

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

IN RE: THE NARRAGANSETT BAY COMMISSION :
GENERAL RATE FILING : **DOCKET NO. 22-47-WW**

REPORT AND ORDER

On November 4, 2022, Narragansett Bay Commission ("NBC") filed a rate application pursuant to R.I.G.L § 39-3-11 and Part 5 of the Rhode Island Public Utilities Commission's Rules of Practice and Procedure.¹ NBC sought to implement a multi-year rate plan that would increase rates in five phases, with the first phase beginning in December 2022 and the fifth phase taking effect in July 2027.² The Commission suspended the matter to allow for further review and investigation.³

The rate application sought the following rate increases:

- Phase one, proposed to take effect on December 5, 2022, planned to collect additional operating revenue of \$11,257,959 (an increase of 11.1% on all residential and nonresidential rates) to support a total revenue requirement of \$115,574,327;
- Phases two, proposed to take effect on July 1, 2024, planned to collect additional operating revenue of \$8,735,691 (an increase of 7.76% on all residential and nonresidential rates) to support a total revenue requirement of \$124,310,018;
- Phases three, proposed to take effect on July 1, 2025, planned to collect additional operating revenue of \$3,103,269 (an increase of 2.56% on all residential and nonresidential rates) to support a total revenue requirement of \$127,413,287;
- Phases four, proposed to take effect on July 1, 2026, planned to collect additional operating revenue of \$2,112,378 (an increase of 1.70% on all residential and nonresidential rates) to support a total revenue requirement of \$127,413,287; and
- Phases five, proposed to take effect on July 1, 2027, planned to collect additional operating revenue of \$5,776,999 (an increase of 4.57% on all residential and nonresidential rates) to support a total revenue requirement of \$135,302,663.

¹ R.I. Gen. Laws § 39-3-11 sets forth the process required when a utility company seeks to change its rates.

² The application and all materials filed in this docket can be accessed at: <https://ripuc.ri.gov/Docket-22-47-WW>.

³ Pursuant to the Commission's Rules of Practice and Procedure, the deadline for parties to file motions to intervene was January 13, 2023, and no parties sought to intervene in this Docket.

In support of its application, NBC filed the direct testimony and schedules of David M. Fox, Senior Manager with Raftelis Financial Consultants, James McCaughey, Deputy Director of NBC, Richard Bernier, Director of Construction and Engineering at NBC, and Stephen Maceroni, Director of PFM Financial Advisors LLC. NBC used the Fiscal Year Ending (FYE) June 30, 2022 as its test year and FYE June 30, 2024 as its rate year.⁴

As provided in their testimony, NBC's request for additional revenues was primarily driven by the following factors: 1) decreasing consumption; 2) updating of non-residential meters; 3) updating of miscellaneous revenue; 4) increase in salaries and fringe benefits costs; 5) impact of NBC's renewable energy projects; 6) increases to electricity rates and natural gas expense; 7) increased chemical, biosolid disposal, and regulatory expenses; 8) increased Debt Service; and 9) other miscellaneous adjustments.⁵ Mr. Fox noted that, as NBC has done in previous rate applications, NBC did not adjust the majority of accounts with less than \$200,000 because any change would be immaterial to the overall revenue requirement.⁶

NBC also requested that the Commission extend the Debt Service Compliance Filing Mechanism that expired in 2022 through 2027.⁷ The Debt Service Compliance Filing Mechanism allowed NBC to make abbreviated filings for debt service and debt service coverage related to capital projects, thereby avoiding the cost of a full rate filing.⁸ The filing requirements originally established in Docket 3483 for NBC's Debt Service Compliance Filing Mechanism are as follows:

- (1). Be filed no later than sixty days prior to its effective date;

⁴ David M. Fox Direct at 2.

⁵ *Id.* at 2-; James McCaughey Direct at 2-7.

⁶ Fox Direct at 12.

⁷ McCaughey Direct at 10. The debt service filing mechanism was first approved in 2003 and remained in effect until 2008. *See* Docket 3483, Order No. 17558. The Commission then extended NBC's use of the debt service filing mechanism in Dockets 3905 (2008) and 4364 (2013). In 2018, the Commission extended the debt service filing mechanism until 2022 in Docket 4364 (Order No. 23267).

⁸ McCaughey Direct at 9.

- (2). Be limited for debt service and debt service coverage for Capital Improvement Projects (CIP) projects;
- (3). Contain a revised limited cost of service schedule reflecting the changes to the revenue and expense accounts affected by the Variable Rate Debt Obligation in Tax Exempt Commercial Paper (“VRDO/TECP”) program;
- (4). Contain testimony and schedules in support of the debt service and debt service coverage proposed as well as current and projected annual debt service payment schedule;
- (5). Contain a summary of funds currently available for the CIP program and the projected funding needed for the rate year period;
- (6). Contain a summary of funding received from Rhode Island Clean Water Finance Agency (RICWFA), now known as the Rhode Island Infrastructure Bank (RIIB), including funds requested, received, the interest rate, and repayment schedules;
- (7). Contain a summary of how prior years’ debt service coverage funds were utilized;
- (8). Contain a calculation of new rates based on a uniform percentage increase to rates; and,
- (9). Contain a showing of compliance with prior Commission orders and the requirements of Section 5.11 of the Commission’s Rule of Practice and Procedure.⁹

Regarding consumption, Mr. Fox testified that NBC has experienced a decline in water consumption and consequently consumption-based revenue. He noted that in Docket 4890, NBC provided evidence that supported using a downward trend in consumption for both the interim year and the rate year, which the Division and PUC agreed with. NBC proposed to use the same trend analysis to develop the billable consumption for the rate year. However, for purposes of analyzing historical trends, NBC omitted FY 2021 from the analysis to reflect an anomalous consumption year due to COVID19 impacts on consumer behavior. Mr. Fox testified that this was a very common occurrence across the industry for utilities.¹⁰

Following NBC's initial filing, the Division of Public Utilities and Carriers began investigating NBC's proposed rate increase with assistance from its staff and outside expert

⁹ See David Fox Rebuttal at 5 referencing Docket 3483.

¹⁰ Fox Direct at 13-14.

consultant, Ralph Smith, Senior Regulatory Consultant at Larkin & Associates, PLLC.¹¹ On February 16, 2023, the Commission held a Technical Record Session to discuss and examine NBC's Trust Indenture, debt service coverage and related funding of NBC's Capital Improvement Project and Operating Capital Program, and the complexities related to NBC's budget and cost of service allowances for electricity, net metering credits and renewable energy credits.¹²

On March 28, 2023, the Division filed the direct testimony and schedules of its consultant, Mr. Ralph Smith. Mr. Smith outlined the Division's opposition to NBC's multi-year rate increase.¹³ Mr. Smith suggested a revenue increase for NBC in the amount of \$3,105,451 for Fiscal Year 2024. This is \$8.266 million less than the \$11.258 million "first phase" base rate increase that was requested by NBC.¹⁴ The Division's adjustments were based on proposed adjustments to NBC's rate application in several categories including operating capital correction, consumption, rate case expense; PUC assessment, reduction in "Trend Account" expenses, wages and salaries expense, payroll tax expense, biosolid disposal expense; insurance expense, worker's compensation insurance expense, and operating allowance.¹⁵

Mr. Smith also noted that the increases for the years following FY2024 were related

¹¹ NBC responded to multiple data requests issued by the Division (Nine Sets, 154 requests) and Commission (Five Sets, 31 requests).

¹² A copy of NBC's presentation at the Technical Session is available at https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2023-02/2247-NBC-Presentation_2-16-22.pdf.

¹³ Direct Testimony of Mr. Ralph Smith at 10. Mr. Smith recommended that the five-year rate plan requested by NBC in this case should be rejected. Id.

¹⁴ Mr. Smith also agreed that there was an error NBC's schedules that had been discovered through a response to data requests issued by the Commission. NBC had included Operating Capital amounts totaling \$3,862,859 which are funded from the Restricted Operating Capital Account – OCP in the Project Fund and which, therefore, should have been removed as a Rate Year adjustment and not included in NBC's Rate Year Revenue Requirement. Smith Direct at 5. See also NBC response to PUC 1-1.

¹⁵ Smith Direct at 5-7; Exhibit RCS-2, Schedule RCS-1. The Division also provided a reconciliation of NBC's requested revenue increase and the Division's recommended adjustments on Exhibit RCS-2, Schedule RCS-2.

solely to debt service. Mr. Smith testified that it is a challenging time for anyone trying to forecast interest rates and debt financing costs and that he had concerns regarding whether NBC's projections will turn out to represent accurately forecasted debt service requirements for years subsequent to the FY2024 Rate Year. Moreover, with the Debt Service Compliance Filing Mechanism available to address NBC's debt service costs in years subsequent to the FY2024 Rate Year, he saw no compelling reason to set step increases for NBC's rates in the current rate case for years subsequent to the FY2024 Rate Year.¹⁶

Mr. Smith also confirmed that NBC had changed its position since the filing of the application. He noted that NBC's response to Division data request 3-2 indicated that the timing and amounts of NBC's future borrowings had changed and that NBC was now withdrawing its proposed rate increases for Fiscal Years 2026, 2027 and 2028.¹⁷ Finally, Mr. Smith recommended that the Commission extend the Debt Service Compliance Filing Mechanism to accommodate future debt service related revenue increases.¹⁸ By extending the mechanism, Mr. Smith recommended that increases in NBC's cost of service that are related to debt service costs for fiscal years subsequent to FY 2024 would not need to be included in new rates.¹⁹

On April 24, 2023, NBC filed its rebuttal testimony and schedules.²⁰ As an initial matter, NBC agreed with the removal of the Operating Capital amounts of \$3,862,859. NBC funds the Operating Capital accounts through the Operating Capital Account – Restricted OCP in the Project Fund. Therefore, this expense should not have been included in the Total Revenue

¹⁶ Smith Direct at 9.

¹⁷ Smith Direct at 10-11. See also NBC response to Div 3-2, where NBC states that it would withdraw its request for FY2025 if the Commission reinstates the Debt Service Compliance Filing.

¹⁸ Smith Direct at 11.

¹⁹ *Id.*

²⁰ NBC also accepted and corrected certain errors in NBC's schedule and testimony that the Division had identified. Fox Rebuttal at 1.

Requirement for the Rate Year.²¹

NBC also confirmed that it had withdrawn its requests for revenue increases in Fiscal Years 2026, 2027 and 2028 based on changes in its Capital Improvement Program and borrowing needs. NBC further indicated that it would withdraw its request for an increase for Fiscal Year 2025 if the Commission reinstated the Debt Service Compliance Filing Mechanism.²² However, Mr. Fox disagreed with the Division's recommendation that future increases due to debt service requirement be handled through the mechanism. Mr. Fox testified that in order for NBC to comply with its Trust Indenture, the year with the highest debt service and coverage following a debt issuance must be used to calculate the rate year debt service requirement.²³ He further explained that NBC's Trust Indenture requires NBC to demonstrate sufficient coverage in the year debt is issued and the subsequent three years. In order to comply with the Indenture, NBC used the year with the highest annual debt service and debt service coverage in the three years following debt issuance to determine the rate year revenue requirement.²⁴ Mr. Fox testified that if the Commission followed the Division's recommendation, NBC won't have sufficient funds to service the debt it plans to issue in 2024 and its existing debt.²⁵

Consequently, Mr. Fox updated NBC requested Rate Year Debt Service Costs to a new amount of \$62,559,885. NBC's new, higher amount is based on NBC's plans to execute a \$50 million loan from the Rhode Island Infrastructure Bank prior to June 30, 2024, and its incorporation of a \$100 million loan from RIIB that NBC plans to close prior to the rate year. With

²¹ Fox Rebuttal at 6.

²² Fox Rebuttal at 4-5.

²³ Fox Rebuttal at 6-8.

²⁴ Fox Rebuttal at 7.

²⁵ Fox Rebuttal at 7.

that new \$50 million loan, NBC calculated a Debt Service requirement of \$62,559,885 for FY2026. Because that amount represents the highest Debt Service coverage in the three years after the rate year, NBC has proposed to use it as the Debt Service requirement for the FY2024 Rate Year.²⁶ Mr. Fox explained that the year with the highest annual debt service and debt service coverage in the three years following debt issuance has been used to determine the rate year revenue requirement. NBC sought rates sufficient to meet the higher debt service requirement needed in FY 2026.²⁷

Mr. Fox also confirmed that NBC's application did not include projected cost increases occurring beyond the rate year ending June 30, 2024, for expenses other than debt service.²⁸

NBC additionally accepted numerous adjustments proposed by the Division, including adjustments to operating capital and lease/subscriptions expense corrections, certain "trend accounts" adjustments (vehicle fuel and maintenance, repairs to building and structures, repairs of process equipment, service agreements, and building and maintenance supplies), as well as biosolid disposal unit rate expenses, insurance, and worker's compensation expenses.²⁹

However, NBC opposed the Division's adjustments in the following areas: debt service (as explained above); consumption; trend accounts for maintenance contracts and software subscriptions, lab and medical supplies, as well as wages and salaries, payroll tax and, biosolid disposal quantity. NBC's rebuttal testimony proposes a FY2024 revenue requirement of \$115,095,573 and a revenue increase of \$10,563,924, or 10.43 percent.³⁰

NBC also proposed a new method to address electricity, renewable energy, and

²⁶ Fox Rebuttal at 6-8.

²⁷ NBC was requesting approximately \$2.8 million more than was required to meet debt service in FY 2024 in order to meet the requirement in NBC's Trust Indenture that rates were sufficient to meet the debt service requirement in FY 2026.

²⁸ Fox Rebuttal at 6.

²⁹ Fox Rebuttal at 6, 18, 27, 32, and 33.

