

REBUTTAL TESTIMONY OF
Mr. David M. Fox, Vice President
Raftelis Financial Consultants, Inc.

for
THE PAWTUCKET WATER SUPPLY BOARD

DOCKET No. 23-30-WW

APRIL 4, 2024

1 **I. INTRODUCTION**

2 **Q. Please provide your full name, title and business address for the record.**

3 A. David M. Fox, Vice President, Raftelis Financial Consultants, Inc., 24 Superior Drive,
4 Suite 107, Natick, MA 01760.

5

6 **Q. Are you the same David Fox that provided pre-filed direct testimony in this docket?**

7 A. Yes, I am.

8

9 **Q. What is the purpose of your rebuttal testimony?**

10 A. I reviewed the pre-filed testimony submitted by Lafayette K. Morgan, Jr. and Jerome
11 D. Mierzwa for the Division of Public Utilities and Carriers, and my rebuttal testimony
12 will address fourteen issues:

- 13 1. Mr. Morgan’s proposal to use of Fiscal Year (FY) 2025 as the rate year and to
14 change PWSB’s multi-year increase from a four-step increase to a three-step
15 increase.
- 16 2. Adjustments to billing units and operating revenues as proposed by Mr. Morgan.
- 17 3. Adjustments to labor expenses as proposed by Mr. Morgan, and an update on
18 Salaries and Benefits related to the PWSB’s thirty-six (36) employees who are
19 members of RI Council 94, AFSCME, AFL-CIO Local 1012.
- 20 4. Adjustments to the PWSB’s Post-Employment Benefit Expenses as proposed by
21 Mr. Morgan.
- 22 5. Mr. Morgan’s proposed adjustment to the expense inflation rate.
- 23 6. The rate case expense normalization period as proposed by Mr. Morgan.
- 24 7. Mr. Morgan’s proposed adjustment to Consultant Expenses – Engineering.
- 25 8. An adjustment to Postemployment Health Insurance Expenses as proposed by
26 Mr. Morgan.
- 27 9. Electric Power expense adjustments as proposed by Mr. Morgan.
- 28 10. The Heating expense adjustment as proposed by Mr. Morgan.

- 1 11. The Adjustment to PWSB’s allowed revenue stabilization account as proposed by
- 2 Mr. Morgan.
- 3 12. An update on the Pawtucket Water Supply Board’s Debt Service allowance.
- 4 13. An update on costs associated with the Treatment Plant Operating Contract.
- 5 14. Rate design issues as presented by Mr. Mierzwa.

6

7 **II. RATE YEAR**

8 **Q. Do you agree with Mr. Morgan’s suggestion that the PWSB’s request for a four-**

9 **step increase be changed to a three-step increase with the first step using the rate**

10 **year of Fiscal Year 2025?**

11 A. Yes, I do.

12

13 **III. RATE YEAR OPERATING REVENUES**

14 **Q. Do you agree with Mr. Morgan’s proposed adjustment to rate year operating**

15 **revenues under currently allowed rates?**

16 A. Not entirely. Given that I agree with Mr. Morgan’s proposal of a FY 2025 rate year, I

17 do agree that rate year operating revenues need to be established using FY 2025

18 billing determinants and the PWSB’s currently allowed rates and charges. However, I

19 do not agree with the rate year billing determinants that Mr. Morgan assumed.

20

21 Mr. Morgan escalated FY 2023 consumption based on an average of the annual

22 percentage change in consumption associated with the prior four years (2019 to

23 2020, 2020 to 2021, 2021 to 2022, and 2022 to 2023). Relying upon this

24 methodology results in an increase in total consumption (small, large, and

25 wholesale) of approximately 0.34%. The chart below represents annual total

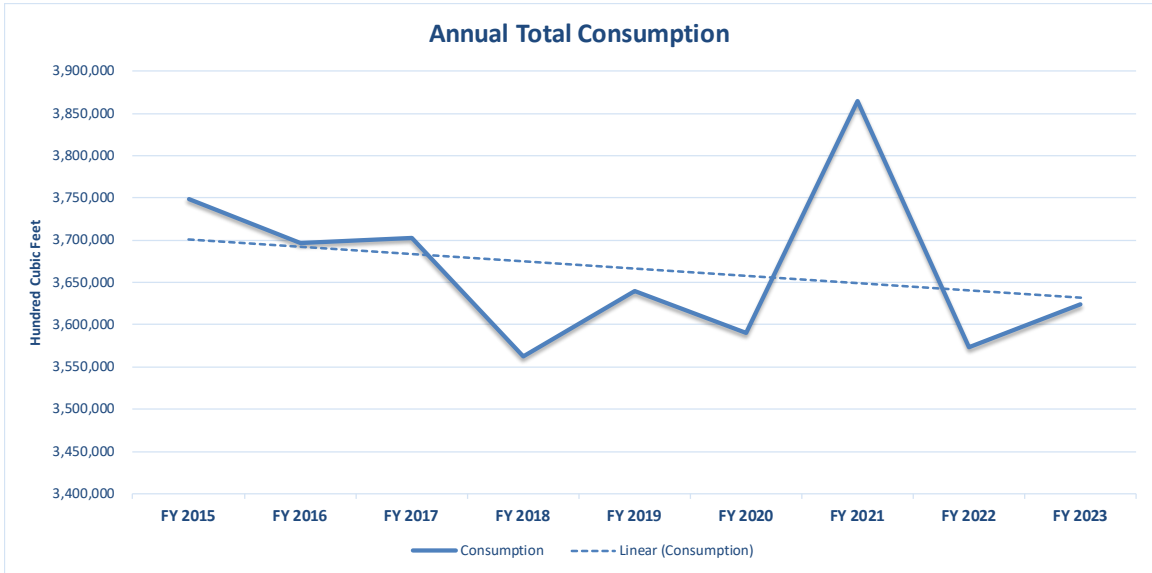
26 consumption from FY 2015 to FY 2023. Although PWSB’s annual consumption does

27 exhibit, similar to most water utilities, annual fluctuations both upward and

28 downward, the trend line clearly demonstrates a downward trend in annual

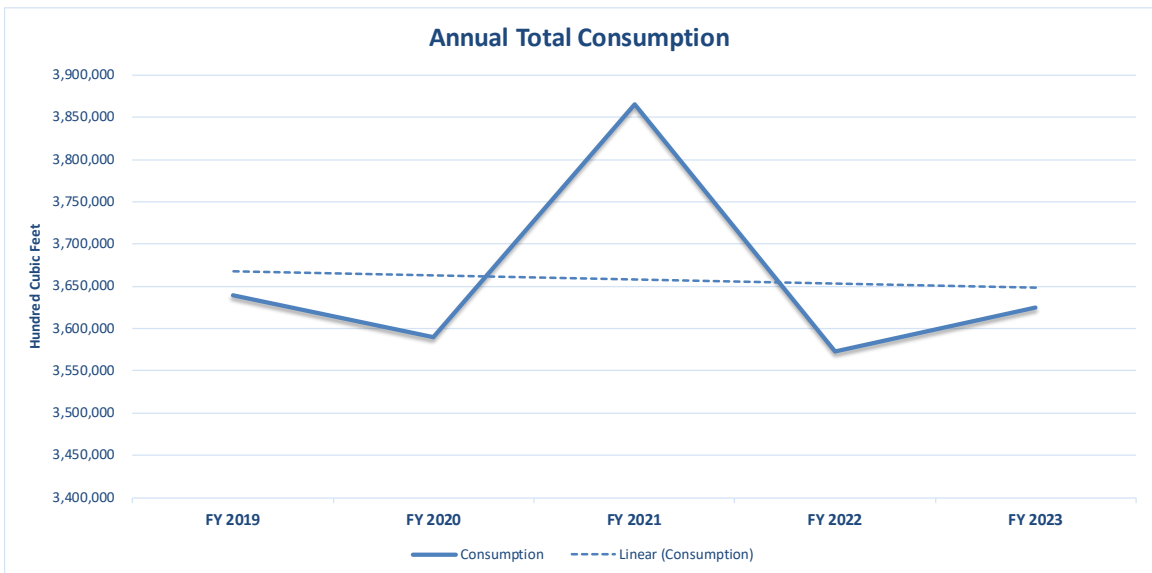
29 consumption.

