

DIRECT TESTIMONY OF
RALPH SMITH, CPA
BEFORE THE
RHODE ISLAND PUBLIC UTILITIES COMMISSION

NARRAGANSETT BAY COMMISSION

RATE CASE

DOCKET NO. 4890

ON BEHALF OF
THE DIVISION OF PUBLIC UTILITIES AND CARRIERS

February 20, 2019

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Exhibits:

- RCS-1, Ralph Smith Background and Qualifications
- RCS-2, Revenue Requirement and Adjustment Schedules
- RCS-3, User Charge Calculation and Proof of Revenue

1 **I. INTRODUCTION**

2 **Q. What is your name, occupation, and business address?**

3 A. My name is Ralph Smith. I am a Certified Public Accountant licensed in the State
4 of Michigan and a senior regulatory consultant at the firm Larkin & Associates,
5 PLLC, Certified Public Accountants, with offices at 15728 Farmington Road,
6 Livonia, Michigan 48154.

7

8 **Q. Please describe the firm Larkin & Associates, PLLC.**

9 A. Larkin & Associates, PLLC ("Larkin"), is a Certified Public Accounting and
10 Regulatory Consulting Firm. The firm performs independent regulatory consulting
11 primarily for public service/utility commission staffs and consumer interest groups
12 (public counsels, public advocates, consumer counsels, attorneys general, etc.).
13 Larkin has extensive experience in the utility regulatory field as expert witnesses in
14 over 600 regulatory proceedings, including numerous electric, water and
15 wastewater, gas and telephone utility cases.

16

17 **Q. Mr. Smith, please summarize your educational background and recent work
18 experience.**

19 A. I received a Bachelor of Science degree in Business Administration (Accounting
20 Major) with distinction from the University of Michigan - Dearborn, in April 1979.
21 I passed all parts of the C.P.A. examination on my first sitting in 1979, received my
22 C.P.A. license in 1981, and received a certified financial planning certificate in
23 1983. I also have a Master of Science in Taxation from Walsh College, 1981, and a

1 law degree (J.D.) cum laude from Wayne State University, 1986. In addition, I
2 have attended a variety of continuing education courses in conjunction with
3 maintaining my accountancy license. I am a licensed Certified Public Accountant
4 and attorney in the State of Michigan. Since 1981, I have been a member of the
5 Michigan Association of Certified Public Accountants. I am also a member of the
6 Michigan Bar Association. I have also been a member of the American Bar
7 Association (ABA), and the ABA sections on Public Utility Law and Taxation.
8

9 **Q. Please summarize your professional experience.**

10 A. After graduating from the University of Michigan, and after a short period of
11 installing a computerized accounting system for a Southfield, Michigan realty
12 management firm, I accepted a position as an auditor with the predecessor CPA
13 firm to Larkin & Associates in July 1979. Before becoming involved in utility
14 regulation where the majority of my time for the past 39 years has been spent, I
15 performed audit, accounting, and tax work for a wide variety of businesses that
16 were clients of the firm.
17

18 **Q. Have you previously testified before the Rhode Island Public Utilities**
19 **Commission?**

20 A. Yes. I previously testified before the Rhode Island Public Utilities Commission for
21 the Providence Water rate case, Docket No. 4618 and the Suez Water rate case,
22 Docket No. 4800.
23

1 **Q. Have you previously submitted testimony before other state regulatory**
2 **commissions?**

3 A. Yes. I have previously submitted testimony before many other state regulatory
4 commissions, including Alabama, Alaska, Arizona, Arkansas, California,
5 Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Kansas,
6 Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi,
7 Missouri, Montana, New Jersey, New Mexico, New York, Nevada, North Carolina,
8 North Dakota, Ohio, Pennsylvania, Puerto Rico, Rhode Island, South Carolina,
9 South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington,
10 Washington D.C., West Virginia, and Canada as well as the Federal Energy
11 Regulatory Commission and various state and federal courts of law. My prior
12 testimonies have included evaluations of numerous utility rate case filings and
13 revenue requirement determinations.

14
15 **Q. Have you prepared an exhibit describing your qualifications and experience?**

16 A. Yes. I have attached Exhibit No. RCS-1, which is a summary of my regulatory
17 experience and qualifications.

18
19 **Q. On whose behalf are you appearing?**

20 A. Larkin & Associates, PLLC, was retained by the Division of Public Utilities and
21 Carriers ("the Division") to review the rate request of Narragansett Bay
22 Commission ("Narragansett," "NBC" or "Company"). Accordingly, I am appearing
23 on behalf of the Division.

24

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

2 A. I am presenting the Division's overall recommended revenue requirement for NBC
3 in this case. I sponsor several adjustments to the Company's proposed revenue
4 requirement.

5
6 **Q. Have you attached any other Exhibits or Schedules to your testimony?**

7 A. Yes. I prepared Exhibit RCS-2 which presents the revenue requirement calculation
8 for the rate year ending June 30, 2020, giving effect to all of the adjustments that I
9 am recommending in this testimony. Exhibit RCS-2 contains schedules showing
10 the revenue requirement, operating revenues, operating expenses, debt service and
11 adjusted net operating income, and also includes schedules for each adjustment I
12 am recommending.

13 Additionally, Exhibit RCS-3 presents a User Charge Calculation and Proof
14 of Revenue that reflects the Division's adjusted results. Exhibit RCS-3 contains
15 Schedules A and B, which are similar to NBC's Schedules HJS-27 and HJS-28,
16 showing the User Charge Calculation and Proof of Revenue, respectively.

17

18 **Q. How will your testimony be organized?**

19 A. In Section II, I present the overall financial summary for the base rate change to be
20 effective for the rate year ended June 30, 2020, showing the revenue requirement
21 and revenue increase recommended by the Division.

22 In Section III, I discuss my proposed adjustments which impact the
23 Company's revenue requirement. Exhibit RCS-2 attached to my testimony presents
24 the Division's Revenue Requirement and Adjustment Schedules. Finally, I present

1 a calculation of user charges and a proof of revenue, which is shown in Exhibit
2 RCS-3.

3
4 **II. OVERALL FINANCIAL SUMMARY – BASE RATE CHANGE**

5 **Q. What revenue increase is the Company is seeking?**

6 A. The Company is requesting a general base revenue adjustment of \$6,388,424 to
7 support its claimed total revenue requirement of \$107,249,751. Overall, the increase
8 requested by the Company would be 6.33%.

9
10 **Q. What revenue requirement do you recommend for NBC?**

11 A. As shown on Exhibit RCS-2, Schedule A, page 1, my recommended adjustments in
12 this case result in a recommended revenue requirement for NBC of \$4,783,146.
13 This is \$1,605,278 less than the \$6,388,424 base rate increase requested by NBC in
14 its filing.

15
16 **Q. Have you presented a reconciliation of NBC's request and the Division's
17 recommended adjusted results?**

18 A. Yes. A reconciliation of NBC's requested revenue increase and the Division's
19 adjusted results is presented on Exhibit RCS-2, Schedule A, page 2. The estimated
20 revenue requirement impact of each Division adjustment is shown there.

21

1 **II. TEST YEAR AND RATE YEAR**

2 **Q. What test year and rate year were used by NBC to develop its proposed**
3 **revenue requirement and requested revenue increase?**

4 A. NBC's application uses a test year of the 12 months ending June 30, 2018. NBC is
5 on a fiscal year ending June 30. NBC's starting point for developing its proposed
6 revenue requirement is audited accounting information for the 12 months ended
7 June 30, 2018 (i.e., fiscal year 2018). NBC proposes a rate year consisting of the
8 12 months ending June 30, 2020 (FY 2020). NBC proposes that rates approved in
9 its application become effective on July 1, 2019, which is the first day in NBC's FY
10 2020.

11
12 **Q. How does NBC define its fiscal year?**

13 A. Page 45 of NBC's Fiscal Year 2019 Budget, which was provided in the Company's
14 response to Division 1-8 and 1-14 has the following description:

15
16 NBC's fiscal year runs from July 1st through the following June, and
17 is numbered with the calendar year in which it ends. The FY 2019
18 budget year begins July 1, 2018 and ends June 30, 2019. The prior
19 fiscal year or FY 2018 is the 12 month period that ends June 30,
20 2018.

21
22 **Q. What time periods have you used in making your determination of NBC's**
23 **revenue requirements?**

24 A. I have accepted NBC's use of the test year ending June 30, 2018 (FY 2018) and a
25 rate year ending June 30, 2020 (FY 2020) as the basis for determining NBC's
26 revenue requirements. However, I have also used other historical information and

1 NBC's FY 2019 Budget¹ as a point of comparison in evaluating some of NBC's
2 proposed adjustments to the FY 2020 rate year.

3

4 **Q. Has NBC included projected cost increases occurring beyond the rate year**
5 **ending June 30, 2020 for certain expenses?**

6 A. Based on the way some of NBC's adjustments have been labeled and presented, it
7 may initially appear that NBC is including cost increases projected to occur on
8 7/1/2020 (i.e., which would be beyond the rate year) in some of its expense
9 adjustments. However, upon detailed review, it appears not. Specifically, for a
10 number of expenses, NBC's adjustments appear to have been mis-labeled as if NBC
11 is reflecting expense increases as of July 1, 2020, when in fact the adjustments are
12 actually adjusting NBC's test year expenses for expected increases out to the rate
13 year, but not beyond it. Had NBC included cost increases that would be incurred
14 beyond the end of the rate year, such as estimated cost increases that NBC expects
15 for July 1, 2020 or beyond, those would have been removed and/or limited to
16 expense increases from the test year to the rate year, i.e., to amounts that would be
17 incurred during the FY 2020 rate year but not beyond the rate year.

18

19 **Q. Please give an example of an NBC adjustment that appears to be mis-labeled**
20 **as including an increase on 7/1/2020, which would be beyond the rate year.**

21 A. As one illustrative example, NBC witness Harold Smith's Schedule HJS-7 shows
22 the following increase for Health Insurance Expense (account 52950):

¹ NBC's Fiscal Year 2019 Budget was provided in response to Division 1-8 and 1-14.

**Narragansett Bay Commission
Health Insurance - 52950**

		Health Insurance Account 52950
Adjusted Test Year FY 2018		\$ 3,934,797
7/1/19 Increase		5.84%
	7/1/19 Total Health	\$ 4,164,688
7/1/20 Increase		5.84%
	7/1/20 Total Health	\$ 4,408,011
	Rate Year Adjustment	\$ 473,214

1
2 On its face, based on the labeling, it appears that this adjustment is adjusting Health
3 Insurance Expense for two rounds of increases, one on 7/1/2019 and a second one
4 on 7/1/2020. However, upon detailed examination, it appears that this NBC
5 adjustment is simply mis-labeled. The adjusted test year amount is for the 12
6 months ending June 30, 2018, and the increases have occurred or would be
7 occurring on 7/1/2018 and 7/1/2019, to bring the test year expense level up to the
8 projected level for the 12 months ending 6/30/2020. In other words, it appears that,
9 with proper labeling, this NGC adjustment is really intended to represent the
10 following:

**Narragansett Bay Commission
Health Insurance - 52950**

		Health Insurance Account 52950
Adjusted Test Year FY 2018	\$	3,934,797
7/1/18 Increase		5.84%
	7/1/18 Total Health	\$ 4,164,688
7/1/19 Increase		5.84%
	7/1/19 Total Health	\$ 4,408,011
	Rate Year Adjustment	\$ 473,214

1

2 **Q. Is it your intention to allow any expense increases that would occur beyond the**
3 **end of the rate year, which is the 12 months ending June 20, 2020?**

4 A. No. If the above-noted NBC adjustment for Health Insurance expense and/or other
5 similarly labeled adjustments that have been presented by NBC witness Harold
6 Smith were actually including increases that would not become effective until
7 7/1/2020 (i.e., after the rate year), the post-rate year amounts should be and would
8 have been eliminated. However, upon detailed review, as described above, it
9 appears to be more a matter of NBC having mis-labeled some of its adjustments,
10 rather than a situation where NBC has included additional rounds of cost
11 escalations that would be occurring beyond the FY 2020 period which is being used
12 as the rate year in this proceeding.

13

14 **IV. SPECIFIC ISSUES AFFECTING NBC'S REVENUE REQUIREMENT**

15 **Q. How is the remainder of your testimony organized?**

1 A. The remainder of my testimony is organized into sections corresponding to the
2 specific issue or topic being addressed. The sections are set forth in the Table of
3 Contents for this testimony

4 Withdrawn NBC Request for a Hardship Fund

5 **Q. What did the Company propose for Hardship Fund in this proceeding?**

6 A. As described on pages 2 and 12 of NBC witness Harold Smith's direct testimony,
7 NBC proposed establishing a Hardship Fund of \$7,500 to provide one-time
8 assistance to customers experiencing difficulties paying their NBC bills. However,
9 when asked in Division 1-42 whether the Hardship Fund is anticipated to reduce
10 NBC's uncollectibles accounts expense and to identify the anticipated impact on
11 uncollectibles if the Hardship Fund is authorized, NBC responded as follows:
12 "NBC is withdrawing its request to establish a Hardship Fund." Consequently, the
13 \$7,500 amount proposed by NBC in its application for this fund is being removed.
14

15 January 1, 2019 Rate Increase

16 **Q. Did NBC reflect the impact of an across-the-board rate increase effective**
17 **January 1, 2019?**

18 A. Yes. NBC has reflected additional test year revenue for an across-the-board rate
19 increase effective January 1, 2019. Other than the fact that the increase was
20 effective on January 1, 2019 (rather than February 1, 2019), this appears to be
21 consistent with the statement on page 5 of NBC's FY2019 Budget which stated that:

22 "This year's budget includes a 2.98% across-the-board increase in
23 user fee rates effective February 1, 2019. This rate increase is
24 NBC's first rate increase since July 1, 2016 and is required to support
25 a planned \$45.0 million debt issuance to finance NBC's CIP."

1 The Company reflected the impact of this increase in its filing on Schedule HJS-2A
 2 by increasing the test year rates Test Year Rates (from Docket 4602) by the 2.98%
 3 increase and multiplying the increased rates by the Company's test year units for
 4 residential, commercial and industrial customers to derive an amount of user fee
 5 revenue of \$98,760,434. That amount is also shown on NBC Schedule HJS-1 and
 6 is summarized below:

7

NBC Increased Adjusted Test Year User Fee Revenue for January 1, 2018 Rate Increase				
Account	Description	NBC Adjusted Test Year Revenue	Increase Effective on January 1, 2019	NBC Proposed Adj. TY Amount
41000	Flat Fees Residential	\$ 26,231,403	\$ 761,482	\$ 26,992,885
41100	Consumption Fee - Residential	\$ 29,072,492	\$ 864,518	\$ 29,937,010
41501 41502	Flat Fees Commercial/Industrial	\$ 14,424,177	\$ 431,747	\$ 14,855,924
41510	Consumption Fee - Commercial	\$ 24,033,736	\$ 718,195	\$ 24,751,931
41511	Consumption Fee - Industrial	\$ 2,158,429	\$ 64,255	\$ 2,222,684
	TOTAL	\$ 95,920,237	\$ 2,840,197	\$ 98,760,434

8
 9 As noted above, this increase was effective January 1, 2019.

10 **Q. Have you accepted that amount of adjusted test year user fee revenue?**

11 A. Yes. I have used the \$98,760,434 as the amount of adjusted test year user fee
 12 revenue. As described in another section of my testimony, I have adjusted the
 13 Commercial amount for a new large user that NBC projected would be added in FY
 14 2019 and for which NBC included in its FY 2019 budget.

15
 16 **Q. Has NBC proposed another adjustment to reduce the adjusted test year user
 17 fee revenue?**

18 A. Yes. NBC proposed another adjustment to reduce the adjusted test year user fee
 19 revenue by \$425,725 for declining residential and commercial customer usage

1 beyond FY 2018; however, I am recommending the NBC-proposed adjustment be
2 rejected as described below.

3 Revenue - Declining Consumption

4 **Q. What is the Company proposing for declining consumption?**

5 A. As described on pages 2 and 9 of NBC witness Harold Smith's direct testimony and
6 shown on his Schedule HJS-25, NBC has projected declining water consumption to
7 continue from the test year into the rate year and proposes to adjust rate year
8 billable consumption for NBC's wastewater service downward by 1% for
9 Residential, and 0.5% for Commercial. NBC is not proposing a declining
10 consumption adjustment for Industrial. The basis for the estimated amount of
11 decline is a comparison that NBC made of actual billable consumption for fiscal
12 years 2015, 2016, 2017 and 2018, which is summarized on NBC witness Harold
13 Smith's testimony at page 9. NBC's Schedule HJS-25 also includes comparable
14 information of billable consumption used in Docket 4478 for FY 2018 Projected.

15 **Q. Has billable residential consumption declined in each year?**

16 A. No. NBC's information shows that billable residential consumption increased by
17 1.9%, from 8,300,215 HCF² to 8,457,830 HCF from FY2016 to FY2017.

18 **Q. Has billable residential consumption been below the level used in Docket 4478
19 in each year?**

20 A. No. The chart shown on NBC witness Harold Smith's testimony at page 9 lists the
21 Docket No. 4478 residential consumption at 8,420,893 HCF. The actual
22 Residential customer usage in FY 2015 of 8,484,354 HCF and in FY 2017 of
23 8,457,830 HCF are both above the Docket No. 4478 Residential usage.

² HCF indicates hundred cubic feet.

1 **Q. Has NBC demonstrated that lower residential water usage in FY 2018 was due**
2 **to a continuing trend rather than temporary conditions?**

3 A. No. As noted above, residential usage previously declined from FY 2015 to FY
4 2016 but increased from FY 2016 to FY 2017. Usage that fluctuates upward and
5 downward from year to year, as has been shown for NBC's residential consumption
6 is not indicative of a continuing downward trend. NBC has failed to demonstrate
7 that billable residential usage will continue to decrease beyond the FY 2018 level to
8 the FY 2020 rate year.

9 **Q. Has billable commercial consumption been below the level used in Docket 4478**
10 **in each year?**

11 A. No. The chart shown on NBC witness Harold Smith's testimony at page 9 lists the
12 Docket No. 4478 commercial consumption at 4,763,451 HCF. Commercial
13 customer usage in FY 2015 of 4,771,357 HCF and in FY 2016 of 4,771,320 HCF
14 are both above the Docket No. 4478 commercial usage.

15 **Q. Has NBC's total billable consumption been below the level used in Docket 4478**
16 **in each year?**

17 A. No. The chart shown on NBC witness Harold Smith's testimony at page 9 lists the
18 Docket No. 4478 total customer usage as 13,609,819 HCF. The actual usage for
19 FY 2015 of 13,733,162 HCF, for FY 2016 of 13,718,589 HCF and for FY 2017 of
20 13,823,480 HCF were all higher than the Docket No. 4478 total customer usage.
21 Notably, industrial usage in each fiscal year (FY 2014 through FY 2018) was higher
22 than the amount used in Docket No. 4478.

1 **Q. How does the FY 2018 billable consumption for residential customers compare**
2 **with the billable consumption for FY 2019 that is presented in NBC's FY 2019**
3 **budget?**

4 A. The billable consumption for FY 2019 for residential customers that is presented in
5 NBC's FY 2019 budget on page 72 is 8,347,801 HCF. This is 114,300 HCF higher
6 than the FY 2018 billable consumption for residential customers of 8,233,501 HCF.