³⁰ See NBC's Schedule DMF Rebuttal 11.

related accounts and mitigate risk through the funding of an Operation and Maintenance Reserve (OMR) Fund. Specifically, NBC proposed the following:

1. Funding of the Operation and Maintenance Reserve (OMR) Fund, which is established in NBC's Trust Indenture, but is unfunded.
2. NBC would fund the OMR with an initial deposit of \$2.5 million from the Stabilization Account in the Debt Service Fund (to provide debt service coverage).
3. Allow NBC to access these monies if NBC does not have sufficient funds for the electricity expenses in the accounts identified in subsection 5 below compared to the approved rate 3 year cost of service.
4. NBC and the Bond Trustee would execute a supplemental indenture to set forth how the OMR will be initially funded, replenished, and accessed by NBC based upon language in the PUC Order approving the establishment of the OMR Fund.
5. NBC will prepare and submit compliance reports each fiscal year, based on audited financial statements, that will show the actual expenditures vs. PUC allowance for the following accounts and amounts:

54090 ELECTRICITY	\$6,919,434
54091 NBC NET METERING CREDIT	(\$2,168,169)
54092 FP TURBINES	\$268,490
54093 COVENTRY WIND	\$244,645
54095 GREEN PPA	\$2,840,045
54096 GREEN PPA NET METERING CREDITS	(\$3,786,726)
54097 BIOGAS	\$1,700

6. If the actual expense for these line items is more than the approved cost of service for these line items, such calculated amount shall be transferred from the OMR Fund to the Operations and Maintenance Fund.
7. If the actual expense for these line items is less than the approved cost of service for these line items, and NBC has collected the total revenue requirement as set forth by the PUC in the rate year from this Docket, such calculated amount shall be withdrawn from the Operations and Maintenance Fund transferred to the Stabilization Account in the Debt

Service Fund.³¹

NBC explained further details of the OMR Fund in subsequent data requests.³² During the fiscal year, NBC would prepare an internal monthly budget vs. actual report for the electricity expense line items that would compare the PUC approved cost of service amounts for the electricity accounts to the actual costs. If, during the fiscal year, the actual monthly costs are more than \$200,000 higher than the prorated approved Cost of Service (COS), NBC will transfer the necessary amount from the OMR Fund to the Operation and Maintenance Fund to pay the expenses for these line items.³³ If the actual costs are less than the approved COS, NBC will take no action. NBC will provide notice to the Commission of any transfers.³⁴

At the end of the year NBC will compare the audited figures for the electricity expense line items to the approved cost of service and provide a report to the Commission. If the actual costs are less than the approved COS, NBC will transfer this amount from the OMR into the Stabilization Account prior to the end of the year transfer from the Stabilization Account to the Operating Capital Accounts to fund budgeted operating capital and pay-go capital. If the actual costs are more than the approved COS, NBC would transfer this amount, less any transfers during the year, from the OMR Fund to the Operation and Maintenance Fund. The balance in the OMR fund would be replenished annually, if needed, to a \$2.5 million balance as part of the annual transfers from the Stabilization Account, along with the Operating Account transfers for operating capital and pay-go capital.³⁵

³¹ Fox Rebuttal at 30-31.

³² See NBC Responses to DIV 7-17, 7-18, and 7-19 and PUC 7-2.

³³ NBC Response to DIV 7-17. NBC chose the monthly amount of \$200,000 so that it would not have to make monthly transfers for small amounts, as these amounts can be trued up at the end of the year. *Id.*

³⁴ NBC Response to DIV 7-17.

³⁵ *Id.*

On May 9, 2023, the Division filed the surrebuttal testimony and schedules of Ralph Smith. The Division accepted many of NBC's expenses and positions including expenses for debt service, biosolids, and net electric expenses. The Division continued to disagree with NBC's position regarding consumption and salaries and wages. The Division's recommended adjustments resulted in a recommended revenue increase for NBC of \$7.993 million. This is \$3.265 million less than the \$11.258 million "first phase" base rate increase that was originally requested by NBC in its filing. It is also \$2.571 million less than the \$10.564 million that NBC has proposed in its Rebuttal Testimony.³⁶

The Division also accepted NBC's proposal to fund an OMR Fund, but at a lower level of \$2.0 million based upon updated contracted electricity supply rates and lower estimated net electricity expense in the rate year.³⁷ The Division noted that NBC's net electricity expense is significant and has been volatile. Additionally, the Division agreed that some of the factors affecting that expense, such as changing market prices, appear to be difficult for NBC to forecast or control. Finally, the Division opined that having an OMR Fund would provide a potential source of funding between rate cases from which NBC can utilize to address and manage significant fluctuations in its net electricity expense.³⁸

Further, the Division accepted that the price of Renewable Energy Credits (RECs) had increased to \$30 based on contracted rates for RECs to be sold in the rate year (FY 2024).³⁹ The Division also revised its adjustment to assessment and regulatory expense, but not to the level requested by NBC.⁴⁰ The Division accepted NBC's additional explanation of the increases for

³⁶ Smith Surrebuttal at 2.

³⁷ *Id.* at 49.

³⁸ *Id.* at 47.

³⁹ *Id.* at 10.

⁴⁰ *Id.* at 11. Mr. Smith recommended an amount of \$600,225 for the PUC Assessment. That amount, which is based on NBC's most recent actual PUC Assessment amount of \$564,646 for FY 2023, increased by \$35,579, which is the increase from FY 2022 to FY 2023.

maintenance contracts, software subscriptions and software maintenance trend accounts.⁴¹ The Division revised its position on lab and medical supply trend accounts, but at \$61,359 less than NBC's requested level.⁴² The Division continued to disagree with NBC's positions on Consumption and Salaries and Wages.⁴³

Settlement Agreement

On June 14, 2023, NBC and the Division filed a Settlement Agreement⁴⁴ with the Commission. In reaching the Settlement Agreement, the Division and NBC represented that they gave due consideration to the testimony, exhibits, schedules, data requests from both the Division and Commission, NBC's data responses, and other documentation in this Docket and agreed to a comprehensive settlement that resolves all issues relating to NBC's application to increase rates.

The Division and NBC represented that they engaged in several settlement discussions before reaching agreement on the following issues: PUC Assessment and regulatory expenses, lab and medical supplies trends accounts, and consumption. NBC agreed to the Division's position on each of these issues.⁴⁵ The parties reached a compromised regarding salaries and wages. The number of Full-Time Employees (FTEs) was set at 111 positions for the rate year and NBC's proposed 4.145% increase was accepted for union salaries and wages. For non-union salaries and wages, NBC had originally proposed a 5.0% increase (2.5% COLA and 2.5% merit increase) in the rate year for Non-Union Salaries based on 150.3 FTEs, while the Division sought to limit the increase to a 2.5% COLA. During settlement discussions, and in analyzing

⁴¹ *Id.* at 13.

⁴² *Id.* at 14.

⁴³ *Id.* at 14-44.

⁴⁴ Appendix A, Settlement Agreement (June 14, 2023); https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2023-06/2247-SettlementAgreement_6-14-23.pdf.

⁴⁵ Settlement Agreement at 8-9.

information related to FTEs, NBC recognized that its rate year Non-Union FTEs was understated. As a result, the parties agreed that NBC's Non-Union salary increase would be based on 160.9 FTEs and a 2.5% COLA in the rate year.⁴⁶

Related adjustments were made to non-union overtime, non-union limited, union pension, FICA/Medicare, non-union pension, union retirement health, health insurance, dental insurance, vision insurance, salary reimbursement and fringe reimbursement.

In addition, during settlement discussions, NBC received updated information regarding various expenses for the rate year (FY 2024) and the parties agreed to these new amounts as part of the settlement. NBC's rate year chemical expense increased by \$779,415 based on bids received from vendors for FY 2024. Worker's compensation insurance increased by \$189,405 from the amount previously suggested by the Division. Repairs of process equipment expenses was increased by \$237,324 in the rate year due to contracted electrical work.⁴⁷

Further, during settlement discussions, NBC also accepted the Division's surrebuttal position to reduce the funding of the OMR Fund for Electricity Expenses from \$2.5 million to \$2.0 million due to the reduction in the projected rate year net electricity expense from \$4.319 million to \$3.657 million. Lastly, NBC and the Division agreed to increase regulatory expense to reflect the projected rate case expense in this Docket of \$265,557, amortized over three years. The parties also agreed to adjust the Operating Reserve to \$369,504 based on 1.5% of the total operation and maintenance expense less personnel expense.⁴⁸

NBC and the Division agreed to a five-year extension of the Debt Service Compliance

⁴⁶ Settlement Agreement at 9.

⁴⁷ Settlement Agreement at 9.

⁴⁸ Settlement Agreement at 10.

Filing Mechanism for debt service and debt service coverage as the best rate setting approach for the financing of NBC's capital improvement program. The parties agreed that the requirements for the Debt Service Compliance Filing Mechanism shall remain the same as those currently in place.⁴⁹

The Settlement Agreement provided that NBC could collect additional operating revenue in the amount of \$9,646,691 to support a total cost of service of \$115,814,922. This increase results in a 9.09% increase in revenue and a 9.37% across-the-board increase in user fee revenue. For an average residential customer, using 150 gallons of water per day, the Settlement Agreement would have resulted in a \$48.65 increase in their annual bill from \$519.17 to \$567.82. The impact of the rate increase on all other customers will vary depending upon the customer's classification and consumption.⁵⁰

Evidentiary Hearing and Commission Decision

The Commission conducted a hearing on June 28, 2023, and explored the issues addressed in the Settlement Agreement, particularly the Debt Service Compliance Mechanism and NBC's debt service requirement.⁵¹

The Commission questioned NBC about its debt service coverage ratio of 125 percent, meaning that NBC collects 125 percent of the amount needed for debt service. Mr. Maceroni testified that the Debt Service Compliance Mechanism allows bondholders to mitigate risk and is credit positive.⁵² Mr. Maceroni also testified that NBC's debt service coverage ratio of 125 percent is "pretty standard" for utilities, and that 150 percent is actually standard for

⁴⁹ Settlement Agreement at 10.

⁵⁰ Settlement Agreement at 11.

⁵¹ The following witnesses testified for NBC: James McCaughey, NBC's Deputy Director; Richard Bernier, NBC's Director of Construction; Leah Foster, NBC's Controller; Steven Maceroni of PFM Financial Advisors; David Fox, from Raftelis Financial Consultants; Karen Giebink, NBC's Chief Financial Officer; and Karen Grande, NBC's bond counsel. Ralph Smith, of Larwin and Associates, LLC., testified for the Division.

⁵² Transcript, June 28, 2023, at 20-21.

wastewater utility.⁵³ Mr. Maceroni explained that the 125 percent requirement has been in NBC's Trust Indenture since 2004 and protects bondholders in the event consumption is lower than forecasted.⁵⁴ Ms. Giebink further explained that that NBC's Trust Indenture requires that, before NBC can issue new debt, it must demonstrate that its debt service and debt service coverage are sufficient to cover the highest debt service amount for the year of issuance and the subsequent three years.⁵⁵

The Commission then questioned NBC extensively about how NBC utilizes the additional 25 percent of revenue collected to meet the 125 percent coverage ratio. Ms. Foster testified that the additional revenue that had been collected to meet the 125 percent debt service ratio that remains after payment of debt service is transferred to the Stabilization Account.⁵⁶ The money in the Stabilization Account is then transferred to fund NBC's Operating Capital Program and any funds remaining after that transfer are applied by NBC to other capital programs, such as NBC's Capital Improvement Program, as pay-go.⁵⁷

Finally, the Commission questioned NBC regarding the rate allowance for debt service required to meet the debt coverage ratio. The Commission questioned NBC as to whether the rate allowance was \$2.8 million higher than what was needed to meet the debt service requirements in the coming year because of the need to meet the condition in NBC's Trust Indenture that NBC's rates cover the highest debt service requirement in the bond year and subsequent three years. Consequently, NBC's application sought rates sufficient to cover the

⁵³ *Id.* at 22-23.

⁵⁴ *Id.* at 23.

⁵⁵ *Id.* at 26-29. Ms. Giebink testified that NBC's debt coverage has ranged from 1.29 to 1.56. *Id.* at 34.

⁵⁶ *Id.* at 52-53. The Stabilization Account captures and segregates revenues restricted for "debt service coverage" in excess of debt service payments. See NBC's Presentation at February 16, 2023 Technical Session at slide 11, a copy of which is located at https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2023-02/2247-NBC-Presentation_2-16-22.pdf.

⁵⁷ Hearing Transcript at 53-56, 77-79. See also NBC's Presentation at February 16, 2023 Technical Session at slides 12-18.

debt service in FY 2026 which was \$2.8 million more than required in the coming fiscal year. Mr. Fox explained that the Trust Indenture requires NBC to provide sufficient evidence that they would have coverage to meet the highest coverage year over the three-year period after a loan was closed, and that NBC would not have been able to close a \$100 million loan from RIIB without including the higher amount in rates.⁵⁸

Ms. Grande testified that she believed that the Commission could approve the higher rates necessary to generate revenues sufficient to meet the higher debt service coverage in subsequent years without violating the Trust Indenture. She emphasized that the Commission would need to approve the subsequent increase in rates in this proceeding and not require an additional approval.⁵⁹

The Commission several record requests, including the following question to confirm that NBC's Trust Indenture would allow a lower debt service requirement in the initial year and an automatic increase in subsequent years:

On pages 6-8 of Mr. Fox's rebuttal testimony, he stated that in order for NBC to comply with its trust indenture, the year with the highest debt service and coverage following a debt issuance must be used to calculate the rate year debt service requirement. In his table on page 7, Mr. Fox shows debt service and coverage of the following amounts: \$59,754,341 in FY 2024, \$62,298,366 in FY 2025 and \$62,559,885. If the Commission issued an order that only allowed \$59,754,341 in debt service and coverage for FY 2024 and phased in the increases for FY2025 and 2026, without NBC having to seek further approval of the Commission, when would the increases have to go into effect in FY2026 and FY2027, and in what amounts for NBC to be in compliance with its Trust Indenture?

NBC responded that if the new rates were effective July 1, 2025 – without NBC having to seek any further approval from the PUC – that should satisfy all of the debt issuance

⁵⁸ Hearing Transcript at 93-94.

⁵⁹ Hearing Transcript at 112-115.

requirements set forth in response to RR-2.⁶⁰

Commission Decision

On July 24, 2023, the Commission conducted an Open Meeting to discuss and deliberate on NBC's application and the Settlement Agreement. The Commission conditionally approved the Settlement Agreement with the following proposed modifications.

First, the Commission required NBC to remove vaccine bonuses and Covid stipends included in its adjusted rate year revenue calculations. The Commission believed these bonuses and stipends were no longer necessary.

The Commission then limited the amount of debt service and debt service coverage for FY2024 to \$59,574,341 for August 1, 2023, and then increased the amount to \$62,559,885 for effect on July 1, 2024. The Commission does not need to further approve this rate increase. This ensures that NBC remains in compliance with its Trust Indenture and does not require NBC's ratepayers to pay unneeded debt service.

