

# City of Newport Department of Utilities



**THE CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION**

**PETITION TO AMEND MULTI-YEAR RATE PLAN  
PURSUANT TO R.I.G.L. § 39-15.1-4 (d)**

**BEFORE THE**

**STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION**

**DOCKET NO. 4933**

**March 30, 2021**

**STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION**

**IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION**

**DOCKET NO: 4933**

**PETITION TO AMEND MULTI-YEAR RATE PLAN**  
**PURSUANT TO R.I.G.L. §39-15.1-4(d)**

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March 30, 2021

The Honorable Ronald T. Gerwatowski  
Chairman  
State of Rhode Island  
Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

**RE: *City of Newport, Utilities Department, Water Division  
Petition to Amend Multi-Year Rate Plan Pursuant To R.I.G.L. § 39-15.1-4 (d)***

Dear Chairman Gerwatowski:

Enclosed herewith please find an original and nine (9) copies of a Petition to Amend Multi-Year Rate Plan Pursuant To R.I.G.L. § 39-15.1-4 (d) filed by the City of Newport, Utilities Department, Water Division ("Newport Water").

This filing includes the pre-filed testimony of Julia A. Forgue, P.E. and Harold J. Smith and a proposed public notice. I would respectfully ask that your staff immediately review the proposed notice so that it can be published as soon as possible. Also, please note that an electronic copy of this filing has been provided to the service list from Newport Water's most recent rate filing, Docket 4933, and a hard copy has also been mailed to the Rhode Island Attorney General's Office.

The following individuals should receive all correspondence related to this matter: Julia Forgue, P.E., City of Newport, Director of Public Works, 70 Halsey Street, Newport, Rhode Island 02840; and Joseph A. Keough, Jr., Esquire, Keough & Sweeney, 41 Mendon Avenue, Pawtucket, Rhode Island 02861. Joseph A. Keough, Jr. will act as legal counsel for Newport Water and will represent the utility in all matters concerning this filing.

Thank you for your attention to these matters.

Sincerely,



Joseph A. Keough, Jr.

**STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION**

**IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION**

**DOCKET NO: 4933**

**PETITION TO AMEND MULTI-YEAR RATE PLAN PURSUANT TO R.I.G.L. §39-15.1-4(d)**

**I. INTRODUCTION**

Now comes the City Of Newport, Utilities Department, Water Division (“Newport Water” or “Newport”), and pursuant to R.I.G.L. §39-15.1-4(d), petitions the Rhode Island Public Utilities Commission (“Commission”) to amend the multi-year rate plan approved in the above-captioned Docket.

**II. FACTS**

1. On February 13, 2019, Newport Water filed an application for a general rate increase (Docket 4933).
2. In its application, Newport proposed a multi-year rate plan pursuant to R.I.G.L. §39-15.1-4.
3. The first phase (“Step One”) of the increase took effect in Fiscal Year (“FY”) 2020, and the second phase (“Step Two”) was to take effect in FY 2022, subject to a compliance filing as required by R.I.G.L. § 39-15.1-4.
4. The Step Two increase was designed to fund system wide main improvements financed by borrowings through the Rhode Island Infrastructure Bank (“RIIB”).
5. The parties in Docket 4933 entered into a revised settlement agreement, which the Commission approved at its November 22, 2019 open meeting, and through a written order (#23855) dated July 1, 2020.
6. Newport has received refunds from borrowings through RIIB as a result of project costs that were lower than borrowed amounts and RIIB’s refinancing of certain loans.
7. These funds have allowed Newport to delay the Step Two increase for debt service until FY 2023. In addition, Newport anticipates it can lower the amount preliminarily approved by the Commission in Docket 4933 to fund the debt service account.

8. As set forth in the Docket 4933 revised settlement agreement and order, Newport originally anticipated it would have to increase its debt service funding from \$6,000,000 per year (\$500,000 per month) to \$7,337,412 per year (\$611,451 per month) in FY 2022.
9. Currently, Newport anticipates that it can lower the increase for debt service funding to \$7,019,004 per year (\$584,917 per month) beginning in FY 2023.
10. R.I.G.L. § 39-15.1-4 (d) allows a water supplier to petition the Commission for a modification of an approved multi-year rate plan, and allows the Commission to reasonably modify an approved multi-year rate plan.
11. The modification of Newport's multi-year rate plan is in the best interest of Newport's ratepayers.
12. Newport's Petition to Amend Multi-Year Rate Plan is supported by the testimonies of Julia A. Forgue, P.E., Director of Utilities for the City of Newport and Harold J. Smith, Vice President of Raftelis Financial Consultants, Inc., which are incorporated herein and attached hereto.

### **III. CONCLUSION**

For the reasons set forth herein above, and in the testimonies of Julia A. Forgue, P.E. and Harold J. Smith, Newport Water asserts that it is in its ratepayers' best interest to delay the next phase of its multi-year rate plan until Fiscal Year 2023

WHEREFORE, the City Of Newport, Utilities Department, Water Division prays that the Rhode Island Public Utilities Commission grant the relief sought herein.

The City Of Newport, Utilities Department,  
Water Division

By its attorney,



Joseph A. Keough, Jr., Esquire (#4925)

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**STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION**

**IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION**

**DOCKET NUMBER: 4933**

**NOTICE OF PETITION TO AMEND MULTI-YEAR RATE PLAN**  
**PURSUANT TO R.I.G.L. §39-15.1-4(d)**

The City of Newport, Utilities Department, Water Division (“Newport”), hereby gives notice that on March 30, 2021, it filed a Petition to Amend Multi-Year Rate Plan Pursuant To R.I.G.L. § 39-15.1-4 (d) with the Rhode Island Public Utilities Commission (“Commission”).

In Docket 4933, Newport proposed a multi-year rate plan pursuant to R.I.G.L. §39-15.1-4. The first phase (“Step One”) of the increase took effect on December 1, 2019, and the second phase (“Step Two”) was to take effect on July 1, 2021, subject to a compliance filing as required by R.I.G.L. § 39-15.1-4. In its Petition to Amend Multi-Year Plan, Newport seeks to delay the Step Two increase until July 1, 2022. In addition, Newport anticipates that the Step Two increase will be lower than the increase preliminarily approved by the Commission as part of the multi-year plan in Docket 4933.

While Newport plans to implement its Step Two increase on July 1, 2022, Newport will have to submit a compliance filing in accordance with R.I.G.L. §39-15.1-4 before it implements the Step Two increase. The amount of the increase and the date of implementation are subject to approval by the Commission as part of the compliance filing process pursuant to R.I.G.L. §39-15.1-4. As part of this process, the Commission can hold a hearing on the proposed Step Two increase, and may approve, or reasonably amend, Newport’s proposal. No rate change will take effect until the Commission has conducted a full investigation and hearing on Newport’s proposed Step Two increase as part of the compliance filing process. The Commission will publish a notice of any hearing dates when they are scheduled.

Copies of Newport’s filings are on file for examination at Newport Water’s office and at the offices of the Public Utilities Commission, 89 Jefferson Boulevard, Warwick, Rhode Island. Copies of the filings were also provided to the Rhode Island Attorney General’s Department, Consumer Division.