7 **Q. How does the FY 2018 billable consumption for commercial customers**
8 **compare with the billable consumption for FY 2019 that is presented in NBC's**
9 **FY 2019 budget?**

10 A. The billable consumption for FY 2019 for commercial customers that is presented
11 in NBC's FY 2019 budget on page 72 is 4,813,604 HCF. This is 119,515 HCF
12 higher than the FY 2018 billable consumption for residential customers of
13 4,694,089 HCF.

14 **Q. Please explain your recommendation for rate year Residential and**
15 **Commercial consumption.**

16 A. I recommend that FY 2018 test year actual consumption be used as the basis for
17 rate year consumption. The FY 2018 residential and commercial consumption is
18 below the levels used in Docket 4478. Residential consumption has fluctuated both
19 upward and downward during the FY 2015 through FY 2018 period. Unless a
20 continuing trend can be demonstrated, no adjustment should be made for residential
21 and commercial consumption beyond the test year. NBC has failed to demonstrate
22 that there is a continuing downward trend beyond FY 2018 for either residential or
23 commercial consumption. Therefore, the Company's proposed adjustment for
24 additional declining consumption beyond the test year should be rejected. As

1 shown on Schedule RCS-4, I have reversed NBC's proposed adjustment to test year
2 revenue for declining residential and commercial consumption. This increases
3 NBC's revenue at current rates by \$425,725.

4 Revenue - Number of Residential Dwelling Units

5 **Q. What has the Company stated concerning the need to update the number of**
6 **residential dwelling units?**

7 A. Page 2 of NBC witness Harold Smith's direct testimony states that:

8 NBC has seen an increase in the number of residential dwelling
9 units. NBC proposes to update the number of billable dwelling units
10 based on test year levels.

11 **Q. In calculating revenue at current rates, did NBC use an updated number for**
12 **residential dwelling units?**

13 A. No. On NBC Schedules HJS-2A and HJS-26, the Company used 119,728 as the
14 number of residential dwelling units to compute revenue at current rates. In
15 particular, NBC used the FY 2018 test year level of 119,728 residential dwelling
16 units times the current rate of \$225.32 to derive a revenue amount of \$26,992,885. I
17 have reproduced the Company's calculation on Schedule RCS-5

18 **Q. What number of residential dwelling units does NBC expect for FY 2020?**

19 A. The Company's responses to Division 1-26 and 1-27 shows that NBC expects
20 residential dwelling units to be 120,055 for FY 2020.

21 **Q. Have you made an adjustment to NBC's revenue at current rates to reflect the**
22 **increase in the number of residential dwelling units to the FY 2020 rate year?**

23 A. Yes. On Schedule RCS-5, I have used the projected FY 2020 number of residential
24 dwelling units of 120,055 that NBC identified in its responses to Division 1-26 and
25 1-27, multiplied by the same current rate of \$225.32 that NBC used, to derive a

1 revenue amount of \$27,050,793. This is \$57,907 higher than the \$26,992,885
2 amount used by NBC.

3 Consumption Fee Revenue from New Large Commercial User

4 **Q. Does NBC's FY 2019 budget include new consumption fee revenue for a large
5 new commercial user?**

6 A. Yes. This is described at page 43 of NBC's Fiscal Year 2019 Budget, which was
7 provided in the Company's response to Division 1-8 and 1-14. There it indicates
8 that NBC projected an increase of approximately 82 thousand HCF for a new large
9 commercial user. Additionally, NBC response to Division 1-8 and 1-14, Fiscal
10 Year 2019 Budget, page 6, states that :

11 "this year's budget includes increased user fee revenue of \$426,218
12 related to a new large user that is connecting to NBC's system
13 enabled by the Johnston Sewer Improvements/Greenville Project."
14

15 **Q. Did NBC reflect that revenue addition in its adjustments from the FY 2018 test
16 year to the FY 2020 rate year?**

17 A. No, it appears that NBC did not reflect that addition of a new large commercial user
18 expected to have approximately 82 thousand HCF of projected usage and to
19 generate increased user fee revenue in FY 2019 of \$426,218.
20

21 **Q. Have you reflected the revenue associated with that new large commercial
22 user?**

23 A. Yes. On Schedule RCS-6, I have reflected an adjustment to revenue associated
24 with the new large customer by reflecting the increased user fee revenue of
25 \$426,218, which is the amount identified in NBC's FY 2019 Budget. This

1 adjustment could also be derived by multiplying the additional annual consumption
 2 by the current consumption fee rate for commercial users of \$5.273 (from NBC
 3 Schedule HJS-2A) to derive the adjustment to revenue.

4 Miscellaneous Revenue

5 **Q. What types of Miscellaneous Revenue does NBC collect or proposes to collect?**

6 A. NBC's Schedule HJS-1 shows the following types of Miscellaneous Revenue with
 7 the corresponding NBC proposed amounts for the rate year:

Miscellaneous Revenue for the Rate Year Ending 6/30/2020		
Account	Description	NBC Proposed Rate Year Amount
42000	Pretreatment Fees	\$ 62,800
42500	Connection Permit Fees	\$ 43,580
	Capacity Charge	\$ 109,550
42599	Real Estate Closing Fee	\$ 204,120
42600	Abatement Application Fee	\$ 6,720
42602	Returned Check Fee	\$ 20,670
42603	Collection Posting Notice Fee	\$ 213,000
42604	REC Income Field's Point Turbines	\$ 155,595
42605	REC Income WED Turbines	\$ 177,169
42606	REC Income WED Solar	\$ 89,657
43500	Septage Income	\$ 333,037
45100	Interest Income Revenue	\$ 136,230
45200	Interest Income O & M	\$ 63,177
45500	Late Charge Penalty	\$ 796,362
46500	Environmental Enforcement	\$ -
49000	Discounts Earned	\$ 4,743
49002	Miscellaneous Income	\$ 30,733
49003	Rental Revenue	\$ 79,475
	TOTAL	\$ 2,526,618

8
 9 **Q. Are you recommending any adjustments to the NBC proposed Miscellaneous**
 10 **Revenues?**

11 A. Yes. I am recommending adjustments to the NBC proposed rate year amounts for
 12 the following types of Miscellaneous Revenue:

- 1 • Collection Notice Posting Fee
- 2 • Environmental Enforcement

3 Collection Notice Posting Fee

4 **Q. Please explain your adjustment for Collection Notice posting fee.**

5 A. NBC proposes charging individual customers for a Collection Notice Posting Fee.
6 As described on pages 10-11 of NBC witness Harold Smith's Direct Testimony,
7 NBC had originally proposed such fees but subsequently withdrew from
8 consideration as part of Docket 4814. NBC asserts that the cost posting of
9 collection notices on the premises of delinquent accounts selected for water
10 termination or lien sale is a cost that should be charged to the individual customer
11 to whom the posting relates, and that such cost not be shared by all of NBC's
12 customers, the overwhelming majority, of whom, pay on time. Page 11 of NBC
13 witness Harold Smith's testimony, for example, states that:

14 A small percentage of NBC customer accounts are collected through
15 the water termination and lien sale process. These delinquent
16 customers are given adequate notice and numerous opportunities to
17 make payment arrangements with the NBC to avoid additional
18 collection activity. It is only fair that the extra collection costs
19 associated with these activities are collected through an additional
20 fee for time and labor associated with the collection notice posting
21 process. The calculation of this fee and subsequent revenue is
22 presented in Schedule HJS – 4.

23
24 **Q. Does the Division agree with this NBC proposal?**

25 A. No. As previously indicated in Docket 4814, the Division views the costs
26 associated with these duties such as posting delinquent notices as being part of the
27 NBC's core business functions. The notice posting activities are part of NBC's
28 general collection activities and are part of normal customer service activity.

1 Additionally, there is a concern that having NBC inflict additional charges on
2 customers who are already having trouble paying their bills will result in increasing
3 the Company's uncollectible accounts expense, which are ultimately borne by
4 customers who pay their bills. Consequently, the revenue proposed by NBC for the
5 Collection Notice Posting Fee has been removed. The Division recommends that
6 NBC's request for a new Collection Notice Posting Fee be rejected.

7 **Q. Could trying to collect new Collection Notice Posting Fees from customers who**
8 **are having difficulties paying their bills, or who have fallen behind in paying,**
9 **exacerbate NBC's uncollectibles?**

10 A. Yes, it seems that it would. Trying to collect significant new and additional fees
11 from the particular customers who are having difficulties paying their bills, or who
12 have fallen behind in paying, seems likely to exacerbate NBC's uncollectibles. If
13 such customers are already having trouble paying their normal bills from NBC for
14 sewer service, adding additional charges for a new Collection Notice Posting Fee
15 seems likely to contribute to the billings that such customers have been
16 experiencing difficulties paying. NBC has a late charge penalty which is assessed
17 on billings that are not paid on a timely basis.

18 **Q. If NBC's uncollectibles were to increase from the targeted customers being**
19 **unable to pay the new Collection Notice Posting Fees, would the change in**
20 **uncollectibles be borne by NBC's customers generally?**

21 A. Yes. Uncollectibles are a cost that is included in NBC's cost of service and which is
22 borne generally by all of NBC's customers.

23 **Q. Please explain your adjustment for NBC's proposed Collection Notice Posting**
24 **Fee.**

1 A. As described above, NBC's request for a new Collection Notice Posting Fee should
2 be rejected. The \$213,000 of revenue that NBC projected for this new fee for the
3 rate year is being removed as shown on Schedule RCS-7.

4 Environmental Enforcement Revenue

5 **Q. What amount of rate year revenue has NBC reflected for Environmental**
6 **Enforcement Revenue?**

7 A. NBC reflected a zero amount of Environmental Enforcement Revenue (account
8 46500) for the rate year as shown on Company Schedule HJS-1.

9
10 **Q. Did NBC have Environmental Enforcement Revenue in the test year?**

11 A. Yes. NBC had Environmental Enforcement Revenue in the test year of \$3,400.

12
13 **Q. Did NBC have Environmental Enforcement Revenue in prior years?**

14 A. Yes. As shown on page 72 of NBC's Comprehensive Annual Financial Report for
15 the Fiscal Year Ended June 30, 2018 that was provided in response to Division 1-9,
16 NBC had Environmental Enforcement Revenue in 9 of the 10 fiscal years ending
17 with FY 2018. In that ten-year period, the only year in which NBC did not have
18 Environmental Enforcement Revenue was in FY 2013. In each of the five fiscal
19 years, FY2014 through FY2018, NBC had Environmental Enforcement Revenue in
20 varying amounts.

21
22 **Q. Should a normal amount for Environmental Enforcement Revenue be**
23 **reflected for the rate year?**

1 A. Yes. NBC has recorded Environmental Enforcement Revenue in 9 of the last 10
2 fiscal years, and in all five of the most recent fiscal years through FY2018. A
3 normal amount for Environmental Enforcement Revenue should be reflected for the
4 rate year. Because the amount of this revenue has fluctuated from year-to-year, an
5 average amount should be used. On Schedule RCS-8, I show both a ten-year
6 average through FY2018 for the amount of Environmental Enforcement Revenue,
7 as well as an eight-year average for that period which excludes the high and low
8 year amounts. The ten-year average is \$11,977 and the eight-year average that
9 excludes the high and low year amounts is \$8,721. Since the objective of this
10 adjustment is to reflect a normal amount of Environmental Enforcement Revenue,
11 as shown on Schedule RCS-8, this adjustment adds \$8,721 of revenue to the rate
12 year versus NBC's proposed amount of zero for this revenue.

13 Fees Associated with New Sewer Connections

14 **Q. Please discuss NBC's proposals to modify fees associated with new sewer**
15 **connections?**

16 A. As described at page 12 of NBC witness Harold Smith's Direct Testimony, NBC is
17 proposing to modify its fees that are associated with establishing new sewer
18 connections. He states that:

19 The administrative costs associated with processing the permit
20 application will be modified from the current structure, based on
21 whether or not a connection is residential or non-residential, to a rate
22 based on whether a connection is direct or indirect. This change
23 more accurately reflects the costs associated with processing the
24 permit. Schedule HJS-18 presents the calculation of these revised
25 fees. I am also proposing a capacity charge by meter size so that new
26 customers assume some of the cost for being able to connect to an
27 existing system financed by ratepayers. Please refer to Schedules
28 HJS-30 and HJS-31 for the calculation of rate year connection
29 permit fee and capacity charge projected rate year revenue.

1 **Q. What information is shown on those NBC Schedules?**

2 A. NBC Schedule HJS-18, Calculation of Sewer Connection Application Costs, shows
3 how NBC derived its proposed Permit Issuance fee of \$130.00 by estimating the
4 time of various job functions and applying labor costs and overhead costs.

5 NBC Schedule HJS-30 provides some information showing how NBC
6 developed its proposed Capacity Charge of \$350 for a 5/8-inch meter, and its
7 proposed Capacity Charges for larger meter sizes.

8 NBC Schedule HJS-31 shows that the Company estimates that the Permit
9 Issuance fees would produce annual revenue of \$43,580, based on the average
10 number of permits issued during a three-year period. NBC Schedule HJS-31 also
11 shows that its proposed Capacity Charge would produce annual revenue of
12 \$109,550, based upon 313 permits issued annually, priced out at NBC's proposed
13 Capacity Charge rate of \$350 for a 5/8-inch meter. NBC Schedule HJS-31
14 indicates that NBC is "unable to determine meter size per permit issued, [so it]
15 assume[d] all [were] at [the] 5/8" meter size." Notably, NBC's proposed Capacity
16 Charge is the lowest for the 5/8" meter size. Using the proposed lowest charge
17 would tend to understate the amount of annual revenue.

18

19 **Q. Has the Division accepted these NBC proposed fees for connection permits and**
20 **capacity charges?**

21 A. Yes. However, as described below, the amount of revenue estimated by NBC for
22 the new Capacity Charge should reflect that some of that revenue would be
23 associated with meters that are larger than the 5/8" size.

24

1 Capacity Fee Revenue

2 **Q. Please discuss NBC's proposal for Capacity Fees.**

3 A. As shown on NBC witness Harold Smith's Schedule HJS-31, the Company is
4 proposing Capacity Fees as part of its proposed replacement and simplification of
5 the pretreatment fees. NBC is specifically proposing Capacity Charge fees for all
6 new direct and indirect connections to NBC facilities based upon input meter size
7 and which would be payable at the time of application.

8 **Q. Has NBC projected an amount of annual revenue related to the new Capacity**
9 **Charge fees?**

10 A. Yes. On Schedule HJS-31, NBC has reflected an estimated amount of annual
11 revenue from the new Capacity Charge fees of \$109,550 by assuming that all such
12 charges would occur only for 5/8-inch meters. NBC estimated that there would be
13 313 permits and multiplied that number of permits by the \$350 rate per permit
14 applicable to 5/8-inch meters to derive the estimated FY 2020 revenue for the
15 Capacity Charge fees of \$109,550. I have reproduced NBC's calculation on
16 Schedule RCS-9. On its Schedule HJS-31, NBC indicates in a footnote that: "We
17 are unable to determine meter size per permit issued, [so NBC will] assume all [are]
18 at [the] 5/8" meter size."

19 **Q. Is that the most reasonable assumption for estimating revenue from the new**
20 **Capacity Charge fees?**

21 A. No. NBC has a significant portion of customers with meters that are larger than the
22 5/8-inch size. As shown on Schedule RCS-9, I have estimated the Capacity Charge
23 fees based on the estimated proportion of meters from 5/8-inch to 2-inches. I have
24 used NBC's estimate that there would be 313 permits. As shown on Schedule RCS-

1 9, I have estimated that approximately 95 percent of those permits would be at the
2 \$350 fee that is applicable to 5/8" meters, and the remaining 5 percent would be at
3 NBC's proposed Capacity Charge rates for meters from 3/4" to 2" size. Because
4 NBC has a significant number of non-residential customers with meter sizes that are
5 larger than 5/8" it is reasonable to assume that some of the Capacity Charge fees
6 would apply to meter sizes larger than 5/8-inch. Also, assuming that all Capacity
7 Charge fees for the FY 2020 rate year would only be for the smallest size meters
8 (5/8") would tend to understate the amount of revenue to be produced by the
9 Capacity Fee. Thus, reflecting that approximately 5 percent of the permits would
10 be for larger size meters would seem to be a reasonable assumption. As shown on
11 Schedule RCS-9, this produces an estimate of annual revenue from the Capacity
12 Charge of \$128,800 which is \$19,250 more than the \$109,550 amount that had
13 been estimated by NBC by using only the charges for the smallest meter size.

14
15 Pretreatment Permit Application Fee

16 **Q. Please discuss NBC's proposal for a Pretreatment Permit Application Fee.**

17 A. As described on pages 11-12 of NBC witness Harold Smith's Direct Testimony,
18 NBC proposes to eliminate its existing Pretreatment Annual Permit Fees and
19 replace those with a new Pretreatment Permit Application Fee. He explains that:

20 NBC currently has a cumbersome tariff consisting of 22 billing
21 categories for the annual billing of pretreatment customers. NBC is
22 proposing the elimination of annual permit fees and instead
23 establishing a three-tiered pretreatment permit application fee that is
24 designed to recover the administrative and engineering costs
25 associated with the pretreatment permit application process. The
26 pretreatment permit application fee calculations and revenues are
27 reflected in Schedule HJS – 32. NBC is proposing that the difference
28 between the revenue previously generated from the annual

1 pretreatment fees less the new pretreatment permit application fee
2 revenue be recovered through the consumption fees for commercial
3 and industrial customers.
4

5 **Q. Does the Division agree with this NBC proposal?**

6 A. The Division believes there is merit in simplifying the billing categories for
7 pretreatment customers. At this time I am not proposing adjustments to the NBC
8 proposed pretreatment permit application fee revenue.

9 Biosolids Disposal Expense

10 **Q. What has NBC proposed for Biosolids Disposal Expense?**

11 A. NBC proposes to adjust TY biosolids expense for a contract adjustment, as
12 described in the Direct Testimony of NBC witness Harold Smith at page 14. The
13 Company's FY 2018 test year expense for biosolids disposal was \$4,731,063.
14 NBC's adjustment increases the expense for biosolids from the TY amount by
15 \$599,436 to a rate year amount of \$5,330,499.

16 **Q. What is NBC's FY 2019 budgeted amount for biosolids disposal expense?**

17 A. As shown in the Company's response to Division 1-47, NBC's FY 2019 budgeted
18 amount for biosolids disposal expense is \$4,808,259, and is based on 10,398 dry
19 tons. Dividing the \$4,808,259 expense by the 10,398 dry tons indicates an average
20 FY 2019 rate of \$462.42 per ton.

21 **Q. Are you recommending an adjustment for NBC's proposed Biosolids Disposal
22 Expense?**

23 A. Yes. As shown on Schedule RCS-10, I have used the FY 2019 budgeted quantity of
24 dry tons of biosolids for the disposal expense and the FY 2019 budgeted expense,
25 which I increased by 3 percent to derive the estimated FY 2020 rate year amount.

