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January 12, 2023

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

**Re: *Docket No. 22-47-WW- The Narragansett Bay Commission
General Rate Filing***

Dear Ms. Massaro:

Enclosed please find an original and nine copies of the following:

1. The Narragansett Bay Commission's Response to the Rhode Island Division of Public Utilities and Carrier's Data Requests (Set One).

Also, please note that an electronic copy of this document has been provided to the service list and a link will be provided for the attachments. In addition, I have provided the Commission with a link to access the attachments.

Thank you for your attention to this matter.

Sincerely,



Joseph A. Keough, Jr.

JAK/kf

cc: Docket 22-47-WW Service List (*via electronic mail*)

DOCKET NO. 22-47-WW
The Narragansett Bay Commission's Response
To the Division of Public Utilities and Carriers
Data Requests
Set 1

Div. 1-1: To the extent not already provided, please provide in electronic (Excel or Excel compatible) format copies of all schedules and workpapers created in the process of filing the current rate increase request.

Response: The Excel schedules were provided to the service list via email on January 3, 2023.

Prepared by: David M. Fox

DOCKET NO. 22-47-WW
The Narragansett Bay Commission's Response
To the Division of Public Utilities and Carriers
Data Requests
Set 1

Div. 1-2: Please provide a complete copy of Narragansett Bay Commission's current chart of accounts.

Response: See attachment "DIV 1-2 – NBC Chart of Accounts."

Prepared by: Leah Foster

Div. 1-3: Please provide copies of Narragansett Bay Commission's detail general ledger for fiscal year 2022 (12 months ending June 30, 2022), and for the months from July 2022 through the present that are available.

Response: See attachments:

DIV 1-3 NBC General Ledger FY 22

DIV 1-3 NBC General Ledger FY 23

Prepared by: Leah Foster

Div. 1-4: Provide copies of NBC's capital and operating budgets for fiscal years 2021 and 2022.

Response: Below is a link to NBC's financial page where the capital and operating budgets can be viewed.

[NBC Financial Page](#)

Prepared by: Gail Degnan

Div. 1-5: Provide copies of NBC's audited financial statements, including notes to the financial statements, for fiscal years 2021 and 2022.

Response: Below is a link to NBC's financial page where the audited financial statements can be viewed.

[NBC Financial Page](#)

Prepared by: Leah Foster

Div. 1-6: Please provide copies of Narragansett Bay Commission's annual variance reports for fiscal years 2021 and 2022 that compare, reconcile and explain differences between actual operating results and forecast or budget operating results.

Response: See attachments:

DIV 1-6 Explanations for Major Variances FY 21
DIV 1-6 Explanations for Major Variances FY 22
DIV 1-6 FY 2021 Annual Variance Report
DIV 1-6 FY 2022 Annual Variance Report

Prepared by: Leah Foster

Div. 1-7: Please provide a detailed comparison between Narragansett Bay Commission's fiscal year 2020, 2021 and 2022 forecast construction expenditures and actual construction expenditures.

Response:

Narragansett Bay Commission
CIP Budget vs. Actual Expenditures

FY 2020		FY 2021		FY 2022	
BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
\$53,046,000	\$44,556,146	\$52,728,000	\$83,847,136	\$ 176,278,000	\$162,816,306

Prepared by: Michael Cook

Div. 1-8: Please provide a complete copy of the presentations to the Board which resulted in the Board approval of Narragansett Bay Commission's rate filing. Also provide a copy of the Board approval.

- a. Was any information presented to the Board concerning whether NBC can accurately forecast results five years into the future? If so, please identify and provide that information.
- b. What information was presented to the Board to decide for how many future rate years to include in NBC's application? Please identify and provide that information.

Response: See attachment – "DIV 1-8 NBC Board Approval"

- a. NBC's request for rate relief beyond the rate year (FY2024) is for debt service only. To that end, NBC can forecast with some degree of accuracy what its debt service requirements will be over the next five years. As NBC understands it, the PUC has approved similar multi-year rate plans related to debt service for other utilities. As set forth in the meeting minutes, NBC's Board was advised that NBC's "Finance staff is continuously monitoring revenues and expenses to ensure that our system of rates and charges is sufficient to meet our obligations. NBC is also required to take all actions within its power to establish and maintain rates and charges at levels sufficient to meet debt service coverage requirements." The Board was also informed that "NBC will be looking for multi-year rate relief." This is consistent with what NBC has had in the past, referred to as the debt service compliance filing mechanism. This will ensure continuous financing of the CIP."
- b. The Board approved the resolution in June 2022, and at that time, NBC did not yet know the length of the multi-year increase it would require. The necessary work involved in evaluating NBC's finances and debt service needs was carried out over the following months before NBC made its filing on November 4, 2022. The determination of five years is consistent with NBC's obligation to take all actions within its power to establish and maintain rates and charges at levels sufficient to meet debt service coverage requirements. As set forth in NBC's response to Div. 1-9, NBC could seek the rates necessary to service its debt through the Debt Service Compliance Filing Mechanism if the Commission extends it to FY2027. Furthermore, it is advantageous to NBC's ratepayers when the Commission grants multi-year relief (subject to compliance filings) as it sends a strong positive signal to rating agencies and assists NBC in achieving the best possible interest rates.

Prepared by: Karen Giebink

Div. 1-9: Why did NBC decide to apply for five rate years, rather than for some more limited period, such as three years?

Response: NBC requires increased revenue over the next five years for debt service to fund its capital program. The rate increase requests beyond the rate year (FY2024) are for debt service only. As the Commission knows, and as reviewed in Mr. McCaughey's testimony, NBC has a Debt Service Compliance Filing Mechanism that allows it to make abbreviated filings for debt service and debt service coverage. This Debt Service Filing Mechanism expired in 2022, but NBC has requested that the Commission extend this Debt Service Compliance Filing Mechanism until 2027. If the Commission grants this request, then NBC could implement its multi-year request through this Mechanism rather than a multi-year rate increase. If the Commission does not extend this Mechanism, then NBC seeks approval for the proposed multi-year rate increase, which also requires compliance filings before the rate increases take effect. In either case, NBC wanted all the parties to be aware of the increases that will be needed to meet its debt service requirements in the immediate future.

Even if NBC uses the Debt Service Compliance Filing Mechanism, it submitted a request for multi-year rate relief to provide full transparency during this current filing of the increase in debt service projected to occur due to new debt issuances in fiscal years (FY) 2023 through 2025. It should be noted that NBC did not request any other increase in revenue requirements past the rate year (FY 2024), other than for the projected increase in debt service. In determining the number of rate years to apply for in this filing, the order of magnitude associated with an annual increase in debt service obligations was taken into consideration. Utilizing the best projection of new debt service at the time of NBC's filing of this Docket, the changes in annual debt service obligations are less pronounced after the fifth-rate year (FY 2028). As such, given the relative leveling of debt service obligations after FY 2028, it was decided that five rate years was the appropriate filing period.

Prepared by: David M. Fox

Div. 1-10: Please provide, in Excel, the trial balance for the fiscal years ending June 30, 2020, 2021 and 2022, and the monthly trial balances for each month after June 2022. Please provide the information by account and subaccount.

Response: See attachments:

DIV 1-10 FY 2020 Final Trial Balance
DIV 1-10 FY 2021 Final Trial Balance
DIV 1-10 FY 2022 Final Trial Balance
DIV 1-10 2022.07 NBC GL Trial Balance
DIV 1-10 2022.08 NBC GL Trial Balance
DIV 1-10 2022.09 NBC GL Trial Balance
DIV 1-10 2022.10 NBC GL Trial Balance
DIV 1-10 2022.11 NBC GL Trial Balance
DIV 1-10 2022.12 NBC GL Trial Balance

Prepared by: Leah Foster

Div. 1-11: Please provide the Narragansett Bay Commission operating budgets for fiscal years 2022, 2023, 2024, 2025, 2026, 2027 and 2028.

Response: Below is a link to NBC's financial page where the operating budgets for fiscal years 2022 and 2023 can be viewed. NBC has not prepared its budgets for fiscal years 2024, 2025, 2026, 2027 and 2028.

[NBC Financial Page](#)

Prepared by: Gail Degnan

Div. 1-12: Please provide the Narragansett Bay Commission capital budgets and capital spending forecasts for fiscal years 2022, 2023, 2024, 2025, 2026, 2027 and 2028. If available in Excel, please include the Excel version with your response.

Response: The Capital Budget consists of a six-year Capital Improvement Program and Operating Capital Program that are updated each year. Please see below and attached Excel spreadsheet for the FY 2022 and FY 2023 Capital Budgets and the draft FY 2024 Capital budget. Please use the [link](#) to access NBC's financial information for pdfs of the complete Capital Budgets. NBC has not prepared/updated the Capital Budget for FY 2025, 2026, 2027, or 2028.