The Commission noted that when NBC initially proposed the special Reserve Operation and Maintenance Reserve (OMR) Fund Account for utility expenses it was facing volatility and uncertainty in these expenses. However, since the filing NBC's has secured some certainty in these expenses, particularly having secured an 18-month contract beginning in November 2023 for electricity at \$0.104 per kWh. The Commission notes that NBC still has unknown maintenance expenses. Therefore, the Commission approved the OMR fund but required NBC to remove electricity expense from the calculation of its operating reserve.

Finally, the Commission moved to keep the Docket open to further review NBC's debt service coverage and its use of those funds, particularly the balances of the Stabilization funds,

⁶⁰ NBC Response to RR-5.

OCP and CIP accounts.

The Commission moved to conditionally approve the Settlement Agreement, subject to the modifications made at the Open Meeting.⁶¹

NBC agreed to the modifications and submitted a compliance filing on July 26, 2023. The Division reviewed the compliance filing and associated schedules and tariffs and found that the schedules were correctly calculated and complied with the Commission's July 24, 2023 decision.⁶² At Open Meeting on July 27, 2023, the Commission reviewed and approved the compliance filing and approved the rates included within the filing becoming effective on August 1, 2023, and July 1, 2024.⁶³

Accordingly, it is hereby

(24973) ORDERED:

(1.) The Commission approves the Narragansett Bay Commission's application to change rates as modified by the Settlement Agreement, inclusive of the following modifications made at the July 24, 2023 Open Meeting.

- a.) The Commission required the Narragansett Bay Commission to remove vaccine bonuses and Covid stipends included in its adjusted rate year revenue calculations.
- b.) The Commission limited the amount of debt service and debt service coverage for FY2024 to \$59,574,341 and then increased the amount to \$62,559,885 for

⁶¹ Appendix A, Amended Settlement Agreement (June 14, 2023)

⁶² See Division's Confirmation of Compliance Memorandum filed on July 26, 2023 located at https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2023-07/2247-DIV-ComplianceMemo_7-26-23.pdf.

⁶³ On March 28, 2024, NBC filed a Motion to Reopen Proceedings and for Miscellaneous Relief (Motion to Reopen) pursuant to Rule 1.27 of the Commission's Rules of Practice and Procedure. As the Commission was about to issue this Order, rather than reopening the proceeding under Rule 1.27, the Commission will treat the Motion to Reopen as if it was filed as a Motion for Relief from Order pursuant to Rule 1.29. Both NBC and the Division have no objection to this treatment, and thus, the Commission will examine the substance of NBC's Motion to Reopen in a subsequent proceeding.

effect on July 1, 2024.

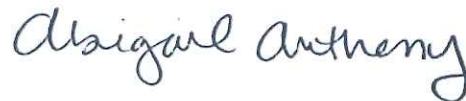
- c.) Further, the Commission required the Narragansett Bay Commission to remove electricity expense from the calculation of their operating reserve.
- (2.) The Commission approves the Compliance Schedules and revised Tariffs attached to the Narragansett Bay Commission's July 26, 2023 compliance filing.
- (3.) The Docket shall remain open to further review the Narragansett Bay Commission's debt service coverage and its use of those funds, particularly the balances of the stabilization funds, OCP and CIP accounts.

EFFECTIVE AT WARWICK, RHODE ISLAND ON, PURSUANT TO AN OPEN MEETING DECISION ON JULY 25 AND 27, 2023. WRITTEN ORDER ISSUED APRIL 8, 2024.

PUBLIC UTILITIES COMMISSION



Ronald T. Gerwatowski, Chairman



Abigail Anthony, Commissioner



John C. Revens, Jr., Commissioner



NOTICE OF RIGHT OF APPEAL: Pursuant to R.I. Gen. Laws §39-5-1, any person aggrieved by a decision or order of the PUC may, within seven (7) days from the date of the order, petition the Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.

APPENDIX A

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

IN RE: NARRAGANSETT BAY COMMISSION

DOCKET NO.: 22-47-WW

SETTLEMENT AGREEMENT

I. INTRODUCTION

The Narragansett Bay Commission (hereinafter "NBC") and the State of Rhode Island Division of Public Utilities and Carriers (hereinafter "Division") have reached an agreement on NBC's rate application filed on November 4, 2022. Thus, the Division and NBC jointly request that the State of Rhode Island Public Utilities Commission (hereinafter "Commission") approve this Settlement Agreement.

II. RECITALS

1. On November 4, 2022, NBC filed a rate application pursuant to R.I.G.L § 39-3-11 and the Commission's Rules of Practice and Procedure, 810-RICR-00-1 and 810-RICR-00-5.
2. NBC sought to implement a multi-year rate plan that would increase rates in five phases:
 - a. In the first phase of the increase, proposed to take effect on December 5, 2022, NBC's proposed rates were designed to collect additional operating revenue in the amount of \$11,257,959 to support a total revenue requirement of \$115,574,327. The impact of the proposal would be an across-the-board increase of 11.1% on all residential and non-residential rates. For an average residential customer, using 150 gallons of water per day, the request would result in an increase of \$57.69 in their annual bill from \$519.17 to \$576.86. The impact of the rate increase on all other customers would vary depending upon the customer's classification and consumption.
 - b. In the second phase of the increase, proposed to take effect on July 1, 2024, NBC's proposed rates were designed to collect additional operating revenue in the amount of \$8,735,691 to support a total revenue requirement of

\$124,310,018. The impact of the proposal would be an across-the-board increase of 7.76% on all residential and non-residential rates. For an average residential customer, using 150 gallons of water per day, the request would result in an increase of \$44.77 in their annual bill from \$576.86 to \$621.63. The impact of the rate increase on all other customers would vary depending upon the customer's classification and consumption.

- c. In the third phase of the increase, proposed to take effect on July 1, 2025, NBC's proposed rates were designed to collect additional operating revenue in the amount of \$3,103,269 to support a total revenue requirement of \$127,413,287. The impact of the proposal would be an across-the-board increase of 2.56% on all residential and non-residential rates. For an average residential customer, using 150 gallons of water per day, the request would result in an increase of \$15.90 in their annual bill from \$621.63 to \$637.53. The impact of the rate increase on all other customers would vary depending upon the customer's classification and consumption.
- d. In the fourth phase of the increase, proposed to take effect on July 1, 2026, NBC's proposed rates were designed to collect additional operating revenue in the amount of \$2,112,378 to support a total revenue requirement of \$129,525,665. The impact of the proposal would be an across-the-board increase of 1.70% on all residential and non-residential rates. For an average residential customer, using 150 gallons of water per day, the request would result in an increase of \$10.83 in their annual bill from \$637.53 to \$648.36. The impact of the rate increase on all other customers would vary depending upon the customer's classification and consumption.
- e. In the fifth phase of the increase, proposed to take effect on July 1, 2027, NBC's proposed rates were designed to collect additional operating revenue in the amount of \$5,776,999 to support a total revenue requirement of \$135,302,663. The impact of the proposal would be an across-the-board increase of 4.57% on all residential and non-residential rates. For an average residential customer, using 150 gallons of water per day, the request would result in an increase of \$29.60 in their annual bill from \$648.36 to \$677.96. The impact of the rate increase on all other customers would vary depending upon the customer's classification and consumption.

3. NBC filed testimony and schedules from the following witnesses in support of its application:

- a. David M. Fox, Senior Manager, Raftelis Financial Consultants, Inc. (Direct Testimony and Rebuttal Testimony);

- b. James McCaughey, Deputy Director, Narragansett Bay Commission (Direct Testimony);
 - c. Richard Bernier, Director of Construction and Engineering, Narragansett Bay Commission (Direct Testimony); and,
 - d. Stephen Maceroni, Director, PFM Financial Advisors LLC (Direct Testimony).
4. NBC's request for additional revenues was primarily driven by the following factors:
 - a. Decreased consumption;
 - b. Updates to the number of non-residential meters;
 - c. Updates to miscellaneous revenues;
 - d. Increased salaries and fringe benefits;
 - e. The impact of NBC's renewable energy projects, increases to electricity rates and natural gas expense;
 - f. Increased chemical expenses;
 - g. Increased biosolid disposal and regulatory expenses;
 - h. Increased Debt Service; and,
 - i. Miscellaneous Adjustments.
5. NBC also requested that the Commission renew the Debt Service Compliance Filing mechanism that was first established in 2003 (See Docket 3483, Order No. 17558), and which expired in 2022.
6. Pursuant to the Commission's Rules of Practice and Procedure, the deadline for parties to file motions to intervene was January 13, 2023, and no parties sought to intervene in this Docket.
7. Following NBC's initial filing, the Division began investigating NBC's proposed rate increase with assistance from its staff and outside expert consultant.
8. Following its original filing, NBC responded to multiple data requests throughout this Docket issued by the Division (Nine Sets, 154 requests) and Commission (Five Sets, 31 requests).

9. On February 16, 2023 the Commission held a duly noticed Technical Record Session to discuss and examine (1) NBC's Trust Indenture, Debt Service Coverage and related funding of NBC's Capital Improvement Project and Operating Capital Program, and (2) The complexities related to NBC's budget and/or cost of service allowances for electricity, net metering credits and renewable energy credits.
10. On March 28, 2023, the Division filed the direct testimony and schedules of Ralph Smith, CPA, Senior Regulatory Consultant at Larkin & Associates, PLLC.
11. Mr. Smith outlined the Division's opposition to NBC's multi-year rate increase. Mr. Smith noted that the increases for the years following Fiscal Year 2024 were related solely to Debt Service. He noted that NBC's response to Division Data Request 3-2 indicated that the timing and amounts of NBC's future borrowings had changed. He also noted that NBC withdrew its proposed increase for Fiscal Years 2026, 2027 and 2028. NBC also sought to withdraw its proposed increase for Fiscal Year 2025 *if* the Commission reinstated NBC's Debt Service Compliance Filing Mechanism. Mr. Smith testified that the Division supported this position.
12. Mr. Smith then suggested a revenue increase for NBC in the amount of \$3,105,451 for Fiscal Year 2024, which was based on a number of proposed adjustments to NBC's rate application in the following categories:
 - a. Operating Capital Correction;
 - b. Consumption;
 - c. Rate Case expense;
 - d. PUC Assessment;
 - e. Reduction in "Trend Account" expenses;
 - f. Wages and Salaries expense;
 - g. Payroll tax expense;

- h. Biosolid disposal expense;
- i. Insurance expense;
- j. Worker's compensation insurance expense; and,
- k. Operating allowance.

13. On April 24, 2023, NBC filed its rebuttal testimony and schedules.

14. NBC reviewed its updated borrowing plans and noted that it had withdrawn its requests for revenue increases in Fiscal Years 2026, 2027 and 2028. NBC further indicated that it would withdraw its request for an increase for Fiscal Year 2025 if the Commission reinstated the Debt Service Compliance Filing Mechanism.

15. NBC also accepted certain Division adjustments:

- a. Operating Capital correction;
- b. Lease /Subscriptions expense correction;
- c. Certain "Trend Accounts" adjustments (53510 (Vehicle Fuel and Maintenance), 53610 (Repairs – Building and Structures), 53615 (Repairs – Process Equipment), 53640 (Service Agreements), and 53470 (Supplies, Building and Maintenance));
- d. Biosolid Disposal unit rate expense;
- e. Insurance Expense; and
- f. Worker's Compensation Expense.

16. However, NBC opposed the Division's adjustments in the following areas:

- a. Debt Service;
- b. Consumption;
- c. Trend Accounts (53630, 53645 and 53646 (Maintenance Contracts and Software Subscriptions) and 54340 and 54345 (Lab and Medical Supplies));
- d. Wages and Salaries;

- e. Payroll Tax; and,
- f. Biosolid Disposal quantity.

17. NBC also included testimony to address electricity and renewable energy related accounts and mitigate risk through the funding of an Operation and Maintenance Reserve (OMR) Fund. NBC proposed a funding level of \$2.5 million, with funding through transfers from the Stabilization Account in the Debt Service Fund. The following accounts were to be included:

- a. 54090 Electricity
- b. 54091 NBC Net Metering Credit
- c. 54092 FP Turbines
- d. 54093 Coventry Wind
- e. 54095 Green PPA
- f. 54096 Green PPA Net Metering Credits
- g. 54097 Biogas

18. NBC sought to fund the OMR Fund due to numerous factors which, as the Division acknowledged in its testimony, make forecasting future electricity related expenses difficult. NBC explained in its testimony, and subsequent data responses, that the proposed OMR Fund be funded and used as follows.

- a. NBC shall fund an Operation and Maintenance Reserve Fund through a transfer from the Stabilization Account in the Debt Service Fund in the amount of \$2.5 million.
- b. During the fiscal year, NBC will prepare an internal monthly budget vs. actual report for the "electricity" expense line items that will compare the PUC approved cost of service amounts for the electricity accounts to the actual costs.

- If, during the fiscal year, the actual monthly costs are more than \$200,000 higher than the prorated approved Cost of Service (COS), NBC shall transfer the necessary amount from the OMR Fund to the Operation and Maintenance Fund to pay the expenses for these line items and will provide notice to the PUC of the transfer. NBC chose the monthly amount of \$200,000 so that it would not have to make monthly transfers for small amounts, as these amounts can be trued up at the end of the year as set forth below
 - If the actual costs are less than the approved COS, no action is required.
- c. At fiscal year-end, NBC will compare the audited figures for the electricity expense line items to the approved cost of service and provide a report to the PUC.
- If the actual costs are less than the approved cost of service, NBC will transfer this amount from the Operation and Maintenance Fund into the Stabilization Account prior to the end of the year transfer from the Stabilization Account to the Operating Capital Accounts to fund budgeted operating capital and pay-go capital.
 - If the actual costs are more than the approved COS, NBC would transfer this amount, less any transfers during the year, from the OMR Fund to the Operation and Maintenance Fund.
 - The balance in the OMR fund would be replenished annually, if needed, to a \$2.5 million balance as part of the annual transfers from the Stabilization Account, along with the Operating Account transfers for operating capital and pay-go capital.

19. On May 9, 2023, the Division filed the surrebuttal testimony and schedules of Ralph Smith, which accepted many of NBC's expenses and positions:

- a. Debt Service – the Division accepted NBC's explanation that debt service for the rate year must be based on the highest debt service coverage amount in the three years after the rate year.