1 This produces a FY 2020 rate year expense allowance of \$4,952,507 which is 3
2 percent or \$144,248 over the FY 2019 budgeted expense amount of \$4,808,259.
3 As shown on Schedule RCS-10, my recommended amount of \$4,952,507 for the
4 FY 2020 rate year Biosolids Disposal Expense is \$377,992 lower than the amount
5 requested by NBC.

6 Rate Case Expense

7 **Q. What has NBC proposed for Rate Case Expense?**

8 A. As discussed on pages 17-18 of NBC witness Harold Smith's Direct Testimony,
9 NBC is proposing an assumed \$150,000 for rate case expense, normalized over a 3-
10 year period, or an increase in revenue requirement of \$50,000 annually.

11 **Q. Are you recommending an adjustment for Rate Case Expense?**

12 A. Not at this time. NBC's last rate increase was effective July 1, 2016, which is three
13 years from the Company's requested increase for July 1, 2019 for the new rates to
14 be determined in the Company's current rate case, so a three-year period for
15 normalizing the rate case expense appears reasonable for NBC in the current case.

16 **Q. Should the Company's estimated rate case expense amount be updated to
17 actual at the end of this rate case?**

18 A. Yes. I understand the Commission's practice is generally for utilities to update their
19 rate case expense at the end of the case, so the actual amount can be reflected. NBC
20 should provide an updated amount of its actual rate case expense, and the
21 Company's assumed amount can be updated to actual, for purposes of developing
22 the Company's final revenue requirement.

23 PUC Assessment

24 **Q. What amount has NBC used for the PUC Assessment?**

1 A. NBC proposes an amount of \$736,253 for the rate year PUC Assessment based on
2 the FY 2017 and FY 2018 annual percentage increases in the regulatory assessment
3 from the Commission, as discussed on page 18 of NBC witness Harold Smith's
4 Direct Testimony.

5

6 **Q. What was NBC's PUC assessment for 2018 and 2019?**

7 A. The FY 2018 PUC assessment for NBC was \$494,662 and the FY 2019 assessment
8 was \$486,201.

9 **Q. What is the basis for the PUC assessments?**

10 A. The PUC assessments are based on a billing ratio of NBC's revenues to all Rhode
11 Island regulated utility revenues.

12 **Q. Why did NBC's PUC assessment decrease from FY 2018 to FY 2019?**

13 A. The PUC's total budget increased in 2019, but NBC's billing ratio decreased so
14 there was a slight decrease in their assessment.

15 **Q. Did NBC provide an invoice for its PUC assessment?**

16 A. Yes, for part of it. In response to Division 1-56, NBC provided an invoice for
17 \$100,000 dated July 2, 2018. That \$100,000 invoice was a pre-billing for FY 2019.
18 A second bill for \$386,201 was issued to NBC in January 2019 for the Company's
19 total FY 2019 assessment of \$486,201.

20 **Q. What amount of PUC assessment have you reflected for the FY 2020 rate**
21 **year?**

22 A. I am advised that an increase is expected in the PUC budget for 2020, so a 10%
23 increase in NBC's 2020 PUC assessment over the FY 2019 amount of \$486,201
24 seems reasonable. As shown on Schedule RCS-11, a PUC assessment of \$534,821

1 is estimated for FY 2020, based on the FY 2019 assessment plus a 10% increase.
2 NBC's proposed FY 2020 rate year amount of \$736,254 is reduced by \$201,433.

3

4 Wages and Salaries Expense

5 **Q. What is the Company proposing for rate year wages and salaries expense?**

6 A. As discussed in the direct testimony of Company witness Harold Smith, and shown
7 on NBC Schedules HJS-1 and HJS-6, for the FY 2020 rate year the Company is
8 proposing wages and salaries expense of \$17,560,804 net of salary reimbursement
9 of \$1,077,055 for a net payroll amount of \$16,483,750. As shown on Company
10 Schedule HJS-6, NBC started with salaries and wages for the test year and made a
11 series of adjustments to arrive at its proposed rate year amount.

12

13 **Q. Do you agree with NBC's proposed rate year wages and salaries expense?**

14 A. Not entirely. I disagree with the Company's proposed overtime expense, and am
15 recommending an adjustment to the estimated amount of FY 2020 rate year
16 overtime expense, as described below.

17 Overtime Expense

18 **Q. What amount has the Company proposed for FY 2020 rate year overtime
19 expense?**

20 A. NBC proposes an amount of \$646,469 for union overtime (account 52150) and
21 \$176,478 for non-union overtime (account 52350). These amounts are shown on
22 NBC Schedules HJS-1 and HJS-6. The total of the two amounts is \$822,947 for
23 overtime expense for FY 2020.

1 **Q. Has the Company provided information on its overtime hours and dollars for**
2 **fiscal years 2015 through 2018?**

3 A. Yes. That information was provided in response to Division 1-45. The union
4 overtime (account 52150) was \$591,401 in FY 2017 and \$585,669 in FY 2018.
5 The FY 2017 and FY 2018 amounts were higher than the corresponding amounts in
6 FY 2015 and FY 2016, suggesting that the FY 2017 and FY 2018 union overtime
7 amounts are more representative of current experience. Notably the FY 2018
8 amount was lower than the FY 2017 amount, indicating that NBC's union overtime
9 does not increase in each and every year. Based on this information, an average of
10 the FY 2017 and FY 2018 amounts could potentially be used as a normal ongoing
11 level, subject to escalation for pay increases occurring beyond that period to the FY
12 2020 rate year.

13 The non-union payroll has increased in each year in the FY 2015 through
14 FY 2018 period. Additionally, as described below, NBC's FY 2019 budget amount
15 of non-union overtime expense of \$178,050 is higher than the corresponding actual
16 FY 2018 amount of \$167,974, indicating that NBC anticipates a further increase, at
17 least in FY 2019 to the non-union overtime expense.

18 NBC's response to Division 1-45 also states that: "No projections or
19 budgets have been prepared for 2020."

20 **Q. Has the Company included an estimate for overtime in its FY 2019 budget?**

21 A. Yes. The Company's response to Division 1-8 and 1-14 included its FY 2019
22 budget. Page 91 of NBC's FY 2019 budget shows \$596,000 for union overtime
23 (account 52150) and \$178,050 for non-union overtime (account 52350), for a total
24 overtime expense of \$774,050 for FY 2019.

1

2 **Q. How have you estimated NBC's overtime expense for the FY 2020 rate year?**

3 A. I have made two alternative estimates of FY 2020 overtime, as shown on Schedule
4 RCS-12.

5 A 2.5% increase from FY 2019 to FY 2020 was the escalation that NBC
6 used from FY 2019 to FY 2020. For one calculation, shown on Schedule RCS-12,
7 page 1, I used the Company's FY 2019 budget amount and applied a 2.5% increase
8 to derive a FY 2020 estimate of \$610,900 for union overtime and \$182,501 for non-
9 union overtime, for a total FY 2020 overtime expense of \$793,401, which is
10 \$29,545 lower than NBC's proposed amount of \$822,947.

11 As shown on Schedule RCS-12, page 2, I also estimated FY 2020 overtime
12 by using an average of NBC's actual FY 2017 and FY 2018 overtime to derive a
13 normal recurring level. I then applied escalation of 2.5% per year for two years to
14 derive the FY 2020 amount of \$777,264, which is \$45,683 lower than NBC's
15 proposed amount of \$822,947.

16

17 **Q. Which amount have you used as your adjustment for overtime?**

18 A. I used the lower of the two adjustment amounts. In other words, I have reduced
19 NBC's proposed FY 2020 overtime expense by \$29,545, as shown on Schedule
20 RCS-12, page 1.

21

22 Payroll Tax Expense

23 **Q. Is there a related adjustment to payroll tax expense?**

1 A. Yes. My recommended adjustment to NBC's overtime expense results in a related
2 adjustment to payroll tax expense as shown on Schedule RCS-13. I have reduced
3 NBC's payroll tax expense for FY 2020 by \$2,260 based on applying the FICA and
4 Medicare rates to the amount of overtime adjustment from Schedule RCS-12, page
5 1.

6

7 Employee Benefits Expense

8 **Q. What has NBC proposed for Employee Benefits Expense?**

9 A. NBC has proposed a total FY 2020 rate year amount for Employee Benefits
10 Expense of \$9,328,309 less an amount of Fringe Reimbursement of \$573,726 for a
11 net amount of \$8,754,583.

12

13 **Q. Did NBC reflect an adjustment to test year Employee Benefits Expense?**

14 A. As described on page 6 in the Direct Testimony of NBC witness Harold Smith,
15 NBC proposes an adjustment to convert certain retirement benefits to a cash basis
16 for the test year in Company adjustment 4:

17 Conversion of the Union Pension (Account 52800), Non-Union
18 Pension (Account 52920) and Union Retirement Health (Account
19 52940) expense from a GAAP basis to a cash basis. Please see
20 Schedule HJS-5. These adjustments have been calculated by
21 applying the employer contribution rate to the test year salaries to
22 arrive at the adjusted test year amounts for these line items.

23 This increased the test year cost by \$301,516, as shown on NBC Schedules
24 HJS-1 and HJS-5.

25 **Q. Did the Company make a corresponding adjustment to the test year amount of**
26 **Fringe Reimbursement?**

27 A. No.

1 **Q. What was the test year amount of Fringe Reimbursement and how was it**
2 **determined?**

3 A. The test year recorded amount of Fringe Reimbursement (account 59001) was a
4 \$546,081 reduction to personnel expense. It is not fully clear how that amount was
5 determined but it appears to be related to the charging of a portion of NBC's
6 employee benefits to capital projects.

7 **Q. Should an adjustment be made to Fringe Reimbursement (account 59001)**
8 **related to the Company's proposed adjustment to test year pension and**
9 **postretirement expense?**

10 A. That is not clear. Potentially, the Company's proposed adjustment to test year
11 pension and postretirement expense, which had increased test year expense by
12 \$301,516 could be multiplied by the same percentage that the Company used to
13 determine the test year Fringe Reimbursement amount. The Company should
14 respond to this in rebuttal and adjustment may need to be made after reviewing the
15 Company's rebuttal concerning this.

16 Electric Expense

17 **Q. What has NBC proposed for Electric Expense?**

18 A. As described on pages 15-16 in the Direct Testimony of NBC witness Harold
19 Smith, NBC proposes rate year Electric Expense (account 54090) of \$4,449,386
20 less Net Metering Credits (account 54091) of \$1,901,704 for a net electric expense
21 of \$2,547,682. NBC's proposed FY 2020 rate year expense is \$393,389 higher than
22 the \$2,154,293 FY 2018 test year amount. The amounts for the Electric Expense
23 and the related Net Metering Credits are shown on Company Schedules HJS-1 and
24 Schedule HJS-14. The Company estimated its FY 2020 electric costs based on kWh

1 usage, electric supply rate, and customer charge and gross earning tax assumptions.
2 The Company's electric expense also incorporates the electricity expense impacts of
3 NBC's renewable energy projects.

4 **Q. How does the Company's proposed electric expense compare with the NBC**
5 **budgeted amounts for FY 2017 and FY 2018?**

6 A. The Company's proposed electric expense for the FY 2020 rate year of \$2,547,682
7 is \$72,876 (or 2.9%) higher than the FY 2017 budgeted amount of \$2,474,806 and
8 is \$121,014 (or 5.0%) higher than the FY 2018 budgeted amount of \$2,426,668.

9 **Q. Has NBC's electricity expense decreased since FY 2016?**

10 A. Yes. NBC's actual electricity expense was \$3,285,703 for FY 2016. It has been
11 notably lower than that in each succeeding year. NBC has added renewable
12 generation, which has had an impact of reducing its electricity expense since FY
13 2016.

14
15 **Q. How does NBC develop its budgeted amounts for electric expense?**

16 A. Developing the FY 2019 electricity budget is a fairly complex calculation that takes
17 into account NBC's renewable energy sources and purchases of electricity. NBC's
18 budgeting process for electricity expense is described on pages 84-85 of NBC's
19 Fiscal Year 2019 Budget document that was provided in response to Division 1-8
20 and 1-14. It appears that NBC applied a similar process on Company Schedule
21 HJS-14 to estimate its FY 2020 electricity expense.

22
23 **Q. Are you recommending an adjustment to the Company's projected FY 2020**
24 **electricity expense?**

1 A. No. However, in reviewing the Company's projected FY 2020 electricity expense
2 and the Company's revenue for Renewable Energy Credits ("RECs") for FY 2020 a
3 discrepancy was noted in the generation for the Field's Point ("FP") Wind Turbines.
4 As described in the next section of my testimony, I have adjusted REC revenue to
5 use the same FP Wind generation, and also for more current REC prices.

6 Renewable Energy Projects and Renewable Energy Credit Revenues

7 **Q. What Renewable Energy Projects does NBC have?**

8 A. NBC has the FP Wind Turbines, the WED Turbines, and a Solar PPA, each of
9 which generates renewable energy and RECs. NBC sells the RECs that are
10 produced by its renewable energy projects. NBC also has a Bucklin Point biogas
11 reuse project. As explained on pages 84-85 of NBC's Fiscal Year 2019 Budget
12 document,³ the FP Wind Turbines are "behind the meter" projects which reduce
13 NBC's purchase of electricity. The WED Turbines and the Solar PPA are "net
14 metered" projects which reduce NBC's electricity expense through the application
15 of Net Metering Credits. The renewable energy projects also generate RECs which
16 NBC sells. NBC used the REC sales revenue to offset the cost of providing sewer
17 service.

18 **Q. How did NBC determine the REC revenues for FY 2020?**

19 A. NBC determine the RECs available for sale by using the renewable generation it
20 estimated for FY 2020 from the FP Wind Turbines, the WED Turbines, and the
21 Solar PPA. Each REC represents one MWh of renewable generation. NBC used
22 an average of the price for RECs generated in 2018 of \$16.25 and the contract price
23 for RECs generated in 2019 of \$25.00. In other words, NBC priced its REC

³ The NBC 2019 FY Budget document was provided in response to Division 1-8 and 1-14.

1 revenue for the FY 2020 rate year at a REC price of \$20.63 per REC as shown on
2 Company Schedule HJS-17. I have reproduced NBC's calculation of FY 2020 rate
3 year REC revenue on Schedule RCS-14.

4 **Q. Are you recommending any adjustments for NBC's REC revenue?**

5 A. Yes. As shown on Schedule RCS-14 I have based the quantity of RECs for the FP
6 Wind Turbines on the FY 2020 generation projected for that source of renewable
7 energy. Additionally, I used the 2019 REC price of \$25.00. This results in
8 estimated FY 2020 REC revenue of \$512,125, which is \$89,704 more than the
9 \$422,421 amount that was used reflected by NBC.

10 Natural Gas Expense

11 **Q. What has NBC proposed for Natural Gas Expense?**

12 A. NBC proposes a rate year amount of \$338,381 as shown on Company Schedule
13 HJS-19.

14 **Q. Are you recommending any adjustments for NBC's proposed Natural Gas
15 Expense?**

16 A. No.

17

18 Chemical Expense

19 **Q. What has NBC proposed for Chemical Expense?**

20 A. NBC proposes a FY 2020 rate year amount for chemical expense of \$815,681. This
21 includes Chlorine/Hypochlorite, Carbon Feed, Polymer, Sodium Bisulfite and Soda
22 Ash. NBC used the recorded FY 2018 amounts, except adjusted the expense for
23 Chlorine/Hypochlorite and Sodium Bisulfite, which the Company increased to
24 derive its proposed FY 2020 rate year expense levels. As discussed on pages 17 of

1 the direct testimony of Company witness Harold Smith, the Company's projected
2 chemical expense was calculated by computing the chemical unit price for each
3 chemical and multiplying it by total projected usage for the rate year. Company
4 witness Harold Smith discusses NBC's proposed rate year adjustments for two
5 chemicals that are traditionally used by NBC as part of the wastewater treatment
6 process, Chlorine/Hypochlorite and Bisulfite. NBC calculated its adjustment using
7 a two-year average increase for the rate and three-year average for the usage for
8 both chemicals. NBC proposes to increase its test year Hypochlorite expense by
9 \$3,716 and its Bisulfite expense by \$6,354. For the rate year, NBC proposes
10 \$367,373 for Hypochlorite and \$295,148 for Bisulfite as shown on NBC's Schedule
11 HJS-1.

12
13 **Q. Do you agree with the Company's proposed methodology for calculating the**
14 **rate year level of chemical expense?**

15 A. Not entirely. I recommend using the Company's amounts for Hypochlorite and
16 Bisulfite in the Fiscal Year 2019 Budget that was provided in response to Data
17 Request DPS 1-8 and 1-14, and the Fiscal Year 2019 rates. This results in rate year
18 a Hypochlorite expense of \$365,600 and a Bisulfite expense of \$288,053. As
19 shown on Schedule RCS-15, my recommended adjustment to chemical expense
20 decreases the Company's estimated rate year chemical expense by \$8,867.

21 UV Disinfection Expense

22 **Q. What has NBC proposed for rate year UV Disinfection Expense?**

1 A. As shown on Company Schedule HJS-19, NBC averaged the FY 2017 and FY 2018
2 amounts and has proposed using that two-year historical average of \$193,380 as the
3 FY 2020 rate year amount for UV Disinfection expense (account 54339).

4 **Q. What do you recommend for rate year UV Disinfection Expense?**

5 A. A review of the Company's FY 2018 and FY 2019 budgets for this expense indicate
6 that the Company has budgeted the same amount of \$175,000 in its FY 2018 and
7 FY 2019 budgets. This suggests that the Company anticipates this cost to be fairly
8 stable. I have used the FY 2019 budget amount of \$175,000 for the UV
9 Disinfection expense, rather than the backward looking two-year average of the FY
10 2017 and FY 2018 amounts that NBC has proposed. This reduces the Company's
11 proposed rate year expense by \$18,380 as shown on Schedule RCS-16.

12

13 Building Repairs and Maintenance Expense

14 **Q. What has NBC proposed for Building Repairs and Maintenance Expense?**

15 A. As shown on Company Schedule HJS-8, the Company examined three years of
16 expense for the accounts 53470, Building and Ground Maintenance, and 53610,
17 Repairs Building, Structure and Equipment, and concluded that there was a "trend"
18 of increasing expense in those two accounts, which the Company then extrapolated
19 out for two years to derive its proposed FY 2020 amounts for those two accounts.

20 **Q. Does three years of data indicate a "trend"?**

21 A. No. Three years of information is too short a period from which to extrapolate a
22 "trend." Moreover, for account 53610, the expense decreased from the FY 2016
23 amount of \$713,350 to the FY 2017 amount of \$692,978. Such a decrease suggests

1 that the amount of the annual expense may fluctuate up or down. It has not
2 increased from FY 2016 to FY 2017, suggesting that there is not a "trend."

3 **Q. Does the percentage increase NBC applied for account 53470 appear to be**
4 **excessive?**

5 A. Yes. NBC applied a 23% increase each year, from FY 2018 to Projected FY 2019
6 and another 23% increase from the Projected FY 2019 amount to derive the FY
7 2020 rate year amount. NBC increased the adjusted FY 2018 test year amount of
8 \$222,421 by \$114,080 to a Company-proposed rate year amount of \$336,501. I
9 have reproduced the Company's calculation of the rate year amount for account
10 53470 on Schedule RCS-17, line 1.

