

DIRECT TESTIMONY
OF
HAROLD J. SMITH
VICE PRESIDENT
RAFTELIS FINANCIAL CONSULTING, INC.
ON BEHALF OF THE CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER
DIVISION

In re: City of Newport Utilities Department, Water Division

Docket No.

April 2011

1 **INTRODUCTION**

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

3 A. My name is Harold J. Smith and my business address is 1031 South Caldwell Street,
4 Charlotte, North Carolina 28203.

5
6 **Q. By whom are you employed and in what capacity?**

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

12

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

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

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

25

26

27

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

3 A. Yes. I provided testimony for the City of Newport, Utilities Department, Water Division
4 (“Newport Water” or “Newport”) in five previous rate filings (Docket Nos. 3578, 3675, 3818,
5 4025 and 4128). I also provided testimony in the Providence Water Supply Board’s most
6 recent rate filings (Docket Nos. 3832, 4061 and 4070). I have also testified on behalf of the
7 Consumer Advocate before the Nova Scotia Utility and Review Board (W-HRWC-R-10).

8

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

10 A. Yes. I am a member of the American Water Works Association where I am the past chairman
11 of the Strategic Management Practices Committee, and I am a member of the Financial
12 Management Committee of the New England Water Works Association.

13

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

15 A. I worked with the City of Newport’s Finance Director, the Director of Utilities and Newport
16 Water’s staff of to develop pro forma revenue requirements and the resulting cost allocations
17 and cost based rates and charges. The results of my analyses are included in the schedules
18 incorporated herein with my testimony.

19

20 **Q. Please describe the purpose of your testimony.**

21 A. This testimony provides an explanation for each schedule attached to my testimony. The
22 schedules calculate Newport Water’s pro forma revenue requirements, as well as the
23 Commodity Rates for its customers. These customers include retail customers and wholesale
24 customers – the United States Navy (the “Navy”) and the Portsmouth Water and Fire District
25 (“PWFD”). Other charges calculated in the model include a Billing Charge, and fire protection
26 charges (public and private) for Newport, and portions of Middletown and Portsmouth. The
27 testimony also serves as a guide to other sources where assumptions are used, the logic that

1 was used in the development of the model, and the flow of empirical and calculated
2 information.

3
4 **Q. What are your general conclusions?**

5 A. As shown on RFC Schedule 7, Newport Water needs \$3,522,921 of additional rate revenue
6 above the amount allowed in PUC Docket 4025 to properly fund operations and maintenance
7 (O&M) and capital costs. Specifically, Newport Water entered into a consent agreement with
8 the Rhode Island Department of Health that requires Newport Water to construct a new water
9 treatment plant at Lawton Valley and make significant improvements to the treatment process
10 at the Station One treatment plant. Debt service associated with loans to fund these projects
11 will increase significantly over the next four years. To ensure that revenues are sufficient to
12 meet debt service requirements, Newport Water is proposing a multi-year plan as allowed by
13 R.I.G.L. §39-15.1-4.

14

15 **Q. What are the proposed Test Year and Rate Year in this filing?**

16 A. The proposed Rate Year is July 1, 2011 to June 30, 2012. The Test Year is July 1, 2009 to June
17 30, 2010. However, as mention earlier, Newport Water is seeking approval for rate increases in
18 each of the next four fiscal years.

19

20 **Q. Can you quantify the costs responsible for the proposed rate increase?**

21 A. Yes, the increase is due to several factors. The major driver of the proposed increase is debt
22 service to fund the improvements to the Station One treatment plant and the new water
23 treatment plant at Lawton Valley. In addition, there are various increases to Newport's
24 operation and maintenance expenses as described more fully in Ms. Forgue's testimony.

25

26 The current Commodity Rates and Billing Charge are insufficient to meet Newport Water's
27 anticipated Rate Year costs associated with providing service to its customers. The net revenue
28 requirements to be recovered from Billing Charges and Commodity Rates as set forth in RFC

1 Schedule 1 are \$14,311,163. As shown on RFC Schedule 7, if the existing Billing Charges and
2 Commodity Rates were to remain in effect during the Rate Year, Newport Water would only
3 recover \$10,396,162 from Billing Charges, Commodity Rates and Fire Protection Charges
4 resulting in a revenue shortfall of \$3,915,000.

5

6 **CONTENT OF SCHEDULES**

7 **Q. Please provide a brief description of your prefiled schedules.**

8 A. There are eleven main schedules and five support schedules in this filing. The main
9 schedules are as follows:

10

11 RFC Schedule 1-Summary of Revenue Requirements: Summarizes Newport Water's FY 2010
12 revenue requirements in a format that exhibits the amounts allowed in Docket 4025, the Test
13 Year, adjustments to develop a Normalized Test Year, Normalized Test Year and Rate Year
14 revenue requirements including adjustments that are listed separately by each account.

15

16 RFC Schedule 2 - Summary of Revenue Requirements by Line Item: Summary of the revenue
17 requirements allowed in Docket 4025, the Test Year, normalizing adjustments to the Test Year,
18 a Normalized Test Year, adjustments to the Normalized Test Year and Rate Year revenue
19 requirements by expense line item.

20

21 RFC Schedule 3 - Revenue Requirements Detail by Division: Revenue requirements by expense
22 line item for each of Newport Water's nine operating divisions are shown on these schedules.

23

24 RFC Schedule 4 – Capital Improvement Plan: This schedule lists capital projects that Newport
25 Water has implemented or expects to undertake during the period beginning with Fiscal Year
26 2010 (FY 10) and ending with Fiscal Year 2015 (FY 15). In general, projects are funded either
27 with current year rate revenues or existing and/or proposed loans from the Rhode Island Clean
28 Water Finance Agency (RICWFA).

1 RFC Schedule 5 – Debt Service: This schedule displays the annual debt service payments on
2 Newport Water’s existing revenue bond and RICWFA indebtedness and the estimated annual
3 debt service payments on RICWFA loans that Newport Water anticipates using to fund certain
4 projects on its capital improvement plan.

5

6 RFC Schedule 6 –Offsets to Revenue Requirements: Revenues generated from sources other
7 than Billing Charges and Commodity Rates that are used to offset the Rate Year revenue
8 requirements are included in this schedule. Also shown on this schedule is the derivation of
9 charges assessed to the City of Newport’s Water Pollution Control Department (WPC) and the
10 Town of Middletown (Middletown) to recover costs associated with the collection of water
11 consumption data that is used by the WPC and Middletown for the purposes of billing
12 customers of their respective sewer systems.

13

14 RFC Schedule 7 – Calculation of Additional Revenue: This schedule shows the calculation of
15 revenues from Billing Charges, Commodity Rates and fire protection charges in the Rate Year
16 under the existing rates and compares this amount to the projected Rate Year revenue
17 requirements from Billing Charges and Commodity Charges. The difference is the amount of
18 additional revenue from Billing Charges, Commodity Rates and fire protection charges that will
19 be required to cover the net Rate Year revenue requirements. Also calculated on this schedule
20 is the percent increase to all Billing Charges, Commodity Rates, and fire protection that is
21 required in order to generate revenues sufficient to cover the utility’s costs in the Rate Year.

22

23 RFC Schedule 8 – Proposed Rates and Charges: The percentage rate increase calculated in RFC
24 Schedule 7 is applied to the existing Billing Charges, Commodity Rates and fire protection
25 charges in this schedule resulting in the proposed rates and charges for the Rate Year.

26

27 RFC Schedule 9 – Customer Bill Impacts: Comparison of bills for customers under the existing
28 rates and under the proposed Commodity Rates and Billing Charges are shown at varying

1 consumption levels. In addition, an average level of consumption is provided for each customer
2 class's respective billing period.

3
4 RFC Schedule 10 – Revenue Proof: The actual revenue that was generated for the Test Year
5 from rates, charges, and other sources is shown along with the Rate Year revenue that is
6 projected to be generated from the projected consumption, number of bills, and fire protection
7 accounts based on existing and proposed rates and charges. Comparisons of the revenue
8 requirements for the Test Year and the Rate year show that the revenues generated by the
9 proposed rates are sufficient to cover expenses.

10
11 RFC Schedule 11 –Restricted Accounts Balances: Historical and projected activity in the
12 restricted accounts that have been used by Newport Water is tracked from FY 09 through FY
13 2013. The accounts included in this schedule are: the Debt Service Account, Capital Spending
14 Account, Chemical Allowance Account, Electricity Account, Retiree Insurance Account, Accrued
15 Benefits Buy-out Account, the Operating Revenue Allowance Account and the Salaries and
16 Wages Account. This schedule also shows a \$500,000 transfer from the debt service account to
17 the capital account in FY2013. This transfer is to cover rate funded capital expenditures in that
18 year such that rate increases are minimized to the extent possible.

19
20 The debt service requirements in the Debt Service Account schedule reflect the debt service
21 requirements for Newport Water's existing debt and the estimated debt service on proposed
22 RICWFA loans. As discussed later in my testimony, Newport Water anticipates that it will be
23 required to secure additional debt to fully fund capital projects proposed to be implemented in
24 FY 2012 through FY 2015. Newport Water anticipates securing additional loans of
25 approximately \$18.6 million in FY 2012 to fund repairs to the Easton Pond Dam and to begin
26 funding improvements to Station One and the construction of a new treatment plant at Lawton
27 Valley. The improvements at Station One and the new water treatment plant will require

1 Newport to secure loans of approximately \$37.0 million, \$32.3 million and \$5.7 million in fiscal
2 years 2013, 2014 and 2015, respectively.

3
4 The Support schedules are as follows:

5 RFC Schedule A – Water Consumption and Bills: This schedule shows historical water
6 consumption and the Rate Year projected consumption by customer class. Projected
7 consumption by all customer classes and wholesale customers is based on the average
8 consumption over the three year period beginning in FY 2008 and ending in FY 2010. Also
9 shown on this schedule is the consumption by class that was used in Docket 4025.

10
11 This schedule also shows historical and Rate Year projections of the number of water accounts
12 by customer class and meter size and the number of public and private fire service connections.

13
14 RFC Schedule B – Support for Divisional Rate Year O&M Expenses: This schedule is a series of
15 nine individual sub-schedules that provide support for the projected Rate Year expenses by
16 expense line item for each of Newport Water’s nine operating divisions. Additional justification
17 for specific adjustments is provided later in this testimony and in the testimony of others.

18
19 RFC Schedule C – Debt Service Detail: This schedule is a support schedule for RFC Schedule 5
20 and provides additional detail pertaining to the development of debt service projections.

21
22 RFC Schedule D – Development of Legal & Administrative and Data Processing Charge: This
23 schedule demonstrates the calculation of the Legal & Administrative and Data Processing
24 Charges that the City of Newport charges to each of its enterprise funds in order to recover
25 from these funds the costs associated with services provided to the enterprise funds by
26 departments of the city’s General Fund. The allocation of costs shown in this schedule is based
27 on the Commission’s Order in Docket 4025.

28

1 RFC Schedule E – Future Year Rate Increases: This schedule demonstrates the calculation of the
2 proposed increases in FY 2013 through FY 2015.

3
4 **REVENUE REQUIREMENTS**

5 **Q. How were the revenue requirements developed for Newport?**

6 A. The summary revenue requirements are shown in RFC Schedule 1, which shows the O&M
7 costs and capital expenses for the entire Newport Water system.

8
9 A Test Year based on Newport Water’s actual expenses from July 1, 2009 through June 30, 2010
10 is shown in Schedules RFC 1, RFC 2 and RFC 3 for each line item in the budget. Additionally,
11 these schedules present a Normalized Test Year which reflects known differences between the
12 actual amounts expended in the Test Year and what should have been spent in a normal year.
13 Detailed description of the normalizing adjustments shown on RFC Schedules 1, 2 and 3 are
14 provided in the testimony of Julia Forgue.

15
16 The Rate Year was developed by examining each cost line item for the Normalized Test Year
17 and making adjustments as necessary to reflect the anticipated cost to provide service during
18 the Rate Year. The adjustments to the Normalized Test Year are shown in the Rate Year
19 Adjustments column. Further details regarding these adjustments are provided in the
20 Testimony of Julia Forgue, City of Newport Utilities Director. The overall result indicates the
21 revenue requirements that will need to be recovered through rates and charges from retail
22 customers, the Navy and PWFD.

23
24 **CAPITAL IMPROVEMENTS**

25 **Q. How is the updated capital improvements plan incorporated into the model?**

26 A. The capital revenue requirements for the Rate Year shown in RFC Schedule 4 are based on
27 Newport Water’s capital improvement plan (CIP) and the City’s plan to fund the projects
28 identified in the CIP. The capital revenue requirements for the Rate Year consist of debt service

1 on Newport Water's existing and proposed long term debt and rate revenues or cash used to
2 fund a variety of projects during the Rate Year. As noted earlier, Newport's CIP, including the
3 improvements at Station One and the new Lawton Valley plant, will require Newport Water to
4 secure over \$90 million in loans over the next four years. The need to make debt service
5 payments on these loans will require significant rate increases in each of the next four years.

6
7 **Q. Please explain the debt service components of the Rate Year capital revenue**
8 **requirements.**

9 A. Rate Year and future year debt service consists of principal and interest payments on
10 existing revenue bonds, existing Drinking Water State Revolving Fund ("SRF") loans and
11 proposed SRF loans. Newport Water's existing and proposed long-term debt service
12 requirements are shown on RFC Schedule 5. The majority of the proposed future debt is
13 attributable to the new water treatment plant and the improvements to Station One.

14
15 **Q. Why are the loan amounts shown on RFC Schedule 4 different from those shown on RFC**
16 **Schedule 5?**

17 A. The loan amounts shown on Schedule 4 are the total of the estimated costs of the projects
18 that each loan will be used fund. The loan amounts on Schedule 5 include an additional 13
19 percent of project costs to account for costs associated with each borrowing, including the
20 funding of an escrow account and other debt issuance costs.

21
22 **Q. How were the annual debt service requirements determined?**

23 A. The debt service is based on actual debt service schedules provided by the City of Newport's
24 Finance Department for the existing revenue bonds and SRF loans. For the proposed loans, the
25 debt service calculations assume that Newport Water will begin making principal and interest
26 payments on the full loan amounts in the year in which the debt is issued.

1 **Q. What assumptions have been made with regard to loan terms and interest rates for the**
2 **proposed SRF loans?**

3 A. The assumed term of the loan for all proposed SRF loans is twenty years. The interest rate
4 for the proposed SRF loans is assumed to be 6.0 percent.

5

6 **Q. Please explain the cash component of the capital revenue requirements.**

7 A. The capital funding plan assumes that with the exception of the repairs to the Easton Pond
8 Dam, the improvements to Station One and the construction of the new water treatment plant,
9 all other projects in the CIP will be funded with cash. The annual expenditures needed to
10 implement these projects will be funded with a combination of current year rate revenues and
11 balances in the Capital restricted account. In the Rate Year it is anticipated that \$1,652,019 will
12 be used to fund rate funded projects. In future years, and FY 2013 in particular, cash capital
13 expenditures will be significantly higher than in the rate year. For that reason, the proposed
14 annual contribution to the Capital Restricted Account is \$2,750,000. Additionally, in FY 2013,
15 the financing plan assume a transfer of \$500,000 from the debt service account to the capital
16 account.

17

18 **Q. Will the requested Rate Year capital revenue requirements be sufficient to fund all of the**
19 **projects in Newport Water's CIP?**

20 A. The requested Rate Year capital revenue requirements will be sufficient to fund the capital
21 costs, both rate funded capital and debt service, for the Rate Year. However, as mentioned
22 earlier, debt service on loans to fund the Station One improvements and the new Lawton Valley
23 treatment plant will require rate increases in each of the next four year. It is for this reason
24 that Newport Water is proposing a multi-year program of rate increases.

25

26

27

1 **RATE YEAR WATER SALES PROJECTIONS**

2 **Q. How were the projected Rate Year water sales determined for this filing?**

3 A. Projected Rate Year water sales are shown on RFC Schedule A. Rate Year water sales
4 projections are based on the average water sales by class for the past three fiscal years (FY 08,
5 FY 09 and FY 10).

6
7 **RATE ALLOCATION**

8 **Q. Newport was directed to perform a full cost of service study in the Report and Order for**
9 **Docket # 3818. Has Newport started the study?**

10 A. Yes, Newport performed a full cost of service study that allocates costs to the different
11 customer classes based on how each customer class demands service. Rates based on this
12 study were proposed in Docket No. 4128; however, the proposed cost of service rates were not
13 implemented due to concerns regarding the validity of customer class peaking factors used in
14 the cost allocation process.

15
16 The settlement reached in Docket 4128 resulted in a stipulation that Newport Water would
17 continue gathering daily demand data from a sample of customers during the months of June
18 through September 15, 2010 and June 2011 through September 2011. Newport provided the
19 data collected from June through September 15, 2010 to the Division of Public Utilities and
20 Carriers, the Navy and PWFD. Pursuant to the Settlement Agreement, the parties could
21 unanimously waive the collection and analysis of additional data collected from June through
22 September 2011. However, all the parties did not agree to waive this requirement, and
23 Newport will collect addition data from June through September 2011.

24
25 The Docket 4128 Settlement Agreement did not prohibit Newport Water from seeking a rate
26 increase with no change in rate allocation if the demand study was not complete. As set forth
27 herein above, Newport needs new rates at this time to fund its capital program. Thus, Newport
28 seeks an across the board increase in this Docket. It is anticipated that Newport Water will file

1 a cost of service study in late fall or early winter of 2011 after the demand data collection is
2 complete in September.

3

4 **Q. How are the revenue requirements allocated to each of Newport's customers?**

5 As shown on RFC Schedule 7, I first determined the revenues that would be generated in the
6 Rate Year if Newport Water's rates remained unchanged. This amount was then compared to
7 the Rate Year net revenue requirements in order to determine the amount of additional
8 revenue required to meet the Rate Year net revenue requirements. This additional revenue
9 amount is then divided by the projected revenues under existing rates to determine the
10 percent increase in revenues required to meet the Rate Year net revenue requirements. This
11 analysis indicates that in order to meet the Rate Year net revenue requirements, Rate Year
12 revenues must be 37.7 percent greater than those generated in the Rate Year under Newport
13 Water's existing rates.

14

15 **Q. How are the rates and charges calculated?**

16 A. As shown on RFC Schedule 8, Commodity Rates for Newport Water's retail customer class,
17 PWFD, and the Navy were calculated by applying the required percent increase determined on
18 RFC Schedule 7 to the existing Commodity Charges. For the Retail Commodity Charges, the
19 result of applying the required percent increase to the existing charge was rounded up to the
20 nearest cent. For the Navy Commodity Charge the result is rounded to the nearest one
21 hundredth of a cent and for the PWFD Commodity Charge the result is rounded up to the
22 nearest one tenth of a cent. The resulting Rate Year Commodity Charges are shown on RFC
23 Schedule 8.

24

25 Billing Charges were determined by applying the required percent increase determined on RFC
26 Schedule 7 to the existing Billing Charge. The resulting Rate Year Billing Charge is shown on RFC
27 Schedule 8.

28

1 Public and Private Fire Protection Charges were calculated by applying the required percent
2 increase determined on RFC Schedule 7 to the existing Public and Private Fire Protection
3 Charges. The calculated fire protection charges were also rounded up to the nearest cent. The
4 resulting Public and Private Fire Protection Charges for the Rate Year are shown on RFC
5 Schedule 8.

6

7 **Q. How are the proposed rates for FY 13, FY 14 and FY 15 determined?**

8 A. Rates for the three years following the Rate Year are determined in much the same way as
9 the rates for the Rate Year. For example, to determine the rates for FY 13, you first must
10 determine the revenues that would be generated in the Rate Year if the proposed FY 2012 rates
11 were in effect. This amount was then compared to the FY 2013 net revenue requirements in
12 order to determine the amount of additional revenue that would be required to meet the FY
13 2012 net revenue requirements. This additional revenue amount is then divided by the
14 projected revenues under the rates in effect to determine the percent increase in revenues that
15 will be required to meet the FY 2013 net revenue requirements.

16

17 **Q. Have you provided information on what the customer impacts are projected to be?**

18 A. Yes, RFC Schedule 9 shows bills under existing and proposed rates and the percentage
19 impacts that are likely to occur for various volumes of consumption for each customer class. As
20 shown, all customer bills are anticipated to increase by approximately 37.7 percent as a result
21 of the FY 12 increase. Impacts on customer's bills for FY 13, FY 14 and FY 15 are expected to be
22 21.2 percent, 14.0 percent and 2.6 percent, respectively.

23

24 **Q. What consideration has been given to whether the revenues from the rates and charges
25 are sufficient to cover revenue requirements for Newport?**

26 A. RFC Schedule 7 serves as a revenue proof to determine revenue sufficiency of the proposed
27 rates and charges. The revenues that would be generated under the existing rate structure are
28 shown for Commodity Rates, Billing Charges, and Fire Protection Charges.

1 **Q. According to the RFC model, are the rates and charges calculated sufficient to meet**
2 **revenue requirements?**

3 A. Yes, as shown in RFC Schedule 7, the revenues projected to be recovered from all revenue
4 sources under the proposed rates are approximately \$4,738 greater than the total revenue
5 requirements for the Rate Year. Much of this additional \$4,738 is attributed to the rounding up
6 of the calculated charges.

7

8 **Q. What are the reasons for the increase in the Retail and Wholesale Commodity Charges and**
9 **the Billing Charge?**

10 A. As mentioned earlier, the major driver of the increases proposed in this filing is the increase
11 in debt service attributable to the loans that will be used to fund the improvements to Station
12 One and the new water treatment plant at Lawton Valley. In FY 2012, approximately 75
13 percent of the requested increase in revenue is related to funding these and other capital
14 projects.

