

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

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

APPLICATION TO CHANGE RATES

APRIL 18, 2011

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

**IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION APPLICATION TO
CHANGE RATE SCHEDULES**

DOCKET NO.

TABLE OF CONTENTS

1. Letter of Transmittal.
2. Notice to Commission of Proposed General Rate Schedule Changes (pursuant to State of Rhode Island Public Utilities Commission Rules of Practice and Procedure, Rule 2.3(a)).
3. Notice of Filing Proposed General Rate Changes to be Published in Providence Journal (pursuant to State of Rhode Island Public Utilities Commission Rules of Practice and Procedure, Rule 2.4).
4. Notice of Proposed General Rate Schedule Changes to Customers (pursuant to State of Rhode Island Public Utilities Commission Rules of Practice and Procedure, Rule 2.4).
5. Notice to United States, Department of the Navy, and City Cities and Towns Serviced by Newport Water (pursuant to R.I.G.L. § 39-3-12.1).
6. Testimony of Julia Forgue, P.E.
7. Testimony of Harold Smith and supporting schedules.
8. Index (pursuant to State of Rhode Island Public Utilities Commission Rules of Practice and Procedure, Rule 2.10)
9. Appendix.
 - A. Item 2.5(a) - Current and Proposed Tariffs, Rate Schedules, Terms and Conditions.
 - B. Item 2.9(e) – Sample Bill.
 - C. Item 2.9(g) – Schedule of Lease Payments.
 - D. Item 2.9(i) – Rate Year Municipal Tax Expense Calculation.
 - E. Item 2.9(j) – Employee Information.
 - F. Item 2.9(k) – Summary of Affiliated Entities Transaction

- G. Item 2.9(m) – Summary of Expenses Related to Instant Rate Case.
- H. Item 2.9(n)(1) – Unaccounted for Water.
- I. Item 2.9(n)(3) – Utilities Own Use of Water.
- J. Compliance with R.I.G.L § 39-3-12.1:

(1) The status of physical plant, including the volume of its water supply and the source of the supply.

(2) The maintenance policy of the utility, to include the date distribution pipes were last installed, and the length of pipe installed for at least a ten (10) year duration.

(3) The name and cost of each chemical introduced into the water supply during the most recent six (6) month period, including the amount used, and the purpose for the use.

(4) The policy of the utility toward future expansion and renovation of the physical plant, including the amount of funds expended within the preceding year and expected to be expended within the next year for expansion, renovation, equipment purchase, and/or research and development.

KEOUGH & SWEENEY, LTD.

ATTORNEYS AND COUNSELORS AT LAW
100 ARMISTICE BOULEVARD
PAWTUCKET, RHODE ISLAND 02860

JOSEPH A. KEOUGH JR.*
JEROME V. SWEENEY III*

SEAN P. KEOUGH*
MARGARET HOGAN SWEENEY*

JEROME V. SWEENEY II
OF COUNSEL

TELEPHONE
(401) 724-3600
FACSIMILE
(401) 724-9909
www.keoughsweeney.com

BOSTON OFFICE:
171 MILK STREET
SUITE 30
BOSTON, MA 02109
TEL. (617) 574-0054
FAX (617) 451-1914

*ADMITTED TO PRACTICE IN
RHODE ISLAND & MASSACHUSETTS

April 18, 2011

The Honorable Elia Germani, Chairman
State of Rhode Island
Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

RE: City of Newport, Utilities Department, Water Division,
General Rate Filing, April 2011

Dear Chairman Germani:

On behalf of the City of Newport, Utilities Department, Water Division ("Newport Water"), enclosed you will find revised rate schedules that Newport Water proposes to place in effect in thirty (30) days. The new rates are designed to collect total revenues in a twelve-month period equal to \$15,038,048. We have included in our filing pre-filed testimony from two witnesses, as well as schedules and exhibits in support of the revised rates. Additionally, we have included all applicable information required by the Rhode Island Public Utilities Commission's Rules of Practice and Procedure, and statements conforming to the mandates of R.I.G.L. §39-3-12.1. Additionally, pursuant to R.I.G.L. §39-3-12.1, Newport Water is providing a copy of its rate filing to the following communities:

- (1) The Town of Middletown;
- (2) The Town of Portsmouth; and
- (3) The United States, Department of the Navy.

We have also included a copy of our proposed notice to be published in the Providence Journal. We would respectfully ask that your staff immediately review the proposed notice so that it might be published within the period prescribed by law.

The following individuals should receive all correspondence for any additional information to be provided by the Public Utilities Commission: Julia Forgue, P.E., City of Newport, Director of Public Works, 70 Halsey Street, Newport, Rhode Island 02840; and Joseph

Honorable Elia Germani, Chairman
Rhode Island Public Utilities Commission
April 18, 2011
Page Two

A. Keough, Jr., Esquire, Keough & Sweeney, 100 Armistice Boulevard, Pawtucket, Rhode Island 02860. Joseph A. Keough, Jr. will act as legal counsel for Newport Water and will represent the utility in all matters concerning this rate application.

Thank you for your attention to these matters.

Sincerely,


Joseph A. Keough, Jr.

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

**IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
APPLICATION TO CHANGE RATE SCHEDULES**

DOCKET NO.

NOTICE OF PROPOSED CHANGES IN RATES

In accordance with §2.3A of the Rules of Practice and Procedure for the Public Utilities Commission and RIGL § 39-3-11, the City of Newport, Utilities Department, Water Division ("Newport Water") hereby gives notice of its proposed changes in rates. Said changes are contained in the written testimony and exhibits attached hereto and incorporated herein. The new rates are proposed to become effective on May 18, 2011 and are designed to generate total revenue in the amount of \$15,038,048. Additionally, Newport Water respectfully represents that:

- (1) Newport Water is a department of the City of Newport with its principal place of business at 70 Halsey Street, Newport, RI;
- (2) Correspondence should be addressed to Julia A. Forgue, P.E., Chief Engineer, City of Newport, Utilities Department, Water Division, 70 Halsey Street, Newport, RI, 02840 and to Joseph A. Keough, Jr., 100 Armistice Boulevard, Pawtucket, Rhode Island 02860;
- (3) In accordance with the appropriate Rules and Regulations pursuant to RIGL §39-3-11, the accompanying documents contain data, information and testimony in support of said request;
- (4) Submitted heretofore are documents and statements in conformance with RIGL §39-3-12.1;
- (5) Attached hereto is information required by §1.5 and Part II of the Rules of Practice and Procedure for the Rhode Island Public Utilities Commission.

City of Newport, Utilities Department,
Water Division,
By its attorney,



Joseph A. Keough, Jr., Esquire
KEOUGH & SWEENEY, Ltd.
100 Armistice Boulevard
Pawtucket, RI 02860
(401) 724-3600
(401) 724-9909

CERTIFICATION

I, the undersigned, hereby certify that a true copy of the within was hand delivered to the Public Utilities Commission, 89 Jefferson Boulevard, RI 02888 and mailed via first class mail to the Department of Attorney General, 150 South Main Street, Providence, RI 02903 on the 18th day of April, 2011.



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

**IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
APPLICATION TO CHANGE RATE SCHEDULES**

DOCKET NO:

NOTICE OF FILING AND CHANGE IN RATE SCHEDULES

On April 18, 2011, pursuant to Rhode Island General Laws § 39-3-11 and Part II of the Rhode Island Public Utilities Commission's ("Commission") Rules of Practice and Procedure, the City of Newport, Utilities Department, Water Division ("Newport Water") hereby gives notice that it has filed with the Rhode Island Public Utilities Commission ("Commission") an application to increase its rates.

In its filing, Newport Water seeks to implement a multi-year rate plan pursuant to R.I.G.L. § 39-15.1-4. This proposed multi-year rate plan would increase rates annually over a four year period.

- In the first year of the increase, proposed to take effect on May 18, 2011, Newport Water's proposed rates are designed to collect additional operating revenue in the amount of \$3,509,382 to support total operating revenue requirement of \$15,038,048. The impact of this request for a typical residential customer who uses 14,800 gallons of water per quarter will result in an increase of \$140.28 per year, or 37.7 %.
- In the second year of the increase, proposed to take effect on July 1, 2012, Newport Water's proposed rates are designed to collect additional operating revenue in the amount of \$3,045,221 to support increased debt service for capital improvements including the construction of a new Lawton Valley Water Treatment Plant and improvements to the Station One Water Treatment Plant. The impact of this request for a typical residential customer who uses 14,800 gallons of water per quarter will result in an increase of \$109.08 per year, or 21.3%.
- In the third year of the increase, proposed to take effect on July 1, 2013, Newport Water's proposed rates are designed to collect additional operating revenue in the amount of \$2,434,531 to support increased debt service for capital improvements including the construction of a new Lawton Valley Water Treatment Plant and improvements to the Station One Water Treatment Plant. The impact of this request for a typical residential customer who uses 14,800 gallons of water per quarter will result in an increase of \$87.12 per year, or 14%.
- In the fourth year of the increase, proposed to take effect on July 1, 2014, Newport Water's proposed rates are designed to collect additional operating revenue in the amount of \$530,997 to support increased debt service for capital improvements including the construction of a new Lawton Valley Water Treatment Plant and improvements to the Station One Water Treatment Plant. The impact of this request for a typical residential customer who uses 14,800 gallons of water per quarter will result in an increase of \$19.12 per year, or 2.7%.

The impact on all other customers will vary based on consumption.

Please note that while Newport Water is requesting this revenue increase, the Commission, after full investigation and hearings, may order a different revenue requirement and rate.

While the new rates are proposed to become effective May 18, 2011 the Commission can suspend the rates up to eight months from the proposed effective date. No rate change will take effect until the Commission has conducted a full investigation and hearing on the proposal. The Commission will publish a notice of the hearing dates when they are scheduled. Ratepayers may comment on the proposed rate increases at that time.

A copy of the application is on file for examination at the Newport Water's office and at the offices of the Public Utilities Commission, 89 Jefferson Boulevard, Warwick, Rhode Island. A copy of the filing was also provided to The Town of Portsmouth, The Town of Middletown and the United States Navy. A copy was also provided to the Rhode Island Attorney General's Department, Consumer Division. Subscriber billing statements will contain notice of this filing. Some larger subscribers will receive notice in their monthly billing and others in their regular billing.