11 In contrast with NBC's assumption that the account 53470 maintenance
12 expense would increase by 23% from FY 2018 to FY 2019, I compared the
13 \$222,421 FY 2018 amount with the corresponding FY 2019 budget amount of
14 \$245,058 and determined that the change represented a 10% increase. The
15 percentage increase of 23% for each of two consecutive years that NBC applied for
16 account 53470 thus appear to be excessive, and should not be used to derive the FY
17 2020 rate year expense.

18

19 **Q. What level of rate year expense do you recommend for these repair and**
20 **maintenance accounts?**

21 A. As shown on Schedule RCS-17, I recommend a rate year expense of \$257,528 for
22 account 53470, Building & Ground Maintenance and a rate year expense of
23 \$985,651 for account 53610, Repairs Building, Structure, Equipment. These were
24 derived by increasing the Company's corresponding FY 2019 budget amounts for

1 these two accounts by 5% to derive the anticipated FY 2020 rate year expense
2 amounts. As shown on Schedule RCS-17, this adjustment reduces NBC's proposed
3 expenses for account 53470 by \$78,973 and for account 53610 by \$22,447, for a
4 combined reduction for these two accounts of \$101,419.

5 Workers Compensation Expense

6 **Q. What has NBC proposed for Workers Compensation Expense?**

7 A. As described on page 15 of NBC witness Harold Smith's Direct Testimony, the
8 adjusted test year amount of Worker Compensation Insurance of \$439,801 was
9 increased by \$128,232 based on the FY 2019 actual premiums of \$540,984 and by
10 the two-year average annual percentage increase, which NBC calculated to be 5%.

11 **Q. What percentage increase in Workers Compensation Expense is NBC
12 proposing?**

13 A. NBC requests a rate year amount of \$568,033 based on an increase of \$128,232, or
14 a 29% increase over the Company's adjusted test year amount of \$439,801.

15 **Q. Has NBC's Workers Compensation Expense been increasing in every year?**

16 A. No. NBC's Workers Compensation Expense decreased slightly from FY 2017 to
17 FY 2018.

18 **Q. Has NBC received Dividends on its Workers Compensation insurance?**

19 A. Yes. The Dividends on NBC's Workers Compensation insurance represent a form
20 of refund or reduction to the cost of that insurance. As shown in NBC's response to
21 Division 1-36, NBC has received Dividends on its Workers Compensation
22 insurance in three of the four years during the FY 2015 through FY 2018 period.
23 As shown on Schedule RCS-18, the Workers Compensation insurance Dividends
24 averaged \$4,731 during that four-year period. The fact that NBC received such

1 Dividends in three out of the most recent four years suggests that an average
2 amount of such Dividends should be recognized in determining the rate year
3 amount for Workers Compensation insurance expense.

4 **Q. How did NBC reflect the Dividends?**

5 A. It appears that NBC treated the Workers Compensation insurance Dividends as a
6 non-recurring item. NBC removed the FY 2018 test year Dividend amount of
7 \$3,093 on its Schedule HJS-1, increasing the test year cost of Workers
8 Compensation insurance by that amount. Also, on NBC's Schedule HJS-13 in
9 estimating the FY 2020 level of expense, there is no specific recognition of
10 Workers Compensation insurance Dividends as a recurring source of reduction to
11 Workers Compensation expense.

12 **Q. Are you recommending a different amount for rate year Workers**
13 **Compensation Expense?**

14 A. Yes. I have accepted the Company's amount of \$540,984, based on the FY 2019
15 invoice, but recommend against further inflating that amount, since NBC's Workers
16 Compensation Expense has not been demonstrated to increase in each year. In fact,
17 NBC's Workers Compensation Expense decreased from FY 2017 to FY 2018.
18 Accepting the \$540,984 amount for this expense based on the invoice, and
19 reflecting an average amount of Dividends which have reduced the cost on a
20 recurring basis (such Dividends were received by NBC in three of the last four
21 years, including the most recent two years, FY 2017 and FY 2018), I derived a FY
22 2020 amount of \$536,253 for Workers Compensation insurance expense, as shown
23 on Schedule RCS-18. This is \$31,780 lower than NBC's requested amount.

1 **Q. How much increase over the FY 2018 test year recorded expense does your**
2 **recommended FY 2020 rate year amount for Workers Compensation**
3 **insurance expense represent?**

4 A. As shown on Schedule RCS-18, my recommended FY 2020 amount for Workers
5 Compensation insurance expense of \$536,253 represents a \$99,545 (or 22.8%)
6 increase over the FY 2018 recorded expense of \$436,708. This contrasts with
7 NBC's proposal, which represents an increase of \$131,325 (or 30.1%) over the FY
8 2018 test year amount.

9

10 Operating Allowance

11 **Q. How did NBC determine its proposed amount for the Operating Allowance?**

12 A. As described on pages 18-19 of NBC witness Harold Smith's Direct Testimony, and
13 shown on Company Schedule HJS-22, NBC determined its proposed amount for the
14 Operating Allowance by summing the expenses for Services, Operating
15 Supplies/Expense, and Total Professional Services, and multiplying that sum by
16 1.5%.

17 **Q. Are you recommending an adjustment for the Operating Allowance?**

18 A. Yes. As a result of my recommended adjustments the base for calculating the
19 Operating Allowance differs from the base that NBC used. As shown on Schedule
20 RCS-19, I have replicated NBC's proposed Operating Allowance and show the
21 comparable Division adjusted amount. The Division adjusted Operating Allowance
22 is lower by \$11,575 than NBC's proposed amount.

23 Debt Service and Coverage

24 **Q. What has NBC proposed for Debt Service and Coverage?**

1 A. NBC proposes a rate year amount for Debt Service of \$50,113,912 and of
2 \$12,528,478 for Debt Service Coverage. The Company's Debt Service amount was
3 approved by the Commission in conjunction with a recent NBC Debt Service
4 Compliance filing, Docket No. 4885, in that Docket.⁴ As explain in NBC witness
5 Harold Smith's Direct Testimony at page 6:

6 The expense side of this test year adjustment is three-fold. First, an
7 adjustment has been made to convert from GAAP to a cash basis by
8 adding FY 2018 principal payments of \$27,529,555. Second, an
9 adjustment has been made for the additional \$4,589,675 debt service
10 in accordance with the debt compliance filing. Lastly, \$12,528,478
11 for debt service coverage, calculated as 25% of total debt, has been
12 added to the test year.

13 NBC's proposed Debt Service Coverage is based upon a 25% coverage
14 ratio. NBC shows its projected Debt Service Coverage on Schedule HJS-24
15 attached to Company witness Harold Smith's Direct Testimony. NBC is required to
16 have rates in place that will generate sufficient revenues to meet debt service
17 coverage requirements in the rate year and the three subsequent years, inclusive of
18 the debt service associated with a new loan. NBC Schedule HJS-24 appears to
19 demonstrate that this requirement for sufficient coverage for the rate year and the
20 three subsequent years would be attained using the Debt Service and Debt Service
21 Coverage proposed by NBC.

22 **Q. Are you recommending an adjustment for NBC's proposed Debt Service or**
23 **Debt Service Coverage amounts for the rate year?**

24 A. No, not at this time. The debt service and debt service amounts have already been
25 approved by the Commission. The amounts of Debt Service proposed by NBC
26 were approved by the Commission in Docket No. 4885 and have therefore been

⁴ A formal written Order has not yet been issued.

1 accepted by the Division. The 25% Debt Service Coverage proposed by NBC has
2 also been accepted as providing sufficient coverage based on the presentation from
3 NBC in its Schedule HJS-24. All of the debt service amounts are known except for
4 the upcoming debt issuance in February. Once that debt issuance is made by NBC,
5 the Division may seek additional information of NBC concerning the applicable
6 interest rate. That information is not anticipated to be known until after the direct
7 phase of this case but may become known at a later point in this proceeding.

8

9 **Q. Did NBC also make an adjustment to test year revenue to reflect the impact of**
10 **the additional Debt Service and coverage described above?**

11 A. Yes. As described in Harold Smith's Direct Testimony at page 5, NBC increased
12 test year revenue by \$2,840,197 to reflect increased user fee revenue associated
13 with an across-the-board increase of 2.98% that was effective on January 1, 2019,
14 based on Commission approval of the increased debt service and the related rate
15 increase in Docket 4885.

16

17 User Charge Calculation and Proof of Revenue

18 **Q. What is shown on Exhibit RCS-3?**

19 A. Exhibit RCS-3, Schedule A shows the User Charge Calculation using the Division's
20 adjusted results. This is similar to NBC's Schedule HJS-27, which presented the
21 Company's proposed user charges. Exhibit RCS-3, Schedule B shows the related
22 Rate Year Proof of Revenue with the Rate Increase, using the Division's adjusted
23 results in a format that is similar to NBC's Schedule HJS-28.

24

1 Q. Does this complete your direct testimony?

2 A. Yes, it does.

Exhibit RCS-1
QUALIFICATIONS OF RALPH C. SMITH

Accomplishments

Mr. Smith's professional credentials include being a Certified Financial Planner™ professional, a Certified Rate of Return Analyst, a licensed Certified Public Accountant and attorney. He functions as project manager on consulting projects involving utility regulation, regulatory policy and ratemaking and utility management. His involvement in public utility regulation has included project management and in-depth analyses of numerous issues involving telephone, electric, gas, and water and sewer utilities.

Mr. Smith has performed work in the field of utility regulation on behalf of industry, public service commission staffs, state attorney generals, municipalities, and consumer groups concerning regulatory matters before regulatory agencies in Alabama, Alaska, Arizona, Arkansas, California, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New Mexico, New York, Nevada, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Washington DC, West Virginia, Canada, Federal Energy Regulatory Commission and various state and federal courts of law. He has presented expert testimony in regulatory hearings on behalf of utility commission staffs and intervenors on several occasions.

Project manager in Larkin & Associates' review, on behalf of the Georgia Commission Staff, of the budget and planning activities of Georgia Power Company; supervised 13 professionals; coordinated over 200 interviews with Company budget center managers and executives; organized and edited voluminous audit report; presented testimony before the Commission. Functional areas covered included fossil plant O&M, headquarters and district operations, internal audit, legal, affiliated transactions, and responsibility reporting. All of our findings and recommendations were accepted by the Commission.

Key team member in the firm's management audit of the Anchorage Water and Wastewater Utility on behalf of the Alaska Commission Staff, which assessed the effectiveness of the Utility's operations in several areas; responsible for in-depth investigation and report writing in areas involving information systems, finance and accounting, affiliated relationships and transactions, and use of outside contractors. Testified before the Alaska Commission concerning certain areas of the audit report. AWWU concurred with each of Mr. Smith's 40 plus recommendations for improvement.

Co-consultant in the analysis of the issues surrounding gas transportation performed for the law firm of Cravath, Swaine & Moore in conjunction with the case of Reynolds Metals Co. vs. the Columbia Gas System, Inc.; drafted in-depth report concerning the regulatory treatment at both state and federal levels of issues such as flexible pricing and mandatory gas transportation.

Lead consultant and expert witness in the analysis of the rate increase request of the City of Austin - Electric Utility on behalf of the residential consumers. Among the numerous ratemaking issues addressed were the economies of the Utility's employment of outside services; provided both written and oral testimony outlining recommendations and their bases. Most of Mr. Smith's recommendations were adopted by the City Council and Utility in a settlement.

Key team member performing an analysis of the rate stabilization plan submitted by the Southern Bell Telephone & Telegraph Company to the Florida PSC; performed comprehensive analysis of the Company's projections and budgets which were used as the basis for establishing rates.

Lead consultant in analyzing Southwestern Bell Telephone separations in Missouri; sponsored the complex technical analysis and calculations upon which the firm's testimony in that case was based. He has also assisted in analyzing changes in depreciation methodology for setting telephone rates.

Lead consultant in the review of gas cost recovery reconciliation applications of Michigan Gas Utilities Company, Michigan Consolidated Gas Company, and Consumers Power Company. Drafted recommendations regarding the appropriate rate of interest to be applied to any over or under collections and the proper procedures and allocation methodology to be used to distribute any refunds to customer classes.

Lead consultant in the review of Consumers Power Company's gas cost recovery refund plan. Addressed appropriate interest rate and compounding procedures and proper allocation methodology.

Project manager in the review of the request by Central Maine Power Company for an increase in rates. The major area addressed was the propriety of the Company's ratemaking attrition adjustment in relation to its corporate budgets and projections.

Project manager in an engagement designed to address the impacts of the Tax Reform Act of 1986 on gas distribution utility operations of the Northern States Power Company. Analyzed the reduction in the corporate tax rate, uncollectibles reserve, ACRS, unbilled revenues, customer advances, CIAC, and timing of TRA-related impacts associated with the Company's tax liability.

Project manager and expert witness in the determination of the impacts of the Tax Reform Act of 1986 on the operations of Connecticut Natural Gas Company on behalf of the Connecticut Department of Public Utility Control - Prosecutorial Division, Connecticut Attorney General, and Connecticut Department of Consumer Counsel.

Lead Consultant for The Minnesota Department of Public Service ("DPS") to review the Minnesota Incentive Plan ("Incentive Plan") proposal presented by Northwestern Bell Telephone Company ("NWB") doing business as U S West Communications ("USWC"). Objective was to express an opinion as to whether current rates addressed by the plan were appropriate from a Minnesota intrastate revenue requirements and accounting perspective, and to assist in developing recommended modifications to NWB's proposed Plan.

Performed a variety of analytical and review tasks related to our work effort on this project. Obtained and reviewed data and performed other procedures as necessary (1) to obtain an understanding of the Company's Incentive Plan filing package as it relates to rate base, operating income, revenue requirements, and plan operation, and (2) to formulate an opinion concerning the reasonableness of current rates and of amounts included within the Company's Incentive Plan filing. These procedures included requesting and reviewing extensive discovery, visiting the Company's offices to review data, issuing follow-up information requests in many instances, telephone and on-site discussions with Company representatives, and frequent discussions with counsel and DPS Staff assigned to the project.

Lead Consultant in the regulatory analysis of Jersey Central Power & Light Company for the Department of the Public Advocate, Division of Rate Counsel. Tasks performed included on-site review and audit of Company, identification and analysis of specific issues, preparation of data requests, testimony, and cross examination questions. Testified in Hearings.

Assisted the NARUC Committee on Management Analysis with drafting the Consultant Standards for Management Audits.

Presented training seminars covering public utility accounting, tax reform, ratemaking, affiliated transaction auditing, rate case management, and regulatory policy in Maine, Georgia, Kentucky, and Pennsylvania. Seminars were presented to commission staffs and consumer interest groups.

Previous Positions

With Larkin, Chapski and Co., the predecessor firm to Larkin & Associates, was involved primarily in utility regulatory consulting, and also in tax planning and tax research for businesses and individuals, tax return preparation and review, and independent audit, review and preparation of financial statements.

Installed computerized accounting system for a realty management firm.

Education

Bachelor of Science in Administration in Accounting, with distinction, University of Michigan, Dearborn, 1979.

Master of Science in Taxation, Walsh College, Michigan, 1981. Master's thesis dealt with investment tax credit and property tax on various assets.

Juris Doctor, cum laude, Wayne State University Law School, Detroit, Michigan, 1986. Recipient of American Jurisprudence Award for academic excellence.

Continuing education required to maintain CPA license and CFP® certificate.

Passed all parts of CPA examination in first sitting, 1979. Received CPA certificate in 1981 and Certified Financial Planning certificate in 1983. Admitted to Michigan and Federal bars in 1986.

Michigan Bar Association.

American Bar Association, sections on public utility law and taxation.

Partial list of utility cases participated in:

79-228-EL-FAC	Cincinnati Gas & Electric Company (Ohio PUC)
79-231-EL-FAC	Cleveland Electric Illuminating Company (Ohio PUC)
79-535-EL-AIR	East Ohio Gas Company (Ohio PUC)
80-235-EL-FAC	Ohio Edison Company (Ohio PUC)
80-240-EL-FAC	Cleveland Electric Illuminating Company (Ohio PUC)
U-1933	Tucson Electric Power Company (Arizona Corp. Commission)
U-6794	Michigan Consolidated Gas Co. --16 Refunds (Michigan PSC)
81-0035TP	Southern Bell Telephone Company (Florida PSC)
81-0095TP	General Telephone Company of Florida (Florida PSC)
81-308-EL-EFC	Dayton Power & Light Co.- Fuel Adjustment Clause (Ohio PUC)
810136-EU	Gulf Power Company (Florida PSC)
GR-81-342	Northern States Power Co. -- E-002/Minnesota (Minnesota PUC)
Tr-81-208	Southwestern Bell Telephone Company (Missouri PSC))
U-6949	Detroit Edison Company (Michigan PSC)
8400	East Kentucky Power Cooperative, Inc. (Kentucky PSC)
18328	Alabama Gas Corporation (Alabama PSC)
18416	Alabama Power Company (Alabama PSC)
820100-EU	Florida Power Corporation (Florida PSC)
8624	Kentucky Utilities (Kentucky PSC)
8648	East Kentucky Power Cooperative, Inc. (Kentucky PSC)
U-7236	Detroit Edison - Burlington Northern Refund (Michigan PSC)
U6633-R	Detroit Edison - MRCS Program (Michigan PSC)
U-6797-R	Consumers Power Company -MRCS Program (Michigan PSC)
U-5510-R	Consumers Power Company - Energy conservation Finance Program (Michigan PSC)
82-240E	South Carolina Electric & Gas Company (South Carolina PSC)
7350	Generic Working Capital Hearing (Michigan PSC)
RH-1-83	Westcoast Transmission Co., (National Energy Board of Canada)
820294-TP	Southern Bell Telephone & Telegraph Co. (Florida PSC)
82-165-EL-EFC (Subfile A)	Toledo Edison Company(Ohio PUC)
82-168-EL-EFC	Cleveland Electric Illuminating Company (Ohio PUC)
830012-EU	Tampa Electric Company (Florida PSC)
U-7065	The Detroit Edison Company - Fermi II (Michigan PSC)
8738	Columbia Gas of Kentucky, Inc. (Kentucky PSC)
ER-83-206	Arkansas Power & Light Company (Missouri PSC)
U-4758	The Detroit Edison Company – Refunds (Michigan PSC)
8836	Kentucky American Water Company (Kentucky PSC)
8839	Western Kentucky Gas Company (Kentucky PSC)
83-07-15	Connecticut Light & Power Co. (Connecticut DPU)
81-0485-WS	Palm Coast Utility Corporation (Florida PSC)
U-7650	Consumers Power Co. (Michigan PSC)
83-662	Continental Telephone Company of California, (Nevada PSC)
U-6488-R	Detroit Edison Co., FAC & PIPAC Reconciliation (Michigan PSC)
U-15684	Louisiana Power & Light Company (Louisiana PSC)
7395 & U-7397	Campaign Ballot Proposals (Michigan PSC)
820013-WS	Seacoast Utilities (Florida PSC)
U-7660	Detroit Edison Company (Michigan PSC)
83-1039	CP National Corporation (Nevada PSC)
U-7802	Michigan Gas Utilities Company (Michigan PSC)
83-1226	Sierra Pacific Power Company (Nevada PSC)
830465-EI	Florida Power & Light Company (Florida PSC)
U-7777	Michigan Consolidated Gas Company (Michigan PSC)
U-7779	Consumers Power Company (Michigan PSC)

