  
5 Consumers Price index (CPI) rate of 2.5%, and (8) the inclusion of the operating reserve  
6 allowance at 1.5% on the above costs.

7

8 Based on these projections, additional rate increases of 4.99% is indicated. I have not  
9 adjusted sales or accounts in arriving at this projection. WWD proposes an across the  
10 board increase to all rates and charges for the second step.

11

12 **Q. How have you determined the rates for that third year?**

13 A. As shown on Schedule DGB-COS-12, I presented seven areas with increases for each  
14 year: (1) the new debt funding costs that we expect, (2) an increase for the new treatment  
15 facility operations contract to cover the start of the new treatment facility, (3) a 0% increase  
16 in light and power costs, (4) a 3% increase in property taxes, (5) a 2% per year increase in  
17 labor costs, (6) an inflationary increase to all other O&M expenses based on the CPI rate of  
18 2.5%, and (7) the inclusion of the operating reserve allowance at 1.5% on the above costs.

19

20 Based on these projections, additional rate increases of 6.77% is indicated. I have not  
21 adjusted sales or accounts in arriving at this projection. WWD proposes an across the  
22 board increase to all rates and charges for the third step.

23

24 **Q. How have you determined the rates for that fourth year?**

25 A. As shown on Schedule DGB-COS-13, I presented seven areas with increases for each  
26 year: (1) the new debt funding costs that we expect, (2) a 2.62% per year increase for the  
27 new treatment facility operations contract, (3) a 0% increase in light and power costs, (4) a  
28 3% increase in property taxes, (5) a 2% per year increase in labor costs, (6) an inflationary  
29 increase to all other O&M expenses based on the CPI rate of 2.5%, and (7) the inclusion of  
30 the operating reserve allowance at 1.5% on the above costs.



1 Based on these projections, additional rate increases of 13.64% is indicated. I have not  
2 adjusted sales or accounts in arriving at this projection. WWD proposes a simple across  
3 the board increase to all rates and charges for the fourth step.

4

5 **Q. How have you determined the rates for that fifth year?**

6 **A.** As shown on Schedule DGB-COS-14, I presented seven areas with increases for each  
7 year: (1) the new debt funding costs that we expect, (2) a 2.62% per year increase for the  
8 new treatment facility operations contract, (3) a 0% increase in light and power costs, (4) a  
9 3% increase in property taxes, (5) a 2% per year increase in labor costs, (6) an inflationary  
10 increase to all other O&M expenses based on the CPI rate of 2.5%, and (7) the inclusion of  
11 the operating reserve allowance at 1.5% on the above costs.

12

13 Based on these projections, additional rate increases of 11.81% is indicated. I have not  
14 adjusted sales or accounts in arriving at this projection. WWD proposes an across the  
15 board increase to all rates and charges for the fifth step.

16

17 **Q. Does that conclude your direct testimony?**

18 **A.** Yes.

# Test Year Schedules

ADJUSTED TEST YEAR  
WOONSOCKET WATER DIVISION

Schedule DGB-TY-1

ACCT. #	BUDGET ACCOUNT DESCRIPTION	TEST YEAR 12/31/17	TEST YEAR ADJUSTMENTS	ADJUSTED TEST YEAR
<b>REVENUE</b>				
<i>Revenue from Rates and Charges</i>				
41010	Water Sales	\$ 5,785,560	1 129,969	\$ 5,915,529
	Wholesale Sales	419,658	1 (93)	419,565
	Customer Service Revenue	666,430	2 1,635	668,064
	Customer Service Woon. Fire Prot.	660,854	2 1,172	662,026
	Public Fire Service Revenue	21,359	2 5,388	26,746
	Private Fire Service Revenue	112,686	2 (328)	112,358
		7,666,546	137,743	7,804,289
<i>Miscellaneous Revenue</i>				
41030	Service & Extentions	181,183	3 (59,670)	121,513
41035	Repairs	-	-	-
41040	Miscellaneous Income	26,554	3 8,071	34,625
41070	Water Surcharge	21,170		21,170
42310	Interest on Bills	116,104	3 (9,452)	106,652
42320	Interest on Investments	28,830		28,830
	Interest on Restricted Accounts	10,471	4 (10,471)	-
		-		-
		384,312	(71,523)	312,790
	<b>TOTAL REVENUE</b>	<b>\$ 8,050,859</b>	<b>66,220</b>	<b>\$ 8,117,079</b>

**ADJUSTED TEST YEAR  
WOONSOCKET WATER DIVISION**

**Schedule DGB-TY-1**

<b>ACCT. #</b>	<b>BUDGET ACCOUNT DESCRIPTION</b>	<b>TEST YEAR 12/31/17</b>	<b>TEST YEAR ADJUSTMENTS</b>	<b>ADJUSTED TEST YEAR</b>
<b>EXPENSES</b>				
<i>Personnel Expense</i>				
51110	Permanent Services	\$ 1,388,854		\$ 1,388,854
51122	Temporary Labor	19,718	5 455	20,173
51141	Overtime Pay	232,018	5 (31,732)	200,286
51144	Out of Class	367		367
51145	Longevity Pay	53,989		53,989
51146	Medical Buy Back	15,756		15,756
51147	Sick Leave Reimbursement	1,920		1,920
51148	Comp Time Reimbursement	-		-
51149	Shift Differential	9,262		9,262
51153	Non-sick/Injury Bonus	1,080		1,080
51155	Bonus for Course	17,439		17,439
51160	Retirement	535		535
<i>Total Personnel Expenses</i>		1,740,938	(31,277)	1,709,661
<i>Maintenance &amp; Servicing Expenses</i>				
52211	Postage	16,135		16,135
52212	Telephone	30,734		30,734
52213	Dues & Subscriptions	4,957	5 (2,231)	2,726
52214	Advertising	5,775	5 (2,144)	3,631
52216	Travel Out of City	184		184
52219	Educational Training	8,585		8,585
52221	Printing & Reproducing	20,937		20,937
52231	General Maint. & Upkeep	40,496		40,496
52234	Vehicle & Outside Equip. Upkeep	34,489		34,489
52236	Maintenance - Office Equipment	116		116
52238	Maintenance - Roads & Walks	62,043	5 (19,061)	42,982
52239	Computer Software	-	5 4,653	4,653
52244	Land Rental Charges	4,085	5 (1,223)	2,862
52249	Other Rentals	34,123	5 (16,197)	17,926
52251	Heating	10,654	5 (3,593)	7,061
52252	Light & Power	375,603	1 (1,073)	374,530
52255	Property & Fire Taxes	169,237		169,237
52256	Sewer Assessment	83,899		83,899
52258	State Pollution Monitoring Program	21,477		21,477
52260	Regulatory Assessments	59,724		59,724
52261	Conservation Services	-		-
52266	Police Details	1,263		1,263
52281	Other Independent Service	69,415	5 (17,759)	51,656
52282	Audit Service	3,750		3,750
52283	Legal Service	6,148		6,148
52289	Medical Examinations	-		-
52290	Engineering Service	825		825
<i>Total Maintenance &amp; Servicing Expenses</i>		1,064,653	(58,627)	1,006,026
<i>Operating Supplies &amp; Expenses</i>				
53311	Office Supplies	2,699		2,699
53321	Gas & Diesel	22,611		22,611
53322	Tires & Batteries	2,752	5 (246)	2,506
53336	Chemicals - Water Supply	-	-	-

**ADJUSTED TEST YEAR  
WOONSOCKET WATER DIVISION**

**Schedule DGB-TY-1**

ACCT. #	BUDGET ACCOUNT DESCRIPTION	TEST YEAR 12/31/17	TEST YEAR ADJUSTMENTS	ADJUSTED TEST YEAR
<i>Operating Supplies &amp; Expenses (Continued)</i>		-		
53344	Tools & Implements	2,484		2,484
53346	Cleaning & Housekeeping Supplies	1,563		1,563
53349	Other Supplies	46,433	5 (7,172)	39,261
53351	Lab Supplies	30,129		30,129
53363	Clothing & Footware	7,117	5 (1,035)	6,082
53366	Drug & Medical Supplies	402		402
53369	Clothing Allowance	4,091		4,091
<i>Total Operating Supplies &amp; Expenses</i>		120,281	(8,453)	111,828
<i>General Expenses</i>				
54413	Fiscal Certification	7,750		7,750
54415	Depreciation	782,329	6 (782,329)	(0)
54433	Pensions	267,908	7 (89,766)	178,142
54434	FICA Employer Cost	77,800	8 52,989	130,789
54446	City Service Charges	372,060		372,060
54451	Insurance - Vehicles & Equipment	113,252	10 (37,751)	75,501
54452	Insurance - Workmen's Comp	197,700	10 (65,900)	131,800
54453	Insurance - Liability	183,979	10 (61,160)	122,819
54456	Insurance - Group Life	20,955	10 (7,168)	13,787
54471	Health Insurance	599,690	9 (66,053)	533,637
54472	Dental Insurance	29,843	9 (1,983)	27,860
54493	Bad Debt Exp	-	-	-
<i>Total General Expenses</i>		2,653,264	(1,059,120)	1,594,144
<i>Restricted Account Expenses</i>				-
53336	Chemicals - Water Supply	160,469	11 235,531	396,000
54417	Operating Resrve	-	12 63,180	63,180
54463	Infrastructure Replacement	273,605	13 1,426,395	1,700,000
54464	Rate Case Expense	26,821	14 39,043	65,864
54467	Debt Service Reimbursement	422,018	15 1,177,982	1,600,000
54473	Renewal & Replace Fund	29,902	16 90,098	120,000
<i>Total Other Miscellaneous Expenses</i>		912,815	3,032,229	3,945,044
<b>TOTAL EXPENSES</b>		<b>\$ 6,491,951</b>	<b>1,874,752</b>	<b>\$ 8,366,703</b>
<b>NET INCOME/(LOSS)</b>		<b>\$ 1,558,908</b>	<b>(1,808,531)</b>	<b>\$ (249,624)</b>

- (1) = Retail Consumption 4 year average and Wholesale left at Test Year (See DGB-TY-1a & 1b)
- (2) = Customer charges and Fire Protection projected with Dec 2017 counts (See DGB-TY-1a)
- (3) = 4 year average of FY 14, FY 15, FY 16 and FYE 12/31/17 (SEE DGB-TY-1c)
- (4) = Remove interest income on restricted accounts
- (5) = 4 year average of FY 14, FY 15, FY 16 and FYE 12/31/17
- (6) = Remove Depreciation
- (7) = Unadjusted Test Year Balance had more than 12 months. Doubled Dec 2017 balance to reflect full year
- (8) = Adjusted to reflect the fica tax on the adjusted test year personnel expense
- (9) = Unadjusted Test Year Balance had more than 12 months. Left at FY 2017 level
- (10) = Unadjusted Test Year Balance had more than 12 months. Left at Dec 2017 since this balance reflected a full year
- (11) = Increased the Chemical expenditure to reflect the level granted in Docket 4320
- (12) = Adjusted the O&M Reserve expense level to reflect the amount granted in docket 4320

**ADJUSTED TEST YEAR  
WOONSOCKET WATER DIVISION**

**Schedule DGB-TY-1**

<b>ACCT. #</b>	<b>BUDGET ACCOUNT DESCRIPTION</b>	<b>TEST YEAR 12/31/17</b>	<b>TEST YEAR ADJUSTMENTS</b>	<b>ADJUSTED TEST YEAR</b>
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- (13) = Increased the IFR expenditure for Capitalized expenditures and to reflect the level granted in Docket 4320 (SEE DGB-TY-1d)
- (14) = Increased the Rate Case expenditure to reflect the level granted in Docket 4320
- (15) = Adjusted the Debt Service Reserve for principal paymts and to reflect the amount granted in docket 4320 (SEE DGB-TY-1e)
- (16) = Increased the R&R expenditure for Capitalized expenditures and to reflect the level granted in Docket 4320 (SEE DGB-TY-1f)

**Detail of Revenues by Source,  
Tariff & Rate Class  
Woonsocket Water Division**

Schedule DGB-TY-1a

		Count or Usage	Current	Test Year Revenue
<b>Public Fire Protection</b>				
<b>City of Woonsocket</b>				
4	Inch	-	\$ -	\$ -
6	Inch	-	\$ -	\$ -
				<u>\$ -</u>
<b>Other</b>				
4	Inch	9	\$ 163.74	\$ 1,474
6	Inch	53	\$ 475.62	\$ 25,208
	Per Bill	7	\$ 9.27	\$ 65
				<u>\$ 26,746</u>
<b>Total</b>				<u><u>\$ 26,746</u></u>
<b>Private Fire Protection</b>				
2	Inch	14	\$ 46.94	\$ 657
3	Inch	7	\$ 101.54	\$ 711
4	Inch	64	\$ 196.49	\$ 12,575
6	Inch	102	\$ 526.32	\$ 53,685
8	Inch	32	\$ 1,095.32	\$ 35,050
10	Inch	5	\$ 1,935.97	\$ 9,680
				<u>\$ 112,358</u>
<b>Minimum Service Charge</b>				
<b>Customer Service Charge All Ratepayers</b>				
5/8	Inch	33,920	\$ 16.82	\$ 570,534
3/4	Inch	980	\$ 20.00	\$ 19,600
1	Inch	1,536	\$ 22.55	\$ 34,637
1 1/2	Inch	244	\$ 33.89	\$ 8,269
2	Inch	520	\$ 43.82	\$ 22,786
3	Inch	24	\$ 56.85	\$ 1,364
4	Inch	36	\$ 81.59	\$ 2,937
6	Inch	24	\$ 136.90	\$ 3,286
8	Inch	20	\$ 232.51	\$ 4,650
10	Inch	-	\$ 329.47	\$ -
				<u>\$ 668,064</u>
<b>Additional Fire Protection Service Charge Only Ratepayers in Woonsocket</b>				
5/8	Inch	31,568	\$ 17.01	\$ 536,972
3/4	Inch	872	\$ 24.15	\$ 21,059
1	Inch	1,440	\$ 29.90	\$ 43,056
1 1/2	Inch	212	\$ 55.45	\$ 11,755
2	Inch	472	\$ 77.82	\$ 36,731
3	Inch	20	\$ 107.16	\$ 2,143
4	Inch	28	\$ 162.89	\$ 4,561
6	Inch	20	\$ 287.47	\$ 5,749
8	Inch	-	\$ 502.81	\$ -
10	Inch	-	\$ 721.22	\$ -
				<u>\$ 662,026</u>
				<u><u>\$ 1,330,091</u></u>
<b>Metered Rates</b>				
Wholesale	Rate per 1,000,000 gallons	92	\$ 4,544.45	\$ 419,565
Retail	Rate per 100 Cubic Feet	1,457,027	\$ 4.06	\$ 5,915,529
				<u>\$ 6,335,094</u>
<b>Total Rates and Charges</b>				<u><u>\$ 7,804,289</u></u>

Detail of Revenues by Source, Tariff & Rate Class  
Woonsocket Water Division

Schedule DGB-TY-1b

<u>Metered Rates</u>		<u>Count or Usage</u>
Wholesale	Rate per 1,000,000 gallons	
	FY 2014	52.378
	FY 2015	52.702
	FY 2016	51.995
	FYE Dec 2017	<u>92.325</u>
		<u>249.400</u>
	4 year average	62.350
	Adjusted Test Year Usage	92.325
	FY 2017	99.228
Retail	Rate per 100 Cubic Feet	
	FY 2014	1,464,982
	FY 2015	1,463,009
	FY 2016	1,475,101
	FYE Dec 2017	<u>1,425,015</u>
		<u>5,828,108</u>
	4 year average	1,457,027
	Adjusted Test Year Usage	1,457,027
	FY 2017	1,460,711.8



EXPENSE ANALYSIS--IFR RESERVE  
WOONSOCKET WATER DIVISION

Schedule DGB-TY-1c

Service & Extentions

Revenue History

FY 2014	\$	97,394
FY 2015		117,056
FY 2016		90,418
FYE Dec 2017		181,183
	\$	<u>486,051</u>

**4 year average** \$ 121,513

**Total Adjusted Test Year Revenue** \$ 121,513

**Total FYE DEC 2017 Revenue** 181,183

**Test Year Adjustment (C)** \$ (59,670)

Miscellaneous Income

Revenue History

FY 2014	\$	28,989
FY 2015		39,712
FY 2016		43,244
FYE Dec 2017		26,554
	\$	<u>138,499</u>

**4 year average** \$ 34,625

**Total Adjusted Test Year Revenue** \$ 34,625

**Total FYE DEC 2017 Revenue** 26,554

**Test Year Adjustment (C)** \$ 8,071

Interest on Bills

Revenue History

FY 2014	\$	103,409
FY 2015		112,649
FY 2016		94,446
FYE Dec 2017		116,104
	\$	<u>426,608</u>

**4 year average** \$ 106,652

**Total Adjusted Test Year Revenue** \$ 106,652

**Total FYE DEC 2017 Revenue** 116,104

**Test Year Adjustment (C)** \$ (9,452)

EXPENSE ANALYSIS--IFR RESERVE  
WOONSOCKET WATER DIVISION

Schedule DGB-TY-1d

	<u>Test Year</u>
<i>IFR Purchases Capitalized</i>	\$ 751,788
<i>Adjustment to gross up for Approved (Restricted Balance)</i>	<u>674,607</u>
<i>Test Year Adjustment (M)</i>	<u><u>\$ 1,426,395</u></u>
<i>IFR approved Docket 3800</i>	\$ 1,700,000
<i>Total FYE DEC 2017 IFR Reserve Expensed</i>	<u>273,605</u>
<i>Test Year Adjustment (M)</i>	<u><u>\$ 1,426,395</u></u>

EXPENSE ANALYSIS--DEBT SERVICE RESERVE  
WOONSOCKET WATER DIVISION

Schedule DGB-TY-1e

Test Year

**Principal Paid**

**2005 GO Bond Issue (\$3,775,000) Paid off since last  
Rate Case**

\$ -

**2003 RICWFA Bond (\$10,165,250)**

535,000

**2005 RICWFA Bond (\$4,000,000)**

204,000

**2005 RICWFA Bond (\$4,000,000)**

186,000

925,000

**Adjustment to gross up for Approved (Restricted  
Balance)**

252,982

**Test Year Adjustment (O)**

\$ 1,177,982

**Debt Service approved Docket 3800**

\$ 1,600,000

**Total FYE DEC 2017 Debt Service Reserve Expensed**

422,018

**Test Year Adjustment (O)**

\$ 1,177,982

EXPENSE ANALYSIS--R&R RESERVE  
WOONSOCKET WATER DIVISION

Schedule DGB-TY-1f

	<u>Test Year</u>
<i>R&amp;R Purchases Capitalized</i>	\$ 20,156
<i>Adjustment to gross up for Approved (Restricted Balance)</i>	<u>69,942</u>
<i>Test Year Adjustment (P)</i>	<u>\$ 90,098</u>
<i>R&amp;R approved Docket 3800</i>	\$ 120,000
<i>Total FYE DEC 2017 R&amp;R Reserve Expensed</i>	<u>29,902</u>
<i>Test Year Adjustment (P)</i>	<u>\$ 90,098</u>

FOUR YEARS OF FISCAL YEAR  
ACTUAL REVENUE & EXPENSES  
WOONSOCKET WATER DIVISION

Schedule DGB-TY-2

ACCT. #	BUDGET ACCOUNT DESCRIPTION	FY 2014 ACTUAL REVENUES	FY 2015 ACTUAL REVENUES	FY 2016 ACTUAL REVENUES	FY 2017 ACTUAL REVENUES	FYE 12/31/17
<b>REVENUE</b>						
41010	Water Sales	\$ 5,947,829	\$ 5,939,816	\$ 5,988,911	\$ 5,930,490	\$ 5,785,560
	Wholesale Sales	238,031	239,499	236,290	450,938	419,658
	Customer Service Revenue	660,120	658,668	661,834	664,779	666,430
	Customer Service Woon. Fire Prot.	654,665	652,858	655,573	658,704	660,854
	Public Fire Service Revenue	21,359	21,359	21,359	21,359	21,359
	Private Fire Service Revenue	110,986	112,904	113,368	112,792	112,686
41030	Service & Extentions	97,394	117,056	90,418	187,623	181,183
41035	Repairs	-				-
41040	Miscellaneous Income	28,989	39,712	43,244	32,322	26,554
41070	Water Surcharge	21,643	21,643	21,895	21,694	21,170
42310	Interest on Bills	103,409	112,649	94,446	96,607	116,104
42320	Interest on Investments	286	339	582	19,410	28,830
44998	Interest on Restricted Accounts	2,028	2,350	2,953	7,226	10,471
49999	Contributions			825,978		
	<b>TOTAL REVENUE</b>	<b>\$ 7,886,738</b>	<b>\$ 7,918,853</b>	<b>\$ 8,756,850</b>	<b>\$ 8,203,943</b>	<b>\$ 8,050,859</b>

**FOUR YEARS OF FISCAL YEAR  
ACTUAL REVENUE & EXPENSES  
WOONSOCKET WATER DIVISION**

Schedule DGB-TY-2

ACCT. #	BUDGET ACCOUNT DESCRIPTION	FY 2014 ACTUAL EXPENSES	FY 2015 ACTUAL EXPENSES	FY 2016 ACTUAL EXPENSES	FY 2017 ACTUAL EXPENSES	FYE 12/31/17
<b>EXPENSES</b>						
<i>Personnel Expense</i>						
51110	Permanent Services	\$ 1,038,452	\$ 1,274,715	\$ 1,312,314	\$ 1,371,791	\$ 1,388,854
51121	Temporary Clerical	-	-	5,328	-	-
51122	Temporary Labor	18,524	19,541	26,380	30,487	19,718
51141	Overtime Pay	175,897	196,886	196,342	210,736	232,018
51144	Out of Class	30,277	1,791	368	357	367
51145	Longevity Pay	42,629	47,736	49,395	54,473	53,989
51146	Medical Buy Back	19,750	18,209	21,206	15,756	15,756
51147	Sick Leave Reimbursement	-	-	2,383	1,920	1,920
51148	Comp Time Reimbursement	-	-	-	-	-
51149	Shift Differential	9,796	10,097	9,535	9,262	9,262
51153	Non-sick/Injury Bonus	250	750	750	500	1,080
51155	Bonus for Course	17,037	17,590	18,945	17,439	17,439
51160	Retirement	6,466	926	1,743	388	535
<i>Total Personnel Expenses</i>		1,359,076	1,588,241	1,644,690	1,713,108	1,740,938
<i>Maintenance &amp; Servicing Expenses</i>						
52211	Postage	24,920	15,422	15,519	16,079	16,135
52212	Telephone	20,192	17,341	19,600	28,605	30,734
52213	Dues & Subscriptions	1,370	3,238	696	2,974	4,957
52214	Advertising	3,442	2,262	3,047	5,955	5,775
52216	Travel Out of City	148	193	67	163	184
52219	Educational Training	10,305	8,754	17,074	9,298	8,585
52221	Printing & Reproducing	23,360	21,273	19,523	17,465	20,937
52231	General Maint. & Upkeep	44,651	34,449	44,500	43,692	40,496
52234	Vehicle & Outside Equip. Upkeep	35,121	34,140	45,357	32,435	34,489
52236	Maintenance - Office Equipment	306	326	427	257	116
52238	Maintenance - Roads & Walks	53,398	20,275	36,213	87,201	62,043
52239	Computer Software	3,572	8,311	6,730	1,700	-
52244	Land Rental Charges	2,556	2,043	2,043	2,043	4,085
52249	Other Rentals	5,665	5,297	26,621	31,469	34,123
52251	Heating	15,920	13,752	7,846	8,794	10,654
52252	Light & Power	296,147	376,373	334,032	377,614	375,603
52255	Property & Fire Taxes	167,979	166,409	171,265	166,478	169,237
52256	Sewer Assessment	91,048	79,694	81,650	86,464	83,899
52258	State Pollution Monitoring Program	13,935	14,002	13,541	20,816	21,477
52260	Regulatory Assessments	51,883	47,856	47,577	49,800	59,724
52261	Conservation Services	1,887	-	1,135	-	-
52266	Police Details	7,403	920	3,380	2,079	1,263
52281	Other Independent Service	46,378	43,150	47,681	51,157	69,415
52282	Audit Service	7,500	7,500	8,589	3,750	3,750
52283	Legal Service	3,327	2,038	21,716	10,233	6,148
52289	Medical Examinations	-	-	170	85	-
52290	Engineering Service	-	1,800	5,000	3,300	825
<i>Total Maintenance &amp; Servicing Expenses</i>		932,413	926,814	980,998	1,059,905	1,064,653
<i>Operating Supplies &amp; Expenses</i>						
53311	Office Supplies	2,763	3,833	2,505	1,903	2,699
53321	Gas & Diesel	33,738	28,388	23,272	24,779	22,611
53322	Tires & Batteries	1,272	2,822	3,177	4,036	2,752
53336	Chemicals - Water Supply	-	-	-	-	-
53344	Tools & Implements	3,468	3,501	3,177	5,670	2,484
53346	Cleaning & Housekeeping Supplies	2,119	1,929	1,487	1,674	1,563
53349	Other Supplies	29,839	42,481	38,293	44,163	46,433

FOUR YEARS OF FISCAL YEAR  
ACTUAL REVENUE & EXPENSES  
WOONSOCKET WATER DIVISION

Schedule DGB-TY-2

ACCT. #	BUDGET ACCOUNT DESCRIPTION	FY 2014 ACTUAL EXPENSES	FY 2015 ACTUAL EXPENSES	FY 2016 ACTUAL EXPENSES	FY 2017 ACTUAL EXPENSES	FYE 12/31/17
<i>Operating Supplies &amp; Expenses (Continued)</i>						
53351	Lab Supplies	25,151	23,931	31,387	25,694	30,129
53363	Clothing & Footware	6,546	3,205	7,461	7,158	7,117
53366	Drug & Medical Supplies	-	565	440	492	402
53369	Clothing Allowance	4,053	4,439	4,528	4,630	4,091
<i>Total Operating Supplies &amp; Expenses</i>		108,948	115,094	115,728	120,198	120,281
<i>General Expenses</i>						
54413	Fiscal Certification	5,500	6,375	7,750	7,750	7,750
54415	Depreciation	645,230	646,224	701,488	782,329	782,329
54433	Pensions	-	12,624	473,348	178,837	267,908
54434	FICA Employer Cost	103,785	108,624	117,944	130,216	77,800
54446	City Service Charges	309,735	176,141	226,689	308,893	372,060
54451	Insurance - Vehicles & Equipment	75,501	75,501	75,501	75,501	113,252
54452	Insurance - Workmen's Comp	131,800	131,800	131,800	131,800	197,700
54453	Insurance - Liability	122,319	122,319	122,319	122,319	183,979
54456	Insurance - Group Life	7,294	9,330	9,330	14,336	20,955
54471	Health Insurance	503,158	526,503	526,503	533,637	599,690
54472	Dental Insurance	34,629	32,094	46,031	27,860	29,843
	EPA Penalty	24,911	-	-	-	-
54493	Bad Debt Exp	-	-	-	-	-
<i>Total General Expenses</i>		1,963,861	1,847,534	2,438,704	2,313,477	2,653,264
<i>Restricted Account Expenses</i>						
53336	Chemicals - Water Supply	477,808	345,508	365,027	457,186	160,469
54417	Operating Resrve	-	-	-	-	-
54463	Infrastructure Replacement	36,004	21,241	61,619	98,212	273,605
54464	Rate Case Expense	27,594	17,584	33,672	22,488	26,821
54467	Debt Service Reimbursement	485,767	495,528	435,250	393,252	422,018
54473	Renewal & Replace Fund	123,254	91,879	151,173	99,844	29,902
<i>Total Other Miscellaneous Expenses</i>		1,150,427	971,740	1,046,740	1,070,982	912,815
<b>TOTAL EXPENSES</b>		<b>\$ 5,514,726</b>	<b>\$ 5,449,423</b>	<b>\$ 6,226,859</b>	<b>\$ 6,277,669</b>	<b>\$ 6,491,951</b>
<b>NET INCOME/(LOSS)</b>		<b>\$ 2,372,012</b>	<b>\$ 2,469,430</b>	<b>\$ 2,529,991</b>	<b>\$ 1,926,273</b>	<b>\$ 1,558,908</b>

