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July 10, 2019

**Via Electronic Mail and First Class Mail**

Luly E. Massaro, Commission Clerk  
Rhode Island Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, Rhode Island 02888

**Re: Docket 4933 – City of Newport Water Division – Multi-year Rate Filing (2019)**

Dear Ms. Massaro:

On behalf of Portsmouth Water and Fire District, enclosed for filing in the above-referenced matter are an original and nine copies of Portsmouth Water and Fire District's Prefiled Direct Testimony of David G. Bebyn, CPA.

Thank you for your attention to this matter.

Very truly yours,

Adam M. Ramos

AMR:cw  
Enclosures

cc: Docket No. 4933 Service List (electronically only)

58860110

**Docket No. 4933 - City of Newport Water Division – Multi-year Rate Filing  
Service List updated 6/17/2019**

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

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT,: Docket No. 4933  
WATER DIVISION

**Prefiled Direct Testimony  
of  
David G. Bebyn CPA  
On Behalf of  
Portsmouth Water & Fire District**

**July 10, 2019**

**INTRODUCTION**

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

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

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

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

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

**A.** Yes. I have provided testimony on several rate related matters before utility regulatory authorities in Rhode Island and Connecticut. Before the Rhode Island Public Utilities Commission (the Commission), I: (i) submitted pre-filed testimony and gave oral testimony in A&R Marine's general rate filing (Docket No. 4586), (ii) submitted pre-filed testimony and gave oral testimony on behalf of the Pascoag Utility District in Docket No. 4341 in support of the adjusted test year, rate year and rate design, (iii) submitted pre-filed testimony and gave oral testimony regarding revenue requirement and rate design on behalf of intervenors the Towns of Narragansett and South Kingstown in the rate case filed by SUEZ Water-RI and United Water (predecessor of SUEZ) – Docket No. 4800 and Docket No. 4435; and (iv) submitted pre-filed testimony and gave oral testimony in support of the adjusted test year, rate year and rate design in Woonsocket Water Division's multi-year rate filing in Docket No. 4879.

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

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

**Q. Who do you represent in this matter?**

**A.** Portsmouth Water & Fire District (Portsmouth).

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

2 **A.** My testimony reflects the results of my review of the City of Newport, Utilities  
3 Department, Water Division's (Newport Water) rate filing submitted on February 13, 2019, in  
4 this docket, as well as my review of the responses to data requests submitted to date. My  
5 testimony presents recommended revisions to Newport Water's request based on my review.  
6

7 **Q. What is Newport Water's request in this docket?**

8 **A.** Newport Water seeks to implement a multi-year rate plan pursuant to R.I.G.L. § 39-15.1-  
9 4. This proposed multi-year rate plan would increase rates in two phases. In the first phase of the  
10 increase, proposed to take effect on March 15, 2019, Newport Water proposes to collect  
11 additional operating revenue in the amount of \$2,432,021 to support a total revenue requirement  
12 of \$19,843,202. The increase proposed by Newport Water would result in a 13.97% increase in  
13 annual revenues.  
14

15 In the second phase of the increase, proposed to take effect on July 1, 2021, Newport Water  
16 proposes to collect additional operating revenue of \$556,867 to support a total revenue  
17 requirement of \$20,400,069. This second phase increase would increase Newport Water's  
18 annual revenues by 2.73%.  
19

20 **Q. How would Newport Water's request impact Portsmouth?**

21 **A.** Newport Water included a cost of service study in this docket, so the proposed new rates  
22 will have different impacts for each customer class. The rates for Portsmouth would increase by  
23 37% in the first phase, which is a much higher increase than any other class. The second phase  
24 would increase Portsmouth's rates by an additional 3%.  
25

26 **Q. What is your overall impression of Newport Water's rate proposal?**

27 **A.** Newport Water's proposed increase comes less than three years since its last increase in  
28 Docket No. 4595. The rates from that docket went into effect on September 30, 2016. In Docket  
29 No. 4595, Newport Water initially requested additional revenues of \$1,304,595 for a total cost of  
30 service of \$20,151,440. Following discovery, a public comment hearing, and evidentiary  
31 hearings, on September 20, 2016, the Commission approved only \$184,452 in additional

1 revenue, to support a total cost of service of \$19,090,130. In that case, one of Portsmouth's  
2 principal areas of concern was an excessive overall revenue requirement. Portsmouth has that  
3 same concern with the current rate filing. There are a number of revenue requirement categories  
4 that appear excessive, each of which is detailed in this testimony.

5  
6 **Q. Can you summarize your testimony?**

7 A. Over the last three decades, Portsmouth and Newport Water have negotiated and  
8 contested Newport Water's cost allocations and rate determinations. During that time, with the  
9 Commission's help, the parties made significant progress in improving Newport Water's  
10 methodology and reached agreement on the appropriate approach for Newport Water to take  
11 when calculating rates. Through this process, Portsmouth, Newport Water, and the other parties  
12 in interest to Newport Water's rate filings had, among other things: (a) agreed to a cost allocation  
13 model, (b) obtained Commission approval for Newport Water's cost allocation manual (for City  
14 Services), and (c) completed an expensive and time consuming retail customer demand study.  
15 Because of these past efforts, Portsmouth hoped and expected that this rate filing would not  
16 result in continued disagreements about previously resolved issues regarding matters such as cost  
17 allocations, customer demands, and city service expenses. Unfortunately, Newport Water  
18 continues to make decisions in its rate filings that are contrary to previously settled issues, and  
19 Portsmouth has identified several new areas of concern in Newport Water's most recent filing.

20  
21 There are four main areas of concern with Newport Water's filing:

- 22 • Excessive overall revenue requirements;
- 23 • Setting Usage with Downward Trend;
- 24 • Service Line Valuation; and
- 25 • Gradualism and Avoidance of Rate Shock.

26  
27 **Q. Have you prepared any schedules to accompany your testimony?**

28 A. Yes. The attached schedules use the same numbering as the schedules submitted by  
29 Harold Smith on behalf of Newport Water. They have been retitled using the naming convention  
30 "DGB Schedule xxx". The highlighting on these schedules denotes major revisions to Mr.

Smith's schedules. I also have prepared "DGB Schedule 1," which details Portsmouth's adjustments to Newport Water's original proposal for the rate year.

## **REVENUE REQUIREMENTS**

**Q. Can you list the categories of expense that you believe should be adjusted from the revenue requirement proposed by Newport Water?**

**A.** Yes. Those expense categories are:

- Funding of restricted accounts;
- Expenses for which Newport Water should use 3-year averages instead of 2-year averages;
- Adjustments to account for test year levels of expenditure;
- Adjustments to rate case expenses; and
- Adjustments to support and city expenses.

### **Adjustments to restricted accounts**

**Q. Can you summarize your overall concern with restricted account funding levels?**

**A.** The Commission established Newport Water's restricted reserve accounts to ensure that Newport Water has sufficient funds for its operations and capital programs. These funds have built up over many years, as Newport Water has been able to cover its costs in the specified areas without using all the revenue set aside for such costs. Based on the response to Commission data request 1-5 and Middletown data request 1-10, Newport Water had more than \$5,392,000 in its restricted accounts as of March 31, 2019. Newport Water does not need the full amounts contained within some of these restricted funds, and therefore it is just and appropriate that Newport Water reduce the proposed funding of some of these accounts to reduce its customers' rates and charges.



1 **Q. For which restricted accounts do you propose Newport Water reduce proposed**  
2 **funding?**

3 **A.** Newport Water should reduce funding to the restricted chemical, electrical and revenue  
4 reserve accounts.  
5

6 **Q. What adjustment do you propose for the electrical account?**

7 **A.** The balance of the restricted electrical account on March 31, 2019, was \$337,021.  
8 Newport Water has requested \$754,869 in rate year funding for this account. Newport Water's  
9 request does not reflect its reduced projected usage; the projected FY 2019 amount based on  
10 Newport Water's response to Middletown data request 1-11 was only \$660,176. For this reason,  
11 I propose that the rate year funding for this account be set at \$670,000, an \$84,869 reduction.  
12 The balance in the reserve account is more than sufficient to cover electrical expenses for three  
13 years if, unexpectedly, Newport Water's proposed rate year electrical expenses were to  
14 materialize.  
15

16 **Q. What adjustment do you propose for the chemical account?**

17 **A.** The balance of the restricted chemical account as of March 31, 2019, was \$231,707.  
18 Newport Water has requested a rate year funding for the restricted chemical account of  
19 \$994,956. This a sizable increase from the test year, and the projected FY 2019 amount is only  
20 \$895,118 based upon Middletown data request 1-11. Additionally, Newport Water's response to  
21 Commission data request 1-18 indicates that \$125,442 of carbon replacements fell outside of the  
22 Test Year and should have been normalized. This would shift \$125,442 to the test year, changing  
23 Test Year funding to \$761,517. Likewise, because this shifts funds from FY 2019 to the Test  
24 Year, the projected FY 2019 should be \$769,676. Both of these adjusted values are in line with  
25 the FY 2017 figure of approximately \$743,000 provided in Newport Water's response to  
26 Division data request 2-40-a. I propose that the rate year funding for the restricted chemical  
27 account be set at \$919,956, a \$75,000 reduction from Newport Water's request. This would  
28 allow for a 20% increase over the adjusted FY 2019, and the existing balance in the restricted  
29 account would be sufficient to offset the reduction for more than 3 years if Newport Water's  
30 projected rate year amount were to materialize.  
31

1 **Q. What adjustment do you propose for the operating revenue allowance account?**

2 **A.** The balance of the Operating Revenue Allowance account as of March 31, 2019, was  
3 \$873,990. Newport Water has calculated the rate year balance at 1.5% of the operating and  
4 maintenance cost. I propose a reduction of \$12,223 to reflect the various adjustments made in  
5 this section. The total individual adjustments are presented on DGB Schedule 1.

6  
7 **Adjustments to accounts for 3-year averages instead of 2 year averages**  
8

9 **Q. What expense categories do you propose Newport should have based on a 3-year**  
10 **average instead of a 2-year average?**

11 **A.** I propose changes to the requested funding levels based on using 3-year averages instead  
12 of 2-year averages in the following expense categories:

- 13 • Overtime;
- 14 • Advertisements;
- 15 • Conference & Training;
- 16 • Operating Supplies;
- 17 • Uniform and Protective Gear; and
- 18 • Laboratory Supplies.

19  
20 **Q. What adjustment do you propose for Overtime?**

21 **A.** I recommend that the revenue requirement for overtime be reduced by \$20,000, from  
22 \$277,450 to \$257,450. This adjustment is based upon a 3-year average based upon the response  
23 to Division data request 1-5. Furthermore, part c of that response indicates that Newport Water  
24 used a 2-year average because “Overtime is a payroll related expense that is certain to increase  
25 from year to year.” The projected FY 2019 amount provided in the response to Middletown data  
26 request 1-11 is less than FY 2017 and FY 2018, which refutes Newport Water’s justification and  
27 demonstrates that this 3-year average is more appropriate.

28  
29 **Q. What adjustment do you propose for Advertisements?**

30 **A.** I recommend that the revenue requirement for advertisements be reduced by \$4,498, from  
31 \$9,000 to \$4,502. This adjustment is based upon a 3-year average based upon the response to

Middletown data request 1-11. Newport Water based this revenue requirement on “previous balance,” however this is not supported by the FY 2018 actual amount and the projected FY 2019 amount that Newport Water provided in the response to Middletown data request 1-11.

**Q. What adjustment do you propose for Conference & Training?**

**A.** I recommend that the revenue requirement for Conference & Training be reduced by \$10,621, from \$19,620 to \$8,999. This adjustment is based upon a 3-year average based upon Newport Water’s response to Division data request 2-18.

**Q. What adjustment do you propose for Operating Supplies?**

**A.** I recommend that the revenue requirement for Operating Supplies be reduced by \$20,750, from \$48,500 to \$27,750. This adjustment is based upon a 3-year average based upon Newport Water’s response to Division data request 2-37. This adjustment seems more reasonable because, as set forth in Newport Water’s response to Division data request 2-37, Newport Water has spent less money on Operating Supplies each year.

**Q. What adjustment do you propose for Uniform & Protective gear?**

**A.** I recommend that the revenue requirement for Uniform & Protective gear be reduced by \$12,049, from \$15,675 to \$3,626. This adjustment is based upon a 3-year average as set forth in Newport Water’s response to Division data request 2-38.

**Q. What adjustment do you propose for Laboratory Supplies?**

**A.** I recommend that the revenue requirement for Laboratory Supplies be reduced by \$29,881, from \$55,000 to \$25,119. This adjustment is based upon a 3-year average, as set forth in Newport Water’s response to Division data request 2-26.

**Adjustments to accounts for Test Year levels**

**Q. What adjustment do you propose for the Employee Benefits account?**

**A.** The Accrued Benefit account had a balance of \$251,801 as of March 31, 2019. Newport Water has requested a rate year balance of \$1,608,510. This is far greater than the test year

1 balance of \$1,368,463. It is also inconsistent with Newport Water's response to Middletown data  
2 request 1-11 because the projected FY 2019 amount is less than the FY 2018 balance.  
3 Furthermore, in the last case (Docket No. 4595), Newport had requested \$1,438,334 (Rate year  
4 FY 2017), an amount greater than the actual test year in this case. I therefore propose setting the  
5 rate year at the test year level of \$1,368,463, a \$240,047 reduction.

6  
7 **Q. What adjustment do you propose for Regulatory Assessments?**

8 **A.** Newport Water has requested a rate year balance of \$217,200, a 27% increase over the  
9 test year balance of \$170,726. This amount is inconsistent with Newport Water's response to  
10 Middletown data request 1-11 because the projected FY 2019 amount of \$116,159 is less than  
11 the FY 2018 balance. Newport Water's proposed adjustment does not consider that its regular  
12 assessment share might decrease as a result of rate increases by other utilities yielding more  
13 revenue. I propose setting the rate year at the test year level of \$170,726, a \$46,474 reduction.

14  
15 **Adjustments to Rate Case expenses**

16  
17 **Q. What adjustments do you propose to Newport Water's rate case expenses?**

18 **A.** I recommend a reduction in the proposed Consultant fees.

19  
20 **Q. Please describe the basis for your proposed reduction in Consultant fees.**

21 **A.** Portsmouth accepts the non-rate portion (\$14,275) of the expense based upon HJS  
22 Schedule D-7. The remaining amount of \$237,350 is the rate case portion of the expense.  
23 According to Newport Water's response to Division data request 2-20, Newport Water based this  
24 amount on its last rate filing in Docket No. 4595. Prior to Docket No. 4595, however, Newport  
25 averaged \$137,064 in rate case expenses. In the Woonsocket Water Division's multi-year rate  
26 filing in Docket No. 4879, the Division recommended a rate case expense of \$150,000. This  
27 level of expense is more in line with amounts claimed by the Pawtucket Water Supply Board and  
28 the Kent County Water Authority in their rate filings. I recommend reducing Newport Water's  
29 rate case expense to \$150,000. I further recommend amortizing this amount over three years  
30 because this is a three-year multi-year filing. This change would reduce the proposed Consultant  
31 fees to \$64,275, a \$187,350 reduction.

1 **Adjustments to Support and City Service Expenses**

2  
3 **Q. What adjustment do you propose for Support Services?**

4 **A.** I recommend that the revenue requirement for advertisements be reduced by \$5,700, from  
5 \$63,485 to \$57,785. This adjustment reflects the error on HJS Schedule D-8 acknowledged in  
6 Newport Water's response to Division data request 2-19.

7  
8 **Q. Do you also propose an adjustment to City Services Expenses?**

9 **A.** Yes.

10  
11 **Q. Please identify the accounts that constitute the City Services Expense.**

12 **A.** The allocation for City Services consists of a legal and administrative account and a data  
13 processing account. The data processing account is made up of cost from the City's MIS  
14 Department.