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

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

**IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
APPLICATION TO CHANGE RATE SCHEDULES**

DOCKET NO.

**NOTICE TO CUSTOMERS OF THE CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION, OF
FILING AND CHANGE IN RATE SCHEDULES**

On April 18, 2011, pursuant to Rhode Island General Laws § 39-3-11 and Part II of the Rhode Island Public Utilities Commission's ("Commission") Rules of Practice and Procedure, the City of Newport, Utilities Department, Water Division ("Newport Water") hereby gives notice that it has filed with the Rhode Island Public Utilities Commission ("Commission") an application to increase its rates.

In its filing, Newport Water seeks to implement a multi-year rate plan pursuant to R.I.G.L. § 39-15.1-4. This proposed multi-year rate plan would increase rates annually over a four year period.

- In the first year of the increase, proposed to take effect on May 18, 2011, Newport Water's proposed rates are designed to collect additional operating revenue in the amount of \$3,509,382 to support total operating revenue requirement of \$15,038,048. The impact of this request for a typical residential customer who uses 14,800 gallons of water per quarter will result in an increase of \$140.28 per year, or 37.7 %.
- In the second year of the increase, proposed to take effect on July 1, 2012, Newport Water's proposed rates are designed to collect additional operating revenue in the amount of \$3,045,221 to support increased debt service for capital improvements including the construction of a new Lawton Valley Water Treatment Plant and improvements to the Station One Water Treatment Plant. The impact of this request for a typical residential customer who uses 14,800 gallons of water per quarter will result in an increase of \$109.08 per year, or 21.3%.
- In the third year of the increase, proposed to take effect on July 1, 2013, Newport Water's proposed rates are designed to collect additional operating revenue in the amount of \$2,434,531 to support increased debt service for capital improvements including the construction of a new Lawton Valley Water Treatment Plant and improvements to the Station One Water Treatment Plant. The impact of this request for a typical residential customer who uses 14,800 gallons of water per quarter will result in an increase of \$87.12 per year, or 14%.
- In the fourth year of the increase, proposed to take effect on July 1, 2014, Newport Water's proposed rates are designed to collect additional operating revenue in the amount of \$530,997 to support increased debt service for capital improvements including the construction of a new Lawton Valley Water Treatment Plant and improvements to the Station One Water Treatment Plant. The impact of this request for a typical residential customer who uses 14,800 gallons of water per quarter will result in an increase of \$19.12 per year, or 2.7%.

The impact on all other customers will vary based on consumption.

Please note that while Newport Water is requesting this revenue increase, the Commission, after full investigation and hearings, may order a different revenue requirement and rate.

While the new rates are proposed to become effective May 18, 2011 the Commission can suspend the rates for up to eight months from the proposed effective date. No rate change will take effect until the Commission has conducted a full investigation and hearing on the proposal. The Commission will publish a notice of the hearing dates when they are scheduled. Ratepayers may comment on the proposed rate increases at that time.

A copy of the application is on file for examination at the Newport Water's office and at the offices of the Public Utilities Commission, 89 Jefferson Boulevard, Warwick, Rhode Island. A copy of the filing was also provided to The Town of Portsmouth, The Town of Middletown and the United States Navy. A copy was also provided to the Rhode Island Attorney General's Department, Consumer Division. Subscriber billing statements will contain notice of this filing. Some larger subscribers will receive notice in their monthly billing and others in their regular billing.

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

KEOUGH & SWEENEY, LTD.

ATTORNEYS AND COUNSELORS AT LAW
100 ARMISTICE BOULEVARD
PAWTUCKET, RHODE ISLAND 02860

JOSEPH A. KEOUGH JR.*
JEROME V. SWEENEY III*

SEAN P. KEOUGH*
MARGARET HOGAN SWEENEY*

JEROME V. SWEENEY II
OF COUNSEL

TELEPHONE
(401) 724-3600
FACSIMILE
(401) 724-9909

www.keoughsweeney.com

BOSTON OFFICE:
171 MILK STREET
SUITE 30
BOSTON, MA 02109
TEL. (617) 574-0054
FAX (617) 451-1914

*ADMITTED TO PRACTICE IN
RHODE ISLAND & MASSACHUSETTS

April 18, 2011

Department of the Navy
Department of Public Works
1 Simonpieti Drive
Newport, RI 02841-1711

RE: Proposed Rate Increase/City of Newport
Utilities Department, Water Division

Dear Sir/Madam:

Please be advised that the City of Newport, Utilities Department, Water Division ("Newport Water") will be filing for rate changes with the Rhode Island Public Utilities Commission on April 18, 2011. Enclosed you will find a copy of the documents being filed.

Additionally, in conformance with RIGL §39-3-12.1, enclosed with the filing you will find copies of Newport Water's compliance with the particulars of that provision.

Thank you for your attention to this these matters.

Sincerely,



Joseph A. Keough, Jr.

JAK:jak

Enclosure

KEOUGH & SWEENEY, LTD.

ATTORNEYS AND COUNSELORS AT LAW
100 ARMISTICE BOULEVARD
PAWTUCKET, RHODE ISLAND 02860

JOSEPH A. KEOUGH JR.*
JEROME V. SWEENEY III*

SEAN P. KEOUGH*
MARGARET HOGAN SWEENEY*

JEROME V. SWEENEY II
OF COUNSEL

TELEPHONE
(401) 724-3600
FACSIMILE
(401) 724-9909
www.keoughsweeney.com

BOSTON OFFICE:
171 MILK STREET
SUITE 30
BOSTON, MA 02109
TEL. (617) 574-0054
FAX (617) 451-1914

*ADMITTED TO PRACTICE IN
RHODE ISLAND & MASSACHUSETTS

April 18, 2011

The Honorable Town Council
Town of Middletown
c/o City Clerk
350 East Main Road
Middletown, RI 02842


RE: Proposed Rate Increase/City of Newport
Utilities Department, Water Division

Honorable Council Members:

Please be advised that the City of Newport, Utilities Department, Water Division ("Newport Water") will be filing for rate changes with the Rhode Island Public Utilities Commission on April 18, 2011. Enclosed you will find a copy of the documents being filed.

Additionally, in conformance with RIGL §39-3-12.1, enclosed with the filing you will find copies of Newport Water's compliance with the particulars of that provision.

Thank you for your attention to these matters.

Sincerely,

Joseph A. Keough, Jr.
JAK:jak
Enclosure

KEOUGH & SWEENEY, LTD.

ATTORNEYS AND COUNSELORS AT LAW
100 ARMISTICE BOULEVARD
PAWTUCKET, RHODE ISLAND 02860

JOSEPH A. KEOUGH JR.*
JEROME V. SWEENEY III*

SEAN P. KEOUGH*
MARGARET HOGAN SWEENEY*

JEROME V. SWEENEY II
OF COUNSEL

TELEPHONE
(401) 724-3600
FACSIMILE
(401) 724-9909
www.keoughsweeney.com

BOSTON OFFICE:
171 MILK STREET
SUITE 30
BOSTON, MA 02109
TEL. (617) 574-0054
FAX (617) 451-1914

*ADMITTED TO PRACTICE IN
RHODE ISLAND & MASSACHUSETTS

April 18, 2011

The Honorable Town Council
The Town Portsmouth
c/o City Clerk
2200 East Main Road
Portsmouth, RI 02871

RE: Proposed Rate Increase/City of Newport
Utilities Department, Water Division

Honorable Council Members:

Please be advised that the City of Newport, Utilities Department, Water Division ("Newport Water") will be filing for rate changes with the Rhode Island Public Utilities Commission on April 18, 2011. Enclosed you will find a copy of the documents being filed.

Additionally, in conformance with RIGL §39-3-12.1, enclosed with the filing you will find copies of Newport Water's compliance with the particulars of that provision.

Thank you for your attention to this these matters.

Sincerely,



Joseph A. Keough, Jr.

JAK:jak

Enclosure

CC: William McGlinn
Portsmouth Water & Fire District

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

**IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION APPLICATION TO
CHANGE RATE SCHEDULES**

DOCKET NO:

**INDEX AND RESPONSES IN COMPLIANCE WITH THE
RHODE ISLAND PUBLIC UTILITIES COMMISSION'S RULES OF
PRACTICE AND PROCEDURE, PART II,
SECTIONS 2.4 THROUGH 2.10 and R.I.G.L § 39-3-12.1**

I. Index and Responses in Compliance with Part II, Section 2.4

Item 2.4 **Notice of Filing (to be published in Providence Journal).**

Response: Please see Table of Contents, Item 3

Notice of Proposed General Rate Schedule to Customers.

Response: Please see Table of Contents, Item 4

II. Index and responses in Compliance with Part II, Section 2.5

Item 2.5(a) **Current and Proposed Tariffs, Rate Schedules, Terms and Conditions.**

Response: Please see Appendix.

Item 2.5(b) **Complete Direct Case.**

Response: Please see Table of Contents, Items 6 and 7.

Item 2.5(c)(1) **Annual Report to the Commission for Last Two Years.**

Response: All required reports are on file with the Rhode Island Public Utilities Commission.

Item 2.5(c)(2) **Federal Energy Regulation Commission or Federal Communication Commission Annual Reports.**

Response: Not applicable.

Item 2.5(c)(3) **Federal Energy Regulatory/Communications Commission Audit Reports.**

Response: Not applicable.

Item 2.5(c)(4) **Security and Exchange Commission Report.**

Response: Not applicable.

Item 2.5(c)(5) Prospectus for Last Two Years.

Response: Not applicable.

Item 2.5(c)(6) Annual Reports to Stockholders.

Response: Not applicable.

Item 2.5(c)(7) Statements Reconciling Differences in Filing and Above Reports.

Response: Not applicable.

III. Index and responses in Compliance with Part II, Section 2.6

Item 2.6(a) Test Year (July 1, 2009 to June 30, 2010).

Response: Please see testimony of Harold Smith and supporting schedules.

Item 2.6(b) Rate Year (July 1, 2011 to June 30, 2012).

Response: Please see testimony of Harold Smith and supporting schedules.

Item 2.6(c) Adjustments to the Test Year.