15

16 **Does this conclude your testimony?**

17 Yes.

18

City of Newport, Rhode Island
Rhode Island Public Utilities Commission Rate Filing Docket # XXXX
Exhibits for the Testimony of Harold J. Smith



Index of Schedules

Main Schedules

- RFC Schedule 1
- RFC Schedule 2
- RFC Schedule 3
- RFC Schedule 4
- RFC Schedule 5
- RFC Schedule 6
- RFC Schedule 7
- RFC Schedule 8
- RFC Schedule 9
- RFC Schedule 10
- RFC Schedule 11

- Summary of Revenue Requirements
- Summary of Revenue Requirements by Line Item
- Revenue Requirements Detail by Division
- Capital Improvement Plan
- Debt Service
- Offsets To Revenue Requirements
- Calculation of Additional Revenue
- Proposed Rates and Charges
- Customer Bill Impacts
- Revenue Proof
- Restricted Accounts Balances

Raftelis Financial Consultants, Inc.
1031 S. Caldwell St.
Charlotte, NC 28203
Phone (704) 373-1199
Fax (704) 373-1113
www.raftelis.com

RFC

Support Schedules

- RFC Schedule A

- RFC Schedule B
- RFC Schedule B-1
- RFC Schedule B-2
- RFC Schedule B-3
- RFC Schedule B-4
- RFC Schedule B-5
- RFC Schedule B-6
- RFC Schedule B-7
- RFC Schedule B-8
- RFC Schedule B-9

- RFC Schedule C
- RFC Schedule D

- RFC Schedule E

- Water Bills and Consumption

- Support For Divisional O&M Expenses
- Administration
- Customer Service
- Source Supply Island
- Source Supply Mainland
- Station One
- Lawton Valley
- Laboratory
- Distribution
- Fire Protection

- Debt Service Detail
- Development of Legal & Administrative and Data Processing Charge
- Future Year Rate Increases

<u>Account</u>	<u>Docket 4025</u>	<u>FY 2010 Test Year</u>	<u>Test Year Normalizing Adjustments</u>	<u>Normalized Test Year</u>	<u>Rate Year Adjustments</u>	<u>FY 2012 Rate Year</u>
Operating Revenue Requirements						
Administration	\$ 2,130,300	\$ 2,025,955	\$ (17,136)	\$ 2,008,819	\$ 501,081	\$ 2,509,900
Customer Service	\$ 716,920	\$ 555,590	\$ 50,855	\$ 606,445	\$ 23,055	\$ 629,500
Source of Supply - Island	\$ 546,896	\$ 562,091	\$ 62,226	\$ 624,317	\$ 99,173	\$ 723,490
Source of Supply - Mainland	\$ 143,300	\$ 84,181	\$ 56,019	\$ 140,200	\$ 27,800	\$ 168,000
Treatment - Newport Plant (Station One)	\$ 1,705,900	\$ 1,626,249	\$ 90,669	\$ 1,716,918	\$ 215,236	\$ 1,932,154
Treatment - Lawton Valley	\$ 1,601,750	\$ 1,320,333	\$ 173,250	\$ 1,493,583	\$ 181,717	\$ 1,675,300
Water Laboratory	\$ 248,850	\$ 150,503	\$ 65,806	\$ 216,309	\$ 13,491	\$ 229,800
Transmission & Distribution Maintenance	\$ 1,018,696	\$ 944,099	\$ 76,202	\$ 1,020,301	\$ 105,398	\$ 1,125,700
Fire Protection	\$ 14,500	\$ 5,482	\$ 8,018	\$ 13,500	\$ -	\$ 13,500
Total Operating Requirements	\$ 8,127,112	\$ 7,274,483	\$ 565,908	\$ 7,840,391	\$ 1,166,951	\$ 9,007,344
Capital Revenue Requirements						
Contribution to Debt Service Account (3)	\$ 2,010,823	\$ 1,282,604	\$ (52,604)	\$ 1,230,000	\$ 1,780,483	\$ 3,010,483
Contribution to Capital Spending Account (3)	\$ 1,146,918	\$ 1,146,918	\$ 1,297,182	\$ 1,297,182	\$ 1,452,818	\$ 2,750,000
Total Capital Requirements	\$ 3,157,741	\$ 2,429,522	\$ 1,244,579	\$ 2,527,182	\$ 3,233,301	\$ 5,760,483
Subtotal Revenue Requirements	\$ 11,284,853	\$ 9,704,004	\$ 1,810,487	\$ 10,367,573	\$ 4,400,252	\$ 14,767,828
Additional Rev Requirements (Operating Revenue) (4)	\$ 243,813	\$ 243,813	\$ -	\$ 155,514	\$ 114,707	\$ 270,220
Revenue Requirements before Offsets	\$ 11,528,666	\$ 9,947,817	\$ 1,810,487	\$ 10,523,087	\$ 4,514,959	\$ 15,038,048
Less: Revenue Offsets (5)	\$ (740,378)	\$ (634,843)	\$ -	\$ (634,843)	\$ (92,042)	\$ (726,885)
Net Revenue Requirements	\$ 10,788,288	\$ 9,312,974	\$ 1,810,487	\$ 9,888,244	\$ 4,422,919	\$ 14,311,163

- (1) Test Year covers the period from July 1, 2009 to June 30, 2010.
- (2) Rate Year is the period beginning July 1, 2009 and ending June 30, 2010.
- (3) Funding of Debt Service and Capital Spending accounts based on projected spending on debt service and rate funding of capital projects for FY 2010
- (4) Used to fund operating reserve. Rate year amount equal to 3% of O&M expenses.
- (5) See RFC Schedule 6 "Offsets To Revenue Requirements" for further detail.

		Test Year					
		FY 2010 Test	Normalizing	Normalized Test	Rate Year	FY 2012 Rate	
		Year (1)	Adjustments	Year	Adjustments	Year (2)	
		Docket 4025					
Operating Revenue Requirements							
<u>Budget Line Item</u>							
50 520	Accrued Benefits Buy-Out	\$ 175,000	\$ 175,000	\$ -	\$ 175,000	\$ -	\$ 175,000
50 005	Permanent - Part Time	\$ 13,000	\$ 5,200	\$ 7,800	\$ 13,000	\$ -	\$ 13,000
50 001	Salaries & Wages	\$ 2,293,500	\$ 2,045,628	\$ 169,365	\$ 2,214,993	\$ 88,707	\$ 2,303,700
50 002	Overtime	\$ 206,418	\$ 206,497	\$ (6,044)	\$ 200,453	\$ (5,753)	\$ 194,700
50 003	Holiday Pay	\$ 39,100	\$ 30,889	\$ -	\$ 30,889	\$ 3,011	\$ 33,900
50 004	Temp Salaries	\$ 58,100	\$ 34,443	\$ 23,774	\$ 58,217	\$ (12,717)	\$ 45,500
50 044	Standby Salaries	\$ 12,500	\$ 12,480	\$ -	\$ 12,480	\$ 20	\$ 12,500
50 056	Injury Pay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50 100	Employee Benefits	\$ 1,185,492	\$ 1,056,403	\$ 124,145	\$ 1,180,548	\$ 302,052	\$ 1,482,600
50 103	Retiree Insurance Coverage	\$ 347,200	\$ 324,849	\$ -	\$ 324,849	\$ 189,151	\$ 514,000
50 105	Workers Compensation Insurance	\$ 114,000	\$ 67,174	\$ -	\$ 67,174	\$ 3,826	\$ 71,000
50 205	Copy & Binding	\$ 1,000	\$ 550	\$ -	\$ 550	\$ (50)	\$ 500
50 207	Advertisement	\$ 9,000	\$ 780	\$ 8,220	\$ 9,000	\$ -	\$ 9,000
50 210	Dues & Subscriptions	\$ 2,500	\$ 1,356	\$ 1,144	\$ 2,500	\$ -	\$ 2,500
50 212	Conferences and Training	\$ 20,500	\$ 3,651	\$ 15,348	\$ 18,999	\$ 1,500	\$ 20,500
50 214	Tuition Reimbursement	\$ 2,000	\$ 1,882	\$ 118	\$ 2,000	\$ -	\$ 2,000
50 216	Water Management Study	\$ -	\$ 58,443	\$ (58,443)	\$ -	\$ -	\$ -
50 220	Consultant Fees	\$ 201,500	\$ 204,905	\$ -	\$ 204,905	\$ 133,495	\$ 338,400
50 225	Contract Services (Support Services)	\$ 33,500	\$ 20,057	\$ 13,447	\$ 33,504	\$ 5,997	\$ 39,500
50 238	Postage & Delivery	\$ 35,300	\$ 30,140	\$ 2,660	\$ 32,800	\$ -	\$ 32,800
50 239	Fire & Liability Insurance	\$ 114,700	\$ 95,580	\$ -	\$ 95,580	\$ 7,220	\$ 102,800
50 251	Telephone & Communication	\$ 8,300	\$ 4,644	\$ -	\$ 4,644	\$ 856	\$ 5,500
50 305	Water/Sewer	\$ 427,050	\$ 388,856	\$ 38,587	\$ 427,443	\$ 267,457	\$ 694,900
50 306	Contribution to Electricity Restricted Account	\$ 582,400	\$ 526,344	\$ 47,345	\$ 573,689	\$ 39,310	\$ 613,000
50 307	Natural Gas	\$ 60,200	\$ 59,472	\$ -	\$ 59,472	\$ 2,128	\$ 61,600
50 260	Heavy Equipment Rental	\$ 10,400	\$ 1,348	\$ 8,052	\$ 9,400	\$ -	\$ 9,400
50 308	Property Taxes	\$ 229,000	\$ 207,535	\$ -	\$ 207,535	\$ 11,465	\$ 219,000
50 266	Legal & Administrative	\$ 301,400	\$ 301,400	\$ -	\$ 301,400	\$ 46,000	\$ 347,400
50 267	Data Processing	\$ 137,000	\$ 137,000	\$ -	\$ 137,000	\$ 54,200	\$ 191,200
50 268	Mileage Reimbursement	\$ 2,000	\$ 287	\$ 1,713	\$ 2,000	\$ -	\$ 2,000
50 271	Gas/Vehicle Maintenance	\$ 200,533	\$ 210,874	\$ -	\$ 210,874	\$ 14,626	\$ 225,500
50 275	Repair & Maint - Equipment	\$ 185,700	\$ 90,826	\$ 65,774	\$ 156,600	\$ -	\$ 156,600
50 277	Reservoir Maintenance	\$ 31,000	\$ 423	\$ 20,077	\$ 20,500	\$ -	\$ 20,500
50 280	Regulatory Expense	\$ 10,000	\$ 14,696	\$ (4,696)	\$ 10,000	\$ -	\$ 10,000
50 281	Regulatory Assessment	\$ 83,270	\$ 72,508	\$ -	\$ 72,508	\$ 8,492	\$ 81,000
50 276	Repairs/Main Maintenance	\$ 84,800	\$ 47,945	\$ 22,055	\$ 70,000	\$ -	\$ 70,000
50 296	Service Maintenance	\$ 33,500	\$ 28,213	\$ -	\$ 28,213	\$ 1,787	\$ 30,000
50 299	Meter Maintenance	\$ 11,000	\$ 8,183	\$ 1,817	\$ 10,000	\$ -	\$ 10,000
50 311	Operating Supplies	\$ 74,050	\$ 51,594	\$ 19,806	\$ 71,400	\$ -	\$ 71,400
50 320	Uniforms & Protective Gear	\$ 5,600	\$ 1,007	\$ 3,994	\$ 5,001	\$ -	\$ 5,000
50 335	Contribution to Chemical Restricted Account	\$ 669,000	\$ 682,515	\$ -	\$ 682,515	\$ (71)	\$ 682,444
50 339	Laboratory Supplies	\$ 18,500	\$ 15,972	\$ 2,528	\$ 18,500	\$ -	\$ 18,500
50 361	Office Supplies	\$ 30,000	\$ 15,756	\$ -	\$ 15,756	\$ 4,244	\$ 20,000
50 380	Customer Service Supplies	\$ 15,000	\$ -	\$ 10,000	\$ 10,000	\$ -	\$ 10,000
50 505	Self Insurance	\$ 10,000	\$ -	\$ 10,000	\$ 10,000	\$ -	\$ 10,000
50 515	Unemployment Claims	\$ 12,000	\$ -	\$ 12,000	\$ 12,000	\$ -	\$ 12,000
50 175	Annual Leave Buy-back	\$ 31,100	\$ 31,176	\$ 5,323	\$ 36,499	\$ -	\$ 36,500
	Total Operating Requirements	\$ 8,127,112	\$ 7,274,483	\$ 565,908	\$ 7,840,391	\$ 1,166,951	\$ 9,007,344
Contribution to Capital Restricted Accounts							
DSA	Debt Service Account	\$ 2,010,823	\$ 1,282,604	\$ (52,604)	\$ 1,230,000	\$ 1,780,483	\$ 3,010,483
CRA	Capital Spending Account	\$ 1,146,918	\$ 1,146,918	\$ 1,297,182	\$ 1,297,182	\$ 1,452,818	\$ 2,750,000
	Total Capital and Debt Service Requirements	\$ 3,157,741	\$ 2,429,522	\$ 1,244,579	\$ 2,527,182	\$ 3,233,301	\$ 5,760,483
	Subtotal Revenue Requirements	\$ 11,284,853	\$ 9,704,004	\$ 1,810,487	\$ 10,367,573	\$ 4,400,252	\$ 14,767,828
	Additional Rev. Reqs. (4)	\$ 243,813	\$ 243,813	\$ -	\$ 155,514	\$ 114,707	\$ 270,220
	Total Revenue Requirements before Offsets	\$ 11,528,666	\$ 9,947,817	\$ 1,810,487	\$ 10,523,087	\$ 4,514,959	\$ 15,038,048
	Less: Revenue Offsets	\$ (740,378)	\$ (634,843)	\$ -	\$ (634,843)	\$ (92,042)	\$ (726,885)
	NET REVENUE REQUIREMENTS	\$ 10,788,288	\$ 9,312,974	\$ 1,810,487	\$ 9,888,244	\$ 4,422,919	\$ 14,311,163

Account Detail

Administration

		Test Year					
		Docket 4025	FY 2010 Test Year (1)	Normalizing Adjustments	Normalized Test Year	Rate Year Adjustments	FY 2012 Rate Year (2)
<u>Account No. 15-500-2200</u>							
<u>Personnel</u>							
50 001	Salaries & Wages	\$ 265,000	\$ 253,913	\$ 11,090	\$ 265,003	\$ 8,997	\$ 274,000
50 044	Standby Salaries	\$ 12,500	\$ 12,480	\$ -	\$ 12,480	\$ 20	\$ 12,500
50 520	Accrued Benefits Buyout	\$ 175,000	\$ 175,000	\$ -	\$ 175,000	\$ -	\$ 175,000
50 100	Employee Benefits	\$ 96,500	\$ 101,052	\$ -	\$ 101,052	\$ 34,948	\$ 136,000
50 103	Retiree Insurance Coverage	\$ 347,200	\$ 324,849	\$ -	\$ 324,849	\$ 189,151	\$ 514,000
50 105	Workers Compensation Insurance	\$ 114,000	\$ 67,174	\$ -	\$ 67,174	\$ 3,826	\$ 71,000
	Subtotal	\$ 1,010,200	\$ 934,468	\$ 11,090	\$ 945,558	\$ 236,942	\$ 1,182,500
<u>Other Operating</u>							
50 207	Advertisement	\$ 9,000	\$ 780	\$ 8,220	\$ 9,000	\$ -	\$ 9,000
50 210	Dues & Subscriptions	\$ 2,500	\$ 1,356	\$ 1,144	\$ 2,500	\$ -	\$ 2,500
50 212	Conferences and Training	\$ 2,500	\$ 160	\$ 2,340	\$ 2,500	\$ 1,500	\$ 4,000
50 214	Tuition Reimbursement	\$ 2,000	\$ 1,882	\$ 118	\$ 2,000	\$ -	\$ 2,000
50 216	Water Management Study		\$ 58,443	\$ (58,443)	\$ -	\$ -	
50 220	Consultant Fees	\$ 201,500	\$ 204,905	\$ -	\$ 204,905	\$ 133,495	\$ 338,400
50 238	Postage & Delivery	\$ 1,000	\$ 254	\$ 746	\$ 1,000	\$ -	\$ 1,000
50 239	Fire & Liability Insurance	\$ 86,000	\$ 71,862	\$ -	\$ 71,862	\$ 6,138	\$ 78,000
50 251	Telephone & Communication	\$ 8,300	\$ 4,644	\$ -	\$ 4,644	\$ 856	\$ 5,500
50 305	Water/Sewer	\$ 1,050	\$ 1,443	\$ -	\$ 1,443	\$ 457	\$ 1,900
50 306	Contribution to Electricity Restricted Account	\$ 8,000	\$ 5,423	\$ -	\$ 5,423	\$ 577	\$ 6,000
50 307	Natural Gas	\$ 8,000	\$ 6,336	\$ -	\$ 6,336	\$ 964	\$ 7,300
50 308	Property Taxes	\$ 229,000	\$ 207,535	\$ -	\$ 207,535	\$ 11,465	\$ 219,000
50 266	Legal & Administrative	\$ 301,400	\$ 301,400	\$ -	\$ 301,400	\$ 46,000	\$ 347,400
50 267	Data Processing	\$ 137,000	\$ 137,000	\$ -	\$ 137,000	\$ 54,200	\$ 191,200
50 268	Mileage Reimbursement	\$ 2,000	\$ 287	\$ 1,713	\$ 2,000	\$ -	\$ 2,000
50 271	Gas/Vehicle Maintenance	\$ 8,480	\$ 7,137	\$ -	\$ 7,137	\$ 463	\$ 7,600
50 275	Repair & Maint - Equipment	\$ 1,200	\$ 3,590	\$ (2,390)	\$ 1,200	\$ -	\$ 1,200
50 280	Regulatory Expense	\$ 10,000	\$ 14,696	\$ (4,696)	\$ 10,000	\$ -	\$ 10,000
50 281	Regulatory Assessment	\$ 46,770	\$ 45,221	\$ -	\$ 45,221	\$ 3,779	\$ 49,000
50 361	Office Supplies	\$ 30,000	\$ 15,756	\$ -	\$ 15,756	\$ 4,244	\$ 20,000
50 505	Self Insurance	\$ 10,000	\$ -	\$ 10,000	\$ 10,000	\$ -	\$ 10,000
50 515	Unemployment Claims	\$ 12,000	\$ -	\$ 12,000	\$ 12,000	\$ -	\$ 12,000
50 175	Annual Leave Buy-back	\$ 2,400	\$ 1,378	\$ 1,022	\$ 2,400	\$ -	\$ 2,400
	Subtotal	\$ 1,120,100	\$ 1,091,487	\$ (28,226)	\$ 1,063,261	\$ 264,139	\$ 1,327,400
	Total Administration Operating Requirements	\$ 2,130,300	\$ 2,025,955	\$ (17,136)	\$ 2,008,819	\$ 501,081	\$ 2,509,900
	Total Administration Revenue Requirements	\$ 2,130,300	\$ 2,025,955	\$ (17,136)	\$ 2,008,819	\$ 501,081	\$ 2,509,900

Customer Service

		Docket 4025	FY 2010 Test Year (1)	Test Year Normalizing Adjustments	Normalized Test Year	Rate Year Adjustments	FY 2012 Rate Year (2)
Account No. 15-500-2209							
<u>Personnel</u>							
50 001	Salaries & Wages	\$ 326,100	\$ 263,978	\$ -	\$ 263,978	\$ (7,578)	\$ 256,400
50 002	Overtime	\$ 21,218	\$ 22,127	\$ -	\$ 22,127	\$ (11,927)	\$ 10,200
50 004	Temp Salaries	\$ 22,800	\$ 22,917	\$ -	\$ 22,917	\$ (12,717)	\$ 10,200
50 056	Injury Pay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50 100	Employee Benefits	\$ 175,200	\$ 136,661	\$ -	\$ 136,661	\$ 47,239	\$ 183,900
	Subtotal	\$ 545,318	\$ 445,683	\$ -	\$ 445,683	\$ 15,017	\$ 460,700
<u>Other Operating</u>							
50 205	Copy & Binding	\$ 1,000	\$ 550	\$ -	\$ 550	\$ (50)	\$ 500
50 212	Conferences and Training	\$ 5,000	\$ 850	\$ 4,150	\$ 5,000	\$ -	\$ 5,000
50 225	Contract Services (Support Services)	\$ 21,000	\$ 13,278	\$ 7,725	\$ 21,003	\$ 5,997	\$ 27,000
50 238	Postage & Delivery	\$ 34,300	\$ 29,886	\$ 1,914	\$ 31,800	\$ -	\$ 31,800
50 271	Gasoline & Vehicle Maintenance	\$ 27,852	\$ 31,408	\$ -	\$ 31,408	\$ 2,092	\$ 33,500
50 275	Repair & Maint - Equipment	\$ 41,500	\$ 19,606	\$ 20,394	\$ 40,000	\$ -	\$ 40,000
50 299	Meter Maintenance	\$ 11,000	\$ 8,183	\$ 1,817	\$ 10,000	\$ -	\$ 10,000
50 311	Operating Supplies	\$ 9,000	\$ 1,604	\$ 3,396	\$ 5,000	\$ -	\$ 5,000
50 320	Uniforms & Protective Gear	\$ 1,000	\$ 28	\$ 972	\$ 1,000	\$ -	\$ 1,000
50 380	Customer Service Supplies	\$ 15,000	\$ -	\$ 10,000	\$ 10,000	\$ -	\$ 10,000
50 175	Annual Leave Buy-back	\$ 4,950	\$ 4,513	\$ 487	\$ 5,000	\$ -	\$ 5,000
	Subtotal	\$ 171,602	\$ 109,907	\$ 50,855	\$ 160,762	\$ 8,038	\$ 168,800
	Total Customer Accounts Operating Requirements	\$ 716,920	\$ 555,590	\$ 50,855	\$ 606,445	\$ 23,055	\$ 629,500
	Total Customer Accounts Revenue Requirements	\$ 716,920	\$ 555,590	\$ 50,855	\$ 606,445	\$ 23,055	\$ 629,500

Source of Supply - Island

		Docket 4025	FY 2010 Test Year (1)	Test Year Normalizing Adjustments	Normalized Test Year	Rate Year Adjustments	FY 2012 Rate Year (2)
Account No. 15-500-2212							
<u>Personnel</u>							
50 001	Salaries & Wages	\$ 216,900	\$ 257,841	\$ -	\$ 257,841	\$ 40,159	\$ 298,000
50 002	Overtime	\$ 28,200	\$ 12,726	\$ 15,474	\$ 28,200	\$ 800	\$ 29,000
50 004	Temporary/Seasonal Wages	\$ 10,000	\$ 4,896	\$ 5,104	\$ 10,000	\$ -	\$ 10,000
50 056	Injury Pay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50 100	Employee Benefits	\$ 111,296	\$ 127,018	\$ -	\$ 127,018	\$ 45,482	\$ 172,500
50 175	Annual Leave Buyback	\$ 6,300	\$ 5,894	\$ 406	\$ 6,300	\$ -	\$ 6,300
	Subtotal	\$ 372,696	\$ 408,375	\$ 20,984	\$ 429,359	\$ 86,441	\$ 515,800
<u>Other Operating</u>							
50 306	Contribution to Electricity Restricted Account	\$ 34,100	\$ 18,608	\$ 15,500	\$ 34,108	\$ 8,892	\$ 43,000
50 271	Gas/Vehicle Maintenance	\$ 48,300	\$ 54,860	\$ -	\$ 54,860	\$ 3,840	\$ 58,700
50 275	Repair & Maint - Equipment	\$ 8,300	\$ 530	\$ 6,470	\$ 7,000	\$ -	\$ 7,000
50 277	Reservoir Maintenance	\$ 25,000	\$ 423	\$ 15,577	\$ 16,000	\$ -	\$ 16,000
50 311	Operating Supplies	\$ 3,750	\$ 4,699	\$ 3,101	\$ 7,800	\$ -	\$ 7,800
50 320	Uniforms & Protective Gear	\$ 750	\$ 106	\$ 594	\$ 700	\$ -	\$ 700
50 335	Contribution to Chemical Restricted Account	\$ 54,000	\$ 74,490	\$ -	\$ 74,490	\$ -	\$ 74,490
	Subtotal	\$ 174,200	\$ 153,716	\$ 41,242	\$ 194,958	\$ 12,732	\$ 207,690
	Total Supply-Island Operating Requirements	\$ 546,896	\$ 562,091	\$ 62,226	\$ 624,317	\$ 99,173	\$ 723,490
	Total Source of Supply - Island Revenue Requirements	\$ 546,896	\$ 562,091	\$ 62,226	\$ 624,317	\$ 99,173	\$ 723,490