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Furthermore, if one were to omit, or normalize, FY 2021 from the analysis due to anomalously high consumption in response to the COVID-19 pandemic stay-at-home orders, the trend would exhibit an even more aggressive downward trend. It is unreasonable to assume that consumption will increase, as the data suggest otherwise. Even if one were to calculate a trend using only Mr. Morgan’s proposed historical reference period of FY 2019 – FY 2023, even with the anomalous spike in FY 2021, the trend still exhibits a downward trajectory. See the chart below.



10
11

1 Mr. Morgan utilized a similar approach for establishing rate year accounts by meter
2 size, but instead used an average of the prior three years (2020 to 2021, 2021 to
3 2022, and 2022 to 2023). Given that the change in accounts over time does not
4 exhibit the same volatility as revenue, and that Mr. Morgan’s rate year number of
5 accounts is very close to my originally proposed number of accounts, I agree with his
6 establishment of rate year accounts by meter size. I also agree with his updated
7 units of service with respect to fire protection, as through discovery, updated
8 information became available.

9

10 **Q. Given that you disagree with Mr. Morgan’s assumption for rate year consumption,**
11 **what do you propose in rebuttal?**

12 A. My originally proposed methodology for determining an annual percentage change
13 in consumption relied upon the average annual change in consumption from FY
14 2015 to FY 2023. This results in an annual change in total consumption of -0.03%.
15 This is not an aggressive or unreasonable forecast for changes in consumption, and
16 better fits the trend line of consumption than the methodology relied on by Mr.
17 Morgan. As such, I propose to maintain my original methodology for forecasting
18 consumption, but continuing that to the rate year of FY 2025.

19

20 **Q. Have you recalculated rate year operating revenues?**

21 A. Yes. Schedules DF Schedule 10.0 – Rebuttal presents the calculation of an updated
22 rate year operating revenue of \$20,353,629, assuming the PWSB’s currently allowed
23 rates and charges.

24

25 **IV. SALARIES AND BENEFITS**

26 **Q. Do you agree with Mr. Morgan’s proposed adjustment to Salaries and Benefits as**
27 **described in his direct testimony?**

28 A. No. One of the positions (Customer Service Rep (R38C)) that Mr. Morgan omitted
29 from his labor expenses due to “temporary vacancies to be filled” has in fact been

1 filled. Also, the PWSB is actively interviewing candidates to fill the four additional
2 temporarily vacant transmission and distribution positions (two Water Equipment
3 Operators and two Water Utility Workers). As such, I propose to leave the salaries
4 and benefits associated with these positions included in the cost of service, as it is
5 highly likely that the PWSB will fill these positions within the near-term. However,
6 the PWSB is not actively trying to fill the temporarily vacant Water Engineering
7 Project Manager, so I have removed the associated salary and benefits from the
8 overall cost of service.

9

10 In addition to the changes described above, there has been some reorganization of
11 employees by position. For example, an employee that was a Water Utility Worker,
12 has be reassigned as a Crew Leader; the retired Building Custodian position has been
13 updated to a Source Water Technician, and filled; and an employee that was a
14 Water Equipment Operator, has been reassigned as a Water Meter Service Tech. As
15 such, I have updated the PWSB's salaries and benefits with its most recent
16 information.

17

18 **Q. Have you updated your rate and step year salaries and benefits accordingly?**

19 A. Yes. I have removed the salaries and benefits associated with currently vacant
20 positions that have not yet been filled, but have maintained the salaries and benefits
21 associated with a position that was vacant, but has been filled.

22

23 In addition, I have also adjusted salaries and benefits associated with the 36
24 employees who are members of the RI Council 94, AFSCME, AFL-CIO Local 1012. In
25 my original pre-filed testimony, I used a placeholder of 1% wage increases annually.
26 As set forth in Mr. DeCelles' rebuttal testimony, it is the PWSB's understanding that
27 the union and the City of Pawtucket have narrowed the outstanding issues that
28 require resolution for a new three-year contract. At this time, the PWSB believes it is
29 prudent to incorporate a 2.0% increase for Local 1012 employees in the first step of

1 the multi-year increase (FY 2025). When the final contract is approved, the PWSB
2 can address the increases for Step Two (FY 2026) and Step Three (FY 2027) in its
3 compliance filings for these two steps.

4

5 **V. POST-EMPLOYMENT BENEFIT EXPENSE (MERS AND OPEB)**

6

7 **Q. Do you agree with Mr. Morgan’s proposed adjustment to the PWSB’s Post-**
8 **Employment Benefit Expenses?**

9 A. No. Mr. Morgan reduced operating expenses associated with the PWSB’s Post-
10 Employment Benefit Expense by \$1,184,000 based on an actuarial adjustment of the
11 PWSB’s future Post-Employment Benefit Expense liability. Mr. Morgan referenced
12 the PWSB’s response to Div. 2-2(a) (submitted on December 6, 2023) and 6-1
13 (submitted on February 7, 2024), and indicated that “PWSB has not provided
14 adequate information to explain the reason for the increase in operating
15 expenses.”¹ The PWSB was not aware that there were still questions on Post-
16 Employment Benefit Expenses, and I will try to explain these expenses more fully.

17

18 The PWSB incurs expenses associated with benefits for retired PWSB employees in
19 two categories: (1) Contributions to the State of Rhode Island Municipal Employees’
20 Retirement System (“MERS”); and, (2) Other Post-Employment Benefits (e.g. health
21 insurance, dental insurance, etc.) (“OPEB”). These expenses are incurred by the
22 PWSB each year.

23

24 By way of example, the table below shows the PWSB’s Post-Retirement Benefit
25 Expenses for both MERS and OPEB in FY2022. As set forth in column 1, the PWSB
26 incurred expense for its contribution to MERS in the amount of \$345,625, and as set
27 forth in column 4, the PWSB incurred expense of \$162,824 for OPEB. Thus, the total
28 Post-Employment Expense in FY2022 (for MERS and OPEB) was \$508,449 as set forth

¹ Direct testimony of Lafayette K. Morgan, Jr., March 8, 2024, page 10, line 18.

1 in column 7, which combines the amounts in column 1 and 4. This is an actual
 2 expense the PWSB was required to pay in FY2022.

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FY 2022 – Post-Employment Benefit Expense

Department	MERS			OPEB			Combined		
	(1) City	(2) Auditor	(3) Financial	(4) City	(5) Auditor	(6) Financial	(7) City	(8) Auditor	(9) Financial
	<u>Reimbursement</u> (Cost)	<u>Adjustment</u> (Liability)	<u>Statement</u> Presentation	<u>Reimbursement</u> (Cost)	<u>Adjustment</u> (Liability)	<u>Statement</u> Presentation	<u>Reimbursement</u> (Cost)	<u>Adjustment</u> (Liability)	<u>Statement</u> Presentation
30095100	\$ 80,441	\$ (251,647)	\$ (171,206)	\$ 162,824	\$ (108,756)	\$ 54,068	\$ 243,264	\$ (360,403)	\$ (117,139)
30095200	\$ 25,235	\$ (80,895)	\$ (55,660)	\$ -	\$ -	\$ -	\$ 25,235	\$ (80,895)	\$ (55,660)
30095300	\$ 24,613	\$ (81,376)	\$ (56,763)	\$ -	\$ -	\$ -	\$ 24,613	\$ (81,376)	\$ (56,763)
30095600	\$ 132,500	\$ (404,658)	\$ (272,159)	\$ -	\$ -	\$ -	\$ 132,500	\$ (404,658)	\$ (272,159)
30095700	\$ 47,636	\$ (149,565)	\$ (101,929)	\$ -	\$ -	\$ -	\$ 47,636	\$ (149,565)	\$ (101,929)
30095800	\$ 35,201	\$ (107,102)	\$ (71,901)	\$ -	\$ -	\$ -	\$ 35,201	\$ (107,102)	\$ (71,901)
	<u>\$ 345,625</u>	<u>\$ (1,075,244)</u>	<u>\$ (729,619)</u>	<u>\$ 162,824</u>	<u>\$ (108,756)</u>	<u>\$ 54,068</u>	<u>\$ 508,449</u>	<u>\$ (1,184,000)</u>	<u>\$ (675,551)</u>

5
 6

7 When it comes to Post-Employment Benefit Expenses, in addition to the yearly
 8 expenses the PWSB must pay, it has future liabilities it has to meet over the lifetimes
 9 of its retirees. However, this future liability is not certain as it is based on many
 10 factors that change from year to year. One simple example is that in some years new
 11 retirees enter the pool, and others may pass away. This dynamic changes the
 12 PWSB’s yearly expense. Thus, and to comply with the Governmental Accounting
 13 Standards Board’s (GASB) Statement Number 74 and Statement Number 75, the
 14 PWSB’s auditors make actuarial adjustments each year to PWSB’s future Post-
 15 Employment Benefit Expense liability. This actuarial adjustment changes from year
 16 to year, and is simply a yearly “snapshot” of how the PWSB’s future liability has
 17 changed in that year for purposes of the audited financial statements .

