

**BEFORE THE  
PUBLIC UTILITIES COMMISSION  
OF RHODE ISLAND**

**THE CITY OF NEWPORT            )  
WATER DIVISION                )       DOCKET NO. 4933**

**DIRECT TESTIMONY  
OF  
LAFAYETTE K. MORGAN, JR.**

**ON BEHALF OF THE  
DIVISION OF PUBLIC UTILITIES AND CARRIERS**

**July 10, 2019**

## TABLE OF CONTENTS

|   | <u>Page</u> |
|---|-------------|
| Introduction.....                             | 1           |
| Summary and Recommendations .....             | 5           |
| Salaries and Wages .....                      | 6           |
| Overtime .....                                | 9           |
| Temporary Labor .....                         | 10          |
| Employee Benefits .....                       | 10          |
| Retiree Benefits.....                         | 11          |
| Workers' Compensation .....                   | 12          |
| Advertisement Expense .....                   | 13          |
| Rate Case Expense.....                        | 13          |
| Property Taxes .....                          | 14          |
| Gasoline and Vehicle Allowance.....           | 16          |
| Regulatory Expenses.....                      | 17          |
| Regulatory Assessments .....                  | 17          |
| Self Insurance.....                           | 18          |
| Customer Service – Support Services.....      | 19          |
| Uniforms and Protective Gear .....            | 20          |
| Reservoir Maintenance – Source of Supply..... | 20          |
| Repairs & Maintenance.....                    | 21          |
| Operating Supplies.....                       | 21          |
| Laboratory Supplies .....                     | 22          |
| Chemical Expense.....                         | 22          |
| Heavy Equipment Rental-Distribution .....     | 22          |
| Non-Rate Revenues .....                       | 23          |
| Multi-Year Increase .....                     | 23          |

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Direct Testimony of Lafayette K. Morgan, Jr.

**Introduction**

1  
2       Q.           WOULD YOU PLEASE STATE YOUR NAME AND BUSINESS  
3                   ADDRESS?

4       A.       My name is Lafayette K. Morgan, Jr. My business address is 10480 Little Patuxent  
5                   Parkway, Columbia, Maryland, 21044. I am a Public Utilities Consultant working  
6                   with Exeter Associates, Inc. (“Exeter”). Exeter is a firm of consulting economists  
7                   specializing in issues pertaining to public utilities.

8       Q.           PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND  
9                   QUALIFICATIONS.

10      A.       I received a Master of Business Administration degree from The George  
11                   Washington University. The major area of concentration for this degree was  
12                   Finance. I received a Bachelor of Business Administration degree with  
13                   concentration in Accounting from North Carolina Central University. I was  
14                   previously a CPA licensed in the state of North Carolina but have elected to place  
15                   my license in an inactive status as I pursued other business interests.

16      Q.           WOULD YOU PLEASE DESCRIBE YOUR PROFESSIONAL  
17                   EXPERIENCE?

18      A.       From May 1984 until June 1990, I was employed by the North Carolina Utilities  
19                   Commission (“NCUC”) – Public Staff in Raleigh, North Carolina. I was responsible

1 for analyzing testimony, exhibits, and other data presented by parties before the  
2 NCUC. I had the additional responsibility of performing the examinations of books  
3 and records of utilities involved in rate proceedings and summarizing the results into  
4 testimony and exhibits for presentation before that commission. I was also involved  
5 in numerous special projects, including participating in compliance and prudence  
6 audits of a major utility and conducting research on several issues affecting natural  
7 gas and electric utilities.

8 From June 1990 until July 1993, I was employed by Potomac Electric Power  
9 Company ("Pepco") in Washington, D.C. At Pepco, I was involved in the  
10 preparation of the cost of service, rate base, and ratemaking adjustments supporting  
11 the company's requests for revenue increases in the State of Maryland and the  
12 District of Columbia. I also conducted research on several issues affecting the  
13 electric utility industry for presentation to management.

14 From July 1993 through 2010, I was employed by Exeter as a Senior  
15 Regulatory Analyst. During that period, I was involved in the analysis of the  
16 operations of public utilities, with particular emphasis on utility rate regulation. I  
17 reviewed and analyzed utility rate filings, focusing primarily on revenue requirements  
18 determination. This work involved natural gas, water, electric, and telephone  
19 companies.

20 In 2010, I left Exeter to focus on start-up activities of other business interests.  
21 In late 2014, I returned to Exeter to continue to work in a similar capacity to my work  
22 prior to my leave of absence.

23 Q. HAVE YOU PREVIOUSLY TESTIFIED IN REGULATORY  
24 PROCEEDINGS ON UTILITY RATES?

1     A.     Yes. I have previously presented testimony and affidavits on numerous occasions  
2           before the North Carolina Utilities Commission, the Pennsylvania Public Utility  
3           Commission, the Virginia Corporation Commission, the Louisiana Public Service  
4           Commission, the Georgia Public Service Commission, the Maine Public Utilities  
5           Commission, the Kentucky Public Service Commission, the Public Utilities  
6           Commission of Rhode Island, the Vermont Public Service Board, the Illinois  
7           Commerce Commission, the West Virginia Public Service Commission, the Indiana  
8           Utility Regulatory Commission, the Maryland Public Service Commission, the  
9           Corporation Commission of Oklahoma, the Kansas Corporation Commission and  
10          the Federal Energy Regulatory Commission (“FERC”).

11    Q.           ON WHOSE BEHALF ARE YOU APPEARING?

12    A.     I am presenting testimony on behalf of the Rhode Island Division of Public Utilities  
13          and Carriers (the “Division”).

14    Q.           WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS  
15                PROCEEDING?

16    A.     Exeter has been retained by the Division to assist in the evaluation of the request to  
17          change rates and implement a multi-year rate plan that was submitted by the City of  
18          Newport Water Division (“Newport”). In this testimony, I present my findings on  
19          behalf of the Division regarding the rate year revenue increase and the multi-year  
20          rate plan that Newport has requested. My colleague, and Principal at Exeter, Mr.  
21          Jerome D. Mierzwa, will present the Division’s recommendations regarding rate  
22          design and class cost of service issues.

23    Q.           IN CONNECTION WITH THIS CASE, HAVE YOU PERFORMED AN  
24                EXAMINATION AND REVIEW OF THE COMPANY’S TESTIMONY  
25                AND EXHIBITS?

1 A. Yes. I have reviewed Newport's testimony, exhibits, its rate filing, and its responses  
2 to the Division's, Public Utilities Commission's ("PUC's") and other parties' data  
3 requests.

4 Q. HOW HAVE YOU PRESENTED THE SCHEDULES THAT PRESENT  
5 YOUR REVENUE REQUIREMENT RECOMMENDATIONS?

6 A. I have attached two exhibits to my testimony that support my revenue requirement  
7 recommendations. Exhibit LKM COS, provides the total revenue requirement, but  
8 also includes the revenue requirement components on a functional basis similar to  
9 Newport's cost of service presentation accompanying Witness Harold J. Smith's  
10 testimony. In Exhibit LKM COS, I have prepared Schedules 1 through 12, which  
11 present my findings and recommendations. Schedule 1 of that exhibit provides a  
12 summary of revenues and expenses under present rates after reflecting the Division's  
13 adjustments. This schedule also presents the Division's recommended change in the  
14 revenue requirement for the rate year. Exhibit LKM COS is the cost of service that  
15 supports the Division's recommended revenue requirement after adjusting the  
16 normalized test year cost of service. This approach is similar to the manner in which  
17 Newport calculated its proposed revenue increase.

18 I have also provided Exhibit LKM ADJ. In Exhibit LKM ADJ, I have  
19 provided the adjustments to the cost of service for comparative purposes only. In  
20 other words, I wanted to provide a tool for the Commission to see the value of the  
21 adjustments I made when compared to Newport's proposed rate year cost of service.  
22 Schedule 1 of Exhibit LKM ADJ, presents a breakdown of the value of the  
23 adjustments to Newport's revenue requirement on an aggregate basis by account  
24 numbers. Schedules 2 through 11, that follow, show my adjustments to the specific  
25 functional areas when compared to Newport's claim.

1 To further clarify the differences in the two exhibits, Exhibit LKM COS uses  
2 the normalized FY 2018 (the test year) as the basis of comparison and Exhibit LKM  
3 ADJ uses FY 2020 (the proposed rate year) as the basis of comparison.

4 **Summary and Recommendations**

5 Q. PLEASE SUMMARIZE THE RATE RELIEF REQUESTED BY  
6 NEWPORT IN ITS FILING.

7 A. Newport is seeking a two-step rate increase totaling \$2,988,888. In the first step  
8 increase, Newport has proposed a cost of service resulting in a total rate revenue  
9 requirement of \$19,021,902<sup>1</sup>, based upon the rate year ending June 30, 2020. As  
10 discussed in Newport's Notice of Filing and Change in Rate Schedules, the first step  
11 of the proposed increase of \$2,432,021 is designed to allow Newport to recover the  
12 full revenue requirement of \$19,843,202. In the second step increase, Newport is  
13 seeking to recover an additional revenue requirement of \$556,867. The second step  
14 increase is proposed to become effective on July 1, 2021.

15 Q. PLEASE SUMMARIZE YOUR FINDINGS AND RECOMMENDATIONS.

16 A. As shown on Schedule LKM-1, I have determined Newport's overall revenue  
17 requirement for the rate year to be \$18,133,887. When the \$18,133,887 is compared  
18 to the revenues at current rates of \$16,589,881, the resulting rate year increase is  
19 \$1,544,006. This amount is \$888,015 less than the \$2,432,021 rate year increase  
20 that Newport requested. For the step increase, I have calculated an increase of  
21 \$321,093. The step increase I have calculated is \$235,774 less than the \$556,867  
22 amount that Newport requested. When combined, the total increase in revenue that I

---

<sup>1</sup> The Notice of Filing and Change in Rate Schedule states the total operating revenue requirement is \$19,843,202. However, the calculation is based on \$19,021,902. The \$19,021,902 = \$19,835,921 (Total Costs before Offsets-HJS Schedule A-1A) + \$7,281 (Overage caused by rate design) – \$821,300 (Non-rate Revenue).

1 have calculated is \$1,865,099, or \$1,123,789 less than the total amount proposed by  
2 Newport.

3 Q. WHAT TIME PERIODS HAVE YOU USED IN MAKING YOUR  
4 DETERMINATION OF NEWPORT'S REVENUE REQUIREMENTS?

5 A. Consistent with Newport's filing, I have used the same test year ended June 30, 2018  
6 and rate year ending June 30, 2020 as the basis for determining Newport's rate year  
7 revenue requirements and the revenue increase necessary to recover those  
8 requirements.

9 Q. HOW IS THE REMAINDER OF YOUR TESTIMONY ORGANIZED?

10 A. The remainder of my testimony is organized into sections corresponding to the issue  
11 or topic being addressed. I have also separated my discussion of the issues by rate  
12 year and step increase. Specifically, under the rate year section, I discuss the issues  
13 that I have adjusted in determining the rate year revenue requirement. Similarly,  
14 under the step increase section, I address those issues that affect the revenue  
15 increases for the step increase year. These sections are set forth in the Table of  
16 Contents of this testimony.

17 **Salaries and Wages**

18 Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO SALARIES AND  
19 WAGES.

20 A. The adjustment I am recommending to salaries and wages is related to the allocation  
21 of the salaries of the Administration function. Specifically, I am recommending an  
22 adjustment to change the allocation of Administration salaries and wages to 50  
23 percent instead of the 60 percent used by Newport.

24 On HJS Schedule D-7 of Newport's filing, the Administration salaries and  
25 wages of the Director of Utilities, two Deputy Directors, an Administrative Secretary



1 and a Financial Analyst are presented. According to Newport, 60 percent of the costs  
2 related to the Director, the two Deputy Directors and the Administrative salaries are  
3 charged to the Water Division, while 50 percent of the Financial Analyst's costs are  
4 charged to the Water Division. The remaining salaries that were not charged to the  
5 Water Division are charged to the Water Pollution Control (WPC) Division.

6 From the information obtained from Newport, as far back as March 2001 the  
7 charges for Administration salaries (the Director and the Administrative Secretary)  
8 were allocated to the following functions:

- 9 • Water- 40%
- 10 • Public Works- 40%
- 11 • Water Pollution Control- 10%
- 12 • Clean City Program- 10%

13 Starting in FY 2008, after a reorganization, The City of Newport Department of  
14 Utilities, which is comprised of the Water Division and the Water Pollution Control  
15 Division, was formed. The administrative positions that were created after the  
16 reorganization were: the Director of Utilities, the Deputy Director-Finance, the  
17 Deputy Director-Engineering and the Administrative Secretary. These positions were  
18 to provide functions for both the Water Division and the Water Pollution Control  
19 Division. The labor costs for these positions began to be charged to the Water  
20 Division based upon a 60 percent allocation rate. Later, in FY 2018, the Financial  
21 Analyst position was added to Administration. The labor costs associated with that  
22 position is being allocated at 50 percent rather than the 60 percent that is used for the  
23 other positions.

1 Q. WHAT IS THE BASIS OF THE 60 PERCENT ALLOCATION FOR THE  
2 DIRECTOR, DEPUTY DIRECTORS AND ADMINISTRATIVE  
3 SECRETARY?

4 A. According to Newport, the 60 percent was assigned by the City of Newport based on  
5 the work effort required and size of the service areas for the Water Division and  
6 Water Pollution Control Division. The information provided by Newport indicates  
7 that no study or quantitative analysis has been performed to support the 60 percent  
8 allocation. In the response to DIV. 5-5, Newport stated:

9  
10 After the reorganization of the Department of Public Works into the  
11 Department of Public Services and the Department of Utilities there  
12 were no studies conducted or analysis to determine the allocation of  
13 the salaries for the Director of Utilities, the Deputy Directors and the  
14 Administrative Secretary [sic]  
15 The 60/40 allocation of the Deputy Directors that was in place for  
16 Water/Water Pollution Control, was deemed appropriate for the  
17 required level of effort for the Director, Deputy Directors and  
18 Administrative Secretary.

19 Q. WHAT IS THE BASIS OF THE 50 PERCENT ALLOCATION FOR THE  
20 FINANCIAL ANALYST?

21 A. Regarding the financial analyst position, there also appears to be no quantitative  
22 analysis to support the 50 percent allocation. In the response to DIV 5-6, Newport  
23 stated:

24 There is no formal supporting documentation regarding the  
25 allocation of the Financial Analysts salary between Water and Water  
26 Pollution Control. The allocation of 50% to each Division was based  
27 on review with the Deputy Director-Finance regarding the required  
28 time that would be spent between the two funds.

29 Q. WHY ARE YOU ADJUSTING THE ADMINISTRATION SALARIES  
30 AND WAGES ALLOCATION PERCENTAGE DOWNWARD TO 50  
31 PERCENT?

1 A. Newport has not demonstrated or provided any data that supports its use of the 60  
2 percent allocation. Therefore, the use of the 60 percent allocation is not justified. In  
3 this instance, I recognize that the administrative employees are providing functions  
4 for both utilities. Absent data to the contrary, the fair and reasonable way to share  
5 these costs is to equally allocate the costs to each utility by using a 50 percent  
6 allocation factor.

7 **Overtime**

8 Q. WHAT ADJUSTMENT ARE YOU RECOMMENDING TO OVERTIME  
9 EXPENSE?

10 A. Newport has calculated its overtime expense using a 2-year average expense. The  
11 average expense was then escalated to reflect cost of living increases to project the  
12 expense at the rate year level. I have recalculated the overtime expense. The only  
13 change that I have made, in this recalculation, is to use a 3-year average instead of  
14 the 2-year average that Newport proposes.

15 One of the reasons for using a multi-year average in ratemaking is to  
16 normalize costs that tend to fluctuate from year to year. In such instances, only using  
17 one year's data may over- or under-state expenses. Using the multi-year average is  
18 an acknowledgement of the potential misrepresentation of costs if only one year's  
19 data are used. The 2-year average, while better in terms of normalizing costs,  
20 provides too few data points to smooth out cost variations. In other words, if the  
21 one-year data would overstate cost, adding another year might only lessen the  
22 overstatement. On the other hand, I believe a 3-year average provides more data that  
23 tends to smooth out the cost variations to a more normalized amount.

24 Based upon the 3-year average, I have calculated an adjustment to reduce  
25 expenses by \$7,311 as presented on Exhibit LKM ADJ, Schedule 1.

**Temporary Labor**

Q. WHAT ADJUSTMENT ARE YOU RECOMMENDING TO TEMPORARY LABOR?

A. Newport has calculated its temporary labor expense using a 2-year average expense similar to its rate year overtime expense. I have recalculated the temporary labor expense using a 3-year average instead of the 2-year average that Newport proposes.

As I have explained in my discussion of overtime expenses, one of the reasons for using a multi-year average in ratemaking is to normalize costs that tend to fluctuate from year to year. In such instances, only using one year's data may over- or under-state expenses. Using the multi-year average is an acknowledgement of the potential misrepresentation of costs if only one year's data are used. Based upon the 3-year average, I have calculated an adjustment to reduce expenses by \$14,922 as presented on Exhibit LKM ADJ, Schedule 1.

**Employee Benefits**

Q. WHAT ADJUSTMENT ARE YOU RECOMMENDING TO EMPLOYEE BENEFITS?

A. In Newport's revenue requirement calculation, it projected an increase of 8.0 percent in determining the healthcare insurance cost. Additionally, in deriving the total employee benefits amount, the employee benefits costs associated with the Administration employees were allocated to the Water Division at the 60 percent allocation factor. The adjustment I have made to employee benefits reduces the projected healthcare insurance cost and reallocates the employee benefits costs that were charged to the Administration function.

Q. WHY ARE YOU REFLECTING A LOWER INCREASE IN HEALTHCARE COSTS?

1 A. As I have indicated, the healthcare insurance projected was based upon a projected  
2 rate of 8.0 percent. Newport has indicated that it has received notice of the actual  
3 insurance cost increase which will be 3.1 percent<sup>2</sup>. Therefore, I have recalculated the  
4 healthcare insurance costs by reflecting the 3.1 percent cost increase.

5 Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO THE ALLOCATION OF  
6 THE ADMINISTRATION EMPLOYEE BENEFITS EXPENSE.

7 A. In Newport's revenue requirement, the Administration employee benefit cost related  
8 to the Administration employees are allocated between the Water Division and the  
9 Water Pollution Control Division using the same 60 percent allocation factor that  
10 was used to calculate Administration employees' salaries. Earlier in this testimony, I  
11 have explained why the 60 percent allocation factor is not fair nor reasonable and  
12 have recommended the use of a 50 percent allocation factor. Consistent with my  
13 adjustment to Administration salaries and wages, I am also recommending an  
14 adjustment to reduce employee benefits to reflect the 50 percent allocation of  
15 employee benefits costs to the Administration function.

16 **Retiree Benefits**

17 Q. WHAT ADJUSTMENT ARE YOU RECOMMENDING TO RETIREE  
18 BENEFITS?

19 A. In Newport's revenue requirement calculation, it projected an increase in retiree  
20 benefit cost based upon annualizing \$28,441 for healthcare insurance and \$3,791 for  
21 prescription benefits. The documentation provided in support of the projected costs  
22 showed healthcare insurance costs of \$28,220 and prescription benefit costs of  
23 \$3,781. Therefore, I have used the amounts from the supporting documentation to  
24 annualize retiree benefits. After annualizing these costs and comparing them to the

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<sup>2</sup> Response to COMM 1-4.

1 total amount presented by Newport, an adjustment of \$2,772 results, as shown on  
2 Exhibit LKM ADJ, Schedule 2, line 28.

3 **Workers' Compensation**

4 Q. WHAT ADJUSTMENT ARE YOU RECOMMENDING TO WORKERS'  
5 COMPENSATION?

6 A. The City of Newport purchases Workers Compensation Insurance from the Rhode  
7 Island Interlocal Risk Management Trust. The City's policy is a single policy that  
8 covers all employees of the City. The various operating funds are then charged their  
9 pro rata share of the workers' compensation premium.

10 As explained by Newport, its workers compensation costs are composed of 3  
11 billing components. The first component is an estimated bill sent by the Interlocal  
12 Trust in June of each year. It is based on the audited payroll from two years prior  
13 and increased by a percentage determined by the Trust. The second bill is a final  
14 invoice received during the January following the estimated bill and is based on the  
15 audit of the previous fiscal year performed in December. The third is a "direct  
16 charge" bill for claims that existed prior to the Trust's coverage. Under this  
17 arrangement, Newport Water pays quarterly direct charges relating to injuries  
18 incurred by Water Division employees prior to the City of Newport's partnership  
19 with the Trust.

20 Recently, the City of Newport has been working with the Trust to get  
21 information showing more accurate workers compensation costs for the various  
22 funds participating in the workers compensation plan. As a result, the FY2020  
23 workers' compensation bill dated June 17, 2019 will be allocated based on actual  
24 employees, workers' compensation job codes and job code rates. Consequently, the  
25 Water Division's portion of the total workers' compensation expense for FY 2020,

1 exclusive of direct charges, is now expected to be \$115,425.81. I have adjusted the  
2 workers' compensation expense to reflect this increase in the revenue requirement  
3 calculation. This adjustment results in an increase in expenses of \$58,041.

4 **Advertisement Expense**

5 Q. WHAT ADJUSTMENT ARE YOU RECOMMENDING TO  
6 ADVERTISEMENT EXPENSE?

7 A. Newport has included \$9,000 in its revenue requirement calculation for  
8 advertisement expense. This amount was based upon the budgeted amount for  
9 advertisements. However, in the past 3 fiscal years, the amount that Newport has  
10 spent on advertisement has been much less than the budgeted amount. Therefore, the  
11 amount Newport claimed for advertisements is not representative of the annual  
12 expense. On Exhibit LKM ADJ, Schedule 1, I present my adjustment to  
13 advertisement expense which results in a decrease in the expenses of \$5,018. This  
14 adjustment is based upon reflecting advertisement expense at the 3-year average  
15 expense for fiscal years 2016 through 2018.