- b. Biosolids – the Division accepted the increased quantity of biosolid disposal for the rate year, and agreed that this amount could be applied to the lower unit rate recommended by the Division.
- c. Net Electric Expenses – the Division accepted NBC’s net electric expenses for the accounts listed in paragraph 17 hereinabove. The Division agreed with NBC’s proposal to fund an OMR Fund for these accounts, but at a lower level of \$2.0 million based upon the updated contracted electricity supply rate, and lower estimated net electricity expense in the rate year.
- d. RECs – the Division accepted that the price of RECs had increased from \$24 to \$30 based on contracted rates for RECs to be sold in the rate year (Fiscal Year 2024).
- e. PUC Assessment and Regulatory Expense – the Division revised its adjustment to this expense, but not to the level requested by NBC. The difference between the parties after this revision was \$8,633.
- f. Trend Accounts (53640, 53645 and 53646 (Maintenance Contracts, Software Subscriptions and Software Maintenance) – the Division accepted NBC’s additional explanation of the increases for these accounts.
- g. Trend Accounts 54340 and 54345 (Lab and Medical Supplies) – the Division revised its position on this expense, but not to the level requested by NBC. The parties remained \$61,359 apart.

20. The Division continued to disagree with NBC’s positions on Consumption and Salaries and Wages.

21. Following the submission of the Division’s surrebuttal testimony, the Division and NBC engaged in several settlement discussions.

22. During these discussions, the Division and NBC agreed to a resolution of the outstanding issues:

- a. PUC Assessment and Regulatory Expenses – NBC agreed to the Division’s proposal for this expense.
- b. Trend Account 54340 and 54345 (Lab and Medical Supplies) – NBC agreed to the Division’s position on this expense.

- c. Consumption – NBC agreed to the Division’s position on this issue.
- d. Salaries and Wages – the parties reached a compromised position:
 - 1. Union Salaries and Wages - the number of Full-Time Employees (FTEs) is set at 111 positions for the rate year and NBC’s proposed 4.145% increase is accepted.
 - 2. Non-Union Salaries and Wages – NBC had originally proposed a 5.0% increase (2.5% COLA and 2.5% merit increase) in the rate year for Non-Union Salaries based on 150.3 FTEs, while the Division sought to limit the increase to a 2.5% COLA. During settlement discussions, and in analyzing information related to FTEs, NBC recognized that its rate year Non-Union FTEs was understated. As a result, the parties agreed that NBC’s Non-Union salary increase would be based on 160.9 FTEs and a 2.5% COLA in the rate year.
 - 3. Related adjustments were made to non-union overtime, non-union limited, union pension, FICA/Medicare, non-union pension, union retirement health, health insurance, dental insurance, vision insurance, salary reimbursement and fringe reimbursement.

23. In addition, during settlement discussions, NBC received updated information regarding rate year (FY 2024) expenses for chemicals, workers compensation insurance, and contracted electrical work, the parties agreed to these new amounts as part of the settlement:

- a. Chemicals – NBC’s rate year expense increased by \$779,415 based on bids received from vendors for FY 2024.
- b. Worker’s Compensation Insurance – increased by \$189,405 from the amount previously suggested by the Division.
- c. Repairs Process Equipment (Account 53615) – increased by \$237,324 in the rate year due to contracted electrical work.

24. In addition, during Settlement discussions, NBC also accepted the Division’s surrebuttal position to reduce the funding of the OMR Fund for Electricity Expenses from \$2.5 million to \$2.0 million due to the reduction in the projected rate year net

electricity expense from \$4.319 million to \$3.657 million. In all other respects, the OMR Fund for Electricity Expense will be established and used as set forth in paragraph 18 above.

25. Lastly, NBC and the Division agreed to increase Account 52600 - Regulatory Expense to reflect the projected rate case expense in this Docket of \$265,557, amortized over three years. The parties also agreed to adjust the Operating Reserve to \$369,504 based on 1.5% of the total operation and maintenance expense less personnel expense.
26. NBC and the Division agreed to a five-year extension of the Debt Service Compliance Filing Mechanism for debt service and debt service coverage as the best rate setting approach for the financing of NBC's capital improvement program. The requirements for the Debt Service Compliance Filing Mechanism shall remain the same as those currently in place.
27. In settlement discussions and in reaching this Settlement Agreement, the Division and NBC gave due consideration to the testimony, exhibits, schedules, data requests from both the Division and Commission, NBC's data responses, and other documentation in this Docket and agreed to a comprehensive settlement that resolves all issues relating to NBC's application to increase rates.

III. TERMS OF SETTLEMENT

28. The Division and NBC agree this Settlement Agreement is a just and reasonable resolution of the issues in this proceeding and jointly request its approval by the Commission.

29. The Division and NBC agree that the Joint Settlement Schedules attached as Exhibit 1 (Schedules JS-1 – JS-2) are accurate and reflect the agreement reached in this Docket.
30. The agreed rates allow NBC to collect additional operating revenue in the amount of \$9,646,691 to support a total cost of service of \$115,814,922.
31. This increase results in a 9.09% increase in revenue and a 9.37% across-the-board increase in user fee revenue. For an average residential customer, using 150 gallons of water per day, this Settlement results in a \$48.65 increase in their annual bill from \$519.17 to \$567.82. The impact of the rate increase on all other customers will vary depending upon the customer's classification and consumption.

IV. EFFECT OF SETTLEMENT

32. This Settlement Agreement is a negotiated agreement. The Division and NBC conducted the discussions that produced this Settlement Agreement with the explicit understanding that all offers of settlement and discussion relating thereto are, and shall be, privileged, shall be without prejudice to the position of any party or participant presenting such offer or participating in any such discussion, and are not to be used in any manner in connection with these or any other proceedings.
33. The terms of this Settlement Agreement shall not be construed as an agreement to any matter of fact or law beyond the terms hereof. By entering into this Settlement Agreement, matters or issues other than those explicitly identified in this agreement have not been settled upon or conceded by any party to this Settlement Agreement,

and nothing in this Settlement Agreement shall preclude any party from taking any position in any future proceeding regarding settled or unsettled matters.

34. This Settlement Agreement is the product of negotiation and compromise. The making of this Settlement Agreement does not establish any principle or precedent. This Settlement Agreement shall not be deemed to foreclose any party from making any contention in any future proceeding or investigation.

35. If the Commission rejects this Settlement Agreement, or modifies any provision herein, this Settlement Agreement shall be deemed withdrawn and shall be null and void in all respects.

IN WITNESS WHEREOF, the Parties agree that this Settlement Agreement is reasonable, in the public interest, in accordance with applicable law and regulatory policy, and is executed by their respective representatives, each being authorized to do so.

Dated this 14th day of June, 2023.


THE NARRAGANSETT
BAY COMMISSION
By its Attorney,



Joseph A. Keough, Jr., #4925
KEOUGH + SWEENEY, LTD.
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Pawtucket, RI 02861
Tel: (401)-724-3600
jkeoughjr@keoughsweeney.com

Dated this 14th day of June, 2023.

DIVISION OF PUBLIC UTILITIES
AND CARRIERS,
By its Attorney,



Mark A. Simpkins, Esquire #9594
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Summary of Revenues and Expenses at Present and Proposed Rates
Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

Line No.	Description	Adjusted Rate Year Amount Per NBC (A)	Division Adjustments (B)	Rate Year at Present Rates (C)	Proposed Revenue Increase (D)	Rate Year at Proposed Rates (E)
1	Total Revenue	\$ 104,316,368	\$ 1,851,863	\$ 106,168,231	\$ 9,646,691	\$ 115,814,922
	Operation & Maintenance Expense					
2	Net Personnel Expense	\$ 27,961,383	\$ 177,165	\$ 28,138,547		\$ 28,138,547
3	Operating Supplies/Expense	\$ 21,885,456	\$ 519,571	\$ 22,405,026		\$ 22,405,026
4	Professional Services Expense	\$ 2,198,672	\$ 29,886	\$ 2,228,558		\$ 2,228,558
5	Total: Operations & Maintenance Expense	\$ 52,045,511	\$ 726,622	\$ 52,772,132	\$ -	\$ 52,772,132
6	Lease/Subscriptions	\$ 113,400 [A]	\$ -	\$ 113,400		\$ 113,400
7	Depreciation Expense	\$ -	\$ -	\$ -		\$ -
8	Operating Capital	\$ 3,862,859	\$ (3,862,859)	\$ -		\$ -
9	Debt Service	\$ 59,337,675	\$ 3,222,211	\$ 62,559,886		\$ 62,559,886
10	Operating Reserve	\$ 328,282	\$ 41,222	\$ 369,504		\$ 369,504
11	Total Revenue Requirement	\$ 115,687,727	\$ 127,195	\$ 115,814,922	\$ -	\$ 115,814,922
12	Net Income	\$ (11,371,359)	\$ 1,724,668	\$ (9,646,691)	\$ 9,646,691	\$ -

Notes and Source

Column A: Company Schedule 1 from NBC's November 4, 2022 General Rate Filing ("NBC's Filing")

Column B: Schedule RCS-2

Note [A]: The Company indicated in its response to Comm. 1-1 that this amount was inadvertently excluded from the sum formula in its filing

CHECK SUMS

Total revenue requirement per above	\$ 115,687,727
Per Schedule 1	\$ 115,574,327
Difference	\$ 113,400
Net income per above	\$ (11,371,359)
Per Schedule 1	\$ (11,257,959)
Difference	\$ (113,400)

Narragansett Bay Commission

Docket No. 22-47-WW
Schedule JS-1
Page 2 of 5

Summary of Revenues at Present and Proposed Rates
Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

Line No.	Account	Description	Adjusted Rate	Division	Rate Year at
			Year Amount Per NBC (A)	Adjustments (B)	Present Rates (C)
1		Revenue			
2	41000	Flat Fees Residential	\$ 29,303,597		\$ 29,303,597
3	41100	Consumption Fee - Residential	\$ 30,570,181	\$ 385,084	\$ 30,955,265
4	41501 41502	Flat Fees Commercial/Industrial	\$ 15,379,331		\$ 15,379,331
5	41510	Consumption Fee - Commercial	\$ 24,085,628	\$ 1,170,370	\$ 25,255,998
6	41511	Consumption Fee - Industrial	\$ 1,971,103	\$ 81,128	\$ 2,052,231
7	42001	Pretreatment Application Fees	\$ 61,280		\$ 61,280
8	42500	Connection Permit Fees	\$ 43,850		\$ 43,850
9	42595	Capacity Charge Fees	\$ 274,144		\$ 274,144
10	42599	Real Estate Closing Fee	\$ 165,390		\$ 165,390
11	42600	Abatement Application Fee	\$ 3,710		\$ 3,710
12	42596	Sewer Tie-in Revenue	\$ -		\$ -
13	42602	Return Check Fee Revenue	\$ 21,685		\$ 21,685
14	TBD	Stormwater Permit Application Fee	\$ 29,353		\$ 29,353
15	42604	REC Income FP Turbines	\$ 167,688	\$ 54,415	\$ 222,103
16	42605	REC Income Coventry	\$ 180,495	\$ 58,571	\$ 239,066
17	42606	REC Income Green PPA	\$ 315,236	\$ 102,295	\$ 417,531
18	42607	REC Income Biogas Electric	\$ 440		\$ 440
19	43500	Septage Income	\$ 355,825		\$ 355,825
20	45100	Interest Income Revenue	\$ 196,200		\$ 196,200
21	45101	Interest Income EEF	\$ -		\$ -
22	45156	Interest Income Restricted	\$ -		\$ -
23	45200	Interest Income O & M	\$ 250,944		\$ 250,944
24	45302	Interest Income Operating Capital	\$ -		\$ -
25	45303	Interest Income Grant / Capital Reimb	\$ -		\$ -
26	45309	Interest Income Revbond Series C	\$ -		\$ -
27	45412	Interest Income Debt Service Payment	\$ -		\$ -
28	45413	Interest Income Debt Service Redemption	\$ -		\$ -
29	45414	Interest Income Stabilization	\$ -		\$ -
30	45417	Interest Income 2008 Debt Service Payment	\$ -		\$ -
31	45419	Interest Income Operating Reserve for Revenue Stability	\$ -		\$ -
32	45423	Interest Income 2020 Series B	\$ -		\$ -
33	45424	Interest Income 2020 Series C	\$ -		\$ -
34	45500	Late Charge Revenue	\$ 860,196		\$ 860,196
35	49000	Discounts Earned	\$ 3,564		\$ 3,564
36	49002	Miscellaneous Income	\$ 64,527		\$ 64,527
37	49003	Rental Revenue	\$ 12,000		\$ 12,000
38	49004	Gain on Sale of Asset	\$ -		\$ -
39	49005	Contributed Capital	\$ -		\$ -
40		TOTAL REVENUE	\$ 104,316,368	\$ 1,851,863	\$ 106,168,231
		SUMMARY			
41		User Charge Revenue	\$ 101,309,840	\$ 1,636,582	\$ 102,946,422
42		Miscellaneous Revenue	\$ 3,006,527	\$ 215,281	\$ 3,221,809
43		Total Revenue	\$ 104,316,368	\$ 1,851,863	\$ 106,168,231

Notes and Source

Column A: Company Schedule 1 from NBC's Filing

Column B: Schedule RCS-2

Summary of Net Personnel Expenses at Present and Proposed Rates
Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

Line No.	Account	Description	Adjusted Rate		Division Adjustments (B)	Rate Year at Present Rates (C)
			Year Amount Per NBC (A)			
Operation & Maintenance Expense						
Personnel						
1	52100	Union - Regular	\$ 6,899,394	\$ (322,935)	\$ 6,576,459	
2	52150	Union Overtime	\$ 732,552	\$ -	\$ 732,552	
3	52300	Non-Union Regular	\$ 12,604,344	\$ 551,498	\$ 13,155,842	
4	52350	Non-Union Overtime	\$ 265,329	\$ (6,317)	\$ 259,012	
5	52400	Non-Union Limited	\$ 32,366	\$ (771)	\$ 31,595	
6	52800	Union Pension	\$ 2,279,613	\$ (96,783)	\$ 2,182,830	
7	52810	FICA/Medicare	\$ 1,559,111	\$ 16,943	\$ 1,576,054	
8	52820	Unemployment	\$ 60,259	\$ -	\$ 60,259	
9	52920	Non Union Pension	\$ 1,259,485	\$ 55,150	\$ 1,314,635	
10	52940	Union Retirement Health	\$ 343,805	\$ (14,597)	\$ 329,208	
11	52950	Health Insurance	\$ 4,344,705	\$ 52,651	\$ 4,397,356	
12	52970	Dental Insurance	\$ 292,574	\$ 5,632	\$ 298,206	
13	52980	Vision Insurance	\$ 47,928	\$ 1,014	\$ 48,942	
14	52990	Disability Insurance	\$ 48,235	\$ -	\$ 48,235	
15		Total Personnel	\$ 30,769,700	\$ 241,485	\$ 31,011,186	
16	59000	Salary Reimbursement	\$ (1,835,987)	\$ (25,986)	\$ (1,861,973)	
17	59001	Fringe Reimbursement	\$ (972,331)	\$ (38,335)	\$ (1,010,665)	
18		Net Personnel	\$ 27,961,383	\$ 177,165	\$ 28,138,547	