City of Newport,  
Utilities Department,  
Water Division  
70 Halsey Street  
Newport, RI 02840

# City of Newport Department of Utilities



**THE CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION**

**PETITION TO AMEND MULTI-YEAR RATE PLAN  
PURSUANT TO R.I.G.L. § 39-15.1-4 (d)**

**TESTIMONY OF JULIA A. FORGUE, P.E.,  
DIRECTOR OF UTILITIES,  
CITY OF NEWPORT**

**BEFORE THE**

**STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION**

**DOCKET NO. 4933**

**March 30, 2021**

1 **I. INTRODUCTION**

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

3 A. Julia A. Forgue, P.E. I am employed by the City of Newport where I serve as Director  
4 of Utilities. My business address is 70 Halsey Street, Newport, RI.

5

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

7 A. I began my employment with the City of Newport on March 12, 2001 as Director of  
8 Public Works. While Director of Public Works, I also served as the General Manager of  
9 the Water Division. The City of Newport finalized a reorganization of City Departments  
10 in December 2007, and I am now the Director of Utilities.

11

12 **Q. What responsibilities do you have as Director of Utilities with regard to the**  
13 **Newport Water System?**

14 A. I serve as general manager of the water and water pollution control divisions. I plan,  
15 organize and direct activities for the Water Division ("Newport Water" or "Newport"). I  
16 direct and oversee the work of supervisors on administrative and technical issues  
17 conforming to a policy framework established by the City of Newport as well as State  
18 and Federal agencies.

19

20 **Q. Can you provide a brief description of your work experience?**

21 A. Prior to working for the City of Newport, I was employed by the City of East  
22 Providence, Rhode Island for fourteen years. For the last eleven years I managed the  
23 water division as Director of Public Works. The City of East Providence purchases water  
24 wholesale from the Providence Water Supply Board and operates and maintains its own  
25 transmission and distribution system with approximately 15,000 services. Before  
26 working for the City of East Providence, I was a project engineer at consulting firms in  
27 Colorado and New Hampshire.



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

2 A. I received a B.S. in Civil Engineering from Northeastern University in 1981 and a M.S.  
3 in Civil Engineering from the University of Colorado at Boulder in 1982. I am a registered  
4 Professional Engineer in Rhode Island and New Hampshire.

5

6 **Q. Do you have any professional affiliations?**

7 A. Yes, I am a member of the American Water Works Association, New England  
8 Waterworks Association and the Rhode Island Waterworks Association. I served as  
9 President of the RIWWA from December 2001 to December 2003. I am also a member  
10 of the Water Environment Association.

11

12 **Q Please describe your role in this proceeding?**

13 A. I am testifying in support of Newport Water's petition to modify the multi-year rate  
14 increase approved by the Rhode Island Public Utilities Commission ("Commission") in  
15 Docket 4933 pursuant to R.I.G.L. § 39-15.1-4 (d).

16

17 **Q. Can you please provide an overview of Newport's request to modify the multi-year  
18 rate plan approved by the Commission in Docket 4933?**

19 A. Yes. In Docket 4933, the Commission approved a multi-year rate increase pursuant to  
20 R.I.G.L. § 39-15.1-4. The first phase ("Step One") of the increase took effect in Fiscal Year  
21 ("FY") 2020, and the second phase ("Step Two") was to take effect in FY 2022, subject to  
22 a compliance filing as required by R.I.G.L. § 39-15.1-4. The Step Two increase was  
23 designed to fund system wide main improvements financed by borrowings through the  
24 Rhode Island Infrastructure Bank ("RIIB"). Thus, the proposed Step Two increase in FY  
25 2022 would have provided additional revenue needed to fund Newport's restricted debt  
26 service account. However, due to a combination of factors, Newport can delay the Step

1 Two increase by one year to FY 2023 and potentially lower the increase preliminarily  
2 approved by the Commission.

3

4 **II. PETITION TO MODIFY**

5 **Q. Can you provide a brief overview of the multi-year rate increase approved by the**  
6 **Commission in Docket 4933?**

7 A. Yes. In Docket 4933, Newport sought increases in FY 2020 and FY 2022. The Step One  
8 increase was driven primarily by a decrease in consumption and an increase in  
9 operation and maintenance expenses. The Step Two increase was required to service  
10 debt on approximately \$7,441,000 of borrowings through RIIB to fund system wide main  
11 improvements.

12

13 Newport reached a settlement agreement in Docket 4933 with the Division of Public  
14 Utilities and Carriers ("Division"), the Portsmouth Water and Fire District  
15 ("Portsmouth"), the United States Navy ("Navy"), and the Town of Middletown  
16 ("Middletown"). The terms of this settlement agreement provided that Newport would  
17 maintain funding of its debt service account at \$6,783,192 per year (\$565,266 per  
18 month) for FY 2020 and FY 2021, and increase funding to \$7,337,412 per year (\$611,451  
19 per month) beginning in FY 2022.

20

21 At an open meeting on October 18, 2019, the Commission approved the settlement  
22 agreement with three minor adjustments – a reallocation of the Newport City Solicitor's  
23 costs paid by Newport Water; an update to rate case costs; and, a recalculation of the  
24 Operating Revenue Allowance. Newport agreed with these adjustments and began  
25 preparing a revised settlement agreement. As we worked to make these changes, we  
26 discovered that additional funds had been deposited into the debt service account.

27

1 **Q. Can you explain the discovery of these funds in more detail?**

2 A. Yes. While preparing the revised settlement schedules, we discovered a larger  
3 balance in the restricted debt service account than we had anticipated during the  
4 litigation of Docket 4933 and during settlement negotiations. Specifically, we discovered  
5 that two deposits had recently been made into the restricted debt service account in  
6 the total amount of \$1,560,419.

7

8 The first deposit in the amount of \$1,535,152 was excess borrowed funds from Newport  
9 Water's 2013 Series A borrowing to finance the construction of a new water treatment  
10 plant at Lawton Valley and to make improvements at the Station One water treatment  
11 plant. Because these projects came in under budget, RIIB authorized Newport Water to  
12 apply the excess funds to future payments on the 2013 Series A borrowing as follows:

13

|    |             |                |
|----|-------------|----------------|
| 14 | \$1,535,152 | 9/1/18 Payment |
| 15 | \$304,528   | 3/1/19 Payment |
| 16 | \$304,528   | 9/1/19 Payment |
| 17 | \$67,349    | 3/1/20 Payment |

18

19 The debt service schedules submitted in Newport Water's original filing (HJS Schedule D-  
20 5) and the original settlement agreement (HJS Schedule D-5 Joint Settlement) reflected  
21 the credits for the 3/1/19, 9/1/19 and 3/1/20 debt service payments, but not the 9/1/18  
22 payment.