15  
16 **Q. How are the City Services Expenses allocated?**

17 **A.** Newport Water detailed the allocation process for the City Services Expenses in its  
18 response to Division Data Request 5-16. That response attached Record Request 4 from the  
19 prior Docket No. 4595. As described in this response, Newport Water allocates four cost  
20 centers—City Manager, City Solicitor, Finance Administrator, and MIS—by comparing the  
21 Newport Water budget to the overall city budget. This allocation makes allowances for a portion  
22 of the school budget, debt service and capital. Newport Water provided its allocation calculations  
23 for the rate year in HJS Schedule D-17 attached to Mr. Smith's testimony.

24  
25 **Q. Do you agree with Newport Water's calculation?**

26 **A.** No. Newport Water's calculation appears to overstate the balance allocated to Newport  
27 Water when compared to the total operating expense presented on HJS Schedule A-1A. The  
28 Water Department budget, along with the WPC Fund, Maritime Fund, and Parking Fund,  
29 includes depreciation expense. These depreciation expenses should be removed from the  
30 calculation, just like the debt service and capital expenditures. When removed from the  
31 calculation, the allocator drops to 11.47%. Using the corrected allocator on City Manager, City

1 Solicitor, and Finance Administrator cost centers lowers the legal and administrative expense by  
2 \$22,481. Using the corrected allocator on the MIS cost centers lowers the data processing  
3 expense by \$55,125. I recommend making these two adjustments.

4  
5 **Q. What is your projected Rate Year Revenue Requirement after all adjustments**  
6 **described in this portion of your testimony?**

7 **A.** I have projected an \$827,068 reduction to total costs as shown on DGB Schedule -1.  
8 This change would reduce Newport Water's proposed additional operating revenue from  
9 \$2,432,021 to \$1,604,953 and would result in a 9.22% increase in the annual revenues.

10  
11 **Q. Does that conclude your Revenue Requirement portion of your testimony?**

12 **A.** Yes.  
13

14 **SETTING USAGE WITH DOWNWARD TREND**  
15

16 **Q. You indicated that Portsmouth also had concerns with Newport Water's calculation**  
17 **of water usage. Can you describe how Newport Water set its water sales projections?**

18 **A.** Certainly. Newport Water based its projections on a linear regression analysis of the  
19 demand by each customer class over the past three fiscal years. Those years are FY 2016, FY  
20 2017 and FY 2018 (which is the Test Year).  
21

22 **Q. How did Newport Water set sales projections in Docket No. 4595?**

23 **A.** Docket No. 4595 used a two-year average of FY 2014 and FY 2015 to project the rate  
24 year, which was FY 2017. Unfortunately, this two-year average led to revenue shortfalls for both  
25 FY 2017 and FY 2018.  
26

27 **Q. Did you agree with Newport Water's initial use of data through the end of FY 2018**  
28 **to calculate a downward trend in water sales projections?**

29 **A.** Yes. Based upon the data available through the end of FY 2018 as presented on HJS  
30 schedule D-4, Newport Water's usage data through the end of FY 2018 appeared appropriate.  
31 Newport Water reported usage in FY 2016 dramatically lower than FY 2014 and FY 2015, by

1 194,000,000 and 130,000,000 gallons, respectively. Afterwards, usage slightly increased from  
2 FY 2016 to FY 2017 (by 24,000,000 gallons) but subsequently decreased by 51,000,000 gallons.  
3

4 **Q. Did your opinion of Newport Water's usage calculations change after reviewing the**  
5 **additional data presented in Newport Water's response to Middletown data request 1-5?**

6 **A.** Yes. The presentation of the data for three quarters to date for each fiscal year, including  
7 the most recent FY 2019, shows that FY 2019 is not trending downward. Each class is using  
8 more water than FY 2018, and two of the classes had increased usage over each of the three  
9 previous years. If the fourth quarter FY 2018 was added to the three quarters of FY 2019 the  
10 usage would be 621,440,000 gallons for Residential, 461,664,000 gallons for non-residential,  
11 218,520,000 gallons for the Navy and 381,449,000 gallons for Portsmouth. Using these numbers  
12 for the Rate Year would reduce the overall increase by \$687,201.  
13

14 **Q. Do you recommend this adjustment?**

15 **A.** No. There is some risk in setting the Rate Year usage projections with this estimated FY  
16 2019 figure, which is the high point for these four years. I recommend instead using a three-year  
17 average of actual data from FY 2016, FY 2017 and FY 2018. This calculation would still provide  
18 conservative projections, specifically, usages of 624,468,000 gallons for Residential,  
19 445,232,000 gallons for non-residential, 188,877,000 gallons for the Navy and 377,003,000  
20 gallons for Portsmouth. Applying these usage numbers to the Rate Year would reduce the overall  
21 increase by \$316,402.  
22

23 **Q. What is your projected revenue requirement increase for Newport Water after this**  
24 **proposed adjustment?**

25 **A.** In the previous section of my testimony, I projected an \$827,068 reduction to total costs.  
26 Combined with the \$316,402 in savings described in this section, these changes would reduce  
27 Newport Water's proposed additional operating revenue from \$2,432,021 to \$1,288,551 and  
28 would result in a 7.27% increase in the annual revenues.  
29

30 **Q. Does that conclude the Usage portion of your testimony?**

31 **A.** Yes.

1 **SERVICE LINE VALUATION**

2

3 **Q. Can you describe in detail Portsmouth's current concerns with Newport Water's**  
4 **asset values?**

5 **A.** Yes. In Docket No. 4355 and again in Docket No. 4595, Portsmouth pointed to concerns  
6 with the value of Newport Water's assets and maintained that the values for distribution pipe and  
7 service lines were incorrect. Newport Water agreed to include an updated schedule in its next  
8 rate filing and to cooperate with the other parties on reaching agreement on the asset values  
9 "prior to the next general rate filing." Newport Water provided limited data just two days before  
10 Newport Water filed its last rate case in Docket No. 4595.

11

12 Once Portsmouth received the details of the asset valuation (well after Newport Water's filing),  
13 Portsmouth raised a number of questions about assets that appeared improperly assigned and  
14 classified. Portsmouth also informed Newport Water that the value for service lines appeared  
15 incorrect because it reflected a much lower cost per service line than the asset valuations for  
16 other municipal water utilities (about half the cost per service in Pawtucket, and about one  
17 quarter of the value per service in Providence).

18

19 In Docket No. 4595, Portsmouth proposed to use a value for service lines per connection based  
20 on the value of service lines and number of connections in the Pawtucket system. This value per  
21 service line was multiplied by the number of meters in the Newport system. When the parties  
22 could not come to an agreement, the Commission ordered Newport Water to allocate an amount  
23 not to exceed \$15,000 for an independent evaluator to assess Newport Water's service line asset  
24 values. The Commission also instructed the parties to file an agreement relating to the proposal  
25 for an independent evaluator with the Commission.

26

27 **Q. Did Newport Water complete this independent valuation of Newport Water's**  
28 **service line asset values before this filing?**

29 **A.** No. As Ms. Forgue explained on page 13 of her testimony, Newport Water issued a  
30 request for proposals for the service line valuation and received only one non-conforming bid. At



1 the time Newport Water responded to Commission data request 1-6, Newport Water had not re-  
2 issued an RFP. The parties have since worked together to reissue the RFP.

3  
4 **Q. What impact does service line allocation have on Newport Water's revenue**  
5 **requirement in this docket?**

6 **A.** Service line allocations have a material impact on the allocation between retail and  
7 wholesale water customer costs. If these costs are valued lower than actual, costs may be  
8 improperly allocated to wholesale users. Portsmouth has highlighted numerous times that  
9 Newport Water's costs are too low when compared to other water suppliers of similar size within  
10 Rhode Island. Portsmouth and the Navy have been paying rates based on an asset value that  
11 Newport Water has acknowledged may be inaccurate since Docket No. 4355, resulting in higher  
12 rates for Portsmouth.

13  
14 **Q. What do you propose in this docket?**

15 **A.** In Docket No. 4595, Portsmouth proposed using a value for service lines per connection  
16 based on the value of service lines and number of connections in the Pawtucket system. This  
17 value per service line was multiplied by the number of meters in the Newport system. Although  
18 the Commission did not adopt this proposal in Docket No. 4595, the Commission mitigated the  
19 impact of Newport Water's incorrect valuation by adopting the Division's position to  
20 incrementally move rate classes closer to their cost of service over time. I propose using this  
21 same method of incrementally moving rate classes closer to their cost of service in this docket.  
22 This approach will provide time for the correct value to be incorporated into the correct cost of  
23 service.

24  
25 **Q. How do you propose adjusting rates to incrementally move the rate classes closer to**  
26 **their cost of service over time?**

27 **A.** I recommend that the Commission set the first rate increase not to exceed 1.5 times the  
28 system average. I recommend that the second (FY 2022) increase incorporate the results of the  
29 independent evaluation of Newport Water's service line asset values, because the Cost of Service  
30 model is being used to calculate the FY 2022 rates as described in the response to Division data

request 5-22. This will give time for Newport Water to receive responses to the RFP, conduct the valuation, and incorporate the results of the independent evaluation.

**Q. Does that conclude your Service Line Valuation portion of your testimony?**

**A.** Yes.

### **GRADUALISM AND AVOIDANCE OF RATE SHOCK**

**Q. Please describe what you mean by Gradualism and Avoidance of Rate Shock?**

**A.** One of the main issues in the last rate case (Docket No. 4595) was that the Cost of Service model generated decreases for retail rates while increasing wholesale rates more than 25%. The Division recommended a more balanced distribution of the rate increases. The Division's expert testified that the Cost of Service study provides a starting point for designing the appropriate rates for the customer classes. While best practice suggests setting the rates close to the Cost of Service, the Commission has allowed for departures from a Cost of Service model to produce more manageable rate increases and to avoid rate shock. In fact, the Commission adopted the Division's position in Docket No. 4595, which allowed for a smaller increase to the wholesale customers based on the calculations provided by Newport Water.

**Q. Do you recommend implementing the principles of Gradualism and Avoidance of Rate Shock in this docket?**

**A.** Yes. Newport Water's originally submitted Cost of Service calculated a 37% increase for Portsmouth, while the average increase was a 13.97% increase in the annual revenues. Even after my adjustments for a \$827,068 reduction to total costs and the savings from additional usage of \$316,402, the cost of service model generated a 29% increase for Portsmouth as compared to the average increase of 7.27% in the annual revenues. In fact, some retail customers would actually see a decrease in volumetric rates based on my calculations. Furthermore, the ongoing difficulties with obtaining an accurate Service Line valuation cast doubt on the accuracy of the cost of service calculation for the wholesale customers – Portsmouth and the Navy.

1    **Q.     What do you recommend?**

2    **A.**As I previously stated in my section on Service Line Valuation, I recommend setting the  
3    first rate increase not to exceed 1.5 times the system average. I also propose that for the second  
4    (FY 2022), the rate increase incorporate the results of the independent evaluation of Newport  
5    Water's service line asset values.

6

7    **Q.     Does that conclude your testimony?**

8    **A.**Yes.

Rhode Island Public Utilities Commission  
Docket 4933  
FY 2020 Rate Filing  
**DGB Schedule 1**  
Revenue Requirements by Account

		Per HJS Schedule A-1A supplemental						
		Test Year (FY2018)	Test Year Normalizing Adjustments	Normalized Test Year	Rate Year Adjustments	NWD Proposed Rate Year - FY2020	PWFD Rate Year Adjustments	PWFD Proposed Rate Year - FY2020
50001	Salaries & Wages	\$ 2,534,885	\$ -	\$ 2,534,885	\$ 118,599	\$ 2,653,484	\$ -	\$ 2,653,484
50002	Overtime	\$ 273,014	\$ -	\$ 273,014	\$ 4,436	\$ 277,450	\$ (20,000)	\$ 257,450
50003	Holiday Pay	\$ 40,458	\$ -	\$ 40,458	\$ 939	\$ 41,397	\$ -	\$ 41,397
50004	Temp Salaries	\$ 63,632	\$ -	\$ 63,632	\$ 8,968	\$ 72,600	\$ -	\$ 72,600
50005	Permanent Part time	\$ 6,040	\$ -	\$ 6,040	\$ 6,860	\$ 12,900	\$ -	\$ 12,900
50044	Standby Salaries	\$ 18,857	\$ -	\$ 18,857	\$ (137)	\$ 18,720	\$ -	\$ 18,720
50045	Lead Plant Operator Stipend	\$ 15,416	\$ -	\$ 15,416	\$ 9,544	\$ 24,960	\$ -	\$ 24,960
50056	Injury Pay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50100	Employee Benefits	\$ 1,368,463	\$ -	\$ 1,368,463	\$ 240,047	\$ 1,608,510	\$ (240,047)	\$ 1,368,463
50103	Retiree Insurance Coverage	\$ 372,907	\$ -	\$ 372,907	\$ 13,877	\$ 386,784	\$ -	\$ 386,784
50105	Workers Compensation	\$ 78,304	\$ -	\$ 78,304	\$ (20,919)	\$ 57,385	\$ -	\$ 57,385
50120	Bank Fees (lock box)	\$ 13,298	\$ -	\$ 13,298	\$ 1,102	\$ 14,400	\$ -	\$ 14,400
50175	Annual Leave Buyback	\$ 32,577	\$ -	\$ 32,577	\$ 7,123	\$ 39,700	\$ -	\$ 39,700
50205	Copying & binding	\$ 532	\$ -	\$ 532	\$ 68	\$ 600	\$ -	\$ 600
50207	Advertisement	\$ 2,481	\$ -	\$ 2,481	\$ 6,519	\$ 9,000	\$ (4,498)	\$ 4,502
50210	Membership Dues & Subscriptions	\$ 4,532	\$ -	\$ 4,532	\$ 523	\$ 5,055	\$ -	\$ 5,055
50212	Conferences & Training	\$ 7,135	\$ 14,485	\$ 21,620	\$ (2,000)	\$ 19,620	\$ (10,621)	\$ 8,999
50214	Tuition Reimbursement	\$ -	\$ -	\$ -	\$ 2,000	\$ 2,000	\$ -	\$ 2,000
50220	Consultant Fees	\$ 14,275	\$ -	\$ 14,275	\$ 237,350	\$ 251,625	\$ (187,350)	\$ 64,275
50225	Support Services/Contract Services	\$ 29,568	\$ -	\$ 29,568	\$ 33,917	\$ 63,485	\$ (5,700)	\$ 57,785
50238	Postage	\$ 63,248	\$ -	\$ 63,248	\$ 1,952	\$ 65,200	\$ -	\$ 65,200
50239	Fire & Liability Insurance	\$ 178,189	\$ -	\$ 178,189	\$ (5,689)	\$ 172,500	\$ -	\$ 172,500
50251	Telephone & Communication	\$ 10,808	\$ -	\$ 10,808	\$ (208)	\$ 10,600	\$ -	\$ 10,600
50260	Rental of Equipment	\$ 2,422	\$ -	\$ 2,422	\$ 8,578	\$ 11,000	\$ -	\$ 11,000
50266	Legal & Administrative	\$ 333,848	\$ -	\$ 333,848	\$ (5,536)	\$ 328,312	\$ (22,481)	\$ 305,831
50267	Data Processing	\$ 231,161	\$ -	\$ 231,161	\$ 112,014	\$ 343,175	\$ (55,125)	\$ 288,050
50268	Mileage Allowance	\$ 392	\$ -	\$ 392	\$ 1,608	\$ 2,000	\$ -	\$ 2,000
50271	Gasoline & Vehicle Allowance	\$ 205,360	\$ -	\$ 205,360	\$ (240)	\$ 205,120	\$ -	\$ 205,120
50275	Repairs & Maintenance	\$ 168,548	\$ 16,061	\$ 184,609	\$ 60,091	\$ 244,700	\$ -	\$ 244,700
50276	Main Maintenance	\$ 84,145	\$ -	\$ 84,145	\$ (18,145)	\$ 66,000	\$ -	\$ 66,000
50277	Reservoir Maintenance	\$ 25,623	\$ -	\$ 25,623	\$ 11,377	\$ 37,000	\$ -	\$ 37,000
50280	Regulatory Expense	\$ 906	\$ -	\$ 906	\$ 594	\$ 1,500	\$ -	\$ 1,500
50281	Regulatory Assessment	\$ 170,726	\$ -	\$ 170,726	\$ 46,474	\$ 217,200	\$ (46,474)	\$ 170,726
50296	Service Maintenance	\$ 27,194	\$ -	\$ 27,194	\$ 2,806	\$ 30,000	\$ -	\$ 30,000
50299	Meter Maintenance	\$ 7,696	\$ -	\$ 7,696	\$ 2,304	\$ 10,000	\$ -	\$ 10,000
50305	Water/Sewer Charge	\$ 538,636	\$ -	\$ 538,636	\$ 58,689	\$ 597,325	\$ -	\$ 597,325
50306	Electricity	\$ 729,297	\$ -	\$ 729,297	\$ 25,572	\$ 754,869	\$ (84,869)	\$ 670,000
50307	Natural Gas	\$ 63,856	\$ -	\$ 63,856	\$ (14,696)	\$ 49,160	\$ -	\$ 49,160
50308	Property Taxes	\$ 535,316	\$ -	\$ 535,316	\$ 22,146	\$ 557,462	\$ -	\$ 557,462
50311	Operating Supplies	\$ 30,233	\$ 23,753	\$ 53,986	\$ (5,486)	\$ 48,500	\$ (20,750)	\$ 27,750
50320	Uniforms & protective Gear	\$ 3,081	\$ -	\$ 3,081	\$ 12,594	\$ 15,675	\$ (12,049)	\$ 3,626
50335	Chemicals	\$ 636,075	\$ -	\$ 636,075	\$ 358,881	\$ 994,956	\$ (75,000)	\$ 919,956
50339	Laboratory Supplies	\$ 21,104	\$ -	\$ 21,104	\$ 33,896	\$ 55,000	\$ (29,881)	\$ 25,119
50361	Office Supplies	\$ 10,136	\$ 1,864	\$ 12,000	\$ (155)	\$ 11,845	\$ -	\$ 11,845
50380	Customer Service Supplies	\$ 1,951	\$ -	\$ 1,951	\$ 1,049	\$ 3,000	\$ -	\$ 3,000
50505	Self Insurance	\$ 2,584	\$ -	\$ 2,584	\$ 2,416	\$ 5,000	\$ -	\$ 5,000
50515	Unemployment Claims	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50520	Accrued Benefits Buyout	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60001	Hydrant Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		<b>8,958,909</b>	<b>56,163</b>	<b>9,015,072</b>	<b>1,381,702</b>	<b>10,396,774</b>	<b>(814,845)</b>	<b>9,581,929</b>
	Contribution to Capital	\$ 2,508,830	\$ -	\$ 2,508,830	\$ (8,830)	\$ 2,500,000	\$ -	\$ 2,500,000
	Contribution to Debt	\$ 6,810,996	\$ -	\$ 6,810,996	\$ (27,801)	\$ 6,783,195	\$ -	\$ 6,783,195
	Total Capital	<b>9,319,826</b>	<b>-</b>	<b>9,319,826</b>	<b>(36,631)</b>	<b>9,283,195</b>	<b>-</b>	<b>9,283,195</b>
	Operating Reserve	<b>268,767</b>	<b>(1,469)</b>	<b>267,298</b>	<b>(111,346)</b>	<b>155,952</b>	<b>(12,223)</b>	<b>143,729</b>
	Total Cost before offsets	<b>18,547,502</b>	<b>54,694</b>	<b>18,602,196</b>	<b>1,233,725</b>	<b>19,835,921</b>	<b>(827,068)</b>	<b>19,008,853</b>
	Non Rate Revenue	<b>837,621</b>	<b>-</b>	<b>837,621</b>	<b>(16,321)</b>	<b>821,300</b>	<b>-</b>	<b>821,300</b>
	Net Costs to be recovered through rates	<b>17,709,881</b>	<b>54,694</b>	<b>17,764,575</b>	<b>1,250,046</b>	<b>19,014,621</b>	<b>(827,068)</b>	<b>18,187,553</b>