DOCKET NO. 22-47-WW
The Narragansett Bay Commission’s Response
To the Division of Public Utilities and Carriers
Data Requests
Set 1

Capital Budgets (in Thousands)						
FY 2022 Capital Program						
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
Operating Capital Program	2022	2023	2024	2025	2026	2027
	\$	4,327	\$	5,000	\$	5,000
Capital Improvement Program						
Wastewater Treatment Facility Improvements	\$	2,276	\$	2,841	\$	8,589
Bucklin Point Resiliency Improvements		22,772		36,106		1,543
Field's Point Resiliency Improvements		6,319		13,140		9,105
Infrastructure Management		2,280		1,608		226
CSO Phase III Facilities		140,137		234,752		114,535
Sewer System Improvements		1,239		2,499		7,480
Interceptor Cleaning & Restoration		1,319		1,142		500
Interceptor Restoration & Construction		122		6,265		1,500
Total	\$	176,464	\$	298,353	\$	204,437
				\$	5,000	5,000
FY 2023 Capital Program						
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
Operating Capital Program	2023	2024	2025	2026	2027	2028
	\$	3,812	\$	5,000	\$	5,000
Capital Improvement Program						
Wastewater Treatment Facility Improvements	\$	1,761	\$	7,509	\$	6,120
Bucklin Point Resiliency Improvements		28,910		10,029		2,678
Field's Point Resiliency Improvements		8,982		27,681		45,153
Infrastructure Management		1,986		1,521		994
CSO Phase III Facilities		173,336		161,367		165,665
Sewer System Improvements		1,421		3,253		6,603
Interceptor Cleaning & Restoration		508		500		500
Interceptor Restoration & Construction		2,873		8,654		1,499
Total	\$	219,777	\$	220,514	\$	229,212
				\$	5,000	5,000
FY 2024 Capital Program						
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
Operating Capital Program	2024	2025	2026	2027	2028	2029
	\$	5,423	\$	5,000	\$	5,000
Capital Improvement Program						
Wastewater Treatment Facility Improvements	\$	11,195	\$	9,313	\$	2,229
Bucklin Point Resiliency Improvements		16,779		10,159		5,621
Field's Point Resiliency Improvements		9,159		27,370		37,064
Infrastructure Management		1,774		1,147		1,017
CSO Phase III Facilities		184,702		165,680		77,337
Sewer System Improvements		1,684		4,644		6,026
Interceptor Cleaning & Restoration		500		500		500
Interceptor Restoration & Construction		1,500		8,154		1,500
Total	\$	227,294	\$	226,966	\$	131,294
				\$	5,000	5,000

Prepared by: Michael Cook

Div. 1-13: Please provide a detailed breakout of Miscellaneous Revenues, by component, for each of the five fiscal years through June 30, 2022.

Response:

FY	Name/V	Years	Month	Sum of Amount
= 2018	⊕ Al Jacs Inc.			0.10
	⊕ Beacon Mutual Insurance			3,093.11
	⊕ Cox Communication			218.85
	⊕ General Treasurer (Mark Thomas)			60.00
	⊕ General Treasurer (WB Mason)			4,975.94
	⊕ Green Development			310.00
	⊕ JP Morgan Chase & Co			1,102.40
	⊕ Karen & Joseph Clark			11.00
	⊕ National Grid			20,594.00
	⊕ Robert Kilduff			11.00
	⊕ SIMS Metal Management			1,132.63
	⊕ State of RI			30.00
	⊕ State of RI Judiciary			1.10
	⊕ Toyota of Smithfield			50.00
	⊕ FY 18 True up			857.10
2018 Total				30,733.03
= 2019	⊕ ELASTIZELL OF-ST LOUIS INC			415.20
	⊕ First Students			777.50
	⊕ JP Mrgan PCard Rebate			2,260.91
	⊕ Jury Duty			50.00
	⊕ National Grid			41,329.00
	⊕ Ocean State Blue Print			0.00
	⊕ RI State Constable			1.00
	⊕ RI State Constable Service			2.10
	⊕ SIMS Metal Management			10,136.95
	⊕ St of RI - RI Public Defender			119.86
	⊕ State of RI (Elaine DelRossi)			30.00
	⊕ State of RI (Israel Morales)			60.00
	⊕ Siemens			795.29
2019 Total				55,977.81
= 2020	⊕ Arbella Protection Insurance			6,717.53
	⊕ Ballard Mack Sales & Service Inc.			2,210.46
	⊕ Constellation NewEnergy Inc			9,963.69
	⊕ JP Morgan Chase Bank NA			15,127.61
	⊕ Jury Duty			30.00
	⊕ National Grid			3,600.00
	⊕ Pick-N-Pull			560.00
	⊕ Schnitzer Metals Recycling LLC			2,342.94
	⊕ SIMS Metal Management			4,999.55
	⊕ Stalwart Productions LLC			500.00
	⊕ State of RI and Providence Plantations			5,510.49
	⊕ Suburban Propane LLC			179.40
	⊕ Water Environment Federation			140.00
	2020 Total			
= 2021	⊕ Beacon Mutual Insurance			51,099.16
	⊕ JPMorgan Chase Bank NA			28,072.50
	⊕ Narragansett Bay Commission			234.66
	⊕ National Grid			16,285.50
	⊕ Sage Environmental			1.30
	⊕ Schnitzer Metals Recycling LLC			229.82
	⊕ SIMS Metal Management			5,224.20
	⊕ State of RI and Providence Plantations			4,161.53
	⊕ State of RI General Treasurer			4,046.31
	⊕ TASC			3,772.68
2021 Total				113,127.66
= 2022	⊕ CE Power			8,000.00
	⊕ JPMorgan Chase Bank NA			46,950.94
	⊕ Jury Duty			60.00
	⊕ National Grid			223,910.39
	⊕ Schnitzer Metals Recycling LLC			1,936.84
	⊕ SIMS Metal Management			403.58
	⊕ State of RI and Providence Plantations			7,142.62
⊕ TASC			30.68	
2022 Total				288,435.05

Prepared by: Leah Foster

Div. 1-14: Please provide a detailed breakout of forecast Miscellaneous Revenues, by component, for each of the fiscal years 2022, 2023, 2024, 2025, 2026, 2027 and 2028. If available in Excel, please include the Excel version with your response.

Response: The actual miscellaneous revenue for FY2022; the budgeted amount for FY2023; and, the actual year to date for FY2023 is as follows:

	FY 2022 Actual	FY 2023 Budget	FY 2023 Year to Date
	288,435	77,000	112,785
Less: Non recurring misc revenue	(223,910)		(34,011)
Adjusted Misc. Revenue	64,525	77,000	78,775

The FY 2022 adjustment was for removal of a one-time credit in the amount of \$223,910 from National Grid for a high-voltage overcharge. The adjustments for miscellaneous revenue (YTD FY 2023) are for one-time energy rebates as highlighted below:

Month	Account	Item	Amount	Notes
7/31/2022	02-000-00-49002	Sims Metal Management - FP & BP	435.27	Sale of Scrap metal
7/31/2022	02-000-00-49002	Sims Metal Management - FP & BP	937.32	Sale of Scrap metal
8/31/2022	02-000-00-49002	Sims Metal Management - FP & BP	727.76	Sale of Scrap metal
10/31/2022	02-000-00-49002	Narragansett Electric Company Energy Efficiency	29,210.55	One time energy efficiency rebate
11/30/2022	02-000-00-49002	Annual JP Morgan Rebate	76,135.81	Annual PCard rebate
11/30/2022	02-000-00-49002	Jury Duty	50.00	Jury Duty
12/31/2022	02-000-00-49002	Narragansett Electric Company Energy Efficiency	4,800.00	One time energy efficiency rebate
12/31/2022	02-000-00-49002	Motorola	200.00	Misc refund
12/31/2022	02-000-00-49002	Metals Recycling	288.39	Sale of Scrap metal
YTD			<u>112,785.10</u>	

NBC has not yet prepared its budgets for fiscal years 2024, 2025, 2026, 2027, and 2028. The FY 2024 budget is still in development. However, the estimated miscellaneous income revenue for FY 2024 is \$64,527, based on the adjusted test year.

Prepared by: Leah Foster

Div. 1-15: Was any expense for incentive compensation or bonuses incurred during the test period? If so, identify, quantify and explain such expense.

Response: Yes, please see below, and for a description of these payments, please see response to DIV 1-17.

Narragansett Bay Commission Incentive Compensation/Bonus Expense	
	FY 2022
COVID Stipend	\$ 36,000
Non-Union Storm Stipend	725
*Union Stipends	7,375
Sick Bonus	21,535
Wellness Incentive	58,700
Vaccine Bonus	3,000
Total	\$ 127,335

*This includes the union "Advancement Incentive and Stipend" and "Storm Stipend"

Prepared by: Casandra Bennett

Div. 1-16: Has any expense for incentive compensation or bonuses incurred during any of the rate years? If so, identify, quantify and explain such expense in each rate year.

Response: No expense for the rate year FY 2024 has been incurred yet. Further, NBC is not seeking any rate relief for FY 2025 – FY 2028 for incentive compensation bonuses. NBC's multi-year request for rate years beyond FY 2024 is for debt service only.