**Calculation of Unadjusted Test Year  
WOONSOCKET WATER DIVISION**

Schedule DGB-TY-3

ACCT. #	BUDGET ACCOUNT DESCRIPTION	YTD 2017 12/31/16	FYE 2017 6/30/17	FYE 2017 Jan 1 - Jun 30	YTD 2018 12/31/17	FYE 12/31/17
<b>REVENUE</b>						
<i>Revenue from Rates and Charges</i>						
41010	Water Sales	\$ 3,228,472	\$ 5,930,490	\$ 2,702,018	\$ 3,083,542	\$ 5,785,560
	Wholesale Sales	259,946	450,938	190,992	228,665	419,658
	Customer Service Revenue	332,118	664,779	332,661	333,768	666,430
	Customer Service Woon. Fire Prot.	328,762	658,704	329,942	330,912	660,854
	Public Fire Service Revenue	21,359	21,359	-	21,359	21,359
	Private Fire Service Revenue	56,564	112,792	56,228	56,458	112,686
		4,227,221	7,839,062	3,611,841	4,054,705	7,666,546
<i>Miscellaneous Revenue</i>						
41030	Service & Extentions	6,440	187,623	181,183	-	181,183
41035	Repairs	-	-	-	-	-
41040	Miscellaneous Income	12,287	32,322	20,034	6,520	26,554
41070	Water Surcharge	11,804	21,694	9,890	11,280	21,170
42310	Interest on Bills	41,055	96,607	55,551	60,553	116,104
42320	Interest on Investments	6,422	19,410	12,987	15,843	28,830
	Interest on Restricted Accounts	2,779	7,226	4,447	6,024	10,471
		-	-	-	-	-
		80,787	364,881	284,093	100,219	384,312
	<b>TOTAL REVENUE</b>	<b>\$ 4,308,008</b>	<b>\$ 8,203,943</b>	<b>\$ 3,895,935</b>	<b>\$ 4,154,924</b>	<b>\$ 8,050,859</b>

**EXPENSES**

*Personnel Expense*

51110	Permanent Services	\$ 590,595	\$ 1,371,791	\$ 781,196	\$ 607,658	\$ 1,388,854
51122	Temporary Labor	20,165	30,487	10,322	9,396	19,718
51141	Overtime Pay	101,496	210,736	109,239	122,779	232,018
51144	Out of Class	194	357	163	204	367
51145	Longevity Pay	52,574	54,473	1,899	52,090	53,989
51146	Medical Buy Back	-	15,756	15,756	-	15,756
51147	Sick Leave Reimbursement	-	1,920	1,920	-	1,920
51148	Comp Time Reimbursement	-	-	-	-	-
51149	Shift Differential	-	9,262	9,262	-	9,262
51153	Non-sick/Injury Bonus	4,279	500	(3,779)	4,859	1,080
51155	Bonus for Course	-	17,439	17,439	-	17,439
51160	Retirement	8,797	388	(8,409)	8,944	535

*Total Personnel Expenses*

		778,100	1,713,108	935,007	805,930	1,740,938
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*Maintenance & Servicing Expenses*

52211	Postage	7,994	16,079	8,085	8,050	16,135
52212	Telephone	12,083	28,605	16,522	14,212	30,734
52213	Dues & Subscriptions	(15)	2,974	2,989	1,968	4,957
52214	Advertising	3,546	5,955	2,409	3,365	5,775
52216	Travel Out of City	-	163	163	21	184
52219	Educational Training	2,484	9,298	6,815	1,770	8,585
52221	Printing & Reproducing	4,228	17,465	13,237	7,700	20,937
52231	General Maint. & Upkeep	24,534	43,692	19,157	21,338	40,496
52234	Vehicle & Outside Equip. Upkeep	6,849	32,435	25,586	8,903	34,489
52236	Maintenance - Office Equipment	140	257	116	-	116
52238	Maintenance - Roads & Walks	54,822	87,201	32,378	29,664	62,043
52239	Computer Software	1,700	1,700	-	-	-
52244	Land Rental Charges	-	2,043	2,043	2,043	4,085
52249	Other Rentals	17,910	31,469	13,558	20,564	34,123
52251	Heating	1,178	8,794	7,617	3,038	10,654
52252	Light & Power	203,690	377,614	173,923	201,680	375,603
52255	Property & Fire Taxes	75,694	166,478	90,784	78,453	169,237
52256	Sewer Assessment	46,235	86,464	40,230	43,669	83,899
52258	State Pollution Monitoring Program	9,035	20,816	11,782	9,696	21,477
52260	Regulatory Assessments	35,261	49,800	14,540	45,184	59,724
52261	Conservation Services	-	-	-	-	-



Calculation of Unadjusted Test Year  
WOONSOCKET WATER DIVISION

Schedule DGB-TY-3

ACCT. #	BUDGET ACCOUNT DESCRIPTION	YTD 2017 12/31/16	FYE 2017 6/30/17	FYE 2017 Jan 1 - Jun 30	YTD 2018 12/31/17	FYE 12/31/17
52266	Police Details	1,234	2,079	845	419	1,263
52281	Other Independent Service	21,140	51,157	30,017	39,398	69,415
52282	Audit Service		3,750	3,750		3,750
52283	Legal Service	4,023	10,233	6,210	(62)	6,148
52289	Medical Examinations	85	85	-	-	-
52290	Engineering Service	2,475	3,300	825	-	825
<i>Total Maintenance &amp; Servicing Expenses</i>		536,324	1,059,905	523,580	541,073	1,064,653
<i>Operating Supplies &amp; Expenses</i>						
53311	Office Supplies	639	1,903	1,264	1,435	2,699
53321	Gas & Diesel	6,114	24,779	18,665	3,946	22,611
53322	Tires & Batteries	1,992	4,036	2,044	708	2,752
53336	Chemicals - Water Supply	-	-	-	-	-
<i>Operating Supplies &amp; Expenses (Continued)</i>						
53344	Tools & Implements	4,351	5,670	1,319	1,165	2,484
53346	Cleaning & Housekeeping Supplies	715	1,674	959	604	1,563
53349	Other Supplies	20,692	44,163	23,471	22,962	46,433
53351	Lab Supplies	11,738	25,694	13,956	16,173	30,129
53363	Clothing & Footware	881	7,158	6,277	840	7,117
53366	Drug & Medical Supplies	90	492	402	-	402
53369	Clothing Allowance	4,376	4,630	254	3,837	4,091
<i>Total Operating Supplies &amp; Expenses</i>		51,586	120,198	68,612	51,669	120,281
<i>General Expenses</i>						
54413	Fiscal Certification	2,750	7,750	5,000	2,750	7,750
54415	Depreciation	-	782,329	782,329	-	782,329
54433	Pensions	-	178,837	178,837	89,071	267,908
54434	FICA Employer Cost	52,416	130,216	77,800	-	77,800
54446	City Service Charges	154,447	308,893	154,447	217,613	372,060
54451	Insurance - Vehicles & Equipment	37,751	75,501	37,751	75,501	113,252
54452	Insurance - Workmen's Comp	65,900	131,800	65,900	131,800	197,700
54453	Insurance - Liability	61,160	122,319	61,160	122,819	183,979
54456	Insurance - Group Life	7,168	14,336	7,168	13,787	20,955
54471	Health Insurance	266,819	533,637	266,819	332,871	599,690
54472	Dental Insurance	13,930	27,860	13,930	15,913	29,843
54493	Bad Debt Exp	-	-	-	-	-
<i>Total General Expenses</i>		662,339	2,313,477	1,651,139	1,002,126	2,653,264
<i>Restricted Account Expenses</i>						
53336	Chemicals - Water Supply	396,000	457,186	61,186	99,283	160,469
54417	Operating Resrve	-	-	-	-	-
54463	Infrastructure Replacement	850,000	98,212	(751,788)	1,025,393	273,605
54464	Rate Case Expense	33,000	22,488	(10,512)	37,333	26,821
54467	Debt Service Reimbursement	1,116,670	393,252	(723,418)	1,145,436	422,018
54473	Renewal & Replace Fund	120,000	99,844	(20,156)	50,058	29,902
<i>Total Other Miscellaneous Expenses</i>		2,515,670	1,070,982	(1,444,688)	2,357,503	912,815
TOTAL EXPENSES		\$ 4,544,020	\$ 6,277,669	\$ 1,733,650	\$ 4,758,301	\$ 6,491,951
NET INCOME/(LOSS)		\$ (236,012)	\$ 1,926,273	\$ 2,162,285	\$ (603,377)	\$ 1,558,908

Test Year Balance Sheet  
WOONSOCKET WATER DIVISION

BALANCE SHEET - Assets and Other Debits		
<u>ASSETS AND OTHER DEBITS</u>	Balance per 6/30/2017 Annual Report	Balance per Test Year
(a)		
<b>UTILITY PLANT</b>		
Utility Plant (101-106)	\$54,437,041	\$54,437,041
Less: Accum Prov. for Deprec. and Amort. (108-110)	(\$22,993,634)	(\$22,993,634)
Net Utility Plant	<b>\$31,443,407</b>	<b>\$31,443,407</b>
Utility Plant Acquisition Adjustments (114-115)		
Other Utility Plant Adjustments (116)		
<b>Total Net Utility Plant</b>	<b>\$31,443,407</b>	<b>\$31,443,407</b>
<b>OTHER PROPERTY AND INVESTMENTS</b>		
Nonutility Property (Accts 121 and 122)	\$0	
Investments and Special Funds (Accts 123 - 127)	\$0	\$0
<b>Total Other Property and Investments</b>	<b>\$0</b>	<b>\$0</b>
<b>CURRENT AND ACCRUED ASSETS</b>		
Cash and Working Funds (131, 134)	\$12,645,611	\$12,297,478
Special Deposits & Other Special Deposits (132,133)	\$1,298,358	\$1,298,358
Temporary Cash Investments (135)	\$0	\$0
<b>Total Cash</b>	<b>\$13,943,969</b>	<b>\$13,595,836</b>
Customer Accounts Receivable (141)	\$2,900,898	\$2,883,316
Other Accounts Receivable (142)	\$92,310	\$28,222
Accum. Prov. for Uncollectible Accounts-Cr. (143)	(\$700,000)	(\$700,000)
Notes Receivable (144)		
Accts Rec. from Assoc. Companies & Other Entities (145)	\$941,926	\$835,001
Notes Rec. from Assoc. Companies & Other Entities (146)	\$0	\$0
Materials & Supplies (151-153)	\$0	\$0
Stores Expense (161)		
Prepayments (162)	\$0	\$0
Accrued Interest and Dividends Receivable (171)		
Accrued Utility Revenues (173)	\$0	\$0
Miscellaneous Current and Accrued Assets (174)	\$64,357	\$62,155
Other		
<b>Total Current and Accrued Assets</b>	<b>\$17,243,460</b>	<b>\$16,704,530</b>
<b>DEFERRED DEBITS</b>		
Unamortized Debt Discount and Expense (181)	\$0	\$0
Extraordinary Property Losses (182)		
Clearing Accounts (184)	\$0	\$0
Temporary Facilities (185)		
Miscellaneous Deferred Debits (186)	\$0	\$0
Research & Development Expenditures (187)	\$0	\$0
Accumulated Deferred Income Taxes (190)		
Other Deferred outflows-pension related	\$664,158	\$1,300,410
<b>Total Deferred Debits</b>	<b>\$664,158</b>	<b>\$1,300,410</b>
<b>TOTAL ASSETS &amp; OTHER DEBITS</b>	<b>\$49,351,026</b>	<b>\$49,448,348</b>

Test Year Balance Sheet  
WOONSOCKET WATER DIVISION

1 <b>BALANCE SHEET - Capital, Long-Term Debt, Liabilities, Deferred Credits and Reserves</b>		
	Balance per	Balance per
2 <b>LIABILITIES &amp; OTHER CREDITS</b>	6/30/2017	Test Year
3		
4 (a)	Annual Report	
5 <b><u>CAPITAL ACCOUNTS</u></b>		
6 Common Stock Issued (201)		
7 Preferred Stock Issued (204)		
8 Capital Stock Accounts (202, 203, 205, 206) R/E PBA	\$0	\$0
9 Other Paid-in Capital (207-212)	\$0	\$0
10 Retained Earnings (214-215)	\$33,268,506	\$32,665,129
11 Capital Stock Expense, Reacquired, Proprietary (213, 216, 218)		
12 Total Capital	<b>\$33,268,506</b>	<b>\$32,665,129</b>
13 <b><u>LONG-TERM DEBT</u></b>		
14 Long-Term Bonds in Rates (221.1)	9,980,000	\$9,024,999
15 Long -Term Bonds NOT in Rates (221.2)		
16 Other Long-Term Debt (224)	\$0	\$0
17 Advances from Associated Companies (Includes notes) (223)		
18 Total Long-Term Debt	<b>\$9,980,000</b>	<b>\$9,024,999</b>
20 <b><u>CURRENT &amp; ACCRUED LIABILITIES</u></b>		
21 Matured Long-Term Debt in Rates (239.1)	\$925,000	\$955,000
22 Matured Long-Term Debt NOT in Rates (239.2)		
23 Matured Other Long-Term Debt in Rates (239.3)	\$0	\$0
24 Matured Adv. From Assoc Cos & Other (223)		
25 Notes Payable to Assoc. Cos. & Entities (Short Term) (233 & 234)	\$1,168,096	\$1,567,654
26 Accounts Payable (231)	\$520,453	\$260,779
27 Notes Payable (Short Term due within 1 year) (232)		
28 Customer Deposits (235) CF Franchise Payable		
29 Taxes Accrued (236)		
30 Interest Accrued (237)	\$123,700	\$48,264
31 Miscellaneous Current & Accrued Liabilities (241)	\$3,320,517	\$4,881,769
32 Other (Please Specify): Deferred Revenue	\$44,754	\$44,754
33 Total Current & Accrued Liabilities	<b>\$6,102,520</b>	<b>\$7,758,220</b>
35 <b><u>DEFERRED CREDITS</u></b>		
36 Unamortized Premium on Debt (251)		
37 Customer Advances for Construction (252)		
38 Other Deferred Crs. - Water Quality Protection Fund (253.1)		
39 Other Deferred Crs. - Unearned Service Charges (253.2)	\$0	\$0
40 Acc Deferred Investment & Income Tax Credits (255, 281, 282, 283)		
41 Total Deferred Credits	<b>\$0</b>	<b>\$0</b>
43 <b><u>OPERATING RESERVES</u></b>		
44 Property Insurance Reserve (261)		
45 Injuries and Damages Reserve (262)	\$0	\$0
46 Pensions and Benefits Reserve (263)		
47 Miscellaneous Operating Reserves (265.1)		
48 Misc - Maintenance & Expansion of Utility (265.2)		
49 Total Operating Reserves	<b>\$0</b>	<b>\$0</b>
50		
51 Net Contributions in Aid of Construction (271, 272)	\$0	\$0
52		
53 <b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>\$49,351,026</b>	<b>\$49,448,348</b>

Test Year Balance Sheet-Retained Earnings  
WOONSOCKET WATER DIVISION

Schedule DGB-TY-4

page 3 of 3

Retained Earnings per 6/30/17 Annual Report	\$ 33,268,506
Net Income (7/1/17 -12/31/17) DGB-TY-3	<u>(603,377)</u>
<b>Test Year Retained Earnings</b>	<b><u><u>\$ 32,665,129</u></u></b>

# Rate Year Schedules

RATE YEAR SUMMARY  
WOONSOCKET WATER DIVISION

Schedule DGB-RY-1

	<u>Adjusted</u> <u>Test Year</u>	<u>Adjustments</u>	<u>Rate Year</u> <u>Old rates</u>	<u>Rate Increase</u>	<u>Rate Year</u> <u>New rates</u>	<u>2019</u>
Revenue	\$ 8,117,079	\$ -	\$ 8,117,079	\$ 799,205	\$ 8,916,284	9.85%
Expenses	<u>8,366,702</u>	<u>549,581</u>	<u>8,916,284</u>	<u>-</u>	<u>8,916,284</u>	
Net Profit	<u>\$ (249,623)</u>	<u>\$ (549,581)</u>	<u>\$ (799,205)</u>	<u>\$ 799,205</u>	<u>\$ -</u>	<u>*</u>

\* Net operating reserve of \$ 80,280 is already included in the Rate Year Expenses

**STATEMENT OF REVENUE - RATE YEAR  
WOONSOCKET WATER DIVISION**

**Schedule DGB-RY-2**

ACCT. #	BUDGET ACCOUNT DESCRIPTION	ADJUSTED TEST YEAR	RATE YEAR ADJUSTMENTS	RATE YEAR 12/31/19
<b>REVENUE</b>				
<i>Revenue from Rates and Charges</i>				
41010	Water Sales	\$ 5,915,529	TY -	\$ 5,915,529
	Wholesale Sales	419,565	TY -	419,565
	Customer Service Revenue	668,064	TY -	668,064
	Customer Service Woon. Fire Prot.	662,026	TY	662,026
	Public Fire Service Revenue	26,746	TY -	26,746
	Private Fire Service Revenue	112,358	TY -	112,358
		7,804,289	-	7,804,289
<i>Miscellaneous Revenue</i>				
41030	Service & Extentions	121,513	TY	121,513
41035	Repairs	-	TY	-
41040	Miscellaneous Income	34,625	TY	34,625
41070	Water Surcharge	21,170	TY	21,170
42310	Interest on Bills	106,652	TY	106,652
42320	Interest on Investments	28,830	TY	28,830
	Interest on Restricted Accounts	-		-
		312,790	-	312,790
	<b>TOTAL REVENUE</b>	\$ 8,117,079	\$ -	\$ 8,117,079

**DETAIL OF REVENUE BY SOURCE, TARIFF & RATE CLASS  
WOONSOCKET WATER DIVISION**

Schedule DGB-RY-2a

		Count or Usage	Current	Rate Year Revenue
<b>Public Fire Protection</b>				
<b>Other</b>				
4	Inch	9	\$ 163.74	\$ 1,474
6	Inch	53	\$ 475.62	\$ 25,208
	Per Bill	7	\$ 9.27	\$ 65
				<u>\$ 26,746</u>
<b>Total</b>				<u>\$ 26,746</u>
<b>Private Fire Protection</b>				
2	Inch	14	\$ 46.94	\$ 657
3	Inch	7	\$ 101.54	\$ 711
4	Inch	64	\$ 196.49	\$ 12,575
6	Inch	102	\$ 526.32	\$ 53,685
8	Inch	32	\$ 1,095.32	\$ 35,050
10	Inch	5	\$ 1,935.97	\$ 9,680
				<u>\$ 112,358</u>
<b>Minimum Service Charge</b>				
<b>Customer Service Charge All Ratepayers</b>				
5/8	Inch	33,920	\$ 16.82	\$ 570,534
3/4	Inch	980	\$ 20.00	\$ 19,600
1	Inch	1,536	\$ 22.55	\$ 34,637
1 1/2	Inch	244	\$ 33.89	\$ 8,269
2	Inch	520	\$ 43.82	\$ 22,786
3	Inch	24	\$ 56.85	\$ 1,364
4	Inch	36	\$ 81.59	\$ 2,937
6	Inch	24	\$ 136.90	\$ 3,286
8	Inch	20	\$ 232.51	\$ 4,650
10	Inch	-	\$ 329.47	\$ -
				<u>\$ 668,064</u>
<b>Additional Fire Protection Service Charge Only Ratepayers in Woonsocket</b>				
5/8	Inch	31,568	\$ 17.01	\$ 536,972
3/4	Inch	872	\$ 24.15	\$ 21,059
1	Inch	1,440	\$ 29.90	\$ 43,056
1 1/2	Inch	212	\$ 55.45	\$ 11,755
2	Inch	472	\$ 77.82	\$ 36,731
3	Inch	20	\$ 107.16	\$ 2,143
4	Inch	28	\$ 162.89	\$ 4,561
6	Inch	20	\$ 287.47	\$ 5,749
8	Inch	-	\$ 502.81	\$ -
10	Inch	-	\$ 721.22	\$ -
				<u>\$ 662,026</u>
				<u>\$ 1,330,091</u>
<b>Metered Rates</b>				
Wholesale	Rate per 1,000,000 gallons	92	\$ 4,544.45	\$ 419,565
Retail	Rate per 100 Cubic Feet	1,457,027	\$ 4.06	\$ 5,915,529
				<u>\$ 6,335,094</u>
<b>Total Rates and Charges</b>				<u>\$ 7,804,289</u>



**EXPENSE SUMMARY - RATE YEAR  
WOONSOCKET WATER DIVISION**

Schedule DGB-RY-3

ACCT. #	BUDGET ACCOUNT DESCRIPTION	ADJUSTED TEST YEAR	RATE YEAR ADJUSTMENTS	RATE YEAR 12/31/19
<b>EXPENSES</b>				
<i>Personnel Expense</i>				
51110	Permanent Services	\$ 1,388,854	(1) \$ (446,259)	\$ 942,595
51122	Temporary Labor	20,173	TY -	20,173
51141	Overtime Pay	200,286	(2) (125,179)	75,107
51144	Out of Class	367	TY -	367
51145	Longevity Pay	53,989	(1) (17,246)	36,743
51146	Medical Buy Back	15,756	(1) (6,756)	9,000
51147	Sick Leave Reimbursement	1,920	TY -	1,920
51149	Shift Differential	9,262	(3) (4,631)	4,631
51153	Non-sick/Injury Bonus	1,080	TY	1,080
51155	Bonus for Course	17,439	(4) (7,124)	10,315
51160	Retirement	535	TY	535
<i>Total Personnel Expenses</i>		1,709,661	(607,195)	1,102,465
<i>Maintenance &amp; Servicing Expenses</i>				
52211	Postage	16,135	TY	16,135
52212	Telephone	30,734	TY -	30,734
52213	Dues & Subscriptions	2,726	TY -	2,726
52214	Advertising	3,631	TY -	3,631
52216	Travel Out of City	184	TY -	184
52219	Educational Training	8,585	(3) (4,292)	4,292
52221	Printing & Reproducing	20,937	TY -	20,937
52231	General Maint. & Upkeep	40,496	(5) (40,496)	(0)
52234	Vehicle & Outside Equip. Upkeep	34,489	TY -	34,489
52236	Maintenance - Office Equipment	116	TY -	116
52238	Maintenance - Roads & Walks	42,982	TY -	42,982
52239	Computer Software	4,653	TY -	4,653
52244	Land Rental Charges	2,862	TY	2,862
52249	Other Rentals	17,926	TY	17,926
52251	Heating	7,061	TY -	7,061
52252	Light & Power	374,530	(6) 15,902	390,432
52255	Property & Fire Taxes	169,237	(7) 10,818	180,055
52256	Sewer Assessment	83,899	(5) (83,899)	0
52258	State Pollution Monitoring Program	21,477	TY -	21,477
52260	Regulatory Assessments	59,724	(16) 5,526	65,250
52261	Conservation Services	-	TY	-
52266	Police Details	1,263	TY -	1,263
52281	Other Independent Service	51,656	TY -	51,656
52282	Audit Service	3,750	TY	3,750
52283	Legal Service	6,148	TY	6,148
52289	Medical Examinations	-	TY -	-
52290	Engineering Service	825	TY -	825
<i>Total Maintenance &amp; Servicing Expenses</i>		1,006,026	(96,442)	909,584
<i>Operating Supplies &amp; Expenses</i>				
53311	Office Supplies	2,699	TY -	2,699
53321	Gas & Diesel	22,611	TY -	22,611
53322	Tires & Batteries	2,506	TY -	2,506
53336	Chemicals - Water Supply	-	TY -	-

**EXPENSE SUMMARY - RATE YEAR  
WOONSOCKET WATER DIVISION**

**Schedule DGB-RY-3**

ACCT. #	BUDGET ACCOUNT DESCRIPTION	ADJUSTED TEST YEAR	RATE YEAR ADJUSTMENTS	RATE YEAR 12/31/19
<i>Operating Supplies &amp; Expenses (Continued)</i>				
	Plant Operating Contract existing		(8) 1,941,000	1,941,000
	Plant Operating Contract (Chem Crdt)		(9) (145,717)	(145,717)
53344	Tools & Implements	2,484	TY -	2,484
53346	Cleaning & Housekeeping Supplies	1,563	TY -	1,563
53349	Other Supplies	39,261	(3) (19,631)	19,631
53351	Lab Supplies	30,129	(5) (30,129)	(0)
53363	Clothing & Footware	6,082	(3) (3,041)	3,041
53366	Drug & Medical Supplies	402	TY	402
53369	Clothing Allowance	4,091	(3) (2,046)	2,046
<i>Total Operating Supplies &amp; Expenses</i>		111,828	1,740,437	1,852,265
<i>General Expenses</i>				
54413	Fiscal Certification	7,750	TY	7,750
54433	Pensions	178,142	(1) (58,663)	119,479
54434	FICA Employer Cost	130,789	(1) (46,450)	84,339
54446	City Service Charges	372,060	TY 1	372,060
54451	Insurance - Vehicles & Equipment	75,501	(10) -	75,501
54452	Insurance - Workmen's Comp	131,800	(10) (50,084)	81,716
54453	Insurance - Liability	122,819	(10) (998)	121,821
54456	Insurance - Group Life	13,787	(10) 549	14,336
54471	Health Insurance	533,637	(10) 49,081	582,718
54472	Dental Insurance	27,860	(10) 1,610	29,470
54493	Bad Debt Exp	-		-
<i>Total General Expenses</i>		1,594,145	(104,955)	1,489,190
<i>Restricted Account Expenses</i>				
53336	Chemicals - Water Supply	396,000	(5) (396,000)	-
54417	Operating Resrve	63,180	(11) 17,100	80,280
54463	Infrastructure Replacement	1,700,000	(12) (365,000)	1,335,000
54464	Rate Case Expense (Unrestricted)	65,864	(13) (3,364)	62,500
54467	Debt Service Reimbursement	1,600,000	(14) 365,000	1,965,000
54473	Renewal & Replace Fund	120,000	(15) -	120,000
<i>Total Other Miscellaneous Expenses</i>		3,945,044	(382,264)	3,562,780
<b>TOTAL EXPENSES</b>		<b>\$ 8,366,703</b>	<b>\$ 549,581</b>	<b>\$ 8,916,284</b>

TY = Item left at Test Year level for the Rate Year DGB-RY-5

(1) = Payroll adjustment DGB-RY-4

(2) = Overtime Payroll adjustment to remove Water Plant Employees from Rate Year (62.5%)

(3) = Remove Plant related Expenses (50% of total) which in the Rate year will be covered by SUEZ Contract

(4) = Bonus for Course Payroll adjustment to remove Water Plant Employees from Rate Year

(5) = Remove Plant related Expenses (100% of total) which in the Rate year will be covered by SUEZ Contract

(6) = Light & Power adjustment DGB-RY-6.