U-7480-R	Michigan Consolidated Gas Company (Michigan PSC)
U-7488-R	Consumers Power Company – Gas (Michigan PSC)
U-7484-R	Michigan Gas Utilities Company (Michigan PSC)
U-7550-R	Detroit Edison Company (Michigan PSC)
U-7477-R**	Indiana & Michigan Electric Company (Michigan PSC)
18978	Continental Telephone Co. of the South Alabama (Alabama PSC)
R-842583	Duquesne Light Company (Pennsylvania PUC)
R-842740	Pennsylvania Power Company (Pennsylvania PUC)
850050-EI	Tampa Electric Company (Florida PSC)
16091	Louisiana Power & Light Company (Louisiana PSC)
19297	Continental Telephone Co. of the South Alabama (Alabama PSC)
76-18788AA	
&76-18793AA	Detroit Edison - Refund - Appeal of U-4807 (Ingham County, Michigan Circuit Court)
85-53476AA	
& 85-534785AA	Detroit Edison Refund - Appeal of U-4758 (Ingham County, Michigan Circuit Court)
U-8091/U-8239	Consumers Power Company - Gas Refunds (Michigan PSC)
TR-85-179**	United Telephone Company of Missouri (Missouri PSC)
85-212	Central Maine Power Company (Maine PSC)
ER-85646001	
& ER-85647001	New England Power Company (FERC)
850782-EI &	
850783-EI	Florida Power & Light Company (Florida PSC)
R-860378	Duquesne Light Company (Pennsylvania PUC)
R-850267	Pennsylvania Power Company (Pennsylvania PUC)
851007-WU	
& 840419-SU	Florida Cities Water Company (Florida PSC)
G-002/GR-86-160	Northern States Power Company (Minnesota PSC)
7195 (Interim)	Gulf States Utilities Company (Texas PUC)
87-01-03	Connecticut Natural Gas Company (Connecticut PUC))
87-01-02	Southern New England Telephone Company (Connecticut Department of Public Utility Control)
3673-	Georgia Power Company (Georgia PSC)
29484	Long Island Lighting Co. (New York Dept. of Public Service)
U-8924	Consumers Power Company – Gas (Michigan PSC)
Docket No. 1	Austin Electric Utility (City of Austin, Texas)
Docket E-2, Sub 527	Carolina Power & Light Company (North Carolina PUC)
870853	Pennsylvania Gas and Water Company (Pennsylvania PUC)
880069**	Southern Bell Telephone Company (Florida PSC)
U-1954-88-102	Citizens Utilities Rural Company, Inc. & Citizens Utilities Company, Kingman Telephone Division (Arizona CC)
T E-1032-88-102	Illinois Bell Telephone Company (Illinois CC)
89-0033	Puget Sound Power & Light Company (Washington UTC))
U-89-2688-T	Philadelphia Electric Company (Pennsylvania PUC)
R-891364	Potomac Electric Power Company (District of Columbia PSC)
F.C. 889	Niagara Mohawk Power Corporation, et al Plaintiffs, v. Gulf+Western, Inc. et al, defendants (Supreme Court County of Onondaga, State of New York)
Case No. 88/546	
87-11628	Duquesne Light Company, et al, plaintiffs, against Gulf+Western, Inc. et al, defendants (Court of the Common Pleas of Allegheny County, Pennsylvania Civil Division)
890319-EI	Florida Power & Light Company (Florida PSC)
891345-EI	Gulf Power Company (Florida PSC)
ER 8811 0912J	Jersey Central Power & Light Company (BPU)
6531	Hawaiian Electric Company (Hawaii PUCs)

R0901595	Equitable Gas Company (Pennsylvania Consumer Counsel)
90-10	Artesian Water Company (Delaware PSC)
89-12-05	Southern New England Telephone Company (Connecticut PUC)
900329-WS	Southern States Utilities, Inc. (Florida PSC)
90-12-018	Southern California Edison Company (California PUC)
90-E-1185	Long Island Lighting Company (New York DPS)
R-911966	Pennsylvania Gas & Water Company (Pennsylvania PUC)
I.90-07-037, Phase II	(Investigation of OPEBs) Department of the Navy and all Other Federal Executive Agencies (California PUC)
U-1551-90-322	Southwest Gas Corporation (Arizona CC)
U-1656-91-134	Sun City Water Company (Arizona RUCO)
U-2013-91-133	Havasu Water Company (Arizona RUCO)
91-174***	Central Maine Power Company (Department of the Navy and all Other Federal Executive Agencies)
U-1551-89-102	Southwest Gas Corporation - Rebuttal and PGA Audit (Arizona Corporation Commission)
& U-1551-89-103	
Docket No. 6998	Hawaiian Electric Company (Hawaii PUC)
TC-91-040A and	Intrastate Access Charge Methodology, Pool and Rates
TC-91-040B	Local Exchange Carriers Association and South Dakota Independent Telephone Coalition
9911030-WS &	General Development Utilities - Port Malabar and
911-67-WS	West Coast Divisions (Florida PSC)
922180	The Peoples Natural Gas Company (Pennsylvania PUC)
7233 and 7243	Hawaiian Nonpension Postretirement Benefits (Hawaiian PUC)
R-00922314	
& M-920313C006	Metropolitan Edison Company (Pennsylvania PUC)
R00922428	Pennsylvania American Water Company (Pennsylvania PUC)
E-1032-92-083 &	
U-1656-92-183	Citizens Utilities Company, Agua Fria Water Division (Arizona Corporation Commission)
92-09-19	Southern New England Telephone Company (Connecticut PUC)
E-1032-92-073	Citizens Utilities Company (Electric Division), (Arizona CC)
UE-92-1262	Puget Sound Power and Light Company (Washington UTC)
92-345	Central Maine Power Company (Maine PUC)
R-932667	Pennsylvania Gas & Water Company (Pennsylvania PUC)
U-93-60**	Matanuska Telephone Association, Inc. (Alaska PUC)
U-93-50**	Anchorage Telephone Utility (Alaska PUC)
U-93-64	PTI Communications (Alaska PUC)
7700	Hawaiian Electric Company, Inc. (Hawaii PUC)
E-1032-93-111 &	Citizens Utilities Company - Gas Division
U-1032-93-193	(Arizona Corporation Commission)
R-00932670	Pennsylvania American Water Company (Pennsylvania PUC)
U-1514-93-169/	Sale of Assets CC&N from Contel of the West, Inc. to
E-1032-93-169	Citizens Utilities Company (Arizona Corporation Commission)
7766	Hawaiian Electric Company, Inc. (Hawaii PUC)
93-2006- GA-AIR	The East Ohio Gas Company (Ohio PUC)
94-E-0334	Consolidated Edison Company (New York DPS)
94-0270	Inter-State Water Company (Illinois Commerce Commission)
94-0097	Citizens Utilities Company, Kauai Electric Division (Hawaii PUC)
PU-314-94-688	Application for Transfer of Local Exchanges (North Dakota PSC)
94-12-005-Phase I	Pacific Gas & Electric Company (California PUC)
R-953297	UGI Utilities, Inc. - Gas Division (Pennsylvania PUC)
95-03-01	Southern New England Telephone Company (Connecticut PUC)
95-0342	Consumer Illinois Water, Kankakee Water District (Illinois CC)
94-996-EL-AIR	Ohio Power Company (Ohio PUC)
95-1000-E	South Carolina Electric & Gas Company (South Carolina PSC)

Non-Docketed Staff Investigation E-1032-95-473 E-1032-95-433	Citizens Utility Company - Arizona Telephone Operations (Arizona Corporation Commission) Citizens Utility Co. - Northern Arizona Gas Division (Arizona CC) Citizens Utility Co. - Arizona Electric Division (Arizona CC) Collaborative Ratemaking Process Columbia Gas of Pennsylvania (Pennsylvania PUC)
GR-96-285 94-10-45 A.96-08-001 et al.	Missouri Gas Energy (Missouri PSC) Southern New England Telephone Company (Connecticut PUC) California Utilities' Applications to Identify Sunk Costs of Non- Nuclear Generation Assets, & Transition Costs for Electric Utility Restructuring, & Consolidated Proceedings (California PUC)
96-324 96-08-070, et al.	Bell Atlantic - Delaware, Inc. (Delaware PSC) Pacific Gas & Electric Co., Southern California Edison Co. and San Diego Gas & Electric Company (California PUC)
97-05-12 R-00973953	Connecticut Light & Power (Connecticut PUC) Application of PECO Energy Company for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code (Pennsylvania PUC)
97-65	Application of Delmarva Power & Light Co. for Application of a Cost Accounting Manual and a Code of Conduct (Delaware PSC)
16705 E-1072-97-067 Non-Docketed Staff Investigation PU-314-97-12 97-0351 97-8001	Entergy Gulf States, Inc. (Cities Steering Committee) Southwestern Telephone Co. (Arizona Corporation Commission) Delaware - Estimate Impact of Universal Services Issues (Delaware PSC) US West Communications, Inc. Cost Studies (North Dakota PSC) Consumer Illinois Water Company (Illinois CC) Investigation of Issues to be Considered as a Result of Restructuring of Electric Industry (Nevada PSC)
U-0000-94-165	Generic Docket to Consider Competition in the Provision of Retail Electric Service (Arizona Corporation Commission)
98-05-006-Phase I 9355-U 97-12-020 - Phase I U-98-56, U-98-60, U-98-65, U-98-67 (U-99-66, U-99-65, U-99-56, U-99-52) Phase II of 97-SCCC-149-GIT PU-314-97-465 Non-docketed Assistance Contract Dispute	San Diego Gas & Electric Co., Section 386 costs (California PUC) Georgia Power Company Rate Case (Georgia PUC) Pacific Gas & Electric Company (California PUC) Investigation of 1998 Intrastate Access charge filings (Alaska PUC) Investigation of 1999 Intrastate Access Charge filing (Alaska PUC) Southwestern Bell Telephone Company Cost Studies (Kansas CC) US West Universal Service Cost Model (North Dakota PSC) Bell Atlantic - Delaware, Inc., Review of New Telecomm. and Tariff Filings (Delaware PSC) City of Zeeland, MI - Water Contract with the City of Holland, MI (Before an arbitration panel)
Non-docketed Project Non-docketed Project	City of Danville, IL - Valuation of Water System (Danville, IL) Village of University Park, IL - Valuation of Water and Sewer System (Village of University Park, Illinois)

E-1032-95-417	Citizens Utility Co., Maricopa Water/Wastewater Companies et al. (Arizona Corporation Commission)
T-1051B-99-0497	Proposed Merger of the Parent Corporation of Qwest Communications Corporation, LCI International Telecom Corp., and US West Communications, Inc. (Arizona CC)
T-01051B-99-0105	US West Communications, Inc. Rate Case (Arizona CC)
A00-07-043	Pacific Gas & Electric - 2001 Attrition (California PUC)
T-01051B-99-0499	US West/Quest Broadband Asset Transfer (Arizona CC)
99-419/420	US West, Inc. Toll and Access Rebalancing (North Dakota PSC)
PU314-99-119	US West, Inc. Residential Rate Increase and Cost Study Review (North Dakota PSC)
98-0252	Ameritech - Illinois, Review of Alternative Regulation Plan (Illinois CUB)
00-108	Delmarva Billing System Investigation (Delaware PSC)
U-00-28	Matanuska Telephone Association (Alaska PUC)
Non-Docketed	Management Audit and Market Power Mitigation Analysis of the Merged Gas System Operation of Pacific Enterprises and Enova Corporation (California PUC)
00-11-038	Southern California Edison (California PUC)
00-11-056	Pacific Gas & Electric (California PUC)
00-10-028	The Utility Reform Network for Modification of Resolution E-3527 (California PUC)
98-479	Delmarva Power & Light Application for Approval of its Electric and Fuel Adjustments Costs (Delaware PSC)
99-457	Delaware Electric Cooperative Restructuring Filing (Delaware PSC)
99-582	Delmarva Power & Light dba Conectiv Power Delivery Analysis of Code of Conduct and Cost Accounting Manual (Delaware PSC)
99-03-04	United Illuminating Company Recovery of Stranded Costs (Connecticut OCC)
99-03-36	Connecticut Light & Power (Connecticut OCC)
Civil Action No.	
98-1117	West Penn Power Company vs. PA PUC (Pennsylvania PSC)
Case No. 12604	Upper Peninsula Power Company (Michigan AG)
Case No. 12613	Wisconsin Public Service Commission (Michigan AG)
41651	Northern Indiana Public Service Co Overearnings investigation (Indiana UCC)
13605-U	Savannah Electric & Power Company – FCR (Georgia PSC)
14000-U	Georgia Power Company Rate Case/M&S Review (Georgia PSC)
13196-U	Savannah Electric & Power Company Natural Gas Procurement and Risk Management/Hedging Proposal, Docket No. 13196-U (Georgia PSC)
Non-Docketed	Georgia Power Company & Savannah Electric & Power FPR Company Fuel Procurement Audit (Georgia PSC)
Non-Docketed	Transition Costs of Nevada Vertically Integrated Utilities (US Department of Navy)
Application No.	Post-Transition Ratemaking Mechanisms for the Electric Industry
99-01-016,	Restructuring (US Department of Navy)
Phase I	
99-02-05	Connecticut Light & Power (Connecticut OCC)
01-05-19-RE03	Yankee Gas Service Application for a Rate Increase, Phase I-2002-IERM (Connecticut OCC)
G-01551A-00-0309	Southwest Gas Corporation, Application to amend its rate Schedules (Arizona CC)
00-07-043	Pacific Gas & Electric Company Attrition & Application for a rate increase (California PUC)

97-12-020	
Phase II	Pacific Gas & Electric Company Rate Case (California PUC)
01-10-10	United Illuminating Company (Connecticut OCC)
13711-U	Georgia Power FCR (Georgia PSC)
02-001	Verizon Delaware § 271(Delaware DPA)
02-BLVT-377-AUD	Blue Valley Telephone Company Audit/General Rate Investigation (Kansas CC)
02-S&TT-390-AUD	S&T Telephone Cooperative Audit/General Rate Investigation (Kansas CC)
01-SFLT-879-AUD	Sunflower Telephone Company Inc., Audit/General Rate Investigation (Kansas CC)
01-BSTT-878-AUD	Bluestem Telephone Company, Inc. Audit/General Rate Investigation (Kansas CC)
P404, 407, 520, 413 426, 427, 430, 421/ CI-00-712	Sherburne County Rural Telephone Company, dba as Connections, Etc. (Minnesota DOC)
U-01-85	ACS of Alaska, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
U-01-34	ACS of Anchorage, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
U-01-83	ACS of Fairbanks, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
U-01-87	ACS of the Northland, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
96-324, Phase II	Verizon Delaware, Inc. UNE Rate Filing (Delaware PSC)
03-WHST-503-AUD	Wheat State Telephone Company (Kansas CC)
04-GNBT-130-AUD	Golden Belt Telephone Association (Kansas CC)
Docket 6914	Shoreham Telephone Company, Inc. (Vermont BPU)
Docket No.	
E-01345A-06-009	Arizona Public Service Company (Arizona Corporation Commission)
Case No.	
05-1278-E-PC-PW-42T	Appalachian Power Company and Wheeling Power Company both d/b/a American Electric Power (West Virginia PSC)
Docket No. 04-0113	Hawaiian Electric Company (Hawaii PUC)
Case No. U-14347	Consumers Energy Company (Michigan PSC)
Case No. 05-725-EL-UNC	Cincinnati Gas & Electric Company (PUC of Ohio)
Docket No. 21229-U	Savannah Electric & Power Company (Georgia PSC)
Docket No. 19142-U	Georgia Power Company (Georgia PSC)
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03-07-01RE01	Connecticut Light & Power Company (CT DPUC)
Docket No. 19042-U	Savannah Electric & Power Company (Georgia PSC)
Docket No. 2004-178-E	South Carolina Electric & Gas Company (South Carolina PSC)
Docket No. 03-07-02	Connecticut Light & Power Company (CT DPUC)
Docket No. EX02060363,	
Phases I&II	Rockland Electric Company (NJ BPU)
Docket No. U-00-88	ENSTAR Natural Gas Company and Alaska Pipeline Company (Regulatory Commission of Alaska)
Phase 1-2002 IERM,	
Docket No. U-02-075	Interior Telephone Company, Inc. (Regulatory Commission of Alaska)
Docket No. 05-SCNT-1048-AUD	South Central Telephone Company (Kansas CC)
Docket No. 05-TRCT-607-KSF	Tri-County Telephone Company (Kansas CC)
Docket No. 05-KOKT-060-AUD	Kan Okla Telephone Company (Kansas CC)
Docket No. 2002-747	Northland Telephone Company of Maine (Maine PUC)

Docket No. 2003-34	Sidney Telephone Company (Maine PUC)
Docket No. 2003-35	Maine Telephone Company (Maine PUC)
Docket No. 2003-36	China Telephone Company (Maine PUC)
Docket No. 2003-37	Standish Telephone Company (Maine PUC)
Docket Nos. U-04-022, U-04-023	Anchorage Water and Wastewater Utility (Regulatory Commission of Alaska)
Case 05-116-U/06-055-U	Entergy Arkansas, Inc. EFC (Arkansas Public Service Commission)
Case 04-137-U	Southwest Power Pool RTO (Arkansas Public Service Commission)
Case No. 7109/7160	Vermont Gas Systems (Department of Public Service)
Case No. ER-2006-0315	Empire District Electric Company (Missouri PSC)
Case No. ER-2006-0314	Kansas City Power & Light Company (Missouri PSC)
Docket No. U-05-043,44	Golden Heart Utilities/College Park Utilities (Regulatory Commission of Alaska)
A-122250F5000	Equitable Resources, Inc. and The Peoples Natural Gas Company, d/b/a Dominion Peoples (Pennsylvania PUC)
E-01345A-05-0816	Arizona Public Service Company (Arizona CC)
Docket No. 05-304	Delmarva Power & Light Company (Delaware PSC)
05-806-EL-UNC	Cincinnati Gas & Electric Company (Ohio PUC)
U-06-45	Anchorage Water Utility (Regulatory Commission of Alaska)
03-93-EL-ATA,	
06-1068-EL-UNC	Duke Energy Ohio (Ohio PUC)
PUE-2006-00065	Appalachian Power Company (Virginia Corporation Commission)
G-04204A-06-0463 et. al	UNS Gas, Inc. (Arizona CC)
U-06-134	Chugach Electric Association, Inc. (Regulatory Commission of Alaska)
Docket No. 2006-0386	Hawaiian Electric Company, Inc (Hawaii PUC)
E-01933A-07-0402	Tucson Electric Power Company (Arizona CC)
G-01551A-07-0504	Southwest Gas Corporation (Arizona CC)
Docket No.UE-072300	Puget Sound Energy, Inc. (Washington UTC)
PUE-2008-00009	Virginia-American Water Company (Virginia SCC)
PUE-2008-00046	Appalachian Power Company (Virginia SCC)
E-01345A-08-0172	Arizona Public Service Company (Arizona CC)
A-2008-2063737	Babcock & Brown Infrastructure Fund North America, LP. and The Peoples Natural Gas Company, d/b/a Dominion Peoples (Pennsylvania PUC)
08-1783-G-42T	Hope Gas, Inc., dba Dominion Hope (West Virginia PSC)
08-1761-G-PC	Hope Gas, Inc., dba Dominion Hope, Dominion Resources, Inc., and Peoples Hope Gas Companies (West Virginia PSC)
Docket No. 2008-0083	Hawaiian Electric Company, Inc. (Hawaii PUC)
Docket No. 2008-0266	Young Brothers, Limited (Hawaii PUC)
G-04024A-08-0571	UNS Gas, Inc. (Arizona CC)
Docket No. 09-29	Tidewater Utilities, Inc. (Delaware PSC)
Docket No. UE-090704	Puget Sound Energy, Inc. (Washington UTC)
09-0878-G-42T	Mountaineer Gas Company (West Virginia PSC)
2009-UA-0014	Mississippi Power Company (Mississippi PSC)
Docket No. 09-0319	Illinois-American Water Company (Illinois CC)
Docket No. 09-414	Delmarva Power & Light Company (Delaware PSC)
R-2009-2132019	Aqua Pennsylvania, Inc. (Pennsylvania PUC)
Docket Nos. U-09-069, U-09-070	ENSTAR Natural Gas Company (Regulatory Commission of Alaska)
Docket Nos. U-04-023, U-04-024	Anchorage Water and Wastewater Utility - Remand (Regulatory Commission of Alaska)
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09-872-EL-FAC & 09-873-EL-FAC	Financial Audits of the FAC of the Columbus Southern Power Company and the Ohio Power Company - Audit I (Ohio PUC)