Prepared by: Casandra Bennett

Div. 1-17: Please provide complete copies of any and all incentive compensation programs in effect during the test year and, if different, for the programs that are currently in effect.

Response:

A. Union Incentive Compensation Programs

Union Collective Bargaining Agreement - Stipends

5.1 Advancement Incentive and Stipend - The NBC agrees to pay a stipend on a one-time only basis during the course of this Agreement in the amount of five hundred (\$500) dollars payable within thirty (30) days of NBC's receipt of proof that an employee has obtained a level of certification beyond that required by his current job classification after the employee's date of hire. There shall be no pyramiding of this benefit. In addition to paying the aforementioned stipend, the NBC shall also upgrade an Operator I to Operator II when he obtains an Operator II license and provides said proof within thirty (30) days of receipt of such proof.

Union Collective Bargaining Agreement - Sick Leave Bonus

12.6B - On an annual basis the sick leave bonus period will begin at the start of the first pay period in November and end in the last pay period of October the following year, if a non-probationary employee discharges a limited amount of sick leave and has no leave without pay, he shall be eligible to receive a cash bonus as follows:

<u>Hours Used</u>	<u>Hours Used</u>	<u>Cash Bonus</u>
35-Hour Employee	40-Hour Employee	
0-21	0-24	\$200
21.1-35	24.1 -40	\$150
35.1-49	40.1-56	\$100
49.1 - over	56.1 - over	-0-

Union Collective Bargaining Agreement - Article 26 - Education Incentive and Tuition Reimbursement Program

26.1 Educational Incentive Program – Upon arrival and in the discretion of the NBC, an employee will be reimbursed for courses taken which are deemed to be relevant and necessary to the employee's position or advancement. Additionally, each employee who has successfully completed a 96-hour curriculum, approved in advance by the NBC, shall be entitled to a one-step pay increment next above his current base step, or if the employee is at the maximum of the grade, an increment equal in amount to the difference between the last step in the pay range and that step immediately prior thereto.

B. Non-Union – Incentive Compensation Programs

NBC Employee Handbook - Section 408 SICK LEAVE BONUS - Non-Union Employee Sick Leave Bonus

On an annual basis (first pay period in November through last pay period in October), if a regular full-time employee discharges a limited amount of sick leave plus non-disciplinary leave without pay, he/she shall be eligible to receive a cash bonus as follows:

35-Hour Employee	40-Hour Employee	Bonus
0-21	0-24	\$200
21.1-35	24.1 -40	\$150
35.1-49	40.1-56	\$100
49.1 - over	56.1 - over	-0-

C. Union and Non-Union Incentives

COVID Incentive

NBC provided a \$100 incentive to each employee fully vaccinated when showing proof of vaccination card. Everyone fully vaccinated who provided their paperwork qualified for additional incentives chosen at random. Four employees received \$250 and one employee received \$1,000.

Wellness Incentive

The Wellness Incentive is communicated to employees through NBC's onboarding and open enrollment process. This incentive is offered to non-union and union employees who are enrolled in NBC's Health Insurance. Eligible employees and their spouses can earn a COMBINED TOTAL OF A MAXIMUM of \$500 in Wellness Incentive Credits by completing any of NBC's wellness programs. The Wellness Incentive Credits will be paid to eligible employees in the form of a check.

Storm Stipend

The storm stipend was a one-time payment to all staff working through the storm on January 29, 2021. This was paid to both non-union and union employees.

Prepared by: Casandra Bennett

Div. 1-18: Please provide the number of employees in each job title in fiscal years 2019, 2020, 2021 and 2022 and for each month from July 2022 through the present.

Response: See attachment "DIV 1-18 Employees- Job Titles."

Prepared by: Casandra Bennett

Div. 1-19: Please provide the number of employees in each job title that were budgeted or projected for each fiscal year 2019, 2020, 2021 and 2022.

Response: See attachment "DIV 1-19 Budgeted Positions."

Prepared by: Casandra Bennett

Div. 1-20: Please provide the number of employees in each job title that are budgeted or projected for each fiscal year 2022, 2023, 2024, 2025, 2026, 2027 and 2028.

Response: Please see attachment "DIV 1-20 Budgeted Positions" for the years 2022-2023.

NBC had not yet budgeted or projected the number of employees for fiscal years 2024 through 2028. The FY 2024 budget is still in development, but the rate year is based on the test year FTEs as well as adjustments for union COLAs, step increases and non-union merit increases.

NBC's proposed rate increases for fiscal years 2025 through 2028 is for debt service only and does not request any increase in rates for those years related to employees.

Prepared by: Casandra Bennett

Div. 1-21: Please provide the following for each employee position during the test year that experienced a change of incumbent (1) during the test year and separately (2) subsequent to the test year:

- a. position title;
- b. employee replaced;
- c. annual salary of replaced employee;
- d. replacement employee;
- e. annual salary of replacement employee; and
- f. date of replacement.

Response: See attachment "DIV 1-21 Replaced Employees."

Prepared by: Casandra Bennett

Div. 1-22: Please provide the following monthly labor data for the test year ending June 30, 2022, previous 3 years, and since for each month the end of the test year, showing annual totals:

- a. number of actual employees broken down between type (e.g., salaried, hourly, union, non-union, temporary, etc.);
- b. number of authorized employees broken down between type (e.g., salaried, hourly, union, non-union, temporary, etc.);
- c. regular payroll broken down between expensed, capitalized and other;
- d. overtime payroll broken down between expensed, capitalized and other;
- e. temporary payroll broken down between expensed, capitalized and other; and
- f. other payroll (specify)

Response:

- a-b See attachment "DIV 1-22 List of Employees by Month FY19-FY22"
- c. See attachment "DIV 1-22 Regular-OT Capitalized"
- d. See attachment "DIV 1-22 Regular-OT Capitalized"
- e. There are no non-union temporary payroll capitalized, which NBC refers to as limited payroll.

	Non Union Limited - Expensed	Non Union Limited - Capitalized
FY 2022	30,073	-
FY 2021	24,102	-
FY 2020	23,942	-
FY 2019	43,710	-

- f. There is no other payroll.

Prepared by: Leah Foster/Casandra Bennett

Div. 1-23: Please provide the actual number of employees for each month in 2020, 2021 and 2022 to date, and the estimated number of employees for each month of the fiscal years 2023 through 2028.

Response: The FY 2023 budget includes 305 total budgeted FTEs and 297 net FTEs with turnover.

Narragansett Bay Commission
Number of Employees

Month	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual
July	250	261	264	267
August	246	261	265	270
September	253	261	264	268
October	254	261	263	265
November	258	259	263	266
December	261	266	267	
January	261	268	265	
February	261	271	263	
March	261	271	263	
April	260	273	266	
May	258	271	264	
June	261	269	262	

The FY 2024 budget is still in development, and NBC has not prepared a budget for FY 2025 through FY 2028.

Prepared by: Casandra Bennett

Div. 1-24: Please provide the contract with NBC and Raftelis for services related to the current rate case.

Response: See attachment "DIV. 1-24 NBC - Raftelis Contract."

Prepared by: Gail Degnan

Div. 1-25: When does NBC plan on filing its next rate case?

Response: NBC has not determined when it will file its next rate case, and the timing depends on a number of variables:

- The NBC's proposal for increases beyond the rate year (FY 2024) is for debt service only. Whether or not NBC will have to seek additional funding for debt service depends on the economic environment and the bids received for the projects that will be funded by debt.
- Since the rate increases proposed beyond the rate year (FY 2024) is for debt only, NBC may have to seek rate relief in the future for O&M expenses. Among the biggest variables in O&M are electricity, biosolids and NBC's renewable energy portfolio. As the Commission and Division know, future electricity rates are hard to predict, and they may continue to increase.

Prepared by: David M. Fox

Div. 1-26: Identify the number of dwelling units served by NBC at each month-end from July 1, 2020 through December 30, 2022.

Response: Below is a 12-month moving average of dwelling units served by NBC from July 1, 2020, through December 30, 2022. We used a 12-month moving average to minimize the impact of billing adjustments (new account setup, real estate closings, etc.) when tracking dwelling units served.

Narragansett Bay Commission
Dwelling Units by Month

Month	Residential Dwelling Units 12 Month Moving Average
6/30/2020	120,436
7/31/2020	120,462
8/31/2020	120,487
9/30/2020	120,512
10/31/2020	120,539
11/30/2020	120,565
12/31/2020	120,591
1/31/2021	120,618
2/28/2021	120,644
3/31/2021	120,681
4/30/2021	120,708
5/31/2021	120,735
6/30/2021	120,761
7/31/2021	120,833
8/31/2021	120,928
9/30/2021	121,061
10/31/2021	121,152
11/30/2021	121,236
12/31/2021	121,287
1/31/2022	121,385
2/28/2022	121,479
3/31/2022	121,513
4/30/2022	121,602
5/31/2022	121,704
6/30/2022	121,772
7/31/2022	121,794
8/31/2022	121,814
9/30/2022	121,803
10/31/2022	121,823
11/30/2022	121,813
12/31/2022	121,859

Prepared by: David M. Fox

Div. 1-27: Identify the number of dwelling units projected to be served by NBC at each month-end from July 1, 2022 through June 30, 2028.