Source of Supply - Mainland

		Docket 4025	FY 2010 Test Year (1)	Test Year Normalizing Adjustments	Normalized Test Year	Rate Year Adjustments	FY 2012 Rate Year (2)
Account No. 15-500-2213							
<u>Personnel</u>							
50 002	Overtime	\$ 4,500	\$ 3,842	\$ 658	\$ 4,500	\$ 200	\$ 4,700
50 005	Permanent/Part Time	\$ 13,000	\$ 5,200	\$ 7,800	\$ 13,000	\$ -	\$ 13,000
50 004	Temporary/Seasonal Wages	\$ 15,300	\$ 6,630	\$ 8,670	\$ 15,300	\$ -	\$ 15,300
50 100	Employee Benefits	\$ 2,600	\$ 1,456	\$ 1,144	\$ 2,600	\$ -	\$ 2,600
	Subtotal	\$ 35,400	\$ 17,128	\$ 18,272	\$ 35,400	\$ 200	\$ 35,600
<u>Other Operating</u>							
50 306	Contribution to Electricity Restricted Account	\$ 92,600	\$ 60,685	\$ 31,915	\$ 92,600	\$ 27,600	\$ 120,200
50 275	Repair & Maint - Equip	\$ 8,800	\$ 6,368	\$ 832	\$ 7,200	\$ -	\$ 7,200
50 277	Reservoir Maintenance	\$ 6,000	\$ -	\$ 4,500	\$ 4,500	\$ -	\$ 4,500
50 311	Operating Supplies	\$ 500	\$ -	\$ 500	\$ 500	\$ -	\$ 500
	Subtotal	\$ 107,900	\$ 67,053	\$ 37,747	\$ 104,800	\$ 27,600	\$ 132,400
Total Source of Supply - Mainland Operating Requirements		\$ 143,300	\$ 84,181	\$ 56,019	\$ 140,200	\$ 27,800	\$ 168,000
Total Source of Supply - Mainland Revenue Requirements		\$ 143,300	\$ 84,181	\$ 56,019	\$ 140,200	\$ 27,800	\$ 168,000

Treatment - Newport Plant (Station One)

		Docket 4025	FY 2010 Test Year (1)	Test Year Normalizing Adjustments	Normalized Test Year	Rate Year Adjustments	FY 2012 Rate Year (2)
Account No. 15-500-2222							
<u>Personnel</u>							
50 001	Salaries & Wages	\$ 441,500	\$ 388,225	\$ 53,275	\$ 441,500	\$ 9,700	\$ 451,200
50 002	Overtime	\$ 58,100	\$ 84,862	\$ (26,760)	\$ 58,102	\$ 1,998	\$ 60,100
50 003	Holiday Pay	\$ 19,100	\$ 15,575	\$ -	\$ 15,575	\$ 1,525	\$ 17,100
50 100	Employee Benefits	\$ 237,000	\$ 210,406	\$ 26,594	\$ 237,000	\$ 67,200	\$ 304,200
50 175	Annual Leave Buy Back	\$ 4,950	\$ 4,907	\$ 93	\$ 5,000	\$ -	\$ 5,000
	Subtotal	\$ 760,650	\$ 703,975	\$ 53,202	\$ 757,177	\$ 80,423	\$ 837,600
<u>Other Operating</u>							
50 212	Conferences & Training	\$ 5,500	\$ 99	\$ 4,401	\$ 4,500	\$ -	\$ 4,500
50 239	Fire & Liability Insurance	\$ 12,700	\$ 10,496	\$ -	\$ 10,496	\$ 504	\$ 11,000
50 306	Contribution to Electricity Restricted Account	\$ 247,500	\$ 266,070	\$ (70)	\$ 266,000	\$ -	\$ 266,000
50 307	Natural Gas	\$ 23,300	\$ 23,072	\$ -	\$ 23,072	\$ 1,228	\$ 24,300
50 260	Heavy Equipment Rental	\$ 1,000	\$ 495	\$ 105	\$ 600	\$ -	\$ 600
50 305	Water/Sewer	\$ 184,000	\$ 175,564	\$ 8,436	\$ 184,000	\$ 133,000	\$ 317,000
50 271	Gasoline & Vehicle Maintenance	\$ 8,100	\$ 7,324	\$ -	\$ 7,324	\$ 76	\$ 7,400
50 275	Repair & Maint-Equipment	\$ 35,000	\$ 4,020	\$ 20,980	\$ 25,000	\$ -	\$ 25,000
50 311	Operating Supplies	\$ 27,800	\$ 25,185	\$ 2,615	\$ 27,800	\$ -	\$ 27,800
50 320	Uniforms & Protective Gear	\$ 1,350	\$ -	\$ 1,000	\$ 1,000	\$ -	\$ 1,000
50 335	Contribution to Chemical Restricted Account	\$ 399,000	\$ 409,949	\$ -	\$ 409,949	\$ 5	\$ 409,954
	Subtotal	\$ 945,250	\$ 922,273	\$ 37,467	\$ 959,740	\$ 134,813	\$ 1,094,554
	Treatment - Newport Plant Operating Requirements	\$ 1,705,900	\$ 1,626,249	\$ 90,669	\$ 1,716,918	\$ 215,236	\$ 1,932,154
	Treatment - Newport Plant Revenue Requirements	\$ 1,705,900	\$ 1,626,249	\$ 90,669	\$ 1,716,918	\$ 215,236	\$ 1,932,154

Treatment - Lawton Valley

		Docket 4025	FY 2010 Test Year (1)	Test Year Normalizing Adjustments	Normalized Test Year	Rate Year Adjustments	FY 2012 Rate Year (2)
Account No. 15-500-2223							
<u>Personnel</u>							
50 001	Salaries & Wages	\$ 500,100	\$ 380,971	\$ 75,000	\$ 455,971	\$ 5,829	\$ 461,800
50 002	Overtime	\$ 42,400	\$ 35,524	\$ -	\$ 35,524	\$ 2,176	\$ 37,700
50 003	Holiday Pay	\$ 20,000	\$ 15,314	\$ -	\$ 15,314	\$ 1,486	\$ 16,800
50 100	Employee Benefits	\$ 275,500	\$ 209,093	\$ 66,407	\$ 275,500	\$ 37,100	\$ 312,600
50 175	Annual Leave Buy Back	\$ 3,850	\$ 3,861	\$ 139	\$ 4,000	\$ -	\$ 4,000
	Subtotal	\$ 841,850	\$ 644,763	\$ 141,546	\$ 786,309	\$ 46,591	\$ 832,900
<u>Other Operating</u>							
50 212	Conferences & Training	\$ 3,500	\$ 59	\$ 2,941	\$ 3,000	\$ -	\$ 3,000
50 239	Fire & Liability Insurance	\$ 13,600	\$ 11,239	\$ -	\$ 11,239	\$ 461	\$ 11,700
50 306	Contribution to Electricity Restricted Account	\$ 180,600	\$ 158,212	\$ -	\$ 158,212	\$ 788	\$ 159,000
50 307	Natural Gas	\$ 28,900	\$ 30,065	\$ -	\$ 30,065	\$ (65)	\$ 30,000
50 260	Heavy Equipment Rental	\$ 500	\$ 406	\$ 94	\$ 500	\$ -	\$ 500
50 305	Water/Sewer	\$ 242,000	\$ 211,849	\$ 30,151	\$ 242,000	\$ 134,000	\$ 376,000
50 271	Gas/Vehicle Maintenance	\$ 8,400	\$ 7,882	\$ -	\$ 7,882	\$ 18	\$ 7,900
50 275	Repair & Maintenance	\$ 43,400	\$ 42,284	\$ (7,284)	\$ 35,000	\$ -	\$ 35,000
50 311	Operating Supplies	\$ 22,000	\$ 15,498	\$ 4,802	\$ 20,300	\$ -	\$ 20,300
50 320	Uniforms & Protective Gear	\$ 1,000	\$ -	\$ 1,000	\$ 1,000	\$ -	\$ 1,000
50 335	Contribution to Chemical Restricted Account	\$ 216,000	\$ 198,076	\$ -	\$ 198,076	\$ (76)	\$ 198,000
	Subtotal	\$ 759,900	\$ 675,570	\$ 31,704	\$ 707,274	\$ 135,126	\$ 842,400
Treatment - Lawton Valley Operating Requirements		\$ 1,601,750	\$ 1,320,333	\$ 173,250	\$ 1,493,583	\$ 181,717	\$ 1,675,300
Treatment - LV Revenue Requirements		\$ 1,601,750	\$ 1,320,333	\$ 173,250	\$ 1,493,583	\$ 181,717	\$ 1,675,300

Water Laboratory

		Docket 4025	FY 2010 Test Year (1)	Test Year Normalizing Adjustments	Normalized Test Year	Rate Year Adjustments	FY 2012 Rate Year (2)
<u>Account No. 15-500-2235</u>							
<u>Personnel</u>							
50 001	Salaries & Wages	\$ 127,700	\$ 72,200	\$ 30,000	\$ 102,200	\$ 2,800	\$ 105,000
50 100	Employee Benefits	\$ 62,400	\$ 33,822	\$ 30,000	\$ 63,822	\$ 5,978	\$ 69,800
50 175	Annual Leave Buy Back	\$ 2,750	\$ -	\$ 2,800	\$ 2,800	\$ -	\$ 2,800
	Subtotal	\$ 192,850	\$ 106,022	\$ 62,800	\$ 168,822	\$ 8,778	\$ 177,600
<u>Other Operating</u>							
50 275	Repair & Maint - Equipment	\$ 1,000	\$ 1,222	\$ 478	\$ 1,700	\$ -	\$ 1,700
50 281	Water Lab Regulatory Assessment	\$ 36,500	\$ 27,287	\$ -	\$ 27,287	\$ 4,713	\$ 32,000
50 339	Laboratory Supplies	\$ 18,500	\$ 15,972	\$ 2,528	\$ 18,500	\$ -	\$ 18,500
	Subtotal	\$ 56,000	\$ 44,481	\$ 3,006	\$ 47,487	\$ 4,713	\$ 52,200
Total Water Laboratory Operating Requirements		\$ 248,850	\$ 150,503	\$ 65,806	\$ 216,309	\$ 13,491	\$ 229,800
Total Water Laboratory Revenue Requirements		\$ 248,850	\$ 150,503	\$ 65,806	\$ 216,309	\$ 13,491	\$ 229,800

Transmission & Distribution Maintenance

		Docket 4025	FY 2010 Test Year (1)	Test Year Normalizing Adjustments	Normalized Test Year	Rate Year Adjustments	FY 2012 Rate Year (2)
Account No. 15-500-2241							
<u>Personnel</u>							
50 001	Salaries & Wages	\$ 416,200	\$ 428,500	\$ -	\$ 428,500	\$ 28,800	\$ 457,300
50 002	Overtime	\$ 52,000	\$ 47,416	\$ 4,584	\$ 52,000	\$ 1,000	\$ 53,000
50 004	Temp Wages	\$ 10,000	\$ -	\$ 10,000	\$ 10,000	\$ -	\$ 10,000
50 056	Injury Pay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50 100	Employee Benefits	\$ 224,996	\$ 236,895	\$ -	\$ 236,895	\$ 64,105	\$ 301,000
50 175	Annual Leave Buy Back	\$ 5,900	\$ 10,624	\$ 376	\$ 11,000	\$ -	\$ 11,000
	Subtotal	\$ 709,096	\$ 723,435	\$ 14,960	\$ 738,395	\$ 93,905	\$ 832,300
<u>Other Operating</u>							
50 212	Conferences & Training	\$ 4,000	\$ 2,484	\$ 1,516	\$ 4,000	\$ -	\$ 4,000
50 225	Contract Services	\$ 12,500	\$ 6,778	\$ 5,722	\$ 12,500	\$ -	\$ 12,500
50 239	Fire & Liability Insurance	\$ 2,400	\$ 1,983	\$ -	\$ 1,983	\$ 117	\$ 2,100
50 306	Contribution to Electricity Restricted Account	\$ 19,600	\$ 17,346	\$ -	\$ 17,346	\$ 1,454	\$ 18,800
50 260	Heavy Equipment Rental	\$ 8,900	\$ 447	\$ 7,853	\$ 8,300	\$ -	\$ 8,300
50 271	Gas/Vehicle Maintenance	\$ 99,400	\$ 102,264	\$ -	\$ 102,264	\$ 8,136	\$ 110,400
50 275	Repair & Maint - Equipment	\$ 32,000	\$ 7,724	\$ 18,276	\$ 26,000	\$ -	\$ 26,000
50 276	Repairs/Main Maintenance	\$ 84,800	\$ 47,945	\$ 22,055	\$ 70,000	\$ -	\$ 70,000
50 296	Service Maintenance	\$ 33,500	\$ 28,213	\$ -	\$ 28,213	\$ 1,787	\$ 30,000
50 311	Operating Supplies	\$ 11,000	\$ 4,608	\$ 5,392	\$ 10,000	\$ -	\$ 10,000
50 320	Uniforms & Protective Gear	\$ 1,500	\$ 872	\$ 428	\$ 1,300	\$ -	\$ 1,300
	Subtotal	\$ 309,600	\$ 220,664	\$ 61,242	\$ 281,906	\$ 11,493	\$ 293,400
	Transmission & Distribution Operating Requirements	\$ 1,018,696	\$ 944,099	\$ 76,202	\$ 1,020,301	\$ 105,398	\$ 1,125,700
	Total Transmission & Distribution Revenue Requirements	\$ 1,018,696	\$ 944,099	\$ 76,202	\$ 1,020,301	\$ 105,398	\$ 1,125,700

Fire Protection

		Docket 4025	FY 2010 Test Year (1)	Test Year Normalizing Adjustments	Normalized Test Year	Rate Year Adjustments	FY 2012 Rate Year (2)
Account No. 15-500-2245							
<u>Personnel</u>							
50 001	Salaries & Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50 002	Overtime	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50 100	Employee Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Other Operating</u>							
50 275	Repair & Maintenance - Equip.	\$ 14,500	\$ 5,482	\$ 8,018	\$ 13,500	\$ -	\$ 13,500
	Subtotal	\$ 14,500	\$ 5,482	\$ 8,018	\$ 13,500	\$ -	\$ 13,500
	Fire Protection Operating Requirements	\$ 14,500	\$ 5,482	\$ 8,018	\$ 13,500	\$ -	\$ 13,500
	Total Fire Protection Revenue Requirements	\$ 14,500	\$ 5,482	\$ 8,018	\$ 13,500	\$ -	\$ 13,500

**City of Newport, Rhode Island
FY 2012 Rate Filing
Capital Improvement Plan**

RFC Schedule 4

Funding Source	2010	2011	2012	2013	2014	2015
			Rate Year			
Safe Yield Study - WP	\$ 123,533	\$ 867				
GIS and Hydraulic Modeling - WP	\$ 263,007	\$ 26,993				
IRP Update - WP	\$ 46,494	\$ 1,876				
Water Quality Protection Plan Update- RIWRB - F&O	\$ 16,099	\$ 2,628				
WSSMP 5 year Update- RIWRB due 9/30/13				\$ 80,000		
Sediment Assessment - Lawton Brook - LBG	\$ 18,065	\$ 16,728				
RIDOH & RIDEM- Reservoir Monitoring			\$ 150,000	\$ 150,000		
Main from Gardiner to Paradise		\$ 150,000		\$ 1,600,000		
Intake at Paradise		\$ 190,000				
Intake at Watson & Nonquit		\$ 250,000				
Intake at Sissons		\$ 50,000				
Aeration- St Mary's Reservoir			\$ 50,000			
Demolition of Old Nonquit Pump Sta	\$ 2,800	\$ 20,000				
Dam Repair- Easton Pond Dam	\$ 236,000	\$ 500,000	\$ 6,000,000			
Dam and Dike Rehabilitation - Lawton Valley			\$ 100,000	\$ 800,000		
Dam and Spillway Rehabilitation - Station 1				\$ 250,000	\$ 100,000	
Paradise Pump Station Improvements			\$ 85,000			
Sakonnet River Pump Station Improvements			\$ 152,000			
Station 1 Raw Water Pump Station Improvements				\$ 195,000		
St Mary's Pump Station Improvements					\$ 185,000	
Storage Tank Painting - 2MG standpipe						
Water Department Office/Garage Rehabilitation					\$ 400,000	
Mitchells Lane meter and PRV			\$ 90,000			
RIDOH- DB Review Assistance			\$ 100,000	\$ 100,000		
City Agent for New LVWTP & Sta1 Imprv	\$ 1,846,960	\$ 1,162,790	\$ 1,273,200	\$ 575,000	\$ 575,000	\$ 350,000
Professional Service for WTP Imprv (Legal & Financial)	\$ 450,000	\$ 105,000	\$ 185,000	\$ 125,000	\$ 125,000	
Station One Improvements		\$ -	\$ 3,000,000	\$ 12,000,000	\$ 7,800,000	
LVWTP New Treatment Plant			\$ 6,000,000	\$ 20,000,000	\$ 20,000,000	\$ 4,739,000
System Wide Main Improvements	\$ 3,093,048	\$ 300,000	\$ -	\$ 3,200,000	\$ 300,000	\$ 3,500,000
Distribution Main Iprov.(Sherman St) Design & Construct		\$ 156,952				
Meter Replacement	\$ 64,247	\$ 66,817	\$ 69,490	\$ 72,269	\$ 75,200	\$ 78,200
Radio Read Remote reading laptop			\$ 13,000	\$ 13,000		
Forest Ave Pump Sta Imprv.			\$ 250,000			
Water Trench Restoration	\$ 75,000	\$ 78,000	\$ 81,120	\$ 84,365	\$ 87,700	\$ 91,200
Fire Hydrant Replacement	\$ 17,000	\$ 17,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000
Equipment and Vehicle Replacement		\$ 160,000	\$ 199,000	\$ 92,000	\$ 120,000	\$ 66,000

	2010	2011	2012	2013	2014	2015
101 Water Revenue Bonds	-	-	-	-	-	-
201 SRF Loan	2,532,960	1,767,790	\$ 16,458,200	\$ 32,700,000	\$ 28,500,000	\$ 5,089,000
301 Rates	3,719,292	1,487,862	\$ 1,357,610	\$ 6,654,634	\$ 1,285,900	\$ 3,753,400
401 Other	-	-	-	-	-	-
501 Other	-	-	-	-	-	-
	\$ 6,252,252	\$ 3,255,652	\$ 17,815,810	\$ 39,354,634	\$ 29,785,900	\$ 8,842,400

Avg. Annual Rate Funded Capital \$ 2,493,637
Proposed Rate Funded Capital \$ 2,750,000

City of Newport, Rhode Island
 FY 2012 Rate Filing
 Debt Service

RFC Schedule 5

Fiscal Year	Existing(1)						Proposed (2)					Total Existing and Proposed Debt Service
	Revenue Bonds	2007 SRF A \$3.0M (3)	2008 SRF B \$5.9 M Fed Dir. Loan	2009 SRF A \$3.3 M	Total Existing SRF Debt Service	Total Existing	2012 SRF A (Dam Repair, City Agent, Sta 1) Improvements and New Plant) \$18.6 M	2013 SRF A (Sta 1) Improvements and New Plant) \$37.0 M	2014 SRF A (Sta 1) Improvement s and New Plant) \$32.3 M	2015 SRF A (Sta 1) Improve ments and New Plant) \$5.7 M	Total Proposed Debt Service	
2008	1,009,932	72,901	-	-	72,901	1,082,833	-	-	-	-	-	\$1,082,833
2009	959,782	211,318	66,753	1,213	279,284	1,239,066	-	-	-	-	-	\$1,239,066
2010	910,552	211,749	157,915	2,388	372,052	1,282,604	-	-	-	-	-	\$1,282,604
2011	642,596	211,990	411,824	61,108	684,922	1,327,518	-	-	-	-	-	\$1,327,518
2012	571,079	211,081	424,858	182,028	817,966	1,389,045	1,621,438	-	-	-	1,621,438	\$3,010,483
2013	388,755	211,034	424,365	181,966	817,365	1,206,120	1,628,028	3,221,557	-	-	4,849,585	\$6,055,705
2014	-	210,828	424,365	181,518	816,710	816,710	1,635,014	3,230,733	2,807,779	-	7,673,526	\$8,490,236
2015	-	211,441	424,945	181,416	817,802	817,802	1,642,419	3,240,460	2,819,191	501,361	8,203,431	\$9,021,233
2016	-	210,861	424,070	181,648	816,579	816,579	1,650,268	3,250,771	2,831,288	503,399	8,235,726	\$9,052,305
2017	-	184,069	423,727	181,504	789,301	789,301	1,658,589	3,261,700	2,844,111	505,559	8,269,958	\$9,059,259
2018	-	184,052	422,898	181,058	788,008	788,008	1,667,408	3,273,285	2,857,703	507,848	8,306,244	\$9,094,252
2019	-	210,815	422,537	181,105	814,457	814,457	1,676,757	3,285,565	2,872,111	510,275	8,344,708	\$9,159,164
2020	-	210,360	422,607	180,896	813,863	813,863	1,686,666	3,298,582	2,887,383	512,848	8,385,479	\$9,199,342
2021	-	210,677	423,085	180,444	814,205	814,205	1,697,170	3,312,380	2,903,572	515,575	8,428,697	\$9,242,902
2022	-	210,752	421,968	180,521	813,240	813,240	1,708,305	3,327,005	2,920,732	518,466	8,474,507	\$9,287,747
2023	-	210,583	421,274	180,357	812,213	812,213	1,720,107	3,342,509	2,938,921	521,530	8,523,066	\$9,335,280
2024	-	210,169	421,946	180,701	812,815	812,815	1,732,617	3,358,942	2,958,202	524,778	8,574,539	\$9,387,355
2025	-	210,489	420,969	180,056	811,515	811,515	1,745,879	3,376,362	2,978,640	528,221	8,629,100	\$9,440,615
2026	-	209,543	420,366	179,832	809,740	809,740	1,759,935	3,394,826	3,000,304	531,870	8,686,935	\$9,496,675
2027	-	209,336	421,064	180,151	810,551	810,551	1,774,836	3,414,399	3,023,267	535,738	8,748,240	\$9,558,791
2028	-	209,832	420,053	180,205	810,089	810,089	1,790,630	3,435,146	3,047,609	539,839	8,813,224	\$9,623,313
2029	-	-	419,321	179,974	599,295	599,295	1,807,372	3,457,138	3,073,411	544,185	8,882,106	\$9,481,401
2030	-	-	426,632	179,449	606,081	606,081	1,825,118	3,480,449	3,100,761	548,793	8,955,121	\$9,561,202
2031	-	-	-	178,652	178,652	178,652	1,843,929	3,505,159	3,129,753	553,676	9,032,517	\$9,211,169
2032	-	-	-	-	-	-	-	3,531,351	3,160,483	558,853	7,250,688	\$7,250,688
2033	-	-	-	-	-	-	-	-	3,193,058	564,340	3,757,398	\$3,757,398
2034	-	-	-	-	-	-	-	-	-	570,157	570,157	\$570,157
2035	-	-	-	-	-	-	-	-	-	-	-	\$0
2036	-	-	-	-	-	-	-	-	-	-	-	\$0
2037	-	-	-	-	-	-	-	-	-	-	-	\$0
2038	-	-	-	-	-	-	-	-	-	-	-	\$0
	\$ 4,482,696	\$ 4,233,879	\$ 8,667,539	\$ 3,678,188	\$ 16,579,606	\$ 21,062,302	\$ 34,272,485	\$ 66,998,316	\$ 59,348,277		\$ 171,216,390	

(1) Debt service on existing debt based on debt service schedules provided by City of Newport Finance Dept.
 (2) Debt service on proposed SRF debt assumes full principal and interest payments begin in the year in which the loan is secured.
 (3) Loan amounts are inclusive of borrowing costs. For proposed loans, borrowing costs are assumed to be 13% of total project costs.
 (4) Interest on SRF loans is assumed to be 6%.