Response: Please see testimony of Harold Smith and Julia Fogue and supporting schedules.

IV. Index and responses in Compliance with Part II, Section 2.7

Item 2.7 Attestation of Financial Data.

Response: Please see testimony of Julia Fogue.

V. Index and responses in Compliance with Part II, Section 2.8

Items 2.8 (a) through (w) Supporting Information and Work Papers to be Filed by Investor Owned Utilities.

Response: Not applicable.

VI. Index and responses in Compliance with Part II, Section 2.9

Item 2.9(a) Cost of Service Schedules.

Response: Please see testimony of Harold Smith and supporting schedules.

Item 2.9(b) Work Papers Supporting Claim for Working Capital.

Response: Not applicable.

Item 2.9(c) Work Papers Supporting Allocation of Cost of Service among Associated Entities.

Response: Not applicable

Item 2.9(d) Response:	Work Papers Detailing Test Year and Rate Year Revenues, etc. Please see testimony of Harold Smith and supporting schedules.
Item 2.9(e) Response:	Effect of Proposed Rate Changes. Please see testimony of Harold Smith and supporting schedules. For sample bill and proposed tariffs, see Appendix.
Item 2.9(f) Response:	Debt Service Schedules. Please see testimony of Harold Smith and supporting schedules.
Item 2.9(g) Response:	Schedule of Lease Payments. Please see Appendix.
Item 2.9(h) Response:	Analysis of Revenues and Associated Expenses for Test Year. Please see testimony of Harold Smith and supporting schedules.
Item 2.9(i) Response:	Rate Year Municipal Tax Expense Calculation. Please see Appendix.
Item 2.9(j) Response:	Employee Information. Please see Appendix.
Item 2.9(k) Response:	Summary of Affiliated Entities Transaction. Please see Appendix.
Item 2.9(l) Response:	Financial Data for Non-Coinciding Test Year. Not Applicable.
Item 2.9(m) Response:	Summary of Expenses Incurred and Projected Related to Instant Rate Case. Please see Appendix.
Item 2.9(n)(1) Response:	Unaccounted for Water. Please see Appendix.
Item 2.9(n)(2) Response:	Loss on Transmission of Electricity, or Gas. Not applicable.
Item 2.9(n)(3) Response:	Utilities Own Use of Water. Please see Appendix.

Item 2.9(o)**Compliance with Prior Commission Order (Docket 4025)**

Order Requirement	Compliance
1. Newport Water shall continue providing a reconciliation of each restricted account on a quarterly basis, within 30 days of the end of the quarter.	All required reports on file with Commission.
2. Newport Water shall continue providing a balance sheet, income statement and cash flow statement on a quarterly basis within 30 days of the end of the quarter.	All required reports on file with Commission.
3. Newport Water shall provide updates on its Conference and Training Costs in its quarterly reports within 30 days of the end of the quarter.	All required reports on file with Commission.
4. On a monthly basis, Newport Water shall continue providing a monthly cash reconciliation to include cash inflow and cash outflows within 15 days of the end of the month. Inflows and outflows should be compared to budget with an explanation of any deviation from the budget by more than 10%, on a quarterly basis within 15 days of the end of the quarter.	All required reports on file with Commission.
5. Newport Water shall continue providing monthly statements on an accrual basis consistent with a format and due date previously approved by the Commission.	All required reports on file with Commission.
6. Newport Water shall contact the Public Utilities Commission if its payables to outside vendors are 120 plus days in arrears and/or it owes more than six payrolls to the City of Newport.	No reporting required.
7. Newport Water shall provide the parties to the docket with a copy of all reports made to the Commission in compliance with the Docket 4025 Order.	All required reports provided.
8. Newport Water shall file reports regarding Capital Improvement Projects on a semi-annual basis, within 30 days of the end of the previous six month period.	All required reports on file with Commission.
9. Newport shall file a Revenue Neutral Cost of Service Study by November 1, 2009.	Cost of Service Study (see testimony of Julia Forgue and Harold Smith)

VII. Compliance with R.I.G.L § 39-3-12.1

Please See Appendix for:

(1) The status of its physical plant, including the volume of its water supply and the source of the supply.

(2) The maintenance policy of the utility, to include the date distribution pipes were last installed, and the length of pipe installed for at least a ten (10) year duration.

(3) The name and cost of each chemical introduced into the water supply during the most recent six (6) month period, including the amount used, and the purpose for the use.

(4) The policy of the utility toward future expansion and renovation of the physical plant, including the amount of funds expended within the preceding year and expected to be expended within the next year for expansion, renovation, equipment purchase, and/or research and development.

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

**IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION APPLICATION TO
CHANGE RATE SCHEDULES**

DOCKET NO.

APPENDIX

- A. Item 2.5(a) - Current and Proposed Tariffs, Rate Schedules, Terms and Conditions.
- B. Item 2.9(e) – Sample Bill.
- C. Item 2.9(g) - Schedule of Lease Payments.
- D. Item 2.9(i) - Rate Year Municipal Tax Expense Calculation.
- E. Item 2.9(j) - Employee Information.
- F. Item 2.9(k) - Summary of Affiliated Entities Transaction.
- G. Item 2.9(m) - Summary of Expenses Incurred and Projected Related to Instant Rate Case.
- H. Item 2.9(n)(1) - Unaccounted for Water.
- I. Item 2.9(n)(3) - Utilities Own Use of Water.
- J. Compliance with R.I.G.L § 39-3-12.1
 - (1) The status of physical plant, including the volume of its water supply and the source of the supply.
 - (2) The maintenance policy of the utility, to include the date distribution pipes were last installed, and the length of pipe installed for at least a ten(10) year duration.
 - (3) The name and cost of each chemical introduced into the water supply during the most recent six (6) month period, including the amount used, and the purpose for the use.
 - (4) The policy of the utility toward future expansion and renovation of the physical plant, including the amount of funds expended within the preceding year and expected to be expended within the next year for expansion, renovation, equipment purchase, and/or research and development.

APPENDIX A

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO: 4025

COMPLIANCE TARIFFS

SCHEDULE

A	PUBLIC FIRE PROTECTION
B	PRIVATE FIRE PROTECTION
C	BILLING CHARGE
D	METERED SALES - NEWPORT
E	METERED SALES - NAVY
F	METERED SALES - PORTSMOUTH
G	MISCELLANEOUS CHARGES

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO: 4025

SCHEDULE A

PUBLIC FIRE PROTECTION

Applicability:

Applicable throughout the entire territory served by the Newport Water Division for public fire protection.

Rates:

Per Hydrant \$869.00

Terms of Payment:

All bills for public fire service furnished under this schedule are rendered in advance monthly and are due and payable in full when rendered.

Effective: July 1, 2009

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO: 4025

SCHEDULE B

PRIVATE FIRE PROTECTION

Applicability:

Applicable throughout the entire territory served by the Newport Water Division for services to private fire protection facilities.

Rates:

For each service connection to the Newport Water Division's mains used wholly or in part to supply fire protection appliances owned and maintained by the customer, the following charges shall apply:

	<u>Per Annum</u>
For each connection less than 2 inch	\$17.05
For each 2 inch connection	\$72.00
For each 4 inch connection	\$442.00
For each 6 inch connection	\$884.00
For each 8 inch connection	\$2,023.00
For each 10 inch connection	\$3,340.00
For each 12 inch connection	\$5,362.00

No additional charge shall be made for private protection appliances owned and maintained by the customer.

Method of Payment:

All bills for private fire services under this schedule are rendered annually in advance and are due and payable in full when rendered.

Effective: July 1, 2009

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO: 4025

SCHEDULE C

BILLING CHARGE

Applicability:

Applicable throughout the entire territory served by the Newport Water Division for industrial, commercial and residential users, exclusive of fire service connections.

Rates:

For each meter connected to the Newport Water Division's mains the following charges shall apply:

Billing Charge	\$15.31
----------------	---------

Method of Payment:

All billing charges under this schedule are rendered in advance concurrent with the billing cycle, monthly or quarterly and are due and payable in full when rendered.

Effective: July 1, 2009

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO: 4025

SCHEDULE D

METERED SALES

Applicability:

General metered service in the entire territory served by the Newport Water Division.

Rates:

For all quantities used except for private fire protection and bulk sales the following rates shall apply:

<u>Customer Class</u>	<u>Rate Per Thousand Gallons</u>
Residential	\$5.25
Commercial	\$5.25
Governmental	\$5.25

Terms of Payment:

All metered sales under this schedule are rendered in arrears monthly or quarterly at the option of Newport Water Division and are due and payable in full when rendered.

Effective: July 1, 2009

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO: 4025

SCHEDULE E

METERED SALES

Applicability:

General metered service to the Department of the Navy, Naval Station Newport served by the Newport Water Division.

Rates:

For all quantities used except for private fire protection and bulk sales the following rates shall apply:

\$3.2280 per thousand gallons

Terms of Payment:

All metered sales under this schedule are rendered in arrears monthly and are due and payable in full when rendered.

Effective: July 1, 2009

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO: 4025

SCHEDULE F

METERED SALES

Applicability:

General metered service to the Portsmouth Water and Fire Districts served by the Newport Water Division.

Rates:

For all quantities used except for private fire protection and bulk sales the following rates shall apply:

\$2.573 per thousand gallons

Terms of Payment:

All metered sales under this schedule are rendered in arrears monthly and are due and payable in full when rendered.

Effective: July 1, 2009

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO: 4025

SCHEDULE G

MISCELLANEOUS CHARGES

1. Temporary Water Services: Applicable to all temporary meters furnished by the Water Division for temporary purposes such as construction or renovation. Charges are withheld from the water user's \$100.00 deposit upon removal of the temporary meter.

Water consumed will be charged at PUC approved retail rate per 1,000 gals.

Meter rental charge: \$5.00 per day

Labor charge: Cost plus 75% overhead

Minimum Charge: \$60.00

2. Meter Test: Applicable to all meters returned to the Water Division for testing. Charges are payable in advance. If upon completion of the test, the meter is found to be in excess of 2%, plus or minus, of actual, the charge is refunded.