(7) = Property Tax adjustment DGB-RY-7.

(8) = Add Plant related Expenses covered by SUEZ Contract (SUEZ assumed operations at Jan 1, 2019)

(9) = Credit for balance in Chemical restricted account at Dec 31, 2018 DGB-RY-10.

(10) = Insurance adjustment DGB-RY-8

(11) = Operating Reserve calculated at 1.5% of Total Expense before operating reserve.

(12) = IFR adjustment DGB-RY-11.

EXPENSE SUMMARY - RATE YEAR  
WOONSOCKET WATER DIVISION

Schedule DGB-RY-3

ACCT. #	BUDGET ACCOUNT DESCRIPTION	ADJUSTED TEST YEAR	RATE YEAR ADJUSTMENTS	RATE YEAR 12/31/19
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(13) = Rate Case adjustment 200,000 amortized over 3 years

(14) = Debt Service adjustment DGB-RY-12.

(15) = Renewal & Replacement adjustment DGB-RY-13.

(16) = Regulatory Assessment adjustment calculated at 0.73% of Increase in revenue DGB-RY-1

**LABOR EXPENSE SUMMARY - RATE YEAR  
WOONSOCKET WATER DIVISION**

Schedule WEE-4

POSITIONS	TEST YEAR	RATE YEAR ADJUSTMENTS	(a)		RATE YEAR LONGEVITY PERCENTAGE	RATE YEAR Longevity	RATE YEAR Medical Buy Back
			12/31/19	12/31/19			
PUBLIC WORKS DIRECTOR	9,500	14,042		23,542	0.0%	-	-
PUB WORKS ADMIN CLERK	37,856	(29,540)		8,316	5.6%	462	-
WATER DIV. & OUTSIDE CREW SUP	80,069	1,028		81,097	6.3%	5,090	-
WATER SUPPLY INSPECTOR	34,042	797		34,839	0.0%	-	-
CITY ENGINEER	27,104	1,521		28,625	0.0%	-	-
WATER DIV ENGINEER	46,063	973		47,036	5.9%	2,793	-
WATER DIV ENGINEER AIDE	43,866	1,143		45,009	6.0%	2,701	3,000
WATER T/D SUP	59,186	1,315		60,501	6.9%	4,176	-
SR WATER FOREPERSON	45,707	964		46,671	5.9%	2,773	-
WATER FOREPERSON	38,885	786		39,671	3.3%	1,302	-
WATER DIV EQUIP OPERATOR	38,313	1,022		39,335	6.0%	2,369	-
HEAVY EQUIPMENT OPERATORS	67,685	4,260		71,945	2.6%	1,877	3,000
UTILITY PERSON	116,066	13,128		129,194	1.5%	1,895	3,000
METER FOREPERSON	35,838	(2,812)		33,026	3.3%	1,103	-
METER READERS	63,774	20,203		83,977	1.7%	1,427	-
MANAGERIAL ACCOUNTANT	50,553	1,091		51,644	6.4%	3,323	-
PRINCIPAL CLERK TYPIST	30,168	559		30,727	5.6%	1,724	-
SR WATER DIV ACCT CLERK	29,034	847		29,881	5.6%	1,665	-
WATER ACCOUNTS CLERK	27,506	2,057		29,563	0.0%	-	-
WATER WORKS CLERK	24,927	3,069		27,996	7.4%	2,063	-
CHEMIST/BACTERIOLOGIST	59,186	(59,186)		-	6.4%	-	-
PLANT MASTER MAINT MECHANIC	45,266	(45,266)		-	6.0%	-	-
WATER TREAT PLANT OPERATOR	228,635	(228,635)		-	7.7%	-	-
Other Personnel City Service support	149,626	(149,626)		-	1.7%	-	-
<b>TOTAL SALARIES</b>	<b>1,388,854</b>	<b>(446,259)</b>		<b>942,595</b>		<b>36,743</b>	<b>9,000</b>

*Total Permanent Services + Longevity* 979,338  
 12.20% (Test Year rate was 12.3%)  
119,479

*Total Personnel Expenses* 1,102,465 (c)  
 7.65%  
84,339

(a) obtained from DGB-RY-4a  
 (b) obtained from DGB-RY-4b  
 (c) obtained from DGB-RY-3

LABOR EXPENSE - RATE YEAR  
WOONSOCKET WATER DIVISION

POSITIONS	Test Year #	TEST YEAR	Interim Year #	INTERIM YEAR	Rate Year #	CY 2019 increase PERCENTAGE	increase	RATE YEAR 12/31/19
PUBLIC WORKS DIRECTOR	1	9,500	1	23,542	1	0.0%	-	23,542
PUB WORKS ADMIN CLERK	1	37,856	1	8,316	1	0.0%	-	8,316
WATER DIV. & OUTSIDE CREW SUP	1	80,069	1	81,097	1	0.0%	-	81,097
WATER SUPPLY INSPECTOR	1	34,042	1	34,839	1	0.0%	-	34,839
CITY ENGINEER	1	27,104	1	28,625	1	0.0%	-	28,625
WATER DIV ENGINEER	1	46,063	1	47,036	1	0.0%	-	47,036
WATER DIV ENGINEER AIDE	1	43,866	1	45,009	1	0.0%	-	45,009
WATER T/D SUP	1	59,186	1	60,501	1	0.0%	-	60,501
SR WATER FOREPERSON	1	45,707	1	46,671	1	0.0%	-	46,671
WATER FOREPERSON	1	38,885	1	39,671	1	0.0%	-	39,671
WATER DIV EQUIP OPERATOR	1	38,313	1	39,335	1	0.0%	-	39,335
HEAVY EQUIPMENT OPERATORS	1.9	67,685	2	71,945	2	0.0%	-	71,945
UTILITY PERSON	3.58	116,066	4	129,194	4	0.0%	-	129,194
METER FOREPERSON	1	35,838	1	33,026	1	0.0%	-	33,026
METER READERS	2.17	63,774	3	83,977	3	0.0%	-	83,977
MANAGERIAL ACCOUNTANT	1	50,553	1	51,644	1	0.0%	-	51,644
PRINCIPAL CLERK TYPIST	1	30,168	1	30,727	1	0.0%	-	30,727
SR WATER DIV ACCT CLERK	1	29,034	1	29,881	1	0.0%	-	29,881
WATER ACCOUNTS CLERK	1	27,506	1	29,563	1	0.0%	-	29,563
WATER WORKS CLERK	1	24,927	1	27,996	1	0.0%	-	27,996
CHEMIST/BACTERIOLOGIST	1	59,186	1	60,501	0	0.0%	-	-
PLANT MASTER MAINT MECHANIC	1	45,266	1	47,437	0	0.0%	-	-
WATER TREAT PLANT OPERATOR	5.75	228,635	8	291,201	0	0.0%	-	-
Other Personnel City Service support		149,626		187,501				
<b>TOTAL SALARIES</b>	<b>32.4</b>	<b>1,388,854</b>	<b>36</b>	<b>1,529,235</b>	<b>26</b>			<b>942,595</b>

Test Year

During the Test Year the number of positions varied from 28 to 31 per the Annual Report which did include the retiring Superintendent. The retiring Superintendent as cover for the last two months during the Test Year which as covered by outside contractors..

Interim Year

Has all position filled as of the end of June 2011 fully funded for the year and FY has no contractual increases.

Rate Year

The Superintendent's position is expected to be filled by a new hiring.

**LABOR EXPENSE - INTERIM YEAR BUDGET**  
**WOONSOCKET WATER DIVISION**

Schedule WEE-4b

POSITIONS	Interim Year #	Base Salary	Medical Coshare	INTERIM YEAR 12/31/2018	LONGEVITY PERCENTAGE
PUBLIC WORKS DIRECTOR	1	23,701	(159)	23,542	0.0%
PUB WORKS ADMIN CLERK	1	8,390	(74)	8,316	5.6%
WATER DIV. & OUTSIDE CREW SUP	1	84,842	(3,745)	81,097	6.3%
WATER SUPPLY INSPECTOR	1	36,342	(1,503)	34,839	0.0%
CITY ENGINEER	1	28,985	(360)	28,625	0.0%
WATER DIV ENGINEER	1	50,781	(3,745)	47,036	5.9%
WATER DIV ENGINEER AIDE	1	45,009	-	45,009	6.0%
WATER T/D SUP	1	64,246	(3,745)	60,501	6.9%
SR WATER FOREPERSON	1	50,416	(3,745)	46,671	5.9%
WATER FOREPERSON	1	43,416	(3,745)	39,671	3.3%
WATER DIV EQUIP OPERATOR	1	43,080	(3,745)	39,335	6.0%
HEAVY EQUIPMENT OPERATORS	2	75,690	(3,745)	71,945	2.6%
UTILITY PERSON	4	140,429	(11,235)	129,194	1.5%
METER FOREPERSON	1	36,771	(3,745)	33,026	3.3%
METER READERS	3	95,212	(11,235)	83,977	1.7%
MANAGERIAL ACCOUNTANT	1	55,389	(3,745)	51,644	6.4%
PRINCIPAL CLERK TYPIST	1	34,472	(3,745)	30,727	5.6%
SR WATER DIV ACCT CLERK	1	33,626	(3,745)	29,881	5.6%
WATER ACCOUNTS CLERK	1	33,308	(3,745)	29,563	0.0%
WATER WORKS CLERK	1	31,741	(3,745)	27,996	7.4%
CHEMIST/BACTERIOLOGIST	1	64,246	(3,745)	60,501	6.4%
PLANT MASTER MAINT MECHANIC	1	51,182	(3,745)	47,437	6.0%
WATER TREAT PLANT OPERATOR	8	315,175	(23,974)	291,201	7.7%
Other Personnel City Service support		192,997	(5,496)	187,501	1.0%
<b>TOTAL SALARIES</b>	<b>36</b>	<b>1,639,446</b>	<b>(110,211)</b>	<b>1,529,235</b>	

EXPENSES LEFT AT TEST YEAR LEVELS  
WOONSOCKET WATER DIVISION

Schedule DGB-RY-5

ACCT. #	BUDGET ACCOUNT DESCRIPTION	FY 2014 ACTUAL EXPENSES	FY 2015 ACTUAL EXPENSES	FY 2016 ACTUAL EXPENSES	FY 2017 ACTUAL EXPENSES	ADJUSTED TEST YEAR
<b>EXPENSES</b>						
<i>Personnel Expense</i>						
51122	Temporary Labor	\$ 18,524	\$ 19,541	\$ 26,380	\$ 30,487	\$ 20,173
51144	Out of Class	30,277	1,791	368	357	367
51147	Sick Leave Reimbursement	-	-	2,383	1,920	1,920
51153	Non-sick/Injury Bonus	250	750	750	500	1,080
51160	Retirement	6,466	926	1,743	388	535
<i>Total Personnel Expenses</i>		55,516	23,007	31,624	33,651	24,074
<i>Maintenance &amp; Servicing Expenses</i>						
52211	Postage	24,920	15,422	15,519	16,079	16,135
52212	Telephone	20,192	17,341	19,600	28,605	30,734
52213	Dues & Subscriptions	1,370	3,238	696	2,974	2,726
52214	Advertising	3,442	2,262	3,047	5,955	3,631
52216	Travel Out of City	148	193	67	163	184
52221	Printing & Reproducing	23,360	21,273	19,523	17,465	20,937
52234	Vehicle & Outside Equip. Upkeep	35,121	34,140	45,357	32,435	34,489
52236	Maintenance - Office Equipment	306	326	427	257	116
52238	Maintenance - Roads & Walks	53,398	20,275	36,213	87,201	42,982
52239	Computer Software	3,572	8,311	6,730	1,700	4,653
52244	Land Rental Charges	2,556	2,043	2,043	2,043	2,862
52249	Other Rentals	5,665	5,297	26,621	31,469	17,926
52251	Heating	15,920	13,752	7,846	8,794	7,061
52256	Sewer Assessment	91,048	79,694	81,650	86,464	83,899
52258	State Pollution Monitoring Program	13,935	14,002	13,541	20,816	21,477
52261	Conservation Services	1,887	-	1,135	-	-
52266	Police Details	7,403	920	3,380	2,079	1,263
52281	Other Independent Service	46,378	43,150	47,681	51,157	51,656
52282	Audit Service	7,500	7,500	8,589	3,750	3,750
52283	Legal Service	3,327	2,038	21,716	10,233	6,148
52289	Medical Examinations	-	-	170	85	-
52290	Engineering Service	-	1,800	5,000	3,300	825
<i>Total Maintenance &amp; Servicing Expenses</i>		361,448	292,974	366,549	413,023	353,455
<i>Operating Supplies &amp; Expenses</i>						
53311	Office Supplies	2,763	3,833	2,505	1,903	2,699
53321	Gas & Diesel	33,738	28,388	23,272	24,779	22,611
53322	Tires & Batteries	1,272	2,822	3,177	4,036	2,506
53336	Chemicals - Water Supply	-	-	-	-	-
53344	Tools & Implements	3,468	3,501	3,177	5,670	2,484
53346	Cleaning & Housekeeping Supplies	2,119	1,929	1,487	1,674	1,563
<i>Operating Supplies &amp; Expenses (Continued)</i>						
53366	Drug & Medical Supplies	-	565	440	492	402
<i>Total Operating Supplies &amp; Expenses</i>		40,598	37,206	31,554	36,651	29,566
<i>General Expenses</i>						
54413	Fiscal Certification	5,500	6,375	7,750	7,750	7,750
54446	City Service Charges	309,735	176,141	226,689	308,893	372,060
54493	Bad Debt Exp	-	-	-	-	-
<i>Total General Expenses</i>		315,235	182,516	234,439	316,643	379,810
<b>TOTAL EXPENSES</b>		<b>\$ 772,797</b>	<b>\$ 535,703</b>	<b>\$ 664,167</b>	<b>\$ 799,967</b>	<b>\$ 786,904</b>

**ANALYSIS OF LIGHT & POWER EXPENSE  
WOONSOCKET WATER DIVISION**

**Schedule DGB-RY-6**

**Light & Power**

*National Grid*

*Direct Energy Business*

*Total*

Adjusted Test Year	adjustment	Rate Year	
\$ 155,750	\$ 15,902	\$ 171,652	+10.21%
218,780	-	218,780	+0.00%
\$ 374,530	\$ 15,902	\$ 390,432	

National Grid  
Direct Energy Business

FY 2017 ACTUAL EXPENSES
\$ 157,038
\$ 220,588
<u>\$ 377,626</u>

ADJUSTED TEST YEAR
-0.82% \$ 155,750
-0.82% \$ 218,780
<u>\$ 374,530</u>

**Consumption**

Wholesale (FY 2017 -99 MG / Test Year - 92MG)

Retail

132,629	HCF
<u>1,460,712</u>	HCF
<u>1,593,341</u>	

123,251
<u>1,457,027</u>
<u>1,580,278</u>

-0.82%  
Change in  
Consumption



**ANALYSIS OF PROPERTY TAX EXPENSE  
WOONSOCKET WATER DIVISION**

**Schedule DGB-RY-7**

	<b>Adjusted Test Year</b>	<b>Interim Year</b>	<b>Rate Year</b>	<b>Percentage over Interim Year</b>
<b>PROPERTY TAXES</b>				
NORTH SMITHFIELD	\$ 116,323	\$ 120,652	\$ 125,142	3.72%
BLACKSTONE	21,843	22,187	22,537	1.58%
LINCOLN	14,178	14,443	14,714	1.87%
SMITHFIELD	15,692	16,072	16,461	2.42%
MANVILLE	535	535	535	0.00%
ALBION	666	666	666	0.00%
<i>Total</i>	\$ 169,237	\$ 174,556	\$ 180,055	

Interim year was obtained from the FY 2018 & FY 2019 property tax bills.

	<b>Adjusted Test Year</b>	<b>adjustment</b>	<b>Rate Year</b>
<b>PROPERTY TAXES</b>			
NORTH SMITHFIELD	\$ 116,323	\$ 8,819	\$ 125,142
BLACKSTONE	21,843	694	22,537
LINCOLN	14,178	536	14,714
SMITHFIELD	15,692	769	16,461
MANVILLE	535	-	535
ALBION	666	-	666
<i>Total</i>	\$ 169,237	\$ 10,818	\$ 180,055

**ANALYSIS OF INSURANCE EXPENSES  
WOONSOCKET WATER DIVISION**

Schedule DGB-RY-8

	Adjusted Test Year	adjustment	Rate Year	
<i>Insurance</i>				
54451 Insurance - Vehicles & Equipment	\$ 75,501	\$ -	\$ 75,501	(1)
54452 Insurance - Workmen's Comp	131,800	(50,084)	81,716	(1)
54453 Insurance - Liability	122,819	(998)	121,821	(1)
54456 Insurance - Group Life	13,787	549	14,336	(2)
54471 Health Insurance	533,637	49,081	582,718	(2)
54472 Dental Insurance	27,860	1,610	29,470	(2)

**(1) Net Adjustment for Vehicle, Workers Comp and Liability Insurance**

	Adjusted Test Year		Interim Year		Rate Year	Percentage over Interim Year	
<i>Insurance</i>							
54451 Insurance - Vehicles & Equipment	\$ 75,501		\$ 75,501		\$ 75,501	0.00%	(1)
54452 Insurance - Workmen's Comp	131,800		131,800		81,716	*	(1)
54453 Insurance - Liability	122,819		122,319		121,821	-0.41%	(1)

Interim year was obtained from half of FY 2018 Budget Report plus half of FY 2019 Budget report

\* reflects the percentage of Test year salaries vs Rate Year salaries (62%)

**(2) Net Adjustment for Premium increase and Employees not included in Rate Year**

	Insurance - Group Life	Health Insurance	Dental Insurance	
CHEMIST/BACTERIOLOGIST	614.00	17,146.00	1,350.00	
PLANT MASTER MAINT MECHANIC	327.00	17,146.00	1,331.00	
1 WATER TREAT PLANT OPERATOR	327.00	0.00	0.00	Has medical buy back in TY
2 WATER TREAT PLANT OPERATOR	327.00	0.00	0.00	Has medical buy back in TY
3 WATER TREAT PLANT OPERATOR	327.00	17,146.00	1,331.00	
4 WATER TREAT PLANT OPERATOR	327.00	17,146.00	1,331.00	
5 WATER TREAT PLANT OPERATOR	327.00	17,146.00	1,331.00	
6 WATER TREAT PLANT OPERATOR	327.00	2,867.46	177.47	Position Partially Vacant in TY
7 WATER TREAT PLANT OPERATOR	327.00	5,709.62	141.86	Position Partially Vacant in TY
8 WATER TREAT PLANT OPERATOR	0.00	0.00	0.00	Position Vacant in TY
Other Personnel City Service support	1,069.00	32,448.00	2,561.00	

Costs for Employees included in Test Year 4,299.00 126,755.08 9,554.33 (A)

FY 2017 Rates 614.00 17,146.00 1,350.00

FY 2019 Rates 614.00 18,723.00 1,428.00

increase 0% 9% 6% (B)

**Calculation of Net Adjustment**

FY 2017 Balance	\$ 14,336	\$ 533,637	\$ 27,860
employees not included in rate year	<u>(4,299)</u>	<u>(126,755)</u>	<u>(9,554)</u> (A)
	10,037	406,882	18,306
increase in rates	<u>0%</u>	<u>9%</u>	<u>6%</u> (B)
	<u>\$ 14,336</u>	<u>\$ 582,718</u>	<u>\$ 29,470</u>

ANALYSIS OF RESTRICT CASH  
ACCOUNTS REQUIRED FUNDING  
 WOONSOCKET WATER DIVISION

Schedule DGB-RY-9

2017 Ending  
Balance

**Cash Balances**

**Revenue - General Fund Cash Balance**

Cash Balance at 12/31/17	\$	3,318,582	
Required transfer to Chemical		(141,086)	
Required transfer to Debt		(1,161,163)	
Required transfer to IFR		(663,422)	
Revised Balance	\$	1,352,911	This leaves a 4 month working capital available for operations

**Chemical Reserve Cash Balance**

Cash Balance at 12/31/17	\$	102,632	
Required transfer from Revenue		141,086	
Revised Balance	\$	243,717	

**R&R Reserve Cash Balance**

Cash Balance at 12/31/17	\$	127,716	
Required transfer from Revenue		-	
Revised Balance	\$	127,716	

**Debt Service Reserve Cash Balance**

Cash Balance at 12/31/17	\$	15,423	
Required transfer from Revenue		1,161,163	
Revised Balance	\$	1,176,586	

**IFR Reserve Cash Balance**

Cash Balance at 12/31/17	\$	7,356,657	
Required transfer from Revenue		663,422	
Revised Balance	\$	8,020,079	

**ANALYSIS OF RESTRICT CASH ACCOUNTS REQUIRED FUNDING  
WOONSOCKET WATER DIVISION**

**Schedule DGB-RY-9a**

<b>ACCT. #</b>	<b>IFR (Fund 14)</b>	<b>R&amp;R (Fund 16)</b>	<b>Debt (Fund 17)</b>	<b>Chemical (Fund 18)</b>	<b>Rate Case (Fund 19)</b>
Transfer need per D#4320 Com 5-1	\$ 1,936,462.00	\$ -	\$ -	\$ -	\$ -
<b>FY 2012 Required Fund</b>	1,074,811.00	150,000.00	1,832,067.00	296,000.00	129,864.00
FY 2012 Funding Transferred	-1,255,657.51	-142,000.00	-1,580,433.07	-200,000.00	-129,864.00
<b>FY 2013 Required Fund</b>	1,231,030.00	129,534.00	1,673,753.00	498,501.00	
FY 2013 Funding Transferred	0.00	-85,000.00	-1,400,000.00	-489,600.00	
<b>FY 2014 Required Fund</b>	1,700,000.00	123,254.00	1,600,000.00	477,808.00	
FY 2014 Funding Transferred	-4,014,506.00	-120,528.00	-1,542,743.18	-465,515.18	
<b>FY 2015 Required Fund</b>	1,700,000.00	120,000.00	1,600,000.00	396,000.00	
FY 2015 Funding Transferred	0.00	-200,000.00	-1,340,528.00	-360,000.00	
<b>FY 2016 Required Fund</b>	1,700,000.00	374,635.00	1,600,000.00	396,000.00	
IFR Reimbursement from Loan	961,304.65				
FY 2016 Funding Transferred	-4,352,130.22	-374,456.90	-1,308,391.00	-432,000.00	
<b>FY 2017 Required Fund</b>	1,700,000.00	219,916.58	1,600,000.00	396,000.00	
IFR Reimbursement from Loan	0.00				
FY 2017 Funding Transferred	-859,630.00	-215,000.00	-1,317,116.00	-396,000.00	
<b>Jul17-Dec 17 Required Fund</b>	875,292.00	135,645.32	890,000.00	203,891.78	
IFR Reimbursement from Loan	0.00				
Jul17-Dec 17 Funding transferred	-1,733,553.98	-116,000.00	-1,145,445.32	-180,000.00	
<b>Required transfer at 12/31/17</b>	<u>\$ 663,421.94</u>	<u>\$ -</u>	<u>\$ 1,161,163.43</u>	<u>\$ 141,085.60</u>	<u>\$ -</u>

**Woonsocket Water Division**  
**Chemical**  
**Sources and Uses of Funds**  
**Projected FY 2012 - FY 2015**

**Schedule DGB-RY-10**

Source of Funds	Interim <u>CY 2018</u>	Rate Year <u>CY 2019</u>	<u>CY 2020</u>	<u>CY 2021</u>	<u>CY 2022</u>
Current Funding Level Under Docket 4320	396,000		-	-	-
New Docket effective 1/1/19 proposed Interest	-	-	-	-	-
Carryover funds from prior year estimated	243,717	145,717	0	0	0
	-	-	-	-	-
<b>Total Sources</b>	<b>639,717</b>	<b>145,717</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Less obligated uses of funds</b>					
Chemicals	189,400		-	-	-
Carbon	304,600		-	-	-
Residual used to offset rates		145,717	-	-	-
	-	-	-	-	-
<b>Total Uses</b>	<b>494,000</b>	<b>145,717</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b><u>\$145,717</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

**Woonsocket Water Division  
Infrastructure Replacement Fund  
Sources and Uses of Funds  
Projected FY 2018 - FY 2023**

**Schedule DGB-RY-11**

	Interim <u>CY 2018</u>	Rate Year <u>CY 2019</u>	<u>CY 2020</u>	<u>CY 2021</u>	<u>CY 2022</u>	<u>CY 2023</u>	<u>CY 2024-38</u>	<u>Total</u>
<b>Source of Funds</b>								
Current Funding Level Under Docket 4320	1,700,000	1,335,000	1,335,000	1,335,000	1,335,000	1,335,000	20,025,000	20,025,000
New Docket effective 1/1/19 proposed Interest	1,507,365	-	-	-	-	-	-	1,507,365
Payments made direct from GF (CY 17)	29,745,425	19,305,000	4,202,375	-	-	-	-	53,252,800
Payments made by New Loan Phase 1, 2 & 3	-	-	-	-	-	-	-	-
Paid by Future loan (for distributions project after plant Completion)	-	-	-	-	-	-	-	-
Carryover funds from prior year estimated	<u>\$ 8,020,079</u>	<u>5,597,444</u>	<u>5,432,444</u>	<u>5,267,444</u>	<u>5,102,444</u>	<u>4,937,444</u>	<u>32,679,336</u>	<u>32,679,336</u>
<b>Total Sources</b>	<b>40,972,869</b>	<b>26,237,444</b>	<b>10,969,819</b>	<b>6,602,444</b>	<b>6,437,444</b>	<b>6,272,444</b>		<b>115,484,580</b>
<b>Less obligated uses of funds:</b>								
New WTP	33,245,425	19,305,000	4,202,375	-	-	-	-	56,752,800
CDM Oversight	2,000,000	-	-	-	-	-	-	2,000,000
Dist fire (New IFR Plan)	-	-	-	-	-	-	6,944,500	14,244,500
IRP Update (New IFR Plan)	-	-	-	-	-	1,300,000	200,000	400,000
Prelim Design (New IFR Plan)	-	-	-	-	-	200,000	-	130,000
Dist Pipe (New IFR Plan)	130,000	1,500,000	1,500,000	1,500,000	1,500,000	-	39,059,800	39,059,800
Trans Mains (New IFR Plan)	-	-	-	-	-	-	2,897,500	2,897,500
<b>Total Uses</b>	<b>35,375,425</b>	<b>20,805,000</b>	<b>5,702,375</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>		<b>115,484,600</b>
<b>Ending Cash Reserve Balance</b>	<b>\$5,597,444</b>	<b>\$5,432,444</b>	<b>\$5,267,444</b>	<b>\$5,102,444</b>	<b>\$4,937,444</b>	<b>\$4,772,444</b>		<b>\$1,695,644</b>
								<b>Balance at 2038</b>

Total 2018	
IFR 20 Yr Plan	\$ 56,752,800
	\$ 2,000,000
	\$ 14,244,500
	\$ 400,000
	\$ 130,000
	\$ 39,059,800
	\$ 2,897,500
	\$ 115,484,600

Woonsocket Water Division  
 Debt Service  
 Sources and Uses of Funds  
 Projected FY 2018 - FY 2023