Response: For each month-end of FY 2023 (July 1, 2022 through June 30, 2023) NBC is projecting to serve 121,828 dwelling units. Although the FY 2024 (July 1, 2023 through June 30, 2024) budget is still in development, for purposes of projecting the rate year for this filing, we have estimated that NBC will serve 122,300 dwelling units for each month-end, which is the average change from FY 2020 through FY 2022 (includes residential well customers). NBC has not yet prepared its budget for fiscal years 2024, 2025, 2026, 2027 and 2028.

Prepared by: David M. Fox

Div. 1-28: Refer to the David Fox testimony at pages 14-15. Identify and provide the information on declining consumption that was evaluated for a historical trend and identify and provide the trend analysis.

Response: As shown in the table below, the residential, commercial and industrial classes have experienced declining consumption. The rate year (FY 2024) estimate assumes FY 2023 consumption, reduced by the average change experienced by the customer class over the last three years. The Residential class has experienced an average annual reduction in consumption from FY 2018 to FY 2022 of 0.6% (average of -0.4%, -1.1%, and -0.4% equals -0.6%), while the Commercial class has experienced an average annual reduction of 2.2% (average of +1.2%, -10.2%, and +2.5% equals -2.2%), over the same period, lastly Industrial class has experienced an average annual reduction of 4.1% (average of +1.1%, -18.5%, and +5.2% equals -4.1%), over the same period. Given the anomalous nature of consumption changes during the COVID lockdowns (primarily FY 2021), I chose to omit FY 2021 from my trend analysis. The consumption changes experienced by NBC over this period fits the same model of many other utilities where residential consumption increased, and non-residential consumption decreased, during lockdowns as more people stayed in their homes.

Narragansett Bay Commission
Declining Consumption

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual*	FY 2022 Actual	Average Annual Change in Consumption FY18 - FY22*
Customer Usage (Hcf)						
Residential	8,233,501	8,199,972	8,110,082	8,710,408	8,080,205	8,155,940
Change		-0.4%	-1.1%	7.4%	-0.4%	-0.6%
Commercial	4,694,089	4,750,934	4,267,362	4,141,550	4,373,066	4,521,363
Change		1.2%	-10.2%	-2.9%	2.5%	-2.2%
Industrial	655,659	662,824	540,383	524,473	568,219	606,771
Change		1.1%	-18.5%	-2.9%	5.2%	-4.1%
Total: Customer Usage (Hcf)	<u>13,583,249</u>	<u>13,613,730</u>	<u>12,917,827</u>	<u>13,376,431</u>	<u>13,021,490</u>	<u>13,284,074</u>
Change		0.2%	-5.1%	3.6%	0.8%	-1.4%
				COVID Impact		

*Omitting change from FY 2020 to FY 2021 in rate year adjustments due to COVID impact

Prepared by: David M. Fox

Div. 1-29: Concerning the sale of Renewable Energy Credits (RECs), provide the following information for fiscal years 2020 through 2022 and as projected/budgeted for fiscal years 2022 through 2028:

- a. the number of RECs sold
- b. the proceeds from selling the RECs
- c. a description of how NBC generated the RECs, including a detailed description of renewable generating resources that NBC has.
- d. how NBC assigns or allocates a portion of its cost of producing renewable energy to the cost of the RECs.
- e. whether NBC separates its cost of renewable energy generation into cost for (1) capacity, (2) energy and (3) RECs, and details of how NBC makes such cost allocations the proceeds from selling the RECs
- f. a description of how NBC generated the RECs, including a detailed description of renewable generating resources that NBC has.
- g. how NBC assigns or allocates a portion of its cost of producing renewable energy to the cost of the RECs.

Response:

a.

Renewable Energy Credits (RECs) Sold	
FY 2020 Actual	28,823
FY 2021 Actual	28,059
FY 2022 Actual	26,734
FY 2023 YTD Actual	14,564

b.

Renewable Energy Credits Proceeds	
FY 2020 Actual	\$ 579,679
FY 2021 Actual	604,033
FY 2022 Actual	648,148
FY 2023 YTD Actual	327,690

For FY 2024, the contract rate has increased to \$30. As a result, and based on the estimated kWhs set forth in the Excel version of Mr. Fox's schedules, the estimated revenue is now \$879,140:

	Kwh	RECs	Rate	Revenue
FP Turbines	7,403,433	7,403	\$ 30.00	\$ 222,103
Coventry Turbines	7,968,865	7,969	30.00	239,066
PPA	13,917,693	13,918	30.00	417,531
	<u>29,289,991</u>	<u>29,290</u>		<u>\$ 878,700</u>
Biogas (per adjusted test year)				\$ 440
Total RECs Income				<u><u>\$ 879,140</u></u>

- c. NBC owns and operates three 1.5 MW wind turbines located at the Field’s Point facility, a biogas generator at the Bucklin Point facility, three 1.5 MW wind turbines located in Coventry, RI and has executed a Power Purchase Agreement (PPA) for two solar energy systems in Richmond, RI, one solar energy system in Smithfield, RI and one wind energy system in Johnston, RI. All three installations generate renewable energy credits.
- d. NBC does not allocate a portion of its costs of producing renewable energy to the cost of the RECs.
- e. NBC does not separate its cost of renewable energy generation into cost for (1) capacity, (2) energy and (3) RECs.
- f. Cost related to selling the RECs include the following:
 - Tracking System Fees – NEPOOL GIS
 - Brokerage Fees (if applicable) – DayMark Energy Advisors
 - Monitoring and Certification Services – Green Development
- g. NBC accounts for the creation, inventory, sales and retirements of RECs using the New England Power Pool Generation Information System (NEPOOL GIS). The NEPOOL GIS issues and tracks RECs for all MWh of generation produced in the ISO New England control area. For each MWh (1,000 KWh) that NBC generates from its renewable energy sources it records one Renewable Energy Credit. The MWh’s are imported into the NEPOOL GIS by Rhode Island Energy if they are using their meter, or an approved third party meter reader and the system reflects the corresponding quantity of RECs generated.

Prepared by: James McCaughey

Div. 1-30: Provide copies of invoices for health care premiums in fiscal year 2022 and for each month beyond June 30, 2022 for which an invoice has been received.

Response: See attachments:

DIV 1-30 Health Care Premium Invoices
DIV 1-30 HRA Administrative Fees London Health FY 2022
DIV 1-30 HRA Administrative Fees London Health FY 2023
DIV 1-30 HRA Expense FY 2022-FY 2023 YTD

Prepared by: Leah Foster

Div. 1-31: Do employees or retirees make any contributions towards the cost of health insurance? If not, explain fully why not. If so, identify, quantify and explain the employee and retiree contributions.

Response: Employees health insurance contributions are the lesser of 3.25% of employee's base wages or 20.00% of premium for single coverage or the lesser of 8.75% of employee's base wages or 20.00% of premium for family coverage. Non-union retirees do not have NBC sponsored health insurance. Union retirees receive health insurance benefits through the State of Rhode Island and in accordance with that plan do not make any contributions to health insurance.

Prepared by: Casandra Bennett

Div. 1-32: Provide copies of invoices for biosolids disposal in fiscal year 2022 and for each month beyond June 30, 2022 for which an invoice has been received.

Response: See attachments:

DIV 1-32 Biosolids Invoices – Pond View Excavation 7-21 - 12-22

DIV 1-32 Biosolids Invoices – RIRR 6-21 - 11-22

DIV 1-32 Biosolids Invoices – Synagro 6-21 - 12-22

Prepared by: Leah Foster

Div. 1-33: Provide a copy of the biosolids contract including documentation for the most recently available price adjustments.

Response: See attachment "DIV 1-33 Biosolids Contract" and "DIV 1-33 NBC RIRR CPI 2023."

The biosolids disposal expense is based on a rate per dry ton. In accordance with the contract, the rate is adjusted annually based on the U.S. Department of Labor in the Bureau of Labor Statistics' Consumer Price Index (CPI). Based on the most recent CPI adjustment, effective January 2022, the current contractual price is \$533.65 per dry ton. As set forth in Mr. McCaughey's testimony, NBC's vendor recently informed NBC that the CPI method for adjusting annual cost increases has not kept up with actual costs and that the current contractual pricing structure may be unsustainable. The vendor has proposed extending the current contract for an additional four years through 2030 with the following price increases:

- \$25/dry ton, effective upon agreement to a modified contract - this increase addresses CPI shortfalls and current changes in law.
- \$8/dry ton, in the subsequent contract year - attributable to CPI and market shortfalls.
- \$6/dry ton in the subsequent two annual contract years - attributable to CPI and market shortfalls.