Charge: Meter sizes 2-inches or less - \$65.00

Meter sizes greater than 2-inches – Labor cost plus 75% overhead, and contractor cost, plus 25% overhead

3. Seasonal Turn-on and Turn-off: Applicable to all meters installed or removed for seasonal users.

Charge: During Business Hours (7:30 am to 3:30 pm, Monday through Friday) – \$40.00

After Business Hours: (3:30 p.m. to 7:30 a.m., Monday through Friday, and Saturdays, Sundays and Holidays) Labor cost plus 75% overhead (with notice to customer)

4. Turn-on Charge: Applicable to all services turned on after the cessation of a specific violation which resulted in the service shut off. Charges are payable prior to turn on.

Charge: During Business Hours (7:30 am to 3:30 pm, Monday through Friday) – \$40.00

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO: 4025

After Business Hours: (3:30 p.m. to 7:30 a.m., Monday through Friday, and Saturdays, Sundays and Holidays) Labor cost plus 75% overhead (with notice to customer)

5. Meter Service: Applicable to all meter installations and maintenance due to breakage, tampering, overheating or freezing because of owner neglect or abuse.

Charge: Material and equipment costs plus 25% and Labor cost plus 75%. If applicable, \$50.00 tapping charge for new service and Police details at cost.

6. Interest on Delinquent Water Accounts: Amounts not paid by DUE DATE will accumulate a penalty of 18% per annum (1.5% per month) from the DUE DATE through the PAYMENT DATE. DUE DATE is 30 days after the BILLING DATE and is listed on each billing statement, and the BILLING DATE is the date on which the billing statement was mailed and also is listed on each billing statement.

7. Interim Water Bills: \$35.00.each for requested interim bills including meter reading.

8. Sample Testing: Charge assessed for the laboratory testing of water samples at customer request.

Charge: Cost of materials and testing charges plus 25% overhead and labor costs plus 75% overhead

9. Flow Testing: Charge assessed for the flow testing of service connections at customer request.

Charge: Labor costs plus 75% overhead \$40.00 minimum charge

10. Pressure Testing: Charge assessed for the pressure testing of existing or proposed service connections at customer request.

Charge: Labor costs plus 75% overhead \$40.00 minimum charge

11. Service Application Fee: Charge assessed at time that application for water service is submitted.

Charge: Residential Service - \$60.00
Commercial Service - \$100.00

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO: 4025

12. Statement Charge: Charge assessed at time that request for a copy of a billing statement is submitted.

Charge: \$2.50 per statement

13. Photocopying: Charge assessed for copying of documents. Fee payable at time copies are made.

Charge: Letter or legal size copy - \$0.15 per page
Distribution Sheet - \$3.00 per copy

Effective Date: July 1, 2009

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO:

PROPOSED TARRIFS

SCHEDULE

- | | |
|---|----------------------------|
| A | PUBLIC FIRE PROTECTION |
| B | PRIVATE FIRE PROTECTION |
| C | BILLING CHARGE |
| D | METERED SALES - NEWPORT |
| E | METERED SALES - NAVY |
| F | METERED SALES - PORTSMOUTH |
| G | MISCELLANEOUS CHARGES |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO:

SCHEDULE A

NEWPORT WATER DIVISION

PUBLIC FIRE PROTECTION

Applicability:

Applicable throughout the entire territory served by the Newport Water Division for public fire protection.

Rates:

Per Hydrant	\$1,197.00
-------------	------------

Terms of Payment:

All bills for public fire service furnished under this schedule are rendered in advance monthly and are due and payable in full when rendered.

Effective: May 18, 2011

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO:

SCHEDULE B

NEWPORT WATER DIVISION

PRIVATE FIRE PROTECTION

Applicability:

Applicable throughout the entire territory served by the Newport Water Division for services to private fire protection facilities.

Rates:

For each service connection to the Newport Water Division's mains used wholly or in part to supply fire protection appliances owned and maintained by the customer, the following charges shall apply:

	<u>Per Annum</u>
For each connection less than 2 inch	\$23.48
For each 2 inch connection	\$100.00
For each 4 inch connection	\$609.00
For each 6 inch connection	\$1,217.00
For each 8 inch connection	\$2,785.00
For each 10 inch connection	\$4,598.00
For each 12 inch connection	\$7,382.00

No additional charge shall be made for private protection appliances owned and maintained by the customer.

Method of Payment:

All bills for private fire services under this schedule are rendered annually in advance and are due and payable in full when rendered.

Effective: May 18, 2011

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO:

SCHEDULE C

NEWPORT WATER DIVISION

BILLING CHARGE

Applicability:

Applicable throughout the entire territory served by the Newport Water Division for industrial, commercial and residential users, exclusive of fire service connections.

Rates:

For each meter connected to the Newport Water Division's mains the following charges shall apply:

Billing Charge	\$21.08
----------------	---------

Method of Payment:

All billing charges under this schedule are rendered in advance concurrent with the billing cycle, monthly or quarterly and are due and payable in full when rendered.

Effective: May 18, 2011

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO:

SCHEDULE D

NEWPORT WATER DIVISION

METERED SALES

Applicability:

General metered service in the entire territory served by the Newport Water Division.

Rates:

For all quantities used except for private fire protection and bulk sales the following rates shall apply:

<u>Customer Class</u>	<u>Rate Per Thousand Gallons</u>
Residential	\$7.23
Commercial	\$7.23
Governmental	\$7.23

Terms of Payment:

All metered sales under this schedule are rendered in arrears monthly or quarterly at the option of Newport Water Division and are due and payable in full when rendered.

Effective: May 18, 2011

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO:

SCHEDULE E

NEWPORT WATER DIVISION

METERED SALES

Applicability:

General metered service to the Department of the Navy, Naval Station Newport served by the Newport Water Division.

Rates:

For all quantities used except for private fire protection and bulk sales the following rates shall apply:

\$4.4440 per thousand gallons

Terms of Payment:

All metered sales under this schedule are rendered in arrears monthly and are due and payable in full when rendered.

Effective: May 18, 2011

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO:

SCHEDULE F

NEWPORT WATER DIVISION

METERED SALES

Applicability:

General metered service to the Portsmouth Water and Fire Districts served by the Newport Water Division.

Rates:

For all quantities used except for private fire protection and bulk sales the following rates shall apply:

\$3.542 per thousand gallons

Terms of Payment:

All metered sales under this schedule are rendered in arrears monthly and are due and payable in full when rendered.

Effective: May 18, 2011

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO:

SCHEDULE G

NEWPORT WATER DIVISION

MISCELLANEOUS CHARGES

1. Temporary Water Services: Applicable to all temporary meters furnished by the Water Division for temporary purposes such as construction or renovation. Charges are withheld from the water user's \$100.00 deposit upon removal of the temporary meter.

Water consumed will be charged at PUC approved retail rate per 1,000 gals.

Meter rental charge: \$5.00 per day

Labor charge: Cost plus 75% overhead

Minimum Charge: \$60.00

2. Meter Test: Applicable to all meters returned to the Water Division for testing. Charges are payable in advance. If upon completion of the test, the meter is found to be in excess of 2%, plus or minus, of actual, the charge is refunded.

Charge: Meter sizes 2-inches or less - \$65.00

Meter sizes greater than 2-inches – Labor cost plus 75% overhead, and contractor cost, plus 25% overhead

3. Seasonal Turn-on and Turn-off: Applicable to all meters installed or removed for seasonal users.

Charge: During Business Hours (7:30 am to 3:30 pm, Monday through Friday) – \$40.00

After Business Hours: (3:30 p.m. to 7:30 a.m., Monday through Friday, and Saturdays, Sundays and Holidays) Labor cost plus 75% overhead (with notice to customer)

4. Turn-on Charge: Applicable to all services turned on after the cessation of a specific violation which resulted in the service shut off. Charges are payable prior to turn on.

Charge: During Business Hours (7:30 am to 3:30 pm, Monday through Friday) – \$40.00

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO:

After Business Hours: (3:30 p.m. to 7:30 a.m., Monday through Friday, and Saturdays, Sundays and Holidays) Labor cost plus 75% overhead (with notice to customer)

5. Meter Service: Applicable to all meter installations and maintenance due to breakage, tampering, overheating or freezing because of owner neglect or abuse.

Charge: Material and equipment costs plus 25% and Labor cost plus 75%. If applicable, \$50.00 tapping charge for new service and Police details at cost.

6. Interest on Delinquent Water Accounts: Amounts not paid by DUE DATE will accumulate a penalty of 18% per annum (1.5% per month) from the DUE DATE through the PAYMENT DATE. DUE DATE is 30 days after the BILLING DATE and is listed on each billing statement, and the BILLING DATE is the date on which the billing statement was mailed and also is listed on each billing statement.

7. Interim Water Bills: \$35.00.each for requested interim bills including meter reading.

8. Sample Testing: Charge assessed for the laboratory testing of water samples at customer request.

Charge: Cost of materials and testing charges plus 25% overhead and labor costs plus 75% overhead

9. Flow Testing: Charge assessed for the flow testing of service connections at customer request.

Charge: Labor costs plus 75% overhead \$40.00 minimum charge

10. Pressure Testing: Charge assessed for the pressure testing of existing or proposed service connections at customer request.