Schedule DGB-RY-12

Source of Funds	Interim CY 2018	Rate Year CY 2019	CY 2020	CY 2021	CY 2022	CY 2023
Current Funding Level Under Docket 4320	1,600,000	-	-	-	-	-
New Docket effective 1/1/19 proposed	-	1,965,000	2,135,000	2,470,000	3,695,000	4,895,000
Carryover funds from prior year estimated	1,176,586	1,414,707	1,173,972	1,101,095	768,490	483,734
	-	-	-	-	-	-
<b>Total Sources</b>	<b>2,776,586</b>	<b>3,379,707</b>	<b>3,308,972</b>	<b>3,571,095</b>	<b>4,463,490</b>	<b>5,378,734</b>
<b>Less obligated uses of funds</b>						
10m 2003 RICWFA (CY2024)	754,470	755,438	749,802	747,982	744,544	744,710
4m 2005 RICWFA (CY2025)	279,998	279,718	280,110	280,110	282,456	279,996
4.4m 2013 RICWFA (CY2033)	278,498	278,333	278,737	278,628	278,062	278,044
RIIB loan Phase 1	48,913	248,084	248,072	248,059	943,059	1,006,915
RIIB loan Phase 2	-	555,524	512,791	512,791	1,359,791	1,359,244
RIIB loan Phase 3	-	88,640	138,365	735,036	371,845	1,271,105
	-	-	-	-	-	-
Due from Water O&M fund	-	-	-	-	-	-
<b>Total Uses</b>	<b>1,361,879</b>	<b>2,205,735</b>	<b>2,207,877</b>	<b>2,802,605</b>	<b>3,979,756</b>	<b>4,940,015</b>
<b>Total</b>	<b>\$1,414,707</b>	<b>\$1,173,972</b>	<b>\$1,101,095</b>	<b>\$768,490</b>	<b>\$483,734</b>	<b>\$438,719</b>
<b>Increase in funding</b>		(A) <b>365,000</b>	<b>170,000</b>	<b>335,000</b>	<b>1,225,000</b>	<b>1,200,000</b>

(A) Increase in funding for CY 2019 is revenue neutral as a result from a reduction in the IFR funding in the same amount (See Schedule DGB-RY-11)

**DEBT SERVICE SUMMARY - RATE YEAR**  
**WOONSOCKET WATER DIVISION**

Schedule DGB-RY-12a

Debt Service -- Principal & Interest Amounts Due to Bondholders*	Interim Year (CY 18)	Rate Year (CY 19)	Rate Year (CY 20)	Rate Year (CY 21)	Rate Year (CY 22)	Rate Year (CY 23)
<b>2003 RICWFA Bond (\$10,165,250)</b>						
(IFR)	555,000	580,000	600,000	625,000	650,000	680,000
Issued---5/13/03....Maturity---9/1/24	199,470	175,438	149,802	122,982	94,544	64,710
Interest 3.4945%	754,470	755,438	749,802	747,982	744,544	744,710
<b>2005 RICWFA Bond (\$4,000,000)</b>						
(IFR)	211,000	218,000	226,000	234,000	242,000	251,000
Issued---3/23/05....Maturity---9/1/25	68,998	61,718	54,110	46,110	40,456	28,996
Interest 3.4945%	279,998	279,718	280,110	280,110	282,456	279,996
<b>WTP RJCWFA Bond (Beg Const. &amp; Interconnect)</b>						
(IFR) (\$4,400,000)	189,000	192,000	196,000	200,000	204,000	209,000
Issued---5/8/13....Maturity---9/1/33	89,498	86,333	82,737	78,628	74,062	69,044
Interest 3.4945%	278,498	278,333	278,737	278,628	278,062	278,044
<b>WTP RIIB Bond (Phase 1)</b>						
(IFR) (\$12,500,000)	1,000	1,000	1,000	1,000	634,000	648,000
Issued---6/15/18....Maturity---9/1/37	47,913	247,084	247,072	247,059	309,059	338,915
Interest 2.48%	48,913	248,084	248,072	248,059	943,059	1,006,915
<b>Total Existing Debt</b>						
Principal Due	\$ 956,000	\$ 991,000	\$ 1,023,000	\$ 1,060,000	\$ 1,730,000	\$ 1,788,000
Interest & CWFA Fees Due	\$ 405,879	\$ 570,572	\$ 533,721	\$ 494,779	\$ 518,121	\$ 521,666
Total Due	\$ 1,361,879	\$ 1,561,572	\$ 1,556,721	\$ 1,554,779	\$ 2,248,121	\$ 2,309,666
<b>WTP RIIB Bond (Phase 2)</b>						
(IFR) (\$16,971,000)	-	-	512,791	512,791	512,791	847,000
Principal Due net of Prin Forgiveness	-	-	512,791	512,791	512,791	847,000
Interest & Fees Due	-	555,524	512,791	512,791	1,359,791	490,244
Total Due	-	555,524	512,791	512,791	1,359,791	1,359,244
<b>WTP RIIB Bond (Phase 3)</b>						
(IFR) (\$27,673,000)	-	-	138,365	735,036	-	268,000
Principal Due net of Prin Forgiveness	-	-	138,365	735,036	-	268,000
Interest & Fees Due	-	88,640	138,365	735,036	371,845	1,003,105
Total Due	-	88,640	138,365	735,036	371,845	1,271,105
<b>Total - All Bond Issues</b>						
Principal Due	\$ 956,000	\$ 991,000	\$ 1,023,000	\$ 1,060,000	\$ 2,577,000	\$ 2,925,000
Interest & CWFA Fees Due	\$ 405,879	\$ 1,214,735	\$ 1,184,877	\$ 1,742,605	\$ 1,402,756	\$ 2,015,015
Total Due	\$ 1,361,879	\$ 2,205,735	\$ 2,207,877	\$ 2,802,605	\$ 3,979,756	\$ 4,940,015

**Footnote on security pledged on borrowing**

All RICWFA debt is secured by the Water Division's Revenue. Each year the WWD must certify they will obtain sufficient revenues to cover 125% of the annual Debt service payment.



**DEBT SERVICE SUMMARY - RATE YEAR**  
**WOONSOCKET WATER DIVISION**

Schedule DGB-RY-12b

	2003 RICWFA Bond (\$10,165,250)	2005 RICWFA Bond (\$4,000,000)	2013 RICWFA Bond (\$4,400,000)	2018 RIIB Bond (\$12,500,000) Phase 1	2018 RIIB Bond (\$16,971,000) Phase 2	2019 RIIB Bond (\$27,673,000) Phase 3	Total
2018	754,470	279,998	278,498	48,913	-	-	1,361,879
2019	755,438	279,718	278,333	248,084	555,524	88,640	2,205,736
2020	749,802	280,110	278,737	248,072	512,791	138,365	2,207,877
2021	747,982	280,110	278,628	248,059	512,791	735,036	2,802,606
2022	744,544	282,456	278,062	943,859	1,359,791	371,845	3,980,557
2023	744,710	279,996	278,044	1,006,915	1,359,244	1,271,105	4,940,015
2024	743,158	279,808	278,559	1,005,817	1,359,737	1,274,516	4,941,595
2025		281,162	278,580	1,006,730	1,358,975	2,028,351	4,953,799
2026			278,049	1,006,280	1,359,895	2,301,473	4,945,697
2027			277,971	1,006,697	1,359,208	2,305,093	4,948,969
2028			278,366	1,006,249	1,359,388	2,308,621	4,952,623
2029			278,310	1,006,669	1,359,554	2,312,084	4,956,618
2030			278,735	1,006,460	1,359,345	2,316,389	4,960,929
2031			278,439	1,005,233	1,359,747	2,319,457	4,962,876
2032			278,390	1,006,409	1,359,491	2,323,948	4,968,238
2033			278,919	1,005,135	1,359,101	2,328,049	4,971,204
2034				1,005,663	1,359,620	2,622,799	4,988,082
2035				1,006,226	1,358,983	2,626,794	4,992,003
2036				1,005,521	1,359,137	2,631,789	4,996,447
2037				997,685	1,359,079	2,635,741	4,992,505
2038						4,947,795	4,947,795
				16,820,674	23,331,401	39,887,890	91,978,046

Analysis of Debt Service Coverage  
Woonsocket Water Division

Schedule DGB-RY-13

	RY-12b Total Debt	Funding Debt Service	Funding IFR	Total	Debt Service Coverage	
2018	1,361,879	1,600,000	1,700,000	3,300,000	242%	
2019	2,205,736	1,965,000	1,335,000	3,300,000	150%	Rate Year
2020	2,207,877	2,135,000	1,335,000	3,470,000	157%	RY Year 2 Step Increase
2021	2,802,606	2,470,000	1,335,000	3,805,000	136%	RY Year 3 Step Increase
2022	3,980,557	3,695,000	1,335,000	5,030,000	126%	RY Year 4 Step Increase
2023	4,940,015	4,895,000	1,335,000	6,230,000	126%	RY Year 5 Step Increase
2024	4,941,595	4,895,000	1,335,000	6,230,000	126%	
2025	4,953,799	4,895,000	1,335,000	6,230,000	126%	
2026	4,945,697	4,895,000	1,335,000	6,230,000	126%	
2027	4,948,969	4,895,000	1,335,000	6,230,000	126%	
2028	4,952,623	4,895,000	1,335,000	6,230,000	126%	
2029	4,956,618	4,895,000	1,335,000	6,230,000	126%	
2030	4,960,929	4,895,000	1,335,000	6,230,000	126%	
2031	4,962,876	4,895,000	1,335,000	6,230,000	126%	
2032	4,968,238	4,895,000	1,335,000	6,230,000	125%	
2033	4,971,204	4,895,000	1,335,000	6,230,000	125%	
2034	4,988,082	4,895,000	1,335,000	6,230,000	125%	
2035	4,992,003	4,895,000	1,335,000	6,230,000	125%	
2036	4,996,447	4,895,000	1,335,000	6,230,000	125%	
2037	4,992,505	4,895,000	1,335,000	6,230,000	125%	
2038	4,947,795	4,895,000	1,335,000	6,230,000	126%	

**Woonsocket Water Division  
Renewal & Replacement  
Sources and Uses of Funds  
Projected FY 2018 - FY 2023**

**Schedule DGB-RY-14**

<b>Source of Funds</b>	<b><u>CY 2018</u></b>	<b><u>Interim CY 2019</u></b>	<b><u>Rate Year CY 2020</u></b>	<b><u>CY 2021</u></b>	<b><u>CY 2022</u></b>	<b><u>CY 2023</u></b>
Current Funding Level Under Docket 4320	150,000		-	-	-	-
New Docket effective 1/1/19 proposed		120,000	120,000	120,000	120,000	120,000
Interest	120	-	-	-	-	-
Carryover funds from prior year estimated	127,716	72,836	62,836	52,836	42,836	32,836
	-	-	-	-	-	-
<b>Total Sources</b>	<b><u>277,836</u></b>	<b><u>192,836</u></b>	<b><u>182,836</u></b>	<b><u>172,836</u></b>	<b><u>162,836</u></b>	<b><u>152,836</u></b>
<b>Less obligated uses of funds</b>						
Vehicles	10,000	10,000	10,000	10,000	10,000	10,000
Equipment	10,000	15,000	15,000	15,000	15,000	15,000
Furniture	-	-	-	-	-	-
Building Improvement	-	-	-	-	-	-
Plant Improvements	70,000	-	-	-	-	-
T&D Improvements	25,000	20,000	20,000	20,000	20,000	20,000
Meters	80,000	80,000	80,000	80,000	80,000	80,000
Pump Station	10,000	5,000	5,000	5,000	5,000	5,000
	-	-	-	-	-	-
<b>Total Uses</b>	<b><u>205,000</u></b>	<b><u>130,000</u></b>	<b><u>130,000</u></b>	<b><u>130,000</u></b>	<b><u>130,000</u></b>	<b><u>130,000</u></b>
<b>Total</b>	<b><u>\$72,836</u></b>	<b><u>\$62,836</u></b>	<b><u>\$52,836</u></b>	<b><u>\$42,836</u></b>	<b><u>\$32,836</u></b>	<b><u>\$22,836</u></b>

# **Cost of Service Schedules**

**Allocation of Net Revenue Requirement to Functional Categories**

**Woonsocket Water Division**

Allocator      Rate Year      Supply/ Treatment      Trans & Distribution      Pumping/ Storage      Meter/ Service      Billing Collection      Direct Fire      General/ Administration

<i>Personnel Expense</i>													
51110	L	\$	942,595	\$	17,420	\$	257,101	\$	176,857	\$	130,743	116,845	243,631
	L		-		-		-		-		-	-	-
	K		20,173		-		10,087		5,043		-	5,043	-
51141	L		75,107		1,388		20,486		14,092		10,418	9,310	19,413
51144	L		367		7		100		69		51	46	95
51145	L		36,743		679		10,022		6,894		5,096	4,555	9,497
51146	L		9,000		166		2,455		1,689		1,248	1,116	2,326
51147	L		1,920		35		524		360		266	238	496
51148	L		4,631		86		1,263		869		642	574	1,197
51149	L		1,080		20		294		203		150	134	279
51153	L		10,315		191		2,814		1,935		1,431	1,279	2,666
51155	L		535		10		146		100		74	66	138
<i>Total Personnel Expenses</i>													
			1,102,465		20,001		305,291		208,111		150,119	139,205	279,738
<i>Maintenance &amp; Servicing Expenses</i>													
52211	B		16,135		-		-		-		16,135	-	-
52212	G		30,734		-		-		-		-	-	30,734
52213	G		2,726		-		-		-		-	-	2,726
52214	G		3,631		-		-		-		-	-	3,631
52216	G		184		-		-		-		-	-	184
52219	G		4,292		-		-		-		-	-	4,292
52221	G		20,937		-		-		-		-	-	20,937
52231	E		-		-		-		-		-	-	-
52234	G		34,489		-		-		-		-	-	34,489
52236	G		116		-		-		-		-	-	116
52238	K		42,982		-		21,491		10,746		-	10,746	-
52239	G		4,653		-		-		-		-	-	4,653
52244	S		2,862		2,862		-		-		-	-	-
52249	S		17,926		17,926		-		-		-	-	-
52251	HE		7,061		3,531		-		-		-	-	3,531
52252	F		390,432		381,842		-		-		8,590	-	-
52255	S		180,055		180,055		-		-		-	-	-
52256	S		0		0		-		-		-	-	-
52258	S		21,477		21,477		-		-		-	-	-
52260	G		65,250		-		-		-		-	-	65,250
52261	S		-		-		-		-		-	-	-
52266	D		1,263		-		1,263		-		-	-	-
52281	G		51,656		-		-		-		-	-	51,656
52282	G		3,750		-		-		-		-	-	3,750
52283	G		6,148		-		-		-		-	-	6,148
52289	L		-		-		-		-		-	-	-
52290	R		823		558		212		41		9	2	-
<i>Total Maintenance &amp; Servicing Expenses</i>													
			909,584		608,252		22,966		10,755		16,135	10,748	232,097

**Allocation of Net Revenue Requirement to Functional Categories**

**Woonsocket Water Division**

	Allocator	Rate Year	Supply/ Treatment	Trans & Distribution	Pumping/ Storage	Meter/ Service	Billing Collection	Direct Fire	General/ Administration
<i>Operating Supplies &amp; Expenses</i>									
53311	G	2,699	-	-	-	-	-	-	2,699
53321	G	22,611	-	-	-	-	-	-	22,611
53322	G	2,506	-	-	-	-	-	-	2,506
53336	S	-	-	-	-	-	-	-	-
		1,941,000	1,941,000	-	-	-	-	-	-
		(145,717)	(145,717)	-	-	-	-	-	-
53344	G	2,484	-	-	-	-	-	-	2,484
53346	G	1,563	-	-	-	-	-	-	1,563
53349	G	19,631	-	-	-	-	-	-	19,631
53351	S	(0)	(0)	-	-	-	-	-	-
53363	L	3,041	56	829	-	571	422	377	786
53366	L	402	7	110	-	75	56	50	104
53369	L	2,046	38	558	-	384	284	254	529
<i>Total Operating Supplies &amp; Expenses</i>		1,852,265	1,795,384	1,497	-	1,030	761	680	52,912
<i>General Expenses</i>									
54413	R	7,750	5,258	1,997	389	85	-	20	-
54415	R	-	-	-	-	-	-	-	-
54433	L	119,479	2,208	32,589	-	22,418	16,572	14,811	30,882
54434	L	84,339	1,559	23,004	-	15,824	11,698	10,455	21,799
54446	I	372,060	7,069	20,835	744	3,349	44,275	744	295,044
54451	G	75,501	-	-	-	-	-	-	75,501
54452	L	81,716	1,510	22,289	-	15,332	11,334	10,130	21,121
54453	G	121,821	-	-	-	-	-	-	121,821
54456	L	14,336	265	3,910	-	2,690	1,988	1,777	3,705
54471	L	582,718	10,769	158,941	-	109,334	80,826	72,234	150,614
54472	L	29,470	545	8,038	-	5,529	4,088	3,653	7,617
54999	L	-	-	-	-	-	-	-	-
<i>Total General Expenses</i>		1,489,190	29,183	271,603	1,134	174,561	170,782	113,824	728,104
<i>Restricted Account Expenses</i>									
53336	S	-	-	-	-	-	-	-	-
54412		-	-	-	-	-	-	-	-
54421		-	-	-	-	-	-	-	-
54463	R	1,335,000	905,775	343,918	67,093	14,683	-	3,531	-
54464	G	62,500	-	-	-	-	-	-	62,500
54467	R	1,965,000	1,333,219	506,217	98,755	21,613	-	5,197	-
54467	R	-	-	-	-	-	-	-	-
54473	R	120,000	81,418	30,914	6,031	1,320	-	317	-
<i>Total Other Miscellaneous Expenses</i>		3,482,500	2,320,412	881,049	171,878	37,616	-	9,045	62,500
<i>TOTAL EXPENSES</i>		8,836,004	4,773,232	1,482,406	181,643	432,072	337,799	273,502	1,355,351

Allocation of Net Revenue Requirement to Functional Categories

Woonsocket Water Division

	Allocator	Rate Year	Supply/ Treatment	Trans & Distribution	Pumping/ Storage	Meter/ Service	Billing Collection	Direct Fire	General/ Administration
54417	J	80,280	43,367	13,468	1,650	3,926	3,069	2,485	12,314
<i>Less:</i>									
	A	(121,513)	-	(60,756)	-	(60,756)	-	-	-
	J	(34,625)	(18,704)	(5,809)	(712)	(1,693)	(1,324)	(1,072)	(5,311)
	J	(106,652)	(57,614)	(17,893)	(2,192)	(5,215)	(4,077)	(3,301)	(16,359)
	R	(28,830)	(19,561)	(7,427)	(1,449)	(317)	-	(76)	-
	J	(21,170)	(11,436)	(3,552)	(435)	(1,035)	(809)	(655)	(3,247)
	J	-	-	-	-	-	-	-	-
<b>TOTAL NET REVENUE REQUIREMENT</b>									
		8,603,494	4,709,285	1,400,437	178,505	366,981	334,657	270,883	1,342,747
<b>PERCENTAGE</b>									
			54.7%	16.3%	2.1%	4.3%	3.9%	3.1%	15.6%





Development of Allocation Symbol J  
Woonsocket Water Division

*TOTAL EXPENSES - Obtained from schedule DGB-COS-1 page 2 of 3*

Supply/ Treatment	\$ 4,773,232	54.02%
Transmission & Distribution	1,482,406	16.78%
Pumping/ Storage	181,643	2.06%
Meter/ Service	432,072	4.89%
Billing Collection	337,799	3.82%
Direct Fire	273,502	3.10%
General/ Administration	<u>1,355,351</u>	<u>15.34%</u>
Total	<u>\$ 8,836,004</u>	<u>100.00%</u>



Allocation of Assets to Functional Categories

Schedule DGB-COS-1D

Woonsocket Water Division

Allocator	Rate Year	Supply/ Treatment	Trans & Distribution	Pumping/ Storage	Meter/ Service	Billing Collection	Direct Fire	General/ Administration
	\$	\$	\$	\$	\$	\$	\$	\$
Intangible Plant	698,912	698,912	-	-	-	-	-	-
Source of Supply	585,511	-	-	585,511	-	-	-	-
Pumping Plant	74,005,379	74,005,379	-	-	-	-	-	-
Water Treatment Plant	-	-	-	-	-	-	-	-
Transmission & Distribution Plant	1,646,493	1,646,493	-	-	-	-	-	-
Transmission/Supply Mains	28,541,843	-	28,541,843	-	-	-	-	-
Distribution Mains	4,965,777	-	-	4,965,777	-	-	-	-
Storage	1,234,699	-	-	-	1,234,699	-	-	-
Meters	292,793	-	-	-	-	-	292,793	-
Hydrants	36,681,604	1,646,493	28,541,843	4,965,777	1,234,699	-	292,793	-
Subtotal T&D	902,432	612,285	232,481	45,353	9,926	-	2,387	-
General Plant	112,873,839	76,963,069	28,774,324	5,596,641	1,244,625	-	295,180	-
TOTAL		68.19%	25.49%	4.96%	1.10%	0.00%	0.26%	0.00%

	FY 2017 per				Rate Year Balance
	Annual Report filed with RIPUC	June 2017 thru December 2017 Additions	Interim Year Additions	Rate Year Additions	
Intangible Plant	698,912	-	-	-	698,912
Source of Supply	585,511	-	-	-	585,511
Pumping Plant	17,839,487	1,615,467	35,245,425	19,305,000	74,005,379
Water Treatment Plant	-	-	-	-	-
Transmission & Distribution Plant	1,646,493	-	-	-	1,646,493
Transmission/Supply Mains	26,270,937	770,905	-	1,500,000	28,541,843
Distribution Mains	4,965,777	-	-	-	4,965,777
Storage	1,234,699	-	-	-	1,234,699
Meters	292,793	-	-	-	292,793
Hydrants	34,410,699	770,905	-	1,500,000	36,681,604
Subtotal T&D	902,432	-	-	-	902,432
General Plant	54,437,041	2,386,373	35,245,425	20,805,000	112,873,839
Total					

Allocation of Net Revenue Requirement to Functional Categories

Schedule DGB-COS-2

Woonsocket Water Division

	Allocator	Rate Year	Wholesale/ Base	Retail Only	Fire Protection	Meter/ Service	Billing
Supply/ Treatment	WB	\$ 4,709,285	\$ 4,662,192	\$ -	\$ 47,093	\$ -	\$ -
Transmission & Distribution	TD	1,400,437	654,609	477,586	268,242	-	-
Pumping/ Storage	PS	178,505	178,275	148	81	-	-
Meter/ Service	MS	366,981	-	-	-	366,981	-
Billing Collection	BC	334,657	-	-	-	-	334,657
Direct Fire	FP	270,883	-	-	270,883	-	-
<i>Sub-total</i>		7,260,748	5,495,076	477,735	586,299	366,981	334,657
General/ Administration	GA	1,342,746	1,016,217	88,349	108,426	67,867	61,889
<i>Total</i>		8,603,494	6,511,293	566,083	694,725	434,848	396,546

Explanation of Symbols Used to Allocate to Rate Schedule Elements      **Schedule DGB-COS-2A**  
**Woonsocket Water Division**

Explanation	Allocator	Wholesale/ Base	Retail Only	Fire Protection	Meter/ Service	Billing	Total
99% To Wholesale/Base element and 1% to Fire Protection	WB	99.00%	0.00%	1.00%	0.00%	0.00%	100.00%
Allocation based on service mains- --SEE SCHEDULE DGB-COS-2B	TD	46.74%	34.10%	19.15%	0.00%	0.00%	100.00%
Allocation based on Pumping Stations- --SEE SCHEDULE DGB-COS-2C	PS	99.87%	0.08%	0.05%	0.00%	0.00%	100.00%
100% Metering and Customer service Pipes	MS	0.00%	0.00%	0.00%	100.00%	0.00%	100.00%
100% Billing and collection	BC	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%
100% Direct Fire	FP	0.00%	0.00%	100.00%	0.00%	0.00%	100.00%
Applied to Operating Revenue in proportion to all other expenses --SEE SCHEDULE DGB-COS-2D	GA	75.68%	6.58%	8.07%	5.05%	4.61%	100.00%

**Development of Allocation Symbols TD & TD-IFR**

Schedule DGB-COS-2B

**Woonsocket Water Division**

Inch-Feet of Pipe	In-Ft	%	Allocator	Wholesale/ Base	Retail Only	Fire Protection	Meter/ Service	Billing
Transmission	3,186,696	47.22%	WB	46.74%	0.00%	0.47%	0.00%	0.00%
Distribution	3,562,586	52.78%	*	0.00%	34.10%	18.68%	0.00%	0.00%
<b>TOTAL</b>	<b>6,749,282.3</b>	<b>100.00%</b>		<b>46.74%</b>	<b>34.10%</b>	<b>19.15%</b>	<b>0.00%</b>	<b>0.00%</b>
			TD	46.74%	34.10%	19.15%	0.00%	0.00%

\* Diamond Hill and Highland provides service to Retail only.

	GPM	Percent
Max Day (Retail)	6389	64.61%
Fire Demand	3500	35.39%
<b>Max Day Plus Fire</b>	<b>9889</b>	<b>100.00%</b>

\*\* Non-Wholesale costs assigned all to retail in order to recover IFR costs

Inch-Feet of Pipe		
Distribution Size (Inches)	Feet	In-Feet
1	1,086	1,086
1.25	239	299
1.5	568	852
2	3,926	7,852
2.5	533	1,333
3	93	279
4	11,320	45,280
6	132,667	796,002
8	323,803	2,590,424
10	11,918	119,180
		<u>3,562,586</u>

Transmission		
Size (Inches)	Feet	In-Feet
12	119,541	1,434,492
14	647	9,058
16	12,003	192,048
18	18,526	333,468
20	17,581	351,620
24	14,460	347,040
30	17,299	518,970
		<u>3,186,696</u>

Development of Allocation Symbol PS

Schedule DGB-COS-2C

Woonsocket Water Division

Pump Station	MG	%	Allocator	Wholesale/ Base	Retail Only	Fire Protection	Meter/ Service	Billing
Rhodes Ave	29.5	0.04%	*	0.04%	0.00%	0.00%	0.00%	0.00%
Mt. St. Charles	75,200.0	99.83%	*	99.83%	0.00%	0.00%	0.00%	0.00%
Diamond Hill	81.2	0.11%	**	0.00%	0.07%	0.04%	0.00%	0.00%
Highland Indust. Park	15.7	0.02%	**	0.00%	0.01%	0.01%	0.00%	0.00%
<b>TOTAL</b>	<b>75,326.4</b>	<b>100.00%</b>		<b>99.87%</b>	<b>0.08%</b>	<b>0.05%</b>	<b>0.00%</b>	<b>0.00%</b>
			PS	99.87%	0.08%	0.05%	0.00%	0.00%

\* Rhodes Ave. and Mount St. Charles provides service to wholesale/base.

\*\* Diamond Hill and Highland provides service to Retail only.