Notes and Source

Column A: Company Schedule 1 from NBC's Filing

Column B: Schedule RCS-2

Narragansett Bay Commission

Docket No. 22-47-WW
Schedule JS-1
Page 4 of 5

Summary of Operating Supplies Expense
Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

Line No.	Account	Description	Adjusted Rate	Division Adjustments	Rate Year at
			Year Amount Per NBC		Present Rates
			(A)	(B)	(C)
Operating Supplies/Expense					
1	52610	Medical Svcs.	\$ 10,318		\$ 10,318
2	53200	Bad Debt Expense	\$ 70,917		\$ 70,917
3	53210	Postage	\$ 452,744		\$ 452,744
4	53240	Dues & Subscriptions	\$ 73,243		\$ 73,243
5	53250	Freight	\$ 36,232		\$ 36,232
6	53310	Printing & Binding	\$ 158,116		\$ 158,116
7	53320	Advertising	\$ 3,020		\$ 3,020
8	53330	Rental- Equipment	\$ 34,323		\$ 34,323
9	53340	Rental- Clothing	\$ 36,123		\$ 36,123
10	53350	Rental-Outside Property	\$ 1,500		\$ 1,500
11	53360	Miscellaneous Expense	\$ 6,478		\$ 6,478
12	53370	Public Outreach Ed.	\$ 33,362		\$ 33,362
13	53380	EEF	\$ -		\$ -
14	53410	Local Travel	\$ 947		\$ 947
15	53420	Long Distance Travel	\$ 21,714		\$ 21,714
16	53470	Bldg. & Grnd. Maint.	\$ 231,882		\$ 231,882
17	53480	Biosolids Disposal	\$ 6,243,887	\$ (169,523)	\$ 6,074,364
18	53490	Screening & Grit Disposal	\$ 333,431		\$ 333,431
19	53510	Vehicle Fuel & Maintenance	\$ 489,333	\$ (166,232)	\$ 323,101
20	53610	Repairs Bldg, Struct, Equip.	\$ 395,599		\$ 395,599
21	53615	Repairs Process Equipment	\$ 827,258	\$ 237,324	\$ 1,064,582
22	53620	Repair-Highway & Walks	\$ 22,819		\$ 22,819
23	53630	Maintenance Contracts	\$ 792,740		\$ 792,740
24	53635	Maint. Contracts - Office Equip.	\$ 118,083		\$ 118,083
25	53640	Service Agreements	\$ 344,574	\$ 125,600	\$ 470,174
26	53645	Software Subscriptions	\$ 1,076,502	\$ 454,261	\$ 1,530,763
27	53650	Highway & Landscape	\$ 11,077		\$ 11,077
28	53660	Insurance	\$ 1,191,143	\$ (46,379)	\$ 1,144,764
29	53680	Work. Comp. Insurance	\$ 431,318	\$ 180,452	\$ 611,770
30	53900	Central Phone Svcs.	\$ 616		\$ 616
31	54000	Telephone	\$ 326,136		\$ 326,136
32	54020	Fuel Oil #2 - Diesel	\$ 12,004		\$ 12,004
33	54060	Fuel-Gas	\$ 409,137		\$ 409,137
34	54090	Electricity	\$ 6,919,434	\$ (1,059,062)	\$ 5,860,372
35	54091	Net Metering Credit	\$ (2,168,169)	\$ 276,281	\$ (1,891,888)
36	54092	Field's Point Turbines	\$ 268,490	\$ -	\$ 268,490
37	54093	Coventry Wind	\$ 244,645	\$ -	\$ 244,645
38	54095	Green PPA	\$ 2,840,045	\$ (361,895)	\$ 2,478,150
39	54096	Green PPA Net Metering Credits	\$ (3,786,726)	\$ 482,527	\$ (3,304,199)
40	54097	Biogas	\$ 1,700	\$ -	\$ 1,700
41	54110	Water	\$ 119,644		\$ 119,644
42	54200	Clothing	\$ 48,644		\$ 48,644
43	54332	Chlorine/Hypochlorite	\$ 575,912	\$ 544,513	\$ 1,120,425
44	54333	Carbon Feed	\$ 37,340	\$ 26,591	\$ 63,931
45	54335	Polymer	\$ 123,773	\$ 28,081	\$ 151,854
46	54336	Sodium Hydroxide	\$ -		\$ -
47	54337	Sodium Bisulfite	\$ 393,229	\$ 163,788	\$ 557,017
48	54338	Soda Ash	\$ 62,256	\$ 16,442	\$ 78,698
49	54339	UV Disinfection	\$ 173,163		\$ 173,163
50	54340	Lab Supplies	\$ 750,415	\$ (94,615)	\$ 655,800
51	54345	Lab Chemicals & Gases	\$ -		\$ -
52	54370	Supplies Building & Maint.	\$ 750,356	\$ (118,584)	\$ 631,772
53	54410	Educational Supp. & Exp.	\$ 30,110		\$ 30,110
54	54420	Computer Supplies	\$ 93,451		\$ 93,451
55	54430	Other Op. Supplies & Exp.	\$ 12,695		\$ 12,695
56	54440	Safety Equipment	\$ 82,005		\$ 82,005
57	54500	Office Expense	\$ 116,468		\$ 116,468
58	57800	Bond And Note Fees	\$ -		\$ -
59		Total Operating Supplies/Expense	\$ 21,885,456	\$ 519,571	\$ 22,405,026

Notes and Source

Column A: Company Schedule 1 from NBC's Filing

Column B: Schedule RCS-2

Narragansett Bay Commission

Docket No. 22-47-WW
Schedule JS-1
Page 5 of 5

Summary of Professional Services Expense, Debt Service, Operating Allowance and Hardship Fund
Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

Line No.	Account	Description	Adjusted Rate Year Amount Per NBC (A)	Division Adjustments (B)	Rate Year at Present Rates (C)
		Professional Services Expense			
1	52600	Regulatory Expense	\$ 677,742	\$ 29,886	\$ 707,628
2	52630	Educational Services	\$ 60,899		\$ 60,899
3	52650	Security Services	\$ 24,476		\$ 24,476
4	52660	Legal Services	\$ 192,561		\$ 192,561
5	52670	Mgmt/Audit Services	\$ 164,710		\$ 164,710
6	52680	Clerical Services	\$ 669		\$ 669
7	52690	Other Services	\$ 1,077,615		\$ 1,077,615
8		Total Professional Services	<u>\$ 2,198,672</u>	<u>\$ 29,886</u>	<u>\$ 2,228,558</u>
		Lease/Subscriptions			
9	Lease	Lease Payments	\$ 105,283		\$ 105,283
10	57950	Lease Interest Expense	\$ 8,117		\$ 8,117
11		Total Leases	<u>\$ 113,400</u>	<u>\$ -</u>	<u>\$ 113,400</u>
		Depreciation			
12	57500	Depreciation	\$ -		\$ -
13	57015	Amortization Right to Use Leased Land	\$ -		\$ -
14	57016	Amortization of Asset Retirement Obligation	\$ -		\$ -
15		Total Depreciation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
		Operating Capital			
16	16515	Automotive Equipment Replacement	\$ 421,902	\$ (421,902)	\$ -
17	16520	Building and Plant Equipment	\$ 143,000	\$ (143,000)	\$ -
18	16525	Building and Plant Equipment Replacement	\$ 1,395,951	\$ (1,395,951)	\$ -
19	16550	Computer Equipment	\$ 353,368	\$ (353,368)	\$ -
20	16555	Computer Equipment Replacement	\$ 514,593	\$ (514,593)	\$ -
21	16570	Lab Equipment	\$ 554,761	\$ (554,761)	\$ -
22	16575	Lab and Sampling Equipment Replacement	\$ 322,206	\$ (322,206)	\$ -
23	16586	Office Furniture Equipment	\$ 57,893	\$ (57,893)	\$ -
24	16615	Building & Other Structure Replacement	\$ 99,185	\$ (99,185)	\$ -
25		Total Operating Capital	<u>\$ 3,862,859</u>	<u>\$ (3,862,859)</u>	<u>\$ -</u>
		Debt Service			
26	PRIN	Principal	\$ 31,344,795	\$ 1,702,115	\$ 33,046,910
27	INT	Interest	\$ 16,125,345	\$ 875,654	\$ 17,000,999
28	Coverage	Debt Service Coverage	\$ 11,867,535	\$ 644,442	\$ 12,511,977
29		Total Debt Service	<u>\$ 59,337,675</u>	<u>\$ 3,222,211</u>	<u>\$ 62,559,886</u>
30	Op Reserve	Operating Reserve	<u>\$ 328,282</u>	<u>\$ 41,222</u>	<u>\$ 369,504</u>

Notes and Source

Column A: Company Schedule 1 from NBC's Filing
Column B: Schedule RCS-2

Narragansett Bay Commission
Summary of Division Adjustments
Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

Line No.	Description	Division Adjustments (A)	Operating Capital		Fiscal Year 2024		Residential		Commercial		Industrial		PUC Assessment		NBC "Trend	
			Correction	Fiscal Year 2024	Debt Service	Consumption Fee	Consumption Fee	Consumption Fee	Consumption Fee	Consumption Fee	Regulatory	Expense	Expense	Expense	Expense	Wages and Salaries
			JS-3	JS-4	JS-5	JS-6	JS-7	JS-8	JS-9	JS-10	Revised	Revised	Revised	Revised	Revised	For Settlement
1	Total Revenue	\$ 1,851,863			\$ 385,084	\$ 1,170,370	\$ 81,128									
Operation & Maintenance Expense																
2	Net Personnel Expense	\$ 177,165														\$ 177,165
3	Operating Supplies/Expense	\$ 519,571														\$ 519,571
4	Professional Services Expense	\$ 29,886														\$ 29,886
5	Total: Operations & Maintenance Expense	\$ 726,622														\$ 726,622
6	Depreciation Expense	\$ -														\$ -
7	Operating Capital Debt Service	\$ (3,862,859)	\$ (3,862,859)													\$ (3,862,859)
8	Debt Service	\$ -														\$ -
9	Debt Service Coverage	\$ 3,222,211		\$ 3,222,211												\$ 3,222,211
10	Operating Allowance	\$ 41,222														\$ 41,222
11	Hardship Fund	\$ -														\$ -
12	Total Revenue Requirement	\$ 127,195	\$ (3,862,859)	\$ 3,222,211	\$ -	\$ -	\$ -	\$ 81,128	\$ 1,170,370	\$ -	\$ -	\$ 29,886	\$ 200,431	\$ 200,431	\$ 414,489	
13	Net Income	\$ 1,724,668	\$ 3,862,859	\$ (3,222,211)	\$ 385,084	\$ 1,170,370	\$ 81,128	\$ (29,886)	\$ (200,431)	\$ (200,431)	\$ -	\$ (414,489)				

Line No.	Description	Payroll Tax Expense JS-11 Not Needed For Settlement	Biosolids Disposal JS-12 Revised	Insurance Expense JS-13	Workers Compensation Expense JS-14 Revised For Settlement	Operating Allowance JS-15 Revised For Settlement	Electricity Expense JS-16 Added	Renewable Energy Credits JS-17 Added	Chemical Expense RCS-18 Added For Settlement
1	Total Revenue								\$ 215,281
	Operation & Maintenance Expense								
2	Net Personnel Expense								\$ 779,415
3	Operating Supplies/Expense								
4	Professional Services Expense								
5	Total: Operations & Maintenance Expense	\$ -	\$ (169,523)	\$ (46,379)	\$ 180,452	\$ -	\$ (662,149)	\$ -	\$ 779,415
6	Depreciation Expense								
7	Operating Capital								
8	Debt Service								
9	Debt Service Coverage					\$ 41,222	\$ -	\$ -	\$ -
10	Operating Allowance								
11	Hardship Fund								
12	Total Revenue Requirement	\$ -	\$ (169,523)	\$ (46,379)	\$ 180,452	\$ 41,222	\$ (662,149)	\$ -	\$ 779,415
13	Net Income	\$ -	\$ 169,523	\$ 46,379	\$ (180,452)	\$ (41,222)	\$ 662,149	\$ 215,281	\$ (779,415)

Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

Line No.	Account	Description	NBC Amount (A)	Division Amount (B)	Division Adjustment (C)
1	16515	Automotive Equipment Replacement	\$ 421,902	-	\$ (421,902)
2	16520	Building and Plant Equipment	\$ 143,000	-	\$ (143,000)
3	16525	Building and Plant Equipment Replacement	\$ 1,395,951	-	\$ (1,395,951)
4	16550	Computer Equipment	\$ 353,368	-	\$ (353,368)
5	16555	Computer Equipment Replacement	\$ 514,593	-	\$ (514,593)
6	16570	Lab Equipment	\$ 554,761	-	\$ (554,761)
7	16575	Lab and Sampling Equipment Replacement	\$ 322,206	-	\$ (322,206)
8	16586	Office Furniture Equipment	\$ 57,893	-	\$ (57,893)
9	16615	Building & Other Structure Replacement	\$ 99,185	-	\$ (99,185)
10		Total Operating Capital	\$ 3,862,859	-	\$ (3,862,859)

Notes and Source

Col. A: Amount from Schedule 1, page 3 of 46 from NBC's filing

Col. B: Company's response to Comm. 1-1

Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

Line No.	Description	NBC Amount (A)	Division Amount (B)	Division Adjustment (C)
1	Debt Service - Principal		\$ 33,164,787	
2	Debt Service - Interest		\$ 16,883,122	
3	Total Debt Service Principal and Interest	\$ 47,470,140	\$ 50,047,909	\$ 2,577,769
4	Multiply by 1.25	1.25	1.25	
5	FY 2024 Total Debt Service	<u>\$ 59,337,675</u>	<u>\$ 62,559,886</u>	<u>\$ 3,222,211</u>
6	Debt Service Coverage	<u>\$ 11,867,535</u>	<u>\$ 12,511,977</u>	<u>\$ 644,442</u>
Adjustment Summary				
7	Principal and Interest			\$ 2,577,769
8	Debt Service Coverage			\$ 644,442
9	Total Adjustment			<u>\$ 3,222,211</u>