In addition, the vendor is requesting a modification to the CPI calculation that is based on a blend of the CPI/PPI to more closely track industrial cost changes.

Prepared By: David M. Fox

Div. 1-34: Identify and provide the two most recent actuarial reports for the following:

- a. Union Pension plan
- b. Non-Union Pension plan
- c. Union Retirement Health plan
- d. Non-union retirement health plan

Response:

- a. See 1-34 A Actuarial Reports for the ERSRI Plan.
- b. See 1-34 B Actuarial Reports for the Non-Union Pension Plan.
- c. See 1-34 C Actuarial Reports for the State of RI Union Retirement Plan.
- d. NBC does not have a Non-Union Retirement Health Plan.

Prepared by: Leah Foster

Div. 1-35: Provide copies of invoices for employer contributions to the following pension and retirement health plans in fiscal year 2022 and for each month beyond June 30, 2022 for which an invoice has been received:

- a. Union Pension plan
- b. Non-Union Pension plan
- c. Union Retirement Health plan
- d. Non-union retirement health plan

Response: NBC is not invoiced for employer contributions to Union Pension Plan, Non-Union Pension Plan or Union Retirement Health Plan. NBC makes payments based on a percentage of compensation as part of the bi-weekly payroll. NBC does not have a Non-union retirement health plan.

Prepared by: Leah Foster

Div. 1-36: Workers’ compensation dividend.

- a. Identify and provide the documentation for the workers compensation insurance dividends received in fiscal years 2020, 2021 and 2022.
- b. Were any workers compensation refunds or dividends received in any years prior to fiscal year 2020? If so, identify the amounts and years.
- c. Have any workers compensation refunds or dividends been received subsequently to June 30, 2022? If so, identify the amounts.
- d. Are any workers compensation refunds or dividends projected for any fiscal years, 2023 through 2028? If so, identify the amounts and years.

Response:

- a. NBC received a dividend of \$51,099.16 on 3/31/2021 for the fiscal year 2020 (Attached is copy of the document received with the dividend). There were no dividends received for 2021 or 2022 to date.
- b. The dividends received in prior years were 2016-\$3,093.11; 2015-\$7,796.20; and 2014-\$5,880.36 and recorded in miscellaneous income. As a result of the Workers Compensation audit, NBC received a return premium in FY 2021 of \$6,431 and in FY 2022 \$22,672. The return premiums were applied to current payments to reduce amount paid and expensed.

	Months	Schedule Payments	Returned Premium	Amount Paid
July	FY 2023	44,504		44,504
Aug	FY 2023	44,504		44,504
Sept	FY 2023	44,504		44,504
Oct	FY 2023	44,504	(22,675)	21,829
Nov	FY 2023	44,504		44,504
Dec	FY 2023	44,504		44,504
		267,024	(22,675)	244,349

Months		Schedule Payments	Returned Premium	Amount Paid
July	FY 2022	-		-
Aug	FY 2022	89,966		89,966
Sept	FY 2022	44,983	(5,674)	39,309
Oct	FY 2022	44,983	(757)	44,226
Nov	FY 2022	44,983		44,983
Dec	FY 2022	44,983		44,983
Jan	FY 2022	44,983		44,983
Feb	FY 2022	44,983		44,983
March	FY 2022	22,491		22,491
April	FY 2022	22,491		22,491
May	FY 2022	22,491		22,491
Jun	FY 2022	22,491		22,491
		<u>449,828</u>	<u>(6,431)</u>	<u>443,397</u>

- c. The only returned premium or dividend received subsequently to June 30, 2022 was the \$22,672 see response to b. above.

- d. Based on a conversation with our representative at Beacon Mutual Insurance Co. dividends are not projected in the future. They are determined and announced annual at the Board of Directors meeting. Any return of premium is determined annually during the Workers Compensation audit.

- e. Beacon Mutual’s dividends are not projected in future years. They are announced annually at the Board of Directors meeting.

Prepared by: Leah Foster

Div. 1-37: Identify and provide a copy of NBC's most recent depreciation rates study.

Response: NBC has not had a depreciation rates study. However, part of a review of the NBC's Capital Asset Policy includes looking at the depreciation for all asset categories. The NBC used the GFOA best practices for Capital Asset Management and Capitalization Thresholds for Capital Assets when revising the NBC Capital Asset Policy.

Prepared by: Leah Foster

Div. 1-38: Identify and provide all cost support relied upon for NBC's proposed Collection Notice Posting fee.

Response: NBC is not requesting a Collection Notice Posting fee in this Docket.

Prepared by: David M. Fox

Div. 1-39: Identify and provide all cost support relied upon for NBC's proposed Pretreatment Annual Permit fees.

Response: The Pretreatment Annual Permit fees were approved in Docket 4890, which are included in Schedule B in NBC's current tariffs as follows:

- Tier I - Significant Industrial Users \$500
- Tier II - Non-Significant Industrial Users \$300
- Tier III - Commercial Users \$140

NBC does not propose any change in these fees in this Docket. Please also see NBC's response to Div. 1-40 in Docket 4890.

Prepared by: David M. Fox

Div. 1-40: Identify and provide all cost support relied upon for NBC's proposed new sewer connection fees.

Response: NBC has not proposed a new sewer connection fee in this Docket (please see NBC's Existing and Proposed Tariffs submitted in this Docket). New sewer connection fees were approved in Docket 4890, and are set forth in Schedule B of NBC's existing tariff as follows:

Direct Connection \$300
Indirect Connection \$130

Prepared by: David M. Fox

Div. 1-41: Does NBC have a Hardship Fund? If so, please respond to the following:

- a. Identify the Hardship Fund amounts for each fiscal year, 2020 through 2022.
- b. Identify the expected Hardship Fund amounts for each fiscal year, 2023 through 2028.
- c. Is the Hardship Fund anticipated to reduce NBC's uncollectible accounts expense? If not, explain fully why not. If so, identify the anticipated impact on uncollectibles in each year from the Hardship Fund.

Response NBC does not have a Hardship Fund.

Prepared by: Leah Foster

Div. 1-42: Union contracts. Identify and provide the pages from the union contract showing each step increase from June 30, 2021 forward.

Response: See attachment "DIV 1-42 – NBC Union Contracts."

Prepared by: Casandra Bennett

Div. 1-43: Refer to the pre-filed direct testimony of James McCaughey at pages 6-7 concerning Non-union merit increases.

- a. Are the increases for NBC's non-union employees approved by the Board?
- b. Identify and provide the documentation, including board minutes, for the July 1, 2021 and each subsequent non-union increase.
- c. What amount of non-union pay increase was actually granted effective on July 1, 2021?
- d. What amount of non-union pay increase was actually granted effective on July 1, 2022?
- e. Identify and provide the non-union total payroll and details of such non-union payroll by component (e.g., straight time, overtime, shift premium time, etc.) for each month: (1) January through June 2022 and (2) July through December 2022.
- f. Identify and provide the documentation, including board minutes and approved budgets, for each non-union step increase beyond June 30, 2022.

Response:

- a. Yes, NBC's non-union employee increases are presented to Board of Commissioners as part of the budget approval process.
- b. References to the FY 2022 non-union pay increases are located in NBC's FY 2022 Budget on Pages 6, 56 and 92.
References to the FY 2023 non-union pay increases are located in NBC's FY 2023 Budget on Pages 13 and 57.

See following link to view the Budgets

[NBC's Financial Information](#)

- c. Non-union pay increase effective July 1, 2021 was 2.5%, which is equivalent to the union COLA of 2.5%.
- d. Non-union pay increase effective July 1, 2022 was 2.5% which is equivalent to the union COLA of 2.5%.

e. NBC is unable to get the all the payroll components broken down by Union vs Non-Union. NBC only has the breakout for the Non-Union payroll by regular pay vs OT pay.

	Non-Union Regular	Non-Union OT
July FY 2023	935,833.28	16,525.25
Aug FY 2023	931,049.82	36,561.14
Sep FY 2023	1,397,856.66	33,521.57
Oct FY 2023	1,007,108.59	23,239.65
Nov FY 2023	948,111.66	27,223.72
Dec FY 2023	939,658.82	26,286.27
	6,159,618.83	163,357.60

f. The Non-union pay structure does not include steps.

Prepared by: Leah Foster/Casandara Bennett

Div. 1-44: Overtime. Identify the amount separately of (1) union and (2) non-union overtime hours and overtime pay (dollars) for each of these periods:

- a. the fiscal year ending June 30, 2019.
- b. the fiscal years ending June 30, 2020, 2021 and 2022.
- c. projected/budgeted for each fiscal year, FY2023 through FY2028.