2010-00036	Kentucky-American Water Company (Kentucky PSC)
E-04100A-09-0496	Southwest Transmission Cooperative, IHnc. (Arizona CC)
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R-2010-2166212, &	
R-2010-2166214	Pennsylvania-American Water Company (Pennsylvania PUC)
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10-0713-E-PC	Allegheny Power and FirstEnergy Corp. (West Virginia PSC)
Docket No. 31958	Georgia Power Company (Georgia PSC)
Docket No. 10-0467	Commonwealth Edison Company (Illinois CC)
PSC Docket No. 10-237	Delmarva Power & Light Company (Delaware PSC)
U-10-51	Cook Inlet Natural Gas Storage Alaska, LLC (Regulatory Commission of Alaska)
10-0699-E-42T	Appalachian Power Company and Wheeling Power Company (West Virginia PSC)
10-0920-W-42T	West Virginia-American Water Company (West Virginia PSC)
A.10-07-007	California-American Water Company (California PUC)
A-2010-2210326	TWP Acquisition (Pennsylvania PUC)
09-1012-EL-FAC	Financial, Management, and Performance Audit of the FAC for Dayton Power and Light – Audit 1 (Ohio PUC)
10-268-EL FAC et al.	Financial Audit of the FAC of the Columbus Southern Power Company and the Ohio Power Company – Audit II (Ohio PUC)
Docket No. 2010-0080	Hawaiian Electric Company, Inc. (Hawaii PUC)
G-01551A-10-0458	Southwest Gas Corporation (Arizona CC)
10-KCPE-415-RTS	Kansas City Power & Light Company – Remand (Kansas CC)
PUE-2011-00037	Virginia Appalachian Power Company (Commonwealth of Virginia SCC)
R-2011-2232243	Pennsylvania-American Water (Pennsylvania PUC)
U-11-100	Power Purchase Agreement between Chugach Association, Inc. and Fire Island Wind, LLC (Regulatory Commission of Alaska)
A.10-12-005	San Diego Gas & Electric Company (California PUC)
PSC Docket No. 11-207	Artesian Water Company, Inc. (Delaware PSC)
Cause No. 44022	Indiana-American Water Company, Inc. (Indiana Utility Regulatory Commission)
PSC Docket No. 10-247	Management Audit of Tidewater Utilities, Inc. Affiliate Transactions (Delaware Public Service Commission)
G-04204A-11-0158	UNS Gas, Inc. (Arizona Corporation Commission)
E-01345A-11-0224	Arizona Public Service Company (Arizona CC)
UE-111048 & UE-111049	Puget Sound Energy, Inc. (Washington Utilities and Transportation Commission)
Docket No. 11-0721	Commonwealth Edison Company (Illinois CC)
11AL-947E	Public Service Company of Colorado (Colorado PSC)
U-11-77 & U-11-78	Golden Heart Utilities, Inc. and College Utilities Corporation (The Regulatory Commission of Alaska)
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PSC Docket No. 11-397	Tidewater Utilities, Inc. (Delaware PSC)
Cause No. 44075	Indiana Michigan Power Company (Indiana Utility Regulatory Commission)
Docket No. 12-0001	Ameren Illinois Company (Illinois CC)
11-5730-EL-FAC	Financial, Management, and Performance Audit of the FAC for Dayton Power and Light – Audit 2 (Ohio PUC)
PSC Docket No. 11-528	Delmarva Power & Light Company (Delaware PSC)
11-281-EL-FAC et al.	Financial Audit of the FAC of the Columbus Southern Power Company and the Ohio Power Company – Audit III (Ohio PUC)

Cause No. 43114-IGCC-4S1	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
Docket No. 12-0293	Ameren Illinois Company (Illinois CC)
Docket No. 12-0321	Commonwealth Edison Company (Illinois CC)
12-02019 & 12-04005	Southwest Gas Corporation (Public Utilities Commission of Nevada)
Docket No. 2012-218-E	South Carolina Electric & Gas (South Carolina PSC)
Docket No. E-72, Sub 479	Dominion North Carolina Power (North Carolina Utilities Commission)
12-0511 & 12-0512	North Shore Gas Company and The Peoples Gas Light and Coke Company (Illinois CC)
E-01933A-12-0291	Tucson Electric Power Company (Arizona CC)
Case No. 9311	Potomac Electric Power Company (Maryland PSC)
Cause No. 43114-IGCC-10	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
Docket No. 36498	Georgia Power Company (Georgia PSC)
Case No. 9316	Columbia Gas of Maryland, Inc. (Maryland PSC)
Docket No. 13-0192	Ameren Illinois Company (Illinois CC)
12-1649-W-42T	West Virginia-American Water Company (West Virginia PSC)
E-04204A-12-0504	UNS Electric, Inc. (Arizona CC)
PUE-2013-00020	Virginia and Electric Power Company (Virginia SCC)
R-2013-2355276	Pennsylvania-American Water Company (Pennsylvania PUC)
Formal Case No. 1103	Potomac Electric Power Company (District of Columbia PSC)
U-13-007	Chugach Electric Association, Inc. (The Regulatory Commission of Alaska)
12-2881-EL-FAC	Financial, Management, and Performance Audit of the FAC for Dayton Power and Light – Audit 3 (Ohio PUC)
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Cause No. 43114-IGCC-11	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
UM 1633	Investigation into Treatment of Pension Costs in Utility Rates (Oregon PUC)
13-1892-EL FAC	Financial Audit of the FAC and AER of the Ohio Power Company – Audit I (Ohio PUC)
E-04230A-14-0011 & E-01933A-14-0011	Reorganization of UNS Energy Corporation with Fortis, Inc. (Arizona CC)
14-255-EL RDR	Regulatory Compliance Audit of the 2013 DIR of Ohio Power Company (Ohio PUC)
U-14-001	Chugach Electric Association, Inc. (The Regulatory Commission of Alaska)
U-14-002	Alaska Power Company (The Regulatory Commission of Alaska)
PUE-2014-00026	Virginia Appalachian Power Company (Commonwealth of Virginia SCC)
14-0117-EL-FAC	Financial, Management, and Performance Audit of the FAC and Purchased Power Rider for Dayton Power and Light – Audit 1 (Ohio PUC)
14-0702-E-42T	Monongahela Power Company and The Potomac Edison Company (West Virginia PSC)
Formal Case No. 1119	Merger of Exelon Corporation, Pepco Holdings, Inc., Potomac Electric Power Company, Exelon Energy Delivery Company, LLC, and New Special Purpose Entity, LLC (District of Columbia PSC)
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R-2014-2428744	Pennsylvania Power Company (Pennsylvania PUC)
R-2014-2428745	Metropolitan Edison Company (Pennsylvania PUC)
Cause No. 43114-IGCC-12/13	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
14-1152-E-42T	Appalachian Power Company and Wheeling Power Company (West Virginia PSC)
WS-01303A-14-0010	EPCOR Water Arizona, Inc. (Arizona CC)
2014-000396	Kentucky Power Company (Kentucky PSC)
15-03-45 [^]	Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Connecticut PURA)
A.14-11-003	San Diego Gas & Electric Company (California PUC)
U-14-111	ENSTAR Natural Gas Company (Regulatory Commission of Alaska)

2015-UN-049	Atmos Energy Corporation (Mississippi PSC)
15-0003-G-42T	Mountaineer Gas Company (West Virginia PSC)
PUE-2015-00027	Virginia Electric and Power Company (Commonwealth of Virginia SCC)
Docket No. 2015-0022	Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., Maui Electric Company Limited, and NextEra Energy, Inc. (Hawaii PUC)
15-0676-W-42T	West Virginia-American Water Company (West Virginia PSC)
15-07-38 ^{^^}	Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Connecticut PURA)
15-26 ^{^^}	Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Massachusetts DPU)
15-042-EL-FAC	Management/Performance and Financial Audit of the FAC and Purchased Power Rider for Dayton Power and Light (Ohio PUC)
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Docket No. 15-00042	B&W Pipeline, LLC (Tennessee Regulatory Authority)
WR-2015-0301/SR-2015-0302	Missouri American Water Company (Missouri PSC)
U-15-089, U-15-091, & U-15-092	Golden Heart Utilities, Inc. and College Utilities Corporation (The Regulatory Commission of Alaska)
Docket No. 16-00001	Kingsport Power Company d/b/a AEP Appalachian Power (Tennessee Regulatory Authority)
PUE-2015-00097	Virginia-American Water Company (Commonwealth of Virginia SCC)
15-1854-EL-RDR	Management/Performance and Financial Audit of the Alternative Energy Recovery Rider of Duke Energy Ohio, Inc. (Ohio PUC)
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P-15-020	Swanson River Oil Pipeline, LLC (Regulatory Commission of Alaska)
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R-2016-2537352	Pennsylvania Electric Company (Pennsylvania PUC)
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16-0717-G-390P	Hope Gas, Inc., dba Dominion Hope (West Virginia PSC)
15-1256-G-390P	
(Reopening)/16-0922-G-390P	Mountaineer Gas Company (West Virginia PSC)
16-0550-W-P	West Virginia-American Water Company (West Virginia PSC)
CEPR-AP-2015-0001	Puerto Rico Electric Power Authority (Puerto Rico Energy Commission)
E-01345A-16-0036	Arizona Public Service Company (Arizona CC)
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Docket No. 46238	Joint Report and Application of Oncor Electric Delivery Company LLC and NextEra Energy Inc. (Texas State Office of Administrative Hearings; Texas PUC)
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P-2015-2508936	Pennsylvania Electric Company (Pennsylvania PUC)
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E-04204A-15-0142*	UNS Electric, Inc. (Arizona CC)
E-01933A-15-0322*	Tucson Electric Power Company (Arizona CC)
UE-170033 & UG-170034*	Puget Sound Energy, Inc. (Washington UTC)
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Case No. 2017-00179	Kentucky Power Company (Kentucky PSC)
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20180048-EI	Florida Public Utilities Company – Electric (Florida Public Service Commission)
20180052-GU	Florida Public Utilities Company – Indiantown (Florida Public Service Commission)
20180054-GU	Florida Division of Chesapeake Utilities Corporation (Florida Public Service Commission)
20180051-GU	Florida Public Utilities Company – Gas Division (Florida Public Service Commission)
20180053-GU	Florida Public Utilities Company - Fort Meade (Florida Public Service Commission)
Cause No. 45032 S4	Indiana American Water Company, Inc. Phase 2 (Indiana Utility Regulatory Commission)
Docket No. D2018.1.6	Montana-Dakota Utilities Co. (Montana PSC)
Docket No. D2018.4.24	NorthWestern Energy (Montana PSC)
Docket No. D2018.4.22	Montana-Dakota Utilities Co. (Montana PSC)
18-0573-W-42T & 18-0576-S-42T	West Virginia-American Water Company (West Virginia PSC)
18-0646-E-42T & 18-0645 E-D	Appalachian Power Company and Wheeling Power Company (West Virginia PSC)
18-0049-GA-ALT, 18-0298-GA-AIR, & 18-0299-GA-ALT	Vectren Energy Delivery of Ohio, Inc. (Ohio PUC)
R-2018-3003558, R-2018-3003561	Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc. (Pennsylvania PUC)
Cause No. 45142	Indiana-American Water Company, Inc. (Indiana Utility Regulatory Commission)
U-18-043	Cook Inlet Natural Gas Storage Alaska, LLC (Regulatory Commission of Alaska)

* Testimony filed, examination not completed

** Issues stipulated

*** Company withdrew case

^ Testimony filed, case withdrawn after proposed decision issued

^^ Issues stipulated before testimony was filed

Docket No. 4890
Exhibit RCS-2
Division Revenue Requirement and Adjustment Schedules
Accompanying the Direct Testimony of Ralph Smith

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Summary of Revenues and Expenses at Present and Proposed Rates
 Rate Year Ended June 30, 2020

Line No.	Description	Rate Year Amount Per NBC (A)	Division Adjustments (B)	Rate year at Present Rates (C)	Proposed Revenue Increase (D)	Rate Year at Proposed Rates (E)
1	Total Revenue	\$ 100,861,327	\$ 814,526	\$ 101,675,853	\$ 4,783,146	\$ 106,458,998
	Operation & Maintenance Expense					
2	Net Personnel Expense	\$ 25,238,332	\$ (31,806)	\$ 25,206,527		\$ 25,206,527
3	Operating Supplies/Expense	\$ 17,211,927	\$ (538,439)	\$ 16,673,488		\$ 16,673,488
4	Professional Services Expense	\$ 1,490,491	\$ (201,433)	\$ 1,289,058		\$ 1,289,058
5	Total: Operations & Maintenance Expense	\$ 43,940,749	\$ (771,677)	\$ 43,169,072	\$ -	\$ 43,169,072
6	Depreciation Expense	\$ -	\$ -	\$ -		\$ -
7	Operating Capital Debt Service	\$ -	\$ -	\$ -		\$ -
8	Debt Service	\$ 50,113,912	\$ -	\$ 50,113,912		\$ 50,113,912
9	Debt Service Coverage	\$ 12,528,478	\$ -	\$ 12,528,478		\$ 12,528,478
10	Operating Allowance	\$ 659,111	\$ (11,575)	\$ 647,536		\$ 647,536
11	Hardship Fund	\$ 7,500	\$ (7,500)	\$ -		\$ -
12	Total Revenue Requirement	\$ 107,249,751	\$ (790,752)	\$ 106,458,998	\$ -	\$ 106,458,998
13	Net Income	\$ (6,388,424)	\$ 1,605,278	\$ (4,783,146)	\$ 4,783,146	\$ -

Notes and Source

Column A: Company Schedule HJS-1, "Rate Year 6/30/20" column

Column B: Schedule RCS-2

Narragansett Bay Commission

Summary of Revenues at Present and Proposed Rates
Rate Year Ended June 30, 2020

Line No.	Account	Description	Rate Year Amount Per NBC (A)	Division Adjustments (B)	Rate year at Present Rates (C)
1		Revenue			
2	41000	Flat Fees Residential	\$ 26,992,885	\$ 57,907	\$ 27,050,793
3	41100	Consumption Fee - Residential	\$ 29,645,250	\$ 717,977	\$ 30,363,228
4	41501 41502	Flat Fees Commercial/Industrial	\$ 14,855,924		\$ 14,855,924
5	41510	Consumption Fee - Commercial	\$ 24,617,966	\$ 133,966	\$ 24,751,931
6	41511	Consumption Fee - Industrial	\$ 2,222,684		\$ 2,222,684
7	42000	Pretreatment Fees	\$ 62,800		\$ 62,800
8	42500	Connection Permit Fees	\$ 43,580		\$ 43,580
9		Capacity Charge	\$ 109,550	\$ 19,250	\$ 128,800
10	42599	Real Estate Closing Fee	\$ 204,120		\$ 204,120
11	42600	Abatement Application Fee	\$ 6,720		\$ 6,720
12	42602	Returned Check Fee	\$ 20,670		\$ 20,670
13	42603	Collection Posting Notice Fee	\$ 213,000	\$ (213,000)	\$ -
14	42604	REC Income Field's Point Turbines	\$ 155,595	\$ 33,105	\$ 188,700
15	42605	REC Income WED Turbines	\$ 177,169	\$ 37,581	\$ 214,750
16	42606	REC Income WED Solar	\$ 89,657	\$ 19,018	\$ 108,675
17	43500	Septage Income	\$ 333,037		\$ 333,037
18	45100	Interest Income Revenue	\$ 136,230		\$ 136,230
19	45200	Interest Income O & M	\$ 63,177		\$ 63,177
20	45500	Late Charge Penalty	\$ 796,362		\$ 796,362
21	46500	Environmental Enforcement	\$ -	\$ 8,721	\$ 8,721
22	49000	Discounts Earned	\$ 4,743		\$ 4,743
23	49002	Miscellaneous Income	\$ 30,733		\$ 30,733
24	49003	Rental Revenue	\$ 79,475		\$ 79,475
25		TOTAL REVENUE	\$ 100,861,327	\$ 814,526	\$ 101,675,853

Notes and Source

Column A: Company Schedule HJS-1, "Rate Year 6/30/20" column
Column B: Schedule RCS-2

Narragansett Bay Commission

Summary of Net Personnel Expenses at Present and Proposed Rates
Rate Year Ended June 30, 2020

Line No.	Account	Description	Rate Year Amount Per NBC (A)	Division Adjustments (B)	Rate year at Present Rates (C)
Operation & Maintenance Expense					
Personnel					
1	52100	Union - Regular	\$ 6,277,461		\$ 6,277,461
2	52150	Union Overtime	\$ 646,469	\$ (35,569)	\$ 610,900
3	52300	Non-Union Regular	\$ 10,440,215		\$ 10,440,215
4	52350	Non-Union Overtime	\$ 176,478	\$ 6,024	\$ 182,501
5	52400	Non-Union Limited	\$ 20,181		\$ 20,181
6	52800	Union Pension	\$ 1,719,397		\$ 1,719,397
7	52810	FICA	\$ 1,323,252	\$ (2,260)	\$ 1,320,991
8	52820	Unemployment	\$ 15,353		\$ 15,353
9	52920	Non Union Pension	\$ 1,063,687		\$ 1,063,687
10	52940	Union Retirement Health	\$ 417,451		\$ 417,451
11	52950	Health Insurance	\$ 4,408,011		\$ 4,408,011
12	52970	Dental Insurance	\$ 294,725		\$ 294,725
13	52980	Vision Insurance	\$ 45,532		\$ 45,532
14	52990	Disability Insurance	\$ 40,901		\$ 40,901
15		Total Personnel	<u>\$ 26,889,113</u>	<u>\$ (31,806)</u>	<u>\$ 26,857,308</u>
16	59000	Salary Reimbursement	\$ (1,077,055)		\$ (1,077,055)
17	59001	Fringe Reimbursement	\$ (573,726)		\$ (573,726)
18		Net Personnel	<u>\$ 25,238,332</u>	<u>\$ (31,806)</u>	<u>\$ 25,206,527</u>
19					