16 **Rate Case Expense**

17 Q. WHY HAVE YOU MADE AN ADJUSTMENT TO RATE CASE  
18 EXPENSE?

19 A. According to the presentation of rate case expense by Newport on HJS Schedule  
20 D-7, Newport is proposing to recover the full rate case expense amount over a 1-  
21 year period. The costs presented by Newport includes legal fees, its consultant fees  
22 and PUC fees. I disagree with Newport's approach to rate case cost recovery  
23 because the nature of rate case expense is that they are typically not incurred  
24 annually. In fact, Newport's recent rate case history suggest that a 3-year average is

appropriate for normalizing these expenses. The chart below summarizes the analysis.

| City of Newport Water Division<br>Rate Case Filing History |                   |                              |
|--|-------------------|------------------------------|
|  | Filed date        | Period Between<br>Rate Cases |
| Docket No. 4205  | December 9, 2008  |                              |
| Docket No. 4243  | April 18, 2011    | 2 Years                      |
| Docket No. 4595  | December 23, 2015 | 5 Years                      |
| Docket No. 4933  | February 13, 2019 | 3 Years                      |
| Average Period   |                   | 3 Years                      |

Based upon this analysis, I believe it is appropriate to normalize rate case expenses over a 3-year period. Therefore, on Exhibit LKM ADJ, Schedule 1, I present my adjustment which reduces rate case expense by \$158,233.

#### **Property Taxes**

Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO NEWPORT'S PROPERTY TAXES.

A. Newport calculated its rate year property taxes by escalating the FY 2019 tax amount by 2 percent to derive the FY 2020 amount. Newport did not provide any information that showed how the 2 percent escalation rate was determined. When asked to provide the basis for the 2 percent escalation rate, Newport only stated that the "2 percent increase is an estimated percentage increase over the FY2019 taxes to arrive at the projected FY 2020 taxes<sup>3</sup>." No other documentation was provided to show the derivation of the 2 percent escalation rate. However, in the chart below, I

---

<sup>3</sup> Response to DIV 2-27.



1 have calculated the compound annual growth rate (CAGR) for each of the taxing  
2 jurisdictions based upon actual data from the last 3 years.

| City of Newport Water Division<br>Property Tax Growth |           |          |          |        |
|---|-----------|----------|----------|--------|
|   | FY2017    | FY2018   | FY2019   | CAGR   |
| Little Compton  | \$ 11,184 | \$11,519 | \$11,756 | 2.53%  |
| Middletown  | 57,195    | 57,412   | 58,000   | 0.70%  |
| Portsmouth  | 447,440   | 425,563  | 440,210  | -0.81% |
| Tiverton  | 42,439    | 42,439   | 36,565   | -7.18% |

3 As can be seen from the chart, the data suggests that the 2 percent across the  
4 board tax escalation is not reasonable. Instead, I have calculated the rate year property  
5 tax expense for each taxing jurisdiction by applying the respective CAGR, unless the  
6 CAGR showed a negative CAGR. Hence, my rate year property tax adjustments  
7 include an increase for only Little Compton and Middletown. For Portsmouth and  
8 Tiverton, I have used the FY 2019 amount instead of reflecting a decrease in property  
9 taxes, which would be the case if I applied the CAGR. On Exhibit LKM ADJ,  
10 Schedule 1, my adjustment reduces property taxes by \$10,231.

11 Q. WHY DID YOU NOT APPLY THE NEGATIVE ESCALATION RATE TO  
12 DETERMINE THE PROPERTY TAXES FOR PORTSMOUTH AND  
13 TIVERTON?

14 A. I believe the ratemaking process must be fair and reasonable to both the ratepayers  
15 and the utility. In the case of Portsmouth, I believe the -0.81 percent escalation rate  
16 essentially means the growth in those taxes will remain flat. For Tiverton, I believe it  
17 is unreasonable to take the position that property taxes will continue to decline at a  
18 7.18 percent rate. Hence, keeping the change in those taxes constant means the  
19 potential for Newport to be negatively impacted between rate cases is reduced.

**Gasoline and Vehicle Allowance**

Q. WHAT ADJUSTMENT ARE YOU RECOMMENDING FOR GASOLINE  
AND VEHICLE ALLOWANCE?

A. Based upon the supporting documents for the gasoline and vehicle allowance, Newport intended to claim its gasoline and vehicle allowance based upon the 3-year average of these costs. As calculated by Newport, the gasoline and vehicle allowance for each function is based upon an average cost of \$6,410 per vehicle multiplied by the number of vehicles assigned to each function. However, from reviewing the supporting documents, I discovered two issues with the calculation of the average cost that must be corrected.

First, the total gasoline and vehicle allowance for FY 2018 was overstated because the cost relating to a vehicle, no longer in service, was inadvertently included in the costs related to the Administration function. Accordingly, this additional cost results in an overstatement of the average costs.

The second issue involves the total gasoline and vehicle allowance for FY 2017 that was presented in the supporting document provided in the response to DIV 2-29(b). On the supporting document, Newport shows a total cost of gasoline and vehicle allowance (Account 50271) of \$203,708. However, in the breakdown of expense accounts presented in the response to DIV 2-1, Newport reports \$153,085 as the FY 2017 amount for Account 50271.

Based upon these findings, I have recalculated the gasoline and vehicle allowance to correct the discrepancies. In my recalculation of the average cost, I removed the extra administration vehicle cost of \$5,371 that Newport identified. Next, I used the \$153,085 as the gasoline and vehicle allowance for FY 2017. As a result of reflecting these changes, the resulting average cost per vehicle is \$5,826

1 instead of the \$6,410 claimed by Newport. The total effect of this adjustment is  
2 presented on Exhibit LKM ADJ, Schedule 1. This adjustment reduces gasoline and  
3 vehicle allowance by \$18,680.

4 **Regulatory Expenses**

5 Q. WHAT ARE REGULATORY EXPENSES?

6 A. According to Newport, regulatory expenses (Account 50280) are miscellaneous  
7 expenses related to any fees or penalties paid to a regulatory agency.

8 Q. WHY HAVE YOU REMOVED THE REGULATORY EXPENSES  
9 INCLUDED IN THE REVENUE REQUIREMENT?

10 A. By Newport's definition, these expenses may include penalties. Under traditional  
11 ratemaking practice, fines and penalties are not appropriate costs to be recovered  
12 from ratepayers. Hence, I have removed these costs from the revenue requirement  
13 calculation.

14 However, I should add that the data I reviewed was not detailed enough to  
15 determine whether a portion of these costs were costs other than penalties or fines. I  
16 have assumed that these costs may be fines and penalties because Newport has  
17 included costs related to the fees paid to the Rhode Island Water Works Association  
18 (RIWWA), Rhode Island Department of Health License fees and the Rhode Island  
19 PUC fees in the Regulatory Assessments account (Account 50281). If Newport  
20 provides a detailed breakdown that clarifies the nature of these costs, I will modify  
21 my adjustment, if necessary.

22 **Regulatory Assessments**

23 Q. WHAT ADJUSTMENT HAVE YOU MADE TO REGULATORY  
24 ASSESSMENTS?

1 A. The regulatory assessments account includes the Rhode Island PUC fees, RIWWA  
2 fees and the Rhode Island Department of Health License fees. Regarding the PUC  
3 fees, Newport has calculated the increase in the fees based on its calculation of the  
4 average percentage increase of 11.0 percent for the Fiscal Years 2014 through 2018.  
5 Newport then escalated the FY 2018 regulatory assessments amount by 11.0 percent  
6 to derive the estimated amount for FY 2019. After the estimated FY 2019 amount  
7 was derived, that amount was escalated by 11.0 percent to determine the estimated  
8 FY 2020 (the rate year) amount.

9 I have recalculated the regulatory assessments amount now that more recent  
10 data for FY 2019 is available. Using the actual FY 2019 actual amount I have  
11 recalculated the escalation rate for regulatory assessments as presented below.

| City of Newport Water Division<br>Rate Case Filing History |                          |          |
|--|--------------------------|----------|
| Year   | NWD Annual<br>Assessment | % Change |
| FY2014   | \$ 59,926                |          |
| FY2015   | 56,906                   | -5.04%   |
| FY2016   | 65,039                   | 14.29%   |
| FY2017   | 78,919                   | 21.34%   |
| FY2018   | 89,946                   | 13.97%   |
| FY2019   | 86,448                   | -3.89%   |
| Average Change   |                          | 8.14%    |

19  
20 I then used the 8.14 percent to escalate the FY 2019 amount to derive the rate  
21 year amount of \$93,481. This amount results in a decrease in regulatory assessments  
22 of \$17,342.

23 **Self Insurance**

24 Q. PLEASE EXPLAIN THE ADJUSTMENT YOU HAVE MADE TO SELF  
25 INSURANCE COSTS.

1 A. Newport has included \$5,000 in the revenue requirement as a self-insurance claim in  
2 Account 50505. The self-insurance claim is actually the deductible portion of the  
3 general insurance fire and liability policy which is \$2,500 per claim. According to  
4 the response to DIV 2-2, the \$5,000 claimed by Newport represents the deductible  
5 payment for two potential liability claims that could be charged to Newport.  
6 However, in the response to DIV 5-13, where more details on the potential liabilities  
7 were sought, Newport stated that “there are currently no outstanding claims pending  
8 resolution.”

9 A review of the account for the previous three years shows there were no  
10 charges to the account for FY 2016 and 2017. However, there was a charge of  
11 \$2,584 for FY 2018. The costs that are recorded in this account appear to be costs  
12 that are unusual and infrequent. Therefore, the cost claimed by Newport is not  
13 known or certain. Therefore, I have removed the \$5,000 from the cost of service as  
14 shown on Exhibit LKM ADJ, Schedule 1.

15 **Customer Service – Support Services**

16 Q. WHAT ADJUSTMENT HAVE YOU MADE TO CUSTOMER SERVICES-  
17 SUPPORT SERVICES?

18 A. There are two issues related to Account 50225, Support Services that need to be  
19 addressed. First, in the response to DIV 2-19, Newport noted that HJS Schedule D-8  
20 (as filed) contains an error. That schedule includes \$5,700 for the OPAL  
21 maintenance contract. According to Newport, the OPAL maintenance contract  
22 should not have been included in the calculation. Thus, the rate year amount should  
23 be \$45,915 for Customer Service instead of the \$51,615 claimed in the filing.  
24 Accordingly, I have made an adjustment to remove the \$5,700.

1 Second, Newport has explained that it is in the process of converting to a new  
2 meter reading system. It has indicated that it is transitioning from the Badger Meter  
3 Read Center Data management software to BEACON Advance Metering Analytics.  
4 Newport has also indicated that the transition requires that the two systems will  
5 overlap for a period during the implementation and testing phase. This overlap of  
6 services is not unusual when information technology systems are being changed.

7 According to the City's website the conversion of the meter reading system is  
8 almost complete. Since the step increase is proposed to become effective on July 1,  
9 2021, I recommend an adjustment be made, during the implementation of the step  
10 increase, to remove the costs associated with the Badger Meter system.

11 **Uniforms and Protective Gear**

12 Q. WHAT ADJUSTMENT HAVE YOU RECOMMENDED FOR UNIFORMS  
13 AND PROTECTIVE GEAR?

14 A. Newport has proposed significant increases for uniforms and protective gear for  
15 virtually all functional areas of its operation. For the rate year, Newport is claiming  
16 \$15,675 in expenses for uniforms and protective gear while the amounts incurred in  
17 FY 2018, 2017, and 2016 were \$3,081, \$4,599, and \$3,197, respectively. Since the  
18 rate year claim is significantly higher than the historical amounts, it does not appear  
19 to be the normal recurring expenditures. Therefore, I have normalized the expenses  
20 over a 3-year period.

21 **Reservoir Maintenance – Source of Supply**

22 Q. WHAT ADJUSTMENT HAVE YOU RECOMMENDED FOR  
23 RESERVOIR MAINTENANCE RELATED TO SOURCE OF SUPPLY?

24 A. Newport has proposed significant increases for reservoir maintenance when  
25 compared to the previous three fiscal years. Since the rate year claim is significantly

1 higher than the historical amounts, it does not appear to be a normal ongoing level of  
2 expenses. Therefore, I have normalized the expenses over a 3-year period.

3 **Repairs & Maintenance**

4 Q. WHAT ADJUSTMENT HAVE YOU RECOMMENDED FOR REPAIRS &  
5 MAINTENANCE?

6 A. Newport has proposed significant increases for repairs & maintenance expenses for  
7 several functions in its operations when compared to the previous three fiscal years.  
8 Repairs and maintenance expenses tend to fluctuate from year to year depending on  
9 the nature of the work that must be performed. When the historical data is reviewed,  
10 wide variations in the costs can be seen from one year to another. Since the rate year  
11 claim is significantly higher than the historical amounts, it does not appear to be a  
12 normal ongoing level of expenses. Therefore, I have normalized the expenses over a  
13 3-year period.

14 It should be noted that I have not adjusted the repairs and maintenance  
15 expense for all functions. After my review of the repairs and maintenance expense of  
16 the Customer Service, Source of Supply – Island, Source of Supply – Mainland, and  
17 Distribution functions, I concluded that Newport’s claim was reasonable. Therefore,  
18 no adjustments were proposed to the repairs and maintenance expense for those  
19 functions.

20 **Operating Supplies**

21 Q. WHAT ADJUSTMENT HAVE YOU RECOMMENDED FOR  
22 OPERATING SUPPLIES?

23 A. Newport has proposed significant increases for operating supplies expense when  
24 compared to the previous three fiscal years. Since the rate year claim is significantly

1 higher than the historical amounts, it does not appear to be a normal ongoing level of  
2 expenses. Therefore, I have normalized the expenses over a 3-year period.

3 **Laboratory Supplies**

4 Q. WHAT ADJUSTMENT HAVE YOU RECOMMENDED FOR  
5 LABORATORY SUPPLIES?

6 A. Newport has proposed significant increases for laboratory supplies expense when  
7 compared to the previous three fiscal years. Since the rate year claim is significantly  
8 higher than the historical amounts, it does not appear to be a normal ongoing level of  
9 expenses. Therefore, I have normalized the expenses over a 3-year period.

10 **Chemical Expense**

11 Q. WHAT ADJUSTMENT HAVE YOU RECOMMENDED FOR CHEMICAL  
12 EXPENSE?

13 A. Newport has proposed significant increases for chemical expense when compared to  
14 the previous three fiscal years. The use of chemicals in water production can vary  
15 from year to year as conditions change during water production. Since the rate year  
16 claim is significantly higher than the historical amounts, it does not appear to be a  
17 normal ongoing level of expenses. Therefore, I have normalized these expenses over  
18 a 3-year period.

19 **Heavy Equipment Rental-Distribution**

20 Q. WHAT ADJUSTMENT HAVE YOU RECOMMENDED FOR HEAVY  
21 EQUIPMENT RENTAL?

22 A. Newport has proposed significant increases for heavy equipment rental charged to  
23 the distribution function when compared to the previous three fiscal years. For the  
24 rate year, Newport's claim is \$9,000, while the amounts charged to this account for  
25 Fiscal Years 2016, 2017 and 2018 were \$5,183, \$722, and \$246, respectively. Since



1 the rate year claim is significantly higher than the historical amounts, it does not  
2 appear to be a normal ongoing level of expenses. Therefore, I have normalized the  
3 expenses over a 3-year period.

4 **Non-Rate Revenues**

5 Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO NON-RATE REVENUES.

6 A. In Newport's filing, non-rate revenues (i.e., Sundry Charges, WPC cost share on  
7 customer service, Middletown cost share on customer service, and Rental of  
8 property) were adjusted to reflect the 3-year historical average. As can be seen by  
9 the chart below, each of the revenues has experienced consistent growth from year to  
10 year.

| City of Newport Water Division<br>Non-Rate Revenues |                |               |                |
|---|----------------|---------------|----------------|
|   | <u>FY 2016</u> | <u>FY2017</u> | <u>FY 2018</u> |
| Sundry Charges                                      | \$ 120,239     | \$ 134,714    | \$ 152,508     |
| WPC cost share on customer service                  | 291,792        | 328,399       | 331,646        |
| Middletown cost share on customer service           | 147,785        | 166,314       | 166,727        |
| Rental of property                                  | 89,533         | 90,690        | 92,371         |

11 Based upon the demonstrated consistent growth of these revenues, I believe the use  
12 of the 3-year average is inappropriate for ratemaking purposes. Therefore, I have  
13 calculated the average growth rates for each of the revenue categories and used the  
14 growth rate to derive my adjustment to non-rate revenues. This adjustment increases  
15 non-rate revenues by \$110,524 and is presented on Exhibit LKM ADJ, Schedule 11.

16 **Multi-Year Increase**

17 Q. WOULD YOU PLEASE DISCUSS THE MULTI-YEAR INCREASE  
18 PROPOSED BY NEWPORT?

19 A. Newport's proposed multi-year increase seeks to increase revenues by an additional  
20 \$556,867 at the beginning of FY 2022 (July 1, 2021). According to Newport, the

1 increase in FY 2022 is driven by the additional debt service costs associated with the  
2 planned FY2022 borrowing. However, in calculating the impact of the multi-year  
3 increase, Newport used a debt service cost of \$7,337,411. This amount is the  
4 projected debt service cost for FY 2024 rather than FY 2022. Consequently, I am  
5 recommending an adjustment to reduce the requested multi-year rate increase by  
6 \$229,622 to reflect the FY 2022 debt service cost of \$7,107,789.

7 Another issue affecting the multi-year rate increase is the cost included in the  
8 rate year revenue requirement related to the Badger Meter system. Earlier, I  
9 explained that even though the Badger Meter system is being phased out, there is  
10 going to be a period of overlap with the new meter system. I also explained that,  
11 according to the City's web site, the conversion of the system is nearly complete.  
12 Therefore, I have removed the \$3,500 included in the rate year for costs related to  
13 the Badger Meter system.

14 Finally, there is a "rounding difference" of \$2,652 that resulted from the rate  
15 design. I have removed that difference in deriving my adjustment.

16 As a result of the multi-year adjustments I am recommending, the net multi-  
17 year increase will be \$321,093. The determination of this adjustment is presented on  
18 Exhibit LKM COS, Schedule 12.

19 Q. ARE THERE ANY OTHER ISSUES YOU NEED TO MENTION IN THIS  
20 TESTIMONY?

21 A. Yes. During the preparation of my testimony, I determined that additional  
22 information was needed relating to utility services received by Newport.  
23 Specifically, I have requested additional data that will allow me to form a position  
24 on Newport's claim for water, sewer, electricity and natural gas services. I submitted  
25 a data request seeking information to allow me to determine whether adjustments to

1           these costs are necessary. However, because I submitted the data request late in the  
2           process, I have not yet received a response. Therefore, the Division reserves the right  
3           to provide supplemental testimony on these costs should any adjustment become  
4           necessary after reviewing the response to the data request.

5    Q.           DOES THIS COMPLETE YOUR DIRECT TESTIMONY?

6    A.           Yes, it does.

**BEFORE THE  
PUBLIC UTILITIES COMMISSION  
OF RHODE ISLAND**

**THE CITY OF NEWPORT            )  
WATER DIVISION                )       DOCKET NO. 4933**

**SCHEDULES ACCOMPANYING THE DIRECT TESTIMONY  
OF  
LAFAYETTE K. MORGAN, JR.**

**ON BEHALF OF THE  
DIVISION OF PUBLIC UTILITIES AND CARRIERS**

**July 10, 2019**

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Revenue Requirements by Account

|                      |                                    | Test Year    |             | Division Rate |             | Division      |
|----------------------|------------------------------------|--------------|-------------|---------------|-------------|---------------|
|                      |                                    | Test Year    | Normalizing | Normalized    | Year        | Proposed Rate |
| Account              | Description                        | (FY2018)     | Adjustments | Test Year     | Adjustments | Year - FY2020 |
| <b>O&amp;M COSTS</b> |                                    |              |             |               |             |               |
| 50001                | Salaries & Wages                   | \$ 2,534,885 | \$ -        | \$ 2,534,885  | \$ 74,366   | \$ 2,609,251  |
| 50002                | Overtime                           | 273,014      | -           | 273,014       | (2,875)     | 270,139       |
| 50003                | Holiday Pay                        | 40,458       | -           | 40,458        | 939         | 41,397        |
| 50004                | Temp Salaries                      | 63,632       | -           | 63,632        | (17,494)    | 46,138        |
| 50005                | Permanent Part time                | 6,040        | -           | 6,040         | 6,860       | 12,900        |
| 50044                | Standby Salaries                   | 18,857       | -           | 18,857        | (137)       | 18,720        |
| 50045                | Lead Plant Operator Stipend        | 15,416       | -           | 15,416        | 9,544       | 24,960        |
| 50056                | Injury Pay                         | -            | -           | -             | -           | -             |
| 50100                | Employee Benefits                  | 1,368,463    | -           | 1,368,463     | 192,375     | 1,560,838     |
| 50103                | Retiree Insurance Coverage         | 372,907      | -           | 372,907       | 11,105      | 384,012       |
| 50105                | Workers Compensation               | 78,304       | -           | 78,304        | 37,122      | 115,426       |
| 50120                | Bank Fees (lock box)               | 13,298       | -           | 13,298        | 1,102       | 14,400        |
| 50175                | Annual Leave Buyback               | 32,577       | -           | 32,577        | 7,123       | 39,700        |
| 50205                | Copying & binding                  | 532          | -           | 532           | 68          | 600           |
| 50207                | Advertisement                      | 2,481        | -           | 2,481         | 1,501       | 3,982         |
| 50210                | Membership Dues & Subscriptions    | 4,532        | -           | 4,532         | 523         | 5,055         |
| 50212                | Conferences & Training             | 7,135        | -           | 7,135         | 12,205      | 19,340        |
| 50214                | Tuition Reimbursement              | -            | -           | -             | 2,000       | 2,000         |
| 50220                | Consultant Fees                    | 14,275       | -           | 14,275        | 79,117      | 93,392        |
| 50225                | Support Services/Contract Services | 29,568       | -           | 29,568        | 28,217      | 57,785        |
| 50238                | Postage                            | 63,248       | -           | 63,248        | 1,952       | 65,200        |
| 50239                | Fire & Liability Insurance         | 178,189      | -           | 178,189       | (5,689)     | 172,500       |
| 50251                | Telephone & Communication          | 10,808       | -           | 10,808        | (208)       | 10,600        |
| 50260                | Rental of Equipment                | 2,422        | -           | 2,422         | 4,295       | 6,717         |
| 50266                | Legal & Administrative             | 333,848      | -           | 333,848       | (5,536)     | 328,312       |
| 50267                | Data Processing                    | 231,161      | -           | 231,161       | 112,014     | 343,175       |
| 50268                | Mileage Allowance                  | 392          | -           | 392           | 1,608       | 2,000         |
| 50271                | Gasoline & Vehicle Allowance       | 205,360      | -           | 205,360       | (18,920)    | 186,440       |
| 50275                | Repairs & Maintenance              | 168,548      | -           | 168,548       | 17,913      | 186,461       |
| 50276                | Main Maintenance                   | 84,145       | -           | 84,145        | (18,145)    | 66,000        |
| 50277                | Reservoir Maintenance              | 25,623       | -           | 25,623        | 6,797       | 32,420        |
| 50280                | Regulatory Expense                 | 906          | -           | 906           | (906)       | -             |
| 50281                | Regulatory Assessment              | 170,726      | -           | 170,726       | 28,965      | 199,691       |
| 50296                | Service Maintenance                | 27,194       | -           | 27,194        | 2,806       | 30,000        |
| 50299                | Meter Maintenance                  | 7,696        | -           | 7,696         | 2,304       | 10,000        |
| 50305                | Water/Sewer Charge                 | 538,636      | -           | 538,636       | 42,557      | 581,193       |
| 50306                | Electricity                        | 729,297      | -           | 729,297       | 25,572      | 754,869       |
| 50307                | Natural Gas                        | 63,856       | -           | 63,856        | (14,696)    | 49,160        |
| 50308                | Property Taxes                     | 535,316      | -           | 535,316       | 11,915      | 547,231       |
| 50311                | Operating Supplies                 | 30,233       | -           | 30,233        | 11,204      | 41,437        |
| 50320                | Uniforms & protective Gear         | 3,081        | -           | 3,081         | 2,144       | 5,225         |
| 50335                | Chemicals                          | 636,075      | -           | 636,075       | 47,134      | 683,209       |
| 50339                | Laboratory Supplies                | 21,104       | -           | 21,104        | 4,015       | 25,119        |
| 50361                | Office Supplies                    | 10,136       | -           | 10,136        | 1,709       | 11,845        |
| 50380                | Customer Service Supplies          | 1,951        | -           | 1,951         | 1,049       | 3,000         |
| 50505                | Self Insurance                     | 2,584        | -           | 2,584         | (2,584)     | -             |
| 50515                | Unemployment Claims                | -            | -           | -             | -           | -             |
| 50520                | Accrued Benefits Buyout            | -            | -           | -             | -           | -             |
| 60001                | Hydrant Maintenance                | -            | -           | -             | -           | -             |
| Total                |                                    | \$ 8,958,909 | \$ -        | \$ 8,958,909  | \$ 702,930  | \$ 9,661,840  |