GPM	Percent
6389	64.61%
3500	35.39%
9889	100.00%

100.00%      0.00%      0.00%      0.00%      0.00%

0.00%      64.61%      35.39%      0.00%      0.00%

Development of Allocation Symbol GA  
Woonsocket Water Division

*TOTAL NON-GENERAL & ADMIN COSTS - Obtained from schedule DGB-COS-2*

Wholesale/ Base	\$ 5,495,076	75.68%
Retail	477,735	6.58%
Fire Protection	586,299	8.07%
Meter/ Service	366,981	5.05%
Billing	<u>334,657</u>	4.61%
Total	<u>\$ 7,260,748</u>	<u>100.00%</u>



Units of Service  
Woonsocket Water Division

*Water Use Data*

	Million Gallons	100 Cu Ft
Total Production (mg)	1,269.700	1,697,460
Wholesale Sales (mg)	92.325	123,429
Retal Sales		
Test Year	1,089.856	1,457,027
Adjustments	-	-
Rate Year	1,089.856	1,457,027

*Number of Bills*

	Total
Retal Sales	
Quarterly Bills	37,304
Semiannual Bills	-
Private Fire	700
Public Fire	9
Total Billing	38,013

*Fire Service Data*

*Public Fire Hydrants*

Size	Total Accounts
4	29
6	1,541
	1,570

*Private Sprinklers*

Size	Total Accounts	Equivalency Ratio	* Equivalency
2	14	4.58	64
3	7	6.30	44
4	64	9.58	613
6	102	16.88	1,722
8	32	29.56	946
10	5	42.40	212
	224		3,601

\* Equivalentents based on meter equivalentents

Units of Service  
Woonsocket Water Division

Meters By Size

Meter Size	Total Accounts	Equivalency Ratio	Meter Equivalency
5/8	8,480	1.00	8,480
3/4	245	1.42	348
1	384	1.76	675
1 1/2	61	3.26	199
2	130	4.58	595
3	6	6.30	38
4	9	9.58	86
6	6	16.90	101
8	5	29.56	148
10	-	42.40	-
	9,326		10,670

Meter Size	Woonsocket Accounts	Equivalency Ratio	Meter Equivalency
5/8	7,892	1.00	7,892
3/4	218	1.42	310
1	360	1.76	633
1 1/2	53	3.26	173
2	118	4.58	540
3	5	6.30	32
4	7	9.58	67
6	5	16.90	85
8	-	29.56	-
10	-	42.40	-
	8,658		9,730

Meter Size	Outside Woonsocket Accounts	Equivalency Ratio	Meter Equivalency
5/8	588	1.00	588
3/4	27	1.42	38
1	24	1.76	42
1 1/2	8	3.26	26
2	12	4.58	55
3	1	6.30	6
4	2	9.58	19
6	1	16.90	17
8	5	29.56	148
10	-	42.40	-
	668		940

Determination of Water Rates  
Woonsocket Water Division

Schedule DGB-COS-4

**RY 2019**

*Wholesale Water Rate*

Retail Sales	1,090
Wholesale Sales	92
Total Sales	<u>1,182</u>
Plus Unbilled & unacctd for	88
Total Production *	<u>1,270</u>
Wholesale Sales	92
<b>Wholesale Percentage</b>	<b>7.27%</b>

\* reduced by 6.89% for estimated loss

Wholesale/ Base Costs	\$ 6,511,293
Wholesale Percentage	x 7.27%
Net Required Wholesale	<u><u>473,461</u></u>

Net Required Wholesale	\$ 473,461		
Wholesale Sales	92		
Rate per 1000 gallons	<u><u>\$ 5.13</u></u>	<u><u>\$ 5,128.21</u></u>	Rate per 1,000,000 gallons

*Retail Water Rate*

Wholesale/ Base Costs	\$ 6,511,293
Retail Costs	566,083
Subtotal	<u>7,077,376</u>

Less:

Net Required Wholesale	<u>473,461</u>
------------------------	----------------

Net Required Retail	<u><u>\$ 6,603,915</u></u>
---------------------	----------------------------

Net Required Retail	\$ 6,603,915		
Retail Sales	1,090	<u>1,457,027</u>	
Rate per 1000 gallons	<u><u>\$ 6.06</u></u>	<u><u>\$ 4.54</u></u>	Rate per 100 Cubic Feet

**Determination of Fire Protection Charges**  
**Woonsocket Water Division**

Schedule DGB-COS-5

RY 2019

Fire Protection Costs      \$    694,725

***Public Fire Hydrants***

Size	Total Accounts	Demand Factor	Number of Equivalents	Percentage of Demand	Allocated Rev. Require.
4	29	38.32	1,111		
6	1,541	111.31	171,529		
	1,570		172,640	87.9%	\$ 610,734

***Private Sprinklers***

Size	Total Accounts	Demand Factor	Number of Equivalents	Percentage of Demand	Allocated Rev. Require.
2	14	6.19	87		
3	7	17.98	126		
4	64	38.32	2,452		
6	102	111.31	11,354		
8	32	237.21	7,591		
10	5	426.58	2,133		
	224		23,742	12.1%	\$ 83,991

Grand Total      1,794      196,382      100%      \$ 694,725

**Public Fire Charges**

Allocated Costs      \$ 610,734  
 No. of Equivalents      172,640  
 Rate per Equivalent      \$ 3.54

Size	Rate per Equivalent	Demand Factor	Charge per Hydrant
4	\$ 3.54	38.32	\$ 135.56
6	\$ 3.54	111.31	\$ 393.77

Plus: \$ 10.43 Per Bill (See Schedule DGB-8)

**Private Fire Charges**

Allocated Costs      \$ 83,991  
 No. of Equivalents      23,742  
 Rate per Equivalent      \$ 3.54

Size	Rate per Equivalent	Demand Factor	Charge per Service	Billing Charge	Service Charge	Total Charge
2	\$ 3.54	6.19	\$ 21.90	\$ 10.43	\$ 13.94	\$ 46.27
3	\$ 3.54	17.98	63.61	10.43	19.20	93.24
4	\$ 3.54	38.32	135.56	10.43	29.18	175.17
6	\$ 3.54	111.31	393.77	10.43	51.50	455.70
8	\$ 3.54	237.21	839.16	10.43	90.08	939.66
10	\$ 3.54	426.58	1,509.08	10.43	129.20	1,648.71

**Determination of Customer Service Charges**  
**Woonsocket Water Division**

Schedule DGB-COS-6

**RY 2019**

***Billing Charges***

Billing Charges	\$ 396,546	
No. of Bills	38,013	See Schedule DGB-5
Rate per Bill	<u>\$ 10.43</u>	

***Meter/Service Charges***

Meter/Service Charges	\$ 434,848
Meter Allocated (90%)	\$ 391,363
No. of EQ. Meters	10,670
Rate per Eq. Meter/Yr	<u>\$ 36.68</u>
Service Allocated (10%)	\$ 43,485
No. of EQ. Services	14,270
Rate per Eq. Service/Yr	<u>\$ 3.05</u>

Size	Rate per Equivalent	Meter Charge	Service Charge	Total Meter/Service Charge
5/8	1.00	\$ 36.68	\$ 3.05	\$ 39.73
3/4	1.42	\$ 52.09	\$ 4.33	\$ 56.41
1	1.76	\$ 64.48	\$ 5.36	\$ 69.84
1 1/2	3.26	\$ 119.58	\$ 9.93	\$ 129.51
2	4.58	\$ 167.81	\$ 13.94	\$ 181.75
3	6.30	\$ 231.08	\$ 19.20	\$ 250.28
4	9.58	\$ 351.24	\$ 29.18	\$ 380.42
6	16.90	\$ 619.89	\$ 51.50	\$ 671.38
8	29.56	\$ 1,084.25	\$ 90.08	\$ 1,174.32
10	42.40	\$ 1,555.22	\$ 129.20	\$ 1,684.42

***Total Service Charges per Quarter***

Size	Meter/Service Charge	Billing Charge	Total Meter/Service Charge
5/8	\$ 9.93	\$ 10.43	\$ 20.36
3/4	\$ 14.10	\$ 10.43	\$ 24.53
1	\$ 17.46	\$ 10.43	\$ 27.89
1 1/2	\$ 32.38	\$ 10.43	\$ 42.81
2	\$ 45.44	\$ 10.43	\$ 55.87
3	\$ 62.57	\$ 10.43	\$ 73.00
4	\$ 95.11	\$ 10.43	\$ 105.54
6	\$ 167.85	\$ 10.43	\$ 178.28
8	\$ 293.58	\$ 10.43	\$ 304.01
10	\$ 421.10	\$ 10.43	\$ 431.54

Determination of Fire Protection Service Charges  
Woonsocket Water Division

Schedule DGB-COS-7

**RY 2019**

***Projected revenue from Woonsocket Public Fire (a)***

	<u>4"</u>	<u>6"</u>	Total
Number of Hydrant billed to City of Woonsocket	20	1,488	1,508
Rate per Hydrant	\$ 135.56	\$ 393.77	
Projected revenue from Woonsocket Public Fire	<u>\$ 2,711</u>	<u>\$ 585,933</u>	<u>\$ 588,644</u>

***Public Fire Service Charges per Year***

Woonsocket Hydrant Revenue	\$ 588,644
No. of EQ. Meters Woonsocket Only	9,730
Rate per Eq. Meter/Yr	<u>\$ 60.50</u>

Size	Equivalency Ratio	Fire Protection Service Charge
5/8	1.00	\$ 60.50
3/4	1.42	\$ 85.91
1	1.76	\$ 106.35
1 1/2	3.26	\$ 197.22
2	4.58	\$ 276.77
3	6.30	\$ 381.13
4	9.58	\$ 579.32
6	16.90	\$ 1,022.40
8	29.56	\$ 1,788.30
10	42.40	\$ 2,565.08

***Total Customer Service Charges per Quarter***

Size	Fire Protection Service Charge
5/8	\$ 15.12
3/4	\$ 21.48
1	\$ 26.59
1 1/2	\$ 49.31
2	\$ 69.19
3	\$ 95.28
4	\$ 144.83
6	\$ 255.60
8	\$ 447.07
10	\$ 641.27

*(a) This revenue is for allocation purposes only per City Ordinance the City is exempt for paying Hydrant charges.*

**Comparison of Existing and Proposed Rates & Charges - RY 2019**

**Woonsocket Water Division**

**Schedule DGB-COS-8**

			Current	Proposed	% Increase
<b><u>Public Fire Protection</u></b>					
<b><u>City of Woonsocket</u></b>					
	4	Inch	\$ -	\$ -	0.00%
	6	Inch	\$ -	\$ -	0.00%
<b><u>Other</u></b>					
	4	Inch	\$ 163.74	\$ 135.56	-17.21%
	6	Inch	\$ 475.62	\$ 393.77	-17.21%
		Per Bill	\$ 9.27	\$ 10.43	12.53%
<b><u>Private Fire Protection</u></b>					
	2	Inch	\$ 46.94	\$ 46.27	-1.43%
	3	Inch	\$ 101.54	\$ 93.24	-8.18%
	4	Inch	\$ 196.49	\$ 175.17	-10.85%
	6	Inch	\$ 526.32	\$ 455.70	-13.42%
	8	Inch	\$ 1,095.32	\$ 939.66	-14.21%
	10	Inch	\$ 1,935.97	\$ 1,648.71	-14.84%
<b><u>Minimum Service Charge</u></b>					
<b><u>Customer Service Charge All Ratepayers</u></b>					
	5/8	Inch	\$ 16.82	\$ 20.36	21.07%
	3/4	Inch	\$ 20.00	\$ 24.53	22.67%
	1	Inch	\$ 22.55	\$ 27.89	23.69%
	1 1/2	Inch	\$ 33.89	\$ 42.81	26.32%
	2	Inch	\$ 43.82	\$ 55.87	27.50%
	3	Inch	\$ 56.85	\$ 73.00	28.41%
	4	Inch	\$ 81.59	\$ 105.54	29.35%
	6	Inch	\$ 136.90	\$ 178.28	30.22%
	8	Inch	\$ 232.51	\$ 304.01	30.75%
	10	Inch	\$ 329.47	\$ 431.54	30.98%
<b><u>Additional Fire Protection Service Charge Only Ratepayers in Woonsocket</u></b>					
	5/8	Inch	\$ 17.01	\$ 15.12	-11.09%
	3/4	Inch	\$ 24.15	\$ 21.48	-11.07%
	1	Inch	\$ 29.90	\$ 26.59	-11.08%
	1 1/2	Inch	\$ 55.45	\$ 49.31	-11.08%
	2	Inch	\$ 77.82	\$ 69.19	-11.08%
	3	Inch	\$ 107.16	\$ 95.28	-11.08%
	4	Inch	\$ 162.89	\$ 144.83	-11.09%
	6	Inch	\$ 287.47	\$ 255.60	-11.09%
	8	Inch	\$ 502.81	\$ 447.07	-11.08%
	10	Inch	\$ 721.22	\$ 641.27	-11.09%
<b><u>Metered Rates</u></b>					
Wholesale		Rate per 1,000,000 gallons	\$ 4,544.45	\$ 5,128.21	12.85%
Retail		Rate per 100 Cubic Feet	\$ 4.06	\$ 4.54	11.74%

**Proof of Revenues Schedule - RY 2019**  
**Woonsocket Water Division**

**Schedule DGB-COS-9**

		Count or Usage	Current Rate	Proposed Rate	Current Revenue	Proposed Revenue	Dollar Increase
<b>Public Fire Protection</b>							
<b>City of Woonsocket</b>							
4	Inch	20	\$ -	# \$ -	\$ -	\$ -	\$ -
6	Inch	1,488	\$ -	# \$ -	\$ -	\$ -	\$ -
<b>Other</b>							
4	Inch	9	\$ 163.74	# \$ 135.56	\$ 1,474	\$ 1,220	\$ (254)
6	Inch	53	\$ 475.62	# \$ 393.77	\$ 25,208	\$ 20,870	\$ (4,338)
	Per Bill	9	\$ 9.27	# \$ 10.43	\$ 83	\$ 94	\$ 10
					<u>\$ 26,765</u>	<u>\$ 22,184</u>	<u>\$ (4,581)</u>
<b>Private Fire Protection</b>							
2	Inch	14	\$ 46.94	# \$ 46.27	\$ 657	\$ 648	\$ (9)
3	Inch	7	\$ 101.54	# \$ 93.24	\$ 711	\$ 653	\$ (58)
4	Inch	64	\$ 196.49	# \$ 175.17	\$ 12,575	\$ 11,211	\$ (1,364)
6	Inch	102	\$ 526.32	# \$ 455.70	\$ 53,685	\$ 46,482	\$ (7,203)
8	Inch	32	\$ 1,095.32	# \$ 939.66	\$ 35,050	\$ 30,069	\$ (4,981)
10	Inch	5	\$ 1,935.97	# \$ 1,648.71	\$ 9,680	\$ 8,244	\$ (1,436)
					<u>\$ 112,358</u>	<u>\$ 97,306</u>	<u>\$ (15,052)</u>
<b>Minimum Service Charge</b>							
<b>Customer Service Charge All Ratepayers</b>							
5/8	Inch	33,920	\$ 16.82	# \$ 20.36	\$ 570,534	\$ 690,732	\$ 120,197
3/4	Inch	980	\$ 20.00	# \$ 24.53	\$ 19,600	\$ 24,044	\$ 4,444
1	Inch	1,536	\$ 22.55	# \$ 27.89	\$ 34,637	\$ 42,842	\$ 8,205
1 1/2	Inch	244	\$ 33.89	# \$ 42.81	\$ 8,269	\$ 10,445	\$ 2,176
2	Inch	520	\$ 43.82	# \$ 55.87	\$ 22,786	\$ 29,052	\$ 6,266
3	Inch	24	\$ 56.85	# \$ 73.00	\$ 1,364	\$ 1,752	\$ 388
4	Inch	36	\$ 81.59	# \$ 105.54	\$ 2,937	\$ 3,799	\$ 862
6	Inch	24	\$ 136.90	# \$ 178.28	\$ 3,286	\$ 4,279	\$ 993
8	Inch	20	\$ 232.51	# \$ 304.01	\$ 4,650	\$ 6,080	\$ 1,430
10	Inch	-	\$ 329.47	# \$ 431.54	\$ -	\$ -	\$ -
					<u>\$ 668,064</u>	<u>\$ 813,026</u>	<u>\$ 144,961</u>
<b>Additional Fire Protection Service Charge Only Ratepayers in Woonsocket</b>							
5/8	Inch	31,568	\$ 17.01	# \$ 15.12	\$ 536,972	\$ 477,444	\$ (59,528)
3/4	Inch	872	\$ 24.15	# \$ 21.48	\$ 21,059	\$ 18,728	\$ (2,331)
1	Inch	1,440	\$ 29.90	# \$ 26.59	\$ 43,056	\$ 38,287	\$ (4,769)
1 1/2	Inch	212	\$ 55.45	# \$ 49.31	\$ 11,755	\$ 10,453	\$ (1,303)
2	Inch	472	\$ 77.82	# \$ 69.19	\$ 36,731	\$ 32,659	\$ (4,072)
3	Inch	20	\$ 107.16	# \$ 95.28	\$ 2,143	\$ 1,906	\$ (238)
4	Inch	28	\$ 162.89	# \$ 144.83	\$ 4,561	\$ 4,055	\$ (506)
6	Inch	20	\$ 287.47	# \$ 255.60	\$ 5,749	\$ 5,112	\$ (637)
8	Inch	-	\$ 502.81	# \$ 447.07	\$ -	\$ -	\$ -
10	Inch	-	\$ 721.22	# \$ 641.27	\$ -	\$ -	\$ -
					<u>\$ 662,026</u>	<u>\$ 588,644</u>	<u>\$ (73,383)</u>
					<u>\$ 1,330,091</u>	<u>\$ 1,401,669</u>	<u>\$ 71,579</u>
<b>Metered Rates</b>							
Wholesale	Rate per 1,000,000 gallons	92	\$ 4,544.45	# \$ 5,128.21	\$ 419,565	\$ 473,461	\$ 53,896
Retail	Rate per 100 Cubic Feet	1,457,027	\$ 4.06	# \$ 4.54	\$ 5,915,529	\$ 6,610,096	\$ 694,567
					<u>\$ 6,335,094</u>	<u>\$ 7,083,556</u>	<u>\$ 748,463</u>
Total Rates and Charges					\$ 7,804,307	\$ 8,604,716	\$ 800,408
Misc Revenue					\$ 312,790	\$ 312,790	\$ -
Total Revenue					\$ 8,117,097	\$ 8,917,505	\$ 800,408
Revenue Required (Rate Year 2019)						8,916,284	
Variance						\$ 1,221	0.01%



**Impact of Proposed Rates - RY 2019**

**Schedule DGB-COS-10**

**Woonsocket Water Division**

			<u>Count or Usage</u>	<u>Current Revenue</u>	<u>Proposed Revenue</u>	<u>Dollar Increase</u>	<u>% Increase</u>
<i>Ratepayers in the City of Woonsocket</i>							
5/8	Inch Meter	7,000 cu ft/yr	7,000	\$ 419.52	\$ 459.52	\$ 40	9.53%
5/8	Inch Meter	8,000 cu ft/yr	8,000	\$ 460.12	\$ 504.87	\$ 45	9.73%
5/8	Inch Meter	20,000 cu ft/yr	20000	\$ 947.32	\$ 1,049.29	\$ 102	10.76%
1	Inch Meter	50,000 cu ft/yr	50,000	\$ 2,239.80	\$ 2,486.27	\$ 246	11.00%
4	Inch Meter	500,000 cu ft/yr	500,000	\$ 21,277.92	\$ 23,684.98	\$ 2,407	11.31%
6	Inch Meter	1,000,000 cu ft/yr	1,000,000	\$ 42,297.48	\$ 47,102.53	\$ 4,805	11.36%

*Ratepayers in Other Communities serviced by Woonsocket*

5/8	Inch Meter	7,000 cu ft/yr	7,000	\$ 351.48	\$ 399.02	\$ 48	13.53%
5/8	Inch Meter	8,000 cu ft/yr	8,000	\$ 392.08	\$ 444.37	\$ 52	13.34%
5/8	Inch Meter	20,000 cu ft/yr	20000	\$ 879.28	\$ 988.79	\$ 110	12.46%
1	Inch Meter	50,000 cu ft/yr	50,000	\$ 2,120.20	\$ 2,379.92	\$ 260	12.25%
4	Inch Meter	500,000 cu ft/yr	500,000	\$ 20,626.36	\$ 23,105.66	\$ 2,479	12.02%
6	Inch Meter	1,000,000 cu ft/yr	1,000,000	\$ 41,147.60	\$ 46,080.13	\$ 4,933	11.99%

**Cost of Service Schedules  
Step Increases 2020 -2023**

**Proposed Step Increase - RY 2020**  
**Woonsocket Water Division**

Schedule DGB-COS-11

YEAR 2 - RY 2020

Rate Year ( FYE 12/31/19) Revenue Requirement                      \$ 8,916,284 See DGB-COS-9 & DGB-RY-1

Step Increases for 2020

New Debt Reserve Funding	170,000	See DGB-RY-12
Plant Op Contract (existing plant)	50,854	
Remove one time Chemical Credit	145,717	
Light & Power Increase	-	
Property & Fire Taxes Increase	5,402	
Inflation Labor @ 2%	22,049	
Inflation Non-Labor @ 2.5%	47,132	
Operating Resrve Increase 1.5%	4,067	
	<hr/>	
	445,221	

Rate Year ( FYE 12/31/20) Revenue Requirement                      \$ 9,361,505  
Proposed Step Increase (FYE 12/31/20) Revenue Requirement                      4.99%

	Current Rate		Proposed 2019		Step Increase 2020
--	-----------------	--	------------------	--	-----------------------

Public Fire Protection

Communities Outside Woonsocket

4	Inch	\$ 163.74	# \$	135.56	\$ 142.33
6	Inch	\$ 475.62	# \$	393.77	\$ 413.43
	Per Bill	\$ 9.27	# \$	10.43	\$ 10.95

Private Fire Protection

2	Inch	\$ 46.94	# \$	46.27	\$ 48.58
3	Inch	\$ 101.54	# \$	93.24	\$ 97.89
4	Inch	\$ 196.49	# \$	175.17	\$ 183.92
6	Inch	\$ 526.32	# \$	455.70	\$ 478.46
8	Inch	\$ 1,095.32	# \$	939.66	\$ 986.59
10	Inch	\$ 1,935.97	# \$	1,648.71	\$ 1,731.03

Minimum Service Charge

Customer Service Charge All Ratepayers

5/8	Inch	\$ 16.82	# \$	20.36	\$ 21.38
3/4	Inch	\$ 20.00	# \$	24.53	\$ 25.76
1	Inch	\$ 22.55	# \$	27.89	\$ 29.28
1 1/2	Inch	\$ 33.89	# \$	42.81	\$ 44.95
2	Inch	\$ 43.82	# \$	55.87	\$ 58.66
3	Inch	\$ 56.85	# \$	73.00	\$ 76.65
4	Inch	\$ 81.59	# \$	105.54	\$ 110.81
6	Inch	\$ 136.90	# \$	178.28	\$ 187.18
8	Inch	\$ 232.51	# \$	304.01	\$ 319.19
10	Inch	\$ 329.47	# \$	431.54	\$ 453.08

Additional Fire Protection Service Charge Only Ratepayers in Woonsocket

5/8	Inch	\$ 17.01	# \$	15.12	\$ 15.88
3/4	Inch	\$ 24.15	# \$	21.48	\$ 22.55
1	Inch	\$ 29.90	# \$	26.59	\$ 27.92
1 1/2	Inch	\$ 55.45	# \$	49.31	\$ 51.77
2	Inch	\$ 77.82	# \$	69.19	\$ 72.65
3	Inch	\$ 107.16	# \$	95.28	\$ 100.04
4	Inch	\$ 162.89	# \$	144.83	\$ 152.06
6	Inch	\$ 287.47	# \$	255.60	\$ 268.36
8	Inch	\$ 502.81	# \$	447.07	\$ 469.40
10	Inch	\$ 721.22	# \$	641.27	\$ 673.29

Metered Rates

Wholesale	Rate per 1,000,000 gallons	\$ 4,544.45	# \$	5,128.21	\$ 5,384.28
Retail	Rate per 100 Cubic Feet	\$ 4.06	# \$	4.54	\$ 4.76

**Proposed Step Increase - RY 2021**  
**Woonsocket Water Division**

**Schedule DGB-COS-12**

YEAR 3 - RY 2021

Rate Year ( FYE 12/31/20) Revenue Requirement \$ 9,361,505 See DGB-COS-11

Step Increases for 2021

New Debt Reserve Funding	335,000	See DGB-RY-12
Plant Op Contract (New plant)	218,146	
Remove one time Chemical Credit	-	
Light & Power Increase	-	
Property & Fire Taxes Increase	5,564	
Inflation Labor @ 2%	22,490	
Inflation Non-Labor @ 2.5%	48,310	
Operating Resrve increase 1.5%	4,418	
	<hr/> 633,928	

Rate Year ( FYE 12/31/21) Revenue Requirement \$ 9,995,433

Proposed Step Increase (FYE 12/31/21) Revenue Requirement 6.77%

	Current Rate		Proposed 2019		Step Increase 2020		Step Increase 2021		
<u><b>Public Fire Protection</b></u>									
<u><b>Communities Outside Woonsocket</b></u>									
4 Inch	\$ 163.74	# \$	\$ 135.56	\$	\$ 142.33	\$	\$ 151.97		
6 Inch	\$ 475.62	# \$	\$ 393.77	\$	\$ 413.43	\$	\$ 441.43		
Per Bill	\$ 9.27	# \$	\$ 10.43	\$	\$ 10.95	\$	\$ 11.69		
<u><b>Private Fire Protection</b></u>									
2 Inch	\$ 46.94	# \$	\$ 46.27	\$	\$ 48.58	\$	\$ 51.87		
3 Inch	\$ 101.54	# \$	\$ 93.24	\$	\$ 97.89	\$	\$ 104.52		
4 Inch	\$ 196.49	# \$	\$ 175.17	\$	\$ 183.92	\$	\$ 196.37		
6 Inch	\$ 526.32	# \$	\$ 455.70	\$	\$ 478.46	\$	\$ 510.86		
8 Inch	\$ 1,095.32	# \$	\$ 939.66	\$	\$ 986.59	\$	\$ 1,053.39		
10 Inch	\$ 1,935.97	# \$	\$ 1,648.71	\$	\$ 1,731.03	\$	\$ 1,848.25		
<u><b>Minimum Service Charge</b></u>									
<u><b>Customer Service Charge All Ratepayers</b></u>									
5/8 Inch	\$ 16.82	# \$	\$ 20.36	\$	\$ 21.38	\$	\$ 22.83		
3/4 Inch	\$ 20.00	# \$	\$ 24.53	\$	\$ 25.76	\$	\$ 27.50		
1 Inch	\$ 22.55	# \$	\$ 27.89	\$	\$ 29.28	\$	\$ 31.27		
1 1/2 Inch	\$ 33.89	# \$	\$ 42.81	\$	\$ 44.95	\$	\$ 47.99		
2 Inch	\$ 43.82	# \$	\$ 55.87	\$	\$ 58.66	\$	\$ 62.63		
3 Inch	\$ 56.85	# \$	\$ 73.00	\$	\$ 76.65	\$	\$ 81.84		
4 Inch	\$ 81.59	# \$	\$ 105.54	\$	\$ 110.81	\$	\$ 118.31		
6 Inch	\$ 136.90	# \$	\$ 178.28	\$	\$ 187.18	\$	\$ 199.85		
8 Inch	\$ 232.51	# \$	\$ 304.01	\$	\$ 319.19	\$	\$ 340.81		
10 Inch	\$ 329.47	# \$	\$ 431.54	\$	\$ 453.08	\$	\$ 483.77		
<u><b>Additional Fire Protection Service Charge Only Ratepayers in Woonsocket</b></u>									
5/8 Inch	\$ 17.01	# \$	\$ 15.12	\$	\$ 15.88	\$	\$ 16.95		
3/4 Inch	\$ 24.15	# \$	\$ 21.48	\$	\$ 22.55	\$	\$ 24.08		
1 Inch	\$ 29.90	# \$	\$ 26.59	\$	\$ 27.92	\$	\$ 29.81		
1 1/2 Inch	\$ 55.45	# \$	\$ 49.31	\$	\$ 51.77	\$	\$ 55.27		
2 Inch	\$ 77.82	# \$	\$ 69.19	\$	\$ 72.65	\$	\$ 77.57		
3 Inch	\$ 107.16	# \$	\$ 95.28	\$	\$ 100.04	\$	\$ 106.82		
4 Inch	\$ 162.89	# \$	\$ 144.83	\$	\$ 152.06	\$	\$ 162.36		
6 Inch	\$ 287.47	# \$	\$ 255.60	\$	\$ 268.36	\$	\$ 286.54		
8 Inch	\$ 502.81	# \$	\$ 447.07	\$	\$ 469.40	\$	\$ 501.18		
10 Inch	\$ 721.22	# \$	\$ 641.27	\$	\$ 673.29	\$	\$ 718.88		
<u><b>Metered Rates</b></u>									
Wholesale	Rate per 1,000,000 gallons	\$	4,544.45	# \$	5,128.21	\$	5,384.28	\$	5,748.89
Retail	Rate per 100 Cubic Feet	\$	4.06	# \$	4.54	\$	4.76	\$	5.09