Rhode Island Public Utilities Commission  
Docket 4933  
FY 2020 Rate Filing  
DGB Schedule A-1A  
Revenue Requirements by Account

		Docket 4595	Test Year (FY2018)	Test Year Normalizing Adjustments	Normalized Test Year	Rate Year Adjustments	Proposed Rate Year - FY2020
O&M COSTS							
Administration							
50001	Salaries & Wages	\$ 281,582	\$ 286,942	\$ -	\$ 286,942	\$ 10,975	\$ 297,917
	AFSCME retro	-	-	-	-	-	-
	NEA retro	-	-	-	-	-	-
	AFSCME benefits on retro pay	-	-	-	-	-	-
	NEA benefits on retro pay	-	-	-	-	-	-
50044	Standby Salaries	18,720	18,857	-	18,857	(137)	18,720
50520	Accrued Benefits Buyout	-	-	-	-	-	-
50100	Employee Benefits	115,683	139,015	-	139,015	(0)	139,015
50103	Retiree Insurance Coverage	265,000	372,907	-	372,907	13,877	386,784
50105	Workers Compensation	64,000	78,304	-	78,304	(20,919)	57,385
50175	Annual Leave Buyback	3,300	3,750	-	3,750	(1,250)	2,500
50207	Advertisement	9,000	2,481	-	2,481	2,021	4,502
50210	Membership Dues & Subscriptions	2,500	4,532	-	4,532	523	5,055
50212	Conferences & Training	4,000	410	3,590	4,000	(2,453)	1,547
50214	Tuition Reimbursement	2,000	-	-	-	2,000	2,000
50220	Consultant Fees	136,878	14,275	-	14,275	50,000	64,275
50238	Postage	1,000	941	-	941	59	1,000
50239	Fire & Liability Insurance	67,000	78,689	-	78,689	(42,189)	36,500
50251	Telephone & Communication	5,600	10,808	-	10,808	(208)	10,600
50305	Water	2,015	1,725	-	1,725	75	1,800
50306	Electricity	7,956	7,293	-	7,293	(1,124)	6,169
50307	Natural Gas	5,226	5,504	-	5,504	(379)	5,125
50308	Property Taxes	567,770	535,316	-	535,316	22,146	557,462
50266	Legal & Administrative			-	-	-	-
	Audit Fees	4,511	4,511	-	4,511	433	4,944
	OPEB Contribution	27,648	27,648	-	27,648	3,840	31,488
	City Council	3,155	3,155	-	3,155	788	3,943
	City Clerk	4,409	4,409	-	4,409	128	4,537
	City Manager	88,016	88,016	-	88,016	(23,704)	64,313
	Human Resources	5,926	5,926	-	5,926	267	6,193
	City Solicitor	26,096	26,096	-	26,096	5,059	31,155
	Finance Administrative 50%	31,570	31,570	-	31,570	(9,569)	22,001
	Finance Administrative 5%	3,201	3,201	-	3,201	162	3,363
	Finance Admin 10% Inv/Debt	14,359	14,359	-	14,359	(2,551)	11,809
	Purchasing	20,603	20,603	-	20,603	1,802	22,404
	Assessment	-	-	-	-	-	-
	Collections	44,183	44,183	-	44,183	(19,355)	24,828
	Accounting - Wires - 5%	9,456	9,456	-	9,456	(307)	9,149
	Accounting	50,716	50,716	-	50,716	14,988	65,704
	Facilities Maintenance	-	-	-	-	-	-
50267	Data Processing	231,161	231,161	-	231,161	56,889	288,050
50268	Mileage Allowance	2,000	392	-	392	1,608	2,000
50271	Gasoline & Vehicle Allowance	5,389	10,723	-	10,723	(4,313)	6,410
50275	Repairs & Maintenance	1,200	-	-	-	1,000	1,000
50280	Regulatory Expense	5,000	906	-	906	594	1,500
50281	Regulatory Assessment	80,000	112,456	-	112,456	-	112,456
50361	Office Supplies	15,000	10,136	1,864	12,000	(155)	11,845
50505	Self Insurance	5,000	2,584	-	2,584	2,416	5,000
50515	Unemployment Claims	-	-	-	-	-	-
Subtotal:		\$ 2,237,828	\$ 2,263,955	\$ 5,454	\$ 2,269,409	\$ 63,038	\$ 2,332,447

Rhode Island Public Utilities Commission  
Docket 4933  
FY 2020 Rate Filing  
DGB Schedule A-1A  
Revenue Requirements by Account

Account		Docket 4595	Test Year (FY2018)	Test Year Normalizing Adjustments	Normalized Test Year	Rate Year Adjustments	Proposed Rate Year - FY2020
Customer Service							
50001	Salaries & Wages	\$ 309,310	\$ 291,674	\$ -	\$ 291,674	\$ 41,740	\$ 333,414
50002	Overtime	5,409	2,611	-	2,611	(161)	2,450
	Collections	-	-	-	-	-	-
50004	Temp Salaries	14,976	-	-	-	-	-
50056	Injury Pay	-	-	-	-	-	-
50100	Employee Benefits	186,231	173,340	-	173,340	0	173,340
50120	Bank Fees (lock box)	16,800	13,298	-	13,298	1,102	14,400
50175	Annual Leave Buyback	4,500	2,526	-	2,526	1,624	4,150
50205	Copying & binding	500	532	-	532	68	600
50212	Conferences & Training	5,000	840	4,160	5,000	(4,700)	300
50225	Support Services	26,175	19,252	-	19,252	26,663	45,915
50238	Postage	74,680	62,307	-	62,307	1,893	64,200
50271	Gasoline & Vehicle Allowance	26,945	30,831	-	30,831	1,219	32,050
50275	Repairs & Maintenance	35,000	22,708	-	22,708	12,292	35,000
50299	Meter Maintenance	10,000	7,696	-	7,696	2,304	10,000
50311	Operating Supplies	5,000	7,924	(2,924)	5,000	(5,000)	-
50320	Uniforms & protective Gear	1,000	-	-	-	143	143
50380	Customer Service Supplies	5,000	1,951	-	1,951	1,049	3,000
Subtotal:		\$ 726,526	\$ 637,490	\$ 1,236	\$ 638,726	\$ 80,236	\$ 718,962
Source of Supply - Island							
50001	Salaries & Wages	\$ 309,950	\$ 297,103	\$ -	\$ 297,103	\$ 15,551	\$ 312,654
50002	Overtime	33,000	27,936	-	27,936	(8,249)	19,687
50004	Temp Salaries	26,180	20,270	-	20,270	2,530	22,800
50056	Injury Pay	-	-	-	-	-	-
50100	Employee Benefits	174,277	175,319	-	175,319	(0)	175,319
50175	Annual Leave Buyback	3,800	-	-	-	1,700	1,700
50306	Electricity	49,880	42,593	-	42,593	(8,165)	34,428
50271	Gas/Vehicle Maintenance	59,279	57,957	-	57,957	12,553	70,510
50275	Repairs & Maintenance	10,000	11,086	-	11,086	2,914	14,000
50277	Reservoir Maintenance	16,000	21,424	-	21,424	3,576	25,000
50311	Operating Supplies	7,500	9,251	(1,751)	7,500	(1,100)	6,400
50320	Uniforms & protective Gear	1,510	238	-	238	857	1,095
50335	Chemicals	66,800	61,200	-	61,200	33,600	94,800
Subtotal:		\$ 758,176	\$ 724,377	\$ (1,751)	\$ 722,626	\$ 55,767	\$ 778,393
Source of Supply - Mainland							
50002	Overtime	\$ 11,610	\$ 5,023	\$ -	\$ 5,023	\$ 3,480	\$ 8,503
50004	Temp Salaries	29,996	21,106	-	21,106	5,894	27,000
50005	Permanent Part time	12,900	6,040	-	6,040	6,860	12,900
50100	Employee Benefits	2,525	2,461	-	2,461	0	2,461
50306	Electricity	154,424	149,593	-	149,593	(6,880)	142,713
50275	Repairs & Maintenance	7,000	18,462	-	18,462	(1,462)	17,000
50277	Reservoir Maintenance	4,500	4,199	-	4,199	7,801	12,000
50311	Operating Supplies	1,000	178	822	1,000	(874)	126
Subtotal:		\$ 223,955	\$ 207,062	\$ 822	\$ 207,884	\$ 14,819	\$ 222,703

Rhode Island Public Utilities Commission  
Docket 4933  
FY 2020 Rate Filing  
DGB Schedule A-1A  
Revenue Requirements by Account

Account		Docket 4595	Test Year (FY2018)	Test Year Normalizing Adjustments	Normalized Test Year	Rate Year Adjustments	Proposed Rate Year - FY2020
Station One							
50001	Salaries & Wages	\$ 511,075	\$ 561,329	\$ -	\$ 561,329	\$ (48,284)	\$ 513,045
50002	Overtime	102,940	91,625	-	91,625	(9,254)	82,371
50003	Holiday Pay	22,032	20,686	-	20,686	1,095	21,781
50045	Lead Plant Operator Stipend	12,480	11,240	-	11,240	1,240	12,480
50100	Employee Benefits	263,937	280,974	-	280,974	0	280,974
50175	Annual Leave Buyback	12,000	9,645	-	9,645	1,955	11,600
50212	Conferences & Training	4,500	2,190	2,310	4,500	(3,045)	1,455
50239	Fire & Liability Insurance	35,000	28,331	-	28,331	36,434	64,765
50306	Electricity	212,484	223,249	-	223,249	(22,494)	200,755
50307	Natural Gas	43,410	32,402	-	32,402	(14,562)	17,840
50260	Rental of Equipment	1,000	1,854	-	1,854	(854)	1,000
50305	Sewer Charge	204,000	99,180	-	99,180	19,720	118,900
50271	Gas/Vehicle Maintenance	5,389	7,050	-	7,050	(640)	6,410
50275	Repairs & Maintenance	66,992	33,512	-	33,512	21,488	55,000
50311	Operating Supplies	17,161	119	17,042	17,161	(4,791)	12,370
50320	Uniforms & protective Gear	1,426	835	-	835	(339)	496
60000	Station One Pumping			-	-	-	-
50335	Chemicals	366,315	242,583	-	242,583	152,708	395,291
<b>Subtotal:</b>		<b>\$ 1,882,141</b>	<b>\$ 1,646,804</b>	<b>\$ 19,352</b>	<b>\$ 1,666,156</b>	<b>\$ 130,378</b>	<b>\$ 1,796,534</b>
Lawton Valley							
50001	Salaries & Wages	\$ 498,541	\$ 528,608	\$ -	\$ 528,608	\$ 2,434	\$ 531,042
50002	Overtime	98,903	102,478	-	102,478	1,845	104,323
50003	Holiday Pay	19,992	19,772	-	19,772	(157)	19,615
50045	Lead Plant Operator Stipend	12,480	4,176	-	4,176	8,304	12,480
50100	Employee Benefits	278,234	309,454	-	309,454	(0)	309,454
50175	Annual Leave Buyback	7,400	9,724	-	9,724	(224)	9,500
50212	Conferences & Training	4,120	2,495	1,625	4,120	(1,318)	2,802
50239	Fire & Liability Insurance	54,000	61,505	-	61,505	(1,180)	60,325
50306	Electricity	375,091	289,647	-	289,647	(21,907)	267,740
50307	Natural Gas	34,663	25,950	-	25,950	245	26,195
50260	Rental of Equipment	1,000	322	-	322	678	1,000
50305	Sewer Charge	510,000	437,731	-	437,731	38,894	476,625
50271	Gas/Vehicle Maintenance	5,389	5,678	-	5,678	732	6,410
50275	Repairs & Maintenance	61,556	55,359	-	55,359	9,641	65,000
50311	Operating Supplies	13,311	2,747	10,564	13,311	(4,457)	8,854
50320	Uniforms & protective Gear	1,303	835	-	835	(376)	459
60000	LV Pumping		-	-	-	-	-
50335	Chemicals	328,667	332,292	-	332,292	97,573	429,865
<b>Subtotal:</b>		<b>\$ 2,304,651</b>	<b>\$ 2,188,773</b>	<b>\$ 12,189</b>	<b>\$ 2,200,962</b>	<b>\$ 130,727</b>	<b>\$ 2,331,689</b>
Laboratory							Check
50001	Salaries & Wages	\$ 121,179	\$ 105,565	\$ -	\$ 105,565	\$ 38,398	\$ 143,963
50100	Employee Benefits	55,194	56,521	-	56,521	(0)	56,521
50175	Annual Leave Buyback	1,500	4,210	-	4,210	40	4,250
50275	Repairs & Maintenance	1,700	995	-	995	5,205	6,200
50281	Regulatory Assessment	47,024	58,270	-	58,270	-	58,270
50339	Laboratory Supplies	35,627	21,104	-	21,104	4,015	25,119
<b>Subtotal:</b>		<b>\$ 262,224</b>	<b>\$ 246,665</b>	<b>\$ -</b>	<b>\$ 246,665</b>	<b>\$ 47,658</b>	<b>\$ 294,323</b>