| Account                                 | Description                               | Test Year                   | Test Year                  | Test Year                  | Division Rate            | Division                       |
|---|---|-----------------------------|----------------------------|----------------------------|--------------------------|--------------------------------|
|   |   | (FY2018)                    | Normalizing<br>Adjustments | Normalized<br>Test Year    | Year<br>Adjustments      | Proposed Rate<br>Year - FY2020 |
| <b><u>CAPITAL COSTS</u></b>             |   |                             |                            |                            |                          |                                |
|   | Contribution to Capital Spending Acct.    | \$ 2,508,830                | \$ -                       | \$ 2,508,830               | \$ (8,830)               | \$ 2,500,000                   |
|   | Contribution to Debt Service Acct.        | <u>6,810,996</u>            | <u>-</u>                   | <u>6,810,996</u>           | <u>(27,801)</u>          | <u>6,783,195</u>               |
|   | Total Capital Costs                       | <b>\$ 9,319,826</b>         | <b>\$ -</b>                | <b>\$ 9,319,826</b>        | <b>\$ (36,631)</b>       | <b>\$ 9,283,195</b>            |
| <b><u>OPERATING REVENUE RESERVE</u></b> |   |                             |                            |                            |                          |                                |
|   | Operating Revenue Allowance               | \$ 268,767                  | \$ (1,469)                 | \$ 267,298                 | \$ (122,370)             | \$ 144,928                     |
|   |   | <u>-</u>                    | <u>-</u>                   | <u>-</u>                   | <u>-</u>                 | <u>-</u>                       |
|   | Total Costs before Offsets                | <b>\$ 18,547,503</b>        | <b>\$ (1,469)</b>          | <b>\$18,546,033</b>        | <b>\$ 543,929</b>        | <b>\$ 19,089,962</b>           |
| <b><u>OFFSETS</u></b>                   |   |                             |                            |                            |                          |                                |
|   | Non-rate Revenues                         |                             |                            |                            |                          |                                |
|   | Sundry charges                            | \$ 152,508                  | \$ -                       | \$ 152,508                 | \$ 40,922                | \$ 193,430                     |
|   | WPC cost share on customer service        | 331,646                     | -                          | 331,646                    | 45,293                   | 376,939                        |
|   | Middletown cost share on customer service | 166,727                     | -                          | 166,727                    | 21,386                   | 188,113                        |
|   | Rental of Property                        | 92,371                      | -                          | 92,371                     | 2,923                    | 95,294                         |
|   | Water Penalty                             | 48,776                      | -                          | 48,776                     | 1,224                    | 50,000                         |
|   | Miscellaneous*                            | -                           | -                          | -                          | 11,300                   | 11,300                         |
|   | Investment Interest Income                | 24,842                      | -                          | 24,842                     | (4,842)                  | 20,000                         |
|   | Water Quality Protection Fees             | <u>20,751</u>               | <u>-</u>                   | <u>20,751</u>              | <u>249</u>               | <u>21,000</u>                  |
|   | Total Non-rate Revenues                   | <b>\$ 837,621</b>           | <b>\$ -</b>                | <b>\$ 837,621</b>          | <b>\$ 118,455</b>        | <b>\$ 956,076</b>              |
|   | Net Costs to Be Recovered through Rates   | <b><u>\$ 17,709,882</u></b> | <b><u>\$ (1,469)</u></b>   | <b><u>\$17,708,412</u></b> | <b><u>\$ 425,474</u></b> | \$ 18,133,887                  |
|   | Revenues at Current Rates                 |                             |                            |                            |                          | <u>16,589,881</u>              |
|   | Required Increase in Revenues             |                             |                            |                            |                          | <b>\$ 1,544,006</b>            |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
**Expense Detail - Administration**

| Account      | Description  | comments                                 | Calculation<br>FY 2020 | Actual FY 2018<br>Test Year | Change from<br>Test year to<br>Proposed | Proposed FY<br>2020 Rate Year |
|--------------|--|--|------------------------|-----------------------------|---|-------------------------------|
| <b>50001</b> | <b>Salaries &amp; Wages</b>                        |  |                        |                             |   |                               |
|              | Director of Utilities - 50%                        | S-13                                     | \$ 72,789              |                             |   |                               |
|              | Administrative Secretary - 50%                     | S-04                                     | 29,155                 |                             |   |                               |
|              | Deputy Director - Finance - 50%                    | S-11                                     | 55,611                 |                             |   |                               |
|              | Deputy Director - Engineering - 50%                | S-11                                     | 63,610                 |                             |   |                               |
|              | Financial Analyst - 50%                            | N03-5                                    | <u>32,520</u>          |                             |   |                               |
|              | Total  |  | \$ 253,684             | \$ 286,942                  | \$ (33,258)                             | <u>\$ 253,684</u>             |
| <b>50044</b> | <b>Standby Salaries</b>                            |  |                        |                             |   |                               |
|              | 3 Employees Per Week at \$120 Per Week             | 3 employees<br>\$120 per week<br>52 wks. | \$ 18,720              | \$ 18,857                   | \$ (137)                                | <u>\$ 18,720</u>              |
|              |  |  |                        | error - reclass \$5,760     |   |                               |
| <b>50520</b> | <b>Severance Benefits</b>                          |  |                        |                             |   |                               |
|              | Vacation Payout & Sick Time Payout                 | FY 2018                                  |                        |                             | \$ -                                    | <u>\$ -</u>                   |
|              | Paid From Restricted Bank Account                  | 4 employees                              | \$91,327               |                             |   |                               |
| <b>50100</b> | <b>Employee Benefits</b>                           |  |                        |                             |   |                               |
|              | Director of Utilities - 50%                        | S-13                                     | \$ 31,071              |                             |   |                               |
|              | Administrative Secretary - 50%                     | S-04                                     | 18,443                 |                             |   |                               |
|              | Deputy Director - Finance - 50%                    | S-11                                     | 26,541                 |                             |   |                               |
|              | Deputy Director - Engineering - 50%                | S-11                                     | 20,112                 |                             |   |                               |
|              | Financial Analyst 50%                              | N03-5                                    | 19,905                 |                             |   |                               |
|              | FICA on Standby Salaries, Leave Buyback, Severance |  | <u>1,623</u>           |                             |   |                               |
|              | Total  |  | \$ 117,695             | \$ 139,015                  | \$ (21,320)                             | <u>\$ 117,695</u>             |
| <b>50103</b> | <b>Retiree Insurance Coverage</b>                  | FY 2019 rates<br>monthly                 | \$ 32,001              |                             |   |                               |
|              |  |  | <u>-</u>               |                             |   |                               |
|              |  |  | \$ 32,001              | \$ 372,907                  | \$ 11,105                               | <u>\$ 384,012</u>             |
| <b>50105</b> | <b>Workers Compensation</b>                        |  |                        |                             |   |                               |
|              | Premium FY 2018-2019                               |  | \$ 115,426             |                             |   |                               |
|              | Quarterly direct charges                           |  | <u>-</u>               |                             |   |                               |
|              |  |  | \$ 115,426             | \$ 78,304                   | \$ 37,122                               | <u>\$ 115,426</u>             |
| <b>50175</b> | <b>Annual Leave Buyback</b>                        | 3-year average                           | \$ 2,500               | \$ 3,750                    | \$ (1,250)                              | <u>\$ 2,500</u>               |
| <b>50207</b> | <b>Advertisement</b>                               |  | \$ 3,982               | \$ 2,481                    | \$ 1,501                                | <u>\$ 3,982</u>               |
| <b>50210</b> | <b>Membership Dues &amp; Subscriptions</b>         |  |                        |                             |   |                               |
|              |  | <u>2018</u>                              | <u>2020</u>            |                             |   |                               |
|              | RIWWA (7)  | \$ 350                                   | \$ 350                 |                             |   |                               |
|              | RI Secretary of State Notary Public                | 160                                      | 80                     |                             |   |                               |
|              | RI PE License (2)                                  |  | 600                    |                             |   |                               |
|              | AWWA dues  | <u>4,022</u>                             | <u>4,025</u>           |                             |   |                               |
|              | Total  | \$ 4,532                                 | \$ 5,055               | \$ 5,055                    | \$ 4,532                                | \$ 523                        |
|              |  |  |                        |                             |   | <u>\$ 5,055</u>               |
| <b>50212</b> | <b>Conferences &amp; Training</b>                  | use existing budget                      | \$ 4,000               | \$ 410                      | \$ 3,590                                | <u>\$ 4,000</u>               |
| <b>50214</b> | <b>Tuition Reimbursement</b>                       | use existing budget                      | \$2,000                | \$ 2,000                    | \$ -                                    | <u>\$ 2,000</u>               |
| <b>50220</b> | <b>Consultant Fees</b>                             |  |                        |                             |   |                               |
|              |  | <u>2018</u>                              | <u>2020</u>            |                             |   |                               |
|              | Legal Fees Includes Rate Case                      | \$ 8,400                                 | \$ 36,667              |                             |   |                               |
|              | Financial Consultant Rate case                     | -  | 22,333                 |                             |   |                               |
|              | PUC Rate Case Fees                                 | -  | 20,117                 |                             |   |                               |
|              | Legal fees (non rate case)                         | -  | 8,400                  |                             |   |                               |
|              | Bank Trustee Fees                                  | 5,100                                    | 5,100                  |                             |   |                               |
|              | Wimborne property tax advisor                      | <u>775</u>                               | <u>775</u>             |                             |   |                               |
|              | Total  | \$ 14,275                                | \$ 93,392              | \$ 93,392                   | \$ 14,275                               | \$ 79,117                     |
|              |  |  |                        |                             |   | <u>\$ 93,392</u>              |
| <b>50238</b> | <b>Postage</b>                                     | USPS & FedEx                             | \$ 1,000               | \$ 941                      | \$ 59                                   | <u>\$ 1,000</u>               |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
**Expense Detail - Administration**

| Account | Description                  |                             | comments         | Calculation<br>FY 2020 | Actual FY 2018<br>Test Year | Change from<br>Test year to<br>Proposed | Proposed FY<br>2020 Rate Year |
|---------|------------------------------|-----------------------------|------------------|------------------------|-----------------------------|---|-------------------------------|
| 50239   | Fire & Liability Insurance   | premium for FY2018-2019     | \$ 36,500        | \$ 36,500              | \$ 78,689                   | \$ (42,189)                             | \$ 36,500                     |
| 50251   | Telephone & Communication    |                             |                  |                        |                             |   |                               |
|         | monthly @ \$543              |                             | \$ 6,520         |                        |                             |   |                               |
|         | iPads 6 @ \$40               |                             | 2,880            |                        |                             |   |                               |
|         | device replacement           |                             | <u>1,200</u>     |                        |                             |   |                               |
|         |                              |                             | \$ 10,600        | \$ 10,600              | \$ 10,808                   | \$ (208)                                | \$ 10,600                     |
| 50261   | Property Taxes               | <u>2019</u>                 |                  |                        |                             |   |                               |
|         | Portsmouth                   | \$ 440,210                  | \$ 440,210       |                        |                             |   |                               |
|         | Tiverton                     | 36,565                      | 36,565           |                        |                             |   |                               |
|         | Little Compton               | 11,756                      | 12,050           |                        |                             |   |                               |
|         | Middletown                   | <u>58,000</u>               | <u>58,406</u>    |                        |                             |   |                               |
|         | Total                        | \$ 546,531                  | \$ 547,231       | \$ 547,231             | \$ 535,316                  | \$ 11,915                               | \$ 547,231                    |
| 50266   | Legal & Administrative       | updated to FY 2019 Budget   |                  | \$ 328,312             | \$ 333,848                  | \$ (5,536)                              | \$ 328,312                    |
| 50267   | Data Processing (MIS)        | updated to FY 2019 Budget   |                  | \$ 343,175             | \$ 231,161                  | \$ 112,014                              | \$ 343,175                    |
| 50268   | Mileage Allowance            |                             |                  | \$ 2,000               | \$ 392                      | \$ 1,608                                | \$ 2,000                      |
| 50271   | Gasoline & Vehicle Allowance |                             |                  |                        |                             |   |                               |
|         | Cost per Vehicle             |                             | \$ 5,826         |                        |                             |   |                               |
|         | Number of Vehicles           |                             | <u>1</u>         |                        |                             |   |                               |
|         | Total                        |                             | \$ 5,826         | \$ 5,826               | \$ 10,723                   | \$ (4,897)                              | \$ 5,826                      |
| 50275   | Repairs & Maintenance        |                             |                  |                        |                             |   |                               |
|         | Misc. Exp.                   |                             | \$ 1,000         | \$ 1,000               |                             | \$ 1,000                                | \$ 1,000                      |
| 50280   | Regulatory Expense           |                             |                  |                        |                             |   |                               |
|         | Misc. Exp.                   |                             | \$ -             | \$ -                   | \$ 906                      | \$ (906)                                | \$ -                          |
| 50281   | Regulatory Assessment        |                             |                  |                        |                             |   |                               |
|         |                              | <u>FY 2018</u>              | <u>FY 2020</u>   |                        |                             |   |                               |
|         | RI Div. of PUC - Assessment  | \$ 89,946                   | \$ 93,481        |                        |                             |   |                               |
|         | RI Dept. of Health - License | 21,810                      | 21,810           |                        |                             |   |                               |
|         | RIWWA Assessment             | <u>700</u>                  | <u>700</u>       |                        |                             |   |                               |
|         | Total                        | \$ 112,456                  | \$ 115,991       | \$ 115,991             | \$ 112,456                  | \$ 3,535                                | \$ 115,991                    |
| 50305   | Water                        |                             |                  |                        |                             |   |                               |
|         | Total                        |                             | \$150 avg per mc | \$ 1,800               | \$ 1,725                    | \$ 75                                   | \$ 1,800                      |
| 50306   | Electricity                  |                             |                  |                        |                             |   |                               |
|         | 70 Halsey St                 | 2-Yr. Avg.<br>kwh Usage     | 37,332           |                        |                             |   |                               |
|         | Total Cost                   |                             | \$ 6,950         | \$ 6,950               | \$ 7,293                    | \$ (343)                                | \$ 6,950                      |
| 50307   | Natural Gas                  | 2 yr. avg<br>Therms<br>Cost | 4533             |                        |                             |   |                               |
|         |                              |                             | \$ 5,125         | \$ 5,125               | \$ 5,504                    | \$ (379)                                | \$ 5,125                      |
| 50361   | Office Supplies              |                             |                  |                        |                             |   |                               |
|         | 3 year avg                   |                             |                  |                        |                             |   |                               |
|         | 2016                         | \$12,137                    |                  |                        |                             |   |                               |
|         | 2017                         | \$13,258                    | \$12,000         | \$ 11,845              | \$ 10,136                   | \$ 1,709                                | \$ 11,845                     |
|         | 2018                         | \$10,136                    |                  |                        |                             |   |                               |
| 50464   | Water Revenue Reserve        |                             |                  |                        |                             |   |                               |
|         | "not included in budget"     |                             | \$ 254,733       |                        |                             | \$ -                                    |                               |
| 50505   | Self Insurance               |                             |                  | \$ -                   | \$ 2,584                    | \$ (2,584)                              | \$ -                          |
| Total   |                              |                             |                  | \$2,417,821            | \$ 2,263,955                | \$153,866                               | \$ 2,417,821                  |



City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
**Expense Detail - Customer Service**

| Account      | Description                                    |                   | Calculation<br>FY 2020 | Actual FY 2018<br>Test Year | Change from<br>Test year to<br>Proposed | Proposed FY<br>2020 Rate Year |
|--------------|--|-------------------|------------------------|-----------------------------|---|-------------------------------|
| <b>50001</b> | <b>Salaries &amp; Wages</b>                    |                   |                        |                             |   |                               |
|              | Meter Repairman/Reader                         | U2-1              | \$ 41,112              |                             |   |                               |
|              | Prin. Account Clerk                            | U2-1              | 47,876                 |                             |   |                               |
|              | Meter Repairman/Reader                         | U2-7              | 50,878                 |                             |   |                               |
|              | Maintenance Mechanic                           | U2-8              | 53,755                 |                             |   |                               |
|              | Billing Clerk 50% allocation                   | U4-1              | 23,938                 |                             |   |                               |
|              | Meter Repairman/Reader                         | U3-5              | 51,298                 |                             |   |                               |
|              | Water Meter Foreman                            | U6-5              | 64,557                 |                             |   |                               |
|              | Total  |                   | \$ 333,414             | \$ 291,674                  | \$ 41,740                               | \$ 333,414                    |
| <b>50002</b> | <b>Overtime</b>                                |                   |                        |                             |   |                               |
|              | Seasonal Shutoff Notices                       | 3-yr avg          | \$ 2,571               | \$ 2,611                    | \$ (40)                                 | \$ 2,571                      |
| <b>50004</b> | <b>Temp Salaries</b>                           |                   | \$ -                   | \$ -                        | \$ -                                    | \$ -                          |
| <b>50100</b> | <b>Employee Benefits</b>                       |                   |                        |                             |   |                               |
|              | Meter Repairman/Reader                         | U2-1              | \$ 31,485              |                             |   |                               |
|              | Prin. Account Clerk                            | U4-1              | 34,556                 |                             |   |                               |
|              | Meter Repairman/Reader                         | U2-7              | 35,474                 |                             |   |                               |
|              | Maintenance Mechanic                           | U2-8              | 35,817                 |                             |   |                               |
|              | Billing Clerk 50% allocation                   | U4-1              | 17,278                 |                             |   |                               |
|              | Meter Repairman/Reader                         | U3-5              | 35,603                 |                             |   |                               |
|              | Water Meter Foreman                            | U6-5              | 39,662                 |                             |   |                               |
|              | FICA on OT, Temp salaries & Leave Buyback      |                   | 514                    |                             |   |                               |
|              | Total  |                   | \$ 230,389             | \$ 173,340                  | \$ 57,049                               | \$ 230,389                    |
| <b>50120</b> | <b>Bank Fees (lock box)</b>                    | \$1,200 per month | \$ 14,400              | \$ 13,298                   | \$ 1,102                                | \$ 14,400                     |
| <b>50175</b> | <b>Annual Leave Buyback</b>                    | 3 year average    | \$ 4,150               | \$ 2,526                    | \$ 1,624                                | \$ 4,150                      |
| <b>50205</b> | <b>Copying &amp; binding</b>                   |                   | \$ 600                 | \$ 532                      | \$ 68                                   | \$ 600                        |
| <b>50212</b> | <b>Conferences &amp; Training</b>              |                   |                        |                             |   |                               |
|              | Backflow Prevention Device Inspectors / Tester |                   |                        |                             |   |                               |
|              | Recertification Training                       |                   | \$ 700                 |                             |   |                               |
|              | Cross Connection Control Surveyor              |                   | -                      |                             |   |                               |
|              | Training & Certification                       |                   | 1,150                  |                             |   |                               |
|              | Fundamentals of Cross Connection Control       |                   | 850                    |                             |   |                               |
|              | American Backflow Prevention Association       |                   | 300                    |                             |   |                               |
|              | Total  |                   | \$ 3,000               | \$ 840                      | \$ 2,160                                | \$ 3,000                      |
| <b>50225</b> | <b>Support Services</b>                        |                   |                        |                             |   |                               |
|              | Printing & mailing (TouchPoint Communications) |                   | \$ 16,275              |                             |   |                               |
|              | Opal Maintenance Contract                      |                   | -                      |                             |   |                               |
|              | Beacon Mobile License                          |                   | 4,900                  |                             |   |                               |
|              | Beacon Mobile Hosting                          |                   | 21,240                 |                             |   |                               |
|              | Badger/Orion service contract                  |                   | 3,500                  |                             |   |                               |
|              | total  |                   | \$ 45,915              | \$ 19,252                   | \$ 26,663                               | \$ 45,915                     |
| <b>50238</b> | <b>Postage</b>                                 |                   |                        |                             |   |                               |
|              | Postage paid thru printer                      | \$5,300 mo.       | \$ 63,600              |                             |   |                               |
|              | USPS direct paid                               | \$50 per mo.      | 600                    |                             |   |                               |
|              | total  |                   | \$ 64,200              | \$ 62,307                   | \$ 1,893                                | \$ 64,200                     |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
**Expense Detail - Customer Service**