**Proposed Step Increase - RY 2022**  
**Woonsocket Water Division**

**Schedule DGB-COS-13**

YEAR 4 - RY 2022

Rate Year ( FYE 12/31/21) Revenue Requirement                   \$ 9,995,433 See DGB-COS-12

Step Increases for 2022

New Debt Reserve Funding	1,225,000	See DGB-RY-12
Plant Op Contract (New plant)	57,902	
Remove one time Chemical Credit	-	
Light & Power Increase	-	
Property & Fire Taxes Increase	5,731	
Inflation Labor @ 2%	22,940	
Inflation Non-Labor @ 2.5%	49,518	
Operating Resrve Increase 1.5%	2,041	
	<u>1,363,132</u>	

Rate Year ( FYE 12/31/22) Revenue Requirement                   \$ 11,358,565  
Proposed Step Increase (FYE 12/31/22) Revenue Requirement                   13.64%

	Current Rate		Proposed 2019		Step Increase 2020		Step Increase 2021		Step Increase 2022		
<b><u>Public Fire Protection</u></b>											
<b><u>Communities Outside Woonsocket</u></b>											
4 Inch	\$ 163.74	# \$	135.56	\$	142.33	\$	151.97	\$	172.69		
6 Inch	\$ 475.62	# \$	393.77	\$	413.43	\$	441.43	\$	501.63		
Per Bill	\$ 9.27	# \$	10.43	\$	10.95	\$	11.69	\$	13.29		
<b><u>Private Fire Protection</u></b>											
2 Inch	\$ 46.94	# \$	46.27	\$	48.58	\$	51.87	\$	58.94		
3 Inch	\$ 101.54	# \$	93.24	\$	97.89	\$	104.52	\$	118.77		
4 Inch	\$ 196.49	# \$	175.17	\$	183.92	\$	196.37	\$	223.16		
6 Inch	\$ 526.32	# \$	455.70	\$	478.46	\$	510.86	\$	580.52		
8 Inch	\$ 1,095.32	# \$	939.66	\$	986.59	\$	1,053.39	\$	1,197.05		
10 Inch	\$ 1,935.97	# \$	1,648.71	\$	1,731.03	\$	1,848.25	\$	2,100.31		
<b><u>Minimum Service Charge</u></b>											
<b><u>Customer Service Charge All Ratepayers</u></b>											
5/8 Inch	\$ 16.82	# \$	20.36	\$	21.38	\$	22.83	\$	25.94		
3/4 Inch	\$ 20.00	# \$	24.53	\$	25.76	\$	27.50	\$	31.26		
1 Inch	\$ 22.55	# \$	27.89	\$	29.28	\$	31.27	\$	35.53		
1 1/2 Inch	\$ 33.89	# \$	42.81	\$	44.95	\$	47.99	\$	54.54		
2 Inch	\$ 43.82	# \$	55.87	\$	58.66	\$	62.63	\$	71.17		
3 Inch	\$ 56.85	# \$	73.00	\$	76.65	\$	81.84	\$	93.00		
4 Inch	\$ 81.59	# \$	105.54	\$	110.81	\$	118.31	\$	134.45		
6 Inch	\$ 136.90	# \$	178.28	\$	187.18	\$	199.85	\$	227.11		
8 Inch	\$ 232.51	# \$	304.01	\$	319.19	\$	340.81	\$	387.29		
10 Inch	\$ 329.47	# \$	431.54	\$	453.08	\$	483.77	\$	549.74		
<b><u>Additional Fire Protection Service Charge Only Ratepayers in Woonsocket</u></b>											
5/8 Inch	\$ 17.01	# \$	15.12	\$	15.88	\$	16.95	\$	19.27		
3/4 Inch	\$ 24.15	# \$	21.48	\$	22.55	\$	24.08	\$	27.36		
1 Inch	\$ 29.90	# \$	26.59	\$	27.92	\$	29.81	\$	33.87		
1 1/2 Inch	\$ 55.45	# \$	49.31	\$	51.77	\$	55.27	\$	62.81		
2 Inch	\$ 77.82	# \$	69.19	\$	72.65	\$	77.57	\$	88.15		
3 Inch	\$ 107.16	# \$	95.28	\$	100.04	\$	106.82	\$	121.38		
4 Inch	\$ 162.89	# \$	144.83	\$	152.06	\$	162.36	\$	184.50		
6 Inch	\$ 287.47	# \$	255.60	\$	268.36	\$	286.54	\$	325.61		
8 Inch	\$ 502.81	# \$	447.07	\$	469.40	\$	501.18	\$	569.53		
10 Inch	\$ 721.22	# \$	641.27	\$	673.29	\$	718.88	\$	816.92		
<b><u>Metered Rates</u></b>											
Wholesale	Rate per 1,000,000 gallons	\$	4,544.45	# \$	5,128.21	\$	5,384.28	\$	5,748.89	\$	6,532.90
Retail	Rate per 100 Cubic Feet	\$	4.06	# \$	4.54	\$	4.76	\$	5.09	\$	5.78

**Proposed Step Increase - RY 2023**  
**Woonsocket Water Division**

**Schedule DGB-COS-14**

YEAR 5 - RY 2023

Rate Year ( FYE 12/31/22) Revenue Requirement \$ 11,358,565 See DGB-COS-13

Step Increases for 2023

New Debt Reserve Funding	1,200,000	See DGB-RY-12
Plant Op Contract (New plant)	59,419	
Remove one time Chemical Credit	-	
Light & Power Increase	-	
Property & Fire Taxes Increase	5,903	
Inflation Labor @ 2%	23,399	
Inflation Non-Labor @ 2.5%	50,756	
Operating Resrve Increase 1.5%	2,092	
	<u>1,341,568</u>	

Rate Year ( FYE 12/31/23) Revenue Requirement \$ 12,700,133  
 Proposed Step Increase (FYE 12/31/23) Revenue Requirement 11.81%

	Current Rate	Proposed 2019	Step Increase 2020	Step Increase 2021	Step Increase 2022	Step Increase 2023	
<u><b>Public Fire Protection</b></u>							
<u><b>Communities Outside Woonsocket</b></u>							
4 Inch	\$ 163.74 #	\$ 135.56	\$ 142.33	\$ 151.97	\$ 172.69	\$ 193.09	
6 Inch	\$ 475.62 #	\$ 393.77	\$ 413.43	\$ 441.43	\$ 501.63	\$ 560.88	
Per Bill	\$ 9.27 #	\$ 10.43	\$ 10.95	\$ 11.69	\$ 13.29	\$ 14.86	
<u><b>Private Fire Protection</b></u>							
2 Inch	\$ 46.94 #	\$ 46.27	\$ 48.58	\$ 51.87	\$ 58.94	\$ 65.91	
3 Inch	\$ 101.54 #	\$ 93.24	\$ 97.89	\$ 104.52	\$ 118.77	\$ 132.80	
4 Inch	\$ 196.49 #	\$ 175.17	\$ 183.92	\$ 196.37	\$ 223.16	\$ 249.51	
6 Inch	\$ 526.32 #	\$ 455.70	\$ 478.46	\$ 510.86	\$ 580.52	\$ 649.09	
8 Inch	\$ 1,095.32 #	\$ 939.66	\$ 986.59	\$ 1,053.39	\$ 1,197.05	\$ 1,338.44	
10 Inch	\$ 1,935.97 #	\$ 1,648.71	\$ 1,731.03	\$ 1,848.25	\$ 2,100.31	\$ 2,348.38	
<u><b>Minimum Service Charge</b></u>							
<u><b>Customer Service Charge All Ratepayers</b></u>							
5/8 Inch	\$ 16.82 #	\$ 20.36	\$ 21.38	\$ 22.83	\$ 25.94	\$ 29.01	
3/4 Inch	\$ 20.00 #	\$ 24.53	\$ 25.76	\$ 27.50	\$ 31.26	\$ 34.95	
1 Inch	\$ 22.55 #	\$ 27.89	\$ 29.28	\$ 31.27	\$ 35.53	\$ 39.73	
1 1/2 Inch	\$ 33.89 #	\$ 42.81	\$ 44.95	\$ 47.99	\$ 54.54	\$ 60.98	
2 Inch	\$ 43.82 #	\$ 55.87	\$ 58.66	\$ 62.63	\$ 71.17	\$ 79.58	
3 Inch	\$ 56.85 #	\$ 73.00	\$ 76.65	\$ 81.84	\$ 93.00	\$ 103.98	
4 Inch	\$ 81.59 #	\$ 105.54	\$ 110.81	\$ 118.31	\$ 134.45	\$ 150.33	
6 Inch	\$ 136.90 #	\$ 178.28	\$ 187.18	\$ 199.85	\$ 227.11	\$ 253.93	
8 Inch	\$ 232.51 #	\$ 304.01	\$ 319.19	\$ 340.81	\$ 387.29	\$ 433.03	
10 Inch	\$ 329.47 #	\$ 431.54	\$ 453.08	\$ 483.77	\$ 549.74	\$ 614.67	
<u><b>Additional Fire Protection Service Charge Only Ratepayers in Woonsocket</b></u>							
5/8 Inch	\$ 17.01 #	\$ 15.12	\$ 15.88	\$ 16.95	\$ 19.27	\$ 21.54	
3/4 Inch	\$ 24.15 #	\$ 21.48	\$ 22.55	\$ 24.08	\$ 27.36	\$ 30.59	
1 Inch	\$ 29.90 #	\$ 26.59	\$ 27.92	\$ 29.81	\$ 33.87	\$ 37.87	
1 1/2 Inch	\$ 55.45 #	\$ 49.31	\$ 51.77	\$ 55.27	\$ 62.81	\$ 70.23	
2 Inch	\$ 77.82 #	\$ 69.19	\$ 72.65	\$ 77.57	\$ 88.15	\$ 98.56	
3 Inch	\$ 107.16 #	\$ 95.28	\$ 100.04	\$ 106.82	\$ 121.38	\$ 135.72	
4 Inch	\$ 162.89 #	\$ 144.83	\$ 152.06	\$ 162.36	\$ 184.50	\$ 206.29	
6 Inch	\$ 287.47 #	\$ 255.60	\$ 268.36	\$ 286.54	\$ 325.61	\$ 364.07	
8 Inch	\$ 502.81 #	\$ 447.07	\$ 469.40	\$ 501.18	\$ 569.53	\$ 636.80	
10 Inch	\$ 721.22 #	\$ 641.27	\$ 673.29	\$ 718.88	\$ 816.92	\$ 913.41	
<u><b>Metered Rates</b></u>							
Wholesale	Rate per 1,000,000 gallons	\$ 4,544.45 #	\$ 5,128.21	\$ 5,384.28	\$ 5,748.89	\$ 6,532.90	\$ 7,304.50
Retail	Rate per 100 Cubic Feet	\$ 4.06 #	\$ 4.54	\$ 4.76	\$ 5.09	\$ 5.78	\$ 6.46



# **TAB 8**



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF WOONSOCKET  
WATER DEPARTMENT APPLICATION  
TO CHANGE RATE SCHEDULES

:  
:  
: DOCKET NO. \_\_\_\_\_  
:  
:

SEPTEMBER 2018 FILING

**Attestation Under Rule 2.7  
Of the Rules of Practice and Procedure  
Of the Public Utilities Commission**

I, David G. Bebyn as Consultant to the Water Division for City of

Woonsocket, in conformance with Rule 2.7 of the Rules of Practice and Procedure with the Public Utilities Commission, hereby attest that the facts contained in the documents are true and correct to the best of my knowledge, information and belief. The cost and revenue statements and supporting data thereto which purport to reflect the books of the Woonsocket Water Division do, in fact, set forth said results. All changes and differences between the books and test year data and any changes in the manner of recording said data during the test year have been expressly noted.

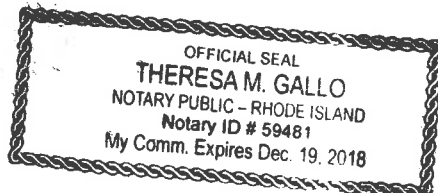
David G. Bebyn CPA  
David G. Bebyn, CPA

STATE OF RHODE ISLAND :  
CITY OF WOONSOCKET :

Subscribed and sworn to me this 6<sup>th</sup> day of Sept., 2018.

Theresa M. Gallo  
Notary Public

My commission expires: 12/19/18



# **TAB 9**

**Pre-Filed Direct Testimony**

**of**

**Maureen Gurghigian**

**Woonsocket Water Division  
Docket \_\_\_\_\_**

**September 11, 2018**

INTRODUCTION

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**Q. Please state your name and business address.**

**A.** My name is Maureen E. Gurghigian, and I am a Managing Director at Hilltop Securities Inc. (HilltopSecurities) in the Lincoln, Rhode Island branch office.

**Q. Please describe your education and experience.**

**A.** I hold a Masters Degree in business administration from the University of Rhode Island. I am a registered Municipal Principal with the Municipal Securities Rulemaking Board, holding the following licenses: Series 52, Series 53 and Series 63, as well as the Series 50, Municipal Advisor Representative License. Prior to joining First Southwest in 2001, I worked in public finance for Fleet Bank and/or Fleet Securities for sixteen (16) years. From 1993 through 2000, I served as Manager of New England Public Finance and Investment Banking at Fleet Securities, Inc. Before joining Fleet, I spent eight (8) years in Rhode Island State Government, including four years as Director of the Governor’s Policy Office under then Governor, J. Joseph Garrahy.

**Q. Can you describe HilltopSecurities and the types of services that it provides?**

**A.** Since 1946, HilltopSecurities has served as financial advisor to many issuers such as schools, cities, airports, hospitals, sports complexes, water and wastewater authorities and districts and toll roads. Currently, the firm serves more than 2,000 municipalities and agencies, including approximately 400 in New England.

**Q. Can you please describe your duties at HilltopSecurities?**

**A.** I provide financial advisory services to issuers of municipal debt, primarily in the Rhode Island, Connecticut and Maine. I have supervisory responsibility for Hilltop Securities’ involvement with borrowings by numerous public agencies and approximately twenty (20) Rhode Island municipalities. Our office assists clients with the origination of more than \$800 million in public financing issues on average each year.

1 **Q. Have you previously testified before the Public Utilities Commission and**  
2 **Division of Public utilities on rate related matters?**

3 **A.** Yes, I have provided testimony before the Rhode Island Public Utilities  
4 Commission (Commission) and the Division of Public Utilities and Carriers (Division) on  
5 behalf of the Providence Water Supply Board, the Kent County Water Authority, the  
6 Narragansett Bay Commission, Woonsocket Water Division, Pawtucket Water Supply  
7 Board and the City of Newport, Water Division.

8  
9 **Q. Please describe your role in this proceeding.**

10 **A.** I am providing assistance to the City of Woonsocket (Woonsocket or City) and the  
11 Woonsocket Water Division (WWD) for the proposed debt issuance through Rhode Island  
12 Infrastructure Bank (RIIB), successor to the Rhode Island Clean Water Finance Agency.  
13 Woonsocket asked me to provide information on the debt service requirements for its  
14 proposed borrowing, and to respond to questions related to the finance of the new Water  
15 Treatment Facility (the Facility or Water Treatment Facility) and its Application for  
16 Borrowing Authority.

17  
18 **WOONSOCKET FINANCING**  
19

20 **Q. How will the WWD capital program for the new Water Treatment Facility**  
21 **be financed?**

22 **A.** The current plan of finance utilizes a combination of capital funding for the water  
23 Facility and associated facilities and various reserves to fund the project costs of the  
24 Facility as well as the costs associated with financing the program.

25  
26 The program will be financed using a series of loans from RIIB that will be secured by  
27 WWD's revenues and Infrastructure Renewal (IFR) funds. A portion of the Facility will  
28 be funded from existing IFR funds on a pay-as-you-go basis to reduce the amount  
29 borrowed. The loans will be structured with capitalized interest during the construction  
30 period and the principal amortization will be adjusted to wrap the new debt around  
31 Woonsocket's existing debt.

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It is currently contemplated that the debt portion of the plan of finance will be comprised of three subsidized loans from RIIB's Drinking Water State Revolving Loan Fund (SRF).

The expected payments totaling approximately \$2 million to CDM, the City's Project Engineer, will be made from the current IFR reserve. In addition, \$3.5 million of the project costs for the new Water Treatment Facility will come from the current IFR reserve. The entire estimated cost of the Facility and associated infrastructure is \$56,753,278. The balance of these costs will be funded with proceeds of SRF loans.

**Q. What are the advantages of the proposed approach?**

A. The City and the WWD conducted a thorough review of all of the costs and alternatives available to it for the financing. Use of a portion of the IFR reserve, wrapping the new debt around existing debt and capitalizing interest during the period of construction enables the WWD to minimize the impact on rate payers.

**Q. How will the subsidized SRF loans be structured?**

A. The SRF program follows the regulations and guidance of the federal authorizing legislation as well as RIIB loan policies and procedures. The project approvals are subject to the issuance of and terms of a Certificate of Approval by the Rhode Island Department of Health. The loans will be structured such that interest will not be due until payments are made based on invoices presented by the project vendors. Interest will be capitalized on these loans through the construction period. Amortization (principal repayment) will begin within one year after completion of the construction period.

The City and WWD borrowed \$12.5 million in the spring of 2018 and approximately \$17 million in the fall of 2018 with the final loan for the balance, currently projected at \$27.7 million in the spring of 2019. These loans will finance \$53.25 million in project costs for the Facility as well as interest during the construction period and costs of issuance.

1 The interest rate for the SRF loans will be 25% below the rate the public capital markets  
 2 would offer based on the credit of the borrower and the structure of the loan. Under  
 3 current market conditions, the subsidized rates are estimated at 3.0% to 3.75%. Interest  
 4 will be fixed over the life of each loan.

5  
 6 **Q. What is the projected debt service for the contemplated new borrowings?**

7 **A.** The actual debt service for the 2018 \$12,500,000 borrowing is displayed in the  
 8 attached Schedule MG-1.

9  
 10 The projected debt service for the proposed \$44,750,000 borrowings is displayed in the  
 11 attached Schedule MG-2. While Schedule MG-2 projects the impact of the new  
 12 borrowings, it is subject to change based on the actual construction costs, draw schedule  
 13 and prevailing interest rates at the time of borrowing.

14  
 15 The following table provides the anticipated debt schedule:

Calendar Year	Phase 1 WTP Debt Service (Final)	Phase 2 WTP Debt Service	Phase 3 WTP Debt Service	Phase 3 CAPI	Total
2018	\$ 48,913	\$ -	\$ -	\$ -	\$ 48,913
2019	248,084	555,524	571,213	482,573	892,247
2020	248,072	512,791	1,003,105	864,740	899,228
2021	248,059	512,791	1,003,105	268,069	1,495,885
2022	943,859	1,359,791	1,003,105	631,260	2,675,495
2023	1,006,915	1,359,244	1,271,105	-	3,637,264
2024	1,005,817	1,359,737	1,274,516	-	3,640,070
2025	1,006,730	1,358,975	2,028,351	-	4,394,056
2026	1,006,280	1,359,895	2,301,473	-	4,667,648
2027	1,006,697	1,359,208	2,305,093	-	4,670,998
2028	1,006,249	1,359,388	2,308,621	-	4,674,257
2029	1,006,669	1,359,554	2,312,084	-	4,678,307
2030	1,006,460	1,359,345	2,316,389	-	4,682,194
2031	1,005,233	1,359,747	2,319,457	-	4,684,437
2032	1,006,409	1,359,491	2,323,948	-	4,689,848
2033	1,005,135	1,359,101	2,328,049	-	4,692,285
2034	1,005,663	1,359,620	2,622,799	-	4,988,082
2035	1,006,226	1,358,983	2,626,794	-	4,992,003
2036	1,005,521	1,359,137	2,631,789	-	4,996,447
2037	997,685	1,359,079	2,635,741	-	4,992,504
2038	-	-	4,947,795	-	4,947,795
	<b>\$ 16,820,674</b>	<b>\$ 23,331,401</b>	<b>\$ 42,134,531</b>	<b>\$ 2,246,642</b>	<b>\$ 80,039,963</b>

16

1 **Q. Why does the plan of finance include a mix of debt financing and IFR?**

2 **A.** The WWD plan of finance involves the use of IFR funding for approximately \$3.5  
3 million of the cost of the new Water Treatment Facility. The City and WWD developed  
4 this strategy in order to moderate the reliance on long-term debt and minimize the need  
5 for new revenues for debt service. As noted in Mr. Bebyn's testimony, the IFR subsidy  
6 for debt service will still permit spending for IFR projects while enabling the WWD to  
7 demonstrate that it has sufficient rate revenues to make its annual debt service obligations  
8 and the required debt service coverage. The plan of finance contemplates that during  
9 each fiscal year, once the WWD has been certified to be in compliance with its coverage  
10 requirements, the IFR funds will be "freed" for capital projects.

11  
12 The City's Indenture of Trust and the SRF program have established that net revenues  
13 (gross revenue less operating expenses) must be equal or exceed 125% of annual debt  
14 service. The rating agencies and bond insurers generally prefer that revenue borrowers  
15 such as the City and WWD maintain higher coverage levels.

16  
17 Before the WWD begins to make debt service payments on the SRF loans, all rate  
18 revenue approved for capital will be directed to reserves that may be required under the  
19 loan agreements and to the IFR program.

20  
21 **Q. How will the funds from this borrowing be disbursed?**

22 **A.** For the \$12,500,000 borrowing, approximately \$11,776,958 will be available for  
23 project funds, approximately \$49,547 will be set aside for bond insurance, \$25,397 will be  
24 set aside to purchase a debt service reserve fund surety, \$464,098 will be set aside for  
25 capitalized interest, and approximately \$184,000 is allocated for costs of issuance on the  
26 local level, including rating agency fees, bond counsel, financial advisor and trustee fees,  
27 and the RIIB origination fee. Since several of the items are calculated based on interest  
28 cost (such as insurance and Debt Service Reserve Fund) the allocation is subject to change  
29 with interest rates.



1 For the proposed \$17,000,000 phase two loan, approximately \$16,634,916 will be available  
2 for project funds, approximately \$66,885 will be set aside for bond insurance, \$34,489 will  
3 be set aside to purchase a debt service reserve fund surety, and approximately \$234,710 is  
4 allocated for costs of issuance. For the proposed \$27,750,000 phase three loan,  
5 approximately \$24,898,737 will be available for project funds, approximately \$120,473  
6 will be set aside for bond insurance, \$65,409 will be set aside to purchase a debt service  
7 reserve fund surety, \$2,246,642 will be set aside for capitalized interest, and approximately  
8 \$341,730 is allocated for costs of issuance. Costs of issuance on the local level, include  
9 rating agency fees, bond counsel, financial advisor and trustee fees, and the RIIB  
10 origination fee. Since several of the items are calculated based on interest cost (such as  
11 insurance and Debt Service Reserve Fund) the allocation is subject to change with interest  
12 rates.

13

14 **Q. Please describe the rate impact of the recent financing requests with the**  
15 **Division.**

16 **A.** As set forth in the testimony of Mr. Bebyn in Division Docket D-17-43,  
17 Woonsocket's current rates are sufficient to provide for payment and coverage on the  
18 \$12,500,000 borrowing. The rate adjustments explained in Mr. Bebyn's testimony are  
19 intended to provide the City with the required revenues to support the new debt service for  
20 the proposed borrowing request that was recently approved in Docket D-18-06.

21

22 **Q. Are there any unusual features of the borrowing that may have a significant**  
23 **impact upon the Commission's ability to regulate the utility?**

24 **A.** No, to the best of my knowledge, there are not.

25

26 **Q. Does this complete your pre-filed direct testimony?**

27 **A.** Yes it does.

# **TAB 10**

**Pre-Filed Direct Testimony**

**of**

**Robert Otoski**

**Woonsocket Water Division**

**Docket \_\_\_\_\_**

**September 11, 2018**

1 INTRODUCTION

2

3 **Q. Please provide your full name, title and address.**

4 **A.** Robert M. Otoski, PE, Associate, CDM Smith, 260 West Exchange Street Suite 300,  
5 Providence RI 02903

6

7 **Q. How long have you held this position?**

8 **A.** I have been a professional engineer (“PE”) since 1983 and Associate since 2001.

9

10 **Q. Please describe your background, experience and education.**

11 **A.** I have a Bachelor of Science Degree (BS) in Civil Engineering, from Merrimack College,  
12 (1975) and a Master of Science (MS) degree in Environmental Engineering from Tufts  
13 University (1978). I am a registered PE (Rhode Island # 8440; Massachusetts, 31221)  
14 I have over 41 years of professional engineering experience; 11 years with Massachusetts Water  
15 Resources Authority and 30 years with CDM Smith. My expertise is project planning, concept  
16 development, design, construction and technical management.

17

18 **Q. Please describe your educational background and professional associations or**  
19 **memberships.**

20 **A.** I am a member of the Rhode Island Waterworks Association, New England Water Pollution  
21 Control Association.

22

23 **Q. Please summarize your testimony.**

24 **A.** My testimony is intended to provide the Rhode Island Public Utilities Commission  
25 (“Commission”) with an overview of the City of Woonsocket’s (“City’s”) Water Treatment Plant  
26 that is need of replacement. Replacing a Water Treatment Plant is a very expensive undertaking,  
27 and my testimony is intended to assist the Commission in understanding the structural and  
28 regulatory compliance issues facing the City. My testimony is intended to support the City’s  
29 request for approval from the Commission for the multi-year rate increase and provide the  
30 Commission with an update regarding the engineering, design and construction activities  
31 associated with a Water Treatment Plant.

1  
2 WATER TREATMENT FACILITY  
3

4 **Q. Please provide an update on the status of the City’s water treatment plant and the**  
5 **reasons why the City needs to replace the facility.**

6 **A.** The City owns and operates the Charles G. Hammann Memorial Water Treatment Plant  
7 (“WTP”). The WTP was built in 1962 and is located on Manville Road, in Woonsocket. The  
8 WTP can treat a maximum flow of 13.25 million gallons per day (“mgd”) and has a maximum  
9 finished water pumping capacity of 13.5 mgd. The plant currently (based on the 5 most recent  
10 years of records) produces an average of approximately 3.5 mgd of treated water, with a current  
11 maximum daily flow rate of 6.5 mgd.