23

24 The second deposit of \$25,267 was from RIIB's refinancing of a pool of loans in which  
25 Newport was a borrower. When we discovered these excess funds, we reported them to  
26 the Division, Portsmouth, Navy and Middletown, and after discussions, the parties

1 agreed to the following changes, which were incorporated into the revised settlement  
2 agreement:

3

- 4 a. The total funding for debt service in FY 2020 and FY 2021 was reduced to  
5 \$6,000,000 per year (\$500,000 per month).  
6 b. The proposed yearly funding for debt service in FY 2022 was to remain as  
7 originally proposed at \$7,337,412 per year (\$611,451 per month), subject to  
8 approval by the Commission in the compliance filing required by R.I.G.L. § 39-  
9 15.1-4.

10

11 These revisions were approved by the Commission as part of its Docket 4933 Order.

12

13 **Q. Do these excess funds play a role in Newport's ability to delay the second step of**  
14 **the multi-year increase?**

15 A. Yes they do, and Newport received an additional \$1,601,339 in January 2020 from  
16 RIIB's refinancing of three additional loans. Newport reported the receipt of these funds  
17 to the Commission on April 29, 2020 in Newport's quarterly restricted account report.

18 At the time we indicated that:

19

20 "These extra funds may allow Newport to reduce the second step increase in FY  
21 2022, which was approved by the Commission in Docket 4933. However,  
22 Newport does not know what the actual conditions will be over the next year,  
23 especially given the COVID-19 crisis. Newport will continue to monitor this  
24 account and will address all issues regarding these extra funds and the ongoing  
25 funding of this account when it makes its Compliance Filing for the second step  
26 increase."

27

28

29

1 **Q. Have Newport's borrowing plans, or its planned system wide main improvement**  
2 **projects, changed at all?**

3 A. No. As set forth in my Docket 4933 testimony, Newport planned to undertake two  
4 borrowings – one in FY 2020 and one in FY 2022 – to fund system wide main  
5 improvements. Newport completed the first borrowing for \$4,131,000 through RIIB on  
6 July 10, 2020 , and we still plan to borrow \$3,305,000 through RIIB in April 2022.

7

8 **Q. If the Commission grants Newport's petition to modify the multi-year rate increase**  
9 **approved in Docket 4933, how much of a funding increase in FY 2023 does Newport**  
10 **anticipate now?**

11 A. Newport anticipates increasing annual funding for the debt service account from  
12 \$6,000,000 per year (\$500,000 per month) to \$7,019,004 per year (\$584,917 per  
13 month). (See Harold Smith's Testimony and Schedules) This is lower than the annual  
14 funding of \$7,337,412 (\$611,451/month) preliminarily approved in the revised  
15 settlement agreement. This increase will allow Newport to meet its debt service for the  
16 foreseeable future and potentially provides Newport with flexibility for future rate  
17 filings.

18

19 **Q. Can you elaborate?**

20 A. Yes. Harold Smith's testimony includes cash flow schedules for the debt service  
21 account for the next ten years. As set forth in these schedules, funding at a level of  
22 \$7,019,004 per year allows Newport to meet its debt service obligations without seeking  
23 a further increase for debt service during this ten year period. As such, until Newport  
24 takes on additional debt for future capital projects, we can limit the scope and amount  
25 of our rate filings to increases needed for operations and maintenance expenses and  
26 consumption issues. And depending on the amount of the increases needed, we may be

1 able to file abbreviated filings pursuant to the Commission's Rules of Practice and  
2 Procedure.

3 **Q. Will Newport submit a compliance filing before it seeks to implement the Step Two**  
4 **increase in FY 2023?**

5 A. Yes. Newport will submit a compliance filing pursuant to the requirements of R.I.G.L.  
6 § 39-15.1-4, and at that time, the exact amount of the increase will be known.

7

8 **III. NAVY WHEELING ACCOUNTS**

9 **Q. The Docket 4933 revised settlement agreement addressed the potential transfer of**  
10 **certain wheeling accounts from Newport to the Navy in conjunction with the**  
11 **implementation of the Step Two increase in FY 2022. Will Newport's proposed**  
12 **modification affect this issue at all?**

13 A. No. The revised settlement agreement stated that:

14

15 "Newport and Navy agree to pursue the steps necessary to achieve transfer of  
16 the wheeling accounts with a target date of January 2021 for completion of the  
17 transfer. If the contract can be modified and the transfer steps completed by this  
18 date, Newport can make the necessary adjustments to its revenues, subject to  
19 approval by the Commission, as part of Newport's compliance filing for the  
20 implementation of the second step increase in FY 2022."

21

22 In November 2020, the Navy informed Newport that it would not be able to accomplish  
23 all the steps necessary by January 2021 to transfer the accounts in time for Newport's  
24 implementation of the Step Two rates in FY 2022. Given the fact that Newport seeks to  
25 extend the implementation of Step Two until FY 2023, the parties may be able to  
26 address this issue when Newport submits its compliance filing next year.

27

28

29

1 **IV. CONCLUSION**

2 **Q. Does this conclude your testimony?**

3 A. Yes it does.

**THE CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION**

**PETITION TO AMEND MULTI-YEAR RATE PLAN  
PURSUANT TO R.I.G.L. § 39-15.1-4 (d)**

**TESTIMONY OF HAROLD J. SMITH,  
VICE PRESIDENT,  
RAFTELIS FINANCIAL CONSULTANTS**

**BEFORE THE**

**STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION**

**DOCKET NO. 4933**

**March 30, 2021**



1 **I. INTRODUCTION**

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

3 A. My name is Harold J. Smith, and my business address is 5619 DTC Parkway, Suite  
4 850, Greenwood Village, Colorado, 80111.

5

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

7 A. I am a Vice President of Raftelis Financial Consultants, Inc. (RFC), a consulting firm  
8 specializing in water and wastewater finance and pricing. RFC was established in 1993  
9 in Charlotte, North Carolina, by George A. Raftelis to provide environmental and  
10 management consulting services to public and private sector clients. RFC is a national  
11 leader in the development of water and wastewater rates that satisfy local government  
12 objectives.

13

14 **Q. Please describe your educational background and work experience.**

15 A. I obtained a Master of Business Administration from Wake Forest University in 1997,  
16 and a Bachelor of Science in Natural Resources from the University of the South in 1987.  
17 As an employee of Raftelis Financial Consulting, I have been involved in numerous  
18 projects for public utilities including a number of studies involving transition to new rate  
19 structures designed to address specific pricing objectives. I have also served on  
20 engagements involving a wide range of technical specialties including:

- 21 • Utility Cost of Service and Rate Structure Studies
- 22 • Privatization Feasibility Studies
- 23 • Privatization Procurements
- 24 • Utility Financial Planning Studies
- 25 • Municipal Financial Planning Studies

26

1 **Q. Have you previously testified before any regulatory agencies or in court on utility**  
2 **rate related matters?**

3 A. Yes. I provided testimony for the City of Newport, Utilities Department, Water  
4 Division ("Newport Water" or "Newport") eight previous rate filings before the  
5 Rhode Island Public Utilities Commission ("Commission") in Dockets 3578, 3675,  
6 3818, 4025, 4128, 4243, 4355 and 4595. I also provided testimony in the Providence  
7 Water Supply Board's most recent rate filings (Docket Nos. 3832, 4061, 4070, 4406,  
8 4571, 4618 and 4994). I also testified on behalf of the Consumer Advocate before  
9 the Nova Scotia Utility and Review Board (W-HRWC-R-10).