Notes and Source

Col. A: Amount from Schedule 1, page 3 of 46 from NBC's filing

Col. B: NBC Schedule DMF Rebuttal - 3

Narragansett Bay Commission
Residential Consumption Fee Revenue
Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

Line No.	Account	Description	NBC Amount (A)	Division Amount (B)	Division Adjustment (C)
1	41100	Adjustment to Residential Consumption Fee Revenue	\$ 385,084	\$ -	\$ 385,084
2		Percentage of NBC Adjustment	100.0%	0.0%	100.0%

Notes and Source

Col. A: Amount from Company Schedule 6 - Rate Year Revenue by Source
Col. B: Division recommended adjustment amount calculated below:

Description	Amount
Residential Consumption Fee Revenue Adjustment Per NBC	\$ (385,084)
Division Adjustment Percentage	100.0%
Division Adjustment	\$ 385,084

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	Calendar 2022 Actual*	FY 2022 Adjusted Test Year	FY 2023 Estimated	Rate Year FY 2024 Estimated	Docket 4890	Docket 4890 vs. Adjusted Rate Year
Customer Usage Analysis (Hcf) Per Company Residential	8,233,501	8,199,972	8,110,082	8,710,408	8,080,205	8,080,205	8,080,205	8,029,789	7,979,687	8,153,259	(173,572)
Change		-0.4%	-1.1%	7.4%	-0.4%		0.0%	-0.6%	-0.6%		-2.1%
		From FY2018	From FY2019	From FY2020	From FY2021			From FY2022	From FY2023		

	From FY2018	From FY2019	From FY2020	From FY2021	From FY2022
Change from TY to RY in Hcf					(100,518)

	From FY2018	From FY2019	From FY2020	From FY2021	From FY2022
Customer Usage Analysis (Hcf) Per Division Residential	8,233,501	8,199,972	8,110,082	8,710,408	8,080,205
Change		-0.4%	-1.1%	7.4%	0.1%
		From FY2018	From FY2019	From FY2020	From FY2021

	From FY2018	From FY2019	From FY2020	From FY2021	From FY2022
Change from TY to RY in Hcf					0.0%
Proportion of Division Change to Company Change Reciprocal					100.0%

	From FY2018	From FY2019	From FY2020	From FY2021	From FY2022
Division Rate Year Usage (Hcf) versus NBC Rate Year Usage (Hcf)					0.0%
Consumption Charges at Current Rate					100.518
Adjustment to Consumption Fee Revenue					\$ 3,831
					\$ 385,084

	From FY2018	From FY2019	From FY2020	From FY2021	From FY2022
[A] Use FY2022 actual					8,080,205
Compare with Average of FY 2020 and FY 2022					8,095,144
Average of FY 2020 and FY 2022					8,130,086
Average of FY 2019, FY 2020 and FY 2022					8,084,844

	From FY2018	From FY2019	From FY2020	From FY2021	From FY2022
* 2022 Calendar Year Residential Consumption Per DIV 2-1					8,084,844

Month	Hcf
Jan-22	670,556
Feb-22	589,694
Mar-22	650,741
Apr-22	560,921
May-22	528,033
Jun-22	508,833
Jul-22	744,962
Aug-22	730,935
Sep-22	786,683
Oct-22	820,725
Nov-22	787,599
Dec-22	705,162
Total 2022	8,084,844

	Difference	Percent
	14,939	0.2%
	49,881	0.6%
	4,639	0.1%

	HCF
	8,080,205

	Difference	Percent
	14,939	0.2%
	49,881	0.6%
	4,639	0.1%

	Difference	Percent
	14,939	0.2%
	49,881	0.6%
	4,639	0.1%

	Difference	Percent
	14,939	0.2%
	49,881	0.6%
	4,639	0.1%

Naragansett Bay Commission
Commercial Consumption Fee Revenue

Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

Line No.	Account	Description	NBC Amount (A)	Division Amount (B)	Division Adjustment (C)
1	41510	Adjustment to Commercial Consumption Fee Revenue	\$ (1,076,994)	\$ 93,376	\$ 1,170,370
2		Percentage of NBC Adjustment	-8.7%		108.7%

Notes and Source

Col. A: Amount from Company Schedule 6 - Rate Year Revenue by Source
Col. B: Division recommended adjustment amount calculated below:

Description	Amount	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	Calendar 2022 Actual*	FY 2022 Adjusted Test Year	FY 2023 Estimated	Rate Year FY 2024 Estimated	Docket 4890 Adjusted Rate Year
3 Commercial Consumption Fee Revenue Adjustment Per NBC	\$ (1,076,994)										
4 Division Adjustment Percentage	108.7%										
5 Division Adjustment	\$ 1,170,370										
6 Customer Usage Analysis (Hcf) Per Company	4,750,934	4,694,089	4,750,934	4,267,362	4,141,550	4,373,066		4,373,066	4,278,456	4,185,893	4,678,683
7 Commercial Change	1.2%	1.2%	1.2%	-10.2%	-2.9%	2.5%		0.0%	-2.2%	-2.2%	(492,790)
		From FY2018	From FY2019	From FY2019	From FY2020	From FY2020				(187,173)	(10.5%)
8 Change from TY to RY in Hcf											
9 Customer Usage Analysis (Hcf) Per Division	4,694,089	4,750,934	4,750,934	4,267,362	4,141,550	4,373,066		4,373,066	4,389,294	4,389,294	4,678,683
10 Commercial Change	1.2%	1.2%	1.2%	-10.2%	-2.9%	5.6%		0.4%	0.0%	0.0%	(289,389)
		From FY2018	From FY2019	From FY2019	From FY2020	From FY2021	From FY2022				-6.2%
11 Change from TY to RY in Hcf											
12 Proportion of Division Change to Company Change											
13 Reciprocal											
14 Division Rate Year Usage (Hcf) versus NBC Rate Year Usage (Hcf)											
15 Consumption Charges at Current Rate											
16 Adjustment to Consumption Fee Revenue											
17 * 2022 Calendar Year Commercial Consumption Per DIV 2-2				2020	2021	2022					
18 Change in HCF				4,050,251	4,323,806	4,389,294					
19 Percentage Change					273,555	65,488					
					6.8%	1.5%					

Month	Hcf
Jan-22	320,533
Feb-22	333,151
Mar-22	379,267
Apr-22	324,475
May-22	317,517
Jun-22	261,268
Jul-22	403,094
Aug-22	395,297
Sep-22	435,136
Oct-22	383,212
Nov-22	416,142
Dec-22	420,202
Total 2022	4,389,294

Rate Year	Estimated	Adjusted	Rate Year
FY 2024	4,389,294	4,389,294	4890
	0.0%		
	16,228		
	-8.7%		
	108.7%		
	203,401		Line 9 - Line 1
	\$ 5,754		
	\$ 1,170,369		

Docket No. 22-47-WW
Schedule JS-7
Page 1 of 1

Narragansett Bay Commission
Industrial Consumption Fee Revenue

Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

Line No.	Account	Description	NBC Amount (A)	Division Amount (B)	Division Adjustment (C)
1	41511	Adjustment to Industrial Consumption Fee Revenue	\$ (171,083)	\$ (89,955)	\$ 81,128
2		Percentage of NBC Adjustment		52.6%	47.4%

Notes and Source

Col. A: Amount from Company Schedule 6 - Rate Year Revenue by Source
Col. B: Division recommended adjustment amount calculated below:

Description	Amount	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	Calendar 2022 Actual*	FY 2022 Adjusted Test Year	FY 2023 Estimated	Rate Year FY 2024 Estimated	Docket 4890	Docket 4890 vs. Adjusted Rate Year
3 Industrial Consumption Fee Revenue Adjustment Per NBC	\$ (171,083)											
4 Division Adjustment Percentage	\$ 81,128											
5 Division Adjustment												
6 Customer Usage (Hcf) Per Company	655,659	662,824	662,824	540,383	524,473	568,219		568,219	545,057	522,839	673,807	(150,968)
7 Industrial Change		1.1%	1.1%	-18.5%	-2.9%	5.2%		0.0%	-4.1%	-4.1%		-22.4%
8 Change from TY to RY in Hcf			From FY2018	From FY2019	From FY2020	From FY2020				(45,380)		
9 Customer Usage Analysis (Hcf) Per Division	655,659	662,824	662,824	540,383	524,473	568,219	536,617	568,219		544,358 [A]	673,807	(129,449)
10 Industrial Change		1.1%	1.1%	-18.5%	-2.9%	8.3%	2.3%					-19.2%
11 Change from TY to RY in Hcf			From FY2018	From FY2019	From FY2020	From FY2021	From FY2020			(23,861)		
12 Proportion of Division Change to Company Change										52.6%		
13 Reciprocal										47.4%		
14 Division Rate Year Usage (Hcf) versus NBC Rate Year Usage (Hcf)												
15 Consumption Charges at Current Rate												
16 Adjustment to Consumption Fee Revenue												
[A] Average of FY 2020, FY 2021 and FY 2022			2019	2020	2021	2022	2022	Average 2019-2022	Average 2020-2022			
* 2022 Calendar Year Industrial Consumption Per DIV 2-3			590,231	503,848	580,116	536,617	536,617	552,703	540,194			
Change in HCF				-86,383	76,268	-43,499	-43,499					
Percentage Change				-14.6%	15.1%	-7.5%	-7.5%					

Month	Hcf
Jan-22	43,631
Feb-22	43,998
Mar-22	53,004
Apr-22	51,781
May-22	37,275
Jun-22	51,406
Jul-22	44,237
Aug-22	39,436
Sep-22	39,058
Oct-22	46,846
Nov-22	44,014
Dec-22	41,931
Total 2022	536,617

Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

Line No.	Account	Description	NBC Amount (A)	Division Amount (B)	Division Adjustment (C)
1	52600	PUC Assessment	\$ 608,858	\$ 600,225	
2		Rate Case	\$ 50,000	\$ 50,000	
3		Other Regulatory Expense	\$ 18,884	\$ 18,884 [1]	
4		Total	\$ 677,742	\$ 669,109	\$ (8,633)
Updated for Rate Case Expense Amortized Over Three Years					
Actual Expense Docket 22-47-WW					
5		Division (estimate from Division 6/12/23)	\$ 95,000		
6		Keough and Sweeny	\$ 76,774		
7		Cathedral	\$ 3,783		
8		Raftelis	\$ 90,000		
9		Total	\$ 265,557		
10		Amortized over 3 years	\$ 88,519		
11		Less: amortized rate case expense included in Regulatory Expense 52600	\$ (50,000)		
12		Additional Adjustment for Actual Rate Case Expense	\$ 38,519		\$ 38,519
13	52600	Total net adjustment for Regulatory Expense			\$ 29,886

Notes and Source

Col. A: Company proposed amount from NBC Rebuttal Testimony of David M. Fox, page 16

Note 1: Also see NBC's response to DIV 7-5.

Division Proposed Amount for PUC Assessment, Line 1:

1a	PUC Assessment for FY 2023	\$ 564,646	Div 1-55
1b	PUC Assessment for FY 2022	\$ 529,067	
1c	Increase	\$ 35,579	
1d	Estimated PUC Assessment for FY 2024	\$ 600,225	L1a + L1c

Narragansett Bay Commission
NBC "Trend Accounts" Expense Adjustment

Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

Line No.	Account	Description	FY2022 Test Year Amount (A)	FY2024 Rate Year Amounts			Percentage Change from Test Year to Rate Year	
				NBC Application Amount (B)	NBC FY 2024 Budget Amount (B1)	Division Amount (C)	NBC FY2024 Amount (E)	Division Adjustment (D)=C-B
1	53510	VEHICLE FUEL AND MAINTENANCE	\$ 246,131	\$ 489,333	\$ 323,101	\$ (166,232)	99%	31%
2	53610	REPAIRS-BUILDING AND STRUCTURES	\$ 309,812	\$ 395,599	\$ -	\$ -	-	-
3	53615	REPAIRS-PROCESS EQUIPMENT	\$ 647,865	\$ 827,258	\$ -	\$ -	-	-
4		Total Repairs	\$ 957,677	\$ 1,222,857	\$ 1,222,857	\$ [2]	28%	28%
5	53640	SERVICE AGREEMENTS	\$ 345,399	\$ 514,092	\$ 470,174	\$ (43,918)	49%	36%
5a		Add Back NBC's Calculated Test Year Adjustment for Service Agreements	\$ (825)			\$ 825	[3]	
5b		NBC's Calculated Rate Year Adjustment for Service Agreements				\$ 168,693	[4]	
5c		Subtotal Net Adjustment for Account 53640	\$ 344,574			\$ 125,600		
Adjustment Components Updated in Division's Surrental								
6	53630	MAINTENANCE CONTRACTS	\$ 655,157	\$ 792,740	\$ 756,526	\$ -	\$ -	
7	53645	SOFTWARE SUBSCRIPTION	\$ 889,671	\$ 1,076,502	\$ 394,800	\$ -	\$ -	
7a	53646	SOFTWARE MAINTENANCE	\$ 1,544,828	\$ 1,869,242	\$ 2,323,503	\$ 2,323,503	\$ 454,261	50%
8		Total Maintenance Con. & Software Sub.	\$ 458,017	\$ 750,415	\$ 385,100	\$ -	\$ -	
9	54340	LAB MEDICAL SUPPLIES	\$ 458,017	\$ 750,415	\$ 270,700	\$ -	\$ -	
9a	54345	LAB CHEMICALS & GASES	\$ 458,017	\$ 750,415	\$ 655,800	\$ 655,800	\$ (94,615)	64%
9b		Combined Amount for Two Accounts	\$ 458,017	\$ 750,415	\$ 655,800	\$ 655,800	\$ (94,615)	43%
10	54370	SUPPLIES BLDG & MAINT	\$ 538,894	\$ 750,356	\$ 631,772	\$ (118,584)	39%	17%
11		Sum of Division FY2024 NBC "Trend Analysis" Expense Adjustment Amounts as Updated and Revised			\$ 200,431	\$ 200,431		

Notes and Source

- Columns A, B and C: See page 2
- Col. B1: NBC's response to DIV 7-4
- Note 1: Use FY2022 adjusted test year amount if higher than Division recalculated "trend" amount
- Note 2: NBC's proposed FY2024 amount for the Repairs expense accounts is accepted, as described in the testimony.
- Note 3: Schedule 1 from NBC's filing includes a Test Year adjustment to remove \$825 from Account 53640, Service Agreements resulting in an adjusted 6/30/2022 Test Year amount of \$344,574. This amount should have been the starting point for NBC's adjustment for Account 53640 on Schedule DMF-21. However, NBC used the unadjusted Test Year amount of \$345,399 as the starting point for its Rate Year adjustment.
- Note 4: NBC calculated an adjustment to increase expense by \$168,693 on Schedule DMF-21, but did not carry that adjustment amount forward to NBC's Schedule 1 on the line item for Account 53640, Service Agreements.
- Note 5: For these combined accounts, NBC's FY 2024 budgeted amounts from NBC's response to DIV 7-4 are being used.