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 19

20 By way of example, and as set forth in the table above regarding FY2022, the
 21 auditors determined that the PWSB’s *future actuarial* liability for MERS contributions
 22 decreased from FY2021 to FY2022 by \$1,075,244 (column 2). The Auditors also
 23 determined that the PWSB’s *future actuarial* OPEB liabilities decreased by \$162,824
 24 from FY2021 to FY2022 (column 4). The combined decrease from FY2021 to FY2022
 25 for *future actuarial* MERS and OPEB liability is \$1,184,000 (column 8), which is the
 26 amount Mr. Morgan cut from the PWSB’s rate year revenues. However, the PWSB’s
 actual MERS and OPEB expenses that it has to pay were not reduced by \$1,184,000.

1 That “reduction” was simply an actuarial reduction of future liabilities. Again, this
 2 actuarial reduction is simply a snapshot in time to show the PWSB the status of its
 3 current MERS and OPEB liabilities in that year’s audited financial report.

4

5 Again by way of example, the table below shows the PWSB’s Post-Employment
 6 Expense for FY2023, and the Auditors future actuarial liability adjustment.

7

8 **FY 2023 – Post-Employment Benefit Expense**

9

FY 2023	MERS		OPEB	
	City Reimbursement	Liability Adjustment	City Reimbursement	Liability Adjustment
30095100	\$ 84,645.95	\$ (75,181.72)	\$ 151,934.52	\$ (48,823.00)
30095200	35,863.83	(38,602.96)		
30095300	25,057.71	(22,712.22)		
30095600	143,578.05	(132,631.64)		
30095700	64,427.34	(55,982.61)		
30095800	35,967.34	(31,551.60)		
	<u>\$ 389,540.22</u>	<u>\$ (356,662.75)</u>	<u>\$ 151,934.52</u>	<u>\$ (48,823.00)</u>

10

11

12 As can be seen here, the future actuarial liability adjustments for MERS and OPEB
 13 reflecting the change between FY2022 and FY2023 changed. However that does not
 14 reflect a change in actual expenses. The PWSB was still required to pay \$389,540.22
 15 in MERS expense for FY 2023, which is an increase over the previous year, and was
 16 also required to pay \$151,934.53 for OPEB, which was a decrease from the previous
 17 year.

18

19 So, using the years FY2022 and FY2023 as an example, if Mr. Morgan’s \$1,184,000
 20 adjustment were accepted in FY2022, the PWSB would not have revenues to pay the

1 Post-Employment Expenses in FY2023 in the combined amount of \$541,474.74, *and*
2 the PWSB would lose an additional \$642,525.26 in revenue for other expenses.

3

4 **Q. Based on your testimony above, are you proposing any adjustments to your**
5 **originally filed position on the PWSB's Post-Employment Benefit Expenses?**

6 A. No, I am not.

7

8

9 **VI. EXPENSE INFLATION RATE**

10 **Q. Can you please explain Mr. Morgan's proposal for an assumed expense inflation**
11 **rate?**

12 A. Yes. Mr. Morgan correctly pointed out that given the newly proposed rate year of FY
13 2025, that expenses associated with an inflationary adjustment would need to be
14 increased to FY 2025, not FY 2024. Mr. Morgan then utilized two different expense
15 escalation rates to accomplish this. First, he escalated expenses from FY 2022 to FY
16 2023 using my proposed inflation rate of 0.0347, which is based on the historical
17 change in inflation from the second quarter of 2022 to the second quarter of 2023,
18 per the Gross Domestic Product-Price Index (GDP-PI). He then escalated FY 2023
19 expenses to FY 2024 and FY 2025 based on the projected GDP-PI rate from the
20 Congressional Budget Office. This projected inflation rate is 0.021 for both 2024 and
21 2025.

22

23 **Q. Do you agree with Mr. Morgan's alternative proposal?**

24 A. No. Although it is impossible for either myself or Mr. Morgan to know future
25 inflation with certainty, I disagree with his presumption that the Congressional
26 Budget Office's projected GDP-PI is more accurate than relying upon recent
27 historical inflation that has actually occurred.

28

29 I analyzed the actual inflation over the last 20 years, by month, compared to the 1-
30 year projected inflation for the same coinciding period of time. Over that period of

1 time, the projected inflation consistently fell short of actual inflation. From January
2 2004 to December 2023, the average projected inflation was 1.91%, whereas the
3 average actual inflation was 2.58%. Analyzing the last 10 years, from January 2014
4 through December 2023, the average projected inflation was 1.82%, whereas the
5 average actual inflation was 2.75%. Looking at the just the last 5 years, from January
6 2019 through December 2023, the average projected inflation was 2.04%, whereas
7 the average actual inflation was 3.98%. Again, projected inflation consistently falls
8 short of actual future inflation, on average, and at times by meaningful amounts. As
9 such, I maintain my position that future inflation should be based on recent
10 historical actuals, of course forecasted to FY 2025 levels to coincide with the
11 updated rate year.

12

13 **Q. Did Mr. Morgan propose additional changes to expense inflation?**

14 A. Yes. Mr. Morgan removed certain expenses from the inflation escalation. These
15 expenses are Utilities – Telephone; Internet; Utilities – Cellular Service; Workers
16 Compensation Insurance; Trustee Fees; Credit Card Convenience Fees; and Police
17 Details. He stated in his direct testimony that, in his opinion, the nature of these
18 expenses is different from the typical commodities that fluctuate with inflation.

19

20 **Q. Do you agree with Mr. Morgan that these certain expenses should be removed
21 from the inflation escalation?**

22 A. Although I do not necessarily agree with Mr. Morgan that these expenses are
23 different from typical commodities that fluctuate with inflation, if my proposed
24 inflation factor is accepted, I will agree to remove the certain expenses as proposed
25 by Mr. Morgan.

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1 **VII. RATE CASE EXPENSES**

2 **Q. Mr. Morgan has recommended a 4-year normalization period for recovering rate**
3 **case expenses. Do you agree with this change?**

4 A. No, I do not. Mr. Morgan states that a 4-year normalization period is "...consistent
5 with the multi-year step increase proposal that PWSB is seeking which, if authorized
6 by the Commission, would set rates that go into effect through 2027." I agree that it
7 makes sense to align the normalization period with the number of step increases,
8 but since Mr. Morgan proposed, and I agree with, a FY 2025 rate year with two
9 subsequent step increases (totaling 3 steps), the corresponding normalization period
10 should be 3 years, not 4.

11
12 **VIII. CONSULTANT EXPENSES - ENGINEERING**

13 **Q. Do you agree with Mr. Morgan's proposal to remove \$29,791 from the cost of**
14 **service associated with engineering consultant expenses?**

15 A. No, I do not. As mentioned earlier in my testimony, the PWSB is not actively trying to
16 fill its vacant Water Engineering Project Manager, and I have removed the
17 associated salary and benefit from the cost of service. Due to this position gap, the
18 PWSB is likely to need to contract with an outside engineering consultant from time
19 to time. It would be prudent to maintain this expense in the cost of service to ensure
20 the PWSB has the ability to contract for necessary engineering project management
21 services when needed.