Rhode Island Public Utilities Commission  
Docket 4933  
FY 2020 Rate Filing  
DGB Schedule A-1A  
Revenue Requirements by Account

Account		Docket 4595	Test Year (FY2018)	Test Year Normalizing Adjustments	Normalized Test Year	Rate Year Adjustments	Proposed Rate Year - FY2020
Transmission & Distribution							
50001	Salaries & Wages	\$ 515,219	\$ 463,664	\$ -	\$ 463,664	\$ 57,785	\$ 521,449
50002	Overtime	52,364	43,341	-	43,341	(3,225)	40,116
50004	Temp Salaries	26,180	22,256	-	22,256	544	22,800
50056	Injury Pay	-	-	-	-	-	-
50100	Employee Benefits	312,306	231,379	-	231,379	0	231,379
50175	Annual Leave Buyback	7,500	2,722	-	2,722	3,278	6,000
50212	Conferences & Training	4,000	1,200	2,800	4,000	(1,105)	2,895
50225	Contract Services	21,525	10,316	-	10,316	1,554	11,870
50239	Fire & Liability Insurance	12,000	9,664	-	9,664	1,246	10,910
50306	Electricity	20,607	16,922	-	16,922	1,273	18,195
50260	Heavy Equipment Rental	8,260	246	-	246	8,754	9,000
50271	Gas/Vehicle Maintenance	70,057	93,121	-	93,121	(9,791)	83,330
50275	Repairs & Maintenance	26,000	18,687	-	18,687	1,513	20,200
50276	Main Maintenance	91,200	84,145	-	84,145	(18,145)	66,000
60001	Hydrant Maintenance			-	-	-	
50296	Service Maintenance	30,000	27,194	-	27,194	2,806	30,000
50311	Operating Supplies	8,000	10,014	-	10,014	(10,014)	-
50320	Uniforms & protective Gear	4,000	1,173	-	1,173	260	1,433
<b>Subtotal:</b>		<b>\$ 1,209,218</b>	<b>\$ 1,036,044</b>	<b>\$ 2,800</b>	<b>\$ 1,038,844</b>	<b>\$ 36,733</b>	<b>\$ 1,075,577</b>
Fire Protection							
50275	Repair & Maintenance - Equipment	\$ 23,800	\$ 7,739	\$ 16,061	\$ 23,800	\$ 7,500	\$ 31,300
<b>Subtotal:</b>		<b>\$ 23,800</b>	<b>\$ 7,739</b>	<b>\$ 16,061</b>	<b>\$ 23,800</b>	<b>\$ 7,500</b>	<b>\$ 31,300</b>
		<b>9,628,521</b>	<b>8,958,909</b>	<b>56,163</b>	<b>9,015,072</b>	<b>566,856</b>	<b>9,581,928</b>



Rhode Island Public Utilities Commission  
Docket 4933  
FY 2020 Rate Filing  
DGB Schedule A-1A  
Revenue Requirements by Account

Account	Docket 4595	Test Year (FY2018)	Test Year Normalizing Adjustments	Normalized Test Year	Rate Year Adjustments	Proposed Rate Year - FY2020
CAPITAL COSTS						
Contribution to Capital Spending Acct.	\$ 2,500,000	\$ 2,508,830	\$ -	\$ 2,508,830	\$ (8,830)	\$ 2,500,000
Contribution to Debt Service Acct.	6,811,000	6,810,996	-	6,810,996	(27,801)	6,783,195
<b>Total Capital Costs</b>	<b>\$ 9,311,000</b>	<b>\$ 9,319,826</b>	<b>\$ -</b>	<b>\$ 9,319,826</b>	<b>\$ (36,631)</b>	<b>\$ 9,283,195</b>
Operating Revenue Allowance	\$ 144,428	\$ 268,767	\$ (1,469)	\$ 267,298	\$ (123,569)	\$ 143,729
<b>Total Costs before Offsets</b>	<b>\$ 19,083,948</b>	<b>\$ 18,547,503</b>	<b>\$ 54,694</b>	<b>\$ 18,602,196</b>	<b>\$ 406,656</b>	<b>\$ 19,008,852</b>
OFFSETS						
Nonrate Revenues						
Sundry charges	\$ 126,250	\$ 152,508	\$ -	\$ 152,508	\$ (19,508)	\$ 133,000
WPC cost share on customer service	330,000	331,646	-	331,646	(1,646)	330,000
Middletown cost share on customer service	167,000	166,727	-	166,727	(727)	166,000
Rental of Property	95,200	92,371	-	92,371	(2,371)	90,000
Water Penalty	51,200	48,776	-	48,776	1,224	50,000
Miscellaneous*	242,251	-	-	-	11,300	11,300
Investment Interest Income	1,250	24,842	-	24,842	(4,842)	20,000
Water Quality Protection Fees	22,250	20,751	-	20,751	249	21,000
<b>Total Nonrate Revenues</b>	<b>\$ 1,035,401</b>	<b>\$ 837,621</b>	<b>\$ -</b>	<b>\$ 837,621</b>	<b>\$ (16,321)</b>	<b>\$ 821,300</b>
<b>Net Costs to Be Recovered through Rates</b>	<b>\$ 18,048,547</b>	<b>\$ 17,709,882</b>	<b>\$ 54,694</b>	<b>\$ 17,764,575</b>	<b>\$ 422,977</b>	<b>\$ 18,187,552</b>

\* In Docket 4595 the transfer from restricted accounts to mitigate rate increase was included in this line item.

# Docket XXXX

Rhode Island Public Utilities Commission  
Docket 4933  
FY 2020 Rate Filing  
DGB Schedule A-1B  
Revenue Requirements by Account

		Test Year (FY2018)	Test Year Normalizing Adjustments	Normalized Test Year	Rate Year Adjustments	Proposed Rate Year - FY2020
50001	Salaries & Wages	\$ 2,534,885	\$ -	\$ 2,534,885	\$ 118,599	\$ 2,653,484
50002	Overtime	\$ 273,014	\$ -	\$ 273,014	\$ (15,564)	\$ 257,450
50003	Holiday Pay	\$ 40,458	\$ -	\$ 40,458	\$ 939	\$ 41,397
50004	Temp Salaries	\$ 63,632	\$ -	\$ 63,632	\$ 8,968	\$ 72,600
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	\$ 0	\$ 1,368,463
50103	Retiree Insurance Coverage	\$ 372,907	\$ -	\$ 372,907	\$ 13,877	\$ 386,784
50105	Workers Compensation	\$ 78,304	\$ -	\$ 78,304	\$ (20,919)	\$ 57,385
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	\$ 2,021	\$ 4,502
50210	Membership Dues & Subscriptions	\$ 4,532	\$ -	\$ 4,532	\$ 523	\$ 5,055
50212	Conferences & Training	\$ 7,135	\$ 14,485	\$ 21,620	\$ (12,621)	\$ 8,999
50214	Tuition Reimbursement	\$ -	\$ -	\$ -	\$ 2,000	\$ 2,000
50220	Consultant Fees	\$ 14,275	\$ -	\$ 14,275	\$ 50,000	\$ 64,275
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	\$ 8,578	\$ 11,000
50266	Legal & Administrative	\$ 333,848	\$ -	\$ 333,848	\$ (28,018)	\$ 305,830
50267	Data Processing	\$ 231,161	\$ -	\$ 231,161	\$ 56,889	\$ 288,050
50268	Mileage Allowance	\$ 392	\$ -	\$ 392	\$ 1,608	\$ 2,000
50271	Gasoline & Vehicle Allowance	\$ 205,360	\$ -	\$ 205,360	\$ (240)	\$ 205,120
50275	Repairs & Maintenance	\$ 168,548	\$ 16,061	\$ 184,609	\$ 60,091	\$ 244,700
50276	Main Maintenance	\$ 84,145	\$ -	\$ 84,145	\$ (18,145)	\$ 66,000
50277	Reservoir Maintenance	\$ 25,623	\$ -	\$ 25,623	\$ 11,377	\$ 37,000
50280	Regulatory Expense	\$ 906	\$ -	\$ 906	\$ 594	\$ 1,500
50281	Regulatory Assessment	\$ 170,726	\$ -	\$ 170,726	\$ -	\$ 170,726
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	\$ 58,689	\$ 597,325
50306	Electricity	\$ 729,297	\$ -	\$ 729,297	\$ (59,297)	\$ 670,000
50307	Natural Gas	\$ 63,856	\$ -	\$ 63,856	\$ (14,696)	\$ 49,160
50308	Property Taxes	\$ 535,316	\$ -	\$ 535,316	\$ 22,146	\$ 557,462
50311	Operating Supplies	\$ 30,233	\$ 23,753	\$ 53,986	\$ (26,236)	\$ 27,750
50320	Uniforms & protective Gear	\$ 3,081	\$ -	\$ 3,081	\$ 545	\$ 3,626
50335	Chemicals	\$ 636,075	\$ -	\$ 636,075	\$ 283,881	\$ 919,956
50339	Laboratory Supplies	\$ 21,104	\$ -	\$ 21,104	\$ 4,015	\$ 25,119
50361	Office Supplies	\$ 10,136	\$ 1,864	\$ 12,000	\$ (155)	\$ 11,845
50380	Customer Service Supplies	\$ 1,951	\$ -	\$ 1,951	\$ 1,049	\$ 3,000
50505	Self Insurance	\$ 2,584	\$ -	\$ 2,584	\$ 2,416	\$ 5,000
50515	Unemployment Claims	\$ -	\$ -	\$ -	\$ -	\$ -
50520	Accrued Benefits Buyout	\$ -	\$ -	\$ -	\$ -	\$ -
60001	Hydrant Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -
		<b>8,958,909</b>	<b>56,163</b>	<b>9,015,072</b>	<b>566,856</b>	<b>9,581,928</b>

Rhode Island Public Utilities Commission  
Docket 4933  
FY 2020 Rate Filing  
DGB Schedule A-2A  
Cost of Service Rates and Charges

		Docket 4595 Rates	Cost of Service	Proposed Rates	% Change	Projected Revenues
<b>Base Charge (per bill)</b>						
Monthly						
5/8	\$	5.02	\$ 5.1302	\$ 5.14	2%	\$661,271
3/4	\$	5.27	5.3730	5.38	2%	163,595
1	\$	7.03	7.1782	7.18	2%	49,197
1.5	\$	11.33	11.6177	11.62	3%	53,406
2	\$	15.86	16.1918	16.20	2%	49,572
3	\$	41.71	42.0067	42.01	1%	30,247
4	\$	49.12	49.2908	49.30	0%	8,874
5	\$	58.99	59.0030	59.01	0%	0
6	\$	66.40	66.2871	66.29	0%	27,046
8	\$	86.15	85.7114	85.72	0%	4,115
10	\$	121.95	120.9180	120.92	-1%	2,902
Portsmouth Base Charge (4")	\$	1.36	1.4501	1.46	7%	18
						1,050,243
<b>Volume Charge (per 1,000 gallons)</b>						
Retail						
Residential	\$	10.02	\$ 10.3974	\$ 10.40	4%	6,494,457
Non-Residential	\$	11.22	\$ 10.8317	\$ 10.84	-3%	4,826,315
						\$ 11,320,772
Wholesale						
Navy	\$	6.5190	\$ 7.7394	\$ 7.7394	19%	1,461,795
Portsmouth Water & Fire District	\$	5.2920	\$ 6.8132	\$ 6.8132	29%	2,568,597
						\$ 4,030,391
<b>Fire Protection</b>						
Public (per hydrant)	\$	944.22	\$ 1,218.75	\$ 1,218.76	29%	\$ 1,269,948
<b>Private (by Connection Size)</b>						
Connection Size	Existing Charge					
<2		\$33.26	\$ 37.76	\$ 37.76	14%	
2	6.19	\$139.26	\$ 158.08	\$ 158.09	14%	
4	38.32	\$468.22	\$ 565.22	\$ 565.22	21%	44,652
6	111.31	\$1,055.81	\$ 1,322.56	\$ 1,322.57	25%	313,449
8	237.21	\$2,069.28	\$ 2,628.82	\$ 2,628.83	27%	141,957
10	426.58	\$3,593.75	\$ 4,593.71	\$ 4,593.71	28%	22,969
12	689.04	\$5,706.61	\$ 7,316.97	\$ 7,316.97	28%	-
						\$ 523,027

Total Projected Rate Revenues \$ 18,194,381

Rhode Island Public Utilities Commission  
Docket 4933  
FY 2020 Rate Filing  
DGB Schedule A-2B  
Multi-Year Rate Plan

Rates and Charges	Current Rates	Rate Year		Future Year	
		Proposed FY 2020	% Increase	Proposed FY 2022	% Increase
Billing Charge (per bill)					
5/8	\$ 5.02	\$ 5.14	2%	\$ 5.29	2.92%
3/4	\$ 5.27	\$ 5.38	2%	\$ 5.54	2.97%
1	\$ 7.03	\$ 7.18	2%	\$ 7.41	3.20%
1.5	\$ 11.33	\$ 11.62	3%	\$ 12.02	3.44%
2	\$ 15.86	\$ 16.20	2%	\$ 16.78	3.58%
3	\$ 41.71	\$ 42.01	1%	\$ 43.61	3.81%
4	\$ 49.12	\$ 49.30	0%	\$ 51.19	3.83%
5	\$ 58.99	\$ 59.01	0%	\$ 61.29	3.86%
6	\$ 66.40	\$ 66.29	0%	\$ 68.87	3.89%
8	\$ 86.15	\$ 85.72	0%	\$ 89.07	3.91%
10	\$ 121.95	\$ 120.92	-1%	\$ 125.69	3.94%
Portsmouth Base Charge (4")	\$ 1.36	\$ 1.46	7%	\$ 1.46	0.00%
Commodity Charge (per 1,000 gallons)					
Retail					
Residential	\$ 10.02	\$ 10.40	4%	\$ 10.72	3.08%
Non-Residential	\$ 11.22	\$ 10.84	-3%	\$ 11.16	2.95%
Wholesale					
Navy	\$ 6.5190	\$ 7.7394	19%	\$ 7.9657	2.92%
Portsmouth Water & Fire District	\$ 5.2920	\$ 6.8132	29%	\$ 7.0107	2.90%
Fire Protection					
Public (per hydrant)	\$ 944.22	\$ 1,218.76	29%	\$ 1,261.46	3.50%
Private (Connection Size)					
Less than 2"	\$33.26	\$ 37.76	14%	\$ 39.14	3.65%
2"	\$139.26	\$ 158.09	14%	\$ 163.86	3.65%
4"	\$468.22	\$ 565.22	21%	\$ 585.64	3.61%
6"	\$1,055.81	\$ 1,322.57	25%	\$ 1,369.97	3.58%
8"	\$2,069.28	\$ 2,628.83	27%	\$ 2,722.78	3.57%
10"	\$3,593.75	\$ 4,593.71	28%	\$ 4,757.68	3.57%
12"	\$5,706.61	\$ 7,316.97	28%	\$ 7,577.97	3.57%