Charge: Labor costs plus 75% overhead \$40.00 minimum charge

11. Service Application Fee: Charge assessed at time that application for water service is submitted.

Charge: Residential Service - \$60.00
Commercial Service - \$100.00

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
APPLICATION TO CHANGE RATE SCHEDULES

DOCKET NO:

12. Statement Charge: Charge assessed at time that request for a copy of a billing statement is submitted.

Charge: \$2.50 per statement

13. Photocopying: Charge assessed for copying of documents. Fee payable at time copies are made.

Charge: Letter or legal size copy - \$0.15 per page
Distribution Sheet - \$3.00 per copy

Effective Date: May 18, 2011

APPENDIX B



CITY OF NEWPORT, RI
 DEPARTMENT OF UTILITIES
 www.cityofnewport.com/departments/utilities/home.cfm
 For Billing Inquiries Call
 (401) 845-5604

Account Number: 2-
Due Date: 3/31/2011
Bill Date: 3/1/2011

Meter Information

Number	36519669	
Previous Reading/Date	5,089	10/29/10
Current Reading/Date	8,755	02/07/11
Consumption	3,666	
Type of Reading	ACTUAL	



Service Address:

Current Billing Information		Usage History	
Previous Balance	49.95	Date	Gallons Used
Customer Charge	15.31	02/07/11	3,666
Water/Sewer Penalty Charge	0.47	10/29/10	3,202
Water Usage Charge	19.25	08/05/10	1,887
Water Quality Protection Surcharge	1.07	06/10/10	-22,097
Sewer Charge	37.36	05/20/10	6,326
CSO Fixed Charge	47.50	02/24/10	6,773
Sales Tax	0.00	11/25/09	6,469
Miscellaneous Fees	0.00	08/31/09	14,534
Previous Credit	0.00		
TOTAL DUE	\$170.91		

RETAIN TOP PORTION FOR YOUR RECORDS - FEES WILL APPLY FOR ADDITIONAL COPIES - REFER TO REVERSE SIDE FOR CUSTOMER INFORMATION

WATER BILL

Account Number: 2-018-09010
DUE DATE: 3/31/2011

Service Address:

Name/Address

Previous Balance	49.95
Customer Charge	15.31
Water/Sewer Penalty Charge	0.47
Water Usage Charge	19.25
Water Quality Protection Surcharge	1.07
Sewer Charge	37.36
CSO Fixed Charge	47.50
Sales Tax	0.00
Miscellaneous Fees	0.00
Previous Credit	0.00
TOTAL DUE	\$170.91



Remit payment
 and make check
 payable to :

City of Newport
 Water Collection
 43 Broadway
 Newport, RI 02840



PLEASE RETURN THIS STUB WITH PAYMENT

Billing Information

The current water rate structure for billing:

Customer Charge \$ 15.31 / bill
Water Charge \$ 5.25 / 1000 gal

How to compute a bill

Customer Charge: The cost of providing customer related services such as metering, meter reading and billing. These fixed costs are unaffected by the amount of water consumption.

Water Usage Charge: Multiply the total consumption by \$0.00525

Water Quality Protection Surcharge: Multiply the total consumption by \$ 0.000292

If you are a homeowner age 65 or older, you may be exempt from paying the Water Quality Protection Surcharge portion of the water bill for your residence. Applications are available at the Water Department, 70 Halsey St, as well as the Collections Division in City Hall, 43 Broadway. Please call the Billing Office (401)845-5604 for details. If you have previously applied in the past there is no need to reapply.

If you believe your bill is inaccurate, contact the Billing Clerk at (401)845-5604. Billing Department hours of operation are 8AM to 4 PM daily. If a mutually satisfactory settlement of the matter cannot be reached, you have the right to submit the matter to:

Division of Public Utilities and Carriers,
89 Jefferson Boulevard, Warwick, RI 02888
Telephone 401-780-9700.

The current sewer rate structure for Newport customers:

Sewer Charge \$ 10.19 / 1000 gal
CSO fixed charge Assessed by meter size

Sewer Charge: Multiply total water consumption by \$ 0.01019.

CSO Fixed Charge (Sewer): An annual flat fee based on water meter size for costs associated with the City of Newport CSO Long-Term Capital Plan. This is an annual fee and is prorated based on your billing cycle.

Additional information on sewer rates available at
www.cityofnewport.com/departments/utilities/pollution_control/home.cfm

All past due Accounts: Penalties accrue daily 18% per annum

Credit card payments are accepted as follows:

www.officialpayments.com or call toll free 1-800-272-9829 -VISA card is not accepted

For phone payments use Jurisdiction Code 4908.

Confirmation numbers should be kept for your records

Official Payments charges a nominal convenience fee for this service

ESTA NOTICIA MUITO IMPORTANTE. FACA FAVOR DE TRADUZIR IMEDIATAMENTE.

A VISO IMPORTANTE. POR FAVOR PIDA QUE LO TRADUZCAN LOS MAS PRONTO POSIBLE

City of Newport - Water Division**Invoice**

2011 Sundry
PUBLIC FIRE PROTECTION

Invoice Number:	S011-04030
Total Amount Due:	\$29,561.31
Date Due:	ON RECEIPT
Amount Enclosed:	<input type="text"/>

Service Date: 04/01/2011

Bill To: MIDDLETOWN, TOWN OF - FINANCE
 DIRECTOR
 TOWN HALL
 350 EAST MAIN RD
 MIDDLETOWN, R. I. 02842

Please Remit Payment To:
 City of Newport - Water Division
 Collections Dept 43 Broadway
 Newport, R. I. 02840

Invoice Printed : 04/11/2011

RETURN ABOVE PORTION WITH PAYMENT TO THE ABOVE ADDRESS

Item Type	Description	Quantity	Type	Rate	Sales Tax?	Amount
Miscellaneous	Billing charge APRIL 2011	1.0000	Units	15.31		15.31
Miscellaneous	HYDRANT BILLINGS	408.0000	Units	72.42		29,546.00

PUBLIC FIRE PROTECTION		Invoice Number:	S011-04030
Bill To: MIDDLETOWN, TOWN OF - FINANCE DIRECTOR TOWN HALL 350 EAST MAIN RD MIDDLETOWN, R. I. 02842		Date Due:	ON RECEIPT
		Remit Payment To:	City of Newport - Water Division Collections Dept 43 Broadway Newport, R. I. 02840

APPENDIX C

Item 2.9(g)

Schedule of Lease Payments

None

APPENDIX D

Item 2.9(i)

Rate Year Municipal Tax Expense Calculation

Municipal Taxes Rate Year FY 12 plus Prior 3 FY

Little Compton

FY 12 \$ 12,906.00 (estimated with increase of 3% FY11)
FY 11 \$ 12,530.31
FY 10 \$ 10,851.03
FY 09 \$ 10,874.55

Middletown

FY 12 \$ 89,643.00 (estimated with increase of 3% FY11)
FY 11 \$ 87,031.81
FY 10 \$ 86,230.02
FY 09 \$ 76,286.32

Portsmouth

FY 12 \$ 83,763.00 (estimated with increase of 3% FY11)
FY 11 \$ 81,323.13
FY 10 \$ 81,064.07
FY 09 \$ 78,005.73

Tiverton

FY 12 \$32,381.00 (estimated with increase of 3% FY11)
FY 11 \$31,437.58
FY 10 \$29,389.52
FY 09 \$23,378.01

APPENDIX E

Newport Water Division Overtime Pay

Item 2.9 (J)

Employee Totals	Total
June 30, 2010	45
July 1, 2009	47
Rate Year projected	48

	Year	Total Overtime Pay
Fiscal Year 2012	Overtime provided in rate year	193,600.00
Fiscal Year 2010	Test Year	206,497.00
Fiscal Year 2009	(July 1st 2008 ~ June 30, 2009)	197,339.22
Fiscal Year 2008	(July 1st 2007 ~ June 30,2008)	184,922.21

APPENDIX F

<p style="text-align: center;">City of Newport Transactions with Affiliates FY 2010</p>
--

Item 2.9 (k)

Revenue

City Accounts Billed	216,010
Hydrant billing	506,642
WPC reimbursment	269,842

Expenses

Legal and Admin Management fees	301,400
Computer Management fees	137,000
Gas & Vehicle Maintenance	210,874
Sewer Charges	387,413

**City of Newport Hydrant Billing
FY 2010**

Item 2.9 (k)

See attached copy of Bill

2010	Billed amt
July \$	42,218.92
August \$	42,218.92
September \$	42,218.92
October \$	42,218.92
November \$	42,218.92
December \$	42,218.92
January \$	42,218.92
February \$	42,218.92
March \$	42,218.92
April \$	42,218.92
May \$	42,218.92
June \$	42,218.92
billing charge \$	15.31
Total \$	506,642.35

**City of Newport
Active Accounts Billed for FY 2010**

Item 2.9(k)

TYPE	CITY	ACCOUNT	# OF BILL SENT OUT	BILLING								
				CHARGE	usechg	wqpchg	watst	sewchg	sewfx	interim	consump	TOTAL
Government - Newport	NEWPORT	B079-11901	9	135.73	508.36	28.27	-	-	-	-	96,830	672.36
Government - Newport	NEWPORT	B078-20553	14	181.66	1,950.71	110.19	-	2,504.79	398.00	-	377,329	5,145.35
Government - Newport	NEWPORT	B078-11160	12	181.66	376.63	21.25	-	482.60	271.37	-	72,700	1,333.51
Government - Newport	NEWPORT	B078-04702	9	135.73	13.19	-	-	-	-	-	-1,516	148.92
Government - Newport	NEWPORT	B078-04700	9	135.73	321.15	19.03	-	418.50	69.11	-	65,175	963.52
Government - Newport	NEWPORT	B056-01800	4	61.24	812.30	46.72	-	1,056.45	399.00	-	160,000	2,375.71
Government - Newport	NEWPORT	B056-01701	4	61.24	433.51	24.82	-	562.84	966.00	-	85,000	2,048.41
Government - Newport	NEWPORT	B056-01700	4	61.24	356.42	20.44	-	462.92	966.00	-	70,000	1,867.02
Government - Newport	NEWPORT	B056-01601	4	61.24	596.28	34.13	-	774.32	966.00	-	116,900	2,431.97
Government - Newport	NEWPORT	B056-01600	4	61.24	1,593.97	90.98	-	2,064.87	966.00	-	311,560	4,777.06
Government - Newport	NEWPORT	B056-01100	4	61.24	1,123.92	64.35	-	1,459.77	966.00	-	220,400	3,675.28
Government - Newport	NEWPORT	B056-01010	3	45.93	5.14	0.29	-	-	-	-	1,018	51.36
Government - Newport	NEWPORT	B056-01001	4	61.24	2,049.41	116.80	-	2,654.97	399.00	-	400,000	5,281.42
Government - Newport	NEWPORT	B056-01000	4	61.24	770.64	43.80	-	996.78	399.00	-	150,000	2,271.46
Government - Newport	NEWPORT	B056-00900	4	61.24	100.38	5.58	-	127.71	399.00	-	19,120	693.91
Government - Newport	NEWPORT	B056-00802	4	61.24	149.90	8.91	-	196.81	230.00	-	30,484	646.86
Government - Newport	NEWPORT	B056-00801	4	61.24	2,133.06	120.66	-	2,759.35	399.00	-	413,200	5,473.31
Government - Newport	NEWPORT	B056-00701	5	61.24	398.69	22.93	-	519.67	966.00	35.00	78,537	2,003.53
Government - Newport	NEWPORT	B056-00700	5	61.24	269.24	15.03	-	347.96	966.00	35.00	51,456	1,694.47
Government - Newport	NEWPORT	B056-00600	4	61.24	11,174.60	636.84	-	14,474.20	1,608.00	-	2,180,959	27,954.88
Government - Newport	NEWPORT	B056-00500	4	61.24	277.23	15.73	-	358.63	272.00	-	53,880	984.83
Government - Newport	NEWPORT	B056-00400	4	61.24	790.66	45.23	-	1,026.90	272.00	-	154,894	2,196.03
Government - Newport	NEWPORT	B056-00300	4	61.24	537.70	29.91	-	689.72	272.00	-	102,418	1,590.57
Government - Newport	NEWPORT	B056-00200	4	61.24	341.33	19.30	-	441.66	272.00	-	66,089	1,135.53
Government - Newport	NEWPORT	B055-03100	4	61.24	1,384.37	78.84	-	1,787.38	399.00	-	270,000	3,710.83
Government - Newport	NEWPORT	B055-03000	4	61.24	560.92	32.12	-	724.34	399.00	-	110,000	1,777.62
Government - Newport	NEWPORT	B055-02910	4	61.24	115.55	6.56	-	149.53	399.00	-	22,481	731.88
Government - Newport	NEWPORT	B055-02900	4	61.24	(0.52)	(0.03)	-	(0.64)	399.00	-	-100	459.05
Government - Newport	NEWPORT	B055-02753	4	61.24	0.20	-	-	-	-	-	40	61.44