10

11 **Q. Do you belong to any professional organizations or committees?**

12 A. Yes. I am a member of the American Water Works Association where I am the past  
13 chairman of the Strategic Management Practices Committee

14

15 **II. Newport Water's Petition to Modify**

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

17 A. To support Newport Water's petition to modify the multi-year rate increase  
18 approved by the Rhode Island Public Utilities Commission ("Commission") in Docket  
19 4933 pursuant to R.I.G.L. § 39-15.1-4 (d).

20

21 **Q. Please provide an overview of Newport Water's petition to modify.**

22 A. As examined more fully in Julia Forgue's testimony, the Commission approved a  
23 multi-year rate increase pursuant to R.I.G.L. § 39-15.1-4 in Docket 4933. The first phase  
24 ("Step One") of the increase took effect in Fiscal Year ("FY") 2020, and the second phase  
25 ("Step Two") was to take effect in FY 2022, subject to a compliance filing as required by  
26 R.I.G.L. § 39-15.1-4. The Step Two increase was designed to fund system wide main

1 improvements financed through the Rhode Island Infrastructure Bank (“RIIB”). Thus,  
2 Newport proposed the Step Two increase in FY 2022 to provide additional revenue  
3 needed to fund Newport’s restricted debt service account. However, due to a  
4 combination of factors, Newport can delay the Step Two increase by one year to FY  
5 2023. Ms. Forgue examines these factors in her testimony, and I will focus on the timing  
6 and anticipated amount of Newport’s Step Two increase.

7

8 **Q. When does Newport plan on implementing the Step Two Increase?**

9 A. As set forth in Ms. Forgue’s testimony, Newport received funds from RIIB as a result  
10 of project costs that were lower than borrowed amounts and RIIB’s refinancing of  
11 certain loans. These funds allow Newport to delay the Step Two increase for debt  
12 service until FY 2023. In addition, Newport can lower the amount preliminarily approved  
13 by the Commission in Docket 4933 to fund the debt service account.

14

15 As set forth in the Docket 4933 revised settlement agreement, we originally anticipated  
16 that Newport would have to increase its debt service funding from \$6,000,000 per year  
17 (\$500,000 per month) to \$7,337,412 per year (\$611,451 per month) in FY 2022. Now,  
18 we anticipate that Newport will have to increase debt service funding to \$7,019,004 per  
19 year (\$584,917 per month) beginning in FY 2023. Attached to my testimony is HJS  
20 Schedule D-5 Compliance Filing, which shows the cash flow in the restricted debt service  
21 account for the next ten years. As set forth in this schedule, the anticipated increase  
22 allows Newport to meet its debt service obligations for the foreseeable future assuming  
23 Newport does not add additional debt after its anticipated borrowing in April 2022.

24

25

1 **Q. Will Newport submit a compliance filing before it seeks to implement the Step Two**  
2 **increase in FY 2023?**

3 A. Yes. Newport will submit a compliance filing pursuant to the requirements of R.I.G.L.  
4 § 39-15.1-4 that will confirm the exact increase it needs for debt service funding before  
5 implementing the Step Two increase. For the time being, I attached HJS Schedule A-5B  
6 Compliance Filing, which shows the rates preliminarily approved by the Commission for  
7 the Step Two increase in FY 2022, and the anticipated rates if the Commission approves  
8 the increase referenced above in Newport's next compliance filing for FY 2023.

9

10 **III. CONCLUSION**

11 **Q. Does this conclude your testimony?**

12 A. Yes it does.

Docket 4933

Rhode Island Public Utilities Commission  
 Docket 4933  
 FY 2020 Rate Filing  
 HJS Schedule A-5B Compliance Filing  
 Multi-Year Rate Plan With Gradualism

| Rates and Charges                    | Current Rates | Revised Settlement Rates |            | Proposed Rates   |            |
|--------------------------------------|---------------|--------------------------|------------|------------------|------------|
|                                      |               | Proposed FY 2022         | % Increase | Proposed FY 2023 | % Increase |
| Billing Charge (per bill)            |               |                          |            |                  |            |
| 5/8                                  | \$ 5.23       | \$ 5.60                  | 7%         | \$ 5.46          | 4%         |
| 3/4                                  | \$ 5.48       | \$ 5.86                  | 7%         | \$ 5.72          | 4%         |
| 1                                    | \$ 7.27       | \$ 7.82                  | 8%         | \$ 7.62          | 5%         |
| 1.5                                  | \$ 11.64      | \$ 12.60                 | 8%         | \$ 12.25         | 5%         |
| 2                                    | \$ 16.20      | \$ 17.58                 | 9%         | \$ 17.08         | 5%         |
| 3                                    | \$ 42.06      | \$ 45.90                 | 9%         | \$ 44.49         | 6%         |
| 4                                    | \$ 49.42      | \$ 53.95                 | 9%         | \$ 52.29         | 6%         |
| 5                                    | \$ 59.22      | \$ 64.69                 | 9%         | \$ 62.68         | 6%         |
| 6                                    | \$ 66.58      | \$ 72.74                 | 9%         | \$ 70.48         | 6%         |
| 8                                    | \$ 86.19      | \$ 94.22                 | 9%         | \$ 91.27         | 6%         |
| 10                                   | \$ 121.73     | \$ 133.15                | 9%         | \$ 128.95        | 6%         |
| Portsmouth Base Charge (4")          | \$ 1.56       | \$ 1.57                  | 1%         | \$ 1.57          | 1%         |
| Commodity Charge (per 1,000 gallons) |               |                          |            |                  |            |
| Retail                               |               |                          |            |                  |            |
| Residential                          | \$ 10.40      | \$ 11.16                 | 7%         | \$ 10.88         | 5%         |
| Non-Residential                      | \$ 11.22      | \$ 11.62                 | 4%         | \$ 11.33         | 1%         |
| Wholesale                            |               |                          |            |                  |            |
| Navy                                 | \$ 7.5620     | \$ 7.9592                | 5%         | \$ 7.7652        | 3%         |
| Portsmouth Water & Fire District     | \$ 6.1387     | \$ 6.9929                | 14%        | \$ 6.8230        | 11%        |
| Fire Protection                      |               |                          |            |                  |            |
| Public (per hydrant)                 | \$ 1,095.30   | \$ 1,234.50              | 13%        | \$ 1,198.79      | 9%         |
| Private (Connection Size)            |               |                          |            |                  |            |
| Less than 2"                         | \$38.59       | \$ 39.48                 | 2%         | \$ 38.30         | -1%        |
| 2"                                   | \$161.55      | \$ 165.29                | 2%         | \$ 160.32        | -1%        |
| 4"                                   | \$543.14      | \$ 581.53                | 7%         | \$ 564.21        | 4%         |
| 6"                                   | \$1,224.74    | \$ 1,348.13              | 10%        | \$ 1,308.29      | 7%         |
| 8"                                   | \$2,400.37    | \$ 2,670.35              | 11%        | \$ 2,591.66      | 8%         |
| 10"                                  | \$4,168.75    | \$ 4,659.25              | 12%        | \$ 4,522.13      | 8%         |
| 12"                                  | \$6,619.67    | \$ 7,415.79              | 12%        | \$ 7,197.68      | 9%         |