12  
13 The City’s WTP is very old. In particular, replacement of the WTP is required by both the Rhode  
14 Island Department of Environmental Management (“RIDEM”), through its Modified Consent  
15 Agreement with Woonsocket, and the Rhode Island Department of Health (“RIDOH”). Factors  
16 contributing to the need for replacement of the WTP include:

- 17
- 18     ▪ Raw Water Quality — Woonsocket is continuously challenged by fluctuations in raw  
19     water quality entering the WTP and the treatment limitations of the current plant. These  
20     treatment challenges are especially evident during rain events when the turbidity of the  
21     raw water spikes. While the existing blending chamber has mitigated this concern  
22     somewhat, the City is cognizant of elevated raw water turbidity levels and must react to  
23     these increased levels to ensure compliance with all drinking water quality regulations  
24     and standards.
  - 25     ▪ Concerns about Cross Contamination of Raw and Finished Water — There are concerns  
26     for potential internal leakage within the existing WTP filters where corrosion may allow  
27     raw, untreated water to short-circuit the treatment process. Should leakage occur in the  
28     internal walls of the filters, raw water will not be adequately filtered and treated prior to  
29     entering the clear well tanks.
  - 30     ▪ Potential Turbidity Violations — The City is challenged to deliver acceptable water  
31     quality if one of the three existing filters is down for backwashing, inspection or repairs.

1 With only two filters operating, flow into the operating filters must be reduced to prevent  
2 the sludge blanket from overflowing from the sedimentation basin into the media in the  
3 operating filters; thereby reducing plant capacity.

- 4 ■ Sanitary Survey Concerns — In the October 2011 Sanitary Survey Report, RIDOH  
5 expressed concerns about rehabilitating the clear well tanks and meeting State-mandated  
6 chlorine contact times. RIDOH's report encourages the City to build a new treatment  
7 facility to address the current chlorine contact time requirement.

8  
9 **Q. Please update the status of the City's efforts to comply with the City's Consent**  
10 **Agreement with RIDEM.**

11 **A.** The City worked with RIDEM during the procurement process to select a contractor that will  
12 design, build and operate a new Water Treatment Facility, keeping RIDEM informed of  
13 progress. After the process was completed, and a contractor was selected, the City worked with  
14 RIDEM towards an Amendment to the Consent Agreement to reflect projected completion dates.  
15 As of this testimony, the dates in the Consent Agreement and the DBO Contract are in  
16 alignment.

17  
18 **Q. Has the City issued a Request for Proposals for a Design – Build – Operate project to**  
19 **address the problems you have identified at the City's water treatment plant? If so, please**  
20 **describe the RFP.**

21 **A.** On August 5, 2015, the City of Woonsocket issued a Request for Proposals for the Design-  
22 Build-Operate of New Water Treatment Facilities to replace the City's WTP. Responses were  
23 received February 17, 2016. A contract with the successful proposer, Woonsocket Water  
24 Services LLC (whose Members are AECOM Technical Services, Inc. and Suez Water, Inc.) was  
25 executed July 31, 2017.

26  
27 The RFP was structured in four volumes:

- 28 ■ RFP Volume I – Proposal Requirements and Evaluation
- 29 ■ RFP Volume II – Draft Service Contract
- 30 ■ RFP Volume III – Design and Construction Requirements
- 31 ■ RFP Volume IV – Operations and Maintenance Requirements

1  
2 By way of further description, RFP Volume I included background information about the Project  
3 and a general description of the scope of services and related obligations for the DBO Team and  
4 described the proposal process, the format and content requirements for Proposals, and the  
5 criteria and process to be utilized by the City to evaluate the Proposals and to select the Proposal  
6 most advantageous to the City. RFP Volume I essentially established the ground rules and  
7 instructions for the preparation, submission and evaluation of Proposals.

8  
9 RFP Volume II included the Draft Service Contract and some of its appendices. Appendices not  
10 included in RFP Volume II were to be prepared on the basis of the selected Proposal during  
11 contract negotiations. As noted elsewhere in this RFP, the Proposals were to include the Draft  
12 Service Contract with any and all revisions upon which the Proposal is based. Such “marked up”  
13 Draft Service Contract were to be complete and in the exact form that the Proposer would be  
14 willing to sign if accepted as is by the City (Marked Service Contract). Changes to the form of  
15 Draft Service Contract suggested by Proposers will be considered in the City's evaluation of  
16 Proposals.

17  
18 RFP Volume III sets forth the minimum requirements for permitting, design, construction and  
19 testing of the Design/Build Work, including design criteria; standards for the quality of  
20 equipment, materials and construction; and information and requirements relating to certain  
21 permits, site conditions, design submittals and other documentation, quality management,  
22 communications, startup and acceptance testing.

23  
24 RFP Volume IV sets forth the minimum requirements for the Management Services, including  
25 operation, management, maintenance, repair and replacement, asset management and related  
26 requirements.

27  
28 The companies responding to the RFP were to address all the requirements of RFP Volume III  
29 and RFP Volume IV, and must modify the technical requirements (but no such modification may  
30 include more aggressive design criteria or lower standards of quality) to the extent the Proposer

1 determines modifications of RFP Volume III and RFP Volume IV are necessary to achieve the  
2 Acceptance Standards or other obligations of the DBO Team in the Draft Service Contract.

3  
4 **Q. Please describe the Design/Build/Work and Management services that the City is**  
5 **seeking in this RFP.**

6 **A.** By issuance of the RFP, the City sought a DBO Team to provide:

- 7
- 8     ▪ Design/Build Work, which generally consists of the permitting, design, construction,  
9         start-up and acceptance testing of a new Raw Water Pump Station (“RWPS”), a new raw  
10         water transmission main, a new redundant raw water transmission main, and a New  
11         Water Treatment Plant (“New WTP”) with associated utility connections and pavement  
12         and drainage improvements on Jillson Avenue. Following start-up, acceptance testing and  
13         final regulatory approvals, the Design/Build Work shall include the decommissioning and  
14         partial demolition of the existing Charles G. Hammann Memorial Water Treatment Plant  
15         (“Existing WTP”) at 1500 Manville Road.
  - 16     ▪ Management Services, which generally consists of operations, maintenance, repair,  
17         replacement, and asset management services for the Existing WTP (short term) and the  
18         New WTP (long term).

19  
20 Design/Build Work and Management Services shall be provided in accordance with Volume I,  
21 the technical requirements outlined in RFP Volume III and RFP Volume IV and the contractual  
22 obligations set forth in RFP Volume II. All Proposals must comply with (i.e., must equal or  
23 exceed) the technical requirements in RFP Volume III and RFP Volume IV, subject only to (i)  
24 variations clearly identified in the Technical Proposal and summarized in the Technical Forms,  
25 and (ii) any modifications that are deemed necessary by the Proposer to achieve the Acceptance  
26 Standards or otherwise fulfill the DBO Team’s operations, maintenance, and other obligations  
27 set forth in the Draft Service Contract; provided, however, that no such variation or modification  
28 may include less conservative design criteria or lower quality design, construction, operations,  
29 maintenance, or asset management standards.



1 The technical requirements in RFP Volume III and RFP Volume IV were intended as minimum  
2 criteria and standards for design, construction, operations, maintenance, repair, replacement, and  
3 asset management services provided.

4  
5 The Proposals were to address all the requirements in RFP Volumes I, II, III, and IV. The  
6 Proposal, as revised during contract negotiations, were the basis for preparing the final Service  
7 Contract. The final Service Contract negotiated completely and fully supersede all volumes of  
8 the RFP and the Proposal.

9  
10 After extensive review and interviews, a recommendation was made to the Woonsocket City  
11 Council on February 16, 2017, and the Council authorized commencement of negotiations with  
12 the first ranked proposer. Negotiations were subsequently held, blending the requirements of the  
13 RFP with the response provided in the proposal. Following these negotiations, on July 3, 2017  
14 the City Council approved award of the DBO contract. A copy of the City Council Resolution is  
15 attached as **Exhibit RO-1**. The contract was signed on July 31, 2017.

16  
17 **Q. Is the existing water treatment plant capable of producing water to meet existing water**  
18 **quality standards while the City completes the RFP and construction of a new treatment**  
19 **facility?**

20 **A.** Yes. With attentive operation and continuation of maintenance operations, the existing water  
21 treatment plant is capable of meeting current standards unless a catastrophic failure of the  
22 existing infrastructure were to occur. The chance of failure of the existing facility increases with  
23 time.

24  
25 **Q. Is there anything else you would like to say to the Commission in support of this**  
26 **application for approval of the multi-year rate increase?**

27 **A.** Yes. The City is now actively moving forward to address the compliance problems identified  
28 by RIDEM and the RIDOH, with the replacement of the WTP with a new facility. The City  
29 issued an RFP and then signed a contract with a company for engineering, design and  
30 construction for the new WTP. Design is nearly completed, and construction has commenced as  
31 of May 2018. This is a very expensive undertaking and the financing aspects are described in the

1 testimony of other witnesses. Commission approval of this multi-year rate increase for  
2 continuation of efforts to support the design and construction of a new Water Treatment Facility  
3 for the City of Woonsocket is very important for the health and well-being of customers served  
4 by the existing facility which, as I have described in my testimony, has a limited lifespan and is  
5 in need of replacement to comply with RIDEM and RIDOH regulatory requirements.

6

7 **Q. Does that conclude your pre-filed direct testimony?**

8 **A. Yes.**

**EXHIBIT RO-1**

City of Woonsocket  
Rhode Island

17 R 78



July 3, A.D. 2017

**Resolution**

**AUTHORIZING THE AWARD OF AND ENTRY INTO A  
CONTRACT TO DESIGN, BUILD AND OPERATE A  
NEW DRINKING WATER TREATMENT PLANT**

- WHEREAS, the City and the Rhode Island Department of Environmental Management entered into a Consent Agreement dated June 27, 2008, as modified by that certain Modified Consent Agreement dated June 19, 2012 (as so modified and as may be further modified consistent with the below-described Contract, the "Consent Agreement") with respect to the City's appeal of the issuance of a new RIPDES (Rhode Island Pollutant Discharge Elimination System) permit for the City's drinking water treatment plant; and
- WHEREAS, under the Consent Agreement, the City has agreed to eliminate effluent wastewater discharge to the Blackstone River from its drinking water treatment plant; and
- WHEREAS, in order to achieve the requirements of the Consent Agreement and of drinking water requirements imposed by the U.S. Environmental Protection Agency and the Rhode Island Department of Health, the City must build a new drinking water treatment plant ("New Plant"); and
- WHEREAS, the City previously determined that the most advantageous means to satisfy the conditions of the Consent Agreement is through the procurement of the contract services of a private company (the "Contract") by means of a public request for proposals ("RFP") for the design, construction and operation of the New Plant, which RFP was issued by the City on August 5, 2015; and
- WHEREAS, in response to the RFP, the City received proposals from three (3) vendors: (i) Woonsocket Water Services LLC, whose members are AECOM Technical Services, Inc. and Suez Water, Inc., (ii) CH2M Hill Companies, Ltd. and (iii) Veolia Water North America-Northeast, LLC; and
- WHEREAS, the Mayor, Public Works Director and Finance Director evaluated the responses to the RFP based on the objective measurable criteria detailed in the RFP and in accordance with the requirements of R.I. Gen. Laws Chapter 45-55, the City Charter and the ordinances of the City and, based thereon, recommended that the City authorize the negotiation of the Contract with Woonsocket Water Services LLC (the "Selected Vendor"); and
- WHEREAS, as authorized by Resolution 17 R 19 dated February 16, 2017, the Mayor, Public Works Director and Finance Director have negotiated the Contract with the Selected Vendor and now seek authorization for the City to enter into the Contract.

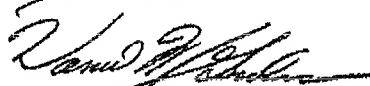
**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF  
THE CITY OF WOONSOCKET, RHODE ISLAND AS FOLLOWS:**

SECTION 1. That the City Council finds that the proposal submitted in response to the RFP by the Selected Vendor is the most advantageous to the City taking into consideration price and the evaluation factors stated in the RFP, R.I. Gen. Laws § 45-55-1 et seq. and the City charter and ordinances.

SECTION 2. That the City, acting by and through the Mayor or her designee, is hereby authorized and directed to execute and deliver the Contract in form and substance substantially similar to the Contract attached as Exhibit A.

SECTION 3. That the City is hereby authorized and directed to take all steps necessary to perform its obligations under the Contract, including to have the Finance Director seek financing for the project subject to further approval by this Council.

SECTION 4. That this Resolution shall take effect upon its passage.



Daniel M. Gendron, Council President

IN CITY COUNCIL July 3, 2017 - Read by title and passed.

# **TAB 11**

**INDEX AND RESPONSES IN COMPLIANCE**  
**WITH PART TWO, SECTIONS 2.4 - 2.10**

**PART 2, SECTION 2.4**

**2.4**            **Notice of Filing Proposed General Rate Changes.**

**Response**    See Tabs 2 and 3.

**PART 2, SECTION 2.5**

**2.5(a)**        **Rate Schedules; Terms and Conditions**

**Response**    See Appendix, Tab A.

**2.5(b)**        **Complete Direct Case.**

**Response**    See Tabs 6-10.

**2.5(c)(1)**     **Annual Report to the Commission for the last two (2) years, if reports have not been previously filed with the Commission.**

**Response**    N/A

**2.5(c)(2)**     **Federal Energy Regulatory Commission or Federal Communications Commission annual reports for the last two (2) years, where applicable, if not previously filed with the Commission, and any correspondence or written comments in connection with these reports.**

**Response**    N/A

**2.5(c)(3)**     **The latest Federal Energy Regulatory Commission or Federal Communications Commission audit report (including management letter) and any written response to the report or management comments. Unresolved or outstanding matters should be highlighted.**

**Response**    N/A

**2.5(c)(4)**     **Securities and Exchange Commission Annual 10-K reports filed for the last two (2) years and any Quarterly 10-Q reports filed for the period(s) subsequent to the latest 10-K report.**

**Response**    N/A

**2.5(c)(5)**     **Any prospectus issued during the last two (2) years.**

**Response**    N/A

**INDEX AND RESPONSES IN COMPLIANCE**  
**WITH PART TWO, SECTIONS 2.4 - 2.10**

**2.5(c)(6) Annual reports to stockholders for the last three (3) years.**

**Response N/A**

**2.5(c)(7) Statement reconciling any significant differences between items shown in the filing and items in any of the above reports.**

**Response N/A**

**2.5(d) A complete set of the documents filed pursuant to these rules shall be served upon the Attorney General at the time of filing with the Commission.**

**Response Completed. See Tab 5 for the cover letter.**

**2.5(e) The applicant shall present an index outlining and identifying the responses to the information filed pursuant to Part Two, Sections 2.4 through 2.10, as they apply to the applicant. The applicant shall indicate whether any specific item is not applicable (see Appendix C).**

**Response This document is the index (Tab 11).**

**PART 2, SECTION 2.6**

**2.6(a-c) Test Year and Rate Year Filing.**

**Response See Tab 7.**

**PART 2, SECTION 2.7**

**2.7 Attestation of Financial Data.**

**Response See Tab 8.**

**PART 2, SECTION 2.8**

**2.8 Supporting Information and Workpapers to be Filed By Investor-Owned Utilities.**

**Response N/A**



**INDEX AND RESPONSES IN COMPLIANCE**  
**WITH PART TWO, SECTIONS 2.4 - 2.10**

**PART 2, SECTION 2.9**

**2.9(a) Cost of service schedules for the test year and for the proposed rate year.**

**Response** For the cost of service schedules for the test year and the proposed rate year please see Tab 7, Schedules DGB-TY-1 – 4 and DGB-RY-1 – 4 and supporting testimony of David G. Bebyn.

**2.9(b) Workpapers supporting any claim for an allowance for working capital.**

**Response** N/A

**2.9(c) Workpapers supporting allocations of cost of service amounts among entities operated from or in association with the utility.**

**Response** For workpapers supporting the allocations of cost of service amounts among entities operated from or in association with the WWD, please see Tab 7, Schedules DGB-COS-1 – DGB-COS-10.

**2.9(d) Workpapers detailing the test year and rate year revenues by source, tariff, rate class, etc. The sales volumes/quantities and customer counts by rate class shall be presented. The basis/calculation for rate year sales volumes and customer counts is to be provided. The total rate year revenues must be supported by a billing analysis utilizing the above data and the proposed rates.**

**Response** For workpapers detailing the test year and rate year revenues, please see Tab 7, Schedules DGB-TY-1a & 1b and DGB-RY-2b.

**2.9(e) For each rate class, the effect of the proposed rate changes shall be presented in a comparative billing format (current and proposed) for typical (or varying) usage levels. A copy or sample of the utility's actual billing statement shall be presented.**

**Response** See Tab 7, Schedule DGB-COS-10. For a copy or sample of the WWD's actual billing statement, please see **Appendix, Tab B.**

**2.9(f) A schedule presenting the principal and interest amounts paid on debt service (long-term and short-term debt) for the test year and the amounts projected for the rate year. Schedule amounts by bond issue, note/mortgage loan, etc. as appropriate. Provide a description of each issue to include: source of funding, amount of original issue, date, interest rate, repayment terms, security pledged on borrowing, and other pertinent information as appropriate.**

**Response** Please see Tab 7, Schedule DGB-RY-12a.

**INDEX AND RESPONSES IN COMPLIANCE**  
**WITH PART TWO, SECTIONS 2.4 - 2.10**

- 2.9(g)**      **A schedule of lease payments for all property and equipment for the test year and rate year.**
- Response**      Woonsocket has none. (Tab 7, Schedule DGB-RY-12a is where such lease payments would appear, but there are none for this filing.)
- 2.9(h)**      **An analysis of revenues and associated expenses for the test year pertaining to adjustment clauses (fuel, purchased power, gas or other). All appropriate data should be disclosed, including refund information, total adjustment clause revenues, gross receipts tax payments, etc. The difference between adjustment clause revenues and recoverable expense for the test year must be shown. In general, revenues and expenses relating to adjustment clauses will not be reflected in the cost of service, except for that portion which is to be included in the firm/base rates of the utility.**
- Response**      For an analysis of revenues and associated expenses for the test year, please see Tab 7, Schedule DGB-TY-1.
- 2.9(i)**      **A calculation and explanation of the method used to calculate the rate year municipal tax expense (by city/town, if applicable). Also, show the municipal tax expense (by city/town) for the prior three (3) years.**
- Response**      For a calculation and explanation of the method used to calculate the rate year municipal tax expense, please see Tab 7, Schedule DGB-RY-7. For the expense for the prior three (3) years, please see **Appendix, Tab C.**
- 2.9(j)**      **Show the number of employees at beginning and end of test year and the dollar amount of overtime paid during the test year and the previous two (2) years. Indicate the number of employees and the amount of overtime provided for in the cost of service for the rate year.**
- Response**      Please see Tab 7, Schedules DGB-RY-4, 4a and 4b.
- 2.9(k)**      **Present a summary of transactions with affiliated entities/funds (i.e. city funds, fire district fund) which occurred during the test year. To be included are the following: billings to/from; loans to/from; sales/purchases of goods, services or property; expense allocations among affiliates; receivables to/from affiliates and others. Provide beginning and end of test year amounts owed and the latest balance(s) prior to the filing.**
- Response**      For a summary of transaction with affiliated entities/funds which occurred during the test year, please see Tab 7, Schedule DGB-TY-1.
- 2.9(l)**      **The following statements or financial data are to be provided when the test year does not coincide with the latest fiscal year shown in the annual report provided in**

**INDEX AND RESPONSES IN COMPLIANCE**  
**WITH PART TWO, SECTIONS 2.4 - 2.10**

**the filing: (1) a balance sheet as of the end of the test year; (2) an income statement for the test year; (3) a statement of changes in retained earnings for the test year.**

**Response** Please see Tab 7, Schedule DGB-TY-4.

**2.9(m)** **A summary of expenses incurred and projected to be incurred related to the instant rate case filing, and a schedule showing any unamortized amounts from prior rate filings. This schedule shall reconcile the total amount of expense allowed in the last order, the recovery (or amortization) of expense through the test year, and the projected balance of any unrecovered (unamortized) amount at the beginning of the rate year.**

**Response** For a summary of expenses incurred and projected to be incurred related to the instant rate case filing and a schedule showing any unamortized amounts from prior rate filings, please see **Appendix, Tab D.**

**2.9(n)** **The utility shall present information for the preceding five (5) years disclosing the following data, as appropriate for the utility:**  
**(1) unaccounted for water;**  
**(2) loss on transmission of electricity or gas;**  
**(3) the utility's own use of water, electricity, or gas.**

**Response** Please see **Appendix, Tab E.**

**2.9(o)** **A summary of the status of compliance and reporting required by prior Commission orders.**

**Response** Woonsocket is required by previous Orders to file Annual, and Semi-Annual Financial Reports with the Commission. Woonsocket is also required to file regular three (3) month reporting updates to report cash balance and activity of Revenue and Restricted accounts. Woonsocket is current on the annual reports. With the filing of the June 2018 semi-annual report, Woonsocket is current on the semi-annual reports as well. In September of 2018, Woonsocket filed its quarterly report and is, therefore, current on its quarterly reports.

Please also see Tab 6, Testimony of Jonathan R. Pratt.

**PART 2, SECTION 2.10**

**2.10** **Abbreviated filing requirements for non-investor-owned utilities.**

**Response** N/A

# **TAB 12**

**TAB 12A**

**City of Woonsocket Water Department  
TARIFF**

Rhode Island Public Utilities Commission Docket No. 4320

Effective Date: October 24, 2012

Replaces Tariff Approved in Docket 4309 February 2012

**City of Woonsocket Water Department  
TARIFF  
Bulk Sales to Public Authorities for Resale**

Rhode Island Public Utilities Commission Docket No. 4320

Effective Date:            October 24, 2012                      Replaces Tariff Approved in Docket 4309 February 2012

**Usage**

Sales to Public Authorities at Bulk. Includes any community currently tied into the City of Woonsocket and communities tied into the City's water system in the future.

**Rates**

For all quantities of Metered water:    \$ 4,544.45 per million gallons

**Billing and Payment**

All charges billed under this tariff are rendered in arrears on a frequency determined by the assigned billing cycle, and are due and payable in full when rendered.

**City of Woonsocket Water Department  
TARIFF  
Public Fire Protection**

Rhode Island Public Utilities Commission Docket No. 4320

Effective Date: October 24, 2012 Replaces Tariff Approved in Docket 4309 February 2012

Usage

Applies to all customers served by the Woonsocket Water Department (Other than City of Woonsocket) for service to public fire hydrants, based on the size of the hydrant connection.

Rates

For each Hydrant:	<u>Annual Charge</u>
4 inch	\$ 163.74
6 inch	\$ 475.62
Plus	\$ 9.27 per billing

Exception

For each hydrant of any size in Woonsocket, as allowed by RIGL s. 39-3-11, \$0.00.

Billing and Payment

All charges billed under this tariff are rendered in arrears on a frequency determined by the assigned billing cycle, and are due and payable in full when rendered.



**City of Woonsocket Water Department  
TARIFF  
Private Fire Protection**

Rhode Island Public Utilities Commission Docket No. 4320

Effective Date: October 24, 2012 Replaces Tariff Approved in Docket 4309 February 2012

Usage

Applies to all private fire connection services served by the Woonsocket Water Department for service to private fire service connections owned and maintained by the customer, based on the size of the connection.

Rates

For each Connection:	<u>Annual Charge</u>	<u>Quart. Charge</u>
2 inch	\$ 46.94	\$ 11.74
3 inch	\$ 101.54	\$ 25.39
4 inch	\$ 196.49	\$ 49.12
6 inch	\$ 526.32	\$ 131.58
8 inch	\$ 1,095.32	\$ 273.83
10 inch	\$ 1,935.97	\$ 483.99

Unmetered private hydrants will be charged as 6 inch connections.

Billing and Payment

All bills for private fire service are rendered annually in advance and are due and payable when rendered usage through private fire service shall be billed in arrears at the general metered water service rates.

**City of Woonsocket Water Department  
TARIFF  
Customer Service Charge**

Rhode Island Public Utilities Commission Docket No. 4320

Effective Date: October 24, 2012 Replaces Tariff Approved in Docket 4309 February 2012

Usage

Applies to all metered customers served by the Woonsocket Water Department, exclusive of public and private fire service.

Rates

For each service connected to the Woonsocket Water Division, the following charges shall apply:

<u>Meter Size</u>	<u>Quarterly</u>
5/8	\$ 16.82
3/4	\$ 20.00
1	\$ 22.55
1 1/2	\$ 33.89
2	\$ 43.82
3	\$ 56.85
4	\$ 81.59
6	\$ 136.90
8	\$ 232.51
10	\$ 329.47

However, for each service connected to the Woonsocket Water Division and is connected in the City of Woonsocket the following additional Fire Protection charges shall apply:

<u>Meter Size</u>	<u>Quarterly</u>
5/8	\$ 17.01
3/4	\$ 24.15
1	\$ 29.90
1 1/2	\$ 55.45
2	\$ 77.82
3	\$ 107.16
4	\$ 162.89
6	\$ 287.47
8	\$ 502.81
10	\$ 721.22

Billing and Payment

All customer service charges billed under this tariff are rendered quarterly in advance and are due and payable in full when rendered.

**City of Woonsocket Water Department**  
**TARIFF**  
**Metered Sales**

Rhode Island Public Utilities Commission Docket No. 4320

Effective Date:

October 24, 2012

Replaces Tariff Approved in Docket 4309 February 2012

Usage

Applies to all metered customers served by the Woonsocket Water Department, including metered private fire service.

Rates

For all metered quantities except bulk sales to public authorities:

Quarterly Use

\$ 4.06 per 100 cubic feet

Billing and Payment

All metered sales bills are rendered in arrears quarterly and are due and payable in full when rendered.

**City of Woonsocket Water Department  
TARIFF  
Miscellaneous Charges**

Rhode Island Public Utilities Commission Docket No. 4320

Effective Date: October 24, 2012 Replaces Tariff Approved in Docket 4309 February 2012

**Water Truck Sales**

\$56 per truck load up to 10,000 gallons payable in advance

**Remove Meter**

\$31 per meter removal. \$26 per meter reinstallation

Billed in arrears with payment due and payable upon presentation.

**Shut-off/Turn-on**

Service Shut-off Charge: \$31

Service Turn-on Charge: \$31

**New Water Meters**

Billed at cost of materials and hours of labor plus 33.3% when installed at the customers request with in the sequence developed by City.

No charge when installed in the sequence developed by City.

**Installation and Repair Work**

Billed at cost of materials and hours of labor plus 33.3%. Estimated cost billed and collected in advance. Final bill prepared after completion of work. Under payments are due payable upon completion of the work. Refunds for overpayments to be paid within 30 days.

**ARB Installation**

\$47 per installation for City owned meters. Billed in arrears, due and payable when rendered.

**Interest Rate on Delinquent Accounts**

Bills delinquent after 30 days from the due date of the bill will accrue interest at the rate of 1.5% beginning from the due date of the bill.