| Account      | Description                                  | Calculation<br>FY 2020 | Actual FY 2018<br>Test Year | Change from<br>Test year to<br>Proposed | Proposed FY<br>2020 Rate Year |
|--------------|--|------------------------|-----------------------------|---|-------------------------------|
| <b>50271</b> | <b>Gasoline &amp; Vehicle Allowance</b>      |                        |                             |   |                               |
|              | Cost per Vehicle                             | \$ 5,826               |                             |   |                               |
|              | Number of Vehicles                           | 5                      |                             |   |                               |
|              | Total  | \$ 29,131              | \$ 30,831                   | \$ (1,700)                              | \$ 29,131                     |
| <b>50275</b> | <b>Repairs &amp; Maintenance</b>             |                        |                             |   |                               |
|              | Small Meters                                 | \$ 10,000              |                             |   |                               |
|              | Large Meters                                 | 10,000                 |                             |   |                               |
|              | Meter Pits                                   | 3,500                  |                             |   |                               |
|              | Strainers                                    | 2,000                  |                             |   |                               |
|              | Misc. Parts and/or repair                    | 2,700                  |                             |   |                               |
|              | Meter Gun Repair                             |                        |                             |   |                               |
|              | Trimble Handheld Repair and / or Replacement | 3,850                  |                             |   |                               |
|              | CE /ME Receiver Repair and / or Replacement  | 2,950                  |                             |   |                               |
|              | Total  | \$ 35,000              | \$ 22,708                   | \$ 12,292                               | \$ 35,000                     |
| <b>50299</b> | <b>Meter Maintenance</b>                     |                        |                             |   |                               |
|              | Appurtenant piping, tail pieces,ss fasteners | \$ 3,500               |                             |   |                               |
|              | Annual Calibration of Navy meters            | 2,500                  |                             |   |                               |
|              | reducing flanges                             |                        |                             |   |                               |
|              | Annual Calibration of Portable Meter Tester  | 750                    |                             |   |                               |
|              | Certification of Backflow Testing Equipment  | 250                    |                             |   |                               |
|              | Reducing Flanges                             | 2,000                  |                             |   |                               |
|              | Misc. Appts                                  | 1,000                  |                             |   |                               |
|              | Total  | \$ 10,000              | \$ 7,696                    | \$ 2,304                                | \$ 10,000                     |
| <b>50311</b> | <b>Operating Supplies</b>                    |                        |                             |   |                               |
|              | Repair External Meter Devices                | \$ 2,500               |                             |   |                               |
|              | New Tool & Misc. Costs                       | 2,500                  |                             |   |                               |
|              | Gas Detectors                                | -                      |                             |   |                               |
|              | Confined Space Entry Equipment               | -                      |                             |   |                               |
|              | Machine & Tool Lubricant, Replace Blades,    | -                      |                             |   |                               |
|              | Drill Bits, etc.                             | -                      |                             |   |                               |
|              | Tools (crimping, cutting, drilling, etc.)    | -                      |                             |   |                               |
|              | Service and Pit Keys                         | -                      |                             |   |                               |
|              | Total  | \$ 5,000               | \$ 7,924                    | \$ (2,924)                              | \$ 5,000                      |
| <b>50320</b> | <b>Uniforms &amp; Protective Gear</b>        |                        |                             |   |                               |
|              |  | \$ 817                 | \$ -                        | \$ 817                                  | \$ 817                        |
| <b>50380</b> | <b>Customer Service Supplies</b>             |                        |                             |   |                               |
|              | Conservation material                        | \$ 3,000               | \$ 1,951                    | \$ 1,049                                | \$ 3,000                      |
|              | <b>Total</b>                                 | <b>\$ 781,587</b>      | <b>\$637,490</b>            | <b>\$144,097</b>                        | <b>\$781,587</b>              |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Expense Detail - Source of Supply - Island

| Account      | Description   |           | Calculation<br>FY 2020 | Actual FY 2018<br>Test Year | Change from Test<br>year to Proposed | Proposed FY 2020<br>Rate Year |
|--------------|---|-----------|------------------------|-----------------------------|--------------------------------------|-------------------------------|
| <b>50001</b> | <b>Salaries &amp; Wages</b>                           |           |                        |                             |                                      |                               |
|              | Dist./Collect Operator                                | U3-7      | \$ 56,404              |                             |                                      |                               |
|              | Dist./Collection Foreman                              | U5-7      | 64,233                 |                             |                                      |                               |
|              | Dist./Collect Mechanic                                | U4-5      | 53,391                 |                             |                                      |                               |
|              | Laborer   | U2-7      | 41,112                 |                             |                                      |                               |
|              | Dist./Collect Operator                                | U3-5      | 51,888                 |                             |                                      |                               |
|              | Super., Water Dist./Collect                           | N5-10     | 91,252                 |                             |                                      |                               |
|              | Allocate 50% (Distribution)                           |           | (45,626)               |                             |                                      |                               |
|              | Total   |           | \$ 312,654             | \$ 297,103                  | \$ 15,551                            | \$ 312,654                    |
| <b>50002</b> | <b>Overtime</b>                                       |           |                        |                             |                                      |                               |
|              | 3-year average with union increase of 2% per year     |           | \$ 20,657              | \$ 27,936                   | \$ (7,279)                           | \$ 20,657                     |
| <b>50004</b> | <b>Temp Salaries</b>                                  |           |                        |                             |                                      |                               |
|              |   |           | \$ 6,917               | \$ 20,270                   | \$ (13,353)                          | \$ 6,917                      |
| <b>50100</b> | <b>Employee Benefits</b>                              |           |                        |                             |                                      |                               |
|              | Dist./Collect Operator                                | U3-7      | \$ 37,166              |                             |                                      |                               |
|              | Dist./Collection Foreman                              | U5-7      | 38,920                 |                             |                                      |                               |
|              | Dist./Collect Mechanic                                | U4-5      | 36,244                 |                             |                                      |                               |
|              | Laborer   | U2-7      | 32,485                 |                             |                                      |                               |
|              | Dist./Collect Operator                                | U3-5      | 35,784                 |                             |                                      |                               |
|              | Super., Water Dist./Collect                           | N5-10     | 46,920                 |                             |                                      |                               |
|              | Allocate 50% (Distribution)                           |           | (23,460)               |                             |                                      |                               |
|              | FICA on OT Temp & Leave buyback                       |           | 3,787                  |                             |                                      |                               |
|              | Total   |           | \$ 207,846             | \$ 175,319                  | \$ 32,527                            | \$ 207,846                    |
| <b>50175</b> | <b>Annual Leave Buyback</b>                           | 3 yr. avg | \$ 1,700               | \$ -                        | \$ 1,700                             | \$ 1,700                      |
| <b>50306</b> | <b>Contribution to Electricity Restricted Account</b> |           |                        |                             |                                      |                               |
|              | St Mary's & Paradise Pumping Stations                 |           |                        |                             |                                      |                               |
|              | kwh Usage   | 2yr avg   | 203,960                |                             |                                      |                               |
|              | Total Cost  |           | \$ 38,789              | \$ 42,593                   | \$ (3,804)                           | \$ 38,789                     |
| <b>50271</b> | <b>Gas/Vehicle Maintenance</b>                        |           |                        |                             |                                      |                               |
|              | Cost per Vehicle                                      |           | \$ 5,826               |                             |                                      |                               |
|              | Number of Vehicles                                    |           | 11                     |                             |                                      |                               |
|              | Total   |           | \$ 64,089              | \$ 57,957                   | \$ 6,132                             | \$ 64,089                     |
| <b>50275</b> | <b>Repairs &amp; Maintenance</b>                      |           |                        |                             |                                      |                               |
|              | (Industrial & Stonkus)                                |           |                        |                             |                                      |                               |
|              | Annual Maintenance of pumps                           |           | \$ 1,500               |                             |                                      |                               |
|              | Misc. Pump & minor repairs                            |           | 8,500                  |                             |                                      |                               |
|              | Aluminum boat & boat engine supplies                  |           | 1,500                  |                             |                                      |                               |
|              | Trimmers, blowers, chain saw, supplies, repairs & i   |           | 2,000                  |                             |                                      |                               |
|              | Misc.   |           | 500                    |                             |                                      |                               |
|              | Total   |           | \$ 14,000              | \$ 11,086                   | \$ 2,914                             | \$ 14,000                     |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Expense Detail - Source of Supply - Island

| Account      | Description                                     | Calculation<br>FY 2020 | Actual FY 2018<br>Test Year | Change from Test<br>year to Proposed | Proposed FY 2020<br>Rate Year |
|--------------|---|------------------------|-----------------------------|--------------------------------------|-------------------------------|
| <b>50277</b> | <b>Reservoir Maintenance</b>                    |                        |                             |                                      |                               |
|              | Tree Removal                                    | \$ 1,270               |                             |                                      |                               |
|              | Dam repairs (gravel, riprap, gabions, etc.)     | 12,274                 |                             |                                      |                               |
|              | sign installation & Maintenance                 | 828                    |                             |                                      |                               |
|              | Aquatic Herbicide & Supplies                    | 1,569                  |                             |                                      |                               |
|              | Brush Cutter/Mower                              | 3,963                  |                             |                                      |                               |
|              | Dam Inspections                                 | 517                    |                             |                                      |                               |
|              | Total   | \$ 20,420              | \$ 21,424                   | \$ (1,004)                           | \$ 20,420                     |
| <b>50311</b> | <b>Operating Supplies</b>                       |                        |                             |                                      |                               |
|              | Machine & Tool Lubricant                        | \$ 600                 |                             |                                      |                               |
|              | Parts for Trackless                             | 700                    |                             |                                      |                               |
|              | Brush Cutter/Mower                              | 400                    |                             |                                      |                               |
|              | Small Mower Replacement                         | 200                    |                             |                                      |                               |
|              | Coppering Bags                                  | 600                    |                             |                                      |                               |
|              | Replacement Blades/Brush Cutting                | 1,200                  |                             |                                      |                               |
|              | Pest Control                                    | 200                    |                             |                                      |                               |
|              | Weed Control (Herbicides)                       | 2,000                  |                             |                                      |                               |
|              | Cement, Grass seed, etc.                        | 800                    |                             |                                      |                               |
|              | Other   | -                      |                             |                                      |                               |
|              | Total   | \$ 6,700               | \$ 9,251                    | \$ (2,551)                           | \$ 6,700                      |
| <b>50320</b> | <b>Uniforms &amp; Protective Gear</b>           |                        |                             |                                      |                               |
|              |   | \$ 667                 | \$ 238                      | \$ 429                               | \$ 667                        |
| <b>50335</b> | <b>Chemicals</b>                                |                        |                             |                                      |                               |
|              | Copper Sulfate<br>usage in lbs.<br>cost per lb. | \$ 60,072              |                             |                                      |                               |
|              | Green Clean Pro<br>quantity<br>cost per lb.     | 8,667                  |                             |                                      |                               |
|              | Total   | \$ 68,739              | \$ 61,200                   | \$ 7,539                             | \$ 68,739                     |
|              | <b>total</b>                                    | <b>\$ 763,177</b>      | <b>\$ 724,377</b>           | <b>\$ 38,800</b>                     | <b>\$ 763,177</b>             |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Expense Detail - Source of Supply - Mainland

| Account      | Description   | Comments   | Calculation<br>FY 2020 | Actual FY 2018<br>Test Year | Change from Test<br>year to Proposed | Proposed FY 2020<br>Rate Year |
|--------------|---|--|------------------------|-----------------------------|--------------------------------------|-------------------------------|
| <b>50002</b> | <b>Overtime</b>   |  |                        |                             |                                      |                               |
|              | 3 months (4.3 weeks) one day                            |  |                        |                             |                                      |                               |
|              | per week 24 hour day                                    |  |                        |                             |                                      |                               |
|              | manage Sakonnet in addition to temp                     |  |                        |                             |                                      |                               |
|              | 2 year average  |  |                        |                             |                                      |                               |
|              | Total   |  | \$ 8,922               | \$ 5,023                    | \$ 3,899                             | \$ 8,922                      |
| <b>50004</b> | <b>Temp Salaries</b>                                    |  |                        |                             |                                      |                               |
|              | Sakonnet  |  |                        |                             |                                      |                               |
|              | Total   |  | \$ 19,765              | \$ 21,106                   | \$ (1,341)                           | \$ 19,765                     |
| <b>50005</b> | <b>Permanent Part time</b>                              | 12 months @ \$1,075<br>Caretaker Sakonnet Pump Station | \$ 12,900              | \$ 6,040                    | \$ 6,860                             | \$ 12,900                     |
| <b>50100</b> | <b>Employee Benefits</b>                                |  | \$ 41,587              |                             |                                      |                               |
|              | FICA 7.65% on OT, Temporary, Perm Part time             |  | 7.65%                  |                             |                                      |                               |
|              | Fringe on Part Time, Temp & OT                          |  | \$ 3,181               | \$ 2,461                    | \$ 720                               | \$ 3,181                      |
| <b>50306</b> | <b>Contribution to Electricity Restricted Account</b>   |  |                        |                             |                                      |                               |
|              | Sakonnet pumping Station                                |  | 2 yr. avg<br>823,788   |                             |                                      |                               |
|              |   | kwh usage  |                        |                             |                                      |                               |
|              |   | total cost   | \$ 160,790             | \$ 149,593                  | \$ 11,197                            | \$ 160,790                    |
| <b>50275</b> | <b>Repairs &amp; Maintenance</b>                        |  |                        |                             |                                      |                               |
|              | (Industrial & Stonkus)                                  |  |                        |                             |                                      |                               |
|              | Annual Maintenance of pumps                             |  | \$ 1,500               |                             |                                      |                               |
|              | Pump, valve, electrical AC motors(VEDA) repairs         |  | 9,000                  |                             |                                      |                               |
|              | Emergency Repair - pumps / electrical                   |  | 2,000                  |                             |                                      |                               |
|              | Excavator & heavy Equip Rental                          |  | 4,000                  |                             |                                      |                               |
|              | Misc.   |  | 500                    |                             |                                      |                               |
|              | Total   |  | \$ 17,000              | \$ 18,462                   | \$ (1,462)                           | \$ 17,000                     |
| <b>50277</b> | <b>Reservoir Maintenance</b>                            |  |                        |                             |                                      |                               |
|              | Tree Removal  |  | \$ 500                 |                             |                                      |                               |
|              | aquatic herbicide & supplies                            |  | 2,500                  |                             |                                      |                               |
|              | brush cutter/mower                                      |  | 5,000                  |                             |                                      |                               |
|              | Dam improvement repairs (gravel, riprap, gabions, etc.) |  | 2,000                  |                             |                                      |                               |
|              | dam inspections   |  | 2,000                  |                             |                                      |                               |
|              | Total   |  | \$ 12,000              | \$ 4,199                    | \$ 7,801                             | \$ 12,000                     |
| <b>50311</b> | <b>Operating Supplies</b>                               |  |                        |                             |                                      |                               |
|              | Machine & Tool Lubricant, Grease Guns, etc.             |  | \$ 200                 |                             |                                      |                               |
|              | Pest Control  |  | 200                    |                             |                                      |                               |
|              | Misc. Supplies (paper goods, cleaners, etc.)            |  | 100                    |                             |                                      |                               |
|              | Total   |  | \$ 500                 | \$ 178                      | \$ 322                               | \$ 500                        |
| <b>Total</b> |   |  | <b>\$ 235,058</b>      | <b>\$ 207,062</b>           | <b>\$ 27,996</b>                     | <b>\$ 235,058</b>             |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Expense Detail - Station One

| Account      | Description                                    | Detail                   | Calculation<br>FY 2020 | Actual FY 2018<br>Test Year | Change from<br>Test year to<br>Proposed | Budget FY 2019 | Proposed FY 2020<br>Rate Year |
|--------------|--|--------------------------|------------------------|-----------------------------|---|----------------|-------------------------------|
| <b>50001</b> | <b>Salaries &amp; Wages</b>                    |                          |                        |                             |   |                |                               |
|              | Water Plant Op - Grade3                        | U4-7                     | \$ 60,254              |                             |   |                |                               |
|              | Water Plant Op - PC#3                          | U2-1                     | -                      |                             |   |                |                               |
|              | Water Plant Op - Grade3                        | U4-7                     | 60,217                 |                             |   |                |                               |
|              | Water Plant Op - Grade 3                       | U2-2                     | 43,591                 |                             |   |                |                               |
|              | Water Plant Op - PC#3                          | U4-7                     | 58,308                 |                             |   |                |                               |
|              | Water Qual/Prod Sup.                           | S08                      | 85,729                 |                             |   |                |                               |
|              | Allocate 50% (Lawton Valley)                   |                          | (42,864)               |                             |   |                |                               |
|              | Assist Water Treat Super                       | S07                      | 76,851                 |                             |   |                |                               |
|              | Allocate 50% (Lawton Valley)                   |                          | (38,426)               |                             |   |                |                               |
|              | Water Plant Op - PC#3                          | U4-6                     | 56,611                 |                             |   |                |                               |
|              | Water Plant Op - Grade1                        | U2-7                     | 47,659                 |                             |   |                |                               |
|              | Water Plant Op - Grade1                        | U2-3                     | 44,898                 |                             |   |                |                               |
|              | Water Plant Op - Grade3                        | U4-7                     | 60,217                 |                             |   |                |                               |
|              | Total  |                          | \$ 513,045             | \$ 561,329                  | \$ (48,284)                             | \$547,256      | \$ 513,045                    |
| <b>50002</b> | <b>Overtime</b>                                |                          |                        |                             |   |                |                               |
|              | Total  |                          | \$ 86,431              | \$ 91,625                   | \$ (5,194)                              | \$102,940      | \$ 86,431                     |
| <b>50003</b> | <b>Holiday Pay</b>                             |                          |                        |                             |   |                |                               |
|              | Operators                                      |                          | 9.0                    |                             |   |                |                               |
|              | Holidays                                       |                          | 12                     |                             |   |                |                               |
|              | Hours/Holiday                                  |                          | 8                      |                             |   |                |                               |
|              | Average Pay Rate                               |                          | \$ 25.21               |                             |   |                |                               |
|              | Total  |                          | \$ 21,781              | \$ 20,686                   | \$ 1,095                                | \$22,032       | \$ 21,781                     |
| <b>50045</b> | <b>Lead Plant Operator Stipend</b>             |                          |                        |                             |   |                |                               |
|              | 3 staff \$80 per week 52 weeks                 |                          | \$ 12,480              | \$ 11,240                   | \$ 1,240                                | \$12,480       | \$ 12,480                     |
| <b>50100</b> | <b>Employee Benefits</b>                       |                          |                        |                             |   |                |                               |
|              | Water Plant Op - Grade3                        | U4-7                     | \$ 19,726              |                             |   |                |                               |
|              | Water Plant Op - PC#3                          | U2-1                     | -                      |                             |   |                |                               |
|              | Water Plant Op - Grade3                        | U4-7                     | 37,731                 |                             |   |                |                               |
|              | Water Plant Op - Grade 3                       | U2-2                     | 33,244                 |                             |   |                |                               |
|              | Water Plant Op - PC#3                          | U4-7                     | 37,749                 |                             |   |                |                               |
|              | Water Qual/Prod Sup.                           | S08                      | 44,421                 |                             |   |                |                               |
|              | Allocate 50% (Lawton Valley)                   |                          | (22,211)               |                             |   |                |                               |
|              | Assist Water Treat Super                       | S07                      | 42,561                 |                             |   |                |                               |
|              | Allocate 50% (Lawton Valley)                   |                          | (21,281)               |                             |   |                |                               |
|              | Water Plant Op - PC#3                          | U4-6                     | 25,674                 |                             |   |                |                               |
|              | Water Plant Op - Grade1                        | U2-7                     | 22,934                 |                             |   |                |                               |
|              | Water Plant Op - Grade1                        | U2-3                     | 22,088                 |                             |   |                |                               |
|              | Water Plant Op - Grade3                        | U4-7                     | 37,731                 |                             |   |                |                               |
|              | FICA on OT, Stipend, holiday, Leave Buyback    |                          | 10,279                 |                             |   |                |                               |
|              | Total  |                          | \$ 290,646             | \$ 280,974                  | \$ 9,672                                | \$306,323      | \$ 290,646                    |
| <b>50175</b> | <b>Annual Leave Buyback</b>                    | 3 year averag            | \$ 11,600              | \$ 9,645                    | \$ 1,955                                | \$12,000       | \$ 11,600                     |
| <b>50212</b> | <b>Conferences &amp; Training</b>              |                          |                        |                             |   |                |                               |
|              | RIDOH Required Certifications for 10 employees |                          | \$ 1,980               |                             |   |                |                               |
|              | Supv/Plant Prod - RIWWA                        |                          | 150                    |                             |   |                |                               |
|              | Supv/Plant Prod - NEWWA                        |                          | 550                    |                             |   |                |                               |
|              | Conferences & Training                         |                          | 540                    |                             |   |                |                               |
|              | Training, travel                               |                          | 1,000                  |                             |   |                |                               |
|              | total  |                          | \$ 4,220               | \$ 2,190                    | \$ 2,030                                | \$4,500        | \$ 4,220                      |
| <b>50239</b> | <b>Fire &amp; Liability Insurance</b>          |                          |                        |                             |   |                |                               |
|              | RI Interlocal                                  | Premium for FY 2018-2019 | \$ 64,765              | \$ 28,331                   | \$ 36,434                               | \$35,000       | \$ 64,765                     |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Expense Detail - Station One