**City of Newport
Active Accounts Billed for FY 2010**

Item 2.9(k)

TYPE	CITY	ACCOUNT	# OF BILL SENT OUT	BILLING								
				CHARGE	usechg	wqpchg	watst	sewchg	sewfx	interim	consump	TOTAL
Government - Newport	NEWPORT	B055-02752	4	61.24	643.66	36.16	-	-	-	-	123,800	741.06
Government - Newport	NEWPORT	B055-02751	4	61.24	890.95	52.09	-	1,152.42	272.00	-	178,400	2,428.70
Government - Newport	NEWPORT	B055-02750	3	45.93	4.08	0.23	-	-	-	-	792	50.24
Government - Newport	NEWPORT	B055-02740	4	61.24	1.29	0.09	-	1.68	104.00	-	260	168.30
Government - Newport	NEWPORT	B055-02700	12	181.66	31,850.22	1,795.18	-	40,937.37	1,604.08	-	6,147,845	76,368.51
Government - Newport	NEWPORT	B055-02500	4	61.24	217.22	12.48	-	279.45	144.00	-	42,700	714.39
Government - Newport	NEWPORT	B055-02400	4	61.24	56.30	3.24	-	72.85	104.00	-	11,075	297.63
Government - Newport	NEWPORT	B055-02300	4	61.24	699.52	40.19	-	905.14	399.00	-	137,600	2,105.09
Government - Newport	NEWPORT	B055-02100	3	45.93	76.70	4.40	-	98.62	-	-	15,052	225.65
Government - Newport	NEWPORT	B055-01971	2	30.62	2.34	-	-	-	-	-	447	32.96
Government - Newport	NEWPORT	B055-01970	4	61.24	636.41	35.91	-	-	-	-	123,000	733.56
Government - Newport	NEWPORT	B055-01960	1	15.31	-	-	-	-	-	-	0	15.31
Government - Newport	NEWPORT	B055-01957	4	45.93	56.33	5.99	-	-	-	-	20,501	108.25
Government - Newport	NEWPORT	B055-01956	3	45.93	126.73	7.68	-	166.62	78.00	-	26,330	424.96
Government - Newport	NEWPORT	B055-01955	3	45.93	2.76	0.16	-	-	-	-	539	48.85
Government - Newport	NEWPORT	B055-01954	4	61.24	2.73	0.19	-	-	-	-	631	64.16
Government - Newport	NEWPORT	B055-01953	3	45.93	11.37	0.66	-	-	-	-	2,267	57.96
Government - Newport	NEWPORT	B055-01700	4	61.24	4,101.34	237.68	-	5,265.23	966.00	-	814,000	10,631.49
Government - Newport	NEWPORT	B055-01600	4	45.93	98.24	8.56	-	-	-	-	29,290	152.73
Government - Newport	NEWPORT	B055-01510	3	45.93	2.00	0.11	-	-	-	-	389	48.04
Government - Newport	NEWPORT	B055-01500	4	61.24	93.91	5.33	-	121.40	144.00	-	18,286	425.88
Government - Newport	NEWPORT	B055-01400	4	61.24	75.72	4.27	-	98.04	399.00	-	14,600	638.27
Government - Newport	NEWPORT	B055-01300	4	61.24	0.05	-	-	0.07	104.00	-	10	165.36
Government - Newport	NEWPORT	B055-01210	4	61.24	659.75	37.79	-	854.38	399.00	-	129,400	2,012.16
Government - Newport	NEWPORT	B055-01200	3	45.93	3.20	0.18	-	-	-	-	625	49.31
Government - Newport	NEWPORT	B055-01100	4	45.93	1.55	0.09	-	-	-	-	305	47.57
Government - Newport	NEWPORT	B055-01000	3	45.93	219.88	12.46	-	280.90	78.00	-	42,672	637.17
Government - Newport	NEWPORT	B055-00920	4	61.24	13,133.01	751.75	-	-	-	-	2,574,500	13,946.00
Government - Newport	NEWPORT	B055-00850	4	61.24	2.32	0.13	-	3.00	104.00	-	460	170.69

**City of Newport
Active Accounts Billed for FY 2010**

Item 2.9(k)

TYPE	CITY	ACCOUNT	# OF BILL SENT OUT	BILLING								
				CHARGE	usechg	wqpchg	watst	sewchg	sewfx	interim	consump	TOTAL
Government - Newport	NEWPORT	B055-00700	3	45.93	2.23	0.13	-	-	-	-	448	48.29
Government - Newport	NEWPORT	B055-00500	4	61.24	1,325.47	76.01	-	1,719.18	966.00	-	260,300	4,147.90
Government - Newport	NEWPORT	B055-00400	4	61.24	539.30	30.95	-	698.22	104.00	-	106,020	1,433.71
Government - Newport	NEWPORT	B055-00310	4	45.93	71.99	4.01	-	-	-	-	13,720	121.93
Government - Newport	NEWPORT	B055-00300	3	45.93	952.26	55.93	-	-	-	-	191,518	1,054.12
Government - Newport	NEWPORT	B055-00211	4	45.93	205.36	12.15	-	266.54	108.00	-	41,620	637.98
Government - Newport	NEWPORT	B055-00210	2	30.62	32.53	1.93	-	42.21	52.00	-	6,607	159.29
Government - Newport	NEWPORT	B055-00200	3	45.93	125.30	7.00	-	-	-	-	23,970	178.23
Government - Newport	NEWPORT	B055-00101	4	61.24	983.10	56.43	-	1,271.40	-	-	193,299	2,372.17
Government - Newport	NEWPORT	B055-00100	4	61.24	1,016.87	58.40	-	1,320.72	272.00	-	200,000	2,729.23
Government - Newport	NEWPORT	B008-22800	4	61.24	641.26	36.85	49.17	831.16	367.25	-	126,200	1,986.93
Government - Newport	NEWPORT	B008-16320	5	61.24	1,007.99	57.72	-	1,308.13	335.50	-	197,700	2,770.58
Government - Newport	NEWPORT	B006-00300	4	61.24	228.46	13.06	-	294.12	104.00	-	44,743	700.88
			309	4,565.33	89,946.64	5,122.25	49.17	95,030.88	21,225.31	70.00	#####	#####