Docket No. 22-47-WV
Schedule JS-9
Page 2 of 2

Narragansett Bay Commission
NBC "Trend Accounts" Expense Adjustment
Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

Line No.	Account Number	Account Description	Per NBC											Percent Increase (Decrease) from FY2022 Test Year (N)-M/C		
			FY 2020 (A)	FY 2021 (B)	Adjusted Test Year FY 2022 (C)	Average Annual Increase (D)	Projected FY 2023 (E)	Rate Year FY 2024 (F)	NBC's Rate Year Adjustment (G)=F - C	FY2023 Budget (H)	NBC Projected FY2023 Over (Under) NBC's FY2023 Budget (I)=E-H	Percentage Over (Under) statement of FY2023 Budget (J)=I/H	Rate Year FY2024 Adjusted by Col.J Percentage (K)		Adjustment to NBC's FY2024 Rate Year Amount (U)=K-F	Rate Year FY2024 Over (Under) FY2022 Amount (M)=K-C
1	53510	VEHICLE FUEL AND MAINTENANCE	\$ 135,767	\$ 206,009	\$ 246,131	41%	\$ 347,045	\$ 489,333	\$ 243,202	\$ 229,150	\$ 117,895	51.4%	\$ 323,101	\$ (166,232)	\$ 76,970	31%
2	53610	REPAIRS-BUILDING AND STRUCTURES	\$ 760,300	\$ 450,143	\$ 309,812		\$ 350,088	\$ 395,599	\$ 85,787	\$ 538,150	\$ (188,062)	-34.9%				
3	53615	REPAIRS-PROCESS EQUIPMENT	-	\$ 517,626	\$ 647,865		\$ 732,087	\$ 827,258	\$ 179,393	\$ 610,847	\$ 121,240	19.8%				
4		Total Repairs	\$ 760,300	\$ 967,769	\$ 957,677	13%	\$ 1,082,175	\$ 1,222,857	\$ 265,180	\$ 1,148,997	\$ (66,822)	-5.8%	\$ 1,298,366	\$ 75,509	\$ 340,689	36%
5	53640	SERVICE AGREEMENTS	\$ 239,455	\$ 184,018	\$ 345,399	22%	\$ 421,387	\$ 514,092	\$ 168,693	\$ 385,389	\$ 35,998	9.3%	\$ 470,174	\$ (43,918)	\$ 124,775	36%
See page 1, lines 6 through 9 for Revised Division Adjustment for the Combination of Accounts Shown There																
6	53630	MAINTENANCE CONTRACTS	\$ 1,290,609	\$ 1,433,464	\$ 655,157		\$ 720,673	\$ 792,740	\$ 137,583	\$ 699,825	\$ 20,848	3.0%				
7	53645	SOFTWARE SUBSCRIPTION	-	-	\$ 889,671		\$ 978,638	\$ 1,076,502	\$ 186,831	\$ 377,097	\$ 601,541	159.5%				
8		Total Maintenance Con. & Software Sub.	\$ 1,290,609	\$ 1,433,464	\$ 1,544,828	10%	\$ 1,699,311	\$ 1,869,242	\$ 324,414	\$ 1,076,922	\$ 622,389	57.8%	\$ 1,184,614	\$ (684,628)	\$ (360,214)	-23%
9	54340	LAB, MEDICAL SUPPLIES	\$ 347,808	\$ 398,564	\$ 458,017	28%	\$ 586,262	\$ 750,415	\$ 292,398	\$ 330,557	\$ 255,705	77.4%	\$ 423,113	\$ (327,302)	\$ (34,904)	-8%
10	54370	SUPPLIES, BLDG & MAINT	\$ 393,769	\$ 454,136	\$ 538,894	18%	\$ 635,895	\$ 750,356	\$ 211,462	\$ 535,400	\$ 100,495	18.8%	\$ 631,772	\$ (118,584)	\$ 92,878	17%
11		Sum of Expense Amounts for NBC's "Trend" Accounts	\$ 3,167,708	\$ 3,643,960	\$ 4,090,946	15%	\$ 4,772,075	\$ 5,596,295	\$ 1,505,349	\$ 3,706,415	\$ 1,065,660	28.5%	\$ 4,331,140	\$ (1,265,155)	\$ 240,194	6%

Notes and Source:
Columns A through G: NBC Schedule 21
Column H: FY2023 Budget Amounts from Division 3-27

Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

Line No.	Account	Description	Rate Year Expenses As Originally Filed by NBC (A)	Rate Year Expenses As Originally Filed by NBC (B)	Rate Year As Most Recently Updated by NBC (C)	Division Settlement Adjustment (D) = C - A
1	52100	Union - Regular	\$ 6,899,394	\$ 6,899,394	\$ 6,576,459	\$ (322,935)
2	52150	Union Overtime	\$ 732,552	\$ 732,552	\$ 732,552	\$ -
3	52300	Non-Union Regular	\$ 12,604,344	\$ 12,604,344	\$ 13,155,842	\$ 551,498
4	52350	Non-Union Overtime	\$ 265,329	\$ 265,329	\$ 259,012	\$ (6,317)
5	52400	Non-Union Limited	\$ 32,366	\$ 32,366	\$ 31,595	\$ (771)
6	52800	Union Pension	\$ 2,279,613	\$ 2,279,613	\$ 2,182,830	\$ (96,783)
7	52810	FICA/Medicare	\$ 1,559,111	\$ 1,559,111	\$ 1,576,054	\$ 16,943
8	52820	Unemployment	\$ 60,259	\$ 60,259	\$ 60,259	\$ -
9	52920	Non Union Pension	\$ 1,259,485	\$ 1,259,485	\$ 1,314,635	\$ 55,150
10	52940	Union Retirement Health	\$ 343,805	\$ 343,805	\$ 329,208	\$ (14,597)
11	52950	Health Insurance	\$ 4,344,705	\$ 4,344,705	\$ 4,397,356	\$ 52,651
12	52970	Dental Insurance	\$ 292,574	\$ 292,574	\$ 298,206	\$ 5,632
13	52980	Vision Insurance	\$ 47,928	\$ 47,928	\$ 48,942	\$ 1,014
14	52990	Disability Insurance	\$ 48,235	\$ 48,235	\$ 48,235	\$ -
15		Total: Personnel	\$ 30,769,700	\$ 30,769,700	\$ 31,011,186	\$ 241,485
16	59000	Salary Reimbursement	\$ (1,835,987)	\$ (1,835,987)	\$ (1,861,973)	\$ (25,986)
17	59001	Fringe Reimbursement	\$ (972,331)	\$ (972,331)	\$ (1,010,665)	\$ (38,335)
18		Net: Personnel	\$ 27,961,383	\$ 27,961,383	\$ 28,138,547	\$ 177,165
19	53615	Repairs, Process Equipment - Adjustment for Electrician Contractors			\$ 237,324	\$ 237,324
20		Net Division Settlement Adjustment Related to Personnel and Electrician Contractors			\$ 414,489	\$ 414,489
21		Salaries and Wages for Payroll Taxes	\$ 20,533,985	\$ 20,533,985	\$ 20,755,461	\$ 221,476

Notes and Source

Col.A: See Exhibit RCS-1, page 3 of 5

Col.B: NBC's Updated Personnel and Electric Contractor Schedules (Excel file)

Col.C: NBC's Updated Personnel and Electric Contractor Schedules (Excel file)

This Schedule is no longer needed since Payroll Tax Expense is addressed in Schedule JS-10
Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

Line No.	Description	Social Security Amount (A)	Medicare Amount (B)	Total Payroll Tax Expense (C)	
Per NBC (Original Application)					
1	Rate Year Salaries	\$ 20,533,985	\$ 20,533,985		Sch. RCS-10, L21
2	Wages Over FICA Limit*	\$ (189,338)	\$ -		Col. A, Line 16
3	Wages Subject to FICA	\$ 20,344,647	\$ 20,533,985		
4	Payroll Tax Rates	6.20%	1.45%		
5	Adjustment to Payroll Tax Expense Per Company	\$ 1,261,368	\$ 297,743	\$ 1,559,111	L3 x L4
Per Division (Settlement Position)					
6	Rate Year Salaries	\$ 20,755,461	\$ 20,755,461		Sch. RCS-10, L21
7	Wages Over FICA Limit*	\$ (184,830)	\$ -		Col. B, Line 16
8	Wages Subject to FICA	\$ 20,570,630	\$ 20,755,461		
9	Payroll Tax Rates	6.20%	1.45%		
10	Adjustment to Payroll Tax Expense Per Division	\$ 1,275,379	\$ 300,954	\$ 1,576,333	L8 x L9
11	Division Adjustment to Payroll Tax Expense	\$ 14,011	\$ 3,211	\$ 17,222	L10 - L5

Note: account 52810 is addressed on Sch RCS-10 Revised, line 8.

Notes and Source

* Amounts for wages over the FICA limit calculated below:

Description	Per NBC	Per Division
FY 2022 Over FICA	\$ 175,924	\$ 175,924
2022 Wage Increase Percentage	1.025	1.025
7/1/2022 Merit Adjustment	\$ 180,322	\$ 180,322
2023 Wage Increase Percentage	1.05	1.025
7/1/2023 Merit Adjustment	\$ 189,338	\$ 184,830

Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

Line No.	Description	Dry Tons (A)	Rate (B)	Rate Year Amount (C)	Reference
	Per NBC				
1	Rate Year Biosolids Expense	9,997	\$ 624.58	\$ 6,243,887	A
	Per Division - Revised				
2	Rate Year Biosolids Expense	10,365	\$ 586.04	\$ 6,074,364	B
3	Division Adjustment to Rate Year Biosolids Expense		\$ (38.54)	\$ (169,523)	Col. C, L2 - L1

Notes and Source

A: Amounts from Schedule DMF-24 from NBC's filing. Line 2, Dry Tons quantity updated based on NBC Schedule DMF Rebuttal - 6 and NBC's responses to DIV 7-1 and DIV 7-2

B: See page 2 for the calculation of the recommended rate in column B

Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

Line No.	Description	FY 2020	FY2021	FY 2022	Rate Year	Revised Rate Year*
Biosolids Dry Tons Production						
1	Bucklin Point	2,241	2,048	2,072	2,120	2,077
2	Field's Point	7,985	7,638	8,007	7,877	8,288
3	Total	10,226	9,686	10,079	9,997	10,365
Projected Disposal Rate						
Contract Period						
4	Jan 2022 - Dec 2022	\$ 508.79	\$ -	\$ 508.79	0%	\$ 508.79
5	Jan 2023 - Dec 2023	\$ 508.79	\$ 25.00	\$ 533.79	3.10%	\$ 550.34
6	Jan 2024 - Dec 2024	\$ 550.34	\$ 8.00	\$ 558.34	2.30%	\$ 571.18
Composite Rate (3-year Average)						
7	Percent of total first 6 months	48.5%	48.0%	\$ 276.09		
8	Percent of total second 6 months	51.5%	52.0%	\$ 309.94		
9	Division Recommended Rate	100.0%	100.0%	\$ 586.04		
to page 1, Col. B, Line 2						
July - December Avg.						
10	Bucklin Point	1,222	1,040	1,051		
11	Field's Point	3,985	3,479	3,768		
12	Subtotal	5,207	4,519	4,818	48.5%	
January - June						
13	Bucklin Point	1,019	1,008	1,021		
14	Field's Point	4,000	4,159	4,239		
15	Subtotal	5,019	5,167	5,261	51.5%	
16	Bucklin Point	2,241	2,048	2,072		
17	Field's Point	7,985	7,638	8,007		
18	Total	10,226	9,686	10,079	100.0%	

Notes and Source

With the exception of the CPI adjustment percentages shown on lines 5-6, the amounts above are from Schedule DMF-24 from NBC's filing. The CPI adjustment percentages shown on lines 5-6 and the Division recommended rate on line 9 are discussed in the Direct Testimony of Division witness Ralph Smith.