## Docket 4933

Rhode Island Public Utilities Commission  
 Docket 4933  
 FY 2020 Rate Filing  
 HJS Schedule D-5 Compliance Filing  
 Debt Service Restricted Account Cashflow

| FY 2018 ACTUAL                |              |              |              |              |              |              |              |              |              |              |              |              |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                               | July         | August       | September    | October      | November     | December     | January      | February     | March        | April        | May          | June         |
| <b>Debt Service Account</b>   |              |              |              |              |              |              |              |              |              |              |              |              |
| <b>Beginning Cash Balance</b> | \$ 4,326,992 | \$ 4,895,623 | \$ 5,464,815 | \$ 589,892   | \$ 1,157,484 | \$ 1,725,297 | \$ 2,293,377 | \$ 2,985,126 | \$ 3,554,201 | \$ 2,813,509 | \$ 3,382,835 | \$ 3,952,995 |
| <b>Additions</b>              |              |              |              |              |              |              |              |              |              |              |              |              |
| From Rates                    | \$567,583    | \$567,583    | \$567,583    | \$567,583    | \$567,583    | \$567,583    | \$567,583    | \$567,583    | \$567,583    | \$567,583    | \$567,583    | \$567,583    |
| From Capital Restricted Acct. | -            | -            | -            | -            | -            | -            | 123,192      | -            | -            | -            | -            | -            |
| Interest Income               | 1,048        | 1,608        | 1,922        | 8            | 230          | 496          | 974          | 1,492        | 1,766        | 1,743        | 2,577        | 3,383        |
| <b>Total Additions</b>        | \$ 568,632   | \$ 569,192   | \$ 569,505   | \$ 567,592   | \$ 567,813   | \$ 568,079   | \$ 691,749   | \$ 569,076   | \$ 569,349   | \$ 569,326   | \$ 570,160   | \$ 570,966   |
| <b>Deductions</b>             |              |              |              |              |              |              |              |              |              |              |              |              |
| To Capital Restricted Acct.   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Existing Debt Service         | -            | -            | 5,444,428    | -            | -            | -            | -            | -            | 1,310,042    | -            | -            | -            |
| <b>Total Deductions</b>       | \$ -         | \$ -         | \$ 5,444,428 | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 1,310,042 | \$ -         | \$ -         | \$ -         |
| <b>Ending Cash Balance</b>    | \$ 4,895,623 | \$ 5,464,815 | \$ 589,892   | \$ 1,157,484 | \$ 1,725,297 | \$ 2,293,377 | \$ 2,985,126 | \$ 3,554,201 | \$ 2,813,509 | \$ 3,382,835 | \$ 3,952,995 | \$ 4,523,961 |

| FY 2019 ACTUAL                |              |              |            |              |              |              |              |              |              |              |              |              |
|-------------------------------|--------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                               | July         | August       | September  | October      | November     | December     | January      | February     | March        | April        | May          | June         |
| <b>Debt Service Account</b>   |              |              |            |              |              |              |              |              |              |              |              |              |
| <b>Beginning Cash Balance</b> | \$ 4,523,961 | \$ 5,095,698 | \$ 142,721 | \$ 716,147   | \$ 1,284,000 | \$ 1,852,589 | \$ 2,421,974 | \$ 2,992,473 | \$ 2,609,094 | \$ 3,180,873 | \$ 3,752,736 | \$ 4,325,292 |
| <b>Additions</b>              |              |              |            |              |              |              |              |              |              |              |              |              |
| From Rates                    | \$567,583    | \$567,583    | \$567,583  | \$567,583    | \$567,583    | \$567,583    | \$567,583    | \$567,583    | \$567,583    | \$567,583    | \$567,583    | \$567,583    |
| From Capital Restricted Acct. | -            | -            | -          | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Interest Income               | 4,153        | 5,328        | 5,842      | 270          | 1,005        | 1,802        | 2,916        | 3,890        | 4,195        | 4,280        | 4,973        | 6,002        |
| <b>Total Additions</b>        | \$ 571,736   | \$ 572,912   | \$ 573,426 | \$ 567,854   | \$ 568,589   | \$ 569,385   | \$ 570,499   | \$ 571,473   | \$ 571,778   | \$ 571,863   | \$ 572,556   | \$ 573,585   |
| <b>Deductions</b>             |              |              |            |              |              |              |              |              |              |              |              |              |
| To Capital Restricted Acct.   | -            | -            | -          | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Existing Debt Service         | -            | 5,525,888    | -          | -            | -            | -            | -            | 954,852      | -            | -            | -            | -            |
| <b>Total Deductions</b>       | \$ -         | \$ 5,525,888 | \$ -       | \$ -         | \$ -         | \$ -         | \$ -         | \$ 954,852   | \$ -         | \$ -         | \$ -         | \$ -         |
| <b>Ending Cash Balance</b>    | \$ 5,095,698 | \$ 142,721   | \$ 716,147 | \$ 1,284,000 | \$ 1,852,589 | \$ 2,421,974 | \$ 2,992,473 | \$ 2,609,094 | \$ 3,180,873 | \$ 3,752,736 | \$ 4,325,292 | \$ 4,898,877 |

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| FY 2020 ACTUAL                |              |              |              |              |              |              |              |              |              |              |              |              |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                               | July         | August       | September    | October      | November     | December     | January      | February     | March        | April        | May          | June         |
| <b>Debt Service Account</b>   |              |              |              |              |              |              |              |              |              |              |              |              |
| <b>Beginning Cash Balance</b> | \$ 4,898,877 | \$ 7,008,227 | \$ 2,030,420 | \$ 2,606,135 | \$ 3,548,292 | \$ 4,119,054 | \$ 4,622,450 | \$ 6,727,629 | \$ 6,220,921 | \$ 6,726,436 | \$ 7,228,782 | \$ 7,728,816 |
| <b>Additions</b>              |              |              |              |              |              |              |              |              |              |              |              |              |
| From Rates                    | \$567,583    | \$567,583    | \$567,583    | \$567,583    | \$567,583    | \$500,000    | \$500,000    | \$500,000    | \$500,000    | \$500,000    | \$500,000    | \$500,000    |
| From Capital Restricted Acct. | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| From Bond Proceeds            | 1,535,152    |              |              | 371,878      |              |              |              |              |              |              |              |              |
| RIIB Refunding Credit         |              | 25,267       |              |              |              |              | 1,601,339    |              |              |              |              |              |
| Interest Income               | 6,615        | 8,381        | 8,132        | 2,696        | 3,179        | 3,396        | 3,839        | 4,596        | 5,515        | 2,347        | 33           | 37           |
| <b>Total Additions</b>        | \$ 2,109,350 | \$ 601,231   | \$ 575,715   | \$ 942,157   | \$ 570,762   | \$ 503,396   | \$ 2,105,178 | \$ 504,596   | \$ 505,515   | \$ 502,347   | \$ 500,033   | \$ 500,037   |
| <b>Deductions</b>             |              |              |              |              |              |              |              |              |              |              |              |              |
| To Capital Restricted Acct.   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Existing Debt Service         |              | 5,579,038    |              |              |              |              |              | 1,011,304    |              |              |              |              |
| <b>Total Deductions</b>       | \$ -         | \$ 5,579,038 | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 1,011,304 | \$ -         | \$ -         | \$ -         | \$ -         |
| <b>Ending Cash Balance</b>    | \$ 7,008,227 | \$ 2,030,420 | \$ 2,606,135 | \$ 3,548,292 | \$ 4,119,054 | \$ 4,622,450 | \$ 6,727,629 | \$ 6,220,921 | \$ 6,726,436 | \$ 7,228,782 | \$ 7,728,816 | \$ 8,228,853 |