APPENDIX G

Newport Water Division									
Current And Projected Rate Case Expenses									
Item 2.9(m)									
Vendor	Invoice Date	Invoice #	Total	Description	Rate case	Demand Study	Management Study		
Division of Public Utilities and Carriers (DPUC)									
DPUC	3/31/2009	URC3/2009	\$ 5,301.00	Professional Services 12/08-1/09			\$ 5,301.00		
DPUC	4/22/2009	URC4/2009	15,820.00	Professional Services March 2009			15,820.00		
DPUC	6/30/2009	URC6/2009	37,090.00	Professional Services 4/09-5/09			37,090.00		
DPUC	9/29/2009	URC 9/2009	5,533.33	Professional Services August 2009			5,533.33		
DPUC	5/24/2010	URC 5/2010	28,049.00	Professional Services 11/09-4/10		\$ 28,049.00			
DPUC	7/7/2010	URC 6/2010	2,015.90	Professional Services May 2010		2,015.90			
DPUC	9/7/2010	URC 9/10 NEWP	496.11	Court Reporter 9/7/10		496.11			
DPUC	10/12/2010	URC 10/10 NEWP	252.78	Legal Notice 5/28/10		252.78			
DPUC	12/13/2010	URC 12/10 NEWP	3,030.24	Professional Services June 2010		3,030.24		\$ 97,588.36	
Raftelis Financial Consultants, Inc. (RFC)									
RFC	8/7 & 10/6/09	NWRI0801-13 & 14	10,791.57	Professional Services 7/09-8/09		10,791.57			
RFC	11/3/2009	NWRI0801-15	13,759.50	Professional Services October 2009		13,759.50			
RFC	12/1/2009	NWRI0801-16	1,248.00	Professional Services November 2009		1,248.00			
RFC	1/6/2010	NWRI0801-18	3,848.00	Professional Services December 2009		3,848.00			
RFC	2/5/2010	NWRI0801-19	494.75	Professional Services January 2010		494.75			
RFC	3/8/2010	NWRI0801-20	3,775.50	Professional Services February 2010		3,775.50			
RFC	4/7/2010	NWRI0801-21	1,082.35	Professional Services March 2010		1,082.35			
RFC	9/1/2010	NWRI1005-1.10	15,196.50	Professional Services 4/10-6/10		15,196.50			
RFC	9/1/2010	NWRI1005-1.01	5,425.00	Professional Services 4/10-6/10	\$ 5,425.00				
RFC	9/1/2010	NWRI1005-2.01	750.00	Professional Services July 2010	750.00				
RFC	10/15/2010	NWRI1005-2	11,047.90	Professional Services September 2010		11,047.90			
RFC	11/3/2010	NWRI1005-4.01	6,240.00	Professional Services October 2010	6,240.00				
RFC	12/5/2010	NWRI1005-5.01	12,140.00	Professional Services November 2010	12,140.00				
RFC	1/25/2011	NWRI1005-6.01	1,875.00	Professional Services December 2010	1,875.00			87,674.07	
Keough & Sweeney									
Keough & Sweeney	8/7/2009	14345	4,886.20	Professional Services July 2009	4,886.20				
Keough & Sweeney	9/4/2009	14357	2,079.00	Professional Services August 2009	2,079.00				
Keough & Sweeney	10/9/2009	14561	2,012.50	Professional Services September 2009	1,762.50	250.00			
Keough & Sweeney	11/17/2009	14673	8,056.35	Professional Services October 2009	1,531.35	6,525.00			
Keough & Sweeney	12/7/2009	14779	3,836.00	Professional Services November 2009	1,986.00	1,850.00			
Keough & Sweeney	1/19/2010	14916	6,313.25	Professional Services December 2009	2,088.25	4,225.00			
Keough & Sweeney	2/4/2010	15019	3,536.97	Professional Services January 2010	2,661.97	875.00			
Keough & Sweeney	4/7/2010	1045	14,736.32	Professional Services 2/10-3/10	7,036.32	7,700.00			
Keough & Sweeney	4/30/2010	1215	4,836.02	Professional Services April 2010	1,911.02	2,925.00			
Keough & Sweeney	6/7/2010	1396	7,582.50	Professional Services May 2010	1,670.00	5,912.50			
Keough & Sweeney	7/12/2010	1705	6,759.69	Professional Services June 2010	1,272.19	5,487.50			
Keough & Sweeney	7/30/2010	1755	1,800.00	Professional Services July 2010	1,800.00				
Keough & Sweeney	9/7/2010	2147	2,487.50	Professional Services August 2010	2,487.50				
Keough & Sweeney	10/4/2010	2185	675.00	Professional Services September 2010	675.00				
Keough & Sweeney	11/5/2010	2652	1,212.50	Professional Services October 2010	1,025.00	187.50			
Keough & Sweeney	12/8/2010	2835	2,125.00	Professional Services November 2010	1,937.50	187.50			
Keough & Sweeney	1/6/2011	3027	612.50	Professional Services December 2010	612.50				
Keough & Sweeney	2/3/2011	3246	1,725.00	Professional Services January 2011	1,725.00				
Keough & Sweeney	3/2/2011	3283	7,405.67	Professional Services February 2011	7,005.67	400.00		82,677.97	
DPUC	Estimate based on Docket 4025 actual		23,000.00	Professional Services ten months	23,000.00				
DPUC	Estimate based on Summer 2010 actual		4,000.00	Professional Services		4,000.00			
RFC	Balance of PO		72,000.00	Professional Services ten months	72,000.00				
RFC	Estimate based on Summer 2010 actual		13,000.00	Professional Services		13,000.00			
Keough & Sweeney	Estimate based on Docket 4025 and PO		127,000.00	Professional Services ten months	117,000.00	10,000.00			
			\$ 506,940.40		\$ 284,582.97	\$ 158,613.10	\$ 63,744.33		
								0.3	3.5
								3	2
								1.5	3.6
								0.75	1.5
								0.5	2
								2.25	3.5
								0.45	1.3
								0.25	1.25
								0.6	1.2
								1.4	2.25
								0.25	1.25
								1.2	1.8
								2.5	0.75
								2.25	0.8
								2	2
								0.75	0.3
								1.5	0.2
								2.7	0.5
								1.5	29.7
								25.65	

APPENDIX H

Item 2.9 (n)(1)

Unaccounted for Water
Newport Water Division

Fiscal year

2006	423,178,000 gallons	16.20%
2007	487,868,400 gallons	19.07%
2008	448,274,164 gallons	17.08%
2009	455,844,576 gallons	18.02%
2010	527,319,275 gallons	21.73%

APPENDIX I

Item 2.9 (n)(3)

Utilities Own Use of Water
Newport Water Division

Fiscal year	Consumption of Water Gallons
2006	117,152,000 gallons
2007	104,876,000 gallons
2008	102,439,000 gallons
2009	108,514,000 gallons
2010	104,065,000 gallons

APPENDIX J

APPENDIX J(1)

STATUS OF PHYSICAL PLANT Newport Water Division

The Newport Water Division (NWD) is a water supplier that serves a population of approximately 45,000 customers. The transient population served can be higher as Newport is a seasonal community. The retail service area includes the City of Newport, Town of Middletown and a small section of the Town of Portsmouth. NWD also provides water wholesale to the Portsmouth Water & Fire District and Naval Station Newport. NWD owns and operates the water distribution system in Newport, Middletown and the small section in Portsmouth. Portsmouth Water & Fire District and Naval Station Newport own and operate their respective water distribution systems.

The NWD obtains its raw water supply from a system of nine (9) surface reservoirs. Nonquit Pond and Harold E. Watson Reservoir are located on the mainland across the Sakonnet River from Aquidneck Island and comprise more than half of the total system storage. The remaining seven supplies (St. Mary's Pond, Lawton Valley Reservoir, Sisson Pond, North Easton Pond, South Easton Pond, Nelson (Paradise) Pond, and Gardiner's Pond) are located on Aquidneck Island where the systems two water treatment plants are located.

Each reservoir collects and stores runoff from its own watershed. St. Mary's, Sisson, Lawton Valley, and North and South Easton Ponds are also designated as raw water distribution reservoirs because they can provide intermediate storage between another reservoir and a treatment plant. Except for 1.0 square mile in Newport, watersheds for the nine reservoirs are located in Little Compton (3.8 sq. mi.), Tiverton (6.4 sq. mi.), Portsmouth (2.5 sq. mi.) and Middletown (6.2 sq. mi.).

Water treatment is provided at the 7MGD Lawton Valley WTP in Portsmouth and the 9 MGD Newport Station1 WTP in Newport. The Lawton Valley Plant was constructed in 1942 and has gone through several upgrades since then. Lawton Valley is a conventional treatment plant providing chemical addition, coagulation, flocculation, sedimentation, filtration, fluoridation and disinfection. Newport Station 1 went into service March 6, 1991. It is capable of producing treated water at an average rate of 6MDG with minimum and maximum rates of 3MGD and 9MGD, respectively. Treatment processes include chemical addition, coagulation, upflow clarification, granular activated carbon filtration, fluoridation and disinfection.

In 2004 a comprehensive compliance evaluation of the water treatment plants was completed. The purpose of the evaluation was to determine whether each plant's existing processes can continue to produce drinking water that complies with the current drinking water regulations as well as future regulations coming into effect over the next 5 to 10 years. The evaluations provided recommendations, both short term and long term to maintain compliance with drinking water regulations. Both plants have experienced difficulty in meeting the standards of the Disinfectant/Disinfectant by Product Rule. In November, 2004 the City secured services of an engineering firm to pilot and design the short term improvements identified in the Compliance Evaluations. Piloting necessary for

the use of chloramines as a secondary disinfectant at both plants was performed and expanded at the recommendation of EPA's Office of Research and Development in order to have results that address the disinfectant byproduct situation and keep lead levels in the distribution below action levels. Results of the pilot testing for a short term solution, completed in 2008 were inconclusive and it was decided to proceed with long term improvements at both treatment plants. In March 2008 the City awarded a contract to an engineering firm to serve as the City Advisor for the procurement and the implementation of the long term improvements at the water treatment plants. The long term improvements include the construction of a new plant to replace the Lawton Valley Facility and upgrades to the existing Station 1 plant to regain the original 9MGD capacity. During Phase 1 of the City Advisor contract a Design-Build delivery method was selected for long term improvements project. Pilot testing of alternative treatment processes was conducted in 2009 and 2010. An advanced treatment approach was approved by City Council in April, 2010 which offers more reliability and certainty, greater ability to address future regulations without needs for upgrades, and less likelihood of public concerns relative to health effects. Evaluations of treatment plant layouts, environmental and engineering investigations were completed in order to prepare a Request for Proposals (RFP) from DB proposers. The RFP was issued in November, 2010 with proposals due in May, 2011. The award of the DB contract is anticipated for January-February, 2012.

There are three service areas or pressure zones in the NWD water distribution system identified as Low, Medium, and High.

- The Low service area is supplied by the Newport Station 1 WTP. Four pumps at the WTP supply water to the Low Service area. Storage in the Low Service Area is provided by the 3Mgal storage tank located on Reservoir Road, Middletown.
- The Medium Service area is supplied from the Lawton Valley WTP. Treated water from the WTP is discharged to a 4Mgal distribution reservoir. Water is pumped from this 4Mgal reservoir to a nearby 2 Mgal storage tank. The 2Mgal tank feeds the Medium Service Area and sets the hydraulic gradient in the distribution system. The Medium Service Area can also be provided water from one of 2 booster pumps located at Newport Station 1. Also Newport Station 1 can receive water at a 2MGD rate from the Lawton Valley WTP. This demonstrates the systems flexibility to move treated water to be used by each plant. A normally closed interconnection exists between the low and medium service area. Raytheon Corporation in Portsmouth draws water directly from the 2Mgal tank.
- The High Service Area is provided by a booster pumping station on Forest Ave., Middletown which pumps water to the 1.5 Mgal tank on Goulart Lane, Portsmouth. A normally closed interconnection exists between the medium and high service areas. An emergency interconnection exists between the High Service Area and Portsmouth Water and Fire District at Mitchell's Lane.

The NWD's system consists of approximately 168 miles of transmission and distribution mains, 3300 valves and 1,034 fire hydrants. There are approximately 14,500 metered service connections in the NWD distribution system which includes services in Newport, Middletown and a small section of Portsmouth. NWD owns all the meters in the system. The NWD is in the process of replacing old meters, downsizing large meters, and converting to a radio read metering system

APPENDIX J(2)

MAINTENANCE POLICY
Newport Water Division

The Newport Water Division (NWD) maintains its system to ensure that it operates in accordance with all regulatory requirements and accepted standards in order to provide and deliver the safest and most reliable drinking water to all of its customers.