| Account      | Description   | Detail                 | Calculation<br>FY 2020 | Actual FY 2018<br>Test Year | Change from<br>Test year to<br>Proposed | Budget FY 2019 | Proposed FY 2020<br>Rate Year |
|--------------|---|------------------------|------------------------|-----------------------------|---|----------------|-------------------------------|
| <b>50306</b> | <b>Contribution to Electricity Restricted Account</b> |                        |                        |                             |   |                |                               |
|              | 100 Bliss Mine Rd                                     | 2 yr. avg<br>kwh usage | 1,438,960              |                             |   |                |                               |
|              |   | cost                   | \$ 226,185             | \$ 223,249                  | \$ 2,936                                | \$212,484      | \$ 226,185                    |
| <b>50307</b> | <b>Natural Gas</b>                                    | 2 yr. avg<br>terms     | 22,194                 |                             |   |                |                               |
|              |   | cost                   | \$ 17,840              | \$ 32,402                   | \$ (14,562)                             | \$43,410       | \$ 17,840                     |
| <b>50260</b> | <b>Rental of Equipment</b>                            |                        |                        |                             |   |                |                               |
|              | Dumpster Rentals                                      |                        | \$ 850                 |                             |   |                |                               |
|              | chemical cylinders                                    |                        | 150                    |                             |   |                |                               |
|              | total   |                        | \$ 1,000               | \$ 1,854                    | \$ (854)                                | \$1,000        | \$ 1,000                      |
| <b>50305</b> | <b>Sewer Charge</b>                                   | 2 yr. average          |                        |                             |   |                |                               |
|              |   | gallons                | 6,307,991              |                             |   |                |                               |
|              |   | \$/Gal                 | \$ 21                  |                             |   |                |                               |
|              |   | Cost                   | \$ 129,314             | \$ 99,180                   | \$ 30,134                               | \$204,000      | \$ 129,314                    |
| <b>50271</b> | <b>Gas/Vehicle Maintenance</b>                        |                        |                        |                             |   |                |                               |
|              | Cost per Vehicle                                      |                        | \$ 5,826               |                             |   |                |                               |
|              | Number of Vehicles                                    |                        | 1                      |                             |   |                |                               |
|              | Total   |                        | \$ 5,826               | \$ 7,050                    | \$ (1,224)                              | \$5,389        | \$ 5,826                      |
| <b>50275</b> | <b>Repairs &amp; Maintenance</b>                      |                        |                        |                             |   |                |                               |
|              | total   |                        | \$ 40,286              | \$ 33,512                   | \$ 6,774                                | \$66,992       | \$ 40,286                     |
| <b>50311</b> | <b>Operating Supplies</b>                             |                        |                        |                             |   |                |                               |
|              | Total   | \$ 18,106              | \$ 12,378              | \$ 119                      | \$ 12,259                               | \$17,161       | \$ 12,378                     |
| <b>50320</b> | <b>Uniforms &amp; Protective Gear</b>                 |                        |                        |                             |   |                |                               |
|              | Unifirst uniforms                                     |                        | \$ 858                 |                             |   |                |                               |
|              | Overboots   |                        | 50                     |                             |   |                |                               |
|              | Rain Gear   |                        | 100                    |                             |   |                |                               |
|              | Misc. gloves, eye protection                          |                        | 67                     |                             |   |                |                               |
|              | Coveralls   |                        | 83                     |                             |   |                |                               |
|              | Respirator Work Lights                                |                        | 30                     |                             |   |                |                               |
|              | Work Lights   |                        | 20                     |                             |   |                |                               |
|              |   |                        | \$ 1,208               | \$ 835                      | \$ 373                                  | \$1,426        | \$ 1,208                      |
| <b>50335</b> | <b>Chemicals</b>                                      |                        |                        |                             |   |                |                               |
|              | PACI Quantity   |                        |                        |                             |   |                |                               |
|              | Unit Cost Per Gal                                     |                        |                        |                             |   |                |                               |
|              | PACI Total Cost                                       |                        | \$ 77,568              |                             |   |                |                               |
|              | Hypochlorite Quantity                                 |                        |                        |                             |   |                |                               |
|              | Unit Cost   |                        |                        |                             |   |                |                               |
|              | Chlorine Total Cost                                   |                        | \$ 15,808              |                             |   |                |                               |
|              | Fluoride quantity                                     |                        |                        |                             |   |                |                               |
|              | Unit cost   |                        |                        |                             |   |                |                               |
|              | Fluoride Total Cost                                   |                        | \$ 2,982               |                             |   |                |                               |
|              | Sodium chlorite quantity                              |                        |                        |                             |   |                |                               |
|              | Unit Cost   |                        |                        |                             |   |                |                               |
|              | Sodium chlorite total Cost                            |                        | \$ 34,345              |                             |   |                |                               |
|              | 32% HCl Quantity                                      |                        |                        |                             |   |                |                               |
|              | Unit Cost Per Gal                                     |                        |                        |                             |   |                |                               |
|              | Sodium chlorite total Cost                            |                        | \$ 5,508               |                             |   |                |                               |
|              | Polymer Quantity                                      |                        |                        |                             |   |                |                               |
|              | Unit Cost   |                        |                        |                             |   |                |                               |
|              | Polymer Total Cost                                    |                        | \$ 7,313               |                             |   |                |                               |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Expense Detail - Station One

| Account | Description                     | Detail | Calculation<br>FY 2020 | Actual FY 2018<br>Test Year | Change from<br>Test year to<br>Proposed | Budget FY 2019     | Proposed FY 2020<br>Rate Year |
|---------|---------------------------------|--------|------------------------|-----------------------------|---|--------------------|-------------------------------|
|         | Sodium Hydroxide quantity       |        |                        |                             |   |                    |                               |
|         | Unit Cost                       |        |                        |                             |   |                    |                               |
|         | Sodium Hydroxide total cost     |        | \$ 17,842              |                             |   |                    |                               |
|         | GAC Filters (816) Quantity      |        |                        |                             |   |                    |                               |
|         | Unit Cost Per CF                |        |                        |                             |   |                    |                               |
|         | GAC Total Cost                  |        | \$ 49,003              |                             |   |                    |                               |
|         | GAC AWT (400) Quantity          |        |                        |                             |   |                    |                               |
|         | Unit Cost Per Vessel            |        |                        |                             |   |                    |                               |
|         | GAC Total Cost                  |        | \$ 106,154             |                             |   |                    |                               |
|         | HCl Scrubber Media (Chlorosorb) |        |                        |                             |   |                    |                               |
|         | HCl Scrubber Media Total Cost   |        | \$ 5,000               |                             |   |                    |                               |
|         | total                           |        | \$ 321,523             | \$ 242,583                  | \$ 78,940                               | \$366,315          | <u>\$ 321,523</u>             |
|         | <b>total</b>                    |        | <b>\$ 1,760,529</b>    | <b>\$ 1,646,804</b>         | <b>\$ 113,725</b>                       | <b>\$1,960,708</b> | <b>\$ 1,760,529</b>           |



City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Expense Detail - Lawton Valley

| Account      | Description  |                      | Calculation<br>FY 2020 | Actual FY 2018<br>Test Year | Change from<br>Test year to<br>Proposed | Proposed FY<br>2020 Rate Year |
|--------------|--|----------------------|------------------------|-----------------------------|---|-------------------------------|
| <b>50001</b> | <b>Salaries &amp; Wages</b>                                |                      |                        |                             |   |                               |
|              | Water Plant Op - PC#3                                      | U4-4                 | 53,363                 |                             |   |                               |
|              | Water Plant Op - PC#3                                      | U4-7                 | 59,254                 |                             |   |                               |
|              | Water Plant Op - Grade2                                    | U4-7                 | 57,130                 |                             |   |                               |
|              | Water Plant Op - PC#3                                      | U4-7                 | 59,117                 |                             |   |                               |
|              | Water Plant Op   | U4-2                 | 50,297                 |                             |   |                               |
|              | Allocated 50%  | S08                  | 42,864                 |                             |   |                               |
|              | Allocate 50% (Lawton Valley)                               | S07                  | 38,426                 |                             |   |                               |
|              | Water Plant Op 1   | U4-3                 | 51,806                 |                             |   |                               |
|              | Water Plant Op - PC#3                                      | U4-7                 | 60,217                 |                             |   |                               |
|              | Water Plant Op - Grade3                                    | U4-7                 | 58,567                 |                             |   |                               |
|              | Total  |                      | \$ 531,042             | \$ 528,608                  | \$ 2,434                                | \$ 531,042                    |
| <b>50002</b> | <b>Overtime</b>  |                      |                        |                             |   |                               |
|              | 2017-\$110,513   |                      |                        |                             |   |                               |
|              | 2018 - \$102,478 2 yr. avg plus union 2% Inc. for 2019 & 2 |                      | \$ 109,464             | \$ 102,478                  | \$ 6,986                                | \$ 109,464                    |
| <b>50003</b> | <b>Holiday Pay</b>   |                      |                        |                             |   |                               |
|              | Operators  |                      | 9                      |                             |   |                               |
|              | Holidays   |                      | 12                     |                             |   |                               |
|              | Hours/Holiday  |                      | 8                      |                             |   |                               |
|              | Average Pay Rate   | \$50,000 per year    | \$ 24.04               |                             |   | \$ -                          |
|              | Total  |                      | \$ 19,615              | \$ 19,772                   | \$ (157)                                | \$ 19,615                     |
| <b>50045</b> | <b>Lead Plant Operator Stipend</b>                         |                      |                        |                             |   |                               |
|              | 3 staff \$80 per week 52 weeks                             |                      | \$ 12,480              | \$ 4,176                    | \$ 8,304                                | \$ 12,480                     |
| <b>50100</b> | <b>Employee Benefits</b>                                   |                      |                        |                             |   |                               |
|              | Water Plant Op - PC#3                                      | U4-4                 | \$ 36,235              |                             |   |                               |
|              | Water Plant Op - PC#3                                      | U4-7                 | 38,038                 |                             |   |                               |
|              | Water Plant Op - Grade2                                    | U4-7                 | 37,388                 |                             |   |                               |
|              | Water Plant Op - PC#3                                      | U4-7                 | 37,996                 |                             |   |                               |
|              | Water Plant Op   | U4-2                 | 23,741                 |                             |   |                               |
|              | Allocated 50%  | S08                  | 22,211                 |                             |   |                               |
|              | Allocate 50% (Lawton Valley)                               | S07                  | 21,281                 |                             |   |                               |
|              | Water Plant Op 1   | U4-3                 | 35,759                 |                             |   |                               |
|              | Water Plant Op - PC#3                                      | U4-7                 | 26,175                 |                             |   |                               |
|              | Water Plant Op - Grade3                                    | U4-7                 | 37,828                 |                             |   |                               |
|              | FICA on OT, holiday, Stipend, Leave buyback                |                      | 11,654                 |                             |   |                               |
|              | Total  |                      | \$ 328,307             | \$ 309,454                  | \$ 18,853                               | \$ 328,307                    |
| <b>50175</b> | <b>Annual Leave Buyback</b>                                | 3 yr. avg            | \$ 9,500               | \$ 9,724                    | \$ (224)                                | \$ 9,500                      |
| <b>50212</b> | <b>Conferences &amp; Training</b>                          |                      |                        |                             |   |                               |
|              | RIDOH Required Certifications for 9 employees              |                      | \$ 1,980               |                             |   |                               |
|              | Supv/Plant Prod - RIWWA                                    |                      | 150                    |                             |   |                               |
|              | Supv/Plant Prod - NEWWA                                    |                      | 550                    |                             |   |                               |
|              | Conferences & Training                                     |                      | 540                    |                             |   |                               |
|              | Training, travel   |                      | 900                    |                             |   |                               |
|              | total  |                      | \$ 4,120               | \$ 2,495                    | \$ 1,625                                | \$ 4,120                      |
| <b>50239</b> | <b>Fire &amp; Liability Insurance</b>                      |                      |                        |                             |   |                               |
|              | RI Interlocal  | premium FY 2018-2019 | \$ 60,325              | \$ 61,505                   | \$ (1,180)                              | \$ 60,325                     |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Expense Detail - Lawton Valley

| Account      | Description   | Calculation<br>FY 2020 | Actual FY 2018<br>Test Year | Change from<br>Test year to<br>Proposed | Proposed FY<br>2020 Rate Year |
|--------------|---|------------------------|-----------------------------|---|-------------------------------|
| <b>50306</b> | <b>Contribution to Electricity Restricted Account</b> |                        |                             |   |                               |
|              | Lawton Valley Treatment plant & pumping station       | 2 yr. avg              |                             |   |                               |
|              | kwh usage   | 1,898,977              |                             |   |                               |
|              | cost  | \$ 301,655             | \$ 289,647                  | \$ 12,008                               | <u>\$ 301,655</u>             |
| <b>50307</b> | <b>Natural Gas</b>                                    | 2 yr. average          |                             |   |                               |
|              | Total Cost  | 25,374<br>\$ 26,195    | \$ 25,950                   | \$ 245                                  | <u>\$ 26,195</u>              |
| <b>50260</b> | <b>Rental of Equipment</b>                            |                        |                             |   |                               |
|              | Dumpster Rentals                                      | \$ 850                 |                             |   |                               |
|              | Chemical Cylinders                                    | \$ 150                 |                             |   |                               |
|              | total   | \$ 1,000               | \$ 322                      | \$ 678                                  | <u>\$ 1,000</u>               |
| <b>50305</b> | <b>Sewer Charge</b>                                   | 2 yr. average          |                             |   |                               |
|              | Gallons   | 21,955,104             |                             |   |                               |
|              | \$/Gal per 1,000 rate                                 | \$ 20.50               |                             |   |                               |
|              | Cost  | \$ 450,080             | \$ 437,731                  | \$ 12,349                               | <u>\$ 450,080</u>             |
| <b>50271</b> | <b>Gas/Vehicle Maintenance</b>                        |                        |                             |   |                               |
|              | Cost per Vehicle                                      | \$ 5,826               |                             |   |                               |
|              | Number of Vehicles                                    | 1                      |                             |   |                               |
|              | total   | \$ 5,826               | \$ 5,678                    | \$ 148                                  | <u>\$ 5,826</u>               |
| <b>50275</b> | <b>Repairs &amp; Maintenance</b>                      |                        |                             |   |                               |
|              | Total   | \$ 37,344              | \$ 55,359                   | \$ (18,015)                             | <u>\$ 37,344</u>              |
| <b>50311</b> | <b>Operating Supplies</b>                             |                        |                             |   |                               |
|              | Total   | \$ 8,859               | \$ 2,747                    | \$ 6,112                                | <u>\$ 8,859</u>               |
| <b>50320</b> | <b>Uniforms &amp; protective Gear</b>                 |                        |                             |   |                               |
|              | Unifirst uniforms                                     | \$ 763                 |                             |   |                               |
|              | Overboots   | 100                    |                             |   |                               |
|              | Rain Gear   | 67                     |                             |   |                               |
|              | Misc. Gloves, Eye protection                          | 113                    |                             |   |                               |
|              | Coveralls   | 92                     |                             |   |                               |
|              | Respirator Work Lights                                | 32                     |                             |   |                               |
|              | Work Lights   | 33                     |                             |   |                               |
|              | Total   | \$ 1,200               | \$ 835                      | \$ 365                                  | <u>\$ 1,200</u>               |
| <b>50335</b> | <b>Chemicals</b>                                      |                        |                             |   |                               |
|              | PACI Quantity   |                        |                             |   |                               |
|              | Unit Cost Per Gal                                     |                        |                             |   |                               |
|              | PACI Total Cost                                       | \$ 85,960              |                             |   |                               |
|              | Hypochlorite Quantity                                 |                        |                             |   |                               |
|              | Unit Cost   |                        |                             |   |                               |
|              | Chlorine Total Cost                                   | \$ 23,933              |                             |   |                               |
|              | Fluoride quantity                                     |                        |                             |   |                               |
|              | Unit cost   |                        |                             |   |                               |
|              | Fluoride Total Cost                                   | \$ 2,686               |                             |   |                               |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Expense Detail - Lawton Valley

| <u>Account</u> | <u>Description</u>              | <u>Calculation<br/>FY 2020</u> | <u>Actual FY 2018<br/>Test Year</u> | <u>Change from<br/>Test year to<br/>Proposed</u> | <u>Proposed FY<br/>2020 Rate Year</u> |
|----------------|---------------------------------|--------------------------------|-------------------------------------|--|---------------------------------------|
|                | Sodium chlorite quantity        |                                |                                     |  |                                       |
|                | Unit Cost                       |                                |                                     |  |                                       |
|                | Sodium chlorite total Cost      | \$ 29,786                      |                                     |  |                                       |
|                | 32% HCl Quantity                |                                |                                     |  |                                       |
|                | Unit Cost Per Gal               |                                |                                     |  |                                       |
|                | Sodium chlorite total Cost      | \$ 2,957                       |                                     |  |                                       |
|                | Polymer Quantity                |                                |                                     |  |                                       |
|                | Unit Cost                       |                                |                                     |  |                                       |
|                | Polymer Total Cost              | \$ 2,595                       |                                     |  |                                       |
|                | Sodium Hydroxide quantity       |                                |                                     |  |                                       |
|                | Unit Cost                       |                                |                                     |  |                                       |
|                | Sodium Hydroxide total cost     | \$ 20,032                      |                                     |  |                                       |
|                | GAC Filters (816) Quantity      |                                |                                     |  |                                       |
|                | Unit Cost Per CF                |                                |                                     |  |                                       |
|                | GAC Total Cost                  | \$ 16,943                      |                                     |  |                                       |
|                | GAC AWT (400) Quantity          |                                |                                     |  |                                       |
|                | Unit Cost Per Vessel            |                                |                                     |  |                                       |
|                | GAC Total Cost                  | \$ 103,055                     |                                     |  |                                       |
|                | HCl Scrubber Media (Chlorosorb) |                                |                                     |  |                                       |
|                | HCl Scrubber Media Total Cost   | \$ 5,000                       |                                     |  |                                       |
|                | total                           | \$ 292,947                     | \$ 332,292                          | \$ (39,345)                                      | \$ 292,947                            |
| <b>Total</b>   |                                 | <b>\$ 2,199,959</b>            | <b>\$ 2,188,773</b>                 | <b>\$ 11,186</b>                                 | <b>\$ 2,199,959</b>                   |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Expense Detail - Laboratory

| Account      | Description                      | Detail    | Calculation Amount | Actual FY 2018 Test Year | Change from Test year to Proposed | Proposed FY 2020 Rate Year |
|--------------|----------------------------------|-----------|--------------------|--------------------------|-----------------------------------|----------------------------|
| <b>50001</b> | <b>Salaries &amp; Wages</b>      |           |                    |                          |                                   |                            |
|              | Laboratory Supervisor            | N03-6     | \$ 78,895          |                          |                                   |                            |
|              | Microbiologist                   | N04-8     | 65,068             |                          |                                   |                            |
|              |                                  | Total     | \$ 143,963         | \$ 105,565               | \$ 38,398                         | <u>\$ 143,963</u>          |
| <b>50100</b> | <b>Employee Benefits</b>         |           |                    |                          |                                   |                            |
|              | Laboratory Supervisor            | U3-1      | \$ 40,818          |                          |                                   |                            |
|              | Microbiologist                   | U4-2      | 44,051             |                          |                                   |                            |
|              | Benefits on Annual leave buyback |           | 325                |                          |                                   |                            |
|              |                                  | Total     | \$ 85,194          | \$ 56,521                | \$ 28,673                         | <u>\$ 85,194</u>           |
| <b>50175</b> | <b>Annual Leave Buyback</b>      | 3 yr. avg | Total \$ 4,250     | \$ 4,210                 | \$ 40                             | <u>\$ 4,250</u>            |
| <b>50275</b> | <b>Repairs &amp; Maintenance</b> |           |                    |                          |                                   |                            |
|              |                                  | Total     | \$ 1,237           | \$ 995                   | \$ 242                            | <u>\$ 1,237</u>            |
| <b>50281</b> | <b>Regulatory Assessment</b>     |           |                    |                          |                                   |                            |
|              | IDEXX/BACTERIA                   |           | \$ 7,100           |                          |                                   |                            |
|              | UCMR 4 (begins Feb 2020)         |           | 16,920             |                          |                                   |                            |
|              | TTHM / HASS                      |           | 7,850              |                          |                                   |                            |
|              | TOC                              |           | 3,360              |                          |                                   |                            |
|              | LEAD                             |           | 650                |                          |                                   |                            |
|              | COPPER                           |           | 510                |                          |                                   |                            |
|              | BROMIDE                          |           | 790                |                          |                                   |                            |
|              | SODIUM                           |           | 1,250              |                          |                                   |                            |
|              | ERA QC PT                        |           | 1,850              |                          |                                   |                            |
|              | LAB LICENSE                      |           | 440                |                          |                                   |                            |
|              | RIDOH                            |           | 26,400             |                          |                                   |                            |
|              | CHLORITES                        |           | 1,800              |                          |                                   |                            |
|              | CHLORATES                        |           | 5,550              |                          |                                   |                            |
|              | LT2 Cryptosporidium              |           | 2,400              |                          |                                   |                            |
|              | ALGAE TOXIN                      |           | 4,000              |                          |                                   |                            |
|              | Algae Test Strips                |           | 2,830              |                          |                                   |                            |
|              |                                  | Total     | \$ 83,700          | \$ 58,270                | \$ 25,430                         | <u>\$ 83,700</u>           |
| <b>50339</b> | <b>Laboratory Supplies</b>       |           |                    |                          |                                   |                            |
|              | total                            |           | \$ 25,119          | \$ 21,104                | \$ 4,015                          | <u>\$ 25,119</u>           |
|              | <b>Total</b>                     |           | <b>\$343,463</b>   | <b>\$ 246,665</b>        | <b>\$ 96,798</b>                  | <b>\$ 343,463</b>          |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Expense Detail - Distribution