22
23 **IX. POSTEMPLOYMENT HEALTH INSURANCE**

24 **Q. Can you please explain what Mr. Morgan is proposing for an adjustment to**
25 **postemployment health insurance?**

26 A. Mr. Morgan proposes to use an average of the prior two years of postemployment
27 health insurance expenses to normalize, resulting in a rate year reduction of
28 \$45,778.

1 **Q. Do you agree with this adjustment?**

2 A. No, I do not. Mr. Morgan correctly pointed out that the FY 2022 expense was higher
3 than FY 2021 and FY 2020 due to certain PWSB retirees being improperly classified
4 on the City of Pawtucket retiree employee list, but Mr. Morgan incorrectly assumed
5 that the FY 2022 expense was incorrectly high, when in fact FY 2020 and FY 2021
6 expenses were incorrectly low. As stated in the PWSB's response to Div. 6-8, the City
7 had improperly listed PWSB workers as having worked in other departments. Thus,
8 the PWSB's expense was lower than it should have been. This error was corrected
9 partially for FY 2022 to account for some of the miscategorized PWSB retirees that in
10 FY 2021 and FY 2020 were incorrectly omitted from PWSB's list of retirees. There
11 should be no reduction to postemployment health insurance expenses, and in fact
12 there should be an increase to reflect the true FY 2025 expense, comprised of all
13 PWSB retirees. This updated amount is \$241,512.60, or an increase of \$78,688.60
14 from FY 2022 levels.

15

16 **X. ELECTRIC POWER EXPENSE**

17 **Q. Do you agree with Mr. Morgan's adjustment to electric power expenses?**

18 A. I agree with Mr. Morgan that I incorrectly applied the power supply increase to all
19 electric expenses, inclusive of delivery charges, but I disagree with his methodology
20 of determining an updated rate year expense for all electric power expenses by
21 focusing on only the difference in supply costs while maintaining delivery costs at
22 test year levels.

23

24 In my opinion, a reasonable expectation for electric power expenses would be to use
25 the actual costs (both delivery and supply) incurred during the period of October
26 2022 through November 2023, normalized for a full year of the current contracted
27 supply rate, which is the available data as provided through discovery and also relied
28 upon by Mr. Morgan for his direct testimony analyses. As such, I have calculated the

1 electric power expense by department, and compared against my originally
2 proposed (filed) rate year in the table below.

	<u>As Filed</u>	<u>Rebuttal</u>	<u>Difference</u>
General & Administration	\$ 53,197	\$ 64,537	\$ 11,340
Source of Supply	\$ 103,473	\$ 124,307	\$ 20,834
Purification	\$ 1,019,572	\$ 1,278,289	\$ 258,718
Transmission & Distribution	\$ 31,099	\$ 24,651	\$ (6,448)
Total	\$ 1,207,340	\$ 1,491,784	\$ 284,444

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5

6 **XI. HEATING EXPENSE**

7 **Q. Do you agree with Mr. Morgan's adjustment to heating expenses?**

8 A. Not entirely. I will agree with Mr. Morgan's adjustment to the inflationary factor
9 applied to heating expenses. I originally applied a rate year adjustment of 7.3% from
10 the test year, and Mr. Morgan is proposing an adjustment of 1.81% from the test
11 year. However, Mr. Morgan's reduction to this expense should be adjusted. On
12 Schedule LKM-11 of his direct testimony, Mr. Morgan cited the PWSB's adjusted rate
13 year expense for Transmission & Distribution as being \$31,099. This is actually the
14 electricity expense for the Transmission & Distribution department, not the heating
15 expense, which was \$20,218. Correcting this adjustment results in a cost of service
16 reduction of \$2,168, rather than \$13,049.

17

18 **XII. REVENUE STABILIZATION**

19 **Q. Do you agree with Mr. Morgan's recommendation to limit the PWSB's revenue
20 stabilization account to 1.5%, instead of the requested 3%?**

21 A. No. Water revenues in general, being predominantly generated through volumetric
22 rates, are subject to annual fluctuations outside of a water utility's control. This is
23 predominantly due to weather. A particularly wet and cold year can drastically
24 reduce water consumption, and in turn revenue. In addition to annual fluctuations in
25 consumption, I have documented earlier in my testimony that there is a general
26 downward trend in the PWSB's water consumption annually. These reduced sales
27 can have a meaningful impact on the PWSB's revenues, and limit its ability to fully

1 fund operations. Requesting 3% of annual revenues for stabilization purposes is not
2 aggressive nor unreasonable in my opinion. The PWSB needs protection against the
3 inevitability of reduced sales, especially given the lengthy and expensive (primarily
4 for customers through recovery of rate case expenses) process required to have new
5 rates approved through a new proceeding in front of the Commission.

6

7 **XIII. TREATMENT PLANT OPERATING CONTRACT**

8 **Q. Have you revised your cost of service based on updates provided to you regarding**
9 **the treatment plant operating contract?**

10 A. Yes, I have. As explained by Mr. DeCelles in his rebuttal testimony, in absence of a
11 final contract, the PWSB has updated its assumption regarding the treatment plant
12 operating contract expenses based on a monthly extension fee of \$277,193.78, as
13 well as annual costs of \$500,000 and \$300,000, respectively for carbon media
14 replacement and facilities repairs in excess of \$20,000. This results in a revised test
15 year amount of \$4,126,325.36, which I've factored into my revised cost of service for
16 the rate year. As described by Mr. Decelles, this overall expense can be adjusted in
17 steps 2 and 3, once the actual contract expenses are known.

18

19 **XIV. DEBT SERVICE**

20

21 **Q. Did Mr. Morgan propose any changes to the PWSB's requested debt service level**
22 **of funding?**

23 A. No, although Mr. Morgan did request clarity on the PWSB's debt service obligations
24 for the rate plan period of FY 2025 through FY 2027. I have prepared an Excel
25 Schedule as a supplement to the PWSB's response to Division Data Request 10-1,
26 detailing PWSB's restricted debt service account, as well as annual debt service
27 obligations, by fiscal year.

28

29

30

1 **Q. Are you proposing any changes to the originally filed request for debt service?**

2 A. Yes. As Mr. Morgan correctly pointed out, the PWSB's RICWFA Series 2004A
3 obligation is expiring in September of 2024, with the necessary funds to cover the
4 last payment coming from the restricted debt service reserve fund, resulting in a
5 decrease in net debt service obligations for FY 2025 (the rate year). However, the
6 PWSB has also issued \$15,000,000 in new debt service (RIIB Series 2023A) with
7 payments also starting in FY 2025, and has a RIIB Series 2015B refunding with
8 payments beginning in FY 2026. As such, although the net debt service obligation in
9 FY 2025 is lower than the test year, FY 2026 (\$8,267,629.51) and FY 2027
10 (\$8,293,307.69) debt service obligations are more in line with the test year. The
11 average of FY 2026 and FY 2027 is \$8,280,468.60, which is my new proposed rate
12 year debt service level of funding.

13

14 **XV. RATE DESIGN**

15 **Q. Did the Division recommend any modifications to the PWSB's proposed rate**
16 **design?**

17 A. Yes. As describe in Mr. Mierzwa's direct testimony, it is proposed that the PWSB
18 restructure its public fire protection charges to be based on meter size, rather than
19 on a per bill basis. That is, customers with larger meter sizes will pay more in a
20 monthly public fire protection charge than customers with smaller meter sizes.

21

22 **Q. Do you agree with Mr. Mierzwa's proposal?**

23 A. Yes, I do.

24

25 **XVI. CONCLUSION**

26 **Q. Does this conclude your rebuttal testimony?**

27 A. Yes. Subject to review of further documentation and a review of the Division's
28 surrebuttal testimony, this concludes my rebuttal testimony.