**City of Newport, Rhode Island
FY 2012 Rate Filing
Offsets To Revenue Requirements**

RFC Schedule 6

	Docket 4025	FY 2009 Actual	FY 2010 Actual	FY 2012 Rate Year
Sundry charges	\$ 140,016	\$ 25,623	\$ 53,150	\$ 104,000
WPC cost share on customer service	\$ 269,842	\$ 319,491	\$ 269,842	\$ 291,366
Middletown cost share on customer service	\$ 134,819	\$ 102,103	\$ 134,819	\$ 140,852
Rental of Property	\$ 81,000	\$ 62,800	\$ 77,800	\$ 108,167
Water Penalty	\$ 42,320	\$ 21,276	\$ 30,839	\$ 47,500
Miscellaneous	\$ 7,515	\$ 77,593	\$ 44,092	\$ 8,600
Investment Interest Income	\$ 39,191	\$ 11,798	\$ 4,498	\$ 3,900
Water Quality Protection Fees	\$ 25,676	\$ 23,767	\$ 19,803	\$ 22,500
Total Offsets to Revenue Requirements	\$ 740,379	\$ 644,451	\$ 634,843	\$ 726,885

Customer Service Expenses

		FY 2012	FY 2013	FY 2014	FY 2015
	O&M	\$ 629,500	\$ 629,500	\$ 629,500	\$ 629,500
	Debt Service on Loan for Radio Read	\$ 182,028	\$ 181,966	\$ 181,518	\$ 181,416
	Meter Replacement Costs	\$ 69,490	\$ 72,269	\$ 75,200	\$ 78,200
	TOTAL	\$ 881,018	\$ 883,735	\$ 886,218	\$ 889,116
Customer Service Expenses 50%		\$ 440,509	\$ 441,868	\$ 443,109	\$ 444,558
Charge to WPC	9981 66%	\$ 291,366	\$ 292,265	\$ 293,086	\$ 294,045
Charge to Middletown Sewer	4825 32%	\$ 140,852	\$ 141,286	\$ 141,683	\$ 142,147
Water Customers	15090 98%				

There are 14,442 water customers as of 09/03/08

Of these, 9,245 are also Newport Sewer customers and 4,619 are Middletown customers that we supply Middletown with usage data on. Accordingly, Newport Sewer should split the customer service costs on 62.42% of the water bills and Middletown should split the costs on 31.19% of the water bills

City of Newport, Rhode Island
 FY 2012 Rate Filing
 Calculation of Additional Revenue

RFC Schedule 7

Billing Charge Revenues

Type of Charge	Current Charge	FY 2012 Number of Bills	Rate Year Revenues Under Existing Charges	FY 13 Revenues Under FY 12 Proposed Charges	FY 14 Revenues Under FY 13 Proposed Charges	FY 15 Revenues Under FY 14 Proposed Charges
Billing Charge	\$ 15.31	64,505	\$ 987,572	\$ 1,359,765	\$ 1,648,748	\$ 1,879,676
Total Revenues From Billing Charge Under Existing Rates			\$ 987,572	\$ 1,359,765	\$ 1,648,748	\$ 1,879,676

Commodity Charge Revenues

Customer Class	Current Rate	FY 2012 Consumption (1,000 gals)	Rate Year Revenues Under Existing Rates	FY 13 Revenues Under FY 12 Proposed Charges	FY 14 Revenues Under FY 13 Proposed Charges	FY 15 Revenues Under FY 14 Proposed Charges
Retail	\$ 5.25	1,199,001	\$ 6,294,757	\$ 8,668,779	\$ 10,515,241	\$ 11,990,012
Navy	\$ 3.2280	215,637	\$ 696,075	\$ 958,289	\$ 1,161,850	\$ 1,324,224
Portsmouth	\$ 2.573	443,480	\$ 1,141,073	\$ 1,570,805	\$ 1,904,745	\$ 2,171,276
Total Revenues From Commodity Charge Under Existing Rates			\$ 8,131,905	\$ 11,197,873	\$ 13,581,836	\$ 15,485,513

Fire Protection Revenues

Type of Charge	Current Charge	FY 2012 Number of Bills	Rate Year Revenues Under Existing Charges	FY 13 Revenues Under FY 12 Proposed Charges	FY 14 Revenues Under FY 13 Proposed Charges	FY 15 Revenues Under FY 14 Proposed Charges
Fire Protection Charges (Public)	\$ 869.00	1034	\$ 898,546	\$ 1,237,698	\$ 1,501,368	\$ 1,712,304
Total Revenues From Public Fire Protection Charge Under Existing Rates			\$ 898,546	\$ 1,237,698	\$ 1,501,368	\$ 1,712,304
Fire Protection Charges (Private)						
less than 2"	\$ 17.05	0	\$ -	\$ -	\$ -	\$ -
2"	\$ 72.00	3	\$ 216	\$ 300	\$ 366	\$ 420
4"	\$ 442.00	57	\$ 25,194	\$ 34,713	\$ 42,123	\$ 48,051
6"	\$ 884.00	245	\$ 216,580	\$ 298,165	\$ 361,620	\$ 412,335
8"	\$ 2,023.00	62	\$ 125,426	\$ 172,670	\$ 209,374	\$ 238,700
10"	\$ 3,340.00	0	\$ -	\$ -	\$ -	\$ -
12"	\$ 5,362.00	2	\$ 10,724	\$ 14,764	\$ 17,900	\$ 20,404
Total Revenues from Private Fire Protection Charge Under Existing Charges			\$ 378,140	\$ 520,612	\$ 631,383	\$ 719,910
Total Revenues from Existing Rates and Charges			\$ 10,396,162	\$ 14,315,948	\$ 17,363,335	\$ 19,797,403
Net Revenue Requirements			\$ 14,311,162	\$ 17,356,384	\$ 19,790,915	\$ 20,321,912
Additional Revenue Needed			\$ 3,915,000	\$ 3,040,435	\$ 2,427,580	\$ 524,510
% Revenue Increase Required			37.66%	21.24%	13.98%	2.65%

City of Newport, Rhode Island
 FY 2012 Rate Filing
 Proposed Rates and Charges

RFC Schedule 8

Rates and Charges	Current Rates	Rate Year		Future Years					
		% Increase Required	Proposed FY 2012	% Increase Required	Proposed FY 2013	% Increase Required	Proposed FY 2014	% Increase Required	Proposed FY 2015
Billing Charge (per bill)									
Quarterly	\$ 15.31	37.7%	\$ 21.08	21.2%	\$ 25.56	14.0%	\$ 29.14	2.6%	\$ 29.92
Monthly	\$ 15.31	37.7%	\$ 21.08	21.2%	\$ 25.56	14.0%	\$ 29.14	2.6%	\$ 29.92
Commodity Charge (per 1,000 gallons)									
Retail									
Residential	\$ 5.25	37.7%	\$ 7.23	21.2%	\$ 8.77	14.0%	\$ 10.00	2.6%	\$ 10.27
Commercial	\$ 5.25	37.7%	\$ 7.23	21.2%	\$ 8.77	14.0%	\$ 10.00	2.6%	\$ 10.27
Governmental	\$ 5.25	37.7%	\$ 7.23	21.2%	\$ 8.77	14.0%	\$ 10.00	2.6%	\$ 10.27
Wholesale									
Navy	\$ 3.2280	37.7%	\$ 4.4440	21.2%	\$ 5.3880	14.0%	\$ 6.1410	2.6%	\$ 6.3040
Portsmouth Water & Fire District	\$ 2.5730	37.7%	\$ 3.542	21.2%	\$ 4.295	14.0%	\$ 4.896	2.6%	\$ 5.026
Fire Protection									
Public (per hydrant)	\$ 869.00	37.7%	\$1,197.00	21.2%	\$1,452.00	14.0%	\$ 1,656.00	2.6%	\$ 1,700.00
Private (Connection Size)									
Less than 2"	\$ 17.05	37.7%	\$ 23.48	21.2%	\$ 28.47	14.0%	\$ 32.46	2.6%	\$ 33.32
2"	\$ 72.00	37.7%	\$ 100.00	21.2%	\$ 122.00	14.0%	\$ 140.00	2.6%	\$ 144.00
4"	\$ 442.00	37.7%	\$ 609.00	21.2%	\$ 739.00	14.0%	\$ 843.00	2.6%	\$ 866.00
6"	\$ 884.00	37.7%	\$1,217.00	21.2%	\$1,476.00	14.0%	\$ 1,683.00	2.6%	\$ 1,728.00
8"	\$ 2,023.00	37.7%	\$2,785.00	21.2%	\$3,377.00	14.0%	\$ 3,850.00	2.6%	\$ 3,953.00
10"	\$ 3,340.00	37.7%	\$4,598.00	21.2%	\$5,575.00	14.0%	\$ 6,355.00	2.6%	\$ 6,524.00
12"	\$ 5,362.00	37.7%	\$7,382.00	21.2%	\$8,950.00	14.0%	\$10,202.00	2.6%	\$10,473.00

City of Newport, Rhode Island
 FY 2012 Rate Filing
 Customer Bill Impacts

RFC Schedule 9

Customer Class	Monthly Consumption (gallons)	Bill at Current Rates	Proposed FY 2012			Proposed FY 2013			Proposed FY 2014			Proposed FY 2015		
			Bill at Proposed Rates	\$ Increase from Current Rates	% Increase from Current Rates	Bill at Proposed Rates	\$ Increase from FY 2012 Rates	% Increase from FY 2012 Rates	Bill at Proposed Rates	\$ Increase from FY 2013 Rates	% Increase from FY 2013 Rates	Bill at Proposed Rates	\$ Increase from FY 2014 Rates	% Increase from FY 2014 Rates
Residential (Monthly)														
	1,000	\$20.56	\$28.31	\$7.75	37.7%	\$34.33	\$6.02	21.3%	\$39.14	\$4.81	14.0%	\$40.19	\$1.05	2.7%
	2,000	\$25.81	\$35.54	\$9.73	37.7%	\$43.10	\$7.56	21.3%	\$49.14	\$6.04	14.0%	\$50.46	\$1.32	2.7%
	4,000	\$36.31	\$50.00	\$13.69	37.7%	\$60.64	\$10.64	21.3%	\$69.14	\$8.50	14.0%	\$71.00	\$1.86	2.7%
Avg. Monthly Bill	5,000	\$41.56	\$57.23	\$15.67	37.7%	\$69.41	\$12.18	21.3%	\$79.14	\$9.73	14.0%	\$81.27	\$2.13	2.7%
	7,500	\$54.69	\$75.31	\$20.62	37.7%	\$91.34	\$16.03	21.3%	\$104.14	\$12.81	14.0%	\$106.95	\$2.80	2.7%
	10,000	\$67.81	\$93.38	\$25.57	37.7%	\$113.26	\$19.88	21.3%	\$129.14	\$15.88	14.0%	\$132.62	\$3.48	2.7%
	15,000	\$94.06	\$129.53	\$35.47	37.7%	\$157.11	\$27.58	21.3%	\$179.14	\$22.03	14.0%	\$183.97	\$4.83	2.7%
	20,000	\$120.31	\$165.68	\$45.37	37.7%	\$200.96	\$35.28	21.3%	\$229.14	\$28.18	14.0%	\$235.32	\$6.18	2.7%
	25,000	\$146.56	\$201.83	\$55.27	37.7%	\$244.81	\$42.98	21.3%	\$279.14	\$34.33	14.0%	\$286.67	\$7.53	2.7%
	30,000	\$172.81	\$237.98	\$65.17	37.7%	\$288.66	\$50.68	21.3%	\$329.14	\$40.48	14.0%	\$338.02	\$8.88	2.7%
Residential(Quarterly)														
	4,000	\$36.31	\$50.00	\$13.69	37.7%	\$60.64	\$10.64	21.3%	\$69.14	\$8.50	14.0%	\$71.00	\$1.86	2.7%
	8,000	\$57.31	\$78.92	\$21.61	37.7%	\$95.72	\$16.80	21.3%	\$109.14	\$13.42	14.0%	\$112.08	\$2.94	2.7%
Avg. Quarterly Bill	14,800	\$93.01	\$128.08	\$35.07	37.7%	\$155.36	\$27.27	21.3%	\$177.14	\$21.78	14.0%	\$181.92	\$4.78	2.7%
	20,000	\$120.31	\$165.68	\$45.37	37.7%	\$200.96	\$35.28	21.3%	\$229.14	\$28.18	14.0%	\$235.32	\$6.18	2.7%
	30,000	\$172.81	\$237.98	\$65.17	37.7%	\$288.66	\$50.68	21.3%	\$329.14	\$40.48	14.0%	\$338.02	\$8.88	2.7%
	40,000	\$225.31	\$310.28	\$84.97	37.7%	\$376.36	\$66.08	21.3%	\$429.14	\$52.78	14.0%	\$440.72	\$11.58	2.7%
	60,000	\$330.31	\$454.88	\$124.57	37.7%	\$551.76	\$96.88	21.3%	\$629.14	\$77.38	14.0%	\$646.12	\$16.98	2.7%
	80,000	\$435.31	\$599.48	\$164.17	37.7%	\$727.16	\$127.68	21.3%	\$829.14	\$101.98	14.0%	\$851.52	\$22.38	2.7%
	100,000	\$540.31	\$744.08	\$203.77	37.7%	\$902.56	\$158.48	21.3%	\$1,029.14	\$126.58	14.0%	\$1,056.92	\$27.78	2.7%
	120,000	\$645.31	\$888.68	\$243.37	37.7%	\$1,077.96	\$189.28	21.3%	\$1,229.14	\$151.18	14.0%	\$1,262.32	\$33.18	2.7%

City of Newport, Rhode Island
 FY 2012 Rate Filing
 Customer Bill Impacts

RFC Schedule 9

Customer Class	Monthly Consumption (gallons)	Bill at Current Rates	Proposed FY 2012			Proposed FY 2013			Proposed FY 2014			Proposed FY 2015		
			Bill at Proposed Rates	\$ Increase from Current Rates	% Increase from Current Rates	Bill at Proposed Rates	\$ Increase from FY 2012 Rates	% Increase from FY 2012 Rates	Bill at Proposed Rates	\$ Increase from FY 2013 Rates	% Increase from FY 2013 Rates	Bill at Proposed Rates	\$ Increase from FY 2014 Rates	% Increase from FY 2014 Rates
Commercial (Monthly)														
	2,000	\$25.81	\$35.54	\$9.73	37.7%	\$43.10	\$7.56	21.3%	\$49.14	\$6.04	14.0%	\$50.46	\$1.32	2.7%
	5,000	\$41.56	\$57.23	\$15.67	37.7%	\$69.41	\$12.18	21.3%	\$79.14	\$9.73	14.0%	\$81.27	\$2.13	2.7%
	10,000	\$67.81	\$93.38	\$25.57	37.7%	\$113.26	\$19.88	21.3%	\$129.14	\$15.88	14.0%	\$132.62	\$3.48	2.7%
Avg. Monthly Bill	20,000	\$120.31	\$165.68	\$45.37	37.7%	\$200.96	\$35.28	21.3%	\$229.14	\$28.18	14.0%	\$235.32	\$6.18	2.7%
	30,000	\$172.81	\$237.98	\$65.17	37.7%	\$288.66	\$50.68	21.3%	\$329.14	\$40.48	14.0%	\$338.02	\$8.88	2.7%
	40,000	\$225.31	\$310.28	\$84.97	37.7%	\$376.36	\$66.08	21.3%	\$429.14	\$52.78	14.0%	\$440.72	\$11.58	2.7%
	50,000	\$277.81	\$382.58	\$104.77	37.7%	\$464.06	\$81.48	21.3%	\$529.14	\$65.08	14.0%	\$543.42	\$14.28	2.7%
	75,000	\$409.06	\$563.33	\$154.27	37.7%	\$683.31	\$119.98	21.3%	\$779.14	\$95.83	14.0%	\$800.17	\$21.03	2.7%
	100,000	\$540.31	\$744.08	\$203.77	37.7%	\$902.56	\$158.48	21.3%	\$1,029.14	\$126.58	14.0%	\$1,056.92	\$27.78	2.7%
Governmental (Monthly)														
	2,000	\$25.81	\$35.54	\$9.73	37.7%	\$43.10	\$7.56	21.3%	\$49.14	\$6.04	14.0%	\$50.46	\$1.32	2.7%
	5,000	\$41.56	\$57.23	\$15.67	37.7%	\$69.41	\$12.18	21.3%	\$79.14	\$9.73	14.0%	\$81.27	\$2.13	2.7%
	10,000	\$67.81	\$93.38	\$25.57	37.7%	\$113.26	\$19.88	21.3%	\$129.14	\$15.88	14.0%	\$132.62	\$3.48	2.7%
Avg. Monthly Bill	20,000	\$120.31	\$165.68	\$45.37	37.7%	\$200.96	\$35.28	21.3%	\$229.14	\$28.18	14.0%	\$235.32	\$6.18	2.7%
	22,000	\$130.81	\$180.14	\$49.33	37.7%	\$218.50	\$38.36	21.3%	\$249.14	\$30.64	14.0%	\$255.86	\$6.72	2.7%
	35,000	\$199.06	\$274.13	\$75.07	37.7%	\$332.51	\$58.38	21.3%	\$379.14	\$46.63	14.0%	\$389.37	\$10.23	2.7%
	50,000	\$277.81	\$382.58	\$104.77	37.7%	\$464.06	\$81.48	21.3%	\$529.14	\$65.08	14.0%	\$543.42	\$14.28	2.7%
	75,000	\$409.06	\$563.33	\$154.27	37.7%	\$683.31	\$119.98	21.3%	\$779.14	\$95.83	14.0%	\$800.17	\$21.03	2.7%
	100,000	\$540.31	\$744.08	\$203.77	37.7%	\$902.56	\$158.48	21.3%	\$1,029.14	\$126.58	14.0%	\$1,056.92	\$27.78	2.7%

City of Newport, Rhode Island
 FY 2012 Rate Filing
 Customer Bill Impacts

RFC Schedule 9

Customer Class	Monthly Consumption (gallons)	Bill at Current Rates	Proposed FY 2012			Proposed FY 2013			Proposed FY 2014			Proposed FY 2015		
			Bill at Proposed Rates	\$ Increase from Current Rates	% Increase from Current Rates	Bill at Proposed Rates	\$ Increase from FY 2012 Rates	% Increase from FY 2012 Rates	Bill at Proposed Rates	\$ Increase from FY 2013 Rates	% Increase from FY 2013 Rates	Bill at Proposed Rates	\$ Increase from FY 2014 Rates	% Increase from FY 2014 Rates
Portsmouth (Monthly)														
	10,000,000	\$25,745.31	\$35,441.08	\$9,695.77	37.7%	\$42,975.56	\$7,534.48	21.3%	\$48,989.14	\$6,013.58	14.0%	\$50,289.92	\$1,300.78	2.7%
	20,000,000	\$51,475.31	\$70,861.08	\$19,385.77	37.7%	\$85,925.56	\$15,064.48	21.3%	\$97,949.14	\$12,023.58	14.0%	\$100,549.92	\$2,600.78	2.7%
Avg. Monthly Bill	38,000,000	\$97,789.31	\$134,617.08	\$36,827.77	37.7%	\$163,235.56	\$28,618.48	21.3%	\$186,077.14	\$22,841.58	14.0%	\$191,017.92	\$4,940.78	2.7%
	50,000,000	\$128,665.31	\$177,121.08	\$48,455.77	37.7%	\$214,775.56	\$37,654.48	21.3%	\$244,829.14	\$30,053.58	14.0%	\$251,329.92	\$6,500.78	2.7%
	75,000,000	\$192,990.31	\$265,671.08	\$72,680.77	37.7%	\$322,150.56	\$56,479.48	21.3%	\$367,229.14	\$45,078.58	14.0%	\$376,979.92	\$9,750.78	2.7%
	100,000,000	\$257,315.31	\$354,221.08	\$96,905.77	37.7%	\$429,525.56	\$75,304.48	21.3%	\$489,629.14	\$60,103.58	14.0%	\$502,629.92	\$13,000.78	2.7%
	150,000,000	\$385,965.31	\$531,321.08	\$145,355.77	37.7%	\$644,275.56	\$112,954.48	21.3%	\$734,429.14	\$90,153.58	14.0%	\$753,929.92	\$19,500.78	2.7%
Navy (Monthly)														
	500,000	\$1,629.31	\$2,243.08	\$613.77	37.7%	\$2,719.56	\$476.48	21.2%	\$3,099.64	\$380.08	14.0%	\$3,181.92	\$82.28	2.7%
	750,000	\$2,436.31	\$3,354.08	\$917.77	37.7%	\$4,066.56	\$712.48	21.2%	\$4,634.89	\$568.33	14.0%	\$4,757.92	\$123.03	2.7%
Avg. Monthly Bill	2,800,000	\$9,053.71	\$12,464.28	\$3,410.57	37.7%	\$15,111.96	\$2,647.68	21.2%	\$17,223.94	\$2,111.98	14.0%	\$17,681.12	\$457.18	2.7%
	5,000,000	\$16,155.31	\$22,241.08	\$6,085.77	37.7%	\$26,965.56	\$4,724.48	21.2%	\$30,734.14	\$3,768.58	14.0%	\$31,549.92	\$815.78	2.7%
	7,500,000	\$24,225.31	\$33,351.08	\$9,125.77	37.7%	\$40,435.56	\$7,084.48	21.2%	\$46,086.64	\$5,651.08	14.0%	\$47,309.92	\$1,223.28	2.7%
	10,000,000	\$32,295.31	\$44,461.08	\$12,165.77	37.7%	\$53,905.56	\$9,444.48	21.2%	\$61,439.14	\$7,533.58	14.0%	\$63,069.92	\$1,630.78	2.7%