| Account      | Description  | Detail               | Calculation Amount                      | Actual FY 2018 Test Year | Change from Test year to Proposed | Proposed FY 2020 Rate Year |
|--------------|--|----------------------|---|--------------------------|-----------------------------------|----------------------------|
| <b>50001</b> | <b>Salaries &amp; Wages</b>                                  |                      |   |                          |                                   |                            |
|              | HE Operator  | U4-7                 | \$ 59,117                               |                          |                                   |                            |
|              | Dist./Collect Mechanic                                       | U4-2                 | 50,297                                  |                          |                                   |                            |
|              | Dist./Collect Operator                                       | U3-7                 | 56,202                                  |                          |                                   |                            |
|              | Dist./Collect Mechanic                                       | U4-2                 | 48,860                                  |                          |                                   |                            |
|              | Dist./Collect Operator                                       | U3-1                 | REMOVED to ALLOW FOR TWO OPEN POSITIONS |                          |                                   |                            |
|              | Dist./Collect Operator                                       | U3-5                 | 51,298                                  |                          |                                   |                            |
|              | Dist./Collect Foreman  | U5-7                 | 64,913                                  |                          |                                   |                            |
|              | Engineering Technician                                       | U5-8                 | 66,157                                  |                          |                                   |                            |
|              | Engineering Technician                                       | U5-3                 | 55,259                                  |                          |                                   |                            |
|              | Parts/Invent Control Tech                                    | U4-1                 | 47,438                                  |                          |                                   |                            |
|              | 50% to WPC   |                      | (23,719)                                |                          |                                   |                            |
|              | supervisor Dist. / Collection 50%                            | N05-10               | 45,626                                  |                          |                                   |                            |
|              |  |                      | \$ 521,449                              | \$ 463,664               | \$ 57,785                         | \$ 521,449                 |
| <b>50002</b> | <b>Overtime</b>  |                      |   |                          |                                   |                            |
|              | 3-yr avg plus 2% increase per union contract for 2019 & 2020 |                      | \$ 42,094                               | \$ 43,341                | \$ (1,247)                        | \$ 42,094                  |
| <b>50004</b> | <b>Temp Salaries</b>   |                      | \$ 19,456                               | \$ 22,256                | \$ (2,800)                        | \$ 19,456                  |
| <b>50100</b> | <b>Employee Benefits</b>                                     |                      |   |                          |                                   |                            |
|              | HE Operator  | U4-7                 | \$ 37,996                               |                          |                                   |                            |
|              | Dist./Collect Mechanic                                       | U4-2                 | 23,741                                  |                          |                                   |                            |
|              | Dist./Collect Operator                                       | U3-7                 | 24,987                                  |                          |                                   |                            |
|              | Dist./Collect Mechanic                                       | U4-2                 | 35,857                                  |                          |                                   |                            |
|              | Dist./Collect Operator                                       | U3-1                 | -                                       |                          |                                   |                            |
|              | Dist./Collect Operator                                       | U3-5                 | 24,047                                  |                          |                                   |                            |
|              | Dist./Collect Foreman  | U5-7                 | 39,771                                  |                          |                                   |                            |
|              | Engineering Technician                                       | U5-8                 | 39,490                                  |                          |                                   |                            |
|              | Engineering Technician                                       | U5-3                 | 25,260                                  |                          |                                   |                            |
|              | Parts/Invent Control Tech                                    | U4-1                 | 34,421                                  |                          |                                   |                            |
|              | 50% to WPC   |                      | (17,211)                                |                          |                                   |                            |
|              | Supervisor Dist. / Collection 50%                            | N05-10               | 23,460                                  |                          |                                   |                            |
|              | FICA on OT, Temp, Leave Buyback                              |                      | 5,760                                   |                          |                                   |                            |
|              | Total  |                      | \$ 297,580                              | \$ 231,379               | \$ 66,201                         | \$ 297,580                 |
| <b>50175</b> | <b>Annual Leave Buyback</b>                                  | 3 yr. avg            | \$ 6,000                                | \$ 2,722                 | \$ 3,278                          | \$ 6,000                   |
| <b>50212</b> | <b>Conferences &amp; Training</b>                            |                      |   |                          |                                   |                            |
|              | Continuing Education Units                                   |                      | \$ 3,000                                |                          |                                   |                            |
|              | Training videos, books, online courses                       |                      | 1,000                                   |                          |                                   |                            |
|              | Total  |                      | 4,000                                   | \$ 1,200                 | \$ 2,800                          | \$ 4,000                   |
| <b>50225</b> | <b>Contract Services</b>                                     |                      |   |                          |                                   |                            |
|              | Welding Services (Swabbing) as required                      |                      | \$ 1,000                                |                          |                                   |                            |
|              | Weather Data Network   |                      | 120                                     |                          |                                   |                            |
|              | Infowater  |                      | 3,750                                   |                          |                                   |                            |
|              | Dig safe Contract (609.15*12)                                |                      | 7,000                                   |                          |                                   |                            |
|              | total  |                      | \$ 11,870                               | \$ 10,316                | \$ 1,554                          | \$ 11,870                  |
| <b>50239</b> | <b>Fire &amp; Liability Insurance</b>                        |                      |   |                          |                                   |                            |
|              | RI Interlocal  | Premium FY 2018-2019 | \$ 10,910                               | \$ 9,664                 | \$ 1,246                          | \$ 10,910                  |
| <b>50306</b> | <b>Electricity Restricted Account</b>                        |                      |   |                          |                                   |                            |
|              | Forest Ave, Goulart Lane, Reservoir Rd                       |                      |   |                          |                                   |                            |
|              |  | kwh usage            | 2 yr. avg 105,200                       |                          |                                   |                            |
|              |  | cost                 | \$ 20,500                               | \$ 16,922                | \$ 3,578                          | \$ 20,500                  |
| <b>50260</b> | <b>Heavy Equipment Rental</b>                                |                      |   |                          |                                   |                            |
|              | Excavator, 10-wheel Dump Truck,                              |                      | \$ 2,667                                |                          |                                   |                            |
|              | Asphalt Roller & Other Equipment                             |                      | 2,050                                   |                          |                                   |                            |
|              | Total  |                      | \$ 4,717                                | \$ 246                   | \$ 4,471                          | \$ 4,717                   |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Expense Detail - Distribution

| Account      | Description  | Detail | Calculation Amount | Actual FY 2018 Test Year | Change from Test year to Proposed | Proposed FY 2020 Rate Year |
|--------------|--|--------|--------------------|--------------------------|-----------------------------------|----------------------------|
| <b>50271</b> | <b>Gas/Vehicle Maintenance</b>                                   |        |                    |                          |                                   |                            |
|              | Cost per Vehicle   |        | \$ 5,826           |                          |                                   |                            |
|              | Number of Vehicles   |        | 13                 |                          |                                   |                            |
|              | total  |        | \$ 75,741          | \$ 93,121                | \$ (17,380)                       | \$ <u>75,741</u>           |
| <b>50275</b> | <b>Repairs &amp; Maintenance</b>                                 |        |                    |                          |                                   |                            |
|              | Overhead Door Repair & Maintenance                               |        | \$ 5,000           |                          |                                   |                            |
|              | Fire Alarm Panel, Fire Extinguisher Serv & Repair                |        | 1,200              |                          |                                   |                            |
|              | Misc. snow removal equipment & supplies                          |        | 3,000              |                          |                                   |                            |
|              | Travel Vacuum repairs and/or replacement                         |        | 5,000              |                          |                                   |                            |
|              | pump, generator, jackhammer, repair & maintenance                |        | 6,000              |                          |                                   |                            |
|              | Total  |        | \$ 20,200          | \$ 18,687                | \$ 1,513                          | \$ <u>20,200</u>           |
| <b>50276</b> | <b>Main Maintenance</b>  |        |                    |                          |                                   |                            |
|              | Valves, pipe, couplings, clamps, risers, covers, etc.            |        | \$ 26,000          |                          |                                   |                            |
|              | Swabbing Program - supplies                                      |        | 2,000              |                          |                                   |                            |
|              | Gravel, stone, cold patch, hot mix, etc.                         |        | 15,000             |                          |                                   |                            |
|              | Leak Detection Services  |        | 12,000             |                          |                                   |                            |
|              | Permits & Police details   |        | 5,000              |                          |                                   |                            |
|              | demolition Saw, blades, etc.                                     |        | 3,000              |                          |                                   |                            |
|              | Misc.  |        | 3,000              |                          |                                   |                            |
|              | Total  |        | \$ 66,000          | \$ 84,145                | \$ (18,145)                       | \$ <u>66,000</u>           |
| 50296        | Service Maintenance  |        |                    |                          |                                   |                            |
|              | Tapping machine repair and/or replace, misc. parts & misc. parts |        | \$ 3,000           |                          |                                   |                            |
|              | service boxes, risers, keys                                      |        | 4,000              |                          |                                   |                            |
|              | Corporation & curb stops, saddles, unions, etc.                  |        | 4,000              |                          |                                   |                            |
|              | Type K copper  |        | 5,000              |                          |                                   |                            |
|              | Fittings   |        | 6,000              |                          |                                   |                            |
|              | Gravel, stone, cold patch, hot mix, etc.                         |        | 4,000              |                          |                                   |                            |
|              | Permits & Police Details   |        | 3,000              |                          |                                   |                            |
|              | Misc.  |        | 1,000              |                          |                                   |                            |
|              | Total  |        | \$ 30,000          | \$ 27,194                | \$ 2,806                          | \$ <u>30,000</u>           |
| 50311        | Operating Supplies   |        |                    |                          |                                   |                            |
|              | machine & tool lubricant, grease guns                            |        | \$ 1,800           |                          |                                   |                            |
|              | Marking paint, flags, etc.                                       |        | 3,000              |                          |                                   |                            |
|              | Replacement blades/cutting wheels, chains, bars                  |        | 1,600              |                          |                                   |                            |
|              | Metal detectors  |        | 1,600              |                          |                                   |                            |
|              | Total  |        | \$ 8,000           | \$ 10,014                | \$ (2,014)                        | \$ <u>8,000</u>            |
| 50320        | Uniforms & protective Gear                                       |        |                    |                          |                                   |                            |
|              | UniFirst uniforms  |        | \$ 733             |                          |                                   |                            |
|              | Tyvek protective Suits   |        | 233                |                          |                                   |                            |
|              | N 95 respirator  |        | 167                |                          |                                   |                            |
|              | Safety Vests   |        | 67                 |                          |                                   |                            |
|              | Hi Viz Jackets   |        | 67                 |                          |                                   |                            |
|              | Gloves, safety glasses, respirator, etc.                         |        | 67                 |                          |                                   |                            |
|              | Total  |        | \$ 1,333           | \$ 1,173                 | \$ 160                            | \$ <u>1,333</u>            |
|              | <b>total</b>   |        | <b>\$1,139,851</b> | <b>\$ 1,036,044</b>      | <b>\$ 103,807</b>                 | <b>\$ <u>1,139,851</u></b> |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Expense Detail - Fire Protection

| Account      | Description                                 | Calculation<br>Amount | Actual FY<br>2018 Test<br>Year | Change from<br>Test year to<br>Proposed | Proposed FY<br>2020 Rate<br>Year |
|--------------|---|-----------------------|--------------------------------|---|----------------------------------|
| <b>50275</b> | <b>Repair &amp; Maintenance - Equipment</b> |                       |                                |   |                                  |
|              | <b>total</b>                                | <b>\$ 20,394</b>      | <b>\$ 7,739</b>                | <b>\$ 12,655</b>                        | <b>\$ 20,394</b>                 |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Debt Service

|                                      | <b>FY 2019</b>            | <b>FY 2020</b>      | <b>FY 2021</b>      | <b>FY 2022</b>      | <b>FY 2023</b>      | <b>FY 2024</b>      | <b>FY 2025</b>      | <b>FY 2026</b>      | <b>FY 2027</b>      |
|--------------------------------------|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                      | <i>Budget</i>             | <i>Forecast</i>     | <i>Forecast</i>     | <i>Forecast</i>     | <i>Forecast</i>     | <i>Forecast</i>     | <i>Forecast</i>     | <i>Forecast</i>     | <i>Forecast</i>     |
| <b>Existing Debt Service</b>         |                           |                     |                     |                     |                     |                     |                     |                     |                     |
| SRF 2007 A                           | Initial Amt. \$ 3,000,000 | Rate 2.78-3.22%     | Term 20             | Cost 0.00%          |                     |                     |                     |                     |                     |
| SRF 2008 A                           | \$ 3,000,000              | 2.08-3.63%          | 20                  | 0.00%               |                     |                     |                     |                     |                     |
| SRF 2009 A                           | \$ 3,300,000              | 0.65-3.54%          | 20                  | 0.00%               |                     |                     |                     |                     |                     |
| SRF 2012 A                           | \$ 6,640,000              | 3.40%               | 20?                 | 0.00%               |                     |                     |                     |                     |                     |
| SRF 2012 B                           | \$ 53,100,000             | 0.94-3.61%          | 20                  | 0.00%               |                     |                     |                     |                     |                     |
| SRF 2013 A                           | \$ 31,000,000             | 0.37-2.92%          | 20                  | 0.00%               |                     |                     |                     |                     |                     |
| <b>Total: Existing Debt Service</b>  | <b>\$ 6,785,271</b>       | <b>\$ 6,783,195</b> | <b>\$ 6,774,452</b> | <b>\$ 6,769,049</b> | <b>\$ 6,764,197</b> | <b>\$ 6,764,108</b> | <b>\$ 6,756,312</b> | <b>\$ 6,747,361</b> | <b>\$ 6,745,659</b> |
| <b>Future Debt Service</b>           |                           |                     |                     |                     |                     |                     |                     |                     |                     |
| <u>Revenue Bonds</u>                 |                           |                     |                     |                     |                     |                     |                     |                     |                     |
| Subtotal: Revenue Bonds              | 0                         | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| <u>SRF Loans*</u>                    |                           |                     |                     |                     |                     |                     |                     |                     |                     |
| FY 2019                              |                           |                     |                     |                     |                     |                     |                     |                     |                     |
| FY 2020                              | \$ 4,000,000              | 3.60%               | 20                  | \$ 405,000          | \$ 4,406,000        |                     |                     |                     |                     |
| Principal                            |                           |                     |                     | \$ 70,000           | \$ 170,000          | \$ 174,000          | \$ 179,000          | \$ 184,000          | \$ 190,000          |
| Interest                             |                           |                     |                     | \$ 157,999          | \$ 168,740          | \$ 163,273          | \$ 160,463          | \$ 154,503          | \$ 148,129          |
| FY 2021                              |                           |                     |                     |                     |                     |                     |                     |                     |                     |
| FY 2022                              | \$ 2,750,000              | 4.00%               | 20                  | \$ 286,000          | \$ 3,036,000        |                     |                     |                     |                     |
| Principal                            |                           |                     |                     |                     |                     | \$ 233,028          | \$ 233,840          | \$ 233,897          | \$ 232,714          |
| Interest                             |                           |                     |                     |                     |                     | \$ 117,000          | \$ 109,000          | \$ 113,000          | \$ 116,000          |
| FY 2023                              |                           |                     |                     |                     |                     | \$ 116,028          | \$ 124,840          | \$ 120,897          | \$ 116,714          |
| FY 2024                              |                           |                     |                     |                     |                     |                     |                     |                     |                     |
| FY 2025                              |                           |                     |                     |                     |                     |                     |                     |                     |                     |
| FY 2026                              |                           |                     |                     |                     |                     |                     |                     |                     |                     |
| FY 2027                              |                           |                     |                     |                     |                     |                     |                     |                     |                     |
| FY 2028                              |                           |                     |                     |                     |                     |                     |                     |                     |                     |
| FY 2029                              |                           |                     |                     |                     |                     |                     |                     |                     |                     |
| FY 2030                              |                           |                     |                     |                     |                     |                     |                     |                     |                     |
| Subtotal: SRF Loans*                 | \$ -                      | \$ -                | \$ 227,999          | \$ 338,740          | \$ 570,301          | \$ 573,303          | \$ 572,399          | \$ 570,843          | \$ 568,748          |
| <b>Total: Future Debt</b>            | <b>\$ -</b>               | <b>\$ -</b>         | <b>\$ 227,999</b>   | <b>\$ 338,740</b>   | <b>\$ 570,301</b>   | <b>\$ 573,303</b>   | <b>\$ 572,399</b>   | <b>\$ 570,843</b>   | <b>\$ 568,748</b>   |
| Total: Existing Debt                 | \$ 6,785,271              | \$ 6,783,195        | \$ 6,774,452        | \$ 6,769,049        | \$ 6,764,197        | \$ 6,764,108        | \$ 6,756,312        | \$ 6,747,361        | \$ 6,745,659        |
| Total: Future Debt                   | -                         | -                   | 227,999             | 338,740             | 570,301             | 573,303             | 572,399             | 570,843             | 568,748             |
| <b>TOTAL: EXISTING + FUTURE DEBT</b> | <b>\$ 6,785,271</b>       | <b>\$ 6,783,195</b> | <b>\$ 7,002,451</b> | <b>\$ 7,107,789</b> | <b>\$ 7,334,498</b> | <b>\$ 7,337,411</b> | <b>\$ 7,328,711</b> | <b>\$ 7,318,204</b> | <b>\$ 7,314,407</b> |

\* - Estimated debt service for FY 2020 and FY2022 SRF Loans provided by Hilltop Securities



City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Adjustment to the Multi Year Increase

| Line<br>No | Description                        | Amount per<br>Newport Filing | Amount per<br>Division | Difference          |
|------------|------------------------------------|------------------------------|------------------------|---------------------|
| 1          | FY 2022 Projected Debt Service     | \$ 7,337,411                 | \$ 7,107,789           |                     |
| 2          |                                    |                              |                        |                     |
| 3          | Projected Rate Year Debt Service   | <u>6,783,195</u>             | <u>6,783,195</u>       |                     |
| 4          |                                    |                              |                        |                     |
|            | Increase in Debt Service Costs     | \$ 554,215                   | \$ 324,593             | \$ (229,622)        |
| 5          |                                    |                              |                        |                     |
|            | Difference Produced by Rate Design | 2,652                        | -                      | (2,652)             |
| 6          |                                    |                              |                        |                     |
| 7          | Removal of Badger Meter Costs      | <u>-</u>                     | <u>(3,500)</u>         | <u>(3,500)</u>      |
| 8          |                                    |                              |                        |                     |
| 9          | Adjustment to Multi-year Increase  | <u>\$ 556,867</u>            | <u>\$ 321,093</u>      | <u>\$ (235,774)</u> |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Summary to Adjustments to Operating Expenses

| Line<br>No. | Account/Description                         | Total<br>Adjustment<br>Value |
|-------------|---|------------------------------|
| 1           | 50001-Salaries & Wages                      | \$ (44,233)                  |
| 2           | 50002-Overtime                              | (7,311)                      |
| 3           | 50004-Temp Salaries                         | (26,462)                     |
| 4           | 50100-Employee Benefits                     | (45,948)                     |
| 5           | 50103-Retiree Insurance Coverage            | (2,772)                      |
| 6           | 50105-Workers Compensation                  | 58,041                       |
| 7           | 50207- Advertisement                        | (5,018)                      |
| 8           | 50220- Consultant Fees( Rate Case Expenses) | (158,233)                    |
| 9           | 50225-Support Services                      | (5,700)                      |
| 10          | 50260-Heavy Equipment Rental                | (4,283)                      |
| 11          | 50261-Property Taxes                        | (10,231)                     |
| 12          | 50271-Gasoline & Vehicle Allowance          | (18,680)                     |
| 13          | 50275-Repairs & Maintenance                 | (58,239)                     |
| 14          | 50277-Reservoir Maintenance                 | (4,580)                      |
| 15          | 50280-Regulatory Expense                    | (1,500)                      |
| 16          | 50281-Regulatory Assessment                 | (17,342)                     |
| 17          | 50305-Water                                 | -                            |
| 18          | 50311-Operating Supplies                    | (7,063)                      |
| 19          | 50320-Uniforms & Protective Gear            | (10,900)                     |
| 20          | 50335-Chemicals                             | (311,746)                    |
| 21          | 50339-Laboratory Supplies                   | (29,881)                     |
| 22          | 50505-Self Insurance                        | (5,000)                      |
| 23          |   |                              |
| 24          | Total                                       | <u>\$ (717,081)</u>          |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Adjustment to Administration Expenses