29

TEST YEAR & RATE YEAR EXPENSES

<u>Expense Item</u>	<u>Test Year FY 2022</u>	<u>Summary of Adjustments</u>	<u>Rate Year * FY 2025</u>	<u>Labor & Related Items</u>	<u>Other Adjustments</u>
<u>GENERAL & ADMINISTRATIVE</u>					
Salaries & Wages - regular	\$540,239	\$125,578	\$665,817	\$125,578	
Salaries & Wages - overtime	\$813	\$1,187	\$2,000	\$1,187	
Salaries & Wages - out of grade pay	\$0	\$0	\$0	\$0	
Salaries & Wages - beepers	\$0	\$1,300	\$1,300	\$1,300	
Salaries & Wages - longevity	\$19,576	-\$6,134	\$13,441	-\$6,134	
Salaries & Wages - temporary services	\$0	\$0	\$0	\$0	
Salaries & Wages - vacation and sick	\$10,012	-\$10,012	\$0	-\$10,012	
Payroll tax - FICA	\$35,768	\$4,813	\$40,582	\$4,813	
Payroll tax - Medicare	\$8,365	\$1,126	\$9,491	\$1,126	
Employee Health Insurance	\$90,314	\$45,226	\$135,539	\$45,226	
Employee Dental Insurance	\$3,830	\$1,737	\$5,567	\$1,737	
Employee GTL Insurance	\$1,372	\$762	\$2,134	\$762	
Community Counseling	\$0	\$0	\$0	\$0	
Post employment Health Insurance	\$162,824	\$0	\$162,824	\$0	
MERS Defined Benefit	\$80,441	\$0	\$80,441	\$0	
OPEB/ Medical & Dental Insurance	\$0	\$0	\$0	\$0	
TIAA/CREF Defined Contribution	\$5,494	\$186	\$5,681	\$186	
Audit fees	\$13,063	\$1,408	\$14,470		\$1,408
Contractual Programs	\$0	\$0	\$0		\$0
Contractual Services	\$0	\$0	\$0		\$0
Legal fees	\$42,532	\$4,583	\$47,115		\$4,583
Legal fees - liens	\$0	\$0	\$0		\$0
Educational Training	\$8,668	\$934	\$9,602		\$934
Consultant	\$13,966	\$1,505	\$15,470		\$1,505
Municipal charges - admin support	\$338,494	\$16,000	\$354,494		\$16,000
Pagers and Cell phones	\$0	\$0	\$0		\$0
Vehicle maintenance - outside parts	\$2,023	\$218	\$2,241		\$218
Vehicle maintenance - fuel & misc	\$3,540	\$381	\$3,921		\$381
Repairs & Maintenance	\$26,338	\$2,838	\$29,176		\$2,838
Repairs & Maintenance - I.S. Hard/Software Maint	\$189,287	\$20,396	\$209,684		\$20,396
Equipment rental	\$0	\$0	\$0		\$0
Utilities - Telephone	\$6,259	\$674	\$6,933		\$674
Internet	\$8,500	\$916	\$9,416		\$916

Utilities - DSL service	\$0	\$0	\$0	\$0
Utilities - Cellular service	\$3,966	\$427	\$4,393	\$427
Utilities - Web hosting	\$225	\$24	\$250	\$24
Electric	\$39,848	\$24,689	\$64,537	\$24,689
Heating	\$20,672	\$1,143	\$21,815	\$1,143
Other Utilities	\$7,224	\$778	\$8,002	\$778
Unemployment Insurance	\$0	\$0	\$0	\$0
Workers Compensation Insurance	\$6,251	\$674	\$6,924	\$674
Property Insurance	\$247,166	\$30,574	\$277,740	\$30,574
Advertising	\$2,692	\$290	\$2,983	\$290
Printing	\$0	\$0	\$0	\$0
Dues & Subscriptions	\$15,100	\$1,627	\$16,727	\$1,627
Office supplies	\$6,487	\$699	\$7,187	\$699
Postage	\$1	\$0	\$1	\$0
Housekeeping expenses	\$32,517	\$3,504	\$36,021	\$3,504
Uniforms/clothing	\$659	\$71	\$730	\$71
Safety equipment & supplies	\$0	\$0	\$0	\$0
Tools - union	\$0	\$0	\$0	\$0
Capital material supplies	\$0	\$0	\$0	\$0
General tools	\$0	\$0	\$0	\$0
Materials and supplies	\$2,266	\$244	\$2,511	\$244
Other supplies	\$0	\$0	\$0	\$0
Public Relations	\$0	\$0	\$0	\$0
InState Accreditation	\$0	\$0	\$0	\$0
Bank service charges	\$0	\$0	\$0	\$0
PUC Annual Assessment	\$116,953	\$3,644	\$120,597	\$3,644
Damage claims	\$0	\$0	\$0	\$0
WF Equip Wash Account	\$0	\$0	\$0	\$0
WF Other Expense Wash Acct	\$0	\$0	\$0	\$0
Depreciation Expense	\$0	\$0	\$0	\$0
Inventory Over/Short	\$0	\$0	\$0	\$0
Regulatory expense	\$38,784	\$4,179	\$42,963	\$4,179
Misc other expenses	\$967	\$104	\$1,072	\$104
Cash over/short	\$0	\$0	\$0	\$0
Legal Fees	\$0	\$0	\$0	\$0
Bank service charges	\$0	\$0	\$0	\$0
Depreciation expense	\$0	\$0	\$0	\$0
Legal fees	\$1,051	\$113	\$1,164	\$113
Consultant	\$16,200	\$50,467	\$66,667	\$50,467
Bond Administration Fees	\$0	\$0	\$0	\$0
Trustee Fees	\$18,550	\$1,999	\$20,549	\$1,999
Consultant	\$1,500	\$162	\$1,662	\$162
Land Acquisition	\$0	\$0	\$0	\$0
CWIP Land & Land Rights	\$0	\$0	\$0	\$0
CWIP Inventory	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal - Admin	\$2,190,797	\$341,035	\$2,531,832	\$165,769
				\$175,266

TEST YEAR & RATE YEAR EXPENSES

<u>Expense Item</u>	<u>Test Year FY 2022</u>	<u>Summary of Adjustments</u>	<u>Rate Year FY 2025</u>	<u>Labor Increase</u>	<u>Other Adjustments</u>
<u>CUSTOMER SERVICE</u>					
Salaries & wages - regular	\$175,174	\$137,343	\$312,517	\$137,343	
Salaries & wages - overtime	\$1,921	-\$168	\$1,753	-\$168	
Salaries & wages - out of grade pay	\$0	\$0	\$0	\$0	
Salaries & Wages - beepers	\$1,235	\$65	\$1,300	\$65	
Salaries & Wages - longevity	\$8,081	\$11,567	\$19,648	\$11,567	
Salaries & Wages - temporary services	\$0	\$0	\$0	\$0	
Salaries & Wages - vacation and sick	-\$1,894	\$1,894	\$0	\$1,894	
Payroll tax - FICA	\$11,174	\$8,685	\$19,858	\$8,685	
Payroll tax - Medicare	\$2,613	\$2,031	\$4,644	\$2,031	
Employee Health Insurance	\$47,243	\$47,329	\$94,572	\$47,329	
Employee Dental Insurance	\$1,570	\$2,352	\$3,923	\$2,352	
Employee GTL Insurance	\$648	\$876	\$1,524	\$876	
MERS Defined Benefit	\$25,235	\$0	\$25,235	\$0	
TIAA/CREF Defined Contribution	\$2,002	\$1,170	\$3,171	\$1,170	
Contractual services	\$9,621	\$1,037	\$10,658		\$1,037
Educational training	\$80	\$9	\$89		\$9
Consultant	\$0	\$0	\$0		\$0
Vehicle maint. - outside parts	\$7	\$1	\$7		\$1
Vehicle fuel & misc	\$0	\$0	\$0		\$0
Repairs & Maintenance	\$606	\$65	\$671		\$65
IS Hard/Software Maintenance	\$0	\$0	\$0		\$0
Equipment rental	\$0	\$0	\$0		\$0
Utilities - Telephone	\$989	\$107	\$1,096		\$107
Utilities - Cellular service	\$456	\$49	\$505		\$49
Workers Compensation Insurance	\$458	\$49	\$508		\$49
Advertising	\$0	\$0	\$0		\$0
Printing	\$35,725	\$3,849	\$39,574		\$3,849
Dues & Subscriptions	\$60	\$6	\$66		\$6
Postage	\$103,377	\$17,240	\$120,618		\$17,240
Uniforms/clothing	\$316	\$34	\$350		\$34
Safety equipment & supplies	\$0	\$0	\$0		\$0
Materials and supplies	\$454	\$49	\$503		\$49
Other supplies	\$14	\$2	\$16		\$2
Water conservation & education	\$0	\$0	\$0		\$0
CC Convenience Fees	\$126,556	\$13,637	\$140,193		\$13,637
PWSB Bad Debt expense	\$0	\$0	\$0		\$0
Cash proof reconciliation expense	-\$805	\$805	\$0		\$805
Other misc expenses	\$0	\$0	\$0		\$0
WSB Bad Debt Expense	-\$9,083	\$0	-\$9,083		\$0
Proof/Recon Expense	-\$120	\$120	\$0		\$120
Subtotal - Customer Service	\$543,712	\$250,205	\$793,917	\$213,146	\$37,059