## Redlined Tariff

# City of Woonsocket Water Department TARIFF

Rhode Island Public Utilities Commission Docket No. ~~4320~~ \_\_\_\_\_

Effective Date: September 11, 2018  
~~October 24, 2012~~

Replaces Tariff Approved in Docket 4320 October 2012  
~~Replaces Tariff Approved in Docket 4309 February 2013~~

**City of Woonsocket Water Department**  
**TARIFF**  
**Bulk Sales to Public Authorities for Resale**

Rhode Island Public Utilities Commission Docket No. \_\_\_\_\_

Effective Date:            September 11, 2018            Replaces Tariff Approved in Docket 4320 October 2012  
   ~~October 24, 2012~~                            ~~Replaces Tariff Approved in Docket 4309 February 2013~~

Usage

Sales to Public Authorities at Bulk. Includes any community currently tied into the City of Woonsocket and communities tied into the City's water system in the future.

Rates

For all quantities of Metered water:    \$ 5,128.21    ~~\$ 4,544.45~~ per million gallons

Billing and Payment

All charges billed under this tariff are rendered in arrears on a frequency determined by the assigned billing cycle, and are due and payable in full when rendered.

**City of Woonsocket Water Department  
TARIFF  
Public Fire Protection**

Rhode Island Public Utilities Commission Docket No. \_\_\_\_\_

Effective Date:            September 11, 2018            Replaces Tariff Approved in Docket 4320 October 2012  
   ~~October 24, 2012~~                            ~~Replaces Tariff Approved in Docket 4309 February 2013~~

Usage

Applies to all customers served by the Woonsocket Water Department (Other than City of Woonsocket) for service to public fire hydrants, based on the size of the hydrant connection.

Rates

For each Hydrant:	<u>Annual Charge</u>	
4 inch	<u>\$ 135.56</u>	<del>\$ 163.74</del>
6 inch	<u>\$ 393.77</u>	<del>\$ 475.62</del>
Plus	<u>\$ 10.43</u>	<del>\$ 9.27</del>

per billing

Exception

For each hydrant of any size in Woonsocket, as allowed by RIGL s. 39-3-11, \$0.00.

Billing and Payment

All charges billed under this tariff are rendered in arrears on a frequency determined by the assigned billing cycle, and are due and payable in full when rendered.



**City of Woonsocket Water Department  
TARIFF  
Private Fire Protection**

Rhode Island Public Utilities Commission Docket No. \_\_\_\_\_

Effective Date: September 11, 2018      Replaces Tariff Approved in Docket 4320 October 2012  
October 24, 2012                      Replaces Tariff Approved in Docket 4309 February 2013

Usage

Applies to all private fire connection services served by the Woonsocket Water Department for service to private fire service connections owned and maintained by the customer, based on the size of the connection.

Rates

For each Connection:

	<u>Annual Charge</u>		<u>Quart. Charge</u>	
2 inch	\$ 46.27	<del>\$ 46.94</del>	\$ 11.57	<del>\$ 11.74</del>
3 inch	\$ 93.24	<del>\$ 101.54</del>	\$ 23.31	<del>\$ 25.39</del>
4 inch	\$ 175.17	<del>\$ 196.49</del>	\$ 43.79	<del>\$ 49.12</del>
6 inch	\$ 455.70	<del>\$ 526.32</del>	\$ 113.93	<del>\$ 131.58</del>
8 inch	\$ 939.66	<del>\$ 1,095.32</del>	\$ 234.92	<del>\$ 273.83</del>
10 inch	\$ 1,648.71	<del>\$ 1,935.97</del>	\$ 412.18	<del>\$ 483.99</del>

Unmetered private hydrants will be charged as 6 inch connections.

Billing and Payment

All bills for private fire service are rendered annually in advance and are due and payable when rendered usage through private fire service shall be billed in arrears at the general metered water service rates.

**City of Woonsocket Water Department  
TARIFF  
Customer Service Charge**

Rhode Island Public Utilities Commission Docket No. \_\_\_\_\_

Effective Date: September 11, 2018      Replaces Tariff Approved in Docket 4320 October 2012  
October 24, 2012      Replaces Tariff Approved in Docket 4309 February 2013

Usage

Applies to all metered customers served by the Woonsocket Water Department, exclusive of public and private fire service.

Rates

For each service connected to the Woonsocket Water Division, the following charges shall apply:

<u>Meter Size</u>	<u>Quarterly</u>	
5/8	\$ 20.36	<del>\$ 16.82</del>
3/4	\$ 24.53	<del>\$ 20.00</del>
1	\$ 27.89	<del>\$ 22.55</del>
1 1/2	\$ 42.81	<del>\$ 33.89</del>
2	\$ 55.87	<del>\$ 43.82</del>
3	\$ 73.00	<del>\$ 56.85</del>
4	\$ 105.54	<del>\$ 81.59</del>
6	\$ 178.28	<del>\$ 136.90</del>
8	\$ 304.01	<del>\$ 232.51</del>
10	\$ 431.54	<del>\$ 329.47</del>

However, for each service connected to the Woonsocket Water Division and is connected in the City of Woonsocket the following additional Fire Protection charges shall apply:

<u>Meter Size</u>	<u>Quarterly</u>	
5/8	\$ 15.12	<del>\$ 17.01</del>
3/4	\$ 21.48	<del>\$ 24.15</del>
1	\$ 26.59	<del>\$ 29.90</del>
1 1/2	\$ 49.31	<del>\$ 55.45</del>
2	\$ 69.19	<del>\$ 77.82</del>
3	\$ 95.28	<del>\$ 107.16</del>
4	\$ 144.83	<del>\$ 162.89</del>
6	\$ 255.60	<del>\$ 287.47</del>
8	\$ 447.07	<del>\$ 502.81</del>
10	\$ 641.27	<del>\$ 721.22</del>

Billing and Payment

All customer service charges billed under this tariff are rendered quarterly in advance and are due and payable in full when rendered.

**City of Woonsocket Water Department  
TARIFF  
Metered Sales**

Rhode Island Public Utilities Commission Docket No. \_\_\_\_\_

Effective Date: September 11, 2018      Replaces Tariff Approved in Docket 4320 October 2012  
~~October 24, 2012~~      ~~Replaces Tariff Approved in Docket 4309 February 2013~~

**Usage**

Applies to all metered customers served by the Woonsocket Water Department, including metered private fire service.

**Rates**

For all metered quantities except bulk sales to public authorities:

Quarterly Use      \$ 4.54 ~~\$ 4.06~~ per 100 cubic feet

**Billing and Payment**

All metered sales bills are rendered in arrears quarterly and are due and payable in full when rendered.

**City of Woonsocket Water Department**  
**TARIFF**  
**Miscellaneous Charges**

Rhode Island Public Utilities Commission Docket No. \_\_\_\_\_

Effective Date:            September 11, 2018            Replaces Tariff Approved in Docket 4320 October 2012  
   ~~October 24, 2012~~            ~~Replaces Tariff Approved in Docket 4309 February 2013~~

**Water Truck Sales**

~~\$60~~ ~~\$56~~ per truck load up to 10,000 gallons payable in advance

**Remove Meter**

~~\$100~~ ~~\$34~~ per meter removal. ~~\$100~~ ~~\$26~~ per meter reinstallation  
Billed in arrears with payment due and payable upon presentation.

**Shut-off/Turn-on**

Service Shut-off Charge: ~~\$100~~ ~~\$34~~  
Service Turn-on Charge: ~~\$100~~ ~~\$34~~

**New Water Meters**

Billed at cost of materials and hours of labor plus 33.3% when installed at the customers request with in the sequence developed by City.  
No charge when installed in the sequence developed by City.

**Installation and Repair Work**

Billed at cost of materials and hours of labor plus 33.3%. Estimated cost billed and collected in advance. Final bill prepared after completion of work. Under payments are due payable upon completion of the work. Refunds for overpayments to be paid within 30 days.

**ARB Installation**

\$47 per installation for City owned meters. Billed in arrears, due and payable when rendered.

**Interest Rate on Delinquent Accounts**

Bills delinquent after 30 days from the due date of the bill will accrue interest at the rate of 1.5% beginning from the due date of the bill.

# Proposed Tariff

**City of Woonsocket Water Department  
TARIFF**

Rhode Island Public Utilities Commission Docket No. \_\_\_\_\_

Effective Date: September 11, 2018

Replaces Tariff Approved in Docket 4320 October 2012

**City of Woonsocket Water Department**  
**TARIFF**  
**Bulk Sales to Public Authorities for Resale**

Rhode Island Public Utilities Commission Docket No. \_\_\_\_\_

Effective Date:           September 11, 2018           Replaces Tariff Approved in Docket 4320 October 2012

Usage

Sales to Public Authorities at Bulk. Includes any community currently tied into the City of Woonsocket and communities tied into the City's water system in the future.

Rates

For all quantities of Metered water:   \$ 5,128.21 per million gallons

Billing and Payment

All charges billed under this tariff are rendered in arrears on a frequency determined by the assigned billing cycle, and are due and payable in full when rendered.

**City of Woonsocket Water Department  
TARIFF  
Public Fire Protection**

Rhode Island Public Utilities Commission Docket No. \_\_\_\_\_

Effective Date:           September 11, 2018           Replaces Tariff Approved in Docket 4320 October 2012

Usage

Applies to all customers served by the Woonsocket Water Department (Other than City of Woonsocket) for service to public fire hydrants, based on the size of the hydrant connection.

Rates

For each Hydrant:	<u>Annual Charge</u>
4 inch	\$ 135.56
6 inch	\$ 393.77
Plus	\$ 10.43 per billing

Exception

For each hydrant of any size in Woonsocket, as allowed by RIGL s. 39-3-11, \$0.00.

Billing and Payment

All charges billed under this tariff are rendered in arrears on a frequency determined by the assigned billing cycle, and are due and payable in full when rendered.



**City of Woonsocket Water Department  
TARIFF  
Private Fire Protection**

Rhode Island Public Utilities Commission Docket No. \_\_\_\_\_

Effective Date:           September 11, 2018           Replaces Tariff Approved in Docket 4320 October 2012

Usage

Applies to all private fire connection services served by the Woonsocket Water Department for service to private fire service connections owned and maintained by the customer, based on the size of the connection.

Rates

For each Connection:	<u>Annual Charge</u>	<u>Quart. Charge</u>
2 inch	\$ 46.27	\$ 11.57
3 inch	\$ 93.24	\$ 23.31
4 inch	\$ 175.17	\$ 43.79
6 inch	\$ 455.70	\$ 113.93
8 inch	\$ 939.66	\$ 234.92
10 inch	\$ 1,648.71	\$ 412.18

Unmetered private hydrants will be charged as 6 inch connections.

Billing and Payment

All bills for private fire service are rendered annually in advance and are due and payable when rendered usage through private fire service shall be billed in arrears at the general metered water service rates.

**City of Woonsocket Water Department  
TARIFF  
Customer Service Charge**

Rhode Island Public Utilities Commission Docket No. \_\_\_\_\_

Effective Date:        September 11, 2018        Replaces Tariff Approved in Docket 4320 October 2012

Usage

Applies to all metered customers served by the Woonsocket Water Department, exclusive of public and private fire service.

Rates

For each service connected to the Woonsocket Water Division, the following charges shall apply:

<u>Meter Size</u>	<u>Quarterly</u>
5/8	\$ 20.36
3/4	\$ 24.53
1	\$ 27.89
1 1/2	\$ 42.81
2	\$ 55.87
3	\$ 73.00
4	\$ 105.54
6	\$ 178.28
8	\$ 304.01
10	\$ 431.54

However, for each service connected to the Woonsocket Water Division and is connected in the City of Woonsocket the following additional Fire Protection charges shall apply:

<u>Meter Size</u>	<u>Quarterly</u>
5/8	\$ 15.12
3/4	\$ 21.48
1	\$ 26.59
1 1/2	\$ 49.31
2	\$ 69.19
3	\$ 95.28
4	\$ 144.83
6	\$ 255.60
8	\$ 447.07
10	\$ 641.27

Billing and Payment

All customer service charges billed under this tariff are rendered quarterly in advance and are due and payable in full when rendered.

**City of Woonsocket Water Department  
TARIFF  
Metered Sales**

Rhode Island Public Utilities Commission Docket No. \_\_\_\_\_

Effective Date:           September 11, 2018           Replaces Tariff Approved in Docket 4320 October 2012

Usage

Applies to all metered customers served by the Woonsocket Water Department, including metered private fire service.

Rates

For all metered quantities except bulk sales to public authorities:

Quarterly Use                                 \$     4.54 per 100 cubic feet

Billing and Payment

All metered sales bills are rendered in arrears quarterly and are due and payable in full when rendered.

**City of Woonsocket Water Department  
TARIFF  
Miscellaneous Charges**

Rhode Island Public Utilities Commission Docket No. \_\_\_\_\_

Effective Date:           September 11, 2018           Replaces Tariff Approved in Docket 4320 October 2012

**Water Truck Sales**

\$60 per truck load up to 10,000 gallons payable in advance

**Remove Meter**

\$100 per meter removal. \$100 per meter reinstallation  
Billed in arrears with payment due and payable upon presentation.

**Shut-off/Turn-on**

Service Shut-off Charge: \$100  
Service Turn-on Charge: \$100

**New Water Meters**

Billed at cost of materials and hours of labor plus 33.3% when installed at the customers request with in the sequence developed by City.  
No charge when installed in the sequence developed by City.

**Installation and Repair Work**

Billed at cost of materials and hours of labor plus 33.3%. Estimated cost billed and collected in advance. Final bill prepared after completion of work. Under payments are due payable upon completion of the work. Refunds for overpayments to be paid within 30 days.

**ARB Installation**

\$47 per installation for City owned meters. Billed in arrears, due and payable when rendered.

**Interest Rate on Delinquent Accounts**

Bills delinquent after 30 days from the due date of the bill will accrue interest at the rate of 1.5% beginning from the due date of the bill.

# **TAB 12B**

**SAMPLE BILL-CURRENT RATES  
WOONSOCKET WATER DIVISION**

Supplemental Data for 2.9 (e)



**City of Woonsocket**  
2018-06 Water

**Total Amount Due: \$86.38**

Parcel ID:

Location:

Remit Payment to: City of Woonsocket  
Water Division  
Dept #92  
PO Box 9712  
Providence, RI 02940-9712



Account Number

Check your balance and pay on-line: [www.RIEgov.com](http://www.RIEgov.com)

The PIN # to access your account is :

Read Information		Charge Description		Units	x	Rate	=	Amount Due
Read Type : ACTUAL		Water Chg - Res.		12.2800		4.0600 \$/100CF		49.86
Prior Read : 94373 on 02/08/2018		Service Chg - Res. 5/8"		1.0000		16.8200 \$		16.82
Current Read: 95601 on 05/10/2018		RI Surcharge 1		12.2800		0.0790 \$/100CF		0.97
Consumption : 1228 CF		RI Surcharge 2		12.2800		0.1400 \$/100CF		1.72
		Fire Prot Chg - 5/8"		1.0000		17.0100 \$		17.01
<b>CURRENT BILL TOTAL :</b>								<b>86.38</b>

Description	Consumption	Original Bill	-	Adjustments	-	Payments	=	Balance Due	+	Penalty Due	=	Amount Due
2017-06 Water	1395	93.52		0.00		93.52		0.00		0.00		0.00
2017-09 Water	1590	101.87		0.00		101.87		0.00		0.00		0.00
2017-12 Water	1200	85.18		0.00		85.18		0.00		0.00		0.00
2018-03 Water	4025	206.07		0.00		206.07		0.00		0.00		0.00
<b>TOTAL DUE :</b>											<b>0.00</b>	

For past due bills, penalty is calculated at 18.00 % per annum and is accrued daily.  
Your bill reflects penalty calculated as of 08/15/2018.

**Total Amount Due: \$86.38**

**City of Woonsocket**  
2018-06 Water

Return this portion with your payment

Total Amount Due:	\$86.38
Date Due:	08/15/2018
Amount Enclosed:	



Account Number: \_\_\_\_\_

Parcel ID: \_\_\_\_\_

Location: \_\_\_\_\_

Remit Payment to:

Water Division  
Dept #92  
PO Box 9712  
Providence, RI 02940-9712

03980420830000 00000842005 0000086389

**TAB 12C**

**ANALYSIS OF PROPERTY TAX EXPENSE**      **Supplemental Data for 2.9 (i)**  
**WOONSOCKET WATER DIVISION**

**PROPERTY TAXES**

	FY 2015	FY 2016	FY 2017	FY 2018	Adjusted Test Year CY 17
NORTH SMITHFIELD	\$ 114,655	\$ 119,251	\$ 114,197	\$ 118,448	\$ 116,323
BLACKSTONE	21,725	21,527	21,716	21,843	21,843
LINCOLN	14,856	14,088	14,079	14,344	14,178
SMITHFIELD	14,111	15,238	15,313	16,072	15,692
MANVILLE	362	453	418	535	535
ALBION	699	707	755	666	666
<i>Total</i>	\$ 166,408	\$ 171,264	\$ 166,478	\$ 171,908	\$ 169,237

**July - December**

NORTH SMITHFIELD	\$ 86,472	\$ 89,438	\$ 57,098	\$ 59,224	\$ 59,224
BLACKSTONE	2,722	2,816	2,796	2,923	2,923
LINCOLN	7,428	10,179	7,073	7,172	7,172
SMITHFIELD	10,600	7,619	7,657	8,036	8,036
MANVILLE	362	453	418	535	535
ALBION	699	707	651	562	562

**January - June**

NORTH SMITHFIELD	\$ 28,183	\$ 29,813	\$ 57,099	\$ 59,224	\$ 57,099
BLACKSTONE	19,003	18,711	18,920	18,920	18,920
LINCOLN	7,428	3,909	7,006	7,172	7,006
SMITHFIELD	3,511	7,619	7,656	8,036	7,656
MANVILLE	-	-	-	-	-
ALBION	-	-	104	104	104



**TAB 12D**

**ANALYSIS OF RATE CASE EXPENSE  
WOONSOCKET WATER DIVISION**

**Supplemental Data for 2.9 (m)**

Rate Case Fund is no longer restricted under Docket 4320

In Docket 4320 - the Rates Case was scheduled for a two year recovery period Beginning FY 2013

As a result there is no unamortized rate case expense flowing into the rate year.

**Rate Case Expense**

	<b>Rate Year</b>
Legal	\$ 150,000
Consultants (Testimony, Data Request, Hearings)	115,000
Notification (#of bills @ \$0.47)	22,332
Division/Commission	42,000
<b>Total</b>	<b>\$ 329,332</b>
Recovery Period (5 Years)	5
Yearly Amortization	65,866

	Base year	Step 2	Step 3	Step 4	Step 5
\$ 90,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
75,000	10,000	10,000	10,000	10,000	10,000
4,466	4,466	4,466	4,466	4,466	4,466
26,000	4,000	4,000	4,000	4,000	4,000

**TAB 12E**

ANALYSIS OF Unaccounted for Water  
WOONSOCKET WATER DIVISION

Supplemental Data for 2.9 (n)

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<i>Unaccounted for Water</i>					
Total Water Distributed	1,676,333	1,707,884	1,716,626	1,733,150	1,902,219
Total Metered Sales	1,481,498	1,534,992	1,533,450	1,544,598	1,593,341
Unmetered sales	1,000	1,000	1,000	1,000	1,000
Water Used by Company	74,456	74,456	74,456	64,321	64,693
Total Disposition of Water	1,556,954	1,610,448	1,608,906	1,609,919	1,659,034
<i>Total Unaccounted for Water</i>	119,379	97,436	107,720	123,231	243,185
Percentage	7.1%	5.7%	6.3%	7.1%	12.8%

**TAB 12F**

**STATUS OF PHYSICAL PLANT**  
(R.I. Gen. Laws §39-3-12.1(a)(I))

A. Source of Supply:

1. Crookfall Brook Watershed: This source consists of Reservoirs 1 and 3 in the towns of Lincoln, North Smithfield and Smithfield. The safe yield of this system based on a 95% reliability is 3.5 MGD.
2. Harris Pond Watershed: This source of supply is an impoundment of the Mill River in Blackstone and Bellingham, Massachusetts. The safe yield of this source based on a 95% reliability of 4.4 MGD.

B. Treatment:

The Charles G. Hammann Memorial Treatment Plant has a maximum capacity of 13.25 MGD. The facility uses conventional treatment consisting of coagulation, flocculation, sedimentation, granular activated carbon filtration, disinfection, fluoridation and corrosion control. Other system components of the facility are:

2	0.5 MG Steel Clearwells
1	0.4 MG Steel Washwater Storage Tank
3	3500 gpm Main Distribution Pumps
1	5000 gpm Diesel Pump
1	125 KVA Emergency Power Generator

C. Distribution and Storage:

The distribution system consists of approximately 125 miles of pipe, 2843 valves, 1500 hydrants, nine storage tanks and four pump stations.

**Compliance with R.I. Gen. Laws §39-3-12.1(a)(2)**

**WATER PIPE ADDED SINCE 2007**

<u>SIZE (IN.)</u>	<u>December 2007 (FEET)</u>	<u>December 2017 (FEET)</u>	<u>CHANGE (FEET)</u>
	1,086	1,086	0
1.25	239	239	0
1.5	968	968	0
2	3,926	4,458	532+
2.5	533	533	0
3	93	93	0
4	11,320	11,320	0
6	132,667	132,667	
8	326,079	327,589	1510+
10	11,918	11,918	0
12	119,541	119,181	360-
14	647	647	0
16	12,003	12,003	0
18	18,526	18,526	0
20	17,581	16,661	920-
24	14,460	14,460	0
30	17,299	17,299	0
<u>TOTALS:</u>	688,886	689,648	762
<u>MILES:</u>	130,471	131,502	1.031

**Compliance with R.I. Gen. Laws §39-3-12.i(a)(3)**

**WATER TREATMENT CHEMICALS**

**CHEMICAL USE AND COST SIX MONTH TOTAL**

(July 2017 - December 2017)

CHEMICAL PURCHASES  
JULY, 2017 - DEC, 2017

VENDOR	CHEMICAL	# OF DELIVERIES	COST
AMCO 131 MASON STREET WOONSOCKET RI 02895	CHLORINE (PUMP STATIONS)	2	\$741.60
BORDEN & REMINGTON CORP PO BOX 2573 FALL RIVER MA 02722	LIME FLUORIDE	5 1	\$19,710.00 \$1,511.00
CARUS CORP 315 FIFTH STREET PERU IL 61354	LIQUID ORTHO/PHOSPHATE	2	\$9,945.60
GEORGE S COYNE CHEMICAL CO 3015 STATE ROAD CROYDON PA 19021	MAGNAFLOC	1	\$1,436.48
GEORGE S COYNE CHEMICAL CO 3015 STATE ROAD CROYDON PA 19021	FLUORIDE	4	\$5,720.72
HOLLAND COMPANY 153 HOWLAND AVENUE ADAMS MA 01220	ALUM SULFATE	9	\$32,717.48
JCI JONES CHEMICALS INC 40 RAILROAD AVENUE MERRIMACK NH 03054	LIQUID CHLORINE	3	<u>\$27,500.00</u>
			\$99,282.88

Aluminum Sulfate (Alum):

Aluminum sulfate is added to the raw water to cause coagulation and flocculation to occur which removes some of the color and turbidity naturally found in surface water supplies.

Hydrated Lime:

Hydrated lime is added to raw water as needed for pH adjustment for optimum coagulation and flocculation. It is also added to the finished water to increase pH and total alkalinity for corrosion control.



Sodium Silicofluoride:

Fluoride is added to the finished water to reduce the incidence of dental cavities.

Corrosion Inhibitor:

The chemical added to the finished water to aid in corrosion control is a blend of poly and orthophosphates. This chemical acts as a sequestering agent and also can form an insoluble protective film on the surface of the pipe.

Chlorine:

Chlorine is added to the finished water for disinfection purposes. It is also added to the raw water during the warmer months for pretreatment disinfection.

Polymer:

Polymer is added to raw water to enhance the sedimentation process.

Sodium Hypochlorite:

Sodium hypochlorite is added to the water pumped from Harris Pond for disinfection purposes.

GENERAL COMMENTS:

The amounts of chemicals added are seasonally dependent as well as weather dependent. As flows increase during the warmer months, more chemical must be added to maintain the optimum dosage for that chemical. The dosages for some chemicals (i.e., fluoride and corrosion inhibitor) are fixed. Other chemicals (i.e., alum, polymer, lime and chlorine) are dosed in varying amounts depending on raw water quality and flow.

Woonsocket uses a surface water supply. The terminal reservoir is fed by Crookfall Brook, which is greatly influenced by rainfall events. During periods of heavy precipitation the raw water quality deteriorates dramatically, necessitating the addition of more alum, polymer, lime and chlorine to provide water that meets all federal and state regulations. The information presented in the table above regarding chemical use and loss is from the time period July 2011 to December 2011. This was a period with over 37.21 inches of precipitation. The historical average for precipitation in this time period is approximately 24 inches. Also, there was a carbon change-out during FY 2011, with costs allocated to this amounting to \$304,600.

## **Compliance with R.I. Gen. Laws 39-3-12.1(a)(4)**

### **POLICY RELATING TO EXPANSION AND RENOVATION**

The City of Woonsocket has an Infrastructure Replacement Program that addresses the renovation or replacement of major systems components.

It is the policy of the City of Woonsocket, Water Division ("WWD") to continue to provide quality service to all existing customers. Systems expansion within existing service areas, where there is sufficient existing utility in place to support the expansion, is encouraged and an existing WWD policy. Our policy is to provide long term, cost effective capital and operating programs that assure reliable and consistent compliance with regulatory requirements and the protection of the public health. WWD's policy is also to proceed along pathways that minimize risk and at the same time provide long term, cost effective services. Technical evaluations are made to determine future needs so that required expansion can proceed in a timely manner. If there is insufficient utility infrastructure available, the City requires the individuals seeking the service to install contributed capital.

WWD's most recent IFR plan was approved by the Rhode Island Department of Health ("RIDOH"). This updated plan is described in more detail in CDM's November 2007 "Water Distribution System Evaluation." In this report, CDM assessed the condition of the existing water distribution system and its hydraulic capabilities. One area that CDM identified and is under review by the City is the need for redundancy or back up interconnections given that the City's water supply is basically self-contained with few back up interconnections to other community supply. The City has been working to fix this problem through interconnections with other nearby communities, such as the interconnection with the Town of Cumberland. Also, CDM recommended cleaning and lining or replacing approximately 4400 linear feet of existing transmission and distribution piping on Manville Road. Both of these were recently completed.

Regarding the status of the water treatment plant ("WTP"), and the filter backwash concerns of the Rhode Island Department of Environmental Management ("RIDEM"), the City signed a Consent Agreement, dated June 27, 2008. The Consent Agreement has been updated and modified that allowed WWD to continue to operate its existing treatment plant with specified modifications till the new permanent treatment processes and facilities for the treatment of the filter backwash can be completed. The City is moving forward to address the compliance problems identified by RIDEM and the RIDOH, with the replacement of the WTP with a new facility. The City has issued an RFP and has signed a contract with a company to begin the initial phase of engineering, design and construction for the new WTP. The City worked with RIDEM during the procurement process to select a contractor that will design, build and operate a new Water Treatment Facility, keeping RIDEM informed of progress. After the process was completed, and a contractor was selected, the City worked with RIDEM towards an Amendment to the Consent Agreement to reflect projected completion dates. The dates in the Consent Agreement and the DBO Contract are in alignment. The awarded contractor is beginning the initial phase of engineering, design and construction for the new WTP.