Response:

Account	Description	OT Hours 6/30/2019	FINAL 6/30/2019	OT Hours 6/30/2020	FINAL 6/30/2020	OT Hours 6/30/2021	FINAL 6/30/2021	OT Hours 6/30/2022	FINAL 6/30/2022
52150	UNION OT	13,286.16	\$ 553,544.22	11,788.42	\$ 529,792.52	12,334.62	\$ 541,584.35	14,901.18	\$ 674,868.15
52350	NON - UNION OT	3,363.09	160,817.39	3,864.79	193,060.64	4,107.14	195,982.42	4,783.09	246,531.29
	Grand Total	16,649.25	714,361.61	15,653.21	722,853.16	16,441.76	737,566.77	19,684.27	921,399.44

NBC has not yet prepared its budgets for fiscal years 2024, 2025, 2026, 2027, and 2028. The FY 2024 budget is still in development. The estimated FY 2024 budget includes step increases for union employees with 70% of union employees eligible (the other 30% are at the top step and are not eligible for further step increases). Therefore, it includes step increases of 1.645% (70% of 2.35%). The FY 2024 estimated budget also includes contracted COLA of 2.5% for union employees and 5% COLA/Merit increases for non-union employees.

	FY 2023 Budget	FY 2023 YTD Actual	FY 2024 Estimated Budget
52150 Union OT	\$ 668,600	\$ 364,326	\$ 732,552
52350 Non-Union OT	236,730	163,358	265,329
	\$ 905,330	\$ 527,684	\$ 997,881

Prepared by: Leah Foster

Div. 1-45: Retirement accounts. Identify and provide the documentation provided by the State of Rhode Island Budget Office for FY2020, FY2021, FY2022 and FY2023.

Response: See attachment "DIV 1-45 Retirement Accts – State RI."

Prepared by: Gail Degnan

Div. 1-46: Biosolids. Provide the following information, concerning the number of tons and the cost of biosolids disposal for each of these periods:

- a. the fiscal year ending June 30, 2019.
- b. the fiscal years ending June 30, 2020, 2021 and 2022.
- c. projected/budgeted for each fiscal year, FY2023 through FY2028.

Response:

a.

Narragansett Bay Commission
Biosolids Disposal

	TONS	EXPENSE
FY 2019 Actual	10,763	\$ 5,125,304

b.

Narragansett Bay Commission
Biosolids Disposal

	TONS	EXPENSE
FY 2020 Actual	10,226	4,460,581
FY 2021 Actual	9,686	4,857,583
FY 2022 Actual	9,522	4,940,085

- c. NBC has not yet prepared its budgets for fiscal years 2024, 2025, 2026, 2027, and 2028. The FY 2024 budget is still in development. The estimated biosolids disposal expense for FY 2024, is \$6,243,887. This was based on using a three-year average from FY 2020 through FY 2022. It should be noted that NBC does not seek increased rates related to expense increases of biosolids disposal for FY2025 through FY2028. Please also see NBC's response to Div. 1-33 for additional information regarding increases in this expense.

Narragansett Bay Commission
Biosolids Disposal

	TONS	EXPENSE
FY 2023 Budget	9,956	5,394,708
FY 2023 Projected	9,531	5,269,363
FY 2024 Projected (Rate Year)	9,997	6,243,887

Prepared by: David M. Fox

Div. 1-47: Building and Grounds Maintenance.

- a. Does NBC have a contract for building and grounds maintenance? If not, explain fully why not. If so, identify and provide the current contract.
- b. Is any of the building and grounds maintenance performed for NBC by contractors? If so, identify and provide the amounts charged by each contractor by month for (1) the fiscal year ending June 30, 2022, (2) each month of actual cost after June 30, 2022, and (3) as budgeted for each fiscal year, FY2023 through FY2028.

Response:

- a. NBC has several contracts for buildings and grounds maintenance. This account includes the expense associated with a large number of buildings and grounds maintenance activities including supplies and contracts with vendors for certain services such as janitorial services, hazardous waste removal, and trash removal.

See attachment "DIV 1-47 – Building and Grounds Maintenance - Vendor Bids."

- b. NBC has not yet prepared its budgets for fiscal years 2024, 2025, 2026, 2027, and 2028. The FY 2024 budget is still in development. The estimated building and ground maintenance expense for FY 2024 is \$231,882. This was based on using a three-year average from FY 2020 through FY 2022. NBC is not seeking any increase in rates for FY2025 – FY2028 for Building Repairs, Structure and Equipment.

See attachments:

1-47 Account Analysis FY 2022 – 53470 Building and Ground Maintenance
1-47 Account Analysis FY 2023 YTD – 53470 Building and Ground Maintenance

Prepared by: Leah Foster

Div. 1-48: Building Repairs, Structure and Equipment.

- a. Does NBC have a contract for building structures and equipment repairs? If not, explain fully why not. If so, identify and provide the current contracts.
- b. Is any of the building structure and equipment repairs performed for NBC by contractors? If so, identify and provide the amounts charged by each contractor by month for (1) the fiscal year ending June 30, 2022, (2) each month of actual cost after June 30, 2022, and (3) as budgeted for each month of the fiscal year, FY2023 through FY2028.

Response:

- a. No, NBC does not have any contracts for building structures and equipment repairs. The Repairs-Building-Structure-Equipment account includes the expense associated with the purchase of supplies and equipment used by NBC staff to repair NBC facilities and equipment as well as expense for outside vendors on an as needed basis.
- b. See the attachments for the monthly expense for the Repairs-Building-Structure-Equipment account which includes the purchase of supplies and equipment used by NBC staff to repair NBC facilities and equipment as well as expense for outside vendors when needed.

NBC has not yet prepared its budgets for fiscal years 2024, 2025, 2026, 2027, and 2028. The FY 2024 budget is still in development. The estimated repairs buildings, structures & equipment expense for FY 2024 is \$395,999. This was based on using a three-year average from FY 2020 through FY 2022. NBC is not seeking any increase in rates for FY2025 – FY2028 for Building Repairs, Structure and Equipment.

See attachments:

DIV 1-48 Account Analysis FY 2022 – 53610 Building Repairs, Structure and Equipment
DIV 1-48 Account Analysis FY 2023 YTD – 53610 Building Repairs, Structure and Equipment

Prepared by: Leah Foster

Div. 1-49: Maintenance Contracts.

- a. Does NBC have a contract for maintenance related to the costs recorded in account 53630? If not, explain fully why not. If so, identify and provide the current contracts.
- b. Is any of the maintenance expense in account 53630 performed for NBC by contractors? If so, identify and provide the amounts charged by each contractor by month for (1) the fiscal year ending June 30, 2022, (2) each month of actual cost after June 30, 2022, and (3) as budgeted for each fiscal year, FY2023 through FY2028.

Response:

- a. NBC has multiple contracts related to maintenance in account 53630. See attachment "DIV 1-49 – Maintenance Contracts."
- b. NBC has not yet prepared its budgets for fiscal years 2024, 2025, 2026, 2027, and 2028. The FY 2024 budget is still in development. The estimated maintenance contracts expense for FY 2024 is \$792,740. This was based on using an average annual increase from FY 2020 through FY 2022. NBC is not seeking any increase in rates for FY2025 – FY2028 for Maintenance Contracts.

See attachments

DIV 1-49 FY 2022 Maintenance Contract Account Analysis
DIV 1-49 FY 2023 YTD Maintenance Contract Account Analysis

Prepared by: Leah Foster

Div. 1-50: Natural Gas Expense. Is NBC invoiced for natural gas expense? If not, explain fully why not. If so, identify the invoiced amounts and provide the invoices for (1) each month in the fiscal year ending June 30, 2022, and (2) each month of actual cost after June 30, 2022 and (3) as budgeted for each fiscal year, FY2023 through FY2028.

Response: Yes, NBC is invoiced for natural gas expense. See attachment “DIV 1-50 Natural Gas Invoices” for invoices.

NBC has not yet prepared its budgets for fiscal years 2024, 2025, 2026, 2027, and 2028, and is not seeking an increase in rates beyond FY 2024 for natural gas expense. The FY 2024 budget is still in development. The estimated natural gas expense for FY 2024 is \$ \$409,137. This was based on 3-year average from FY 2020 through FY 2022.

Narragansett Bay Commission
Natural Gas

Month	FY 2022	FY 2023	FY 2023
	Actual	Budget	YTD Actual
July	\$ 18,460		\$ 10,336
August	9,396		9,744
September	12,234		15,534
October	12,046		10,524
November	12,683		10,349
December	27,379		40,129
January	63,069		
February	80,087		
March	72,357		
April	54,958		
May	32,460		
June	19,207		
Total	\$ 414,334	\$ 991,643	\$ 96,617

Prepared by: Leah Foster

Div. 1-51: Electricity expense. Is NBC invoiced for any of its electricity expense? If not, explain fully why not. If so, identify the invoiced amounts and provide the invoices for (1) each month in the fiscal year ending June 30, 2022, and (2) each month of actual cost after June 30, 2022 and (3) as budgeted for each fiscal year, FY2023 through FY2028.

Response: Yes, NBC is invoiced for electricity expense. See attachment “DIV 1-51 Electricity Expense” for invoices.