TEST YEAR & RATE YEAR EXPENSES

<u>Expense Item</u>	<u>Test Year FY 2022</u>	<u>Summary of Adjustments</u>	<u>Rate Year FY 2025</u>	<u>Labor Increase</u>	<u>Other Adjustments</u>
<u>SOURCE OF SUPPLY</u>					
Salaries & wages - regular	\$160,373	\$58,548	\$218,921	\$58,548	
Salaries & wages - overtime	\$192	-\$192	\$0	-\$192	
Salaries & wages - out of grade pay	\$0	\$0	\$0	\$0	
Salaries & wages - beepers	\$1,966	\$894	\$2,860	\$894	
Salaries & Wages - longevity	\$15,828	\$5,016	\$20,845	\$5,016	
Salaries & Wages - temporary services	\$0	\$0	\$0	\$0	
Salaries & Wages - vacation and sick	\$1,817	-\$1,817	\$0	-\$1,817	
Payroll tax - FICA	\$11,106	\$1,945	\$13,050	\$1,945	
Payroll tax - Medicare	\$2,597	\$455	\$3,052	\$455	
Employee Health Insurance	\$60,427	\$3,849	\$64,277	\$3,849	
Employee Dental Insurance	\$2,351	\$372	\$2,723	\$372	
Employee GTL Insurance	\$476	\$438	\$914	\$438	
MERS Defined Benefit	\$24,613	\$0	\$24,613	\$0	
TIAA/CREF Defined Contribution	\$2,206	-\$17	\$2,189	-\$17	
Contractual Services	\$0	\$0	\$0		\$0
Educational Training	\$2,175	\$234	\$2,410		\$234
Consultant	\$0	\$0	\$0		\$0
Cumberland Police Details	\$0	\$0	\$0		\$0
Security service	\$80,878	\$8,715	\$89,593		\$8,715
Lab testing - Water Quality Testing	\$0	\$0	\$0		\$0
Vehicle maint. - outside parts	\$1,087	\$117	\$1,204		\$117
Vehicle fuel & misc	\$3,223	\$347	\$3,571		\$347
Repairs & Maintenance - general	\$290	\$31	\$321		\$31
Repairs & Maintenance - collection reservoirs	\$38,641	\$4,164	\$42,804		\$4,164
Rental property expense	\$5,670	\$611	\$6,281		\$611
Equipment rental	\$0	\$0	\$0		\$0
Utilities - Telephone	\$488	\$53	\$540		\$53
Internet	\$2,153	\$232	\$2,385		\$232
Utilities - Cellular phones	\$1,312	\$141	\$1,453		\$141
Electric	\$77,508	\$46,799	\$124,307		\$46,799
Workers Compensation Insurance	\$6,652	\$717	\$7,369		\$717
Dues & Subscriptions	\$465	\$50	\$515		\$50
Uniforms/clothing	\$639	\$69	\$708		\$69
Safety equipment & supplies	\$61	\$7	\$68		\$7
Materials & supplies	\$1,408	\$152	\$1,560		\$152
Depreciation expense	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
Subtotal - Supply	\$506,603	\$131,930	\$638,533	\$69,491	\$62,439
<u>PURIFICATION</u>					
Treatment Plant Operating Contract (DBO)	\$2,042,470	\$2,083,855	\$4,126,325		\$2,083,855
Telephone	\$0	\$0	\$0		\$0
Electric	\$763,724	\$514,565	\$1,278,289		\$514,565
Heating	\$0	\$0	\$0		\$0
Other Utilities	\$0	\$0	\$0		\$0
Water Quality Testing	\$0	\$0	\$0		\$0
Property taxes	\$0	\$0	\$0		\$0
Misc Other Expenses	\$0	\$0	\$0		\$0
Depreciation expense	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
Subtotal - Purification	\$2,806,194	\$2,598,420	\$5,404,614	\$0	\$2,598,420

TEST YEAR & RATE YEAR EXPENSES

<u>Expense Item</u>	<u>Test Year FY 2022</u>	<u>Summary of Adjustments</u>	<u>Rate Year FY 2025</u>	<u>Labor Increase</u>	<u>Other Adjustments</u>
<u>TRANSMISSION & DISTRIBUTION</u>					
Regular Salaries	\$894,165	\$265,715	\$1,159,881	\$265,715	
Overtime	\$60,510	-\$1,708	\$58,802	-\$1,708	
Detail Overtime	\$14,942	-\$14,942	\$0	-\$14,942	
Out of Grade Pay	\$2,638	\$309	\$2,947	\$309	
On Call Stipend	\$18,134	\$326	\$18,460	\$326	
Shift Differential	\$2,840	\$3,400	\$6,240	\$3,400	
Longevity	\$55,823	\$13,206	\$69,029	\$13,206	
Temporary Services	\$0	\$0	\$0	\$0	
Vacation and Sick	-\$40,255	\$40,255	\$0	\$40,255	
FICA	\$60,308	\$19,278	\$79,586	\$19,278	
Medicare	\$14,171	\$4,442	\$18,613	\$4,442	
Health Benefits	\$301,464	\$39,157	\$340,621	\$39,157	
Dental Benefits	\$12,086	\$1,755	\$13,841	\$1,755	
Life Benefits	\$4,100	\$1,996	\$6,096	\$1,996	
MERS Defined Benefit	\$132,500	\$0	\$132,500	\$0	
TIAACREF Defined Contribution	\$9,062	\$2,292	\$11,354	\$2,292	
Educational Training	\$7,668	\$826	\$8,495		\$826
Consultant	\$0	\$0	\$0		\$0
Cumberland Police Details	\$18,776	\$2,023	\$20,799		\$2,023
CF Police Details	\$26,101	\$2,812	\$28,913		\$2,812
Lab Tests	\$0	\$0	\$0		\$0
Outside Parts	\$40,981	\$4,416	\$45,397		\$4,416
Gas & Oil	\$27,795	\$2,995	\$30,790		\$2,995
General Maintenance	\$21,220	\$2,287	\$23,507		\$2,287
IS Hard/Software Maintenance	\$3,545	\$382	\$3,927		\$382
Transmission/Distribution Main	-\$295	-\$32	-\$326		-\$32
Fire Services	\$7,624	\$822	\$8,446		\$822
Pumping Station Services	\$0	\$0	\$0		\$0
Hydrants	-\$655	-\$71	-\$726		-\$71
Equipment Rental	\$0	\$0	\$0		\$0
Telephone	\$2,887	\$311	\$3,198		\$311
Internet	\$540	\$58	\$598		\$58
DSL Line Charges	\$0	\$0	\$0		\$0
Cellular Phones	\$5,018	\$541	\$5,559		\$541
Electric Bills	\$23,295	\$1,356	\$24,651		\$1,356
Heating	\$18,842	\$1,042	\$19,884		\$1,042