Customer Class	Consumption per Bill (gallons)	Proposed 5/8 Inch Meter			Proposed 3/4 Inch Meter			Proposed 1 Inch Meter			Proposed 1.5 Inch Meter			Proposed 2 Inch Meter			Proposed 3 Inch Meter				
		Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change
Residential (Monthly)	1,000	\$180.48	\$186.48	\$6.00	3.3%	\$183.48	\$189.36	\$5.88	3.2%	\$204.60	\$210.96	\$6.36	3.1%	\$310.56	\$319.20	\$8.64	2.8%	\$620.76	\$628.92	\$8.16	1.3%
	2,000	\$300.72	\$311.28	\$10.56	3.5%	\$303.72	\$314.16	\$10.44	3.4%	\$324.84	\$335.76	\$10.92	3.4%	\$430.80	\$444.00	\$13.20	3.1%	\$741.00	\$753.72	\$12.72	1.7%
	4,000	\$541.20	\$560.88	\$19.68	3.6%	\$544.20	\$563.76	\$19.56	3.6%	\$565.32	\$585.36	\$20.04	3.5%	\$671.28	\$693.60	\$22.32	3.3%	\$981.48	\$1,003.32	\$21.84	2.2%
	5,000	\$661.44	\$685.68	\$24.24	3.7%	\$664.44	\$688.56	\$24.12	3.6%	\$685.56	\$710.16	\$24.60	3.7%	\$791.52	\$818.40	\$26.88	3.4%	\$1,101.72	\$1,128.12	\$26.40	2.4%
	7,500	\$962.04	\$997.68	\$35.64	3.7%	\$965.04	\$1,000.56	\$35.52	3.7%	\$986.16	\$1,027.16	\$41.00	4.1%	\$1,092.12	\$1,130.40	\$38.28	3.5%	\$1,402.32	\$1,440.12	\$37.80	2.7%
	10,000	\$1,262.64	\$1,309.68	\$47.04	3.7%	\$1,265.64	\$1,312.56	\$46.92	3.7%	\$1,286.76	\$1,334.16	\$47.40	3.7%	\$1,392.72	\$1,442.40	\$49.68	3.6%	\$1,702.92	\$1,752.12	\$49.20	2.9%
	15,000	\$1,863.84	\$1,933.68	\$69.84	3.7%	\$1,866.84	\$1,935.56	\$68.72	3.7%	\$1,887.96	\$1,958.16	\$70.20	3.7%	\$1,993.92	\$2,066.40	\$72.48	3.6%	\$2,304.12	\$2,376.12	\$72.00	3.1%
	20,000	\$2,465.04	\$2,557.68	\$92.64	3.8%	\$2,468.04	\$2,560.56	\$92.52	3.8%	\$2,489.16	\$2,582.16	\$93.00	3.8%	\$2,595.12	\$2,690.40	\$95.28	3.7%	\$2,905.32	\$3,000.12	\$94.80	3.3%
	25,000	\$3,066.24	\$3,181.68	\$115.44	3.8%	\$3,069.24	\$3,184.56	\$115.32	3.8%	\$3,090.36	\$3,206.16	\$115.80	3.8%	\$3,196.32	\$3,314.40	\$118.08	3.7%	\$3,506.52	\$3,624.12	\$117.60	3.4%
	30,000	\$3,667.44	\$3,805.68	\$138.24	3.8%	\$3,670.44	\$3,808.56	\$138.12	3.8%	\$3,691.56	\$3,830.16	\$138.60	3.8%	\$3,797.52	\$3,938.40	\$140.88	3.7%	\$4,107.72	\$4,248.12	\$140.40	3.3%

Customer Class

Residential (Monthly)

Monthly Consumption (gallons)	Proposed 5/8 inch Meter				Proposed 3/4 inch Meter				Proposed 1 inch Meter				Proposed 1.5 inch Meter				Proposed 2 inch Meter				Proposed 3 inch Meter			
	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change
2,000	\$320.52	\$321.93	\$1.41	0.4%	\$324.72	\$324.72	\$0.00	0.0%	\$346.32	\$346.32	\$0.00	0.0%	\$399.60	\$399.60	\$0.00	0.0%	\$454.56	\$454.56	\$0.00	0.0%	\$511.72	\$511.72	\$0.00	0.0%
5,000	\$733.44	\$732.08	-\$1.36	-0.2%	\$734.96	\$734.96	\$0.00	0.0%	\$756.36	\$756.36	\$0.00	0.0%	\$809.76	\$809.76	\$0.00	0.0%	\$864.12	\$864.12	\$0.00	0.0%	\$919.44	\$919.44	\$0.00	0.0%
9,000	\$1,272.00	\$1,272.00	\$0.00	0.0%	\$1,275.28	\$1,275.28	\$0.00	0.0%	\$1,295.88	\$1,295.88	\$0.00	0.0%	\$1,347.72	\$1,347.72	\$0.00	0.0%	\$1,399.52	\$1,399.52	\$0.00	0.0%	\$1,451.28	\$1,451.28	\$0.00	0.0%
25,000	\$3,076.24	\$3,115.69	\$39.45	1.3%	\$3,136.56	\$3,136.56	\$0.00	0.0%	\$3,198.56	\$3,198.56	\$0.00	0.0%	\$3,301.44	\$3,301.44	\$0.00	0.0%	\$3,404.32	\$3,404.32	\$0.00	0.0%	\$3,507.20	\$3,507.20	\$0.00	0.0%
30,000	\$4,099.44	\$4,099.44	\$0.00	0.0%	\$4,102.44	\$4,102.44	\$0.00	0.0%	\$4,123.56	\$4,123.56	\$0.00	0.0%	\$4,175.16	\$4,175.16	\$0.00	0.0%	\$4,226.72	\$4,226.72	\$0.00	0.0%	\$4,278.28	\$4,278.28	\$0.00	0.0%
40,000	\$5,445.84	\$5,264.88	-\$180.96	-3.3%	\$5,448.84	\$5,267.76	-\$181.08	-3.3%	\$5,469.96	\$5,289.36	-\$180.60	-3.3%	\$5,571.16	\$5,372.64	-\$198.52	-3.6%	\$5,672.32	\$5,397.60	-\$274.72	-4.8%	\$5,773.44	\$5,498.40	-\$275.04	-4.8%
50,000	\$6,792.24	\$6,565.88	-\$226.36	-3.3%	\$6,795.24	\$6,568.56	-\$226.68	-3.3%	\$6,816.36	\$6,590.16	-\$226.20	-3.3%	\$6,867.96	\$6,642.44	-\$225.52	-3.3%	\$6,919.52	\$6,694.40	-\$225.12	-3.3%	\$7,020.64	\$6,795.20	-\$225.44	-3.3%
75,000	\$10,158.24	\$9,817.68	-\$340.56	-3.4%	\$10,161.24	\$9,820.56	-\$340.68	-3.4%	\$10,182.36	\$9,841.16	-\$341.20	-3.4%	\$10,233.96	\$9,895.44	-\$338.52	-3.3%	\$10,285.52	\$9,950.40	-\$335.12	-3.3%	\$10,337.08	\$9,996.80	-\$340.28	-3.3%
100,000	\$13,524.24	\$13,069.68	-\$454.56	-3.4%	\$13,527.24	\$13,072.56	-\$454.68	-3.4%	\$13,548.36	\$13,094.16	-\$454.20	-3.4%	\$13,599.96	\$13,147.44	-\$452.52	-3.3%	\$13,651.52	\$13,202.40	-\$449.12	-3.3%	\$13,703.08	\$13,254.52	-\$448.56	-3.3%
Annual Consumption (gallons)	Proposed 5/8 inch Meter				Proposed 3/4 inch Meter				Proposed 1 inch Meter				Proposed 1.5 inch Meter				Proposed 2 inch Meter				Proposed 3 inch Meter			
	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change	Annual Bill at Current Rates	Annual Bill at Proposed Rates	Dollar Change	Percent Change
9,000	\$1,611.22	\$1,592.24	-\$18.98	-1.2%	\$1,612.12	\$1,612.12	\$0.00	0.0%	\$1,633.72	\$1,633.72	\$0.00	0.0%	\$1,735.52	\$1,735.52	\$0.00	0.0%	\$1,837.28	\$1,837.28	\$0.00	0.0%	\$1,939.04	\$1,939.04	\$0.00	0.0%
	\$1,055.81	\$1,322.57	\$266.76	25.3%	\$1,055.81	\$1,322.57	\$266.76	25.3%	\$1,055.81	\$1,322.57	\$266.76	25.3%	\$1,055.81	\$1,322.57	\$266.76	25.3%	\$1,055.81	\$1,322.57	\$266.76	25.3%	\$1,055.81	\$1,322.57	\$266.76	25.3%
	\$1,217.03	\$1,481.81	\$264.78	21.8%	\$1,217.03	\$1,481.81	\$264.78	21.8%	\$1,217.03	\$1,481.81	\$264.78	21.8%	\$1,217.03	\$1,481.81	\$264.78	21.8%	\$1,217.03	\$1,481.81	\$264.78	21.8%	\$1,217.03	\$1,481.81	\$264.78	21.8%
Total Annual Charges																								

Customer Class	Monthly Consumption (gallons)	Monthly Bill at Current Rates	Proposed		
			Monthly Bill at Proposed	Dollar Change	Percent Change
Portsmouth	10,000,000	\$52,925	\$68,181	\$15,256	28.8%
	20,000,000	\$105,845	\$136,313	\$30,468	28.8%
	32,000,000	\$169,349	\$218,072	\$48,723	28.8%
	40,000,000	\$211,885	\$272,577	\$60,692	28.8%
	75,000,000	\$396,905	\$511,039	\$114,134	28.8%
Navy 6"meter	5,000,000	\$32,681	\$38,697	\$6,016	18.4%
	10,000,000	\$65,312	\$77,394	\$12,082	18.5%
	38,000,000	\$247,722	\$294,097	\$46,375	18.7%
	50,000,000	\$323,981	\$386,970	\$62,989	19.7%

Customer Class	Monthly Consumption (gallons)	Annual Bill at Current Rates	Proposed FY 2020			Proposed FY 2022		
			Annual Bill at Proposed Rates	\$ Increase from Current Rates	% Increase from Current Rates	Annual Bill at Proposed Rates	\$ Increase from FY 2020 Rates	% Increase from FY 2020 Rates
Residential 5/8" meter								
Avg. Monthly Use	1,000	\$ 180.48	\$ 186.48	\$ 6.00	3.3%	\$ 192.12	\$ 5.64	3.0%
	2,000	\$ 300.72	\$ 311.28	\$ 10.56	3.5%	\$ 320.76	\$ 9.48	3.0%
	4,000	\$ 541.20	\$ 560.88	\$ 19.68	3.6%	\$ 578.04	\$ 17.16	3.1%
	5,000	\$ 661.44	\$ 685.68	\$ 24.24	3.7%	\$ 706.68	\$ 21.00	3.1%
	7,500	\$ 962.04	\$ 997.68	\$ 35.64	3.7%	\$ 1,028.28	\$ 30.60	3.1%
	10,000	\$ 1,262.64	\$ 1,309.68	\$ 47.04	3.7%	\$ 1,349.88	\$ 40.20	3.1%
	15,000	\$ 1,863.84	\$ 1,933.68	\$ 69.84	3.7%	\$ 1,993.08	\$ 59.40	3.1%
	20,000	\$ 2,465.04	\$ 2,557.68	\$ 92.64	3.8%	\$ 2,636.28	\$ 78.60	3.1%
	25,000	\$ 3,066.24	\$ 3,181.68	\$ 115.44	3.8%	\$ 3,279.48	\$ 97.80	3.1%
	30,000	\$ 3,667.44	\$ 3,805.68	\$ 138.24	3.8%	\$ 3,922.68	\$ 117.00	3.1%

Customer Class	Monthly Consumption (gallons)	Annual Bill at Current Rates	Proposed FY 2020			Proposed FY 2022		
			Annual Bill at Proposed Rates	\$ Increase from Current Rates	% Increase from Current Rates	Annual Bill at Proposed Rates	\$ Increase from FY 2020 Rates	% Increase from FY 2020 Rates
Non-Residential 5/8" meter								
Avg. Monthly Use	2,000	\$329.52	\$321.84	-\$7.68	-2.3%	\$331.32	\$9.48	2.9%
	5,000	\$733.44	\$712.08	-\$21.36	-2.9%	\$733.08	\$21.00	2.9%
	9,000	\$1,272.00	\$1,232.40	-\$39.60	-3.1%	\$1,268.76	\$36.36	3.0%
	25,000	\$3,426.24	\$3,313.68	-\$112.56	-3.3%	\$3,411.48	\$97.80	3.0%
	30,000	\$4,099.44	\$3,964.08	-\$135.36	-3.3%	\$4,081.08	\$117.00	3.0%
	40,000	\$5,445.84	\$5,264.88	-\$180.96	-3.3%	\$5,420.28	\$155.40	3.0%
	50,000	\$6,792.24	\$6,565.68	-\$226.56	-3.3%	\$6,759.48	\$193.80	3.0%
	75,000	\$10,158.24	\$9,817.68	-\$340.56	-3.4%	\$10,107.48	\$289.80	3.0%
	100,000	\$13,524.24	\$13,069.68	-\$454.56	-3.4%	\$13,455.48	\$385.80	3.0%

Customer Class	Monthly Consumption (gallons)	Monthly Bill at Current Rates	Proposed FY 2020			Proposed FY 2022		
			Monthly Bill at Proposed Rates	\$ Increase from Current Rates	% Increase from Current Rates	Monthly Bill at Proposed Rates	\$ Increase from FY 2012 Rates	% Increase from FY 2012 Rates
Portsmouth								
Avg. Monthly Bill	10,000,000	\$52,925.02	\$68,181.30	\$15,256.28	28.8%	\$70,108.46	\$1,927.16	2.8%
	20,000,000	\$105,845.02	\$136,313.30	\$30,468.28	28.8%	\$140,215.46	\$3,902.16	2.9%
	32,000,000	\$169,349.02	\$218,071.70	\$48,722.68	28.8%	\$224,343.86	\$6,272.16	2.9%
	40,000,000	\$211,685.02	\$272,577.30	\$60,892.28	28.8%	\$280,429.46	\$7,852.16	2.9%
	75,000,000	\$396,905.02	\$511,039.30	\$114,134.28	28.8%	\$525,803.96	\$14,764.66	2.9%
Navy								
Avg. Monthly Bill	5,000,000	\$32,681.15	\$38,697.00	\$6,015.85	18.4%	\$39,897.37	\$1,200.37	3.1%
	10,000,000	\$65,311.95	\$77,394.00	\$12,082.05	18.5%	\$79,725.87	\$2,331.87	3.0%
	38,000,000	\$247,722.00	\$294,097.20	\$46,375.20	18.7%	\$302,765.47	\$8,668.27	2.9%
	50,000,000	\$325,961.47	\$386,970.00	\$61,008.53	18.7%	\$398,353.87	\$11,383.87	2.9%



Rhode Island Public Utilities Commission  
Docket 4933  
FY 2020 Rate Filing  
DGB Schedule A-4  
Revenue Proof