Notes and Source

Column A: Company Schedule HJS-1, "Rate Year 6/30/20" column

Column B: Schedule RCS-2

Narragansett Bay Commission

Docket No. 4890
Schedule RCS-1
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Summary of Operating Supplies Expense
Rate Year Ended June 30, 2020

Line No.	Account	Description	Rate Year Amount Per NBC (A)	Division Adjustments (B)	Rate year at Present Rates (C)
		Operating Supplies/Expense			
1	52610	Medical Services	\$ 9,328		\$ 9,328
2	53200	Bad Debt Expense	\$ 97,396		\$ 97,396
3	53210	Postage	\$ 397,395		\$ 397,395
4	53240	Dues & Subscriptions	\$ 56,310		\$ 56,310
5	53250	Freight	\$ 46,775		\$ 46,775
6	53310	Printing & Binding	\$ 134,638		\$ 134,638
7	53320	Advertising	\$ 8,752		\$ 8,752
8	53330	Rental- Equipment	\$ 13,594		\$ 13,594
9	53340	Rental- Clothing	\$ 22,783		\$ 22,783
10	53350	Rental-Outside Property	\$ 13,441		\$ 13,441
11	53360	Miscellaneous Expense	\$ 4,956		\$ 4,956
12	53370	Public Outreach Education	\$ 42,358		\$ 42,358
13	53380	Environmental Enforcement Fund	\$ -		\$ -
14	53410	Local Travel	\$ 1,737		\$ 1,737
15	53420	Long Distance Travel	\$ 66,979		\$ 66,979
16	53470	Building & Ground Maintenance	\$ 336,501	\$ (78,973)	\$ 257,528
17	53480	Biosolids Disposal	\$ 5,330,499	\$ (377,992)	\$ 4,952,507
18	53490	Screening & Grit Disposal	\$ 210,874		\$ 210,874
19	53510	Vehicle Fuel & Maintenance	\$ 191,410		\$ 191,410
20	53610	Repairs Building, Structure, Equipment	\$ 1,008,098	\$ (22,447)	\$ 985,651
21	53620	Repair-Highway & Walks	\$ 4,528		\$ 4,528
22	53630	Maintenance Contracts	\$ 1,040,477		\$ 1,040,477
23	53635	Maintenance Contracts - Office Equipment	\$ 132,703		\$ 132,703
24	53640	Service Agreements	\$ 362,767		\$ 362,767
25	53650	Highway & Landscape	\$ 12,397		\$ 12,397
26	53660	Insurance	\$ 749,018		\$ 749,018
27	53680	Workers' Compensation Insurance	\$ 568,033	\$ (31,780)	\$ 536,253
28	53690	Workers Comp. - Old Claims	\$ -		\$ -
29	53900	Central Phone Services	\$ 4,761		\$ 4,761
30	54000	Telephone	\$ 186,299		\$ 186,299
31	54020	Fuel Oil #2 - Diesel	\$ 22,515		\$ 22,515
32	54060	Fuel-Gas	\$ 338,381		\$ 338,381
33	54090	Electricity	\$ 4,449,386		\$ 4,449,386
34	54091	Net Metering Credit	\$ (1,901,704)		\$ (1,901,704)
35	54092	Field's Point Turbines	\$ 184,000		\$ 184,000
36	54093	WED Turbines	\$ 330,000		\$ 330,000
37	54095	WED PPA	\$ 479,265		\$ 479,265
38	54110	Water	\$ 78,619		\$ 78,619
39	54200	Clothing	\$ 28,628		\$ 28,628
40	54330	Chem, House, Laund Supp.	\$ -		\$ -
41	54332	Chlorine/Hypochlorite	\$ 367,373	\$ (1,772)	\$ 365,601
42	54333	Carbon Feed	\$ 2,890		\$ 2,890
43	54335	Polymer	\$ 105,078		\$ 105,078
44	54336	Sodium Hydroxide	\$ -		\$ -
45	54337	Sodium Bisulfite	\$ 295,148	\$ (7,095)	\$ 288,053
46	54338	Soda Ash	\$ 45,192		\$ 45,192
47	54339	UV Disinfection	\$ 193,380	\$ (18,380)	\$ 175,000
48	54340	Lab Supplies	\$ 354,321		\$ 354,321
49	54370	Supplies Building & Maintenance	\$ 465,467		\$ 465,467
50	54410	Educational Supplies & Expense	\$ 58,745		\$ 58,745
51	54420	Computer Supplies	\$ 95,302		\$ 95,302
52	54430	Other Operating Supplies & Expense	\$ 13,253		\$ 13,253
53	54440	Safety Equipment	\$ 53,415		\$ 53,415
54	54500	Office Expense	\$ 98,465		\$ 98,465
55	57913	Lease Expense	\$ -		\$ -
56	57800	Bond And Note Fees	\$ -		\$ -
57		Total Operating Supplies/Expense	\$ 17,211,927	\$ (538,439)	\$ 16,673,488

Notes and Source

Column A: Company Schedule HJS-1, "Rate Year 6/30/20" column
Column B: Schedule RCS-2

Narragansett Bay Commission

Summary of Professional Services Expense, Debt Service, Operating Allowance and Harship Fund
Rate Year Ended June 30, 2020

Line No.	Account	Description	Rate Year Amount Per NBC (A)	Division Adjustments (B)	Rate year at Present Rates (C)
		Professional Services Expense			
1	52600	Regulatory Expense	\$ 818,273	\$ (201,433)	\$ 616,840
2	52650	Security Services	\$ 32,787		\$ 32,787
3	52660	Legal Services	\$ 200,062		\$ 200,062
4	52670	Management/Audit Services	\$ 188,918		\$ 188,918
5	52680	Clerical Services	\$ 67,777		\$ 67,777
6	52690	Other Services	\$ 182,674		\$ 182,674
7		Total Professional Services	<u>\$ 1,490,491</u>	<u>\$ (201,433)</u>	<u>\$ 1,289,058</u>
8					
9		Depreciation	\$ -		\$ -
10					
11		Operating Capital	\$ -		\$ -
12					
13		Debt Service			
14		Debt Service	\$ 50,113,912		\$ 50,113,912
15		Debt Service Coverage	\$ 12,528,478		\$ 12,528,478
16		Total Debt Service	<u>\$ 62,642,390</u>	<u>\$ -</u>	<u>\$ 62,642,390</u>
17					
18		Operating Allowance and Hardship Fund			
19		Operating Allowance	\$ 659,111	\$ (11,575)	\$ 647,536
20		Hardship Fund	\$ 7,500	\$ (7,500)	\$ -

Notes and Source

Column A: Company Schedule HJS-1, "Rate Year 6/30/20" column
Column B: Schedule RCS-2

Narragansett Bay Commission
Summary of Division Adjustments
Rate Year Ended June 30, 2020

Line No.	Description	Division Adjustments (A)	Hardship Fund (1)	Remove NBC Adjustment for Declining Billable Consumption (2)	Adjust Billable Revenue for Residential Dwelling Units to Rate Year Level (3)	Reflect FY2019 Increased Revenue for a Large New Commercial Customer (4)	Eliminate NBC Proposed Revenue for New Collection Posting Notice Fee (5)	Environmental Enforcement Revenue (6)	Capacity Fee Revenue (7)	Biosolids Disposal Expense (8)	PUC Assessment (9)
1	Total Revenue	\$ 814,526	\$ -	\$ 425,725	\$ 57,907	\$ 426,218	\$ (213,000)	\$ 8,721	\$ 19,250	\$ -	\$ -
2	Operation & Maintenance Expense										
2	Net Personnel Expense	\$ (31,806)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Operating Supplies/Expense	\$ (538,439)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Professional Services/Expense	\$ (201,433)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (201,433)
5	Total: Operations & Maintenance Expense	\$ (771,677)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (377,992)	\$ (201,433)
6	Depreciation Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Operating Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Debt Service Coverage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Operating Allowance	\$ (11,575)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Hardship Fund	\$ (7,500)	\$ (7,500)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Total Revenue Requirement	\$ (790,752)	\$ (7,500)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (377,992)	\$ (201,433)
13	Net Income	\$ 1,605,278	\$ 7,500	\$ 425,725	\$ 57,907	\$ 426,218	\$ (213,000)	\$ 8,721	\$ 19,250	\$ 377,992	\$ 201,433

Notes and Source
Column A: Company Schedule HJS-1, "Rate Year 6/30/20" column
Column B: Schedule RCS-2

Narragansett Bay Commission
Summary of Division Adjustments
Rate Year Ended June 30, 2020

Line No.	Description	Personnel - Overtime (10)	Payroll Tax Expense (11)	Renewable Energy Credit Revenue (12)	Chemicals - Hypochlorite and Bisulfite (13)	UV Disinfection (14)	Building Repairs and Maintenance (15)	Workers Compensation Insurance (16)	Operating Allowance (17)
1	Total Revenue			\$ 89,704					
	Operation & Maintenance Expense								
2	Net Personnel Expense	\$ (29,545)	\$ (2,260)						
3	Operating Supplies/Expense				\$ (8,867)	\$ (18,380)	\$ (101,419)	\$ (31,780)	
4	Professional Services Expense								
5	Total: Operations & Maintenance Expense	\$ (29,545)	\$ (2,260)	\$ -	\$ (8,867)	\$ (18,380)	\$ (101,419)	\$ (31,780)	\$ -
6	Depreciation Expense								
7	Operating Capital								
8	Debt Service								
9	Debt Service								
10	Debt Service Coverage								
11	Operating Allowance								\$ (11,575)
11	Hardship Fund								
12	Total Revenue Requirement	\$ (29,545)	\$ (2,260)	\$ -	\$ (8,867)	\$ (18,380)	\$ (101,419)	\$ (31,780)	\$ (11,575)
13	Net Income	\$ 29,545	\$ 2,260	\$ 89,704	\$ 8,867	\$ 18,380	\$ 101,419	\$ 31,780	\$ 11,575

Notes and Source
Column A: Company Schedule HJS-1, "Rate Year 6/30/20" cc
Column B: Schedule RCS-2

Docket No. 4890
Schedule RCS-3
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Narragansett Bay Commission
NBC Withdrawn Adjustment for Hardship Fund
Rate Year Ended June 30, 2020

Line No.	Account	Description	Division Adjustment (A)	Reference
1		Hardship Fund	\$ (7,500)	NBC Schedule HJS-1

Rate Year Ended June 30, 2020

Line No.	Account	Description	Per Company (A)	Per Division (B)	Division Adjustment (C)	Reference
<u>I. Adjustment to Revenue for Billable Consumption</u>						
1		Residential Customer Usage (HCF)				
2		Rate	8,153,259	8,233,501	80,242	NBC Schedule HJS - 25
3	41100	Consumption Fee - Residential	\$ 3.64	\$ 3.64		NBC Schedule HJS - 2A
			<u>\$ 29,645,250</u>	<u>\$ 29,937,010</u>	<u>\$ 291,759</u>	
4		Commercial Customer Usage (HCF)				
5		Rate	4,668,683	4,694,089	25,406	NBC Schedule HJS - 25
6	41510	Consumption Fee - Commercial	\$ 5.27	\$ 5.27		NBC Schedule HJS - 2A
			<u>\$ 24,617,966</u>	<u>\$ 24,751,931</u>	<u>\$ 133,966</u>	
7		Total Consumption Fee - Residential and Commercial			<u>\$ 425,725</u>	
<u>II. Compare: Billable Consumption based on NBC FY 2019 Budget</u>						
<u>Residential Customer Usage (HCF)</u>						
8		NBC FY2019 Budget		8,347,801		NBC FY 2019 Budget page 72
9		FY2018 Used by Division		8,233,501		Line 1 above
10		NBC FY2019 Budget versus FY 2018 used by Division		<u>114,300</u>		L8 - L9
<u>Commercial Customer Usage (HCF)</u>						
10		NBC FY2019 Budget		4,813,604		NBC FY 2019 Budget page 72
11		FY2018 Used by Division		4,694,089		Line 2 above
12		NBC FY2019 Budget versus FY 2018 used by Division		<u>119,515</u>		L10 - L12

Narragansett Bay Commission
 Adjust Billable Revenue for Residential Dwelling Units to Rate Year Level
 Rate Year Ended June 30, 2020

Line No.	Account	Description	Per Company (A)	Per Division (B)	Division Adjustment (C)	Reference
1		Residential Dwelling Units Test Year	119,798	120,055		NBC Schedule HJS-2A and HJS-26
2		Residential Dwelling Units Rate Year				NBC Response to Div 1-26 and 1-27
3		Current Rate	\$ 225.32	\$ 225.32		NBC Schedule HJS-2A
4	41000	Flat Fees Residential	\$ 26,992,885	\$ 27,050,793	\$ 57,907	

Narragansett Bay Commission
 Reflect FY2019 Increased Revenue for a Large New Commercial Customer

Docket No. 4890
 Schedule RCS-6
 Page 1 of 1

Rate Year Ended June 30, 2020

Line No.	Account	Description	Per Company (A)	Per Division (B)	Division Adjustment (C)	Reference
1		Commercial Customer Usage (HCF)		80,830		L 3 / L 2 - also see Note A
2		Rate		\$ 5,273		NBC Schedule HJS - 2A
3	41510	Consumption Fee - Commercial	\$ -	\$ 426,218	\$ 426,218	Note B

Notes and Source

[A] NBC response to Division 1-8 snf 1-14, Fiscal Year 2019 Budget, page 6:

"this year's budget includes increased user fee revenue of \$426,218 related to a new large user that is connecting to NBS' system enabled by the Johnston Sewer Improvements/Greenville Project."

Narragansett Bay Commission

Docket No. 4890
 Schedule RCS-7
 Page 1 of 1

Eliminate NBC Proposed Revenue for New Collection Posting Notice Fee
 Rate Year Ended June 30, 2020

Line No.	Account	Description	Division Adjustment (A)	Reference
1	42603	Collection Posting Notice Fee	\$ (213,000)	NBC Schedule HJS-1

Narragansett Bay Commission
Environmental Enforcement Revenue

Docket No. 4890
Schedule RCS-8
Page 1 of 1

Rate Year Ended June 30, 2020

Line No.	Account	Years Ending June 30,	Environmental Enforcement Revenue
1		2009	\$ 3,700
2		2010	13,650
3		2011	8,315
4		2012	1,000
5		2013	- [1]
6		2014	15,229
7		2015	5,972
8		2016	50,000 [2]
9		2017	18,500
10		2018	3,400
11		Total for Ten Years	<u>\$ 119,766</u>
12		Ten-Year Average	<u>\$ 11,977</u>
13		Total Excluding Low ¹ and High ² Years	<u>\$ 69,766</u>
14		Eight Year Average	<u>\$ 8,721</u>
15		Amount Proposed by NBC [Note A]	-
16	46500	Adjustment to Revenue	<u>\$ 8,721</u>

Notes and Source:

NBC Response to DPS 1-09, Comprehensive Annual Fiscal Report, fiscal year ending June 30, 2018, page 72

[A] NBC removed the test year amount of \$3400 leaving zero.

Rate Year Ended June 30, 2020

Line No.	Per Company					Per Division					
	Meter Size (A)	Factor (B)	Rate (C)	Permits (D)	Capacity Revenue (E)	Residential Accounts (F)	Number of Non-Residential Meters, by Meter Size (G)	Estimated Number of Meters by Meter Size (H)	Proportion of Meters 2" or Less (I)	Estimated Permits By Meter Size (J)	Capacity Revenue (K)
1	5/8"	1	\$ 350	313 *	\$ 109,550	76,725 [a]	3,530	80,255	95%	297	\$ 103,950
2	3/4"	1.50	\$ 525				1,014	1,014	1%	4	\$ 2,100
3	1"	2.50	\$ 875				1,216	1,216	1%	4	\$ 3,500
4	1 1/2"	5.00	\$ 1,750				825	825	1%	3	\$ 5,250
5	2"	8.00	\$ 2,800				1,229	1,229	1%	5	\$ 14,000
6	3"	15.00	\$ 5,250				80	80			
7	4"	25.00	\$ 8,750				38	38			
8	6"	50.00	\$ 17,500				42	42			
9	8"	80.00	\$ 28,000				16	16			
10	10"	115.00	\$ 40,250				1	1			
11	Total meter counts - Commercial and Industrial										
							7,991 [b]	84,716	100%		
12	Total meter counts - meters 2" or less										
							7,814	84,539		313	
13	Total estimated permits										
											\$ 128,800
14	Estimated Capacity Charge Revenue										
											\$ 19,250
15	Adjustment to Capacity Charge Revenue										

Notes and Source:

Cols A through E: NBC Schedule HJS-31

Col.D: NBC's footnote states that:

"* We are unable to determine meter size per permit issued, assume all at 5/8" meter size."