|                               | FY 2021 ACTUAL |              |              |              |              |              | FY 2021 PROJECTED |              |              |              |              |              |
|-------------------------------|----------------|--------------|--------------|--------------|--------------|--------------|-------------------|--------------|--------------|--------------|--------------|--------------|
|                               | July           | August       | September    | October      | November     | December     | January           | February     | March        | April        | May          | June         |
| <b>Debt Service Account</b>   |                |              |              |              |              |              |                   |              |              |              |              |              |
| <b>Beginning Cash Balance</b> | \$ 8,228,853   | \$ 8,728,892 | \$ 3,599,098 | \$ 4,099,136 | \$ 4,599,155 | \$ 5,099,176 | \$ 5,599,205      | \$ 6,099,205 | \$ 6,599,205 | \$ 5,946,269 | \$ 6,446,269 | \$ 6,946,269 |
| <b>Additions</b>              |                |              |              |              |              |              |                   |              |              |              |              |              |
| From Rates                    | \$500,000      | \$500,000    | \$500,000    | \$500,000    | \$500,000    | \$500,000    | \$500,000         | \$500,000    | \$500,000    | \$500,000    | \$500,000    | \$500,000    |
| From Capital Restricted Acct. | -              | -            | -            | -            | -            | -            | -                 | -            | -            | -            | -            | -            |
| Interest Income               | 39             | 43           | 38           | 18           | 21           | 29           | -                 | -            | -            | -            | -            | -            |
| <b>Total Additions</b>        | \$ 500,039     | \$ 500,043   | \$ 500,038   | \$ 500,018   | \$ 500,021   | \$ 500,029   | \$ 500,000        | \$ 500,000   | \$ 500,000   | \$ 500,000   | \$ 500,000   | \$ 500,000   |
| <b>Deductions</b>             |                |              |              |              |              |              |                   |              |              |              |              |              |
| To Capital Restricted Acct.   | -              | -            | -            | -            | -            | -            | -                 | -            | -            | -            | -            | -            |
| Existing Debt Service         |                | 5,629,837    |              |              |              |              |                   |              | 1,152,936    |              |              |              |
| <b>Total Deductions</b>       | \$ -           | \$ 5,629,837 | \$ -         | \$ -         | \$ -         | \$ -         | \$ -              | \$ -         | \$ 1,152,936 | \$ -         | \$ -         | \$ -         |
| <b>Ending Cash Balance</b>    | \$ 8,728,892   | \$ 3,599,098 | \$ 4,099,136 | \$ 4,599,155 | \$ 5,099,176 | \$ 5,599,205 | \$ 6,099,205      | \$ 6,599,205 | \$ 5,946,269 | \$ 6,446,269 | \$ 6,946,269 | \$ 7,446,269 |

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| FY 2022 PROJECTED             |              |              |              |              |              |              |              |              |              |              |              |              |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| July                          | August       | September    | October      | November     | December     | January      | February     | March        | April        | May          | June         |              |
| <b>Debt Service Account</b>   |              |              |              |              |              |              |              |              |              |              |              |              |
| <b>Beginning Cash Balance</b> | \$ 7,446,269 | \$ 7,946,269 | \$ 2,539,190 | \$ 3,039,190 | \$ 3,539,190 | \$ 4,039,190 | \$ 4,539,190 | \$ 5,039,190 | \$ 5,539,190 | \$ 4,926,149 | \$ 5,426,149 | \$ 5,926,149 |
| <b>Additions</b>              |              |              |              |              |              |              |              |              |              |              |              |              |
| From Rates                    | \$500,000    | \$500,000    | \$500,000    | \$500,000    | \$500,000    | \$500,000    | \$500,000    | \$500,000    | \$500,000    | \$500,000    | \$500,000    | \$500,000    |
| From Capital Restricted Acct. | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Interest Income               | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>Total Additions</b>        | \$ 500,000   | \$ 500,000   | \$ 500,000   | \$ 500,000   | \$ 500,000   | \$ 500,000   | \$ 500,000   | \$ 500,000   | \$ 500,000   | \$ 500,000   | \$ 500,000   | \$ 500,000   |
| <b>Deductions</b>             |              |              |              |              |              |              |              |              |              |              |              |              |
| To Capital Restricted Acct.   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Existing Debt Service         | -            | 5,907,079    | -            | -            | -            | -            | -            | -            | 1,113,041    | -            | -            | -            |
| <b>Total Deductions</b>       | \$ -         | \$ 5,907,079 | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 1,113,041 | \$ -         | \$ -         | \$ -         |
| <b>Ending Cash Balance</b>    | \$ 7,946,269 | \$ 2,539,190 | \$ 3,039,190 | \$ 3,539,190 | \$ 4,039,190 | \$ 4,539,190 | \$ 5,039,190 | \$ 5,539,190 | \$ 4,926,149 | \$ 5,426,149 | \$ 5,926,149 | \$ 6,426,149 |

| FY 2023 PROJECTED             |              |              |              |              |              |              |              |              |              |              |              |              |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| July                          | August       | September    | October      | November     | December     | January      | February     | March        | April        | May          | June         |              |
| <b>Debt Service Account</b>   |              |              |              |              |              |              |              |              |              |              |              |              |
| <b>Beginning Cash Balance</b> | \$ 6,426,149 | \$ 7,011,066 | \$ 1,446,597 | \$ 2,031,514 | \$ 2,616,430 | \$ 3,201,347 | \$ 3,786,264 | \$ 4,371,180 | \$ 4,956,097 | \$ 4,458,408 | \$ 5,043,325 | \$ 5,628,241 |
| <b>Additions</b>              |              |              |              |              |              |              |              |              |              |              |              |              |
| From Rates                    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    |
| From Capital Restricted Acct. | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Interest Income               | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>Total Additions</b>        | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   |
| <b>Deductions</b>             |              |              |              |              |              |              |              |              |              |              |              |              |
| To Capital Restricted Acct.   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Existing Debt Service         | -            | 6,149,385    | -            | -            | -            | -            | -            | -            | 1,082,606    | -            | -            | -            |
| <b>Total Deductions</b>       | \$ -         | \$ 6,149,385 | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 1,082,606 | \$ -         | \$ -         | \$ -         |
| <b>Ending Cash Balance</b>    | \$ 7,011,066 | \$ 1,446,597 | \$ 2,031,514 | \$ 2,616,430 | \$ 3,201,347 | \$ 3,786,264 | \$ 4,371,180 | \$ 4,956,097 | \$ 4,458,408 | \$ 5,043,325 | \$ 5,628,241 | \$ 6,213,158 |