	Annual Revenue		
	Existing Rates	Proposed FY 2020 Rates	Proposed FY 2022 Rates
<b>REVENUES</b>			
<b>Water Rates</b>			
Base Charge (Billing Charge)	\$ 1,026,420	\$ 1,050,243	\$ 1,082,415
Volume Charge			
Residential	6,257,159	6,494,457	6,694,286
Non-Residential	4,995,503	4,826,315	4,968,789
Navy	1,231,289	1,461,795	1,504,538
Portsmouth Water & Fire District	1,995,100	2,568,597	2,643,055
Fire Protection			
Public	983,877	1,269,948	1,314,441
Private	416,926	523,027	541,767
Total Rate Revenues	\$ 16,906,275	\$ 18,194,381	\$ 18,749,291
<b>Other Operating Revenues</b>			
Sundry charges	\$ 133,000	133,000	133,000
WPC cost share on customer service	\$ 330,000	330,000	330,000
Middletown cost share on customer service	\$ 166,000	166,000	166,000
Rental of Property	\$ 90,000	90,000	90,000
Total Other Operating Revenues	\$ 719,000	719,000	719,000
<b>Total Operating Revenues</b>	<b>\$ 17,625,275</b>	<b>\$ 18,913,381</b>	<b>\$ 19,468,291</b>
<b>Add: Non-Operating Revenues</b>			
Water Penalty	50,000	50,000	50,000
Miscellaneous*	11,300	11,300	11,300
Investment Interest Income	20,000	20,000	20,000
Water Quality Protection Fees	21,000	21,000	21,000
<b>Total Non Operating Revenues</b>	<b>\$ 102,300</b>	<b>\$ 102,300</b>	<b>\$ 102,300</b>
<b>Total Revenues</b>	<b>\$ 17,727,575</b>	<b>\$ 19,015,681</b>	<b>\$ 19,570,591</b>
<b>COSTS</b>			
<b>Departmental O&amp;M</b>	\$ (9,581,928)	(9,581,928)	(9,581,928)
<b>Capital Costs</b>			
Contribution to Capital Spending Acct.	(2,500,000)	(2,500,000)	(2,500,000)
Contribution to Debt Service Acct.	(6,783,195)	(\$6,783,195)	\$ (7,337,411)
Total Capital Costs	\$ (9,283,195)	(9,283,195)	(9,837,411)
<b>Operating Revenue Allowance</b>	(143,729)	(143,729)	(143,729)
<b>Total Costs</b>	<b>\$ (19,008,852)</b>	<b>\$ (19,008,852)</b>	<b>\$ (19,563,068)</b>
<b>Revenue Surplus (Deficit)</b>	<b>\$ (1,281,278)</b>	<b>\$ 6,829</b>	<b>\$ 7,523</b>

Rate Year	Allocation Notes							
	Base	Max Day	Max Hour	Metering	Billing	Services	Fire	Total % Allocated
\$ 297,917	60%	19%	7%	5%	6%	2%	1%	100%
\$ -	Non Admin less electricity & chemicals							
\$ -	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%
\$ -	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%
\$ -	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%
\$ -	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%
\$ -	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%
\$ 18,720	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%
\$ -	Non-Administrative Wages & Salaries	57%	22%	8%	5%	1%	0%	100%
\$ -	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%
\$ 139,015	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%
\$ 386,784	Non-Administrative Wages & Salaries	57%	22%	8%	5%	1%	0%	100%
\$ 57,385	Non-Administrative Wages & Salaries	57%	22%	8%	5%	1%	0%	100%
\$ 2,500	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%
902,321								

Rhode Island Public Utilities Commission  
Docket 4933  
FY 2020 Rate Filing  
DGB Schedule B-1  
Base Extra Capacity Cost Allocations

Rate Year	Allocation Notes	Base	Max Day	Max Hour	Metering	Billing	Services	Fire	Total % Allocated
All Other Administrative Costs									
Advertisement	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
Membership Dues & Subscription	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
Conferences & Training	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
Tuition Reimbursement	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
Consultant Fees	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
Postage	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
Fire & Liability Insurance	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
Telephone & Communication	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
Water	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
Electricity	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
Natural Gas	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
Property Taxes	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
Legal & Administrative	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
Audit Fees	Total Non-Admin Costs Before Offsets	63%	21%	7%	4%	2%	2%	0%	100%
OP&B Contribution	Total Non-Admin Costs Before Offsets	63%	21%	7%	4%	2%	2%	0%	100%
City Council	Total Non-Admin Costs Before Offsets	63%	21%	7%	4%	2%	2%	0%	100%
City Clerk	Total Non-Admin Costs Before Offsets	63%	21%	7%	4%	2%	2%	0%	100%
City Manager	Total Non-Admin Costs Before Offsets	63%	21%	7%	4%	2%	2%	0%	100%
Human Resources	Non-Administrative Wages & Salaries	57%	22%	8%	6%	5%	1%	0%	100%
City Solicitor	Total Non-Admin Costs Before Offsets	63%	21%	7%	4%	2%	2%	0%	100%
Finance Administrative 50%	Total Non-Admin Costs Before Offsets	63%	21%	7%	4%	2%	2%	0%	100%
Finance Administrative 5%	Total Non-Admin Costs Before Offsets	63%	21%	7%	4%	2%	2%	0%	100%
Finance Admin 10% Inv/Deb	Total Non-Admin Costs Before Offsets	63%	21%	7%	4%	2%	2%	0%	100%
Purchasing	Total Non-Admin Costs Before Offsets	63%	21%	7%	4%	2%	2%	0%	100%
Assessment	Total Non-Admin Costs Before Offsets	63%	21%	7%	4%	2%	2%	0%	100%
Collections	100% Billing	0%	0%	0%	0%	100%	0%	0%	100%
Accounting - Wires - 5%	Total Non-Admin Costs Before Offsets	63%	21%	7%	4%	2%	2%	0%	100%
Accounting	Non-Administrative Wages & Salaries	57%	22%	8%	6%	5%	1%	0%	100%
Facilities Maintenance	Non-Administrative Wages & Salaries	57%	22%	8%	6%	5%	1%	0%	100%
Data Processing	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
Mileage Allowance	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
Gasoline & Vehicle Allowance	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
Repairs & Maintenance	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
Regulatory Expense	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
Regulatory Assessment	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
Office Supplies	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
Self Insurance	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
Unemployment Claims	Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
Subtotal		60%	19%	7%	5%	6%	2%	1%	100%
1,430,126									

Rate Year		Allocation Notes	Base	Max Day	Max Hour	Metering	Billing	Services	Fire	Total % Allocated
Customer Service	Salaries & Wages	340,014	0%	0%	0%	48%	40%	12%	0%	100%
	Benefits	173,340	0%	0%	0%	48%	40%	12%	0%	100%
	Copying & binding	600					100%			100%
	Conferences & Training	300					100%			100%
	Support Services	45,915					100%			100%
	Postage	64,200					100%			100%
	Bank Fees (lock box)	14,400					100%			100%
	Gasoline & Vehicle Allowance	32,050	0%	0%	0%	48%	40%	12%	0%	100%
	Repairs & Maintenance	35,000				100%				100%
	Meter Maintenance	10,000				100%				100%
	Operating Supplies	-				100%				100%
	Uniforms & protective Gear	143				100%				100%
	Customer Service Supplies	3,000					100%			100%
	<b>Subtotal</b>	<b>718,962</b>								
Source of Supply - Island	Salaries & Wages	\$ 312,654	100%	0%	0%	0%	0%	0%	0%	100%
	Overtime	\$ 19,687	100%	0%	0%	0%	0%	0%	0%	100%
	Temp Salaries	\$ 22,800	100%	0%	0%	0%	0%	0%	0%	100%
	Injury Pay	\$ -	100%	0%	0%	0%	0%	0%	0%	100%
	Employee Benefits	\$ 175,319	100%	0%	0%	0%	0%	0%	0%	100%
	Annual Leave Buyback	\$ 1,700	100%	0%	0%	0%	0%	0%	0%	100%
	Electricity	\$ 34,428	100%	0%	0%	0%	0%	0%	0%	100%
	Gas/Vehicle Maintenance	\$ 70,510	100%	0%	0%	0%	0%	0%	0%	100%
	Repairs & Maintenance	\$ 14,000	100%	0%	0%	0%	0%	0%	0%	100%
	Reservoir Maintenance	\$ 25,000	100%	0%	0%	0%	0%	0%	0%	100%
	Operating Supplies	\$ 6,400	100%	0%	0%	0%	0%	0%	0%	100%
	Uniforms & protective Gear	\$ 1,095	100%	0%	0%	0%	0%	0%	0%	100%
	Chemicals	\$ 94,800	100%	0%	0%	0%	0%	0%	0%	100%
	<b>Subtotal</b>	<b>\$ 778,393</b>								
Source of Supply - Mainland	Overtime	\$ 8,503	100%	0%	0%	0%	0%	0%	0%	100%
	Temp Salaries	\$ 27,000	100%	0%	0%	0%	0%	0%	0%	100%
	Permanent Part time	\$ 12,900	100%	0%	0%	0%	0%	0%	0%	100%
	Employee Benefits	\$ 2,461	100%	0%	0%	0%	0%	0%	0%	100%
	Electricity	\$ 142,713	100%	0%	0%	0%	0%	0%	0%	100%
	Repairs & Maintenance	\$ 17,000	100%	0%	0%	0%	0%	0%	0%	100%
	Reservoir Maintenance	\$ 12,000	100%	0%	0%	0%	0%	0%	0%	100%
	Operating Supplies	\$ 126	100%	0%	0%	0%	0%	0%	0%	100%
	<b>Subtotal</b>	<b>\$ 222,703</b>								

Rate Year	Allocation Notes	Base	Max Day	Max Hour	Metering	Billing	Services	Fire	Total % Allocated
\$ 513,045	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 82,371	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 21,781	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 12,480	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 280,974	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 11,600	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 1,455	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 64,765	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 200,755	100% Base	100%	0%	0%	0%	0%	0%	0%	100%
\$ 17,840	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 1,000	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 118,900	100% Base	100%	0%	0%	0%	0%	0%	0%	100%
\$ 6,410	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 55,000	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 12,370	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 496	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 395,291	100% Base	100%	0%	0%	0%	0%	0%	0%	100%
\$ 1,796,534									
\$ 531,042	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 104,323	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 19,615	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 12,480	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 309,454	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 9,500	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 2,802	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 60,325	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 267,740	100% Base	100%	0%	0%	0%	0%	0%	0%	100%
\$ 26,195	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 1,000	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 476,625	100% Base	100%	0%	0%	0%	0%	0%	0%	100%
\$ 6,410	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 65,000	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 8,854	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 459	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
\$ 429,865	100% Base	100%	0%	0%	0%	0%	0%	0%	100%
\$ 2,331,689									

Station One (Excludes chemicals)

Salaries & Wages  
Overtime  
Holiday Pay  
Lead Plant Operator Stipend  
Employee Benefits  
Annual Leave Buyback  
Conferences & Training  
Fire & Liability Insurance  
Electricity  
Natural Gas  
Rental of Equipment  
Sewer Charge  
Gas/Vehicle Maintenance  
Repairs & Maintenance  
Operating Supplies  
Uniforms & protective Gear  
Station One Chemicals  
Subtotal

Lawton Valley (Excludes chemicals)

Salaries & Wages  
Overtime  
Holiday Pay  
Lead Plant Operator Stipend  
Employee Benefits  
Annual Leave Buyback  
Conferences & Training  
Fire & Liability Insurance  
Electricity  
Natural Gas  
Rental of Equipment  
Sewer Charge  
Gas/Vehicle Maintenance  
Repairs & Maintenance  
Operating Supplies  
Uniforms & protective Gear  
Lawton Valley Chemicals  
Subtotal

## Laboratory

### Total O&M Costs

**CAPITAL COSTS**

Rate Year	Allocation Notes	Base	Max Day	Max Hour	Metering	Billing	Services	Fire	Total % Allocated
1,390,098	100% Base	100%	0%	0%	0%	0%	0%	0%	100%
2,182,211	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
2,533,800	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
733,383	Maximum Day Demand Patterns	62%	38%	0%	0%	0%	0%	0%	100%
59,546	Maximum Hour Demand Patterns	38%	23%	39%	0%	0%	0%	0%	100%
1,772,079	Maximum Hour Demand Patterns	38%	23%	39%	0%	0%	0%	0%	100%
27,134	100% Fire	0%	0%	0%	0%	0%	0%	100%	100%
343,887	100% Meters	0%	0%	0%	100%	0%	0%	0%	100%
217,735	100 % Services	0%	0%	0%	0%	0%	100%	0%	100%
23,322	100% Billing	0%	0%	0%	0%	100%	0%	0%	100%
<b>9,283,195</b>									
143,729	100% base	100%							100%
<b>19,008,852</b>									

Total Capital Costs excluding Treatment

Revenue Allowance

Total Costs before Offsets

**OFFSETS**

<b>Nonrate Revenues</b>	
Sundry charges	133,000
WPC cost share on customer ser	330,000
Middletown cost share on custo	166,000
Rental of Property	90,000
Water Penalty	50,000
Miscellaneous*	11,300
Investment Interest Income	20,000
Water Quality Protection Fees	21,000
<b>Total Nonrate Revenues</b>	<b>821,300</b>
<b>Net Costs To Recover Through Rates</b>	<b>\$ 18,187,552</b>
	\$

Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
50/50 Split between Metering and Billing	0%	0%	0%	50%	50%	0%	0%	100%
50/50 Split between Metering and Billing	0%	0%	0%	50%	50%	0%	0%	100%
Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
Non Admin less electricity & chemicals	60%	19%	7%	5%	6%	2%	1%	100%
100% Base	100%	0%	0%	0%	0%	0%	0%	100%

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Base Extra Capacity Cost Allocations

	Base	Max Day	Max Hour	Metering	Billing	Services	Fire	Total \$ Allocated
Operation & Maintenance Costs								
Administration								
Salaries, Wages, & Benefits								
Salaries & Wages	178,371	57,052	21,597	16,108	18,127	5,021	1,641	297,917
AFSCME retro	-	-	-	-	-	-	-	-
NEA retro	-	-	-	-	-	-	-	-
AFSCME benefits on retro pay	-	-	-	-	-	-	-	-
NEA benefits on retro pay	-	-	-	-	-	-	-	-
Standby Salaries	11,208	3,585	1,357	1,012	1,139	316	103	18,720
Accrued Benefits Buyout	-	-	-	-	-	-	-	-
Employee Benefits	83,232	26,622	10,078	7,516	8,458	2,343	766	139,015
Retiree Insurance Coverage	221,008	85,831	31,971	22,586	19,369	5,800	220	386,784
Workers Compensation	32,790	12,734	4,743	3,351	2,874	860	33	57,385
Annual Leave Buyback	1,497	479	181	135	152	42	14	2,500
Subtotal	528,106	186,303	69,928	50,708	50,119	14,382	2,775	902,321



	Base	Max Day	Max Hour	Metering	Billing	Services	Fire	Total \$ Allocated
<b>All Other Administrative Costs</b>								
Advertisement	2,695	862	326	243	274	76	25	4,502
Membership Dues & Subscription	3,027	968	366	273	308	85	28	5,055
Conferences & Training	926	296	112	84	94	26	9	1,547
Tuition Reimbursement	1,197	383	145	108	122	34	11	2,000
Consultant Fees	38,483	12,309	4,660	3,475	3,911	1,083	354	64,275
Postage	599	192	72	54	61	17	6	1,000
Fire & Liability Insurance	21,854	6,990	2,646	1,974	2,221	615	201	36,500
Telephone & Communication	6,347	2,030	768	573	645	179	58	10,600
Water	1,078	345	130	97	110	30	10	1,800
Electricity	3,694	1,181	447	334	375	104	34	6,169
Natural Gas	3,068	981	372	277	312	86	28	5,125
Property Taxes	333,767	106,756	40,413	30,141	33,919	9,396	3,070	557,462
<b>Legal &amp; Administrative</b>								
Audit Fees	3,136	1,060	336	193	109	93	17	4,944
OP&B Contribution	19,970	6,748	2,141	1,230	697	592	110	31,488
City Council	2,501	845	268	154	87	74	14	3,943
City Clerk	2,877	972	308	177	100	85	16	4,537
City Manager	40,788	13,783	4,373	2,511	1,424	1,209	225	64,313
Human Resources	3,538	1,374	512	362	310	93	4	6,193
City Solicitor	19,758	6,677	2,118	1,217	690	586	109	31,155
Finance Administrative 50%	13,953	4,715	1,496	859	487	414	77	22,001
Finance Administrative 5%	2,133	721	229	131	74	63	12	3,363
Finance Admin 10% Inv/Debt	7,489	2,531	803	461	261	222	41	11,809
Purchasing	14,209	4,801	1,523	875	496	421	79	22,404
Assessment	-	-	-	-	-	-	-	-
Collections	-	-	-	-	24,828	-	-	24,828
Accounting - Wires - 5%	5,802	1,961	622	357	203	172	32	9,149
Accounting	37,543	14,580	5,431	3,837	3,290	985	37	65,704
<b>Facilities Maintenance</b>								
Data Processing	172,463	55,162	20,882	15,575	17,526	4,855	1,586	288,050
Mileage Allowance	1,197	383	145	108	122	34	11	2,000
Gasoline & Vehicle Allowance	3,838	1,228	465	347	390	108	35	6,410
Repairs & Maintenance	599	192	72	54	61	17	6	1,000
Regulatory Expense	898	287	109	81	91	25	8	1,500
Regulatory Assessment	67,330	21,536	8,152	6,080	6,842	1,895	619	112,456
Office Supplies	7,092	2,268	859	640	721	200	65	11,845
Self Insurance	2,994	958	362	270	304	84	28	5,000
Unemployment Claims	-	-	-	-	-	-	-	-
Subtotal	846,844	276,074	101,665	73,153	101,465	23,960	6,965	1,430,126