City of Newport, Rhode Island
 FY 2012 Rate Filing
 Revenue Proof

RFC Schedule 10

	Existing	Proposed FY 2012	Proposed FY 2013	Proposed FY 2014	Proposed FY 2015
	Rate Year Revenue at Current Rates	Rate Year Revenue at Proposed Rates			
Revenues					
Billing Charge	\$ 987,572	\$ 1,359,765	\$ 1,648,748	\$ 1,879,676	\$ 1,929,990
Water Commodity Charge					
Retail					
Residential	\$ 3,705,602	\$ 5,103,144	\$ 6,190,121	\$ 7,058,290	\$ 7,248,864
Commercial	\$ 2,463,644	\$ 3,392,789	\$ 4,115,458	\$ 4,692,655	\$ 4,819,356
Governmental	\$ 125,510	\$ 172,846	\$ 209,662	\$ 239,068	\$ 245,522
Subtotal Retail Commodity Revenue	\$ 6,294,757	\$ 8,668,779	\$ 10,515,241	\$ 11,990,012	\$ 12,313,743
Wholesale					
Navy	\$ 696,075	\$ 958,289	\$ 1,161,850	\$ 1,324,224	\$ 1,359,373
Portsmouth	\$ 1,141,073	\$ 1,570,805	\$ 1,904,745	\$ 2,171,276	\$ 2,228,928
Subtotal Wholesale Commodity Revenue	\$ 1,837,148	\$ 2,529,094	\$ 3,066,595	\$ 3,495,501	\$ 3,588,302
Total Commodity Charge Revenues	\$ 8,131,905	\$ 11,197,873	\$ 13,581,836	\$ 15,485,513	\$ 15,902,044
From Fire Protection					
Public Fire Protection Revenue	\$ 898,546	\$ 1,237,698	\$ 1,501,368	\$ 1,712,304	\$ 1,757,800
Private Fire Protection Revenue	\$ 378,140	\$ 520,612	\$ 631,383	\$ 719,910	\$ 739,186
Total Fire Protection Revenues	\$ 1,276,686	\$ 1,758,310	\$ 2,132,751	\$ 2,432,214	\$ 2,496,986
Other Revenue	\$ 726,885	\$ 726,885	\$ 726,885	\$ 726,885	\$ 726,885
Total Revenues	\$ 11,123,047	\$ 15,042,834	\$ 18,090,220	\$ 20,524,288	\$ 21,055,905
Total Revenue Requirements					
Operating	\$ 9,007,344	\$ 9,007,344	\$ 9,007,344	\$ 9,007,344	\$ 9,007,344
Capital	\$ 5,760,483	\$ 5,760,483	\$ 8,805,705	\$ 11,240,236	\$ 11,771,233
Less: Water Quality Protection Funds					
Subtotal Revenue Requirements	\$ 14,767,828	\$ 14,767,828	\$ 17,813,049	\$ 20,247,580	\$ 20,778,578
Additional Rev Req.	\$ 270,220	\$ 270,220	\$ 270,220	\$ 270,220	\$ 270,220
Total Revenue Requirements	\$ 15,038,048	\$ 15,038,048	\$ 18,083,269	\$ 20,517,801	\$ 21,048,798
Surplus/(Deficit) of Revenues to be Recovered from All Charges					
Total Revenue Requirements	\$ 15,038,048	\$ 15,038,048	\$ 18,083,269	\$ 20,517,801	\$ 21,048,798
Other Revenue	\$ (726,885)	\$ (726,885)	\$ (726,885)	\$ (726,885)	\$ (726,885)
Net Revenue Requirements	\$ 14,311,163	\$ 14,311,163	\$ 17,356,384	\$ 19,790,915	\$ 20,321,913
Total Revenue from Rates and Charges	\$ 10,396,162	\$ 14,315,948	\$ 17,363,335	\$ 19,797,403	\$ 20,329,020
Revenue Surplus/(Deficit)	\$ (3,915,001)	\$ 4,786	\$ 6,951	\$ 6,488	\$ 7,108

City of Newport, Rhode Island
 FY 2012 Rate Filing
 Restricted Accounts Balances

RFC Schedule 11

	Rate Year				
	2011	2012	2013	2014	2015
Debt Service Account					
Beginning Cash Balance	\$ 1,394,463	\$ 589,714	\$ 603,603	\$ 111,956	\$ 116,965
Additions					
From Rates	2,010,823	\$3,010,483	\$6,055,705	\$8,490,236	\$9,021,233
From Capital Restricted Acct.	-	-	-	-	-
Interest Income	11,946	13,889	8,353	5,009	1,602
Total Additions	\$ 2,022,769	\$ 3,024,373	\$ 6,064,058	\$ 8,495,245	\$ 9,022,836
Interest Rate	1.4%	1.4%	1.4%	1.4%	1.4%
Deductions					
Existing Revenue Bond Debt Service	642,596	571,079	388,755	-	-
To Capital Restricted Acct.	1,500,000	-	500,000	-	-
Existing SRF Debt Service	684,922	817,966	817,365	816,710	817,802
Proposed SRF Debt Service	-	1,621,438	4,849,585	7,673,526	8,203,431
Total Deductions	\$ 2,827,518	\$ 3,010,483	\$ 6,555,705	\$ 8,490,236	\$ 9,021,233
Ending Cash Balance	\$ 589,714	\$ 603,603	\$ 111,956	\$ 116,965	\$ 118,568

Capital Spending Account					
Beginning Cash Balance	\$ 1,879,557	\$ 3,064,927	\$ 4,491,928	\$ 1,140,192	\$ 2,643,717
Additions					
From Rates	1,146,918	2,750,000	2,750,000	2,750,000	2,750,000
From DS Restricted Acct.	1,500,000	-	500,000	-	-
From Quarterly Billing Revenue Account	-	-	-	-	-
From Repayment To City Account	-	-	-	-	-
Interest income	26,314	34,611	52,898	39,425	26,487
Total Additions	\$ 2,673,232	\$ 2,784,611	\$ 3,302,898	\$ 2,789,425	\$ 2,776,487
Interest Rate	1.4%	1.4%	1.4%	1.4%	1.4%
Deductions					
To Debt Service Restricted Acct.	-	-	-	-	-
Capital Outlays	1,487,862	1,357,610	6,654,634	1,285,900	3,753,400
Total Deductions	\$ 1,487,862	\$ 1,357,610	\$ 6,654,634	\$ 1,285,900	\$ 3,753,400
Ending Cash Balance	\$ 3,064,927	\$ 4,491,928	\$ 1,140,192	\$ 2,643,717	\$ 1,666,805

Chemical Allowance Account					
Beginning Cash Balance	\$ 13,764	\$ 442	\$ 541	\$ 548	\$ 555
Additions					
From Water Rates					
335 Contribution to Chemical Restricted Account	669,000	682,444	682,444	682,444	682,444
Interest Income	193	99	7	8	8
Total Additions	\$ 669,193	\$ 682,544	\$ 682,451	\$ 682,452	\$ 682,452
Interest Rate	1.4%	1.4%	1.4%	1.4%	1.4%
Deductions					
335 Chemicals	682,515	682,444	682,444	682,444	682,444
Total Deductions	\$ 682,515	\$ 682,444	\$ 682,444	\$ 682,444	\$ 682,444
Ending Cash Balance	\$ 442	\$ 541	\$ 548	\$ 555	\$ 563

City of Newport, Rhode Island
 FY 2012 Rate Filing
 Restricted Accounts Balances

RFC Schedule 11

	Rate Year				
	2011	2012	2013	2014	2015
Electricity Account					
Beginning Cash Balance	\$ 163,900	\$ 174,905	\$ 177,277	\$ 179,742	\$ 182,241
Additions					
From Water Rates					
254 Contribution to Electricity Account	582,400	613,000	613,000	613,000	613,000
Interest Income	2,295	2,372	2,465	2,499	2,534
Total Additions	\$ 584,695	\$ 615,372	\$ 615,465	\$ 615,499	\$ 615,534
Interest Rate	1.4%	1.4%	1.4%	1.4%	1.4%
Deductions					
254 Electricity	573,689	613,000	613,000	613,000	613,000
Total Deductions	\$ 573,689	\$ 613,000	\$ 613,000	\$ 613,000	\$ 613,000
Ending Cash Balance	\$ 174,905	\$ 177,277	\$ 179,742	\$ 182,241	\$ 184,775
Retiree Insurance					
Beginning Cash Balance	\$ 29,804	\$ 52,570	\$ 53,311	\$ 54,063	\$ 54,825
Additions					
From Water Rates					
254 Contribution to Retiree Insurance Account	347,200	514,000	514,000	514,000	514,000
Contribution from Newport Water Cash Account					
Interest Income	417	741	752	762	773
Total Additions	\$ 347,617	\$ 514,741	\$ 514,752	\$ 514,762	\$ 514,773
Interest Rate	1.4%	1.4%	1.4%	1.4%	1.4%
Deductions					
254 Retiree Insurance	324,849	514,000	514,000	514,000	514,000
Total Deductions	\$ 324,849	\$ 514,000	\$ 514,000	\$ 514,000	\$ 514,000
Ending Cash Balance	\$ 52,570	\$ 53,311	\$ 54,063	\$ 54,825	\$ 55,598
Accrued Benefit Buyout					
Beginning Cash Balance	\$ 58,799	\$ 59,622	\$ 60,463	\$ 61,315	\$ 62,180
Additions					
From Water Rates					
Contribution to Accrued Benefit Buyout Account	175,000	175,000	175,000	175,000	175,000
Contribution from Newport Water Cash Account					
Interest Income	823	841	852	864	877
Total Additions	\$ 175,823	\$ 175,841	\$ 175,852	\$ 175,864	\$ 175,877
Interest Rate	1.4%	1.4%	1.4%	1.4%	1.4%
Deductions					
Accrued Benefit Buyout	175,000	175,000	175,000	175,000	175,000
Total Deductions	175,000	175,000	175,000	175,000	175,000
Ending Cash Balance	\$ 59,622	\$ 60,463	\$ 61,315	\$ 62,180	\$ 63,057

City of Newport, Rhode Island
 FY 2012 Rate Filing
 Restricted Accounts Balances

RFC Schedule 11

	Rate Year				
	2011	2012	2013	2014	2015
Salary and Wage Increase Account					
Beginning Cash Balance	\$ 91,328	\$ 184,880	\$ 187,487	\$ 190,130	\$ 192,811
Additions					
From Water Rates					
Contribution to Salary and Wage Increase Account	91,619	-	-	-	-
Interest Income	1,933	2,607	2,643	2,681	2,718
Total Additions	\$ 93,553	\$ 2,607	\$ 2,643	\$ 2,681	\$ 2,718
Interest Rate	1.4%	1.4%	1.4%	1.4%	1.4%
Deductions					
Withdrawals to Cover Salary and Wage Increases					
Total Deductions	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Cash Balance	\$ 184,880	\$ 187,487	\$ 190,130	\$ 192,811	\$ 195,529
Operating Revenue Allowance					
Beginning Cash Balance	\$ 122,032	\$ 366,699	\$ 639,486	\$ 914,183	\$ 1,190,803
Additions					
From Water Rates					
Contribution to Operating Revenue Allowance Account	243,813	270,220	270,220	270,220	270,220
Interest Income	854	2,567	4,476	6,399	8,336
Total Additions	\$ 244,667	\$ 272,787	\$ 274,697	\$ 276,620	\$ 278,556
Interest Rate	1.4%	1.4%	1.4%	1.4%	1.4%
Deductions					
Approved Withdrawals					
Total Deductions	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Cash Balance	\$ 366,699	\$ 639,486	\$ 914,183	\$ 1,190,803	\$ 1,469,359

City of Newport, Rhode Island
 FY 2012 Rate Filing
 Water Bills and Consumption

RFC Schedule A

Annual Consumption, by Class	FY 2008	FY 2009	FY 2010	FY 2012 Rate Year (1)	Docket No. 4025
	Residential	780,264	690,544	646,679	705,829
Commercial	481,398	494,616	431,782	469,265	462,927
Governmental	23,616	24,905	23,199	23,907	24,057
Navy	247,728	225,392	173,790	215,637	278,289
PWFD	473,338	444,777	412,324	443,480	451,640
Total (in 1000's Gallons)	2,006,344	1,880,234	1,687,775	1,858,117	1,970,329

Connection Size	Retail Accounts		Wholesale	
	Commercial	Residential	Navy	Portsmouth
5/8	682	10073		
3/4	223	2219	1	
1	182	363		
1.5	169	179		
2	187	75		
3	54	21		
4	13	2		1
5	1	0		
6	12	2	10	
8		2		
10			1	
Total	1523	12936	12	1

Billed Monthly	781
Billed Quarterly	13691
Billed Annually	369

Total Bills 64505

	Connection History					Rate Year FY 2012	
	Connection Size	June 30 2005	June 30 2006	June 30 2007	June 30 2008	Feb 28 2011	Number of Connections
Public Hydrants							
Newport	6	580	580	588	583	617	617
Middletown	6	394	394	408	408	408	408
Portsmouth	6	8	8	8	8	9	9
Subtotal: Public Hydrants		982	982	1004	999	1034	1034
Private Fire Connections							
<2		0	0	0	0		0
2		0	0	1	1	3	3
4		55	55	55	57	57	57
6		234	234	238	246	245	245
8		62	62	60	62	62	62
10		0	0	0	0	0	0
12		2	2	2	2	2	2
Subtotal: Private Fire Connections		353	353	356	368	369	369
Total Public and Private Fire Connections		1,335	1,335	1,360	1,367	1,403	1,403

(1) Projected rate year consumption for the Navy is based on information provided in the Navy response to NWD DR 1-5. Projected rate year consumption for PWFD is based on information provided by William McGlenn in email dated 11/10/08 and information provided in PWFD's response to NWD DR 2-17

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Administration
 15-500-2200

RFC Schedule B-1

Account	Description	Docket 4025	Actual FY 2010	Projected FY 2011	Proposed FY 2012
50001	Salaries & Wages				
	Director of LS12-H	\$ 60,298	\$ 59,620	\$ 59,620	\$ 63,851
	Aministrativ NO1-12	\$ 28,486	\$ 26,945	\$ 26,945	\$ 27,753
	Deputy Dire S10-I			\$ 39,533	\$ 58,372
	Deputy Dire S10-E	\$ 52,865	\$ 48,600	\$ 9,499	
	Deputy Dire S10-G	\$ 55,294	\$ 51,868	\$ 51,868	\$ 55,027
	Financial Ar NO2-17	\$ 67,594	\$ 66,880	\$ 66,880	\$ 68,886
	Total	\$ 265,000	\$ 253,913	\$ 254,345	\$ 274,000
50044	Standby Salaries	\$ 12,500	\$ 12,480	\$ 12,480	\$ 12,500
50520	Accrued Benefits Buyout	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000
50100	Employee Benefits				
	Director of Utilities - 60%	\$ 13,164	\$ 13,113	\$ 13,150	\$ 15,422
	Aministrative Secretary - 60%	\$ 15,953	\$ 16,038	\$ 17,393	\$ 20,013
	Deputy Director - Finance - 60%	\$ 23,286	\$ 20,861	\$ 18,536	\$ 19,609
	Deputy Director - Engineering - 60%	\$ 23,767	\$ 21,311	\$ 22,969	\$ 26,622
	Financial Analyst	\$ 23,063	\$ 21,596	\$ 22,227	\$ 38,839
	Benefits on standby salaries, buyout	\$ 1,140	\$ 8,134	\$ 14,526	\$ 14,527
	Total	\$ 96,500	\$ 101,052	\$ 108,801	\$ 136,000
50103	Retiree Insurance Coverage	\$ 347,200	\$ 324,849	\$ 398,000	\$ 514,000
	Blue Cross premiums increased 15.6% from 2010 to 2011				
	July 2010 premiums \$31,759/month = \$381,106 plus				
	2 mid year retirees at \$8,500 each in 2011				
	5% premium increase plus 4 additional retirees at \$18,500 each in 2012				
50105	Workers Compensation	\$ 114,000	\$ 67,174	\$ 69,000	\$ 71,000
	FY 2008 \$87,455, FY 2009 \$64,722				
	increase 3% per year				
50175	Annual Leave Buyback	1 employee \$ 2,400	\$ 1,378	\$ 2,400	\$ 2,400
50207	Advertisement	\$ 9,000	\$ 780	\$ 9,000	\$ 9,000

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Administration
 15-500-2200

RFC Schedule B-1

50210 Membership Dues & Subscriptions					
Utilities Director	\$ 408	\$ 274	\$ 408	\$ 408	
Laboratory Supervisor	\$ 245	\$ 40	\$ 266	\$ 266	
Supervisor treatment plants	\$ 356	\$ 40	\$ 266	\$ 266	
Distribution Supervisor	\$ 245	\$ 271	\$ 266	\$ 266	
Deputy Director - Finance	\$ 510	\$ 40	\$ 418	\$ 418	
Deputy Director - Engineering	\$ 365	\$ 271	\$ 344	\$ 344	
Water Meter Foreman	\$ 313	\$ 40	\$ 266	\$ 266	
Financial Analyst		\$ 40	\$ 266	\$ 266	
Other		\$ 340	\$	\$ -	
Total	\$ 2,500	\$ 1,356	\$ 2,500	\$ 2,500	
50212 Conferences & Training	\$ 2,500	\$ 160	\$ 2,500	\$ 4,000	
50214 Tuition Reimbursement	\$ 2,000	\$ 1,882	\$ 2,000	\$ 2,000	
50216 Water Management Study		\$ 58,443			
50220 Consultant Fees					
Legal Fees	\$ 116,500	\$ 77,035	\$ 125,000	\$ 125,000	
Financial Consultant	\$ 25,000	\$ 53,977	\$ 128,380	\$ 128,380	
Risk Management Study	\$ 10,000	\$ 5,060			
Other Fees	\$ 50,000		\$ 40,000	\$ 66,800	
RIPUC		\$ 61,333			
Bond Advisor		\$ 7,500	\$ 10,000	\$ 10,000	
Code Red				\$ 8,200	
Total	\$ 201,500	\$ 204,905	\$ 303,380	\$ 338,400	
50238 Postage	\$ 1,000	\$ 254	\$ 1,000	\$ 1,000	
50239 Fire & Liability Insurance	\$ 86,000	\$ 71,862	\$ 76,404	\$ 78,000	
2% increase per year					
50251 Telephone & Communication					
Arch Wireless	5 Pagers \$ 300	\$ 381	\$ 408	\$ 500	
Cell Phones	9 lines in FY \$ 8,000	\$ 4,262	\$ 4,653	\$ 5,000	
Total	\$ 8,300	\$ 4,644	\$ 5,100	\$ 5,500	

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Administration
 15-500-2200

RFC Schedule B-1

50305 Water

Gallons		53,000		78,887		75,000		75,000
water rate	\$	4.5400	\$	5.2500	\$	5.2500	\$	5.2500
water charge	\$	241	\$	414	\$	394	\$	394
billing charge	\$	159	\$	184	\$	184	\$	184
sewer charge	\$	337	\$	550	\$	764	\$	802
WQP charge	\$	15	\$	23	\$	22	\$	23
CSO charge	\$	272	\$	272	\$	496	\$	496
total	\$	1,050	\$	1,443	\$	1,900	\$	1,900

50306 Electricity

70 Halsey St.

3 yr avg

Kwh Annual usage		36,558		48,000		33,494		37,000		37,000
Base Electric rate	\$	0.09460	\$	0.09463	\$	0.09463	\$	0.09463	\$	0.09463
Electric charge including gross receiv taxes	\$	4,542	\$	3,305	\$	3,647	\$	3,647	\$	3,647
fixed charge	\$	150	\$	99	\$	86	\$	86	\$	86
delivery charges	\$	189	\$	80	\$	96	\$	96	\$	96
total cost	\$	2,712	\$	1,939	\$	1,976	\$	1,976	\$	1,976
	\$	8,000	\$	5,423	\$	6,000	\$	6,000	\$	6,000

50307 Natural Gas

3 yr avg

Therms Annual usage		4763		5,000		4,317		5,000		5,000
Therms Base Rate	\$	1.1255	\$	1.0801	\$	1.0801	\$	1.0801	\$	1.0801
Cost of Gas	\$	5,628	\$	4,663	\$	5,401	\$	5,401	\$	5,401
Fixed Charge	\$	567	\$	265	\$	223	\$	223	\$	223
Other charges	\$	1,449	\$	1,218	\$	1,411	\$	1,411	\$	1,411
Gross earnings Tax	\$	236	\$	190	\$	217	\$	217	\$	217
Total Cost	\$	8,000	\$	6,336	\$	7,252	\$	7,300	\$	7,300

50308 Property Taxes

Portsmouth	7 parcels	\$	114,273	\$	81,064	\$	81,323	\$	83,763
Tiverton	3 parcels	\$	24,313	\$	29,390	\$	31,438	\$	32,381
Little Compton	3 parcels	\$	11,012	\$	10,851	\$	12,530	\$	12,906
Middletown	21 parcels	\$	79,338	\$	86,230	\$	87,031	\$	89,643

Total \$ 229,000 \$ 207,535 \$ 213,761 \$ 219,000

50266 Legal & Administrative \$ 301,400 \$ 301,400 \$ 301,400 \$ 347,400

50267 Data Processing \$ 137,000 \$ 137,000 \$ 137,000 \$ 191,200

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Administration
 15-500-2200

RFC Schedule B-1

50268 Mileage Allowance	\$	2,000	\$	287	\$	2,000	\$	2,000
50271 Gasoline & Vehicle Allowance								
1 vehicle								
Fuel - Gallons		448		169		170		170
Fuel \$/Gallon	\$	2,385	\$	2,140	\$	2,700	\$	2,700
Fuel Cost	\$	1,068	\$	362	\$	459	\$	459
Parts/Labor	\$	6,375	\$	6,775	\$	6,910	\$	7,049
Insurance * included in parts/labor F	\$	1,037	\$	-	\$	-	\$	-
Total	\$	8,480	\$	7,137	\$	7,369	\$	7,600
50275 Repairs & Maintenance								
Halsey St smoke Detector Service	\$	800	\$	440	\$	450	\$	450
Other	\$	300	\$	135	\$	200	\$	400
Heater Maintenance	\$	100	\$	3,015	\$	350	\$	350
total	\$	1,200	\$	3,590	\$	1,000	\$	1,200
50280 Regulatory Expense (Printing and mailing CCR a	\$	10,000	\$	14,696	\$	10,000	\$	10,000
50281 Regulatory Assessment								
RIWWA - Assessment	\$	630	\$	630	\$	630	\$	630
RI Div of PUC - Assessment	\$	29,138	\$	22,185	\$	25,059	\$	25,059
RI Dept of Health - License	\$	16,302	\$	21,707	\$	21,707	\$	21,707
General Treasurer State of RI RIPDE	\$	700	\$	700	\$	700	\$	700
Total	\$	46,770	\$	45,221	\$	49,000	\$	49,000
50361 Office Supplies	\$	30,000	\$	15,756	\$	20,000	\$	20,000
50505 Self Insurance	\$	10,000	\$	-	\$	10,000	\$	10,000
50515 Unemployment Claims	\$	12,000	\$	-	\$	12,000	\$	12,000
Total	\$	2,130,300	\$	2,025,955	\$	2,200,592	\$	2,509,900