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| FY 2024 PROJECTED             |              |              |              |              |              |              |              |              |              |              |              |              |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                               | July         | August       | September    | October      | November     | December     | January      | February     | March        | April        | May          | June         |
| <b>Debt Service Account</b>   |              |              |              |              |              |              |              |              |              |              |              |              |
| <b>Beginning Cash Balance</b> | \$ 6,213,158 | \$ 6,798,075 | \$ 1,155,299 | \$ 1,740,216 | \$ 2,325,132 | \$ 2,910,049 | \$ 3,494,966 | \$ 4,079,882 | \$ 4,664,799 | \$ 4,244,328 | \$ 4,829,245 | \$ 5,414,161 |
| <b>Additions</b>              |              |              |              |              |              |              |              |              |              |              |              |              |
| From Rates                    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    |
| From Capital Restricted Acct. | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Interest Income               | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>Total Additions</b>        | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   |
| <b>Deductions</b>             |              |              |              |              |              |              |              |              |              |              |              |              |
| To Capital Restricted Acct.   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Existing Debt Service         | -            | 6,227,692    | -            | -            | -            | -            | -            | -            | 1,005,388    | -            | -            | -            |
| <b>Total Deductions</b>       | \$ -         | \$ 6,227,692 | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 1,005,388 | \$ -         | \$ -         | \$ -         |
| <b>Ending Cash Balance</b>    | \$ 6,798,075 | \$ 1,155,299 | \$ 1,740,216 | \$ 2,325,132 | \$ 2,910,049 | \$ 3,494,966 | \$ 4,079,882 | \$ 4,664,799 | \$ 4,244,328 | \$ 4,829,245 | \$ 5,414,161 | \$ 5,999,078 |

| FY 2025 PROJECTED             |              |              |              |              |              |              |              |              |              |              |              |              |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                               | July         | August       | September    | October      | November     | December     | January      | February     | March        | April        | May          | June         |
| <b>Debt Service Account</b>   |              |              |              |              |              |              |              |              |              |              |              |              |
| <b>Beginning Cash Balance</b> | \$ 5,999,078 | \$ 6,583,995 | \$ 866,589   | \$ 1,451,506 | \$ 2,036,423 | \$ 2,621,339 | \$ 3,206,256 | \$ 3,791,173 | \$ 4,376,089 | \$ 4,038,676 | \$ 4,623,592 | \$ 5,208,509 |
| <b>Additions</b>              |              |              |              |              |              |              |              |              |              |              |              |              |
| From Rates                    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    |
| From Capital Restricted Acct. | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Interest Income               | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>Total Additions</b>        | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   |
| <b>Deductions</b>             |              |              |              |              |              |              |              |              |              |              |              |              |
| To Capital Restricted Acct.   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Existing Debt Service         | -            | 6,302,322    | -            | -            | -            | -            | -            | -            | 922,330      | -            | -            | -            |
| <b>Total Deductions</b>       | \$ -         | \$ 6,302,322 | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 922,330   | \$ -         | \$ -         | \$ -         |
| <b>Ending Cash Balance</b>    | \$ 6,583,995 | \$ 866,589   | \$ 1,451,506 | \$ 2,036,423 | \$ 2,621,339 | \$ 3,206,256 | \$ 3,791,173 | \$ 4,376,089 | \$ 4,038,676 | \$ 4,623,592 | \$ 5,208,509 | \$ 5,793,426 |

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| FY 2026 PROJECTED             |              |              |              |              |              |              |              |              |              |              |              |              |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| July                          | August       | September    | October      | November     | December     | January      | February     | March        | April        | May          | June         |              |
| <b>Debt Service Account</b>   |              |              |              |              |              |              |              |              |              |              |              |              |
| <b>Beginning Cash Balance</b> | \$ 5,793,426 | \$ 6,378,342 | \$ 582,004   | \$ 1,166,920 | \$ 1,751,837 | \$ 2,336,754 | \$ 2,921,670 | \$ 3,506,587 | \$ 4,091,504 | \$ 3,842,971 | \$ 4,427,887 | \$ 5,012,804 |
| <b>Additions</b>              |              |              |              |              |              |              |              |              |              |              |              |              |
| From Rates                    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    |
| From Capital Restricted Acct. | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Interest Income               | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>Total Additions</b>        | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   |
| <b>Deductions</b>             |              |              |              |              |              |              |              |              |              |              |              |              |
| To Capital Restricted Acct.   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Existing Debt Service         | -            | 6,381,255    | -            | -            | -            | -            | -            | -            | 833,449      | -            | -            | -            |
| <b>Total Deductions</b>       | \$ -         | \$ 6,381,255 | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 833,449   | \$ -         | \$ -         | \$ -         |
| <b>Ending Cash Balance</b>    | \$ 6,378,342 | \$ 582,004   | \$ 1,166,920 | \$ 1,751,837 | \$ 2,336,754 | \$ 2,921,670 | \$ 3,506,587 | \$ 4,091,504 | \$ 3,842,971 | \$ 4,427,887 | \$ 5,012,804 | \$ 5,597,721 |

| FY 2027                       |              |              |            |              |              |              |              |              |              |              |              |              |
|-------------------------------|--------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| July                          | August       | September    | October    | November     | December     | January      | February     | March        | April        | May          | June         |              |
| <b>Debt Service Account</b>   |              |              |            |              |              |              |              |              |              |              |              |              |
| <b>Beginning Cash Balance</b> | \$ 5,597,721 | \$ 6,182,637 | \$ 294,118 | \$ 879,035   | \$ 1,463,951 | \$ 2,048,868 | \$ 2,633,785 | \$ 3,218,701 | \$ 3,803,618 | \$ 3,649,368 | \$ 4,234,285 | \$ 4,819,202 |
| <b>Additions</b>              |              |              |            |              |              |              |              |              |              |              |              |              |
| From Rates                    | \$584,917    | \$584,917    | \$584,917  | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    |
| From Capital Restricted Acct. | -            | -            | -          | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Interest Income               | -            | -            | -          | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>Total Additions</b>        | \$ 584,917   | \$ 584,917   | \$ 584,917 | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   |
| <b>Deductions</b>             |              |              |            |              |              |              |              |              |              |              |              |              |
| To Capital Restricted Acct.   | -            | -            | -          | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Existing Debt Service         | -            | 6,473,436    | -          | -            | -            | -            | -            | -            | 739,166      | -            | -            | -            |
| <b>Total Deductions</b>       | \$ -         | \$ 6,473,436 | \$ -       | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 739,166   | \$ -         | \$ -         | \$ -         |
| <b>Ending Cash Balance</b>    | \$ 6,182,637 | \$ 294,118   | \$ 879,035 | \$ 1,463,951 | \$ 2,048,868 | \$ 2,633,785 | \$ 3,218,701 | \$ 3,803,618 | \$ 3,649,368 | \$ 4,234,285 | \$ 4,819,202 | \$ 5,404,118 |