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Base Extra Capacity Cost Allocations

Base	Max Day	Max Hour	Metering	Billing	Services	Fire	Total \$ Allocated
<b>Customer Service</b>							
Salaries & Wages	-	-	163,447	135,545	41,022	-	340,014
Benefits	-	-	83,326	69,101	20,913	-	173,340
Copying & binding	-	-	-	600	-	-	600
Conferences & Training	-	-	-	300	-	-	300
Support Services	-	-	-	45,915	-	-	45,915
Postage	-	-	-	64,200	-	-	64,200
Bank Fees (lock box)	-	-	-	14,400	-	-	14,400
Gasoline & Vehicle Allowance	-	-	15,407	12,777	3,867	-	32,050
Repairs & Maintenance	-	-	35,000	-	-	-	35,000
Meter Maintenance	-	-	10,000	-	-	-	10,000
Operating Supplies	-	-	-	-	-	-	-
Uniforms & protective Gear	-	-	143	-	-	-	143
Customer Service Supplies	-	-	-	3,000	-	-	3,000
<b>Source of Supply - Island</b>							
Salaries & Wages	312,654	-	-	-	-	-	312,654
Overtime	19,687	-	-	-	-	-	19,687
Temp Salaries	22,800	-	-	-	-	-	22,800
Injury Pay	-	-	-	-	-	-	-
Employee Benefits	175,319	-	-	-	-	-	175,319
Annual Leave Buyback	1,700	-	-	-	-	-	1,700
Electricity	34,428	-	-	-	-	-	34,428
Gas/Vehicle Maintenance	70,510	-	-	-	-	-	70,510
Repairs & Maintenance	14,000	-	-	-	-	-	14,000
Reservoir Maintenance	25,000	-	-	-	-	-	25,000
Operating Supplies	6,400	-	-	-	-	-	6,400
Uniforms & protective Gear	1,095	-	-	-	-	-	1,095
Chemicals	94,800	-	-	-	-	-	94,800
<b>Source of Supply - Mainland</b>							
Overtime	8,503	-	-	-	-	-	8,503
Temp Salaries	27,000	-	-	-	-	-	27,000
Permanent Part time	12,900	-	-	-	-	-	12,900
Employee Benefits	2,461	-	-	-	-	-	2,461
Electricity	142,713	-	-	-	-	-	142,713
Repairs & Maintenance	17,000	-	-	-	-	-	17,000
Reservoir Maintenance	12,000	-	-	-	-	-	12,000
Operating Supplies	126	-	-	-	-	-	126

Rhode Island Public Utilities Commission  
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Base Extra Capacity Cost Allocations

	Base	Max Day	Max Hour	Metering	Billing	Services	Fire	Total \$ Allocated
Station One (Excludes chemicals)								
Salaries & Wages	318,641	194,404	-	-	-	-	-	513,045
Overtime	51,159	31,212	-	-	-	-	-	82,371
Holiday Pay	13,528	8,253	-	-	-	-	-	21,781
Lead Plant Operator Stipend	7,751	4,729	-	-	-	-	-	12,480
Employee Benefits	174,507	106,467	-	-	-	-	-	280,974
Annual Leave Buyback	7,205	4,395	-	-	-	-	-	11,600
Conferences & Training	904	551	-	-	-	-	-	1,455
Fire & Liability Insurance	40,224	24,541	-	-	-	-	-	64,765
Electricity	200,755	-	-	-	-	-	-	200,755
Natural Gas	11,080	6,760	-	-	-	-	-	17,840
Rental of Equipment	621	379	-	-	-	-	-	1,000
Sewer Charge	118,900	-	-	-	-	-	-	118,900
Gas/Vehicle Maintenance	3,981	2,429	-	-	-	-	-	6,410
Repairs & Maintenance	34,159	20,841	-	-	-	-	-	55,000
Operating Supplies	7,683	4,687	-	-	-	-	-	12,370
Uniforms & protective Gear	308	188	-	-	-	-	-	496
Station One Chemicals	395,291	-	-	-	-	-	-	395,291

Lawton Valley (Excludes chemicals)								
Salaries & Wages	329,818	201,223	-	-	-	-	-	531,042
Overtime	64,793	39,530	-	-	-	-	-	104,323
Holiday Pay	12,183	7,433	-	-	-	-	-	19,615
Lead Plant Operator Stipend	7,751	4,729	-	-	-	-	-	12,480
Employee Benefits	192,195	117,259	-	-	-	-	-	309,454
Annual Leave Buyback	5,900	3,600	-	-	-	-	-	9,500
Conferences & Training	1,740	1,062	-	-	-	-	-	2,802
Fire & Liability Insurance	37,467	22,858	-	-	-	-	-	60,325
Electricity	267,740	-	-	-	-	-	-	267,740
Natural Gas	16,269	9,926	-	-	-	-	-	26,195
Rental of Equipment	621	379	-	-	-	-	-	1,000
Sewer Charge	476,625	-	-	-	-	-	-	476,625
Gas/Vehicle Maintenance	3,981	2,429	-	-	-	-	-	6,410
Repairs & Maintenance	40,370	24,630	-	-	-	-	-	65,000
Operating Supplies	5,499	3,355	-	-	-	-	-	8,854
Uniforms & protective Gear	285	174	-	-	-	-	-	459
Lawton Valley Chemicals	429,865	-	-	-	-	-	-	429,865

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Base Extra Capacity Cost Allocations

	Base	Max Day	Max Hour	Metering	Billing	Services	Fire	Total \$ Allocated
<b>Laboratory</b>								
Salaries & Wages	143,963	-	-	-	-	-	-	143,963
Employee Benefits	56,521	-	-	-	-	-	-	56,521
Annual Leave Buyback	4,250	-	-	-	-	-	-	4,250
Repairs & Maintenance	6,200	-	-	-	-	-	-	6,200
Regulatory Assessment	58,270	-	-	-	-	-	-	58,270
Laboratory Supplies	25,119	-	-	-	-	-	-	25,119
<b>Transmission and Distribution</b>								
Salaries & Wages	196,231	119,721	205,496	-	-	-	-	521,449
Overtime	15,096	9,210	15,809	-	-	-	-	40,116
Temp Salaries	8,580	5,235	8,985	-	-	-	-	22,800
Injury Pay	-	-	-	-	-	-	-	-
Employee Benefits	87,073	53,123	91,183	-	-	-	-	231,379
Annual Leave Buyback	2,258	1,378	2,365	-	-	-	-	6,000
Conferences & Training	1,089	665	1,141	-	-	-	-	2,895
Contract Services	4,467	2,725	4,678	-	-	-	-	11,870
Fire & Liability Insurance	4,106	2,505	4,299	-	-	-	-	10,910
Electricity	6,847	4,177	7,170	-	-	-	-	18,195
Heavy Equipment Rental	3,387	2,066	3,547	-	-	-	-	9,000
Gas/Vehicle Maintenance	31,359	19,132	32,839	-	-	-	-	83,330
Repairs & Maintenance	7,602	4,638	7,961	-	-	-	-	20,200
Main Maintenance	24,837	15,153	26,010	-	-	-	-	66,000
Hydrant Maintenance	-	-	-	-	-	-	-	-
Service Maintenance	-	-	-	-	-	30,000	-	30,000
Operating Supplies	-	-	-	-	-	-	-	-
Uniforms & protective Gear	539	329	565	-	-	-	-	1,433
<b>Fire Protection</b>								
Fire Protection	-	-	-	-	-	-	31,300	31,300
<b>Non-Administrative O&amp;M</b>								
Non-Administrative O&M	4,968,689	1,088,482	412,048	307,322	345,838	95,802	31,300	7,249,481

	Base	Max Day	Max Hour	Metering	Billing	Services	Fire	Total \$ Allocated
Water Supply	1,390,098	-	-	-	-	-	-	1,390,098
Treatment Station 1	1,355,324	826,888	-	-	-	-	-	2,182,211
Treatment Lawton Valley	1,573,687	960,112	-	-	-	-	-	2,533,800
Treatment Both Plants	455,488	277,895	-	-	-	-	-	733,383
T&D Pumping	22,408	13,671	23,466	-	-	-	-	59,546
T&D	666,868	406,859	698,352	-	-	-	-	1,772,079
Fire	-	-	-	-	-	-	27,134	27,134
Meters	-	-	-	343,887	-	-	-	343,887
Services	-	-	-	-	-	217,735	-	217,735
Billing	-	-	-	-	23,322	-	-	23,322
	<b>5,463,873</b>	<b>2,485,425</b>	<b>721,819</b>	<b>343,887</b>	<b>23,322</b>	<b>217,735</b>	<b>27,134</b>	<b>9,283,195</b>
	59%	27%	8%	4%	0%	2%	0%	100%
	143,729	-	-	-	-	-	-	143,729
<b>Total Non-Admin Costs</b>	<b>10,576,291</b>	<b>3,573,907</b>	<b>1,133,867</b>	<b>651,208</b>	<b>369,160</b>	<b>313,537</b>	<b>58,434</b>	<b>16,676,405</b>
	63%	21%	7%	4%	2%	2%	0%	100%
	79,631	25,470	9,642	7,191	8,092	2,242	732	133,000
	-	-	-	165,000	165,000	-	-	330,000
	-	-	-	83,000	83,000	-	-	166,000
	53,885	17,235	6,524	4,866	5,476	1,517	496	90,000
	29,936	9,575	3,625	2,703	3,042	843	275	50,000
	6,766	2,164	819	611	688	190	62	11,300
	11,975	3,830	1,450	1,081	1,217	337	110	20,000
	21,000	-	-	-	-	-	-	21,000
	<b>203,193</b>	<b>58,274</b>	<b>22,060</b>	<b>264,453</b>	<b>266,515</b>	<b>5,129</b>	<b>1,676</b>	<b>821,300</b>
<b>\$</b>	<b>10,373,098</b>	<b>\$ 3,515,633</b>	<b>\$ 1,111,807</b>	<b>\$ 386,755</b>	<b>\$ 102,645</b>	<b>\$ 308,408</b>	<b>\$ 56,759</b>	<b>\$ 15,855,105</b>



Rhode Island Public Utilities Commission  
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FY 2020 Rate Filing  
DGB Schedule B-2  
Allocation of Costs to Water Rate Classes

Allocation Percentages		Commodity Charges						
		Base Charge	Retail		Navy	Portsmouth		
			Residential	Non-Residential				
Cost Category	Allocation Basis						Fire	Total % Allocated
Base	Average annual demand		41%	29%	11%	20%	0%	100%
Base Excluding PWFD			51%	36%	13%	0%	0%	100%
Base Excluding PWFD & 50% Navy			54%	39%	7%	0%	0%	100%
Water Quality Protection Fees			58%	42%	0%	0%	0%	100%
Total Base to Class			42%	30%	10%	18%	0%	100%
Max Day	Estimated customer peaking factors		32%	25%	6%	15%	22%	100%
Base Excluding PWFD			37%	29%	7%	0%	26%	100%
Max Day Excluding PWFD & 50% Navy			39%	30%	4%	0%	27%	100%
Total Max Day to Class			33%	26%	6%	12%	23%	100%
Max Hour	Estimated customer peaking factors		17%	19%	5%	8%	52%	100%
Base Excluding PWFD			18%	20%	5%	0%	56%	100%
Max Hour Excluding PWFD & 50% Navy			19%	21%	3%	0%	58%	100%
Total Max Hour to Class			19%	21%	3%	0%	58%	100%
Metering	Direct Assignment	100%						100%
Billing	Direct Assignment	100%						100%
Services	Direct Assignment	100%						100%
Fire	Direct Assignment						100%	100%
Treatment Plant Avg. Day	Assured Capacity		0%	0%	0%	0%	0%	0%
Treatment Plant Max. Day	Assured Capacity		0%	0%	0%	0%	0%	0%

Rhode Island Public Utilities Commission  
Docket 4933  
FY 2016 Rate Filing  
HJS Schedule B-2  
Allocation of Costs to Water Rate Classes

ALLOCATION RESULTS

Cost Category

Base								
Base excluding T&D&WQPF & Pumping	9,493,544	3,862,662	2,753,998	998,045	1,878,840		9,493,544	
Transmission & Distribution	1,060,339	575,592	410,385	74,362	-		1,060,339	
Pumping	22,408	11,367	8,104	2,937	-		22,408	
Water Quality Protection Fees	(21,000)	(12,259)	(8,741)	-	-		(21,000)	
Revenue Offsets	(182,193)	(76,651)	(54,651)	(18,524)	(32,366)	-	(182,193)	
Administrative Charges	1,374,950	578,464	412,433	139,798	244,255	-	1,374,950	
Max Day								
Max Day Except T&D & Pumping	2,913,319	925,871	727,317	181,349	429,314	649,468	2,913,319	
Transmission & Distribution	646,917	250,263	196,594	24,509	-	175,551	646,917	
Pumping	13,671	5,096	4,003	998	-	3,575	13,671	
Revenue Offsets	(58,274)	(19,261)	(15,130)	(3,373)	(7,000)	(13,511)	(58,274)	
Administrative Charges	462,377	152,822	120,049	26,762	55,543	107,200	462,377	
Max Hour								
Max Hr. Except T&D & Pumping	-	-	-	-	-	-	-	
Transmission & Distribution	1,110,400	-	206,798	232,230	29,634	641,739	1,110,400	
Pumping	23,466	-	4,257	4,780	1,220	13,209	23,466	
Revenue Offsets	(22,060)	(4,106)	(4,611)	(600)	-	(12,742)	(22,060)	
Administrative Charges	171,593	31,940	35,868	4,669	-	99,116	171,593	
Metering		651,208	-	-	-	-	651,208	
Revenue Offsets	(264,453)	(264,453)					(264,453)	
Administrative Charges	123,862	123,862					123,862	
Services		313,537					313,537	
Revenue Offsets	(5,129)	(5,129)					(5,129)	
Administrative Charges	38,342	38,342					38,342	
Billing		369,160					369,160	
Revenue Offsets	(266,515)	(266,515)					(266,515)	
Administrative Charges	151,584	151,584					151,584	
Fire		58,434				58,434	58,434	
Revenue Offsets	(1,676)					(1,676)	(1,676)	
Administrative Charges	9,740					9,740	9,740	
Treatment Plant Capital Costs		Treatment Capital Allocated Using B/EC (See Schedule HJS-5)					-	
Treatment Plant Avg. Day	-	-	-	-	-	-	-	
Treatment Plant Max. Day	-	-	-	-	-	-	-	
Total To Recover through Rates	\$ 18,187,552	\$ 1,111,596	\$ 6,492,855	\$ 4,822,627	\$ 1,461,785	\$ 2,568,585	\$ 1,730,103	\$ 18,187,552

COST OF SERVICE PER UNIT

Description of Billing Units  
Percentage of Dollars Allocated  
Allocated Cost  
Divided by: Number of Units  
Unit Cost of Service

Metering						
(1)	(2)	(2)	(2)	(2)	(3)	
Equivalent meters x 12 months	1000's of gallons annually	1000's of gallons annually	1000's of gallons annually	1000's of gallons annually	Equivalent Connections	Total
2.8%	35.7%	26.5%	8.0%	14.1%	9.1%	100.0%
\$ 510,617	\$ 6,492,855	\$ 4,822,627	\$ 1,461,785	\$ 2,568,585	\$ 1,663,605	\$ 18,187,552
210,300	624,467	445,232	188,877	377,003	160,336	
\$2.4280	\$10.40	\$10.83	\$7.74	\$6.81	\$10.38	
per equiv per month	per 1000 gallons	per 1000 gallons	per 1000 gallons	per 1000 gallons	Equivalent connections	

Description of Billing Units  
Percentage of Dollars Allocated  
Allocated Cost  
Divided by: Number of Units  
Unit Cost of Service

Billing		Services	Hydrants
No. of bills per year	Equivalent Connections	No. of Hydrants	
1.4%	1.9%	0.4%	
\$ 254,229	\$ 346,750	\$ 66,499	
175,323	276,936	1,042	
\$1.4501	\$1.2521	\$63.8181	
per bill	per equiv	per Hydrant	

- (1) From HJS Schedule D-1, 'Water Accounts, by Size and Class'.  
(2) From HJS Schedule B-6, 'Water Demand History'.  
(3) From HJS Schedule D-2, 'Fire Protection Accounts'.