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Customer Service
 15-500-2209

RFC Schedule B-2

Account	Description		Docket 4025	Actual FY 2010	Projected FY 2011	Proposed FY 2012
50001	Salaries & Wages					
	Water Meter Repair	UT2A	\$40,934	\$39,425	\$34,647	\$36,757
	Water Meter Repair	UT2C	\$45,601	\$36,757	\$36,757	\$38,996
	Principal Account Clerk	UC2X	\$49,491	\$49,491	\$24,746	
	Principal Account Clerk				\$17,324	\$35,687
	Water Meter Repair	UT2X	\$42,818	\$41,865	\$43,852	\$46,483
	Maintenance Mechanic	UT3F	\$48,879	\$46,570	\$43,255	\$45,889
	Position to SSI Sr. Maintenance Mechanic	UT2A	\$46,822	\$0	\$0	\$0
	Water Meter Foreman	UT6D	\$51,493	\$49,870	\$49,508	\$52,523
	Total		\$326,100	\$263,978	\$250,088	\$256,400
	No change FY 2011, FY 2012 includes 3% COLA and step increases if applicable					
50002	Overtime					
		hours	643	654	643	300
		rate	\$33	\$ 33.83	\$ 33.00	\$ 33.99
		total	\$21,218	\$22,127	\$21,218	\$10,200
50004	Temp Salaries		\$22,800	\$22,917	\$21,280	\$10,200
50056	Injury Pay		\$0	\$0	\$0	\$0

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Customer Service
 15-500-2209

RFC Schedule B-2

50100 Employee Benefits

	Water Meter Repair	UT2A	\$16,410	\$9,186	\$26,827	\$31,054
	Water Meter Repair	UT2C	\$17,463	\$15,055	\$16,335	\$18,555
	Principal Account Clerk	UC2X	\$28,323	\$27,381	\$15,316	
	Principal Account Clerk				\$3,718	\$30,794
	Water Meter Repair	UT2X	\$26,822	\$26,055	\$30,073	\$33,411
	Maintenance Mechanic	UT3F	\$28,185	\$27,217	\$28,423	\$33,267
Position to SSI	Sr. Maintenance Mechanic	UT2A	\$27,722	\$0	\$0	\$0
	Water Meter Foreman	UT6D	\$28,773	\$27,959	\$30,591	\$34,874
	Benefits for OT, Injury & Annual leave Buyback		\$4,005	\$3,808	\$3,664	\$1,943
	Total		\$175,200	\$136,661	\$154,946	\$183,900

50175 Annual Leave B12 employees \$4,950 \$4,513 \$5,400 \$5,000

50205 Copying & binding \$1,000 \$550 \$800 \$500

50212 Conferences & Training \$5,000 \$850 \$5,000 \$5,000

50225 Support Services

	Printing & mailing (document technologies)		\$14,368	\$13,278	\$13,400	\$13,802
	Opal Maintenance Contract		\$3,500		\$5,500	\$5,700
	Billing Consultant for Opal Reporting		\$3,000		\$3,000	\$3,000
	Badger/orion service contract				\$2,950	\$3,500
	total		\$21,000	\$13,278	\$24,850	\$27,000

50238 Postage

	Mailing Service		\$30,444	\$29,622	\$30,511	\$31,426
	radio read mailings		\$3,528		\$0	\$0
	USPS		\$250	\$263	\$271	\$280
	total		\$34,300	\$29,886	\$30,800	\$31,800
	rate increase 3% per year					

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Customer Service
 15-500-2209

RFC Schedule B-2

50271 Gasoline & Vehicle Allowance	3 vehicles				
Fuel - Gallons		2,355	1,828	1,828	1,828
Fuel \$/Gallon		\$2.39	\$2.14	\$2.70	\$2.70
Fuel Cost		\$5,616	\$3,920	\$4,936	\$4,936
Parts/Labor		\$19,126	\$27,489	\$28,485	\$28,485
Insurance * included in parts/labor		\$3,110	\$0	\$0	\$0
Total		\$27,852	\$31,408	\$33,421	\$33,500
50275 Repairs & Maintenance					
Small Meters		\$23,415		\$17,415	\$11,000
Large Meters		\$11,340	\$12,133	\$14,340	\$20,700
Meter Pits		\$2,100		\$2,100	\$3,500
Strainers		\$1,995		\$1,995	\$2,300
Customer repairs			\$5,879	\$3,000	\$0
meter gun repair		\$2,625	\$1,595	\$2,625	\$2,500
total		\$41,500	\$19,606	\$41,475	\$40,000
50299 Meter Maintenance					
Appurtenant piping, tail pieces,ss fasteners		\$7,200	\$6,536	\$7,200	\$4,300
Annual Calibration of Navy meters		\$1,700	\$900	\$1,700	\$1,700
reducing flanges		\$2,100	\$747	\$2,100	\$4,000
total		\$11,000	\$8,183	\$11,000	\$10,000
50311 Operating Supplies					
Repair External meter devices		\$2,500		\$2,500	\$2,500
new tool & misc costs		\$2,500	\$1,604	\$2,500	\$2,500
gas detectors		\$2,000		\$0	\$0
confined space entry equipment		\$2,000		\$2,000	\$0
Total		\$9,000	\$1,604	\$7,000	\$5,000

Newport Water Division
Budget for Rate Filing
FY 2012

Customer Service

15-500-2209

RFC Schedule B-2

50320 Uniforms & protective Gear	\$1,000	\$28	\$1,000	\$1,000
----------------------------------	---------	------	---------	---------

50380 Customer Service Supplies	\$15,000	\$0	\$5,000	\$10,000
---------------------------------	----------	-----	---------	----------

Total	\$716,920	\$555,590	\$613,278	\$629,500
--------------	------------------	------------------	------------------	------------------

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Source of Supply - Island
 15-500-2212

RFC Schedule B-3

Account	Description	Docket 4025	Actual FY 2010	Projected FY 2011	Proposed FY 2012
50001	Salaries & Wages				
	Supervisor Water Dist/Coll 50%	\$ 39,526	\$ 33,639	\$ 31,715	\$ 33,647
position tr	Position from Distribution/Collection Foreman		\$ 48,964	\$ 49,043	\$ 52,029
	Distribution/Collection Mechanic	\$ 51,003	\$ 46,672	\$ 45,758	\$ 49,546
	Distribution/Collection Operator	\$ 42,945	\$ 40,772	\$ 40,772	\$ 41,995
	Distribution/Collection Operator	\$ 44,560	\$ 41,763	\$ 41,763	\$ 44,409
	Distribution/Collection Operator	\$ 48,085	\$ 11,384	\$ 37,312	\$ 39,584
	Laborer	\$ 37,840	\$ 34,647	\$ 34,647	\$ 36,757
	adjustment for vacancies	\$ (47,121)			
	Total	\$ 216,900	\$ 257,841	\$ 281,010	\$ 298,000
	No change FY 2011, FY 2012 includes 3% COLA and step increases if applicable				
50002	Overtime				
	hours	871	395	871	871
	rate	\$ 32.37	\$ 32.22	\$ 32.22	\$ 33.18
	total	\$ 28,200	\$ 12,726	\$ 28,062	\$ 29,000
50004	Temp Salar plan 19 weeks @\$12/hour actual 10 weeks in FY 2010	\$ 10,000	\$ 4,896	\$ 10,000	\$ 10,000
50056	Injury Pay	\$ -	\$ -	\$ -	\$ -

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Source of Supply - Island
 15-500-2212

RFC Schedule B-3

50100 Employee Benefits

Supervisor Water Dist/Coll 50%	\$	17,432	\$	19,944	\$	15,186	\$	19,227
Distribution/Collection Foreman	\$	28,663	\$	28,282	\$	30,816	\$	34,754
Distribution/Collection Mechanic			\$	11,881	\$	11,616	\$	13,082
Distribution/Collection Operator	\$	26,850	\$	16,129	\$	16,987	\$	19,282
Distribution/Collection Operator	\$	27,213	\$	25,860	\$	29,164	\$	32,908
Distribution/Collection Operator	\$	18,024			\$	16,001	\$	18,698
Laborer	\$	15,711	\$	24,547	\$	27,046	\$	31,054
Benefits for OT, Temp & Annual leave Buyback	\$	3,373	\$	375	\$	3,394	\$	3,465
Adjustment for vacancies	\$	(26,005)						
Total	\$	111,296	\$	127,018	\$	150,210	\$	172,500

50175 Annual Leave Buyback	4 employees	\$	6,300	\$	5,894	\$	6,300	\$	6,300
----------------------------	-------------	----	-------	----	-------	----	-------	----	-------

50306 Contribution to Electricity Restricted Account
 St Mary's & Paradise Pumping Stations

3 yr Avg

Annual KWH Usage	185743	238,000	103,470	238,000	238,000				
KWH Base rate		\$0.0946	\$	0.0986	\$	0.0986	\$	0.0986	
cost of Supply (incl GRT)		\$	22,522	\$	10,199	\$	24,438	\$	24,438
taxes		\$	939	\$	329	\$	707	\$	707
fixed charge		\$	1,313	\$	1,399	\$	1,596	\$	1,596
delivery charge		\$	9,270	\$	6,681	\$	15,368	\$	15,368
total cost		\$	34,100	\$	18,608	\$	42,108	\$	43,000

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Source of Supply - Island
 15-500-2212

RFC Schedule B-3

50271 Gas/Vehicle Maintenance	5 vehicles				
diesel gallons		556	449	449	449
cost/gallon	\$	3.0325	\$ 2.4650	\$ 3.2500	\$ 3.2500
diesel cost	\$	1,687	\$ 1,106	\$ 1,458	\$ 1,458
gasoline gallons		2,346	2,424	2,424	2,424
cost/gallon	\$	2.3850	\$ 2.1402	\$ 2.7000	\$ 2.7000
gasoline cost	\$	5,596	\$ 5,188	\$ 6,545	\$ 6,545
total fuel cost	\$	7,283	\$ 6,294	\$ 8,002	\$ 8,002
parts/labor	\$	35,757	\$ 48,566	\$ 50,646	\$ 50,646
insurance	\$	5,183	\$ -	\$ -	\$ -
total	\$	48,300	\$ 54,860	\$ 58,648	\$ 58,700
50275 Repairs & Maintenance					
minor repairs to pump stations	\$	1,000	\$ 279	\$ 1,000	\$ 2,000
equipment repairs/boat motor/chain saw etc	\$	1,500	\$ 251	\$ 1,500	\$ 1,500
Door Repair Paradise pump stn	\$	2,000		\$ 2,000	
Roof Repairs paradise pump stn	\$	2,000		\$ 2,000	
Pump Stn Annual service Agreement- VFD warranty	\$	1,800			\$ 3,500
total	\$	8,300	\$ 530	\$ 6,500	\$ 7,000
50277 Reservoir Maintenance					
Tree Removal	\$	2,000		\$ 2,300	\$ 1,000
Dam improvement repairs (gravel, riprap, gabions, etc.)	\$	13,000		\$ 5,000	\$ 5,000
sign installation & Maintenance	\$	1,000		\$ 3,000	\$ 3,000
dam inspections	\$	7,000		\$ 5,000	\$ 5,000
Fence repair	\$	2,000		\$ 2,000	\$ 2,000
other			\$	423	
total	\$	25,000	\$ 423	\$ 17,300	\$ 16,000

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Source of Supply - Island
 15-500-2212

RFC Schedule B-3

50311 Operating Supplies

machine & tool lubricant	\$ 1,000	\$ 202	\$ 1,000	\$ 1,000
grease guns	\$ 250		\$ 250	\$ 250
Brush cutter/mower	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
parts for trackless			\$ 800	\$ -
small mower replacement				\$ 4,000
coppering bags		\$ 704		
other		\$ 1,946		
replacement blades/brush cutting	\$ 1,500	\$ 847	\$ 700	\$ 1,500
Total	\$ 3,750	\$ 4,699	\$ 3,750	\$ 7,800

50320 Uniforms & protective Gear

	\$ 750	\$ 106	\$ 750	\$ 700
--	--------	--------	--------	--------

50335 Chemicals

copper sulfate usage in lbs	28,000	39,000	34,000	39,000
cost/lb	\$ 1.9100	\$ 1.9100	\$ 1.4400	\$ 1.9100
total copper sulfate	\$ 53,480	\$ 74,490	\$ 48,960	\$ 74,490
total cost	\$ 54,000	\$ 74,490	\$ 48,960	\$ 74,490
total	\$ 546,896	\$ 562,091	\$ 653,598	\$ 723,490

Account	Description	Docket 4025	Actual FY 2010	Projected FY 2011	Proposed FY 2012
50002	Overtime				
	hours	250	141	137	137
	rate	\$ 18.00	\$ 27.25	\$ 32.72	\$ 33.70
	total	\$ 4,500	\$ 3,842	\$ 4,483	\$ 4,700
50004	Temp Salaries				
	hours	\$ 1,272	663	1,272	1,272
	rate	\$ 12	\$ 10	\$ 12	\$ 12
	total	\$ 15,300	\$ 6,630	\$ 15,300	\$ 15,300
50005	Permanent Part time	\$ 13,000	\$ 5,200	\$ 10,400	\$ 13,000
50100	Employee Benefits				
	Benefits for OT, Temp & part time	\$ 2,600	\$ 1,456	\$ 2,309	\$ 2,600
50306	Contribution to Electricity Restricted Account				
	Nonquit pumping Station				
		3 yr average			
	Annual KWH Usage	479,994	647,000	348,853	647,000
	KWH Base rate		\$0.09463	\$0.09857	\$0.09857
	cost of Supply (incl GRT)	\$ 61,226	\$ 34,387	\$ 66,434	\$ 66,434
	taxes	\$ 2,553	\$ 1,040	\$ 2,150	\$ 2,150
	fixed charge	\$ 2,917	\$ 4,457	\$ 9,096	\$ 9,096
	delivery charge	\$ 25,807	\$ 20,801	\$ 42,508	\$ 42,508
	total cost	\$ 92,600	\$ 60,685	\$120,189	\$120,200
50275	Repairs & Maintenance				
	Stonkus Hydraulic Annual Contract	\$ 1,800	\$ 2,184	\$ 2,200	\$ 2,200
	Doors @ pumping Station	\$ 4,000	\$ 98	\$ 4,000	
	Excavator rental		\$ 2,750	\$ -	
	Repair heaters		\$ 646	\$ -	
	other		\$ 690	\$ -	\$ 2,000
	emergency repairs	\$ 3,000		\$ 2,600	\$ 3,000
	total	\$ 8,800	\$ 6,368	\$ 8,800	\$ 7,200

Newport Water Division
 Budget for Rate Filing
 FY 2012

Docket No. XXXX

Source of Supply - Mainland
 15-500-2213

RFC Sche B-4

50277 Reservoir Maintenance

Tree Removal	\$ 1,000		\$ 500	\$ 500
Dam improvement repairs (gravel, riprap, gabions, e	\$ 3,000		\$ 2,000	\$ 2,000
dam inspections	\$ 2,000		\$ 2,000	\$ 2,000
total	\$ 6,000	\$ -	\$ 4,500	\$ 4,500

50311 Operating Supplies

machine & tool lubricant, grease guns, etc	\$ 500	\$ -	\$ 500	\$ 500
--	--------	------	--------	--------

total	\$ 143,300	\$ 84,181	\$166,480	\$168,000
--------------	-------------------	------------------	------------------	------------------

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Station One
 15-500-2222

RFC Schedule B-5

Account	Description	Docket 4025	Actual FY 2010	Projected FY 2011	Proposed FY 2012
50001	Salaries & Wages				
	Water Quality Production Supv (50% SO8D Assistant WQP Supervisor (50%) SO6D	\$ 35,145	\$ 35,249	\$ 33,932	\$ 36,347
	Water Plant Foreman Operator(50%)	\$ 24,784		\$ -	\$ 31,162
	Acting Foreman				\$ 27,113
	Water Plant Operator - Grade 3 UT4F	\$ 54,458	\$ 49,580	\$ 49,586	\$ 36,757
	Water Plant Operator - Grade 3 UT4F	\$ 52,201	\$ 49,357	\$ 49,357	\$ 52,362
	Water Plant Operator - Grade 3 UT4B	\$ 51,516	\$ 41,867	\$ 41,873	\$ 44,432
	Water Plant Operator - Grade 3 UT4F	\$ 51,347	\$ 49,190	\$ 49,201	\$ 52,251
	Water Plant Operator - Grade 3 UT4C	\$ 46,413	\$ 44,103	\$ 44,097	\$ 46,746
	Water Plant Operator - Grade 3 UT4D	\$ 45,528	\$ 44,369	\$ 44,375	\$ 45,743
	Water Plant Operator - Grade 2 UT3B	\$ 41,377	\$ 39,123	\$ 39,137	\$ 41,521
	Water Plant Operator - Grade 1 UT2A	\$ 38,618	\$ 35,387	\$ 35,229	\$ 36,757
	Total	\$ 441,500	\$ 388,225	\$ 386,787	\$ 451,200
	No change FY 2011, FY 2012 includes 3% COLA and step increases if applicable				
50002	Overtime				
	hours	1,900	2,767	2,800	1,900
	rate	\$ 30.57	\$ 30.67	\$ 30.67	\$ 31.59
	total	\$ 58,100	\$ 84,862	\$ 85,876	\$ 60,100
50003	Holiday Pay				
	Operators	9.0	8.0	8.0	8.5
	Holidays	12	12	12	12
	Hours/Holiday	8	8	8	8
	Average Pay Rate	\$ 22	\$ 20.28	\$ 20.28	\$ 20.89
	Total	\$ 19,100	\$ 15,575	\$ 15,575	\$ 17,100

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Station One
 15-500-2222

RFC Schedule B-5

50100 Employee Benefits

Water Quality Production Supv (50% SO8D	\$	16,446	\$	16,065	\$	17,197	\$	19,881
Assistant WQP Supervisor (50%) SO6D	\$	14,190					\$	18,470
Water Plant Foreman Operator(50%)	\$	-	\$	-			\$	17,643
Water Plant Operator - Grade 3 UT4F	\$	29,440	\$	28,084	\$	30,601	\$	31,054
Water Plant Operator - Grade 3 UT4F	\$	28,932	\$	27,860	\$	30,601	\$	34,835
Water Plant Operator - Grade 3 UT4B	\$	28,778	\$	25,630	\$	28,462	\$	32,789
Water Plant Operator - Grade 3 UT4F	\$	28,740	\$	27,726	\$	30,240	\$	34,684
Water Plant Operator - Grade 3 UT4C	\$	17,647	\$	9,780	\$	10,782	\$	12,278
Water Plant Operator - Grade 3 UT4D	\$	27,432	\$	25,985	\$	27,046	\$	33,107
Water Plant Operator - Grade 2 UT3B	\$	26,497	\$	25,452	\$	27,867	\$	32,084
Water Plant Operator - Grade 1 UT2A	\$	15,887	\$	16,036	\$	17,619	\$	31,054
Benefits for OT, Annual leave Buyback, Holidays	\$	3,011	\$	7,788	\$	8,140	\$	6,288
Total	\$	237,000	\$	210,406	\$	228,555	\$	304,200

50175 Annual Leave Buyback		3 employees	\$	4,950	\$	4,907	\$	4,950	\$	5,000
----------------------------	--	-------------	----	-------	----	-------	----	-------	----	-------

50212 Conferences & Training

RIDOH Required Certifications for 10 employees	\$	2,000			\$	2,000	\$	2,200
Supv/Plant Prod - RIWWA	\$	120	\$	40	\$	120	\$	150
Supv/Plant Prod - NEWWA	\$	550			\$	550	\$	550
Conferences & Training	\$	500	\$	59	\$	500	\$	600
Training, travel	\$	2,330			\$	2,330	\$	1,000

total	\$	5,500	\$	99	\$	5,500	\$	4,500
-------	----	-------	----	----	----	-------	----	-------

50239 Fire & Liability Insurance

RI Interlocal	\$	12,700	\$	10,496	\$	10,706	\$	11,000
---------------	----	--------	----	--------	----	--------	----	--------

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Station One
 15-500-2222

RFC Schedule B-5

50306 Contribution to Electricity Restricted Account
 100 Bliss Mine Rd

	3 yr average				
Annual KWH Usage	1,841,333	1,870,000	2,007,360	2,008,000	2,008,000
KWH Base rate		\$ 0.0946	\$ 0.0946	\$ 0.0946	\$ 0.0946
cost of Supply (incl GRT)		\$ 176,958	\$ 197,816	\$ 197,935	\$ 197,935
taxes		\$ 7,379	\$ 2,615	\$ 2,736	\$ 2,736
fixed charge		\$ 2,837	\$ 4,891	\$ 4,891	\$ 4,891
delivery charge		\$ 60,261	\$ 60,748	\$ 60,767	\$ 60,767
total cost		\$ 247,500	\$ 266,070	\$ 266,329	\$ 266,000

50307 Natural Gas

	3 yr average				
Therms Annual usage	15636	15,600	15,555	16,500	16,500
Therms Base Rate		\$ 1.1056	\$ 1.0859	\$ 1.0801	\$ 1.0801
Cost of Gas		\$ 17,247	\$ 16,891	\$ 17,822	\$ 17,822
Fixed Charges		\$ 920	\$ 2,505	\$ 2,543	\$ 2,543
Other charges		\$ 4,368	\$ 2,988	\$ 3,156	\$ 3,156
Gross earnings Tax		\$ 696	\$ 688	\$ 729	\$ 729
Total Cost		\$ 23,300	\$ 23,072	\$ 24,250	\$ 24,300

50260 Rental of Equipment

Dumpster Rentals		\$ 431	\$ 381	\$ 400	\$ 400
chemical cylinders		\$ 569	\$ 114	\$ 200	\$ 200
total		\$ 1,000	\$ 495	\$ 600	\$ 600

50305 Sewer Charge

Gallons		28,260,000	25,818,000	27,000,000	27,000,000
\$/Gal		\$ 0.0065	\$ 0.0068	\$ 0.0102	\$ 0.0118
Cost		\$ 184,000	\$ 175,564	\$ 275,000	\$ 317,000