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| FY 2028                       |              |              |            |              |              |              |              |              |              |              |              |              |
|-------------------------------|--------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| July                          | August       | September    | October    | November     | December     | January      | February     | March        | April        | May          | June         |              |
| <b>Debt Service Account</b>   |              |              |            |              |              |              |              |              |              |              |              |              |
| <b>Beginning Cash Balance</b> | \$ 5,404,118 | \$ 5,989,035 | \$ 7,433   | \$ 592,349   | \$ 1,177,266 | \$ 1,762,183 | \$ 2,347,099 | \$ 2,932,016 | \$ 3,516,933 | \$ 3,457,539 | \$ 4,042,456 | \$ 4,627,372 |
| <b>Additions</b>              |              |              |            |              |              |              |              |              |              |              |              |              |
| From Rates                    | \$584,917    | \$584,917    | \$584,917  | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    |
| From Capital Restricted Acct. | -            | -            | -          | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Interest Income               | -            | -            | -          | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>Total Additions</b>        | \$ 584,917   | \$ 584,917   | \$ 584,917 | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   |
| <b>Deductions</b>             |              |              |            |              |              |              |              |              |              |              |              |              |
| To Capital Restricted Acct.   | -            | -            | -          | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Existing Debt Service         | -            | 6,566,519    | -          | -            | -            | -            | -            | -            | 644,310      | -            | -            | -            |
| <b>Total Deductions</b>       | \$ -         | \$ 6,566,519 | \$ -       | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 644,310   | \$ -         | \$ -         | \$ -         |
| <b>Ending Cash Balance</b>    | \$ 5,989,035 | \$ 7,433     | \$ 592,349 | \$ 1,177,266 | \$ 1,762,183 | \$ 2,347,099 | \$ 2,932,016 | \$ 3,516,933 | \$ 3,457,539 | \$ 4,042,456 | \$ 4,627,372 | \$ 5,212,289 |

| FY 2029                       |              |              |              |              |              |              |              |              |              |              |              |              |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| July                          | August       | September    | October      | November     | December     | January      | February     | March        | April        | May          | June         |              |
| <b>Debt Service Account</b>   |              |              |              |              |              |              |              |              |              |              |              |              |
| <b>Beginning Cash Balance</b> | \$ 5,212,289 | \$ 5,797,206 | \$ 481,247   | \$ 1,066,163 | \$ 1,651,080 | \$ 2,235,997 | \$ 2,820,913 | \$ 3,405,830 | \$ 3,990,747 | \$ 4,022,541 | \$ 4,607,457 | \$ 5,192,374 |
| <b>Additions</b>              |              |              |              |              |              |              |              |              |              |              |              |              |
| From Rates                    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    |
| From Capital Restricted Acct. | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Interest Income               | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>Total Additions</b>        | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   |
| <b>Deductions</b>             |              |              |              |              |              |              |              |              |              |              |              |              |
| To Capital Restricted Acct.   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Existing Debt Service         | -            | 5,900,875    | -            | -            | -            | -            | -            | -            | 553,123      | -            | -            | -            |
| <b>Total Deductions</b>       | \$ -         | \$ 5,900,875 | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 553,123   | \$ -         | \$ -         | \$ -         |
| <b>Ending Cash Balance</b>    | \$ 5,797,206 | \$ 481,247   | \$ 1,066,163 | \$ 1,651,080 | \$ 2,235,997 | \$ 2,820,913 | \$ 3,405,830 | \$ 3,990,747 | \$ 4,022,541 | \$ 4,607,457 | \$ 5,192,374 | \$ 5,777,291 |

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| FY 2030                       |              |              |              |              |              |              |              |              |              |              |              |              |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| July                          | August       | September    | October      | November     | December     | January      | February     | March        | April        | May          | June         |              |
| <b>Debt Service Account</b>   |              |              |              |              |              |              |              |              |              |              |              |              |
| <b>Beginning Cash Balance</b> | \$ 5,777,291 | \$ 6,362,207 | \$ 952,725   | \$ 1,537,642 | \$ 2,122,558 | \$ 2,707,475 | \$ 3,292,392 | \$ 3,877,308 | \$ 4,462,225 | \$ 4,590,323 | \$ 5,175,240 | \$ 5,760,156 |
| <b>Additions</b>              |              |              |              |              |              |              |              |              |              |              |              |              |
| From Rates                    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    |
| From Capital Restricted Acct. | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Interest Income               | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>Total Additions</b>        | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   |
| <b>Deductions</b>             |              |              |              |              |              |              |              |              |              |              |              |              |
| To Capital Restricted Acct.   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Existing Debt Service         | -            | 5,994,399    | -            | -            | -            | -            | -            | -            | 456,819      | -            | -            | -            |
| <b>Total Deductions</b>       | \$ -         | \$ 5,994,399 | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 456,819   | \$ -         | \$ -         | \$ -         |
| <b>Ending Cash Balance</b>    | \$ 6,362,207 | \$ 952,725   | \$ 1,537,642 | \$ 2,122,558 | \$ 2,707,475 | \$ 3,292,392 | \$ 3,877,308 | \$ 4,462,225 | \$ 4,590,323 | \$ 5,175,240 | \$ 5,760,156 | \$ 6,345,073 |

| FY 2031                       |              |              |              |              |              |              |              |              |              |              |              |              |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| July                          | August       | September    | October      | November     | December     | January      | February     | March        | April        | May          | June         |              |
| <b>Debt Service Account</b>   |              |              |              |              |              |              |              |              |              |              |              |              |
| <b>Beginning Cash Balance</b> | \$ 6,345,073 | \$ 6,929,990 | \$ 1,848,038 | \$ 2,432,955 | \$ 3,017,872 | \$ 3,602,788 | \$ 4,187,705 | \$ 4,772,622 | \$ 5,357,538 | \$ 5,575,755 | \$ 6,160,672 | \$ 6,745,588 |
| <b>Additions</b>              |              |              |              |              |              |              |              |              |              |              |              |              |
| From Rates                    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    | \$584,917    |
| From Capital Restricted Acct. | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Interest Income               | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>Total Additions</b>        | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   | \$ 584,917   |
| <b>Deductions</b>             |              |              |              |              |              |              |              |              |              |              |              |              |
| To Capital Restricted Acct.   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Existing Debt Service         | -            | 5,666,868    | -            | -            | -            | -            | -            | -            | 366,700      | -            | -            | -            |
| <b>Total Deductions</b>       | \$ -         | \$ 5,666,868 | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 366,700   | \$ -         | \$ -         | \$ -         |
| <b>Ending Cash Balance</b>    | \$ 6,929,990 | \$ 1,848,038 | \$ 2,432,955 | \$ 3,017,872 | \$ 3,602,788 | \$ 4,187,705 | \$ 4,772,622 | \$ 5,357,538 | \$ 5,575,755 | \$ 6,160,672 | \$ 6,745,588 | \$ 7,330,505 |

**CERTIFICATION**

I hereby certify that on March 30, 2021, I sent a copy of the within to all parties set forth on the attached Service List from Docket 4933 by electronic mail and copies to Luly Massaro, Commission Clerk, by electronic mail and hand delivery.

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