Rhode Island Public Utilities Commission

Docket 4933

FY 2020 Rate Filing

DGB Schedule B-3

Cost Allocation Bases

Allocation Basis	Used to allocate the following cost categories	Source Schedule	Base	Max Day	Max Hour	Metering	Billing	Services	Direct Fire Protection	Total % Allocated
Average Day Demand Patterns	Supply, Laboratory	N/A	100%							100%
Maximum Day Demand Patterns	Treatment	B-1	62%	38%	0%					100%
Maximum Hour Demand Patterns	Pumping, Transmission/Distribution, Storage	B-1	38%	23%	35%					100%
Fire Protection	Public/Private Fire Protection Costs	D-2							100%	100%
Non Admin less electricity & chemicals	Administration Salaries, Wages, & Benefits	B-1	60%	19%	7%	5%	6%	2%	1%	100%
Customer Service Salaries and Wages	Customer Service Salaries, Wages, & Benefits	B-4	0%	0%	0%	48%	40%	12%	0%	100%
Non-Administrative Wages & Salaries	Administrative Labor Related	B-1	57%	22%	8%	6%	5%	1%	0%	100%
Capital Costs	Certain Legal and Administrative	B-1	55%	27%	8%	4%	0%	2%	0%	0%
Total Non-Admin Costs before Offsets	Certain Legal and Administrative	B-1	63%	21%	7%	4%	2%	2%	0%	100%
Other Costs	Administration Non-Salary Costs	B-1	60%	19%	7%	5%	6%	2%	1%	100%
Treatment Plant Capital	Treatment Capital Costs	B-4	62%	38%	0%	0%	0%	0%	0%	100%

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HJS Schedule B-4  
Allocation Analyses

Administration 15-500-2200

Salaries by Staff Position	
Director of Utilities	\$ 87,347
Administrative Secretary	\$ 34,986
Deputy Director - Finance	\$ 66,733
Deputy Director - Engineering	\$ 76,332
Financial Analyst	\$ 32,520
Salary \$ Allocation Results	\$ 297,917

Resulting % Allocation of Administration Salaries, Wages, & Benefits

Allocation of Salary Costs							
Base	Max Day	Max Hour	Metering	Billing	Services	Direct Fire Protection	Total Allocated
60%	19%	7%	5%	6%	2%	1%	100%
60%	19%	7%	5%	6%	2%	1%	100%
60%	19%	7%	5%	6%	2%	1%	100%
60%	19%	7%	5%	6%	2%	1%	100%
\$ 178,371	\$ 57,052	\$ 21,597	\$ 16,108	\$ 18,127	\$ 5,021	\$ 1,641	\$ 297,917
60%	19%	7%	5%	6%	2%	1%	100%

Customer Service 15-500-2209

Salaries by Staff Position	
Meter Repairman/Reader	\$ 41,112
Meter Repairman/Reader	\$ 50,878
Principal Account Clerk	\$ 47,876
Meter Repairman/Reader	\$ 51,298
Maintenance Mechanic	\$ 53,755
Principal Account Clerk	\$ 23,938
Water Meter Foreman	\$ 64,557
Salary \$ Allocation Results	\$ 333,414

Resulting % Allocation of Customer Service Salaries, Wages, & Benefits

	50%	50%	100%	33%	34%	0%	100%
	50%	50%	100%	33%	34%	0%	100%
	100%	33%	33%	33%	34%	0%	100%
	33%	100%	33%	33%	34%	0%	100%
	\$ 160,274	\$ 132,914	\$ 40,226	\$ 333,414			
0%	0%	0%	48%	40%	12%	0%	100%

Functional Break Down of Existing Fixed Assets

	Supply	Treatment Station 1	Treatment Lawton Valley	Treatment Both Plants	T&D	T&D Pump	Fire	Meters	Services	Billing	
TRANSMISSION/DISTRIBUTION	\$ 32,296,348										100%
LAWTON VALLEY	\$ 50,565,297										100%
STATION 1	\$ 43,548,893	100%	100%								100%
TREATMENT BOTH	\$ 14,635,624			100%							100%
STORAGE	\$ 3,067,813				100%						100%
SOURCE OF SUPPLY	\$ 27,662,753	100%									100%
METERS	\$ 6,862,709							100%			100%
SERVICES	\$ 4,345,187								100%		100%
T&D PUMPING	\$ 1,188,312					100%					100%
BILLING	\$ 465,430									100%	100%
FIRE	\$ 541,499						100%				100%
Total	\$ 185,179,866										
LABORATORY	\$ 80,000	100%	0%	0%	0%	0%	0%	0%	0%	0%	100%
LAND AND ROW	\$ 3,594,491	15%	24%	27%	8%	1%	0%	4%	2%	0%	100%
	\$ 3,674,491										

Total Fixed Assets \$ 188,854,357

	Supply	Treatment Station 1	Treatment Lawton Valley	Treatment Both Plants	T&D	T&D Pump	Fire	Meters	Services	Billing	Total
TRANSMISSION/DISTRIBUTION	\$ 32,296,348										\$ 32,296,348
LAWTON VALLEY	\$ 50,565,297										\$ 50,565,297
STATION 1	\$ 43,548,893	43,548,893									43,548,893
TREATMENT BOTH	\$ 14,635,624			14,635,624							14,635,624
STORAGE	\$ 3,067,813				3,067,813						3,067,813
SOURCE OF SUPPLY	\$ 27,662,753										27,662,753
METERS	\$ 6,862,709							6,862,709			6,862,709
SERVICES	\$ 4,345,187								4,345,187		4,345,187
T&D PUMPING	\$ 1,188,312					1,188,312					1,188,312
BILLING	\$ 465,430									465,430	465,430
FIRE	\$ 541,499						541,499				541,499
WORK IN PROGRESS	\$ -										-
Total	\$ 185,179,866	\$ 43,548,893	\$ 50,565,297	\$ 14,635,624	\$ 35,364,161	\$ 1,188,312	\$ 541,499	\$ 6,862,709	\$ 4,345,187	\$ 465,430	\$ 185,179,866
	15%	24%	27%	8%	19%	1%	0%	4%	2%	0%	
LABORATORY	\$ 80,000										80,000
LAND AND ROW	\$ 3,594,491	\$ 845,319	\$ 981,513	\$ 284,089	\$ 686,447	\$ 23,066	\$ 10,511	\$ 133,211	\$ 84,344	\$ 9,034	\$ 3,594,491
	17%	23%	27%	8%	19%	1%	0%	4%	2%	0%	
Total Allocated	\$ 28,279,710	\$ 44,394,212	\$ 51,546,810	\$ 14,919,713	\$ 36,050,608	\$ 1,211,378	\$ 552,010	\$ 6,995,920	\$ 4,429,531	\$ 474,464	\$ 188,854,357
% of Total Asset Value	15%	24%	27%	8%	19%	1%	0%	4%	2%	0%	

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[illegible]

	Supply	Treatment Station 1	Treatment Lawton Valley	Treatment Both Plants	T&D	T&D Pump	Fire	Meters	Services	Billing	Total	
Capital Spending Restricted Account	\$ 2,500,000	\$ 374,359	\$ 587,678	\$ 682,362	\$ 197,503	\$ 477,228	\$ 16,036	\$ 7,307	\$ 92,610	\$ 58,637	\$ 6,281	\$ 2,500,000
Debt Service	\$ 6,783,195	\$ 1,015,739	\$ 1,594,534	\$ 1,851,438	\$ 535,880	\$ 1,294,851	\$ 43,510	\$ 19,827	\$ 251,277	\$ 159,098	\$ 17,042	\$ 6,783,195
	\$ 9,283,195	\$ 1,390,098	\$ 2,182,211	\$ 2,533,800	\$ 733,383	\$ 1,772,079	\$ 59,546	\$ 27,134	\$ 343,887	\$ 217,735	\$ 23,322	\$ 9,283,195

Rhode Island Public Utilities Commission  
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FY 2020 Rate Filing  
DGB Schedule B-6  
Water Demand History

Annual Demand by Class	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Demand Projection Options			Rate Year Demand Projection	Demand Projection from 4595
									2-Year Avg	3-Year Avg	Trend		
Residential	640,966	618,574	663,331	651,514	670,930	621,387	643,010	609,006	626,008	624,468	605,896	624,467	661,222
Non-Residential	502,475	472,437	485,331	446,842	467,568	440,354	457,187	438,155	447,671	445,232	441,934	445,232	457,205
Navy	137,731	222,858	250,769	276,891	217,265	193,192	180,514	192,925	186,720	188,877	188,477	188,877	247,078
Portsmouth	398,827	407,837	411,578	455,255	410,309	381,114	380,190	369,706	374,948	377,003	359,891	377,003	432,782
<b>Total (in 1000's Gallons)</b>	<b>1,679,999</b>	<b>1,721,706</b>	<b>1,811,009</b>	<b>1,830,502</b>	<b>1,766,072</b>	<b>1,636,047</b>	<b>1,660,901</b>	<b>1,609,792</b>	<b>1,635,347</b>	<b>1,635,580</b>	<b>1,596,198</b>	<b>1,635,579</b>	<b>1,798,287</b>

	Peaking Comparison										Peaks	Estimated	Diversity
	Combined Station #1 and LV WTP												
	Production Volumes in 1,000 gals												
	2011	2012	2013	2014	2015	2016	2017	2018					
Annual Production	2,304,024	2,059,646	2,071,219	2,115,343	2,027,100	2,009,979	1,986,241	1,823,116	1,904,679				
Average Day Production	6,312	5,643	5,675	5,795	5,554	5,507	5,442	4,995	5,218.30				
Maximum Month Production	268,468	244,463	236,739	227,653	219,066	208,121	230,922	215,388	223,155				
Maximum Day Production	10,163	10,606	9,721	9,462	8,690	7,878	8,660	8,144	8,402				
Max Day Date	7/23/2011	7/7/2012	7/7/2012	7/6/2013	7/25/2014	7/24/2015	7/22/2016	8/22/2017					
Maximum Day Peaking Factor	1.61	1.88	1.71	1.63	1.56	1.43	1.59	1.63	1.6	1.96		1.20	
Max-Day to Avg. Day/Max-Month Ratio	1.17	1.34	1.27	1.29	1.23	1.17	1.16	1.17	1.2				
Maximum Hour	12,100	12,500	14,200	12,500	16,000	12,600	13,100	15,900	13,867				
Maximum Hour Peaking Factor	1.92	2.22	2.50	2.16	2.88	2.29	2.41	3.18	3.2	2.73		0.86	

(1) Calculated according to AWWA M-1 Guidelines

Estimation of Each Customer Class' Peaking Factors

Customer Class	Max Day Demand Factor		Max Hour Demand Factor	
	Max Day Demand Factor	Max Hour Demand Factor	Max Day Demand Factor	Max Hour Demand Factor
Residential	1.97	2.62	1.97	2.62
Non-Residential	2.07	3.10	2.07	3.10
Navy	1.73	2.46	1.73	2.46
Portsmouth	1.92	2.56	1.92	2.56
Fire				
(5)				
Estimated Systemwide Peaks	1.96	2.73	1.96	2.73

(5) Fire peaking behavior is estimated using a separate methodology demonstrated in HJS Schedule B-11, Fire Protection Demand Analysis'.

Rhode Island Public Utilities Commission  
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FY 2020 Rate Filing  
HJS Schedule B-9  
System Demands Imposed by Each Customer Class' Peaking Behavior

Customer Class	Rate Year Demand (1,000 gallons)					
	Annual Demand	Average Daily Demand	Lost Water Adjustment	Adjusted Average Daily Demand	% Average Demand by Class	% Average Demand Ex PWFD & 50% Navy
Residential	624,467	1,711	413	2,123	40.69%	54%
Non-Residential	445,232	1,220	294	1,514	29.01%	39%
Navy	188,877	517	31	549	10.51%	7%
Portsmouth	377,003	1,032.88	-	1,033	19.79%	0%
Fire					N/A	N/A
<b>Total, w Fire Prot.</b>	<b>1,635,579</b>	<b>4,481</b>	<b>13%</b>	<b>5,219</b>	<b>100%</b>	<b>100%</b>

Production (1) 1,904,949 5,219 14.14%

Customer Class	Max Day Calculations				% of Daily Peaks				Max Hour Calculations				% of Hourly Peaks			
	Max Day Peaking Factor	Demand x Peaking Factor (3)	Incremental Peak Demand	% of Daily Peaks	With Full PWFD & Navy		Without PWFD & 50% Navy	Without PWFD	Max Hour Peaking Factor	Demand x Peaking Factor	Incremental Peak Demand	With Full PWFD & Navy		Without PWFD & 50% Navy	Without PWFD	
Residential	1.97	4,176	2,053	31.8%	31.8%	31.8%	38.7%	37.3%	2.62	5,568	1,392	16.7%	18.6%	18.6%	18.1%	
Non-Residential	2.07	3,127	1,613	25.0%	25.0%	25.0%	30.4%	29.3%	3.10	4,690	1,563	18.8%	20.9%	20.9%	20.4%	
Navy	1.73	951	402	6.2%	6.2%	6.2%	3.8%	7.3%	2.46	1,350	399	4.8%	2.7%	2.7%	5.2%	
Portsmouth	1.92	1,985	952	14.7%	14.7%	14.7%	0.0%	0.0%	2.56	2,646	662	7.9%	0.0%	0.0%	0.0%	
Fire		1,440	1,440	22.3%	22.3%	22.3%	27.1%	26.1%		5,760	4,320	51.8%	57.8%	57.8%	56.3%	
(2)																
Total, w Fire Prot.		11,678	6,459	100.0%	100.0%	100.0%	100.0%	100.0%		20,014	8,336	100.0%	100.0%	100.0%	100.0%	
Total, without Fire Protection		10,238	5,019						14,254	4,016						
(demand is in thousands of gallons)																

(demand is in thousands of gallons)

(1) From HJS Schedule D-4. The lost water adjustment is made to the peaking analysis so that Portsmouth will not share in that portion of certain operating costs. Navy allocation is reduced to 25%.

(2) From HJS Schedule B-11, Fire Protection Demand Analysis'.



EACH RATE CLASS' SHARE OF SYSTEM PEAKS

Rate Class	Average Demand	Daily Peaks	Hourly Peaks
Retail			
Residential	41%	32%	17%
Non-Residential	29%	25%	19%
Navy	11%	6%	5%
Portsmouth	20%	15%	8%
Fire	N/A	22%	52%
	100%	100%	100%

BASE/EXTRA-CAPACITY DISTRIBUTION OF SYSTEM PEAKS

	Incremental Demand	% Distribution for Max Day	% Distribution for Max Hour
Base	5,218	62.1%	37.6%
Extra Capacity			
Max Day	3,184	37.9%	23.0%
Max Hour	5,465		39.4%
Fire Protection			
Max Day	-	0.0%	0.0%
Max Hour			0.0%
Total%		100.0%	100.0%
Total 1000's Gallons		8,402	13,867

Rhode Island Public Utilities Commission  
Docket XXXX  
FY 2020 Rate Filing  
HJS Schedule B-11  
Fire Protection Demand Analysis

FIRE PROTECTION ASSUMPTIONS		
Fire Protection Flow (gals per minute)		4,000
Hourly Fire Protection Flow (1000's of gallons)		240
Length of Fire Event (in hours)		6