2008	28255900
2009	26044000
2010	25818000

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Station One
 15-500-2222

RFC Schedule B-5

50271 Gas/Vehicle Maintenance	1 vehicle				
gasoline gallons		274	257	257	257
cost/gallon	\$	2,3850	\$ 2,1314	\$ 2,1314	\$ 2,1314
gasoline cost	\$	653	\$ 548	\$ 548	\$ 548
parts/labor	\$	6,375	\$ 6,776	\$ 6,776	\$ 6,776
insurance	\$	1,037	\$ -	\$ -	\$ -
total	\$	8,100	\$ 7,324	\$ 7,324	\$ 7,400
50275 Repairs & Maintenance					
Painting, welding materials, tools and gases	\$	3,000		\$ 1,000	\$ 1,000
Fire Alarm Panel Upgrade					\$ 3,000
Air handling, clarifier, filter repair & maint	\$	4,000		\$ 2,000	\$ 1,000
A/C, heating and hot water repairs	\$	2,000		\$ 1,000	\$ 1,000
Spare parts, analyzer maintenance/replacement	\$	3,000	\$ 408	\$ 3,000	\$ 5,000
Building maint, qtrly fire alarm testing, fire extinguisher inspection	\$	1,000	\$ 1,708	\$ 1,700	\$ 1,900
Tank inspections required by RIDOH	\$	2,000		\$ 1,000	\$ 1,000
Valve update/replacement, pump O&M	\$	5,000	\$ 1,116	\$ 2,000	\$ 2,000
Service contract for Plant VFD's					\$ 2,100
Surge tank and component maintenance	\$	1,000		\$ 1,000	\$ 1,000
Standby Power Repairs					\$ 2,000
Replace Raw Water Aeration Blowers					\$ 2,000
Loading Dock Door Repair	\$	3,000		\$ 3,000	\$ -
Sump Pump Replacement	\$	1,000			\$ -
Clear well roof	\$	8,000			\$ -
Filter Effluent Valve Replacement				\$ 9,000	
Rapid mix, chemfeed, VFD O&M	\$	2,000	\$ 787		\$ 2,000
Roof repairs				\$ 10,000	
total	\$	35,000	\$ 4,020	\$ 35,000	\$ 25,000

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Station One
 15-500-2222

RFC Schedule B-5

50311 Operating Supplies

Machine, pump supplies, bearings, pump packing, seals,
 drill bits, sandpaper, fasteners, miscellaneous tools, V belts,
 gauges, electrical/test meters
 Generator Service - Ralco
 Transfer Switch Service - NET&S
 Instrumentation - ABB
 SCADA Service - R E Erickson

\$	1,600	\$	459	\$	1,600	\$	1,600
\$	1,500	\$	1,506	\$	1,500	\$	1,500
\$	700	\$	600	\$	700	\$	700
\$	11,500	\$	11,220	\$	11,500	\$	11,500
\$	12,500	\$	<u>11,400</u>	\$	12,500	\$	12,500
\$	27,800	\$	25,185	\$	27,800	\$	27,800

Total

50320 Uniforms & protective Gear

\$	1,350	\$	-	\$	1,000	\$	1,000
----	-------	----	---	----	-------	----	-------

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Station One
 15-500-2222
 50335 Chemicals

RFC Schedule B-5

Alum quantity		412,431		365,625		372,614		373,000
Unit Cost	\$	0.2100	\$	0.2100	\$	0.1840	\$	0.2050
Alum Total Cost	\$	86,611	\$	76,781	\$	68,561	\$	76,465
Chlorine quantity		57,380		52,210		51,800		52,200
Unit Cost	\$	0.4750	\$	0.4750	\$	0.4250	\$	0.4750
Chlorine Total Cost	\$	27,256	\$	24,800	\$	22,015	\$	24,795
Flouride quantity		18,195		20,204		19,183		20,200
Unit cost	\$	0.4190	\$	0.4187	\$	0.4574	\$	0.4187
Flouride Total Cost	\$	7,624	\$	8,459	\$	8,774	\$	8,458
Sodium chlorite quantity		99,725		146,691		170,000		147,000
Unit Cost	\$	0.9860	\$	0.9860	\$	0.7800	\$	0.9860
Sodium chlorite total Cost	\$	98,329	\$	144,637	\$	132,600	\$	144,942
Polymer		1,320		1,375		1,228		1,300
Unit Cost	\$	7.2160	\$	7.2160	\$	7.6500	\$	7.6500
Polymer Total Cost	\$	9,525	\$	9,922	\$	9,394	\$	9,945
Sodium Hydroxide quantity		96,400		79,000		79,000		79,000
Unit Cost	\$	0.8349	\$	0.8349	\$	0.6298	\$	0.8349
Sodium Hydroxide total cost	\$	80,484	\$	65,957	\$	49,754	\$	65,957
GAC quantity		1,640		1,640		1,640		1,640
Unit Cost	\$	54.3300	\$	48.4100	\$	48.4100	\$	48.4100
GAC Total Cost	\$	89,100	\$	79,392	\$	79,392	\$	79,392
total	\$	398,928	\$	409,949	\$	370,491	\$	409,954
rounded	\$	399,000	\$	409,949	\$	371,000	\$	410,000
total	\$	1,705,900	\$	1,626,249	\$	1,746,252	\$	1,932,200

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Lawton Valley
 15-500-2223

RFC Schedule B-6

Account	Description	Docket 4025	Actual FY 2010	Projected FY 2011	Proposed FY 2012
50001	Salaries & Wages				
	Water Quality Production Supv (50 SO8D	\$ 35,145	\$ 35,249	\$ 33,932	\$ 36,347
	Assistant WQP Supervisor (50% SO6D	\$ 24,874		\$ -	\$ 31,162
	Water Plant Foreman Operator(50%)	\$ 52,163			\$ 27,113
Acting Foreman	Water Plant Operator - 3 UT4G	\$ 53,208	\$ 50,940	\$ 54,014	\$ 54,226
	Water Plant Operator - 3 UT4F	\$ 52,306	\$ 49,357	\$ 50,837	\$ 52,362
	Water Plant Operator - 3 UT4F	\$ 51,356	\$ 49,293	\$ 51,339	\$ 52,496
	Water Plant Operator - 3 UT4D	\$ 45,580	\$ 44,386	\$ 44,995	\$ 47,093
	Water Plant Operator - 3 UT4C	\$ 44,617	\$ 43,132	\$ 43,683	\$ 45,743
	Water Plant Operator - 3 UT2D	\$ 38,618	\$ 38,637	\$ 38,995	\$ 40,913
	Water Plant Operator - 3 UT2A	\$ 50,550	\$ 35,330	\$ 35,686	\$ 37,506
	Water Plant Operator - 3 UT2A	\$ 51,628	\$ 34,647	\$ 35,686	\$ 36,757
	Total	\$ 500,100	\$ 380,971	\$ 389,167	\$ 461,800
	No change FY 2011, FY 2012 includes 3% COLA and step increases if applicable				
50002	Overtime				
	hours	1,201	1,166	1,200	1,200
	rate	\$ 34.96	\$ 30.47	\$ 30.47	\$ 31.38
	total	\$ 42,400	\$ 35,524	\$ 36,560	\$ 37,700
50003	Holiday Pay				
	Operators	9	8	8	8.5
	Holidays	12	12	12	12
	Hours/Holiday	8	8	8	8
	Average Pay Rate	\$ 22.04	\$ 19.94	\$ 19.94	\$ 20.54
	Total	\$ 20,000	\$ 15,314	\$ 15,314	\$ 16,800

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Lawton Valley
 15-500-2223

RFC Schedule B-6

50100 Employee Benefits

Water Quality Production Supv (50 SO8D	\$	16,446	\$	16,065	\$	17,197	\$	19,881
Assistant WQP Supervisor (50% SO6D	\$	14,190					\$	18,470
Water Plant Foreman Operator(50%)	\$	28,924	\$	-			\$	17,643
Water Plant Operator - 3 UT4G	\$	27,226	\$	28,207	\$	30,905	\$	35,287
Water Plant Operator - 3 UT4F	\$	28,956	\$	27,860	\$	29,047	\$	33,610
Water Plant Operator - 3 UT4F	\$	28,742	\$	27,939	\$	30,342	\$	34,743
Water Plant Operator - 3 UT4D	\$	27,443	\$	26,595	\$	29,006	\$	33,434
Water Plant Operator - 3 UT4C	\$	28,804	\$	26,391	\$	28,730	\$	33,107
Water Plant Operator - 3 UT2D	\$	15,887	\$	23,495	\$	27,743	\$	31,937
Water Plant Operator - 3 UT2A	\$	28,561	\$	17,313	\$	27,046	\$	31,111
Water Plant Operator - 3 UT2A	\$	29,241	\$	11,004	\$	18,004	\$	18,803
Benefits for OT, Holidays, & Annual leave)	\$	1,100	\$	4,224	\$	4,263	\$	4,475
Total	\$	275,500	\$	209,093	\$	242,283	\$	312,600

50175 Annual Leave Buyback 2 employees \$ 3,850 \$ 3,861 \$ 3,850 \$ 4,000

50212 Conferences & Training
 RIDOH Required Certifications for 10 employees \$ 2,000 \$ 2,000 \$ 2,000
 Conferences & Training \$ 1,500 \$ 59 \$ 1,500 \$ 1,000
 total \$ 3,500 \$ 59 \$ 3,500 \$ 3,000

50239 Fire & Liability Insurance
 RI Interlocal \$ 13,600 \$ 11,239 \$ 11,464 \$ 11,700

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Lawton Valley
 15-500-2223

RFC Schedule B-6

50306 Contribution to Electricity Restricted Account

Lawton Valley Treatment plant & pumping station

3 yr average

Annual KWH Usage	1,120,018	1,317,000	1,114,160	1,115,000	1,115,000
KWH Base rate		\$ 0.0946	\$ 0.0946	\$ 0.0946	\$ 0.0946
cost of Supply (incl GRT)		\$ 124,628	\$ 109,826	\$ 109,909	\$ 109,909
taxes		\$ 5,197	\$ 1,923	\$ 1,937	\$ 1,937
fixed charge		\$ 4,078	\$ 6,147	\$ 6,147	\$ 6,147
delivery charge		\$ 46,714	\$ 40,316	\$ 40,346	\$ 40,346
total cost		\$ 180,600	\$ 158,212	\$ 158,340	\$ 159,000

50307 Natural Gas

3 yr average

CCF Annual usage	19277	19,250	20,733	20,750	20,750
CCF Base Rate		\$ 1.1264	\$ 1.0817	\$ 1.0801	\$ 1.0801
Cost of Gas		\$ 21,683	\$ 22,426	\$ 22,412	\$ 22,412
Fixed Charge		\$ 708	\$ 2,862	\$ 2,705	\$ 2,705
Other charges		\$ 5,579	\$ 3,889	\$ 3,893	\$ 3,893
Gross earnings Tax		\$ 796	\$ 888	\$ 899	\$ 899
Total Cost		\$ 28,900	\$ 30,065	\$ 30,000	\$ 30,000

50260 Rental of Equipment

Dumpster Rentals		\$ 300	\$ 375	\$ 300	\$ 300
chemical cylinders		\$ 200	\$ 31	\$ 200	\$ 200
total		\$ 500	\$ 406	\$ 500	\$ 500

50305 Sewer Charge

Gallons		37,230,000	31,154,000	32,000,000	32,000,000
\$/Gal		\$ 0.0065	\$ 0.0068	\$ 0.0102	\$ 0.0118
Cost		\$ 242,000	\$ 211,849	\$ 326,080	\$ 376,000

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Lawton Valley
 15-500-2223

RFC Schedule B-6

50271 Gas/Vehicle Maintenance	1 vehicle					
gasoline gallons		196		514		514
cost/gallon			\$ 2.3850	\$ 2.1503	\$ 2.1503	\$ 2.1503
gasoline cost		\$ 468		\$ 1,104	\$ 1,104	\$ 1,104
parts/labor		\$ 6,860		\$ 6,777	\$ 6,777	\$ 6,777
insurance		\$ 1,037		\$ -		
total		\$ 8,400		\$ 7,882	\$ 7,882	\$ 7,900
50275 Repairs & Maintenance						
Painting, welding materials, tools and gases		\$ 6,000		\$ 2,000	\$ 1,000	
Pulsator Repair & Modifications		\$ 5,000		\$ 2,000	\$ -	
Electrical Controls & Instrumentation supplies, filters, repair & maintenance, troubleshooting		\$ 9,000	\$ 2,310	\$ 3,000	\$ 3,000	
Building Maintenance, floors, heat & hot water		\$ 4,000	\$ 3,506	\$ 4,000	\$ 3,000	
Valve update/replacement, pump O&M		\$ 8,000	\$ 121	\$ 2,100	\$ 2,000	
Priming sytem maintenance, spare parts, rapid mix chem feed & Forest Ave.		\$ 5,000	\$ 392	\$ 5,000	\$ 3,000	
Aeration compressor Service			\$ 1,940	\$ 2,000	\$ 2,000	
Rebuild 2MG Raw Water Pump			\$ 3,421	\$ 2,000	\$ 2,000	
Calibrate venturi meters				\$ 1,900	\$ 1,900	
Repair 4MG raw Water Pump			\$ 5,825			
Repair Residual Pump			\$ 16,739			
Maintain constructed Wetlands				\$ 5,000	\$ 7,700	
Clean Residuals Tank					\$ 6,000	
RIDOH Tank inspections		\$ 3,000	\$ 7,790	\$ -	\$ 3,000	
Remove Trees over clear well		\$ 3,000		\$ 1,000		
Fire Alarm testing		\$ 400	\$ 240	\$ 400	\$ 400	
Roof repairs			\$ -	\$ 10,000		
total		\$ 43,400	\$ 42,284	\$ 40,400	\$ 35,000	

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Lawton Valley
 15-500-2223

RFC Schedule B-6

50311 Operating Supplies

Machine, pump supplies, bearings, pump packing, seals, drill bits, sandpaper, fasteners, miscellaneous tools, V belts, gauges, electrical/test meters	\$	4,500	\$	981	\$	4,500	\$	4,500
Generator Service - Ralco	\$	2,000	\$	2,131	\$	2,000	\$	2,000
Transfer Switches Service - NET&S	\$	300	\$	300	\$	300	\$	300
Harbor controls contract	\$	12,700	\$	10,000	\$	11,000	\$	11,000
Elevator Maintenance	\$	2,500	\$	2,086	\$	2,500	\$	2,500
Total	\$	22,000	\$	15,498	\$	20,300	\$	20,300

50320 Uniforms & protective Gear	\$	1,000	\$	-	\$	1,000	\$	1,000
----------------------------------	----	-------	----	---	----	-------	----	-------

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Lawton Valley
 15-500-2223
 50335 Chemicals

RFC Schedule B-6

Alum quantity		382,540		311,809		327,173		312,000
Unit Cost	\$	0.2100	\$	0.2100	\$	0.1840	\$	0.2100
Alum Total Cost	\$	80,333	\$	65,480	\$	60,200	\$	65,520
Chlorine quantity		39,130		34,462		35,200		34,000
Unit Cost	\$	0.4750	\$	0.4750	\$	0.4250	\$	0.4750
Chlorine Total Cost	\$	18,587	\$	16,369	\$	14,960	\$	16,150
Flouride quantity		16,329		5,755		9,184		10,000
Unit cost	\$	0.4190	\$	0.4187	\$	0.4574	\$	0.4574
Flouride Total Cost	\$	6,842	\$	2,410	\$	4,201	\$	4,574
Sodium chlorite quantity		57,553		58,544		59,139		65,000
Unit Cost	\$	0.9860	\$	0.9860	\$	0.7800	\$	0.8550
Sodium chlorite total Cost	\$	56,747	\$	57,724	\$	46,128	\$	55,575
Sodium Hydroxide quantity		64,000		67,185		67,000		67,000
Unit Cost	\$	0.8349	\$	0.8349	\$	0.6298	\$	0.8349
Sodium Hydroxide total cost	\$	53,434	\$	56,093	\$	42,197	\$	55,938
total	\$	215,943	\$	198,076	\$	167,686	\$	197,757
rounded	\$	216,000	\$	198,076	\$	168,000	\$	198,000
total	\$	1,601,750	\$	1,320,333	\$	1,454,640	\$	1,675,300

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Laboratory
 15-500-2235

RFC Schedule B-7

Account Description	Docket 4025	Actual FY 2010	Projected FY 2011	Proposed FY 2012
50001 Salaries & Wages				
Laboratory Supervisor	\$ 67,573	\$ 40,530	\$ 62,504	\$ 62,504
Microbiologist G2 Step 3	\$ 60,072	\$ 31,670	\$ 39,451	\$ 41,854
Total	\$ 127,700	\$ 72,200	\$ 102,000	\$ 105,000
fully staffed in FY 2011, FY 2012 includes 3% COLA and step increases if applicable				
50100 Employee Benefits				
Laboratory Supervisor	\$ 32,237	\$ 19,286	\$ 32,693	\$ 37,293
Microbiologist	\$ 30,550	\$ 14,536	\$ 27,362	\$ 32,289
Benefits on Annual leave buyback	\$ 210		\$ 210	\$ 214
Total	\$ 62,400	\$ 33,822	\$ 60,300	\$ 69,800
50175 Annual Leave Buyback 1 employee	\$ 2,750	\$ -	\$ 2,750	\$ 2,800
50275 Repairs & Maintenance				
Cleaning, Recalculation & Certification of balances, fume head, thermometers, etc.	\$ 600	\$ 957	\$ 600	\$ 1,200
Misc repairs to Equipment	\$ 400	\$ 265	\$ 400	\$ 500
Total	\$ 1,000	\$ 1,222	\$ 1,000	\$ 1,700

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Laboratory
 15-500-2235

RFC Schedule B-7

50281 Regulatory Assessment

Bacteria, Coliform, pH, Turbid Analysis	\$ 1,300	\$ 2,302	\$ 6,400	\$ 6,400
TTHM/HAA5 Analysis	\$ 12,800	\$ 5,020	\$ 6,150	\$ 6,200
TOC Analysis	\$ 1,200	\$ 936	\$ 1,080	\$ 1,100
pb/cu Analysis	\$ 200	\$ 435	\$ 800	
RI DOH Lab Fees	\$ 19,995	\$ 7,659	\$ 15,000	\$ 15,000
Haz Mat Fees			\$ 750	\$ 800
ERA QC Samples			\$ 1,400	\$ 1,400
Lab Renewal Application			\$ 410	\$ 500
UCMR2 Analysis		\$ 10,360		
RIPDES Permit Alum Analysis	\$ 1,000	\$ 575	\$ 600	\$ 600
Total	\$ 36,500	\$ 27,287	\$ 32,600	\$ 32,000

50339 Laboratory Supplies

Buffers, reagents, Standards, gases & misc expendable supplies	\$ 3,300	\$ 6,092	\$ 4,267	\$ 6,000
Colisure PA media	\$ 3,000	\$ 2,382	\$ 4,800	\$ 4,800
Expendable wipes, gloves, pipets, bottles, glassware	\$ 1,500	\$ 2,287	\$ 2,067	\$ 1,900
Replacement of dispensers, turbidmeters, microscopes meters and other misc equipment	\$ 5,700	\$ 5,211	\$ 5,782	\$ 5,800
Replace Glassware washer	\$ 5,000	\$ -		
total	\$ 18,500	\$ 15,972	\$ 17,000	\$ 18,500
total	\$ 248,850	\$ 150,503	\$ 215,650	\$ 229,800

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Distribution
 15-500-2241

RFC Schedule B-8

Account	Description	Docket 4025	Actual FY 2010	Projected FY 2011	Proposed FY 2012
50001	Salaries & Wages				
	Supervisor Water Dist/Coll 50% N5G	\$ 39,526	\$ 33,639	\$ 31,715	\$ 33,647
	Distribution/Collection Mechanic UT4E	\$ 52,398	\$ 47,919	\$ 47,919	\$ 50,838
	Heavy Equipment Operator UT4C	\$ 46,457	\$ 45,097	\$ 45,168	\$ 47,918
	Distribution/Collection Mechanic UT4D	\$ 52,616	\$ 46,117	\$ 46,195	\$ 49,009
	Distribution/Collection Foreman UT5E	\$ 45,459	\$ 45,404	\$ 51,096	\$ 54,226
	Parts/Inventory Control Tech UC2E	\$ 41,441	\$ 38,995	\$ 38,995	\$ 41,370
	Distribution/Collection Operator UT3C	\$ 47,794	\$ 39,585	\$ 39,585	\$ 41,995
	Engineering Technician UT5G	\$ 55,729	\$ 53,815	\$ 53,844	\$ 55,460
	Distribution/Collection Operator UT3C	\$ 41,411	\$ 39,497	\$ 39,585	\$ 41,995
	Distribution/Collection Operator UT3B	\$ 40,440	\$ 38,432	\$ 38,432	\$ 40,773
	Adjustment for Vacancies	\$ (47,121)			
	Total	\$ 416,200	\$ 428,500	\$ 432,534	\$ 457,300
50002	Overtime				
	hours	1,520	1,432	1,520	1,520
	rate	\$ 33.95	\$ 33.11	\$ 33.95	\$ 34.45
	total	\$ 52,000	\$ 47,416	\$ 52,000	\$ 53,000
50004	Temp Salaries One employee 19 weeks \$12/hr	\$ 10,000	\$ -	\$ 10,000	\$ 10,000
50056	Injury Pay	\$ -	\$ -	\$ -	\$ -

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Distribution
 15-500-2241

RFC Schedule B-8

50100 Employee Benefits

Supervisor Water Dist/Coll 50% Distribution/Collection Mechanic	UT4E	\$ 17,432	\$ 12,894	\$ 15,186	\$ 19,267
Heavy Equipment Operator	UT4C	\$ 28,977	\$ 27,306	\$ 30,278	\$ 34,466
Distribution/Collection Mechanic	UT4D	\$ 27,640	\$ 26,932	\$ 30,236	\$ 33,758
Distribution/Collection Foreman	UT5E	\$ 28,220	\$ 17,240	\$ 20,539	\$ 20,982
Parts/Inventory Control Tech	UC2E	\$ 27,416	\$ 28,350	\$ 30,990	\$ 35,287
Distribution/Collection Operator	UT3C	\$ 26,512	\$ 25,453	\$ 28,066	\$ 32,171
Engineering Technician	UT5G	\$ 17,958	\$ 25,160	\$ 28,117	\$ 32,323
Distribution/Collection Operator	UT3C	\$ 29,726	\$ 29,152	\$ 31,522	\$ 35,586
Distribution/Collection Operator	UT3B	\$ 26,505	\$ 25,384	\$ 28,117	\$ 32,323
Distribution/Collection Operator	UT3B	\$ 16,221	\$ 15,248	\$ 18,245	\$ 18,986
Benefits for OT, Injury & Annual leave Buyback & AFSCME r		\$ 5,194	\$ 3,776	\$ 5,556	\$ 5,661
Adjustment for vacancies		\$ (26,805)			

Total \$ 224,996 \$ 236,895 \$ 266,852 \$ 301,000

50175 Annual Leave B6 employees \$ 5,900 \$ 10,624 \$ 10,624 \$ 11,000

50212 Conferences & Training

Continuing Education Units		\$ 3,200	\$ 1,659	\$ 3,200	\$ 3,200
Supervisor Water Dist/ Collect		\$ 670	\$ 800	\$ 670	\$ 670
Travel		\$ 130	\$ 25	\$ 130	\$ 130

Total \$ 4,000 \$ 2,484 \$ 4,000 \$ 4,000

50225 Contract Services

Welding Services as required		\$ 2,500		\$ 2,500	\$ 2,000
Weather Data Network			\$ 119	\$ 120	\$ 120
Water Storage Tank Inspections		\$ 3,000		\$ -	\$ 3,000
Dig safe Contract (609.15*12)		\$ 7,000	\$ 6,660	\$ 7,310	\$ 7,310

total \$ 12,500 \$ 6,778 \$ 10,000 \$ 12,500

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Distribution
 15-500-2241

RFC Schedule B-8

50239 Fire & Liability Insurance					
RI Interlocal 2% increase per year	\$	2,400	\$	1,983	\$ 2,023 \$ 2,100

Contribution to Electricity Restricted Account
 50306 Forest Ave, Goulart Lane, Reservoir Rd