Water Mains- There are approximately 168 miles of transmission and distribution mains in the NWD system. The original water works in Newport was started in 1876. The City of Newport has owned and operated the system since 1936. Between 1900 and 1940 nearly all new pipes added to the distribution system were unlined cast iron pipe (CI). Some of the unlined CI installed during this period has since been cleaned and lined. Between 1940 and 1970 water pipes installed were either lined CI or Asbestos/Cement (A/C or transite). Water pipes installed between 1970 and 1984 were either cement lined ductile iron (DI) or Poly Vinyl Chloride (PVC). Since 1984 all water pipes installed have been cement lined DI pipe. NWD has initiated a program to complete leak detection of the entire system starting in the Spring, 2011, with scheduled completion of Fall, 2011.

NWD's 2010 Draft Infrastructure Replacement Plan submitted to RIDOH in January, 2010 presents a plan to upgrade the distribution system and the work is being implemented. A construction project for the replacement of water mains on 38 streets was completed in the fall of 2010. The design is underway for an approximately \$3 million water main improvement project projected to be under construction in the Summer, 2012. NWD is committed to continue to replace and/or rehabilitate identified water lines within the operating budget IFR funds. Attached is a listing of water mains replaced/installed over the last ten (10) years. NWD Distribution Section staff is on call after hours to perform emergency repairs to the transmission and distribution system as necessary.

Hydrants- NWD maintains approximately 1,034 hydrants located as follows:

Newport	617
Middletown	408
Portsmouth	<u>9</u>
Total	999

The age of the hydrants range from the early 1900's to 2003. The NWD has an active hydrant flushing program where the hydrants are flushed and exercised each year. The NWD has implemented a hydrant replacement program that allows for no hydrant to be older than 50 years of age.

Valves- The valves in the system were installed with the water mains. NWD staff operate distribution valves every other year for an ongoing valve exercise program. NWD staff replaces valves when they are found to be inoperable. Valves are also included with the replacement of a water main.

Service Connections- There are 14,459 metered service connections in the NWD system. The NWD is responsible for the water service from the main to the curb stop. The property owner is responsible for the water service from the curb stop to the building/house. All water services installed after 1931 are copper. The NWD Distribution Section replaces services which are lead or wrought iron as part of their regular work as scheduling allows.

Meters- NWD owns, maintains, and replaces all meters in the system. NWD has an active meter replacement program which is funded through the Meter Section's operating budget and IFR. Presently, the NWD Meter Section is completing a project to convert to a radio read meter system. The implementation of converting the meters began in December 2008 and is scheduled to be completed in 2011. Included in the project is replacement of all small meters greater than five years old.

New Water Main Installations 2000-2010
Newport Water Division

<u>Year</u>	<u>Location</u>		<u>Length</u>	<u>Size/Mat</u>
2000	Ann St	Newport	400	4"DI
	Brewer St	Newport	400	4"DI
2002	Columbia Rd	Middletown	653	8"DI
	Honeyman Ave	Middletown	610	8"DI
	Marshall Ter	Middletown	220	8"DI
	Ward Ave	Middletown	250	8"DI
	Central St	Newport	540	8"DI
	Dresser St.	Newport	860	8"DI
2003	Turner Rd	Middletown	4960	12"DI
	Ward Ave	Middletown	578	8"DI
	Bancroft	Newport	510	8"DI
	Warner Place	Newport	290	8"DI
2004	Ridge Road	Newport	166	8" DI
	Ridge Road	Newport	3252	12" DI
	Harrison Ave	Newport	1446	12" DI
2005	Castle Hill Ave	Newport	1400	8"DI
	Ridge Road	Newport	650	8"DI
	Ocean Ave	Newport	5140	8"DI
	Harrison Ave	Newport	3400	12"DI
2006	McAllister St	Newport	600	8"DI
	Ocean Ave	Newport	9700	12"DI
	Ledge Road	Newport	1650	8"DI
	North Drive	Middletown	1360	8"DI
	South Drive	Middletown	1840	8"DI
	Circle Drive	Middletown	2400	8"DI
2007	Ocean Ave	Newport	200	12"DI
	Lakeview Ave	Newport	300	8"DI
	Xavier Ter	Newport	140	8"DI
2008	Howard Street	Newport	80	6"DI
2009	Halidon Terrace	Newport	350	8"DI
2010	Boss Ct.	Newport	190	6"DI
	Dixon St.	Newport	730	8"DI
	Howard St.	Newport	490	8"DI
	Goodwin St.	Newport	360	8"DI
	Underwood Ct.	Newport	350	6"DI
	Walnut St.	Newport	550	8"DI
	Byrnes Ct.	Newport	350	8"DI
	Bachelor St.	Newport	420	8"DI

Katzman Pl. Newport 280 6"DI
 New Water Main Installations 2000-2010
 Newport Water Division

<u>Year</u>	<u>Location</u>		<u>Length</u>	<u>Size/Mat</u>
2010	LaSalle Pl.	Newport	310	6"DI
	Wesley St.	Newport	510	8"DI
	Pine St.	Newport	240	8"DI
	Gladding Ct.	Newport	150	6"DI
	Sunshine Ct.	Newport	320	8"DI
	Guerny Ct.	Newport	200	6"DI
	Tyler St.	Newport	420	8"DI
	Kay Terrace	Newport	270	6"DI
	Everrett St.	Newport	590	8"DI
	Manning Terrace	Newport	480	6"DI
	Haskell Ave.	Newport	300	8"DI
	Hoffman Pl.	Newport	210	6"DI
	Ashurst Pl.	Newport	240	6"DI
	Hunter Ave.	Newport	500	8"DI
	Sagamore St.	Newport	360	8"DI
	King Phillip Rd.	Newport	350	8"DI
	Ellwood Pl.	Newport	160	6"DI
	Bedlow Pl.	Newport	360	6"DI
	Greene Lane	Newport	580	8"DI
	Porter Ave.	Newport	250	8"DI
	Yale St.	Newport	400	6"DI
	Rowland Rd.	Newport	360	8"DI
	Downing St.	Newport	320	8"DI
	Fir St.	Newport	430	8"DI
	Tomkins Ct.	Newport	90	6"DI
	Guinn Ct.	Newport	150	6"DI
	Elizabeth St.	Newport	320	6"DI
	Redwod St.	Newport	530	8"DI
	Cottage St.	Newport	230	8"DI

APPENDIX J(3)

Chemicals Used in the Water Treatment Processes
Newport Water Division

1. **SODIUM HYDROXIDE**

Pre-Sodium Hydroxide at Lawton Valley helps pH control for the coagulation process and the removal of manganese.

Post-Sodium Hydroxide is used to control pH and reduce corrosion in the finished water.

2. **ALUM**

Alum is used to coagulate and settle suspended material in the raw water prior to filtration.

3. **CHLORINE DIOXIDE**

Sodium Chlorite is combined with chlorine gas to make Chlorine Dioxide. It is used to control THM's, taste and odor and pre-disinfection credits.

4. **POST CHLORINE**

Post Chlorine is used for disinfection and CT requirements.

5. **FLUORIDE**

Fluoride is used for tooth decay prevention.

6. **COPPER SULFATE**

Copper Sulfate is used to control algae blooms in the raw water reservoirs.

7. **BETZ CP210P POLYMER**

Betz CP210P is cationic polymer used to aid coagulation. It gives the sludge blanket additional strength.

8. **GRANULAR ACTIVATED CARBON**

Granular activated carbon is used to remove organics and turbidity, to aid in taste and odor control, and for the removal of chlorites.

See attached sheets for cost breakdown.

APPENDIX J(4)

POLICY RELATED TO FUTURE EXPANSION AND RENOVATIONS
OF THE PHYSICAL PLANT
Newport Water Division

The Newport Water Division maintains its treatment facilities to ensure that they operate in accordance with all regulatory requirements and accepted standards in order to provide and deliver the safest and most reliable drinking water to all of its customers.

In 2004 a comprehensive compliance evaluation of the two (2) water treatment plants was completed. The compliance evaluations are a comprehensive study of each facility to determine each facility's ability to continue to meet current and future drinking water regulations with the present treatment processes as well as future regulations coming into effect over the next 5 to 10 years. The evaluations provided recommendations, both short term and long term to maintain compliance with drinking water regulations. In November, 2004 the City secured services of an engineering firm to pilot and design the short term improvements identified in the Compliance Evaluations. Piloting necessary for the use of chloramines as a secondary disinfectant at both plants was performed and expanded at the recommendation of EPA's Office of Research and Development in order to have results that address the disinfectant byproduct situation and keep lead levels in the distribution below action levels. Results of the pilot testing for a short term solution, completed in 2008 were inconclusive and it was decided to proceed with long term improvements at both treatment plants. In March 2008 the City awarded a contract to an engineering firm to serve as the City Advisor for the procurement and the implementation of the long term improvements at the water treatment plants. The long term improvements include the construction of a new plant to replace the Lawton Valley Facility and upgrades to the existing Station 1 plant to regain the original 9MGD capacity. During Phase 1 of the City Advisor contract a Design-Build delivery method was selected for long term improvements project. Pilot testing of alternative treatment processes was conducted in 2009 and 2010. An advanced treatment approach was approved by City Council in April, 2010 which offers more reliability and certainty, greater ability to address future regulations without needs for upgrades, and less likelihood of public concerns relative to health effects. Evaluations of treatment plant layouts, environmental and engineering investigations were completed in order to prepare a Request for Proposals (RFP) from DB proposers. The RFP was issued in November, 2010 with proposals due in May, 2011. The award of the DB contract is anticipated for January-February, 2012.

The City submitted in January, 2010 an update to the Water Infrastructure Replacement Plan (IRP) to the RIDOH for review and approval. The long term improvements recommended for the treatment facilities were incorporated into the IRP.

The Capital Improvement Plan adopted by the Newport Water Division is implemented in accordance with the 2010 Water Infrastructure Replacement Plan and the recommendations from the 2004 Compliance Evaluation of the treatment facilities.