NBC has not yet prepared its budgets for fiscal years 2024, 2025, 2026, 2027, and 2028 and is not seeking an increase in rates beyond FY 2024 for electricity expense. The FY 2024 budget is still in development. The estimated electricity expense for FY 2024 is \$6,842,300. This was based on the three-year average from FY 2020 through FY 2022 of the number of kWh to be purchased multiplied by the supply, delivery and Rhode Island Gross Earnings Tax, plus the fixed month customer charge. The number of kWh to be purchased is based on a total use less any behind the meter kWh production.

Narragansett Bay Commission
Electricity

Month	FY 2022 Actual	FY 2023 Budget	FY 2023 YTD Actual
July	\$ 389,478		\$ 354,888
August	370,762		330,807
September	356,137		410,002
October	370,200		334,371
November	335,192		333,719
December	314,936		313,434
January	304,598		
February	289,710		
March	287,412		
April	322,022		
May	297,744		
June	326,699		
Total	\$3,964,890	\$4,095,676	\$2,077,222

Prepared by: David M. Fox

Div. 1-52: Chemicals expense. Is NBC invoiced for its hypochlorite chemical expense? If not, explain fully why not. If so, identify the invoiced amounts and provide the invoices for (1) each month in the fiscal year ending June 30, 2022, and (2) each month of actual cost after June 30, 2022 and (3) as budgeted for each fiscal year, FY2023 through FY2028.

Response: Yes, NBC is invoiced for hypochlorite expense. See attachment “DIV 1-52 – Hypochlorite Invoices” for invoices.

NBC has not yet prepared its budgets for fiscal years 2024, 2025, 2026, 2027, and 2028, and is not seeking an increase in rates beyond FY 2024 for chemicals expense. The FY 2024 budget is still in development. The estimated hypochlorite expense for FY 2024 is \$516,600. This was based on using a three-year average increase from FY 2020 through FY 2022.

Narragansett Bay Commission
Hypochlorite

Month	FY 2022	FY 2023	FY 2023
	Actual	Budget	YTD Actual
July	\$ 58,746		\$ 34,333
August	70,519		29,763
September	29,589		67,279
October	59,534		45,011
November	59,496		34,969
December	24,650		39,561
January	14,822		
February	39,659		
March	29,704		
April	39,089		
May	29,529		
June	61,224		
Total	\$516,561	\$513,882	\$250,915

Prepared by: Leah Foster

Div. 1-53: Chemicals expense. Is NBC invoiced for its bisulfite chemical expense? If not, explain fully why not. If so, identity the invoiced amounts and provide the invoices for (1) each month in the fiscal year ending June 30, 2022, and (2) each month of actual cost after June 30, 2022 and (3) as budgeted for each fiscal year, FY2023 through FY2028.

Response: Yes, NBC is invoiced for bisulfite expense. See attachment “DIV 1-53 Bisulfite Invoices” for invoices.

NBC has not yet prepared its budgets for fiscal years 2024, 2025, 2026, 2027, and 2028, and is not seeking an increase in rates beyond FY 2024 for bisulfate chemical expense. The FY 2024 budget is still in development. The estimated bisulfite expense for FY 2024 is \$393,229. This was based on using a three-year average increase from FY 2020 through FY 2022.

Narragansett Bay Commission
Bisulfite

Month	FY 2022	FY 2023	FY 2023
	Actual	Budget	YTD Actual
July	\$ 52,283		\$ 18,848
August	29,345		18,818
September	19,232		29,739
October	22,260		19,194
November	41,520		41,319
December	19,123		18,136
January	12,809		
February	47,383		
March	45,498		
April	27,896		
May	24,827		
June	34,414		
Total	\$ 376,589	\$ 366,255	\$ 146,055

Prepared by: Leah Foster

Div. 1-54: UV Disinfection expense. Is NBC invoiced for its UV Disinfection expense? If not, explain fully why not. If so, identity the invoiced amounts and provide the invoices for (1) each month in the fiscal year ending June 30, 2022, and (2) each month of actual cost after June 30, 2022 and (3) as budgeted for each fiscal year, FY2023 through FY2028.

Response: Yes, NBC is invoiced for UV Disinfection expenses. See attachment “DIV 1-54 UV Disinfection Invoices” for invoices.

NBC has not yet prepared its budgets for fiscal years 2024, 2025, 2026, 2027, and 2028 , and is not seeking an increase in rates beyond FY 2024 for UV Disinfection expense. The FY 2024 budget is still in development. The estimated UV Disinfection expense for FY 2024 is \$173,163, which was based on the average annual increase from FY 2021 through FY 2023.

Narragansett Bay Commission
UV Disinfection

Month	FY 2022	FY 2023	FY 2023
	Actual	Budget	YTD Actual
July	\$ 88,283		\$ -
August	-		1,793
September	-		150,874
October	67,570		-
November	63,464		1,782
December	-		-
January	-		
February	-		
March	-		
April	-		
May	-		
June	-		
Total	\$219,317	\$180,000	\$ 154,449

Prepared by: Leah Foster

Div. 1-55: RIPUC assessment. Identify and provide the most current RIPUC assessment to NBC.

Response: See attachment "DIV. 1-55 PUC Assessment."

Prepared by: Gail Degnan

Div. 1-56: Meter downsizing.

Does NBC maintain documentation of commercial and industrial customers who provide proof that downsizing an input meter is not feasible? If not, explain fully why not. If so, identify and provide illustrative copies of the documentation for this that is maintained by NBC.

- a. What costs are involved with downsizing a meter?
- b. During fiscal year 2022 did NBC conduct any meter downsizing installations for commercial or industrial customers? If not, explain fully why not. If so, how many were conducted and what was the total and average cost?

Response:

No. Currently, the NBC's tariffs require that the NBC bill sewer use fees based on the size of the input meter. The NBC does not request or maintain documentation for commercial or industrial customers that can provide proof that downsizing a meter is not feasible, although NBC has received complaints from customers.

- a. Although the NBC does not own, sell, or maintain water meters the customer must work with the water board that provides them service to change their meter. The following tasks may be required to downsize a meter:
 - Preparation of site plans.
 - Purchase of a new meter.
 - Installation of a backflow prevention device.
 - Replacement of all lead services required on existing water lines.
 - Installation of service pipes from the curb stop to the premise.
 - Service pipes over 100 feet of length from the curb stop to the premise requires a "hot box" installation.
 - All plumbing work after the meter.
 - Traffic control.
 - Saw cutting of pavement in street.
 - Licensed plumber required to furnish information as to the number of plumbing fixtures at premise.
 - If property has private fire hydrants connected to their large meter, a separate service and meter must be installed.
- b. NBC did not conduct any meter downsizing installations for any commercial or industrial customers in fiscal year 2022 because the NBC does not own or install input water meters.

Prepared by: Michael Cook

DOCKET NO. 22-47-WW
 The Narragansett Bay Commission’s Response
 To the Division of Public Utilities and Carriers
 Data Requests
 Set 1

Div. 1-57: Refer to Richard Bernier’s direct testimony at pages 3-6. How much cost is being requested by NBC in the current rate case for the Combined Sewer Overflow (CSO) program Phase III A in the FY2022, test year, for FY2023 and for each rate year (i.e., FY2024 through FY2028)? If so, explain fully and show calculations.

Response: NBC’s rate filing in this Docket seeks sufficient rates to fund its Capital Improvement Program, which includes Phase III A of the CSO.

Below is a table showing the actual capital cost spent on the CSO Phase III A project for FY 2022 and the forecasted expenditures for fiscal years 2023 through 2028.

Narragansett Bay Commission Combined Sewer Overflow (CSO) Phase IIIA							
Programmed Capital Improvements	FY 2022 Actual	FY 2023 Forecast	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast	FY 2028 Forecast
CSO Phase III A Facilities	\$ 140,175,061	\$ 173,336,614	\$ 161,366,267	\$ 165,666,679	\$ 51,691,547	\$ 22,048,092	\$ 3,116,000

Prepared by: Michael Cook

Div. 1-58: Is any cost being requested by NBC in the current rate case for the CSO Program Phases I and II? If so, explain fully and show calculations.

Response: No, NBC is not requesting any additional funds for the CSO Program Phases I and II in this Docket. NBC's existing cost of service provides funding for expenditures, including debt service, related to Phase I and II.

Prepared by: Michael Cook

Div. 1-59: Is any cost being requested by NBC in the current rate case for Pretreatment? If so, please respond to the following:

- a. How much cost is being requested by NBC in the current rate case for the Pretreatment Program in each rate year? Explain fully and show calculations.
- b. What documentation has NBC maintained concerning the time and cost it takes to process new permits for each tier?
- c. What documentation has NBC maintained concerning the time and cost it takes to process renewal permits for each tier?
- d. Explain and include an illustrative sample of the documentation maintained by NBC for new and renewal permits, as described in the responses to parts b and c.
- e. How much revenue did NBC report in the test year ending June 30, 2022 for its current Wastewater Discharge Permit Application Fees?
- f. How much revenue does NBC anticipate in each rate year for each tier of its proposed three-tier structure of fees? Show amounts of estimated revenue for each tier level and explain in detail how they were estimated.