		3 year average			
Annual KWH Usage		109,086	131,000	107,456	117,000 117,000
KWH Base rate	\$	0.0946	\$ 0.0946	\$ 0.0946	\$ 0.0946 \$ 0.0946
cost of Supply	\$	12,397	\$ 10,592	\$ 11,533	\$ 11,533 \$ 11,533
taxes	\$	517	\$ 259	\$ 289	\$ 289 \$ 289
fixed charge	\$	1,620	\$ 1,485	\$ 1,485	\$ 1,485 \$ 1,485
delivery charge	\$	5,041	\$ 5,010	\$ 5,455	\$ 5,455 \$ 5,455
total cost	\$	19,600	\$ 17,346	\$ 18,800	\$ 18,800 \$ 18,800

50260 Heavy Equipment Rental

Backhoe w/oper 32 hrs @ 100/hr	\$	2,700		\$ 12,700	\$ 3,200
Excavator w/oper 16 hrs @ 160/hr	\$	1,600		\$ -	\$ 2,560
Dump truck 32 hrs @ 65/hr	\$	1,950		\$ -	\$ 2,050
Gas cylinders			\$ 18	\$ 20	\$ 20
Waste Management	\$	380	\$ 376	\$ 380	\$ 380
Propane			\$ 54	\$ 50	\$ 50
Paving Eq. 24 hrs @ \$95/hr.	\$	2,280		\$ -	
Total	\$	8,900	\$ 447	\$ 13,150	\$ 8,300

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Distribution
 15-500-2241

RFC Schedule B-8

50271 Gas/Vehicle Maintenance	10 vehicles					
diesel gallons		1,924		1,961		2,000
cost/gallon		\$ 3.0325	\$	2.4943	\$	3.2500
diesel cost		\$ 5,835	\$	4,891	\$	6,501
gasoline gallons		7,727		10,867		11,000
cost/gallon		\$ 2.3850	\$	2.1413	\$	2.7000
gasoline cost		\$ 18,429	\$	23,269	\$	29,700
total fuel cost		\$ 24,263	\$	28,160	\$	36,201
parts/labor		\$ 64,767	\$	74,104	\$	74,104
insurance		\$ 10,367	\$	-	\$	-
total		\$ 99,400	\$	102,264	\$	110,400
50275 Repairs & Maintenance						
Roof		\$ 15,000		\$ 20,000		
Air conditioning		\$ 4,000	\$	1,090	\$	-
Transformer forest ave			\$	1,082		
overhead doors		\$ 3,000	\$	372	\$	3,000
Miscellaneous		\$ 3,000	\$	5,180	\$	3,000
Raw Material Storage Area					\$	16,000
equipment racks		\$ 7,000		\$ -	\$	6,000
total		\$ 32,000	\$	7,724	\$	26,000

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Distribution
 15-500-2241

RFC Schedule B-8

50276 Main Maintenance

Demolition saw and blades	\$	2,000		\$	1,000	\$	1,000	
Permits	\$	1,500		\$	1,000	\$	1,000	
Detail officers, approx. 8 days @ \$400/per day	\$	4,000	\$	252	\$	3,200	\$	2,000
Materials for replacement/repairs of water mains including ductile iron piping/fittings/tapping sleeves	\$	25,800	\$	16,582	\$	19,000	\$	10,000
Gravel	\$	29,700	\$	10,841	\$	15,000	\$	11,000
Stone	\$	9,750	\$	8,622	\$	9,750	\$	9,000
Cold patch	\$	10,050	\$	11,648	\$	10,050	\$	12,000
Vacuum trailer for valve box maintenance							\$	15,000
Leak Detection Survey					\$	5,000	\$	5,000
Gate Valves	\$	2,000			\$	2,000	\$	4,000
total	\$	84,800	\$	47,945	\$	66,000	\$	70,000

50296 Service Maintenance

Tap machine for 3/4" - 1" taps	\$	750		\$	750			
Service boxes	\$	3,400	\$	2,238	\$	3,400	\$	4,000
Service Keys	\$	440			\$	450	\$	400
Tools, tapping/crimping/cutting/drilling etc.	\$	1,200			\$	1,200	\$	1,200
Service Barricades	\$	880			\$	900	\$	900
Safety Cones	\$	1,500			\$	800	\$	800
New Services copper tubing	\$	11,000	\$	5,006	\$	6,000	\$	6,000
Excavation Permits	\$	1,500	\$	5,556	\$	1,500	\$	1,500
Curb stops, corporations, service saddles, unions, repair couplings, brass fittings	\$	8,830	\$	6,850	\$	7,000	\$	7,000
Customer repairs			\$	1,763				
Leak Detection Survey					\$	5,000	\$	5,000
Detail officers approximately 8 days @ \$400/day	\$	4,000	\$	6,801	\$	4,000	\$	3,200
	\$	33,500	\$	28,213	\$	31,000	\$	30,000

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Distribution
 15-500-2241

RFC Schedule B-8

50311 Operating Supplies

machine & tool lubricant	\$	3,000		\$	2,800	\$	2,800	
Marking Paint			\$	703	\$	700	\$	700
grease guns	\$	500		\$	-	\$	-	
Replacement blades/cutting wheels	\$	5,000	\$	1,394	\$	4,000	\$	4,000
chains, bars, tapping tools	\$	2,500	\$	2,512	\$	2,500	\$	2,500
Total	\$	11,000	\$	4,608	\$	10,000	\$	10,000

50320 Uniforms & protective Gear

	\$	1,500	\$	872	\$	1,300	\$	1,300
--	----	-------	----	-----	----	-------	----	-------

total	\$	1,018,696	\$	944,099	\$	1,064,682	\$	1,125,700
--------------	----	------------------	----	----------------	----	------------------	----	------------------

Docket No. XXXX

Newport Water Division
 Budget for Rate Filing
 FY 2012
 Fire Protection
 15-500-2245

RFC Schedule B-9

Account	Description	Docket 4025	Actual FY 2010	Projected FY 2011	Proposed FY 2012
50275	Repair & Maintenance - Equipment				
	Permits	\$ 200	\$ 1,282	\$ 200	\$ 200
	Hydrant parts	\$ 5,000	\$ 4,055	\$ 5,000	\$ 5,000
	Hydrant Paint	\$ 1,000		\$ 1,000	\$ 1,000
	misc other materials as needed	\$ 1,600	\$ 34	\$ 600	\$ 600
	Welding of hydrant base	\$ 200		\$ 200	\$ 200
	Police Details	\$ -	\$ 112	\$ -	\$ -
	Hydrant Inserts (5@\$1,300)	\$ 6,500		\$ 6,500	\$ 6,500
	total	\$ 14,500	\$ 5,482	\$ 13,500	\$ 13,500

Newport Water Division
 Cost Of Service Analysis
 Debt Service Detail

RFC Schedule C

Fiscal Year	EXISTING (1)				PROPOSED (2)																Total Annual Debt Service	
	Revenue Bonds	2007 SRF A \$3.0 M Agency Loan	2008 SRF B \$5.9 M Fed Dir. Loan	2009 SRF A \$3.3 M	2012 SRF A (Dam Repair, City Agent, Sta 1 Improvements and New Plant) Loan				2013 SRF A (Sta 1 Improvements and New Plant) Loan				2014 SRF A (Sta 1 Improvements and New Plant) Loan				2015 SRF A (Sta 1 Improvements and New Plant) Loan					
		Total	Total	Total	Total	Rate	6.00%	Amount	#####	Rate	6.00%	Amount	36,951,000	Rate	6.00%	Amount	32,205,000	Rate	6.00%	Amount		5,750,570
		Interest	Principal	Total	Drawdown	Interest	Principal	Total	Drawdown	Interest	Principal	Total	Drawdown	Interest	Principal	Total	Drawdown	Interest	Principa	Total		Drawdown
2008	1,009,932	72,901																				
2009	959,782	211,318	66,753	1,213																		\$ 1,239,066
2010	910,552	211,749	157,915	2,388																		\$ 1,282,604
2011	642,596	211,990	411,824	61,108																		\$ 1,327,518
2012	571,079	211,081	424,858	182,028	1,115,866	505,572	1,621,438	18,597,766														\$ 3,010,483
2013	388,755	211,034	424,365	181,966	1,092,122	535,906	1,628,028	18,597,766	2,217,060	1,004,497	3,221,557	36,951,000										\$ 6,055,705
2014		210,828	424,365	181,518	1,066,953	568,061	1,635,014	18,597,766	2,165,967	1,064,766	3,230,733	36,951,000	1,932,300	875,479	2,807,779	32,205,000						\$ 8,490,236
2015		211,441	424,945	181,416	1,040,275	602,144	1,642,419	18,597,766	2,111,808	1,128,652	3,240,460	36,951,000	1,891,184	928,007	2,819,191	32,205,000	345,034	156,327	501,361	5,750,570	\$ 9,021,233	
2016		210,861	424,070	181,648	1,011,995	638,273	1,650,268	18,597,766	2,054,399	1,196,371	3,250,771	36,951,000	1,847,600	983,688	2,831,288	32,205,000	337,692	165,706	503,399	5,750,570	\$ 9,052,305	
2017		184,069	423,727	181,504	982,019	676,569	1,658,589	18,597,766	1,993,546	1,268,154	3,261,700	36,951,000	1,801,402	1,042,709	2,844,111	32,205,000	329,910	175,649	505,559	5,750,570	\$ 9,059,259	
2018		184,052	422,898	181,058	950,244	717,164	1,667,408	18,597,766	1,929,042	1,344,243	3,273,285	36,951,000	1,752,431	1,105,272	2,857,703	32,205,000	321,661	186,188	507,848	5,750,570	\$ 9,094,252	
2019		210,815	422,537	181,105	916,563	760,193	1,676,757	18,597,766	1,860,667	1,424,898	3,285,565	36,951,000	1,700,523	1,171,588	2,872,111	32,205,000	312,917	197,359	510,275	5,750,570	\$ 9,159,164	
2020		210,360	422,607	180,896	880,861	805,805	1,686,666	18,597,766	1,788,190	1,510,391	3,298,582	36,951,000	1,645,500	1,241,883	2,887,383	32,205,000	303,648	209,200	512,848	5,750,570	\$ 9,199,342	
2021		210,677	423,085	180,444	843,017	854,153	1,697,170	18,597,766	1,711,365	1,601,015	3,312,380	36,951,000	1,587,175	1,316,396	2,903,572	32,205,000	293,823	221,752	515,575	5,750,570	\$ 9,242,902	
2022		210,752	421,968	180,521	802,902	905,403	1,708,305	18,597,766	1,629,930	1,697,076	3,327,005	36,951,000	1,525,352	1,395,380	2,920,732	32,205,000	283,408	235,058	518,466	5,750,570	\$ 9,287,747	
2023		210,583	421,274	180,357	760,380	959,727	1,720,107	18,597,766	1,543,608	1,798,900	3,342,509	36,951,000	1,459,818	1,479,103	2,938,921	32,205,000	272,369	249,161	521,530	5,750,570	\$ 9,335,280	
2024		210,169	421,946	180,701	715,307	1,017,310	1,732,617	18,597,766	1,452,108	1,906,834	3,358,942	36,951,000	1,390,353	1,567,849	2,958,202	32,205,000	260,667	264,111	524,778	5,750,570	\$ 9,387,355	
2025		210,489	420,969	180,056	667,530	1,078,349	1,745,879	18,597,766	1,355,117	2,021,244	3,376,362	36,951,000	1,316,720	1,661,920	2,978,640	32,205,000	248,263	279,957	528,221	5,750,570	\$ 9,440,615	
2026		209,543	420,366	179,832	616,886	1,143,050	1,759,935	18,597,766	1,252,307	2,142,519	3,394,826	36,951,000	1,238,668	1,761,635	3,000,304	32,205,000	235,115	296,755	531,870	5,750,570	\$ 9,496,675	
2027		209,336	421,064	180,151	563,203	1,211,633	1,774,836	18,597,766	1,143,329	2,271,070	3,414,399	36,951,000	1,155,934	1,867,333	3,023,267	32,205,000	221,178	314,560	535,738	5,750,570	\$ 9,558,791	
2028		209,832	420,053	180,205	506,299	1,284,331	1,790,630	18,597,766	1,027,811	2,407,334	3,435,146	36,951,000	1,068,236	1,979,373	3,047,609	32,205,000	206,405	333,434	539,839	5,750,570	\$ 9,623,313	
2029		419,321	179,974		445,981	1,361,391	1,807,372	18,597,766	905,363	2,551,775	3,457,138	36,951,000	975,276	2,098,136	3,073,411	32,205,000	190,746	353,440	544,185	5,750,570	\$ 9,481,401	
2030		426,632	179,449		382,044	1,443,074	1,825,118	18,597,766	775,568	2,704,881	3,480,449	36,951,000	876,738	2,224,024	3,100,761	32,205,000	174,147	374,646	548,793	5,750,570	\$ 9,561,202	
2031					314,271	1,529,658	1,843,929	18,597,766	637,985	2,867,174	3,505,159	36,951,000	772,288	2,357,465	3,129,753	32,205,000	156,552	397,125	553,676	5,750,570	\$ 9,211,169	
2032									492,147	3,039,204	3,531,351	36,951,000	661,570	2,498,913	3,160,483	32,205,000	137,901	420,952	558,853	5,750,570	\$ 6,691,835	
2033													544,210	2,648,848	3,193,058	32,205,000	97,175	472,982	570,157	5,750,570	\$ 570,157	
2034																						\$ -
2035																						\$ -
2036																						\$ -

(1) Debt service on existing debt based on debt service schedules provided by the City of Newport.
 (2) Debt service on proposed loans assumes full principal and interest payments in the year in which debt is issued.

City of Newport, Rhode Island
 FY 2012 Rate Filing
 Development of Legal & Administrative and Data Processing Charge

RFC Schedule D

Determination of Budget Percentages

	FY2011 Adopted Budget	Percentage
Total General Fund Budget (Adopted)	76,424,833	
Add: Equipment Operations Fund	1,561,660	
Less:		
80 % of School Appropriation	(18,051,326)	
96% of Library Appropriation	(1,604,850)	
Civic Support Requests	(83,150)	
Total General Fund Budget For Allocation	58,247,167	56.83%
Water Fund	19,543,071	19.07%
WPC Fund	19,687,499	19.21%
Maritime Fund	876,406	0.86%
Beach Fund	1,006,214	0.98%
Parking Fund	3,125,729	3.05%
Combined Budgets	102,486,086	100.00%

Allocation of Legal and Administrative Costs to Enterprise Funds

Allocated Item	Cost To Be Allocated	Enterprise Funds									
		Water %	Water Fund	WPC %	WPC Fund	Mar %	Maritime	Beach %	Beach	Park %	Parking
Audit Fees	\$ 69,200	6.18%	4,277	6.00%	4,152	2.00%	1,384	2.00%	1,384	2.00%	1,384
OPEB Contribution (1)	\$ 2,178,568	0.00%	-	0.00%	-	0.07%	1,525	0.09%	1,961	0.00%	-
City Council	\$ 79,521	5.75%	4,572	1.97%	1,567	2.96%	2,354	2.13%	1,694	2.79%	2,219
Citizen Survey	\$ -	8.30%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
City Clerk	\$ 332,461	1.00%	3,325	1.97%	6,549	2.96%	9,841	2.13%	7,081	2.79%	9,276
City Manager	\$ 407,653	19.07%	77,735	14.12%	57,561	1.66%	6,767	0.97%	3,954	1.51%	6,156
Human Resources	\$ 294,475	10.09%	29,713	0.44%	1,296	0.47%	1,384	0.74%	2,179	0.18%	530
City Solicitor(only 50% allowed by puc)	\$ 154,082	19.07%	29,382	14.12%	21,756	1.66%	2,558	0.97%	1,495	1.51%	2,327
Finance Admin 80%(only 50% allowed by puc)	\$ 149,278	19.07%	28,466	14.12%	21,078	1.66%	2,478	0.97%	1,448	1.51%	2,254
Finance Admin 5%	\$ 18,660	37.00%	6,904	8.00%	1,493	0.00%	-	0.00%	-	2.50%	466
Purchasing	\$ 96,838	18.60%	18,012	1.20%	1,162	3.10%	3,002	5.90%	5,713	3.50%	3,389
Assessment	\$ 117,494	5.00%	5,875								
Collections	\$ 302,778	15.26%	46,204	15.26%	46,204	0.00%	-	0.00%	-	18.70%	56,619
Accounting - 5%	\$ 10,503	100.00%	10,503	0.00%	-		-		-	0.00%	-
Accounting	\$ 410,372	16.90%	69,353	0.97%	3,981	2.60%	10,670	3.90%	16,005	2.70%	11,080
Public Safety	\$ 30,876,692	0.00%	-	0.17%	52,490	0.04%	12,351	0.05%	15,438	0.25%	77,192
Facilities Maintenance	\$ 887,556	1.47%	13,047	4.00%	35,502		-	18.60%	165,085		

Legal & Administrative rounded **\$ 347,400**

Allocation of Data Processing Costs to Enterprise Funds

Allocated Item	Cost To Be Allocated	Enterprise Funds									
		Water %	Water Fund	WPC %	WPC Fund	Mar %	Maritime	Beach %	Beach	Park %	Parking
MIS - Communications Cost	\$ 261,576	7.90%	20,665	3.30%	8,632	1.26%	3,296	1.67%	4,368	0.84%	2,197
MIS - Other Costs	\$ 894,364	19.07%	170,546	14.12%	126,284	1.66%	14,846	0.97%	8,675	1.51%	13,505

Data Processing (1) rounded **\$ 191,200**

City of Newport, Rhode Island
 FY 2012 Rate Filing
 Future Year Rate Increases

RFC Schedule E

FY 2013 Increase

FY 2012 Revenue Requirement \$ 14,311,162

Step Increases for 2013

	Net New Debt Service	<u>\$3,045,221</u>
FY 2013 Revenue Requirement		\$ 17,356,384
Revenues at FY 2012 Rates		<u>\$ 14,315,948</u>
Revenue Deficiency		\$ 3,040,435
Percent Increase		21.24%

		Proposed FY		
		FY 2012 Rates	2013 Rates	Step Increase
Billing Charge (per bill)				
	Quarterly	\$ 21.08	\$ 25.56	\$4.48
	Monthly	\$ 21.08	\$ 25.56	\$4.48
Commodity Rates (per 1,000 gals.)				
	Residential	\$ 7.23	\$ 8.77	\$1.54
	Commercial	\$ 7.23	\$ 8.77	\$1.54
	Governmental	\$ 7.23	\$ 8.77	\$1.54
	Navy	\$4.4440	\$5.3880	\$0.94
	Portsmouth Water & Fire District	\$3.542	\$4.295	\$0.75
Fire Protection				
	Public (per hydrant)	\$ 1,197.00	\$ 1,452.00	\$255.00
	Private (Connection Size)			
	Less than 2"	\$ 23.48	\$ 28.47	\$4.99
	2"	\$ 100.00	\$ 122.00	\$22.00
	4"	\$ 609.00	\$ 739.00	\$130.00
	6"	\$ 1,217.00	\$ 1,476.00	\$259.00
	8"	\$ 2,785.00	\$ 3,377.00	\$592.00
	10"	\$ 4,598.00	\$ 5,575.00	\$977.00
	12"	\$ 7,382.00	\$ 8,950.00	\$1,568.00

City of Newport, Rhode Island
 FY 2012 Rate Filing
 Future Year Rate Increases

RFC Schedule E

FY 2014 Increase

FY 2013 Revenue Requirement \$ 17,356,384

Step Increases for 2014

	Net New Debt Service	<u>\$2,434,531</u>
FY 2014 Revenue Requirement	\$	19,790,915
Revenues at FY 2013 Rates	\$	<u>17,363,335</u>
Revenue Deficiency	\$	2,427,580
Percent Increase		13.98%

		Proposed FY		
		<u>FY 2012 Rates</u>	<u>2013 Rates</u>	<u>Step Increase</u>
Billing Charge (per bill)				
	Quarterly	\$ 25.56	\$ 29.14	\$3.58
	Monthly	\$ 25.56	\$ 29.14	\$3.58
Commodity Rates (per 1,000 gals.)				
	Residential	\$ 8.77	\$ 10.00	\$1.23
	Commercial	\$ 8.77	\$ 10.00	\$1.23
	Governmental	\$ 8.77	\$ 10.00	\$1.23
	Navy	\$ 5.39	\$6.1410	\$0.75
	Portsmouth Water & Fire District	\$ 4.30	\$4.896	\$0.60
Fire Protection				
	Public (per hydrant)	\$ 1,452.00	\$ 1,656.00	\$204.00
	Private (Connection Size)			
	Less than 2"	\$ 28.47	\$ 32.46	\$3.99
	2"	\$ 122.00	\$ 140.00	\$18.00
	4"	\$ 739.00	\$ 843.00	\$104.00
	6"	\$ 1,476.00	\$ 1,683.00	\$207.00
	8"	\$ 3,377.00	\$ 3,850.00	\$473.00
	10"	\$ 5,575.00	\$ 6,355.00	\$780.00
	12"	\$ 8,950.00	\$10,202.00	\$1,252.00

City of Newport, Rhode Island
 FY 2012 Rate Filing
 Future Year Rate Increases

RFC Schedule E

FY 2015 Increase

FY 2014 Revenue Requirement \$ 19,790,915

Step Increases for 2015

	Net New Debt Service	<u>\$530,997</u>
FY 2015 Revenue Requirement	\$	20,321,912
Revenues at FY 2014 Rates	\$	<u>19,797,403</u>
Revenue Deficiency	\$	524,510
Percent Increase		2.65%

		<u>FY 2012 Rates</u>	<u>Proposed FY 2013 Rates</u>	<u>Step Increase</u>
Billing Charge (per bill)				
	Quarterly	\$ 29.14	\$ 29.92	\$0.78
	Monthly	\$ 29.14	\$ 29.92	\$0.78
Commodity Rates (per 1,000 gals.)				
	Residential	\$ 10.00	\$ 10.27	\$0.27
	Commercial	\$ 10.00	\$ 10.27	\$0.27
	Governmental	\$ 10.00	\$ 10.27	\$0.27
	Navy	\$ 6.14	\$6.3040	\$0.16
	Portsmouth Water & Fire District	\$ 4.90	\$5.026	\$0.13
Fire Protection				
	Public (per hydrant)	\$ 1,656.00	\$ 1,700.00	\$44.00
	Private (Connection Size)			
	Less than 2"	\$ 32.46	\$ 33.32	\$0.86
	2"	\$ 140.00	\$ 144.00	\$4.00
	4"	\$ 843.00	\$ 866.00	\$23.00
	6"	\$ 1,683.00	\$ 1,728.00	\$45.00
	8"	\$ 3,850.00	\$ 3,953.00	\$103.00
	10"	\$ 6,355.00	\$ 6,524.00	\$169.00
	12"	\$ 10,202.00	\$ 10,473.00	\$271.00