* Revised Rate Year amounts from NBC Schedule DMF Rebuttal - 6

Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

Line No.	Description	Amount (A)	Reference
1	Rate Year Insurance Expense Per Company	\$ 1,191,143	A
2	Rate Year Insurance Expense Per Division	\$ 1,144,764	B
3	Division Adjustment to Insurance Expense	\$ (46,379)	L2 - L1

Notes and Source

A: Per Company amount of insurance expense from Schedule DMF-26 from NBC's filing
B: Division recommended insurance expense from Schedule DMF-26 and calculated below:

Coverage Type	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Projected	Average Annual Percent Increase	FY 2024 Rate Year
4 Commercial Auto	\$ 98,119	\$ 107,303	\$ 115,400	\$ 122,633	7.1%	\$ 131,393
5 Commercial Property	\$ 304,714	\$ 355,278	\$ 382,058	\$ 433,077	10.9%	\$ 480,495
6 Commercial Umbrella	\$ 45,146	\$ 47,018	\$ 48,439	\$ 53,266	6.6%	\$ 56,805
7 Contractor's Utility Bond	\$ 875	\$ 438	\$ 875	\$ -	(50.0%)	\$ -
8 Crime Insurance	\$ 4,239	\$ 4,239	\$ 4,239	\$ 4,239	0.0%	\$ 4,239
9 Cyber Liability	\$ 23,670	\$ 23,766	\$ 155,000	\$ 62,920	82.4%	\$ 114,750
10 ERISA Bond	\$ -	\$ 340	\$ -	\$ -	(50.0%)	\$ -
11 Fiduciary Liability	\$ 8,526	\$ 7,566	\$ 7,609	\$ 8,327	5.0%	\$ 8,746
12 Flood Insurance BP (February)	\$ 11,466	\$ 13,012	\$ 14,794	\$ 14,794	6.8%	\$ 15,807
13 Flood Insurance BP (July)	\$ 14,969	\$ 15,996	\$ 17,714	\$ 20,739	14.8%	\$ 23,814
14 General Liability	\$ 92,395	\$ 98,699	\$ 107,341	\$ 111,324	6.4%	\$ 118,444
15 Hull P & I	\$ 10,121	\$ 10,222	\$ 9,997	\$ 11,056	4.1%	\$ 11,507
16 Ocean marine Policy TRIA Premium	\$ -	\$ -	\$ 532	\$ -	-	\$ -
17 Inland Marine (Equipment)	\$ 19,029	\$ 19,956	\$ 21,377	\$ 22,860	7.3%	\$ 24,523
18 Pollution (2-year)	\$ 30,662	\$ 27,579	\$ 32,451	\$ 32,451	8.8%	\$ 35,317
19 Public Officials Excess Liability	\$ 30,514	\$ 35,090	\$ 37,615	\$ 38,247	4.5%	\$ 39,968
20 Public Officials Liability	\$ 55,673	\$ 64,023	\$ 68,631	\$ 73,510	7.4%	\$ 78,956
21 Total Insurance Expense	\$ 750,118	\$ 830,525	\$ 1,024,072	\$ 1,009,443		\$ 1,144,764

Narragansett Bay Commission
Workers Compensation Expense

Docket No. 22-47-WW
Schedule JS-14
Page 1 of 1

Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

Line No.	Description	Per Company (A)	Division Per Settlement Amount (B)	Division Settlement Adjustment (C)
1	Workers Compensation Expense	\$ 431,318	\$ 611,770	\$ 180,452

Notes and Source

Col.A: Amounts from Schedule DMF-27 from NBC's filing

Col.B: NBC's documentation for annual renewal, policy effective period for 7/1/2023 through 7/1/2024

Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

Line No.	Description	Docket No. 4890 (A)	NBC Presentation (B)	NBC Calculation (C)	Division-NBC Settlement Calculation (D)	Division-NBC Settlement Adjustment (E) = (D) - (C)
1	Net Personnel	\$ -	\$ 27,961,383			
2	Operating Supplies/Expense	\$ 17,393,725	\$ 21,885,456	\$ 21,885,456	\$ 22,405,026	
3	Professional Services	\$ 1,320,054	\$ 2,198,672		\$ 2,228,558	
4	Total Operations & Maintenance	\$ 18,713,779	\$ 52,045,511	\$ 21,885,456	\$ 24,633,585	
5	Operating Allowance Percentage	1.50%		1.50%	1.50%	
6	Annual Operating Allowance	\$ 280,707	\$ 328,282	\$ 328,282	\$ 369,504	\$ 41,222

Notes and Source

Col. A: Amounts from the Commission's Report and Order from Docket No. 4890, Rate Year ASJ-12 Joint Settlement Operating Reserve and AJS-1A Rate Year

Cols. B-C: Amount from Schedule DMF-26 from NBC's filing

Col. D: see Exhibit RCS-4, Schedule RCS-1, pages 4-5

Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

Line No.	Description	Account Number	Updated Rate Year Electricity Expense (A)	Rate Year Electricity Expense in NBC's Application (B)	Division Adjustment (C)
1	Electricity	54090	\$ 5,860,372	\$ 6,919,434	\$ (1,059,062)
2	NBC Net Metering Credit	54091	\$ (1,891,888)	\$ (2,168,169)	\$ 276,281
3	FP Turbines	54092	\$ 268,490	\$ 268,490	\$ -
4	Coventry Wind	54093	\$ 244,645	\$ 244,645	\$ -
5	Green PPA	54095	\$ 2,478,150	\$ 2,840,045	\$ (361,895)
6	Green PPA Net Metering Credits	54096	\$ (3,304,199)	\$ (3,786,726)	\$ 482,527
7	Biogas	54097	\$ 1,700	\$ 1,700	\$ -
8	Total		\$ 3,657,270	\$ 4,319,419	\$ (662,149)

Notes and Source

Col. A: Table with updated Electric Expense provided in NBC's supplemental response to DIV 7-16 to replace the table shown on page 31 of NBC witness David Fox's Rebuttal Testimony
Col. B: Amounts from Schedule 1 from NBC's November 4, 2022 General Rate Filing

Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

Line No.	Description	Rate Year As-Filed FY 2024 (A)	Rebuttal Rate Year As-Filed FY 2024 (B)	NBC Rebuttal Adjustment (C)
REC Income FP Turbines (42604)				
1	kWh Produced	7,403,433	7,403,433	
2	REC Rate	\$ 22.65	\$ 30.00	
3	Renewable Energy Credits Revenue for FP Turbines	\$ 167,688	\$ 222,103	\$ 54,415
REC Income Coventry (42605)				
4	kWh Produced	7,968,865	7,968,865	
5	REC Rate	\$ 22.65	\$ 30.00	
6	Renewable Energy Credits Revenue for Coventry	\$ 180,495	\$ 239,066	\$ 58,571
REC Income PPA (42606)				
7	kWh Produced	13,917,693	13,917,693	
8	REC Rate	\$ 22.65	\$ 30.00	
9	Renewable Energy Credits Revenue for PPA	\$ 315,236	\$ 417,531	\$ 102,295
10	Total Adjustment			\$ 215,281

Notes and Source

Cols. A-C: Amounts from NBC Schedule Rebuttal DMIF-7

Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

Line No.	Account	Description	Division Settlement Adjustment (A)
1	54332	Chemicals, Chlorine/Hypochlorite	\$ 544,513
2	54333	Chemicals, Carbon Feed	\$ 26,591
3	54335	Chemicals, Polymer Liquid and Powder	\$ 28,081
4	54337	Chemicals, Bisulfite	\$ 163,788
5	54338	Chemicals, Soda Ash	\$ 16,442
5		Division Settlement Adjustment for Increased Rate Year Chemical Expense	\$ 779,415

Notes and Source

NBC's Supplemental Response to DIV 1-52:

Div. 1-52 Supp.

Narragansett Bay Commission
Chemicals New Rates

Account Number	Chemical	Rate-as Filed	New Rate	Rate Year Usage	Rate Year Expense as Filed	Rate Year Expense	Change
54332	Chemicals, Chlorine/Hypochlorite	\$ 0.82	\$ 1.60	700,704	\$ 575,912	\$ 1,120,426	\$ 544,513
54337	Chemicals, Bisulfite	\$ 1.31	\$ 1.85	301,090	393,229	557,017	163,788
54333	Chemicals, Carbon Feed	\$ 1.98	\$ 3.39	18,859	37,341	63,932	26,591
54335	Chemicals, Polymer Liquid (Emulsioin)	\$ 12.81	\$ 19.62	3,692	47,298	72,442	25,144
54335	Chemicals, Liquid Polymer (Manich)	\$ 1.39	\$ 1.39	49,476	68,772	68,772	-
54335	Chemicals, Polymer Powder (Pounds)	\$ 2.36	\$ 3.26	3,266	7,704	10,640	2,936
	54335 Chemicals, Polymer Subtotal			123,773	151,853	28,080	
54338	Chemicals, Soda Ash	\$ 433.51	\$ 548.00	144	62,255	78,698	16,442
	Total Chemicals				\$ 1,192,511	\$ 1,971,926	\$ 779,415

Narragansett Bay Commission
Docket No. 22-47-WW
Exhibit JS-2 Revised for Joint Settlement Settlement
Joint Settlement Rate Design and Proof of Revenue Schedules

CONTENTS

Schedule Number	Description	No. of Pages	Revised	Confidential	Page No.
A	Presentation of Revenue Deficiency	1	Yes	No	2
B	Rate Year Revenue Proof with Rate Increase	1	Yes	No	3
C	Annual Bill Impacts	1	Yes	No	4
	Total Pages (including Contents page)	4			

Narragansett Bay Commission
 Presentation of Revenue Deficiency

Docket No. 22-47-WW
 Schedule A
 Page 1 of 1
 Revised

Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

Line No.	Description	Projected Rate Year per NBC (A)	Projected Rate Year per Division (B)	Difference (C)
1	Projected Rate Year Revenue Requirement	\$ 115,574,327	\$ 115,814,922	\$ 240,595
2	Less: Projected Rate Year Miscellaneous Revenues	(3,006,527)	(3,221,809)	(215,281)
3	Net Revenue Requirement to be Recovered through User Charges	112,567,800	112,593,113	25,314
4	Rate Year User Charge Revenue without Increase	101,309,840	102,946,422	1,636,582
5	Revenue Increase	\$ 11,257,959	\$ 9,646,691	\$ (1,611,268)
6	Calculation of Across the Board Increase Percentage	11.11%	9.37%	-1.74%

Notes and Source:

Col. A: Schedule 35 from NBC's filing

Narragansett Bay Commission
Rate Year Revenue Proof with Rate Increase

Docket No. 22-47-WW
Schedule B
Page 1 of 1
Revised

Summary of Revenues and Expenses at Present and Proposed Rate

Line No.	Revenue Item Description	Current Rate (A)	Increase (B)	Rate Year Rates (C) = (A) x (1 + B)	Per NBC Rate Year Units (D)	Division Adjustment (E)	Division Adjusted (F)	Rate Year Revenues (G) = (C) x (F)
User Fee Revenues								
Residential								
1	Customer Charges (per dwelling unit)	\$ 238.74	9.37%	\$ 261.11	121,952		121,952	\$ 31,843,052
2	Residential Wells	542.46	9.37%	593.29	348		348	206,466
3	Consumption Charges (per HCF)	3.831	9.37%	4.190	7,979,687	100,518	8,080,205	33,855,958
4	Total Residential							65,905,475
Non-Residential								
Customer Charges (per Meter Size)								
5	5/8"	566.00	9.37%	619.04	3,498		3,498	\$ 2,165,702
6	3/4"	849.00	9.37%	928.56	1,018		1,018	945,270
7	1"	1,415.00	9.37%	1,547.59	1,283		1,283	1,985,563
8	1 1/2"	2,831.00	9.37%	3,096.28	839		839	2,597,780
9	2"	4,529.00	9.37%	4,953.39	1,223		1,223	6,058,001
10	3"	8,492.00	9.37%	9,287.75	87		87	808,034
11	4"	14,154.00	9.37%	15,480.31	35		35	541,811
12	6"	28,308.00	9.37%	30,960.63	34		34	1,052,661
13	8"	45,292.00	9.37%	49,536.13	12		12	594,434
14	10"	65,108.00	9.37%	71,209.01	1		1	71,209
15	Subtotal Customer Charges							16,820,466
16	Commercial Consumption Charges (per HCF)	5.754	9.37%	6.293	4,185,893	203,401	4,389,294	27,622,635
17	Industrial Consumption Charges (per HCF)	3.770	9.37%	4.123	522,839	21,519	544,358	2,244,537
18	Total Non-Residential							46,687,638
19	Total User Fee Revenues							112,593,113
Non-User Charge Revenue								
20	Pretreatment Application Fees							\$ 61,280
21	Connection Permit Fees							43,850
22	Capacity Charge Fees							274,144
23	Real Estate Closing Fee							165,390
24	Abatement Application Fee							3,710
25	Sewer Tie-in Revenue							-
26	Return Check Fee Revenue							21,685
27	Stormwater Permit Application Fee							29,353
28	REC Income FP Turbines							222,103
29	REC Income WED Wind							239,066
30	REC Income WED Solar							417,531
31	REC Income Biogas Electric							440
32	Septage Income							355,825
33	Interest Income Revenue							196,200
34	Interest Income EEF							-
35	Interest Income Restricted							-
36	Interest Income O & M							250,944
37	Interest Income Operating Capital							-
38	Interest Income Grant / Capital Reimbursement							-
39	Interest Income Revbond Series C							-
40	Interest Income Debt Service Payment							-
41	Interest Income Debt Service Redemption							-
42	Interest Income Stabilization							-
43	Interest Income 2008 Debt Service Payment							-
44	Interest Income Operating Reserve for Revenue Stabilization							-
45	Interest Income 2020 Series B							-
46	Interest Income 2020 Series C							-
47	Late Charge Revenue							860,196
48	Discounts Earned							3,564
49	Miscellaneous Income							64,527
50	Rental Revenue							12,000
51	Gain on Sale of Asset							-
52	Contributed Capital							-
53	Total Non-User Fee Revenue							\$ 3,221,809
54	Total Revenues							\$ 115,814,922
55	Total Revenue Requirement							\$ 115,814,922

Notes and Source:

Col. A: Schedule 36 from NBC filing
Col. D, Lines 3, 16, 17: Division Increase to Consumption

2.00%

Narragansett Bay Commission
Annual Bill Impacts

Docket No. 22-47-WW
Schedule C
Page 1 of 1
Revised

Test Year Ended June 30, 2022 and Rate Year Ending June 30, 2024

<u>Line No.</u>		<u>Adjusted Test Year</u>	<u>Proposed Rate Year</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
	<u>Residential - 73.2 Hcf</u>				
1	Customer Charge	\$ 238.74	\$ 261.11	\$ 22.37	9.37%
2	Consumption	280.43	306.71	26.28	9.37%
3	<i>Total: Residential - 73.2 Hcf</i>	519.17	567.82	48.65	9.37%
	<u>Commercial - 244 Hcf, 5/8"</u>				
4	Customer Charge	566.00	619.04	53.04	9.37%
5	Consumption	1,403.98	1,535.54	131.56	9.37%
6	<i>Total: Commercial - 244 Hcf, 5/8"</i>	1,969.98	2,154.57	184.60	9.37%
	<u>Commercial - 2,440 Hcf, 2"</u>				
7	Customer Charge	4,529.00	4,953.39	424.39	9.37%
8	Consumption	14,039.76	15,355.37	1,315.61	9.37%
9	<i>Total: Commercial - 2,440 Hcf, 2"</i>	18,568.76	20,308.76	1,740.00	9.37%
	<u>Industrial - 244 Hcf, 5/8"</u>				
10	Customer Charge	566.00	619.04	53.04	9.37%
11	Consumption	919.88	1,006.08	86.20	9.37%
12	<i>Total: Industrial - 244 Hcf, 5/8"</i>	1,485.88	1,625.12	139.24	9.37%
	<u>Industrial - 2,440 Hcf, 2"</u>				
13	Customer Charge	4,529.00	4,953.39	424.39	9.37%
14	Consumption	9,198.80	10,060.78	861.98	9.37%
15	<i>Total: Industrial - 2,440 Hcf, 2"</i>	13,727.80	15,014.18	1,286.38	9.37%

Notes and Source:
Schedule 37 from NBC filing