Other Utilities	\$2,301	\$248	\$2,549	\$248
Workers Compensation	\$76,584	\$8,252	\$84,837	\$8,252
Advertising	\$0	\$0	\$0	\$0
Printing	\$0	\$0	\$0	\$0
Dues & Subscriptions	\$636	\$69	\$704	\$69
Drug Testing Kits	\$0	\$0	\$0	\$0
Office Supplies	\$0	\$0	\$0	\$0
Postage	\$0	\$0	\$0	\$0
Housekeeping	\$24,137	\$2,601	\$26,738	\$2,601
Clothing Allowance	\$5,564	\$600	\$6,164	\$600
Safety Supplies	\$3,754	\$404	\$4,158	\$404
ToolsUnion	\$0	\$0	\$0	\$0
Water Quaility Testing	\$0	\$0	\$0	\$0
Capital Material Supplies	\$0	\$0	\$0	\$0
General Tools	\$16,165	\$1,742	\$17,907	\$1,742
Materials/Supplies	\$7,342	\$791	\$8,133	\$791
Road Surface Restoration	\$0	\$0	\$0	\$0
Other Supplies	\$0	\$0	\$0	\$0
Property Taxes	\$0	\$0	\$0	\$0
Misc Other Expenses	\$114	\$12	\$126	\$12
Salaries & wages - Capitilized Labor	-\$12,628	\$12,628	\$0	\$12,628
Depreciation expense	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal - T&D	\$1,869,798	\$422,597	\$2,292,395	\$375,482
				\$47,115

TEST YEAR & RATE YEAR EXPENSES

<u>Expense Item</u>	<u>Test Year FY 2022</u>	<u>Summary of Adjustments</u>	<u>Rate Year FY 2025</u>	<u>Labor Increase</u>	<u>Other Adjustments</u>
<u>ENGINEERING</u>					
Salaries & wages - regular	\$308,888	\$258,587	\$567,475	\$258,587	
Salaries & wages - overtime	\$168	-\$168	\$0	-\$168	
Salaries & wages - out of grade pay	\$0	\$0	\$0	\$0	
Salaries & wages - beepers	\$1,385	\$1,215	\$2,600	\$1,215	
Salaries & Wages - longevity	\$32,189	-\$10,323	\$21,866	-\$10,323	
Salaries & Wages - temporary services	\$0	\$0	\$0	\$0	
Salaries & Wages - Vacation and Sick	-\$13,952	\$13,952	\$0	\$13,952	
Payroll tax - FICA	\$21,009	\$12,668	\$33,677	\$12,668	
Payroll tax - Medicare	\$4,914	\$2,962	\$7,876	\$2,962	
Employee Health Insurance	\$85,704	\$36,171	\$121,875	\$36,171	
Employee Dental Insurance	\$3,239	\$1,883	\$5,122	\$1,883	
Employee GTL Insurance	\$1,124	\$1,010	\$2,134	\$1,010	
MERS Defined Benefit	\$47,636	\$0	\$47,636	\$0	
TIAA/CREF Defined Contribution	\$3,161	\$2,468	\$5,629	\$2,468	
Contractual services	\$9,219	\$993	\$10,213		\$993
Educational training	\$2,490	\$268	\$2,758		\$268
Consultant	\$27,620	\$2,976	\$30,596		\$2,976
Vehicle repairs - outside parts	\$192	\$21	\$213		\$21
Vehicle fuel & misc	\$4,645	\$500	\$5,145		\$500
Repairs & Maintenance - general	\$460	\$50	\$510		\$50
Repairs & Maintenance - I.S. Hard/Software Maint	\$1,972	\$212	\$2,184		\$212
Equipment rental	\$0	\$0	\$0		\$0
Utilities - Telephone	\$1,088	\$117	\$1,205		\$117
Utilities - Cellular service	\$2,972	\$320	\$3,292		\$320
Workers Compensation	\$12,400	\$1,336	\$13,736		\$1,336
Advertising	\$0	\$0	\$0		\$0
Printing	\$756	\$81	\$837		\$81
Dues & Subscriptions	\$60	\$6	\$66		\$6
Office supplies	\$0	\$0	\$0		\$0
Postage	\$0	\$0	\$0		\$0
Uniforms/clothing	\$753	\$81	\$834		\$81
Safety equipment & supplies	\$0	\$0	\$0		\$0
Capital material supplies	\$0	\$0	\$0		\$0
Materials & supplies	\$1,007	\$109	\$1,116		\$109
Other supplies	\$0	\$0	\$0		\$0
Other misc expenses	\$0	\$0	\$0		\$0
Capitalized Labor	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
Subtotal - Engineering	\$561,096	\$327,499	\$888,596	\$320,427	\$7,072

TEST YEAR & RATE YEAR EXPENSES

<u>Expense Item</u>	<u>Test Year FY 2022</u>	<u>Summary of Adjustments</u>	<u>Rate Year FY 2025</u>	<u>Labor Increase</u>	<u>Other Adjustments</u>
<u>METERING</u>					
Regular Salaries	\$228,261	\$6,047	\$234,308	\$6,047	
Overtime	\$2,260	-\$224	\$2,036	-\$224	
Out of Grade Pay	\$3,509	-\$1,397	\$2,112	-\$1,397	
On Call Stipend	\$935	\$365	\$1,300	\$365	
Longevity	\$20,856	-\$144	\$20,712	-\$144	
Temporary Services	\$0	\$0	\$0	\$0	
Vacation and Sick	\$2,506	-\$2,506	\$0	-\$2,506	
FICA	\$14,912	\$243	\$15,155	\$243	
Medicare	\$3,487	\$57	\$3,544	\$57	
Health Benefits	\$81,495	-\$8,680	\$72,814	-\$8,680	
Dental Benefits	\$3,065	-\$51	\$3,015	-\$51	
Life Benefits	\$819	\$400	\$1,219	\$400	
MERS Defined Benefit	\$35,201	\$0	\$35,201	\$0	
TIAACREF Defined Contribution	\$2,858	-\$1,149	\$1,709	-\$1,149	
Contractual Services	\$0	\$0	\$0		\$0
Educational Training	\$3,161	\$341	\$3,501		\$341
Outside Parts	\$360	\$39	\$399		\$39
Gas & Oil	\$4,140	\$446	\$4,586		\$446
General Maintenance	\$0	\$0	\$0		\$0
IS Hard/Software Maintenance	\$530	\$57	\$587		\$57
Meters	\$164	\$18	\$182		\$18
Equipment Rental	\$0	\$0	\$0		\$0
Telephone	\$675	\$73	\$748		\$73
Cellular Phones	\$2,785	\$300	\$3,085		\$300
Workers Compensation	\$9,064	\$977	\$10,040		\$977
Printing	\$1,325	\$143	\$1,468		\$143
Dues & Subscriptions	\$143	\$15	\$158		\$15
Travel	\$0	\$0	\$0		\$0
Office Supplies	\$85	\$9	\$94		\$9
Postage	\$0	\$0	\$0		\$0
Clothing Allowance	\$1,212	\$131	\$1,342		\$131
Safety Supplies	\$0	\$0	\$0		\$0
Materials/Supplies	\$6,363	\$686	\$7,048		\$686
Meter Supplies	\$0	\$0	\$0		\$0
Other Supplies	\$100	\$11	\$111		\$11
Misc Other Expenses	\$0	\$0	\$0		\$0
Capitalized Labor	<u>-\$91,830</u>	<u>\$91,830</u>	<u>\$0</u>		\$91,830
Subtotal - Metering	\$338,442	\$88,035	\$426,477	-\$7,039	\$95,074
Total Operating Budget	\$8,816,643	\$4,159,722	\$12,976,365		

TEST YEAR & RATE YEAR EXPENSES

<u>Expense Item</u>	<u>Test Year FY 2022</u>	<u>Summary of Adjustments</u>	<u>Rate Year FY 2025</u>	<u>Labor Increase</u>	<u>Other Adjustments</u>
<u>CAPITAL EXPENSE</u>					
Property Taxes	\$620,175	-\$122,277	\$497,898		-\$122,277
Restrict. Bond Principal, Interest & RICWFA Fees	\$8,697,727	-\$417,258	\$8,280,469		-\$417,258
IFR Pay-As-You-Go	\$1,891,412	\$608,588	\$2,500,000		\$608,588
O&M Reserve Deposit	<u>\$0</u>	<u>\$522,739</u>	<u>\$522,739</u>		<u>\$522,739</u>
Subtotal - Capital	<u>\$11,209,314</u>	<u>\$591,791</u>	<u>\$11,801,105</u>	<u>\$0</u>	<u>\$591,791</u>
TOTAL EXPENSES	\$20,025,957	\$4,751,513	\$24,777,470	\$1,137,276	\$3,614,236
PLUS: Rev. Stabiliz./Oper. Rev. Allowance	\$0	\$712,238	\$712,238		\$712,238
LESS: Service Installation Revenue	-\$144,305	\$0	-\$144,305		\$0
LESS: Other Misc. Operating Revenues	-\$386,532	\$0	-\$386,532		\$0
LESS: State Surcharge Revenue	-\$45,129	\$0	-\$45,129		\$0
LESS: Penalties	\$0	\$0	\$0		\$0
LESS: Non-Operating Rental	-\$29,289	\$0	-\$29,289		\$0
LESS: Interest Income	-\$271,009	\$0	-\$271,009		\$0
LESS: Intergovernmental & other grant revenue	-\$159,942	\$0	-\$159,942		\$0
LESS: Misc Non-Operating	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
REQUIRED FROM RATES	\$18,989,750	\$5,463,750	\$24,453,501	\$1,137,276	\$4,326,474