| Line No. | Description   | FY 2020 Amount per NWD <sup>1/</sup> | Adjustment Factor <sup>2/</sup> | FY 2020 Amount per Division |
|----------|---|--------------------------------------|---------------------------------|-----------------------------|
| 1        | <b><u>Account 50001-Salaries &amp; Wages</u></b>          |                                      |                                 |                             |
| 2        | Director of Utilities                                     | \$ 87,347                            | 0.8333                          | \$ 72,789                   |
| 3        | Administrative Secretary                                  | 34,986                               | 0.8333                          | 29,155                      |
| 4        | Deputy Director - Finance                                 | 66,733                               | 0.8333                          | 55,611                      |
| 5        | Deputy Director - Engineering                             | 76,332                               | 0.8333                          | 63,610                      |
| 6        | Financial Analyst   | 32,520                               | 1.0000                          | 32,520                      |
| 7        | Total   | \$ 297,917                           |                                 | \$ 253,684                  |
| 8        |   |                                      |                                 |                             |
| 9        | Adjustment to Administrative Payroll                      |                                      |                                 | \$ (44,233)                 |
| 10       |   |                                      |                                 |                             |
| 11       | <b><u>50100-Employee Benefits</u></b>                     |                                      |                                 |                             |
| 12       | Director of Utilities                                     | \$ 37,338                            |                                 | \$ 31,071                   |
| 13       | Administrative Secretary                                  | 22,638                               |                                 | 18,443                      |
| 14       | Deputy Director - Finance                                 | 32,008                               |                                 | 26,541                      |
| 15       | Deputy Director - Engineering                             | 23,737                               |                                 | 20,112                      |
| 16       | Financial Analyst   | 20,300                               |                                 | 19,905                      |
| 17       | Total   | \$ 136,021                           |                                 | \$ 116,072                  |
| 18       |   |                                      |                                 |                             |
| 19       | Adjustment to Employee Benefits                           |                                      |                                 | \$ (19,949)                 |
| 20       |   |                                      |                                 |                             |
| 21       | <b><u>50103-Retiree Insurance Coverage</u></b>            |                                      |                                 |                             |
| 22       | FY 2019 Insurance Rates                                   | \$ 28,441                            |                                 | \$ 28,220                   |
| 23       | Monthly   | 3,791                                |                                 | 3,781                       |
| 24       | Total   | \$ 32,232                            |                                 | \$ 32,001                   |
| 25       |   |                                      |                                 |                             |
| 26       | Annualized Amount   | \$ 386,784                           |                                 | \$ 384,012                  |
| 27       |   |                                      |                                 |                             |
| 28       | Adjustment to Retiree Insurance Coverage                  |                                      |                                 | \$ (2,772)                  |
| 29       |   |                                      |                                 |                             |
| 30       | <b><u>50105-Workers Compensation</u></b>                  |                                      |                                 |                             |
| 31       | Premium FY 2018-2019                                      | \$ 55,985                            |                                 | \$ 115,426                  |
| 32       | Quarterly direct charges                                  | 1,400                                |                                 | -                           |
| 33       | Total   | \$ 57,385                            |                                 | \$ 115,426                  |
| 34       |   |                                      |                                 |                             |
| 35       | Adjustment to Workers Compensation                        |                                      |                                 | \$ 58,041                   |
| 36       |   |                                      |                                 |                             |
| 37       | <b><u>50207- Advertisement</u></b>                        |                                      |                                 |                             |
| 38       | Budget Amount   | \$ 9,000                             |                                 | \$ -                        |
| 39       | Actual 3-year Average                                     | -                                    |                                 | 3,982                       |
| 40       | Total   | \$ 9,000                             |                                 | \$ 3,982                    |
| 41       |   |                                      |                                 |                             |
| 42       | Adjustment to Advertisement                               |                                      |                                 | \$ (5,018)                  |
| 43       |   |                                      |                                 |                             |
| 44       | <b><u>50220- Consultant Fees( Rate Case Expenses)</u></b> |                                      |                                 |                             |
| 45       | Legal Fees Includes Rate Case                             | \$ 110,000                           |                                 | \$ 110,000                  |
| 46       | Financial Consultant Rate case                            | 67,000                               |                                 | 67,000                      |
| 47       | PUC Rate Case Fees  | 60,350                               |                                 | 60,350                      |
| 48       |   |                                      |                                 |                             |
| 49       | Total   | \$ 237,350                           |                                 | \$ 237,350                  |
| 50       | Normalization Period (Years)                              | 1                                    |                                 | 3                           |
| 51       |   |                                      |                                 |                             |
| 52       | Annual Rate Case Expense                                  | \$ 237,350                           |                                 | \$ 79,117                   |
| 53       |   |                                      |                                 |                             |
| 54       | Adjustment to Rate Case Expense                           |                                      |                                 | \$ (158,233)                |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Adjustment to Administration Expenses

| Line No. | Description  | FY 2020 Amount per NWD <sup>1/</sup> | Adjustment Factor <sup>2/</sup> | FY 2020 Amount per Division |
|----------|--|--------------------------------------|---------------------------------|-----------------------------|
| 55       |  |                                      |                                 |                             |
| 56       | <b><u>50261-Property Taxes</u></b>                   |                                      |                                 |                             |
| 57       |  | 2019                                 | Escalation %                    | With Escalation             |
| 58       | Portsmouth   | \$ 440,210                           | 100.0%                          | \$ 440,210                  |
| 59       | Tiverton   | 36,565                               | 100.0%                          | 36,565                      |
| 60       | Little Compton                                       | 11,756                               | 102.5%                          | 12,050                      |
| 61       | Middletown   | 58,000                               | 100.7%                          | 58,406                      |
| 62       | Total  | \$ 546,531                           |                                 |                             |
| 63       | Property Taxes per Division                          |                                      |                                 | \$ 547,231                  |
| 64       | Property Taxes per NWD                               |                                      |                                 | 557,462                     |
| 65       |  |                                      |                                 |                             |
| 66       | Adjustment to Property Tax Expense                   |                                      |                                 | <u>\$ (10,231)</u>          |
| 67       |  |                                      |                                 |                             |
| 68       | <b><u>50271-Gasoline &amp; Vehicle Allowance</u></b> |                                      |                                 |                             |
| 69       | Cost per Vehicle                                     | \$ 6,410                             |                                 | \$ 5,826                    |
| 70       | Number of Vehicles                                   | 1                                    |                                 | 1                           |
| 71       | Total  | \$ 6,410                             |                                 | \$ 5,826                    |
| 72       |  |                                      |                                 |                             |
| 73       | Adjustment to Gasoline & Vehicle Allowance           |                                      |                                 | <u>\$ (584)</u>             |
| 74       |  |                                      |                                 |                             |
| 75       | <b><u>50280-Regulatory Expense</u></b>               |                                      |                                 |                             |
| 76       | Budget Amount  | \$ 1,500                             |                                 | \$ -                        |
| 77       |  |                                      |                                 |                             |
| 78       | Adjustment to Regulatory Expense                     |                                      |                                 | <u>\$ (1,500)</u>           |
| 79       |  |                                      |                                 |                             |
| 80       | <b><u>50281-Regulatory Assessment</u></b>            |                                      |                                 |                             |
| 81       | FY 2019 Assessment                                   |                                      |                                 | \$ 86,448                   |
| 82       | Division Escalation Rate                             |                                      |                                 | 108.14%                     |
| 83       |  |                                      |                                 |                             |
| 84       | RI Div. of PUC - Assessment                          | \$110,823                            |                                 | \$ 93,481                   |
| 85       |  |                                      |                                 |                             |
| 86       | Adjustment to Regulatory Assessments                 |                                      |                                 | <u>\$ (17,342)</u>          |
| 87       |  |                                      |                                 |                             |
| 88       | <b><u>50305-Water</u></b>                            |                                      |                                 |                             |
| 89       | Monthly Average                                      | \$ 150                               |                                 | \$ 150                      |
| 90       | Number of Months                                     | 12                                   |                                 | 12                          |
| 91       |  |                                      |                                 |                             |
| 92       |  | \$ 1,800                             |                                 | \$ 1,800                    |
| 93       |  |                                      |                                 |                             |
| 94       | Adjustment to Water                                  |                                      |                                 | <u>\$ -</u>                 |
| 95       |  |                                      |                                 |                             |
| 96       | <b><u>50505-Self Insurance</u></b>                   |                                      |                                 |                             |
| 97       | Budget Amount  | \$ 5,000                             |                                 | \$ -                        |
| 98       |  |                                      |                                 |                             |
| 99       | Adjustment to Regulatory Expense                     |                                      |                                 | <u>\$ (5,000)</u>           |

Notes:

1/ NWD Filing, HJS Schedule D-7.

2/ Adjustment factor = 1 / 60% (to adjust back to 100%) X 50% (to adjust to 50%).

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Adjustment to Customer Service Expenses

| Line No. | Description  | FY 2020 Amount per NWD | FY 2020 Amount per Division |
|----------|--|------------------------|-----------------------------|
| 1        | <b><u>50002-Overtime</u></b>                         |                        |                             |
| 2        | Seasonal Shutoff Notices Labor                       | \$ 2,700               | \$ 2,571                    |
| 3        | Total  | \$ 2,700               | \$ 2,571                    |
| 4        |  |                        |                             |
| 5        | Adjustment to Overtime                               |                        | \$ (129)                    |
| 6        |  |                        |                             |
| 7        | <b><u>50100-Employee Benefits</u></b>                |                        |                             |
| 8        | Meter Repairman/Reader                               | \$ 32,275              | \$ 31,485                   |
| 9        | Prin. Account Clerk                                  | 35,345                 | 34,556                      |
| 10       | Meter Repairman/Reader                               | 36,264                 | 35,474                      |
| 11       | Maintenance Mechanic                                 | 36,608                 | 35,817                      |
| 12       | Billing Clerk 50% allocation                         | 17,673                 | 17,278                      |
| 13       | Meter Repairman/Reader                               | 36,393                 | 35,603                      |
| 14       | Water Meter Foreman                                  | 40,451                 | 39,662                      |
| 15       | FICA on OT, Temp salaries & Leave Buyback            | 524                    | 514                         |
| 16       | Total  | \$ 235,533             | \$ 230,389                  |
| 17       |  |                        |                             |
| 18       | Adjustment to Employee Benefits                      |                        | \$ (5,144)                  |
| 19       |  |                        |                             |
| 20       | <b><u>50225-Support Services</u></b>                 |                        |                             |
| 21       | Printing & mailing (TouchPoint Communications)       | \$ 16,275              | \$ 16,275                   |
| 22       | Opal Maintenance Contract                            | 5,700                  | -                           |
| 23       | Beacon Mobile License                                | 4,900                  | 4,900                       |
| 24       | Beacon Mobile Hosting                                | 21,240                 | 21,240                      |
| 25       | Badger/Orion service contract                        | 3,500                  | 3,500                       |
| 26       |  |                        |                             |
| 27       | Total  | \$51,615               | \$ 45,915                   |
| 28       |  |                        |                             |
| 29       | Adjustment to Support Services                       |                        | \$ (5,700)                  |
| 30       |  |                        |                             |
| 31       | <b><u>50271-Gasoline &amp; Vehicle Allowance</u></b> |                        |                             |
| 32       | Cost per Vehicle                                     | \$ 6,410               | \$ 5,826                    |
| 33       | Number of Vehicles                                   | 5                      | 5                           |
| 34       | Total  | \$ 32,050              | \$ 29,131                   |
| 35       |  |                        |                             |
| 36       | Adjustment to Gasoline & Vehicle Allowance           |                        | \$ (2,919)                  |
| 37       |  |                        |                             |
| 38       | <b><u>50320-Uniforms &amp; Protective Gear</u></b>   |                        |                             |
| 39       | Premium FY 2018-2019                                 | \$ 2,450               | \$ 2,450                    |
| 40       | 3-Year Normalization                                 | -                      | 3                           |
| 41       |  | \$ 2,450               | \$ 817                      |
| 42       |  |                        |                             |
| 43       | Adjustment to Uniform & Protective Gear              |                        | \$ (1,633)                  |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Adjustment to Source of Supply-Island

| Line No. | Description  | FY 2020<br>Amount per<br>NWD | FY 2020<br>Amount per<br>Division |
|----------|--|------------------------------|-----------------------------------|
| 1        | <b><u>50002-Overtime</u></b>                         |                              |                                   |
| 2        | Source of Supplies Overtime                          | \$ 25,000                    | \$ 20,657                         |
| 3        | Total  | \$ 25,000                    | \$ 20,657                         |
| 4        |  |                              |                                   |
| 5        | Adjustment to Overtime                               |                              | \$ (4,343)                        |
| 6        |  |                              |                                   |
| 7        | <b><u>50004-Temporary Salaries</u></b>               |                              |                                   |
| 8        | Temporary Labor                                      | \$ 22,800                    | \$ 6,917                          |
| 9        |  | \$ 22,800                    | \$ 6,917                          |
| 10       |  |                              |                                   |
| 11       | Adjustment to Temporary Salaries                     |                              | \$ (15,883)                       |
| 12       |  |                              |                                   |
| 13       | <b><u>50100-Employee Benefits</u></b>                |                              |                                   |
| 14       | Dist./Collect Operator                               | \$ 37,956                    | \$ 37,166                         |
| 15       | Dist./Collection Foreman                             | 39,710                       | 38,920                            |
| 16       | Dist./Collect Mechanic                               | 37,034                       | 36,244                            |
| 17       | Laborer  | 33,275                       | 32,485                            |
| 18       | Dist./Collect Operator                               | 36,574                       | 35,784                            |
| 19       | Super., Water Dist./Collect                          | 47,710                       | 46,920                            |
| 20       | Allocate 50% (Distribution)                          | (23,855)                     | (23,460)                          |
| 21       | FICA on OT, Temp salaries & Leave Buyback            | 2,239                        | 3,787                             |
| 22       | Total  | \$ 210,643                   | \$ 207,846                        |
| 23       |  |                              |                                   |
| 24       | Adjustment to Employee Benefits                      |                              | \$ (2,797)                        |
| 25       |  |                              |                                   |
| 26       | <b><u>50271-Gasoline &amp; Vehicle Allowance</u></b> |                              |                                   |
| 27       | Cost per Vehicle                                     | \$ 6,410                     | \$ 5,826                          |
| 28       | Number of Vehicles                                   | 11                           | 11                                |
| 29       | Total  | \$ 70,510                    | \$ 64,089                         |
| 30       |  |                              |                                   |
| 31       | Adjustment to Gasoline & Vehicle Allowance           |                              | \$ (6,421)                        |
| 32       |  |                              |                                   |
| 33       | <b><u>50277-Reservoir Maintenance</u></b>            |                              |                                   |
| 34       | Tree Removal   | \$ 2,500                     | \$ 1,270                          |
| 35       | Dam repairs (gravel, riprap, gabions, etc.)          | 11,000                       | 12,274                            |
| 36       | Sign Installation & Maintenance                      | 2,000                        | 828                               |
| 37       | Aquatic Herbicide & Supplies                         | 2,500                        | 1,569                             |
| 38       | Brush Cutter/Mower                                   | 5,000                        | 3,963                             |
| 39       | Dam Inspections                                      | 2,000                        | 517                               |
| 40       | Total  | \$ 25,000                    | \$ 20,420                         |
| 41       |  |                              |                                   |
| 42       | Adjustment to Reservoir Maintenance                  |                              | \$ (4,580)                        |
| 43       |  |                              |                                   |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Adjustment to Source of Supply-Island

| Line<br>No. | Description  | FY 2020<br>Amount per<br>NWD | FY 2020<br>Amount per<br>Division |
|-------------|--|------------------------------|-----------------------------------|
| 44          | <b><u>50320-Uniforms &amp; Protective Gear</u></b> |                              |                                   |
| 45          | Premium FY 2018-2019                               | \$ 2,450                     | \$ 2,000                          |
| 46          | 3-Year Normalization                               | -                            | 3                                 |
| 47          |  | \$ 2,450                     | \$ 667                            |
| 48          |  |                              |                                   |
| 49          | Adjustment to Uniform & Protective Gear            |                              | <u>\$ (1,783)</u>                 |
| 50          |  |                              |                                   |
| 51          | <b><u>50335-Chemicals</u></b>                      |                              |                                   |
| 52          | Copper Sulfate                                     | 40,000                       |                                   |
| 53          | Usage in lbs.                                      | \$ 1.6200                    |                                   |
| 54          | Cost per lb.                                       | \$ 64,800                    | \$ 60,072                         |
| 55          |  |                              |                                   |
| 56          | Green Clean Pro                                    | 30,000                       |                                   |
| 57          | Quantity   | \$ 1.0000                    |                                   |
| 58          | Cost per lb.                                       | \$ 30,000                    | <u>\$ 8,667</u>                   |
| 59          |  |                              |                                   |
| 60          | Total Cost   | \$ 94,800                    | \$ 68,739                         |
| 61          |  |                              |                                   |
| 62          | Adjustment to Chemicals                            |                              | \$ (26,061)                       |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Adjustment to Source of Supply-Mainland

| Line<br>No. | Description                            | FY 2020<br>Amount per<br>NWD | FY 2020<br>Amount per<br>Division |
|-------------|--|------------------------------|-----------------------------------|
| 1           | <b><u>50002-Overtime</u></b>           |                              |                                   |
| 2           | Source of Supplies Overtime            | \$ 4,000                     | \$ 8,922                          |
| 3           | Total                                  | \$ 4,000                     | \$ 8,922                          |
| 4           |  |                              |                                   |
| 5           | Adjustment to Overtime                 |                              | \$ 4,922                          |
| 6           |  |                              |                                   |
| 7           | <b><u>50004-Temporary Salaries</u></b> |                              |                                   |
| 8           | Temporary Labor                        | \$ 27,000                    | \$ 19,765                         |
| 9           |  | \$ 27,000                    | \$ 19,765                         |
| 10          |  |                              |                                   |
| 11          | Adjustment to Temporary Salaries       |                              | \$ (7,235)                        |



City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Adjustment to Station One

| Line No. | Description  | FY 2020 Amount per NWD | FY 2020 Amount per Division |
|----------|--|------------------------|-----------------------------|
| 1        | <b><u>50002-Overtime</u></b>                         |                        |                             |
| 2        | Source of Supplies Overtime                          | \$ 88,500              | \$ 86,431                   |
| 3        | Total  | \$ 88,500              | \$ 86,431                   |
| 4        |  |                        |                             |
| 5        | Adjustment to Overtime                               |                        | \$ (2,069)                  |
| 6        |  |                        |                             |
| 7        | <b><u>50100-Employee Benefits</u></b>                |                        |                             |
| 8        | Water Plant Op - Grade3                              | \$ 19,726              | \$ 19,726                   |
| 9        | Water Plant Op - PC#3                                | -                      | -                           |
| 10       | Water Plant Op - Grade3                              | 38,521                 | 37,731                      |
| 11       | Water Plant Op - Grade 3                             | 34,034                 | 33,244                      |
| 12       | Water Plant Op - PC#3                                | 38,539                 | 37,749                      |
| 13       | Water Qual/Prod Sup.                                 | 45,265                 | 44,421                      |
| 14       | Allocate 50% (Lawton Valley)                         | (22,633)               | (22,211)                    |
| 15       | Assist Water Treat Super                             | 43,405                 | 42,561                      |
| 16       | Allocate 50% (Lawton Valley)                         | (21,702)               | (21,281)                    |
| 17       | Water Plant Op - PC#3                                | 26,001                 | 25,674                      |
| 18       | Water Plant Op - Grade1                              | 23,261                 | 22,934                      |
| 19       | Water Plant Op - Grade1                              | 22,415                 | 22,088                      |
| 20       | Water Plant Op - Grade3                              | 38,521                 | 37,731                      |
| 21       | FICA on OT, Stipend, holiday, Leave Buyback          | 10,279                 | 10,279                      |
| 22       | Total  | \$ 295,630             | \$ 290,646                  |
| 23       |  |                        |                             |
| 24       | Adjustment to Employee Benefits                      |                        | \$ (4,984)                  |
| 25       |  |                        |                             |
| 26       | <b><u>50271-Gasoline &amp; Vehicle Allowance</u></b> |                        |                             |
| 27       | Cost per Vehicle                                     | \$ 6,410               | \$ 5,826                    |
| 28       | Number of Vehicles                                   | 1                      | 1                           |
| 29       | Total  | \$ 6,410               | \$ 5,826                    |
| 30       |  |                        |                             |
| 31       | Adjustment to Gasoline & Vehicle Allowance           |                        | \$ (584)                    |
| 32       |  |                        |                             |
| 33       | <b><u>50275-Repairs &amp; Maintenance</u></b>        |                        |                             |
| 34       | Variable frequency Drives                            | \$ 3,000               |                             |
| 35       | Gas Boilers & Hot water Heater                       | 5,000                  |                             |
| 36       | Backup Generators-annual service                     | 1,500                  |                             |
| 37       | transfer switches                                    | 600                    |                             |
| 38       | SCADA Maintenance & repair                           | 14,000                 |                             |
| 39       | Analyzer service                                     | 8,350                  |                             |
| 40       | Building Systems & AC service contact                | 10,000                 |                             |
| 41       | DAF Compressors                                      | 5,000                  |                             |
| 42       | Fire Panel Maintenance                               | 500                    |                             |
| 43       | Reservoir Rd Storage Inspection                      | 2,000                  |                             |
| 44       | MCC Breaker Panel Inspection                         | 2,000                  |                             |
| 45       | Rebuild/Repack Raw water Pumps 1 & 2                 | 2,300                  |                             |
| 46       | DAF Pump Repair                                      | 570                    |                             |
| 47       | Fire Extinguisher Service                            | 180                    |                             |
| 48       | 3-Year Historical Average                            | \$ -                   | \$ 40,286                   |
| 49       | Total  | \$55,000               | \$ 40,286                   |
| 50       |  |                        |                             |
| 51       | Adjustment to Repairs & Maintenance                  |                        | \$ (14,714)                 |
| 52       |  |                        |                             |
| 53       | <b><u>50305-Sewer Charge</u></b>                     |                        |                             |
| 54       | 3-yr average   |                        |                             |
| 55       | gallons  | 6,307,991              |                             |
| 56       | \$/Gal   | \$ 20.50               |                             |
| 57       | Cost   | \$ 129,314             |                             |
| 58       |  |                        |                             |
| 59       | <b><u>50311-Operating Supplies</u></b>               |                        |                             |
| 60       | Valves   | \$ 4,350               |                             |
| 61       | Piping   | 500                    |                             |
| 62       | Tools  | 500                    |                             |
| 63       | Mechanical Seals & Packing                           | 500                    |                             |
| 64       | Analytical Analyzer Reagents                         | 3,110                  |                             |
| 65       | Analyzer probe Salt bridges, Cell Solution, Grit f   | 670                    |                             |
| 66       | Fluoride Feeder Filter Pack                          | 365                    |                             |
| 67       | Roll towels, bathroom tissue                         | 100                    |                             |
| 68       | Cleaning supplies                                    | 200                    |                             |
| 69       | Chemical Transfer Pumps                              | 2,050                  |                             |
| 70       | GLO2 Generator Maintenance Kit & Filters             | 925                    |                             |
| 71       | Generator Fuel                                       | 850                    |                             |
| 72       | Misc.  | 880                    |                             |
| 73       | 3-Year Historical Average                            | -                      | 12,378                      |
| 74       | Total  | \$15,000               | \$ 12,378                   |
| 75       |  |                        |                             |
| 76       | Adjustment to Operating Supplies                     |                        | \$ (2,622)                  |
| 77       |  |                        |                             |
| 78       | <b><u>50320-Uniforms &amp; Protective Gear</u></b>   |                        |                             |
| 79       | Unifirst uniforms                                    | \$ 2,575               | \$ 858                      |
| 80       | Overboots  | 150                    | 50                          |
| 81       | Rain Gear  | 300                    | 100                         |
| 82       | Misc. gloves, eye protection                         | 200                    | 67                          |
| 83       | Coveralls  | 250                    | 83                          |
| 84       | Respirator Work Lights                               | 90                     | 30                          |
| 85       | Work Lights  | 60                     | 20                          |
| 86       | Total  | \$ 3,625               | \$ 1,208                    |
| 87       |  |                        |                             |
| 88       | Adjustment to Uniform & Protective Gear              |                        | \$ (2,417)                  |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Adjustment to Station One