Response: No.

Prepared by: David M. Fox

Div. 1-60: Debt Service. Refer to Exhibit SM-1. Please provide additional comparable information in Excel for fiscal years 2026 and 2027.

Response: NBC's rate filing includes new debt issuances in FY 2023, 2024 and 2025 only. The increased debt service requested in the filing for FY 2026 and 2027 is related to existing debt and the projected principal and interest payments on the new debt issued in FY 2023, 2024 and 2025. The filing does not include funding for additional debt issuance in FY 2026 or 2027.

Prepared by: David M. Fox

Div. 1-61: Mailing and postage expense versus electronic billing. For each month of fiscal years 2020, 2021 and 2022, and for each month subsequent to June 2022, please identify (1) the total number of customer bills, (2) the number of bills mailed, (3) the number of bills emailed or transmitted electronically, (4) the monthly postage cost, and (5) the monthly cost of bill printing and envelopes.

Response:

(1)

Narragansett Bay Commission
Total Number of Customer Bills

	FY 2020	FY 2021	FY 2022	FY 2023 YTD
July	80,316	84,768	85,048	85,287
August	84,753	84,585	85,026	85,259
September	84,684	84,702	85,004	85,303
October	84,727	84,726	85,036	85,341
November	83,463	84,693	85,167	85,384
December	84,697	84,865	85,075	85,396
January	84,734	84,713	85,172	
February	84,695	84,907	85,254	
March	84,824	84,967	85,244	
April	84,791	84,972	85,197	
May	84,831	84,997	85,283	
June	84,921	85,004	85,216	
Average	84,286	84,825	85,144	85,328

(2)

Narragansett Bay Commission
Total Number of Bills Mailed

	FY 2020	FY 2021	FY 2022	FY 2023 YTD
July	80,280	81,052	71,625	69,964
August	81,074	80,868	71,353	69,685
September	81,005	80,986	71,209	69,597
October	81,048	81,018	71,138	69,454
November	79,784	80,985	71,071	69,362
December	81,018	81,156	70,810	69,257
January	81,055	81,004	70,700	
February	80,979	72,907	70,586	
March	81,106	72,917	70,409	
April	81,074	72,154	70,236	
May	81,115	72,043	70,187	
June	81,204	71,795	69,986	
Average	80,895	77,407	70,776	69,553

DOCKET NO. 22-47-WW
The Narragansett Bay Commission's Response
To the Division of Public Utilities and Carriers
Data Requests
Set 1

(3)

Narragansett Bay Commission
Total Number of Bills Emailed

	FY 2020	FY 2021	FY 2022	FY 2023 YTD
July	36	3,716	13,423	15,323
August	3,679	3,717	13,673	15,574
September	3,679	3,716	13,795	15,706
October	3,679	3,708	13,898	15,887
November	3,679	3,708	14,096	16,022
December	3,679	3,709	14,265	16,139
January	3,679	3,709	14,472	
February	3,716	12,000	14,668	
March	3,718	12,050	14,835	
April	3,717	12,818	14,961	
May	3,716	12,954	15,096	
June	3,717	13,209	15,230	
Average	3,391	7,418	14,368	15,775

(4)

Narragansett Bay Commission
Monthly Postage Expense

	FY 2020	FY 2021	FY 2022	FY 2023 YTD
July	\$ 33,072	\$ 13,209	\$ 27,408	\$ 30,639
August	30,326	45,169	35,674	34,578
September	30,331	20,970	29,202	32,838
October	22,874	30,813	20,912	32,370
November	24,982	29,292	29,176	34,413
December	37,379	37,085	43,236	32,355
January	29,875	23,696	28,972	
February	29,692	31,716	26,499	
March	23,308	31,655	37,184	
April	36,395	37,174	28,836	
May	28,829	30,958	28,773	
June	36,016	25,007	28,707	
Total	\$ 363,079	\$ 356,744	\$ 364,579	\$ 197,194

(5)

Narragansett Bay Commission Printing and Binding				
	FY 2020	FY 2021	FY 2022	FY 2023 YTD
July	\$ 3,388	\$ 6,829	\$ 6,345	\$ 2,190
August	18,773	9,112	10,287	12,344
September	6,010	12,042	8,264	3,983
October	14,602	14,079	7,520	8,095
November	14,851	7,224	10,514	13,442
December	13,890	14,072	8,333	11,783
January	7,800	7,689	14,493	
February	9,724	9,952	14,783	
March	10,250	11,071	9,064	
April	11,102	11,128	8,516	
May	6,253	8,795	13,356	
June	13,903	13,073	13,245	
	\$ 130,546	\$ 125,066	\$ 124,720	\$ 51,837

Prepared by: Leah Foster

Div. 1-62: Postage. Refer to Schedule 18.

- a. Why did postage expense decrease from FY 2020 to FY 2021?
- b. What is NBC's budgeted postage expense for FY 2023?

Response:

- a. 93% of NBC's postage expense is for customer billing and customer notices. The decrease from FY 2020 to FY 2021 was a result of suspended collection activities pursuant to RIPUC Docket 5022, effective March 16, 2020. Collection activities include water shut-off notices and budget default letters were suspended from March 2020 through July 2020, resuming in August 2020. Also, the number of customers receiving e-bills increased from an average of 3,391 in FY 2020 to an average of 7,418 in FY 2021.
- a. NBC's FY 2023 budgeted postage expense is \$400,100, with \$370,000 budgeted for customer billing and customer notices.

Prepared by: Leah Foster

Div. 1-63: Printing and binding. Refer to Schedule 19.

- a. Why did the expense decrease from FY 2020 to FY 2021?
- b. Why did the expense decrease from FY 2021 to FY 2022?
- c. What is NBC’s budgeted expense for FY 2023?
- d. What monthly expense has been recorded for each month in FY2022 and to date in FY2023?

Response:

- b. The number of customers receiving e-bills increased from an average of 3,391 in FY 2020 to 7,418 in FY 2021.
- c. The number of customers receiving e-bills increased from an average of 7,418 in FY 2021 to 14,368 in FY 2022.
- d. The Printing and Binding FY 2023 budgeted expense is \$142,595, with \$115,000 for customer billing and customer notices.
- e.

Narragansett Bay Commission		
Printing and Binding		
	FY 2022	FY 2023 YTD
July	\$ 6,345	\$ 2,190
August	10,287	12,344
September	8,264	3,983
October	7,520	8,095
November	10,514	13,442
December	8,333	11,783
January	14,493	
February	14,783	
March	9,064	
April	8,516	
May	13,356	
June	13,245	
	\$ 124,720	\$ 51,837

Prepared by: Leah Foster

Div. 1-64: Insurance. Refer to Schedule 26.

- a. Why does the expense decrease from \$1,024,072 for FY2022 to \$1,009,443 for FY2023 projected?
- b. Show in detail how the FY2023 projected amount of \$1,009,443 was developed.
- c. What monthly expense has been recorded for each month in FY2022 and to date in FY2023?

Response:

- b. Cyber Liability decreased by \$92,080, or 59% in FY 2023. This change had the largest impact on insurance expense. The remaining coverages increased by \$77,451, collectively.
- b. The FY 2023 projected amount was developed using FY 2023 actuals with the exception of Bucklin Point Flood Insurance, which is paid in February.

Narragansett Bay Commission
FY 2023 Projected Insurance Expense

Policy	FY 2023 Projected	
Commercial Auto	\$ 122,633	Actual
Commercial Property	433,077	Actual
Commercial Umbrella	53,266	Actual
Crime Insurance	4,239	Actual
Cyber Liability	62,920	Actual
Fiduciary Liability	8,327	Actual
Flood Insurance BP (February)	14,794	Projected - Used FY 2022 Actual
Flood Insurance BP (July)	20,739	Actual
General Liability	111,324	Actual
Hull P & I	11,056	Actual
Inland Marine (Equipment)	22,860	Actual
Pollution (2-year)	32,451	Actual
Public Officials Excess Liability	38,247	Actual
Public Officials Liability	73,510	Actual
	\$ 1,009,443	

c.

Narragansett Bay Commission
Insurance Recorded Monthly Expense

FY 2022

MONTH	PAYMENT
Jul-21	\$ 891,631
Aug-21	113,855
Oct-21	532
Nov-21	875
Mar-22	16,179
May-22	1,000
Total	\$ 1,024,072

FY 2023

MONTH	PAYMENT
Jul-22	\$ 874,565
Aug-22	120,084
Sep-22	
Total	\$ 994,649

Prepared by: Leah Foster

CERTIFICATION

I hereby certify that on January 12, 2023, I sent a copy of the within to all parties set forth on the attached Service List by electronic mail and copies to Luly Massaro, Commission Clerk, by electronic mail and regular mail.

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DOCKET NO. 22-47-WW
The Narragansett Bay Commission's Response
To the Division of Public Utilities and Carriers
Data Requests
Set 1



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