Column F: Number of Residential accounts from NBC's Fiscal Year 2019 Budget, page 71

For purposes of this calculation, we do not have a breakout of Residential accounts by meter size, so reflect all in the 5/8-inch category

Column G: Number of Meters - Commercial and Industrial is from NBC Schedule HJS-2, Test Year Units

Column H: Division estimate assumes the number of permits would be roughly proportionate to meter counts for meters that are 2" or less in diameter

Rate Year Ended June 30, 2020

Line No.	Account	Description	FY 2018 Test Year Actual (A)	FY 2019 Budget (B)	FY 2020 Rate Year Per Company (C)	FY 2020 Rate Year Per Division (D)	Division Adjustment (E) = D-C
		Biosolids Dry Tons					
1		Field's Point Dry Tons	8,465	8,274	9,269	8,274	
2		Bucklin Point Dry Tons	2,033	2,124	1,928	2,124	
3		Total Dry Tons	10,498	10,398	11,197	10,398	
4		Change from FY 2018		(100)	699	(100)	
5		Change from FY 2019			799	-	
6		Total Expense	\$ 4,731,063	\$ 4,808,259	\$ 5,330,499	\$ 4,952,507	
7	53480	Expense Adjustment			\$ 5,330,499	\$ 4,952,507	\$ (377,992)
8		Increase Over FY 2019 Budget Amount					
		Dollar Increase			\$ 522,240	\$ 144,248	\$ (377,992)
		Percent Increase			10.9%	3.0%	

Notes and Source

Cols. A and B: NBC's response sfo Division 1-47

Col. C: NBC Schedule HJS-10

Col.D: **Division Amount Estimated by Escalating FY 2019 Budget Expense by 3 Percent**

10	FY 2019 Expense	\$ 4,808,259	Line 6 above
11	Increase to FY 2020	1.03	Cost inflation used by Company
12	Estimated FY 2020 expense	<u>\$ 4,952,507</u>	

Alternative Calculation Using Rate/Ton Projected by NBC:

13	July 2019 - December 2019	Dry Tons	Rate	FY 2020 Expense	FY 2020 Rate Year Per Company	FY 2020 Rate Year Per Division	Reference
		5,199	\$ 469.03	\$ 2,438,487	\$ 476.06	\$ 476.29	L6 / L3
14	Jan 2020 - June 2020	5,199	\$ 483.10	\$ 2,511,637			
15	Total	10,398	<u>\$ 476.06</u>	<u>\$ 4,950,124</u>			
16	Average Cost per Dry Ton	FY 2018 Test Year Actual \$ 450.66	FY 2019 Budget \$ 462.42	FY 2020 Rate Year Per Company \$ 476.06	FY 2020 Rate Year Per Division \$ 476.29		

Rate Year Ended June 30, 2020

Line No.	Account	Description	FY 2018 Test Year Actual (A)	FY 2019 Assessment (B)	FY 2020 Rate Year Per Company (C)	FY 2020 Rate Year Per Division (D)	Division Adjustment (E) = D-C
1		PUC Assessment	\$ 494,662	\$ 486,201	\$ 736,254	\$ 534,821	
2	52600	Expense Adjustment			\$ 736,254	\$ 534,821	\$ (201,433)
Increase Over FY 2019 PUC Assessment Amount							
3		Dollar Increase			\$ 250,053	\$ 48,620	\$ (201,433)
4		Percent Increase			51.4%	10.0%	

Notes and Source

Col.A and C: NBC Schedule HJS-21

Col.B: FY 2019 Total Assessment
5 Invoice dated 7/2/2018
6 Invoice dated 1/1/2019
7 Total FY 2019 assessment

Col.D: Estimated increase for FY 2020 assessment
8 Total FY 2019 assessment
9 Estimated increase for FY 2020 assessment
10 Estimated FY 2020 assessment

\$ 100,000	NBC Response to Division 1-56
\$ 386,201	Per Division
\$ 486,201	
\$ 486,201	Line 7
10%	Estimate
\$ 534,821	L8 x (1 + L9)

Rate Year Ended June 30, 2020

Line No.	Account	Description	Per Company (A)	Per Division - Escalate FY 2019 Budget Amount For One Year to Derive FY 2020 Estimate (B)	Division Adjustment (C)
Union Overtime					
1		FY2018 Overtime			
2		7/1/18 COLA/Merit	\$ 630,701	\$ 596,000	
3		FY 2019 Overtime	2.50%	2.50%	
4		7/1/19 COLA/Merit	\$ 646,469	\$ 610,900	
5	52150	Rate Year Overtime			\$ (35,569)
Non-Union Overtime					
6		FY2018 Overtime			
7		7/1/18 COLA/Merit	\$ 172,173	\$ 178,050	
8		FY 2019 Overtime	2.50%	2.50%	
9		7/1/19 COLA/Merit	\$ 176,478	\$ 182,501	
10	52350	Rate Year Overtime			\$ 6,024
11		Total Adjustment to Overtime	\$ 822,947	\$ 793,401	\$ (29,545)

Notes and Source:

Col A: NBC Schedule HJS-6

Col B: NBC's response to Data Request DPS 1-08, Fiscal Year 2019 Budget, page 91

Rate Year Ended June 30, 2020

Line No.	Account	Description	Per Company (A)	Per Division - Average FY 2017 and FY 2018 for Normal Level - Escalated for Two Years to Derive FY 2020 Estimate (B)	Division Adjustment (C)
		Union Overtime			
1		FY2018 Overtime		\$ 588,535	
2		7/1/18 COLA/Merit		2.50%	
3		FY 2019 Overtime	\$ 630,701	\$ 603,248	
4		7/1/19 COLA/Merit	2.50%	2.50%	
5	52150	Rate Year Overtime	<u>\$ 646,469</u>	<u>\$ 618,330</u>	<u>\$ (28,139)</u>
		Non-Union Overtime			
6		FY2018 Overtime		\$ 151,276	
7		7/1/18 COLA/Merit		2.50%	
8		FY 2019 Overtime	\$ 172,173	\$ 155,058	
9		7/1/19 COLA/Merit	2.50%	2.50%	
10	52350	Rate Year Overtime	<u>\$ 176,478</u>	<u>\$ 158,934</u>	<u>\$ (17,543)</u>
11		Totals	<u>\$ 822,947</u>	<u>\$ 777,264</u>	<u>\$ (45,683)</u>

Notes and Source:

Col A: NBC Schedule HJS-6

Col B: NBC's response to Data Request DPS 1-45:

		Union Overtime			
12		FY 2017 Overtime Dollars		\$ 591,401	
13		FY 2018 Overtime Dollars		585,669	
14		Average Overtime - Use as Normal Level Before Escalation		<u>\$ 588,535</u>	
		Non-Union Overtime			
15		FY 2017 Overtime Dollars		\$ 134,578	
16		FY 2018 Overtime Dollars		167,974	
17		Average Overtime - Use as Normal Level Before Escalation		<u>\$ 151,276</u>	

Narragansett Bay Commission
Payroll Tax Expense

Docket No. 4890
Schedule RCS-13
Page 1 of 1

Rate Year Ended June 30, 2020

Line No.	Account	Description	Division Adjustment (A)	Reference
Social Security				
1		Rate Year Overtime Expense Adjustment	\$ (29,545)	Schedule RCS-12, Page 1
2		FICA rate	6.20%	NBC Schedule HJS-6
3		Rate Year Social Security	<u>\$ (1,832)</u>	
Medicare				
4		Rate Year Overtime Expense Adjustment	\$ (29,545)	Schedule RCS-12, Page 1
5		Medicare rate	1.45%	NBC Schedule HJS-6
6		Rate Year Medicare	<u>\$ (428)</u>	
7	52810	Payroll Tax Expense Adjustment	<u>\$ (2,260)</u>	

Narragansett Bay Commission
Renewable Energy Credit Revenue

Docket No. 4890
Schedule RCS-14
Page 1 of 1

Rate Year Ended June 30, 2020

Line No.	Account	Description	kWh Production Rate Year (A)	RECs (B)	Rate (C)	Rate Year Revenue (D)
<u>I. Per Company</u>						
1		Field's Point Wind Turbines	7,543,661	7,544	\$ 20.63	\$ 155,595
<u>WED Turbines</u>						
2		WED 1	2,762,872	2,763	\$ 20.63	\$ 56,987
3		WED 2	3,170,200	3,170	20.63	65,381
4		WED 3	2,656,618	2,657	20.63	54,801
5		Total WED Turbines		<u>8,590</u>		<u>\$ 177,169</u>
<u>Solar PPA</u>						
6		K1	1,555,171	1,555	\$ 20.63	\$ 32,072
7		K2	2,791,903	2,792	20.63	57,585
8		Total Solar PPA		<u>4,347</u>		<u>\$ 89,657</u>
9		Totals	<u>20,480,425</u>	<u>20,481</u>		<u>\$ 422,421</u>
<u>II. Per Division</u>						
10		Field's Point Wind Turbines	7,547,708	7,548	\$ 25.00	\$ 188,700
<u>WED Turbines</u>						
11		WED 1	2,762,872	2,763	\$ 25.00	\$ 69,075
12		WED 2	3,170,200	3,170	25.00	79,250
13		WED 3	2,656,618	2,657	25.00	66,425
14		Total WED Turbines		<u>8,590</u>		<u>\$ 214,750</u>
<u>Solar PPA</u>						
15		K1	1,555,171	1,555	\$ 25.00	\$ 38,875
16		K2	2,791,903	2,792	25.00	69,800
17		Total Solar PPA		<u>4,347</u>		<u>\$ 108,675</u>
18		Totals	<u>20,484,472</u>	<u>20,485</u>		<u>\$ 512,125</u>
<u>III. Division Adjustment</u>						
19	42604	Division Adjustment - Field's Point Wind Turbines		Division Amount (E) \$ 188,700	Company Amount (F) \$ 155,595	Division Adjustment (G) \$ 33,105
20	42605	Division Adjustment -WED Turbines		\$ 214,750	\$ 177,169	\$ 37,581
21	42606	Division Adjustment - Solar PPA		\$ 108,675	\$ 89,657	\$ 19,018
22		Total Division Adjustment		<u>\$ 512,125</u>	<u>\$ 422,421</u>	<u>\$ 89,704</u>

Notes and Source:

Lines 1-9: NBC Schedule HJS-17

Col. A, Line 10: NBC Schedule HJS-14

Col. C, Lines 10-18: NBC Schedule HJS-17, Current contract for REC's generated in 2019

Narragansett Bay Commission
Chemicals Expense - Hypochlorite and Bisulfite

Docket No. 4890
Schedule RCS-15
Page 1 of 1

Rate Year Ended June 30, 2020

Line No.	Account	Description	Per Company (A)	Per Division (B)	Division Adjustment (C)
		Hypochlorite			
1		Field's Point (gallons)	651,192		
2		Bucklin Point (gallons)	40,268		
3		Total (gallons)	691,460	688,124	
4		Rate per Gallon	\$ 0.5313	\$ 0.5313	
5	54332	Total Hypochlorite Expense	\$ 367,373	\$ 365,600	\$ (1,772)
		Bisulfite			
6		Field's Point (gallons)	218,734		
7		Bucklin Point (gallons)	23,707		
8		Total (gallons)	242,441	236,613	
9		Rate per Gallon	\$ 1.2174	\$ 1.2174	
10	54337	Total Bisulfite Expense	\$ 295,148	\$ 288,053	\$ (7,095)
11		Total Adjustment to Chemicals Expense			\$ (8,867)

Notes and Source:

Col A: NBC Schedule HJS-20

Col B: NBC's response to Data Request DPS 1-08, Fiscal Year 2019 Budget, pages 44 and 86

Rate Year Ended June 30, 2020

Line No.	Account Number	Account Description	FY 2017 (A)	Adjusted Test Year FY 2018 (B)	Average (C)	Projected FY 2019 (D)	Rate Year FY 2020 (E)	Rate Year Adjustment (F)=D - B
Per Company								
1	54339	UV Disinfection	\$ 234,958	\$ 151,801	\$ 193,380	\$ 193,380	\$ 193,380	\$ 41,579
Per Division								
2	54339	UV Disinfection	\$ 151,801	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 23,199
Division Adjustment to NBC Proposed								
3	54339	UV Disinfection	\$ -		\$ (18,380)	\$ (18,380)	\$ (18,380)	\$ (18,380)

NBC FY2018 Budget	NBC FY2019 Budget
\$ 175,000	\$ 175,000

Notes and Source

Per Company amounts are from NBC Schedule HJS-9
Per Division uses the FY 2019 budget amounts from the NBC Fiscal Year 2019 Budget (NBC response to Division 1-9 and 1-14)
Budget amount is the same for FY 2018 and FY2019. Use the FY 2018 and FY 2019 budget amount for the FY 2020 estimate for this expense.

Rate Year Ended June 30, 2020

Line No.	Account Number	Account Description	FY 2016 (A)	FY 2017 (B)	Adjusted Test Year FY 2018 (C)	Annual Increase (D)	Projected FY 2019 (E)	Rate Year FY 2020 Escalation (F)	Rate Year FY 2020 (G)	Rate Year Adjustment (H)=G - C
Per Company										
1	53470	Building & Ground Maintenance	\$ 151,466	\$ 173,172	\$ 222,421	23%	\$ 273,578	23%	\$ 336,501	\$ 114,080
2	53610	Repairs Building, Structure, Equipment	713,350	692,978	848,496	9%	924,861	9%	1,008,098	159,602
3		Total			<u>\$ 1,070,917</u>		<u>\$ 1,198,439</u>		<u>\$ 1,344,599</u>	<u>\$ 273,682</u>
Per Division										
4	53470	Building & Ground Maintenance			\$ 222,421	10%	\$ 245,058	5%	\$ 257,528	\$ 35,107
5	53610	Repairs Building, Structure, Equipment			848,496	10%	936,865	5%	985,651	137,155
6		Total			<u>\$ 1,070,917</u>		<u>\$ 1,181,923</u>		<u>\$ 1,243,180</u>	<u>\$ 172,263</u>
Division Adjustment to NBC Proposed										
7	53470	Building & Ground Maintenance			\$ -		\$ (28,520)		\$ (78,973)	\$ (78,973)
8	53610	Repairs Building, Structure, Equipment			-		12,004		(22,447)	(22,447)
9		Total			<u>\$ -</u>		<u>\$ (16,516)</u>		<u>\$ (101,419)</u>	<u>\$ (101,419)</u>

Notes and Source

Per Company amounts are from NBC Schedule HJS-8

Per Division uses the FY 2019 budget amounts from the NBC Fiscal Year 2019 Budget (NBC response to Division 1-9 and 1-14)

Escalation from FY 2019 to FY 2020 is a half of the increase rate from actual FY 2018 to Budgeted FY 2019

Rate Year Ended June 30, 2020

Line No.	Account	Description	Per Company (A)	Per Division (B)	Division Adjustment (C)
		Actual Expense			
1		FY 2016	\$ 393,571		
2		FY 2017	\$ 443,789		
3		FY 2018	\$ 436,708	\$ 436,708	
4		Average Annual Increase	5%		
5		FY 2019 Premium	\$ 540,984	\$ 540,984	
6		Less Average Workers Comp Dividends/Refunds		\$ (4,731)	
7	53680	Rate Year Expense	\$ 568,033	\$ 536,253	\$ (31,780)
6		Other Information			
7		Increase over FY 2018 Test Year			
8		Dollar Increase	\$ 131,325	\$ 99,545	
		Percent Increase	30.1%	22.8%	

Notes and Source:

Col A: NBC Schedule HJS-13

Col B: NBC's response to Data Request DPS 1-36 shows actual Workers Compensation Refunds/Dividends:

Year	Refund Amount
FY 2015	\$ 8,033
FY 2016	\$ -
FY 2017	\$ 7,796
FY 2018	\$ 3,093
Average Refunds	\$ 4,731

Rate Year Ended June 30, 2020

Line No.	Description	Per Company (A)	Per Division (B)	Division Adjustment (C)
1	Net Personnel	\$ 25,238,332	\$ 25,206,527	\$ (31,806)
2	Operating Supplies/Expense	17,211,927	16,673,488	(538,439)
3	Total Professional Services	1,490,491	1,289,058	(201,433)
4	Total Operations & Maintenance	\$ 43,940,749	\$ 43,169,072	\$ (771,677)
5	Percent Increase	1.5%	1.5%	
6	Operating Allowance	\$ 659,111	\$ 647,536	\$ (11,575)

Notes and Source:

Col. A: NBC Schedule HJS-22

Col. B: Schedule RCS-1

**Narragansett Bay Commission
User Charge Calculation
with Division Adjusted Results**

Projected Rate Year Revenue Requirements	\$ 106,458,998
Less: Projected Rate Year Miscellaenous Revenues	(2,431,293)
Net Revenue Requirements to be Recovered through User Charges	\$ 104,027,705

	Rate Year Revenues at Adjusted Test Year Rates	Allocation of Pretreatment Permit Costs	Total Rate Year Revenues at Adjusted Test Year Rates	Total Necessary Rate Year Revenues for Sufficiency
Residential Customer Charges	\$ 27,050,793	\$ -	\$ 27,050,793	\$ 28,070,667
Residential Consumption Charges	30,363,228	-	30,363,228	31,507,988
Commercial & Industrial Flat Fees	14,855,924	-	14,855,924	15,416,025
Commercial Consumption Charges	24,751,931	880,574	25,632,505	26,598,907
Industrial Consumption Charges	2,222,684	122,996	2,345,680	2,434,118
	\$ 99,244,560	\$ 1,003,570	\$ 100,248,130	\$ 104,027,705

Calculation of New User Charges

Residential Customer Charge

Revenue to be Recovered	\$ 28,070,667
Annual Dwelling Units	120,055
Calculated Residential Customer Charge per Dwelling Unit	\$ 233.82

Residential Consumption Charge

Revenue to be Recovered	\$ 31,507,988
Annual Billable Consumption (Hcf)	8,233,501
Calculated Residential Consumption Charge per Hcf	\$ 3.827

Commercial & Industrial Customer Charge

Revenue to be Recovered	\$ 15,416,025
Annual Equivalent Accounts	27,580
Calculated Equivalent Customer Charge	\$ 559
Calculated Customer Charge per Meter Size	
5/8"	\$ 559
3/4"	836
1"	1,389
1 1/2"	2,786
2"	4,451
3"	8,339
4"	13,895
6"	27,800
8"	44,480
10"	63,942

Commercial Consumption Charge

Revenue to be Recovered	\$ 26,598,907
Annual Billable Consumption (Hcf)	4,694,089
Calculated Commercial Consumption Charge per Dwelling Unit	\$ 5.666

Industrial Consumption Charge

Revenue to be Recovered	\$ 2,434,118
Annual Billable Consumption (Hcf)	655,659
Calculated Industrial Consumption Charge per Dwelling Unit	\$ 3.712

Narragansett Bay Commission
Rate Year Revenue Proof with Rate Increase
with Division Adjusted Results

Revenue Item Description	Rate Year Rates	Rate Year Units	Rate Year Revenues
User Fee Revenue			
<u>Residential</u>			
Customer Charges (per dwelling unit)	\$ 233.82	120,055	\$ 28,071,260
Consumption Charges (per HCF)	\$ 3.827	8,233,501	31,509,608
Total Residential			\$ 59,580,868
<u>Non-Residential</u>			
Commercial and Industrial Customer Charges (per Meter Size)			
5/8"	\$ 559	3,530	\$ 1,973,270
3/4"	836	1,014	847,704
1"	1,389	1,216	1,689,024
1 1/2"	2,786	825	2,298,450
2"	4,451	1,229	5,470,279
3"	8,339	80	667,120
4"	13,895	38	528,010
6"	27,800	42	1,167,600
8"	44,480	16	711,680
10"	63,942	1	63,942
Subtotal Customer Charges			\$ 15,417,079
Commercial Consumption Charges (per HCF)	\$ 5.666	4,694,089	\$ 26,596,708
Industrial Consumption Charges (per HCF)	\$ 3.712	655,659	\$ 2,433,806
Total Non-Residential			\$ 44,447,593
Total User Fee Revenue			\$ 104,028,462

Non-User Fee Revenues

Pretreatment Fees	\$ 62,800
Connection Permit Fees	43,580
Capacity Charge	128,800
Real Estate Closing Fee	204,120
Abatement Application Fee	6,720
Returned Check Fee	20,670
Collection Posting Notice Fee	-
REC Income Field's Point Turbines	188,700
REC Income Wed Turbines	214,750
REC Income WED Solar	108,675
Septage Income	333,037
Interest Income Revenue	136,230
Interest Income O & M	63,177
Late Charge Penalty	796,362
Environmental Enforcement	8,721
Discounts Earned	4,743
Miscellaneous Income	30,733
Rental Revenue	79,475
Grant Revenue	-
Total Non-User Fee Revenues	\$ 2,431,293

Total Revenues	\$ 106,459,755
Total Revenues Requirement	\$ 106,458,998
Difference (due to rounding)	\$ 757