| Line No. | Description                     | FY 2020<br>Amount per<br>NWD | FY 2020<br>Amount per<br>Division |
|----------|---------------------------------|------------------------------|-----------------------------------|
| 89       |                                 |                              |                                   |
| 90       | <b>50335-Chemicals</b>          |                              |                                   |
| 91       | PACl Quantity                   | 60,435                       |                                   |
| 92       | Unit Cost Per Gal               | \$ 1.5900                    |                                   |
| 93       | PACl Total Cost                 | \$ 96,092                    | \$ 77,568                         |
| 94       |                                 |                              |                                   |
| 95       | Hypochlorite Quantity           | 24,199                       |                                   |
| 96       | Unit Cost                       | \$ 0.9780                    |                                   |
| 97       | Chlorine Total Cost             | \$ 23,667                    | \$ 15,808                         |
| 98       |                                 |                              |                                   |
| 99       | Fluoride quantity               | 6,000                        |                                   |
| 100      | Unit cost                       | \$ 0.5871                    |                                   |
| 101      | Fluoride Total Cost             | \$ 3,523                     | \$ 2,982                          |
| 102      |                                 |                              |                                   |
| 103      | Sodium chlorite quantity        | 66,526                       |                                   |
| 104      | Unit Cost                       | \$ 0.5880                    |                                   |
| 105      | Sodium chlorite total Cost      | \$ 39,117                    | \$ 34,345                         |
| 106      |                                 |                              |                                   |
| 107      | 32% HCl Quantity                | 4,625                        |                                   |
| 108      | Unit Cost Per Gal               | \$ 1.3620                    |                                   |
| 109      | Sodium chlorite total Cost      | \$ 6,299                     | \$ 5,508                          |
| 110      |                                 |                              |                                   |
| 111      | Polymer Quantity                | 970                          |                                   |
| 112      | Unit Cost                       | \$ 8.6400                    |                                   |
| 113      | Polymer Total Cost              | \$ 8,381                     | \$ 7,313                          |
| 114      |                                 |                              |                                   |
| 115      | Sodium Hydroxide quantity       | 29,741                       |                                   |
| 116      | Unit Cost                       | \$ 1.0560                    |                                   |
| 117      | Sodium Hydroxide total cost     | \$ 31,406                    | \$ 17,842                         |
| 118      |                                 |                              |                                   |
| 119      | GAC Filters (816) Quantity      | 1,640                        |                                   |
| 120      | Unit Cost Per CF                | \$ 30.78                     |                                   |
| 121      | GAC Total Cost                  | \$ 50,479                    | \$ 49,003                         |
| 122      |                                 |                              |                                   |
| 123      | GAC AWT (400) Quantity          | 4                            |                                   |
| 124      | Unit Cost Per Vessel            | \$ 41,814                    |                                   |
| 125      | GAC Total Cost                  | \$ 167,256                   | \$ 106,154                        |
| 126      |                                 |                              |                                   |
| 127      | HCl Scrubber Media (Chlorosorb) |                              |                                   |
| 128      | HCl Scrubber Media Total Cost   | \$ 5,000                     | \$ 5,000                          |
| 129      | Total                           | \$ 431,220                   | \$ 321,523                        |
| 130      |                                 |                              |                                   |
| 131      | Adjustment to Chemicals         |                              | \$ (109,697)                      |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Adjustment to Lawton Valley

| Line No. | Description  | FY 2020<br>Amount per<br>NWD | FY 2020<br>Amount per<br>Division |
|----------|--|------------------------------|-----------------------------------|
| 1        | <b><u>50002-Overtime</u></b>                         |                              |                                   |
| 2        | Source of Supplies Overtime                          | 110,750                      | 109,464                           |
| 3        | Total  | \$ 110,750                   | \$ 109,464                        |
| 4        |  |                              |                                   |
| 5        | Adjustment to Overtime                               |                              | \$ (1,286)                        |
| 6        |  |                              |                                   |
| 7        | <b><u>50100-Employee Benefits</u></b>                |                              |                                   |
| 8        | Water Plant Op - Grade 3                             | \$ 37,025                    | \$ 36,235                         |
| 9        | Water Plant Op - Grade 3                             | 38,828                       | 38,038                            |
| 10       | Water Plant Op - Grade 3                             | 38,178                       | 37,388                            |
| 11       | Water Plant Op - Grade 3                             | 38,786                       | 37,996                            |
| 12       | Water Plant Op                                       | 24,068                       | 23,741                            |
| 13       | Allocated 50%  | 22,633                       | 22,211                            |
| 14       | Allocate 50% (Lawton Valley)                         | 21,702                       | 21,281                            |
| 15       | Water Plant Op - Grade 3                             | 36,548                       | 35,759                            |
| 16       | Water Plant Op - Grade 3                             | 26,502                       | 26,175                            |
| 17       | Water Plant Op - Grade 3                             | 38,618                       | 37,828                            |
| 18       | FICA on Leave, OT, stipend, holiday                  | 11,654                       | 11,654                            |
| 19       | Total  | \$ 334,544                   | \$ 328,307                        |
| 20       |  |                              |                                   |
| 21       | Adjustment to Employee Benefits                      |                              | \$ (6,237)                        |
| 22       |  |                              |                                   |
| 23       | <b><u>50275-Repairs &amp; Maintenance</u></b>        |                              |                                   |
| 24       | Variable frequency Drives                            | \$ 3,000                     |                                   |
| 25       | Gas Boilers & Hot water Heater                       | 5,600                        |                                   |
| 26       | Backup Generators-annual service                     | 1,500                        |                                   |
| 27       | transfer switches                                    | 600                          |                                   |
| 28       | SCADA Maintenance & repair                           | 14,000                       |                                   |
| 29       | Building Systems & A/C service contract              | 18,000                       |                                   |
| 30       | Analyzer service                                     | 9,625                        |                                   |
| 31       | DAF Compressors                                      | 4,000                        |                                   |
| 32       | Fire Panel Maintenance                               | 400                          |                                   |
| 33       | Tank Inspection                                      | 4,275                        |                                   |
| 34       | Rebuild/Repack Raw water Pumps 1 & 2                 | 3,000                        |                                   |
| 35       | Misc.  | 1,000                        |                                   |
| 36       | 3-Year Historical Average                            | -                            | 37,344                            |
| 37       | Total  | \$65,000                     | \$ 37,344                         |
| 38       |  |                              |                                   |
| 39       | Adjustment to Repairs & Maintenance                  |                              | \$ (27,656)                       |
| 40       |  |                              |                                   |
| 41       | <b><u>50305-Sewer Charge</u></b>                     |                              |                                   |
| 42       | 3-yr average   |                              |                                   |
| 43       | gallons  | 21,955,104                   |                                   |
| 44       | \$/Gal   | \$ 20.50                     |                                   |
| 45       | Cost   | \$ 450,080                   |                                   |
| 46       |  |                              |                                   |
| 47       | <b><u>50271-Gasoline &amp; Vehicle Allowance</u></b> |                              |                                   |
| 48       | Cost per Vehicle                                     | \$ 6,410                     | \$ 5,826                          |
| 49       | Number of Vehicles                                   | 1                            | 1                                 |
| 50       | Total  | \$ 6,410                     | \$ 5,826                          |
| 51       |  |                              |                                   |
| 52       | Adjustment to Gasoline & Vehicle Allowance           |                              | \$ (584)                          |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Adjustment to Lawton Valley

| Line No. | Description  | FY 2020 Amount per NWD | FY 2020 Amount per Division |
|----------|--|------------------------|-----------------------------|
| 53       |  |                        |                             |
| 54       | <b><u>50311-Operating Supplies</u></b>                   |                        |                             |
| 55       | Valves   | \$ 500                 |                             |
| 56       | Piping   | 500                    |                             |
| 57       | Tools  | 500                    |                             |
| 58       | Mechanical Seals & Packing                               | 500                    |                             |
| 59       | Analytical Analyzer Reagents                             | 2,728                  |                             |
| 60       | Analyzer probe Salt bridges, Cell Solution, Grit Filters | 669                    |                             |
| 61       | Fluoride Feeder Filter Pack                              | 364                    |                             |
| 62       | Roll towels, bathroom tissue                             | 200                    |                             |
| 63       | Cleaning Supplies  | 475                    |                             |
| 64       | Chemical Transfer Pumps                                  | 2,050                  |                             |
| 65       | GLO2 Generator Maintenance Kit & Filters                 | 924                    |                             |
| 66       | HVAC Filters   | 196                    |                             |
| 67       | Generator Fuel   | 2,814                  |                             |
| 68       | Misc.  | 880                    |                             |
| 69       | 3-Year Historical Average                                | -                      | 8,859                       |
| 70       |  |                        |                             |
| 71       | Total  | \$ 13,300              | \$ 8,859                    |
| 72       |  |                        |                             |
| 73       | Adjustment to Operating Supplies                         |                        | <u>\$ (4,441)</u>           |
| 74       |  |                        |                             |
| 75       | <b><u>50320-Uniforms &amp; Protective Gear</u></b>       |                        |                             |
| 76       | Unifirst uniforms  | \$ 2,290               | \$ 763                      |
| 77       | Overboots  | 300                    | 100                         |
| 78       | Rain Gear  | 200                    | 67                          |
| 79       | Misc. gloves, eye protection                             | 340                    | 113                         |
| 80       | Coveralls  | 275                    | 92                          |
| 81       | Respirator Work Lights                                   | 95                     | 32                          |
| 82       | Work Lights  | 100                    | 33                          |
| 83       | Total  | \$ 3,600               | \$ 1,200                    |
| 84       |  |                        |                             |
| 85       | Adjustment to Uniform & Protective Gear                  |                        | <u>\$ (2,400)</u>           |
| 86       |  |                        |                             |
| 87       | <b><u>50335-Chemicals</u></b>                            |                        |                             |
| 88       | PACI Quantity  | 86,535                 |                             |
| 89       | Unit Cost Per Gal  | \$ 1.5900              |                             |
| 90       | PACI Total Cost  | \$ 137,591             | \$ 85,960                   |
| 91       |  |                        |                             |
| 92       | Hypochlorite Quantity                                    | 32,982                 |                             |
| 93       | Unit Cost  | \$ 0.9780              |                             |
| 94       | Chlorine Total Cost                                      | \$ 32,256              | \$ 23,933                   |
| 95       |  |                        |                             |
| 96       | Fluoride quantity  | 4,656                  |                             |
| 97       | Unit cost  | \$ 0.5871              |                             |
| 98       | Fluoride Total Cost                                      | \$ 2,734               | \$ 2,686                    |
| 99       |  |                        |                             |
| 100      | Sodium chlorite quantity                                 | 39,000                 |                             |
| 101      | Unit Cost  | \$ 0.5880              |                             |
| 102      | Sodium chlorite total Cost                               | \$ 22,932              | \$ 29,786                   |
| 103      |  |                        |                             |
| 104      | 32% HCl Quantity   | 4,402                  |                             |
| 105      | Unit Cost Per Gal  | \$ 1.3620              |                             |
| 106      | Sodium chlorite total Cost                               | \$ 5,996               | \$ 2,957                    |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Adjustment to Lawton Valley

| Line<br>No. | Description                     | FY 2020<br>Amount per<br>NWD | FY 2020<br>Amount per<br>Division |
|-------------|---------------------------------|------------------------------|-----------------------------------|
| 107         |                                 |                              |                                   |
| 108         | Polymer Quantity                | 805                          |                                   |
| 109         | Unit Cost                       | \$ 8.6400                    |                                   |
| 110         | Polymer Total Cost              | \$ 6,955                     | \$ 2,595                          |
| 111         |                                 |                              |                                   |
| 112         | Sodium Hydroxide quantity       | 33,955                       |                                   |
| 113         | Unit Cost                       | \$ 1.0560                    |                                   |
| 114         | Sodium Hydroxide total cost     | \$ 35,856                    | \$ 20,032                         |
| 115         |                                 |                              |                                   |
| 116         | GAC Filters (816) Quantity      | 1,760                        |                                   |
| 117         | Unit Cost Per CF                | \$ 29.75                     |                                   |
| 118         | GAC Total Cost                  | \$ 52,360                    | \$ 16,943                         |
| 119         |                                 |                              |                                   |
| 120         | GAC AWT (400) Quantity          | 4                            |                                   |
| 121         | Unit Cost Per Vessel            | \$ 41,814                    |                                   |
| 122         | GAC Total Cost                  | \$ 167,256                   | \$ 103,055                        |
| 123         |                                 |                              |                                   |
| 124         | HCl Scrubber Media (Chlorosorb) |                              |                                   |
| 125         | HCl Scrubber Media Total Cost   | \$ 5,000                     | \$ 5,000                          |
| 126         | Total                           | \$ 468,936                   | \$ 292,947                        |
| 127         |                                 |                              |                                   |
| 128         | Adjustment to Chemicals         |                              | \$ (175,989)                      |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Adjustment to Laboratory Expenses

| Line No. | Description  | FY 2020<br>Amount per<br>NWD | FY 2020<br>Amount per<br>Division |
|----------|--|------------------------------|-----------------------------------|
| 1        | <b><u>50100-Employee Benefits</u></b>                  |                              |                                   |
| 2        | Laboratory Supervisor                                  | \$ 44,841                    | \$ 40,818                         |
| 3        | Microbiologist   | 41,608                       | 44,051                            |
| 4        | Benefits on Annual leave buyback                       | 325                          | 325                               |
| 5        | Total  | \$ 86,774                    | \$ 85,194                         |
| 6        |  |                              |                                   |
| 7        | Adjustment to Employee Benefits                        |                              | \$ (1,580)                        |
| 8        |  |                              |                                   |
| 9        | <b><u>50275-Repair &amp; Maintenance</u></b>           |                              |                                   |
| 10       | HACH QbD TOC analyzer                                  | \$ 3,375                     | \$ -                              |
| 11       | Calibration Bal & thermometers                         | 550                          | -                                 |
| 12       | Calibration lab weights                                | 275                          | -                                 |
| 13       | HACH calibrate TL 2300 (2)                             | 1,000                        | -                                 |
| 14       | HACH calibrate DR 3900 (2)                             | 1,000                        | -                                 |
| 15       | 3-Year Historical Average                              | -                            | 1,237                             |
| 16       | Total  | \$6,200                      | \$1,237                           |
| 17       |  |                              |                                   |
| 18       | Adjustment to Repair & Maintenance                     |                              | \$ (4,963)                        |
| 19       |  |                              |                                   |
| 20       | <b><u>50339-Laboratory Supplies</u></b>                |                              |                                   |
| 21       | Millipore Mills Q Interfral with UV                    | \$ -                         |                                   |
| 22       | Buffer, reagents, standards, electrodes, meters        | 14,640                       |                                   |
| 23       | Kimwipes, Gloves, Pipets, Glassware, Thermometers      | 3,450                        |                                   |
| 24       | Hach Turbidimeters                                     | 4,175                        |                                   |
| 25       | Hach Reagents and DR 3900                              | 19,100                       |                                   |
| 26       | UV 254 Meter, vials, lamp assembly                     | 4,700                        |                                   |
| 27       | Beau Hopkins Capital Controls Titrator and Pt/Pt probe | 6,950                        |                                   |
| 28       | Swift Microscope, Counting Chamber and slides          | 1,985                        |                                   |
| 29       | 3-Year Historical Average                              | -                            | 25,119                            |
| 30       | Total  | \$ 55,000                    | \$ 25,119                         |
| 31       |  |                              |                                   |
| 32       | Adjustment to Laboratory Supplies                      |                              | \$ (29,881)                       |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Adjustment to Distribution

| Line No. | Description  | FY 2020 Amount per NWD |                | FY 2020 Amount per Division |
|----------|--|------------------------|----------------|-----------------------------|
| 1        | <b><u>50002-Overtime</u></b>                         |                        |                |                             |
| 2        | Source of Supplies Overtime                          | \$ 46,500              |                | \$ 42,094                   |
| 3        | Total  | \$ 46,500              |                | \$ 42,094                   |
| 4        |  |                        |                |                             |
| 5        | Adjustment to Overtime                               |                        |                | \$ (4,406)                  |
| 6        |  |                        |                |                             |
| 7        | <b><u>50004-Temporary Salaries</u></b>               |                        |                |                             |
| 8        | Temporary Labor                                      | \$ 22,800              |                | \$ 19,456                   |
| 9        |  | \$ 22,800              |                | \$ 19,456                   |
| 10       |  |                        |                |                             |
| 11       | Adjustment to Temporary Salaries                     |                        |                | \$ (3,344)                  |
| 12       |  |                        |                |                             |
| 13       | <b><u>50100-Employee Benefits</u></b>                |                        |                |                             |
| 14       | HE Operator  | \$ 38,786              |                | \$ 37,996                   |
| 15       | Dist./Collect Mechanic                               | 24,068                 |                | 23,741                      |
| 16       | Dist./Collect Operator                               | 25,314                 |                | 24,987                      |
| 17       | Dist./Collect Mechanic                               | 36,647                 |                | 35,857                      |
| 18       | Dist./Collect Operator                               | -                      |                | -                           |
| 19       | Dist./Collect Operator                               | 24,374                 |                | 24,047                      |
| 20       | Dist./Collect Foreman                                | 40,561                 |                | 39,771                      |
| 21       | Engineering Technician                               | 40,280                 |                | 39,490                      |
| 22       | Engineering Technician                               | 25,587                 |                | 25,260                      |
| 23       | Parts/Invent Control Tech                            | 35,211                 |                | 34,421                      |
| 24       | 50% to WPC   | (17,606)               |                | (17,211)                    |
| 25       | Supervisor Dist. / Collection 50%                    | 23,855                 |                | 23,460                      |
| 26       | FICA on OT, Temp, Leave Buyback                      | 5,760                  |                | 5,760                       |
| 27       | Total  | \$ 302,837             |                | \$ 297,580                  |
| 28       |  |                        |                |                             |
| 29       | Adjustment to Employee Benefits                      |                        |                | \$ (5,257)                  |
| 30       |  |                        |                |                             |
| 31       | <b><u>50260-Heavy Equipment Rental</u></b>           |                        |                |                             |
| 32       | Excavator, 10-wheel Dump Truck,                      | \$ 8,000               | Normalized     | \$ 2,667                    |
| 33       | Asphalt Roller & Other Equipment                     | 1,000                  | 3-year Average | 2,050                       |
| 34       |  | -                      |                | -                           |
| 35       | Total  | \$ 9,000               |                | \$ 4,717                    |
| 36       |  |                        |                |                             |
| 37       | Adjustment to Heavy Equipment Rental                 |                        |                | \$ (4,283)                  |
| 38       |  |                        |                |                             |
| 39       | <b><u>50271-Gasoline &amp; Vehicle Allowance</u></b> |                        |                |                             |
| 40       |  |                        |                |                             |
| 41       | Cost per Vehicle                                     | \$ 6,410               |                | \$ 5,826                    |
| 42       | Number of Vehicles                                   | 13                     |                | 13                          |
| 43       | Total  | \$ 83,330              |                | \$ 75,741                   |
| 44       |  |                        |                |                             |
| 45       | Adjustment to Gasoline & Vehicle Allowance           |                        |                | \$ (7,589)                  |
| 46       |  |                        |                |                             |
| 47       | <b><u>50320-Uniforms &amp; Protective Gear</u></b>   |                        |                |                             |
| 48       | Unifirst uniforms                                    | \$ 2,200               |                | \$ 733                      |
| 49       | Overboots  | 700                    |                | 233                         |
| 50       | Rain Gear  | 500                    |                | 167                         |
| 51       | Misc. gloves, eye protection                         | 200                    |                | 67                          |
| 52       | Coveralls  | 200                    |                | 67                          |
| 53       | Respirator Work Lights                               | 200                    |                | 67                          |
| 54       |  | \$ 4,000               |                | \$ 1,333                    |
| 55       |  |                        |                |                             |
| 56       | Adjustment to Uniform & Protective Gear              |                        |                | \$ (2,667)                  |

City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Adjustment to Fire Protection Expenses

| Line<br>No. | Description                                  | FY 2020<br>Amount per<br>NWD | FY 2020<br>Amount per<br>Division |
|-------------|--|------------------------------|-----------------------------------|
| 1           | <b><u>50275-Repair &amp; Maintenance</u></b> |                              |                                   |
| 2           | Permits                                      | \$ 500                       | \$ -                              |
| 3           | Hydrant parts                                | 5,000                        | -                                 |
| 4           | Hydrant Paint                                | 1,800                        | -                                 |
| 5           | Misc.  | 600                          | -                                 |
| 6           | Quick Valve - Supplies                       | 7,500                        | -                                 |
| 7           | Police Details                               | 1,760                        |                                   |
| 8           | Hydrant and/or Hydrant inserts               | 14,140                       |                                   |
| 9           | 3-year Average                               | <u>-</u>                     | <u>20,394</u>                     |
| 10          |  |                              |                                   |
| 11          | Total  | \$31,300                     | \$20,394                          |
| 12          |  |                              |                                   |
| 13          | Adjustment to Repair & Maintenance           |                              | <u><u>\$ (10,906)</u></u>         |



City of Newport Water Division  
Docket No. 4933  
For the Rate Year Ending June 30, 2020  
Adjustment to Non-Rate Revenues

| Line<br>No. | Description                               | FY 2020<br>Amount per<br>NWD | Adjustment<br>Factor | FY 2020 Amount<br>per Division |
|-------------|---|------------------------------|----------------------|--------------------------------|
| 1           | <b><u>Other Operating Revenues</u></b>    |                              |                      |                                |
| 2           | Sundry Charges                            | \$ 152,508                   | 1.2683               | \$ 193,430                     |
| 3           | WPC cost share on customer service        | 331,646                      | 1.1366               | 376,939                        |
| 4           | Middletown cost share on customer service | 166,727                      | 1.1283               | 188,113                        |
| 5           | Rental of property                        | <u>92,371</u>                | 1.0316               | <u>95,294</u>                  |
| 6           | Total Other Operating Revenues            | \$ 743,252                   |                      | \$ 853,776                     |
| 7           |   |                              |                      |                                |
| 8           | Adjustment to Other Operating Revenues    |                              |                      | \$ 110,524                     |
| 9           |   |                              |                      |                                |