UNITS OF SERVICE

METERS

<u>Meter Size (in.)</u>	2023	Avg. Annual	Rate Year	<u>Equiv Factor</u>	<u># of Equivs</u>
	<u>Monthly</u>	<u>Chng FY 20-23</u>	<u>Monthly</u>		
5/8	21,746	0.10%	21,769	1.00	21,769
3/4	272	-0.12%	272	1.50	408
1	534	-0.19%	533	2.50	1,333
1 1/2	210	0.32%	211	5.00	1,055
2	367	-0.18%	366	8.00	2,928
3	13	0.18%	13	15.00	195
4	7	5.56%	7	25.00	175
6	1	0.00%	1	50.00	50
8	1	0.00%	1	80.00	80
Totals	23,151		23,173		27,993
			0.1%		

PUBLIC FIRE HYDRANTS

	2023	Adjustments	Rate Year
Pawtucket	1,515	0	1,515
Central Falls	204	0	204
Cumberland	202	0	202
Attleborough	2	0	2
Totals	1,923	0	1,923

PRIVATE FIRE SERVICE

<u>Size</u>	2,023	Adjustments	Rate Year	Equiv Factor **	<u># of Equivs</u>
2	37	0	37	5.00	185
4	83	0	83	15.00	1,245
6	400	0	400	25.00	10,000
8	99	0	99	50.00	4,950
10	5	0	5	50.00	250
12	2	0	2	50.00	100
Total	626	0	626		16,730

* Adjusted based on annual average change from FY 14 to FY21

** one size down to equate to meter equivalent

UNITS OF SERVICE

METERED WATER USE (ccf/year)

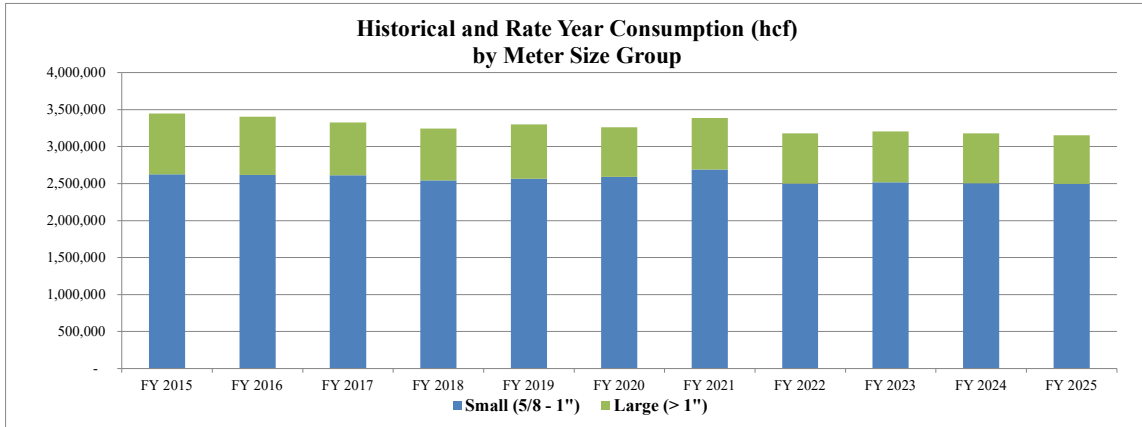
<u>Class</u>	<u>FY 2023</u>	<u>Adjustments</u>	<u>Rate Year</u>
Small (5/8 - 1")	2,517,084	-23,778	2,493,306
Large (>1")	<u>688,774</u>	<u>-28,192</u>	<u>660,582</u>
Total	3,205,858	-51,970	3,153,888
Wholesale			
Cumberland	<u>418,439</u>	<u>51,610</u>	<u>470,049</u>
Total	418,439	51,610	470,049

Miles of Mains

<u>Size</u>	<u>Miles</u>	<u>Inch-Miles</u>	
Service Pipes	206.275		
1	0.029	0.0	
2	0.727	1.5	
4	0.502	2.0	
6	82.327	494.0	
8	112.243	897.9	
10	1.637	16.4	
12	49.112	589.3	81.8%
14	0.008	0.1	
16	4.319	69.1	
20	8.573	171.5	
24	7.494	179.9	
30	0.002	0.1	
36	0.636	22.9	
48	<u>0.015</u>	<u>0.7</u>	18.2%
Totals	473.90	2,445	

Historic and Projected Water Sales (hcf/year)

	FY 2015	FY 2016	FY 2017	FY 2018	<u>Actual</u>		FY 2021	FY 2022	FY 2023	<u>Projected*</u>	<u>Projected*</u>
					FY 2019	FY 2020				FY 2024	FY 2025
RETAIL											
Small (5/8 - 1")	2,624,439	2,618,331	2,611,775	2,541,037	2,566,556	2,588,898	2,690,173	2,499,010	2,517,084	2,505,167	2,493,306
Large (> 1")	821,930	785,494	712,294	704,852	734,086	671,515	695,561	680,887	688,774	674,531	660,582
Subtotal Retail	3,446,369	3,403,825	3,324,069	3,245,889	3,300,642	3,260,413	3,385,734	3,179,897	3,205,858	3,179,698	3,153,888
RESALE											
Cumberland	302,739	292,283	378,242	316,404	338,977	329,352	479,331	393,010	418,439	443,494	470,049



UNITS OF SERVICE - DEMAND FACTORS

	<u>BASE</u>		<u>MAXIMUM DAY</u>			<u>PEAK HOUR</u>			Equivalent Meters & Services	<u>Bills</u>
	Annual Use ccf/year	Average Day ccf/day	Demand Factor	Maximum Day ccf/day	Extra Capacity ccf/day	Demand Factor	Maximum Hour ccf/day	Extra Capacity ccf/day		
<u>Inside - Retail</u>										
Small (5/8 - 1")	2,493,306	6,831	2.11	14,380	7,549	3.09	21,137	6,758	23,510	270,888
Large (>1")	660,582	1,810	1.74	3,142	1,332	2.55	4,618	1,477	4,483	7,188
Fire Protection	6,000 gal/min for 6 hours per Docket 3193			2,888	2,888		11,551	8,663		7,512
<u>Wholesale</u>										
Cumberland	470,049	1,288	2.53	3,253	1,965	2.78	3,578	325		
Totals	3,623,937	9,929		23,662	13,734		40,885	17,223	27,993	285,588

Unbilled Water (ccf/yr)

	<u>FY 2022</u>	
Plant Production	3,753,004	
Less: Retail Sales	3,179,897	
Wholesale Sales	393,010	
Semi-Annual Flush	37,530	<u>Fire %</u>
Estimated Fire	<u>9,540</u>	0.3%
Unbilled Water	133,027	
% Unaccounted	3.5%	

DERIVATION OF CLASS PEAKING FACTORS

Average Day Use in Maximum Month to Average Day Annual Use Ratio (Based on Data from FY 22)

	<u>Avg Day in</u> <u>Max Month</u>	<u>Average Day</u> <u>Annual</u>	<u>Ratio</u>	<u>System Max Day</u> <u>- Avg in Max Mo*</u>	<u>Adj. Factor</u>	<u>Calc. Max</u> <u>Day Ratio</u>	<u>Max Hr:Day</u> <u>Ratio</u>	<u>Calc. Max</u> <u>Hour Ratio</u>
Small (5/8 - 1")	8,188	6,847	1.20	1.31	1.34	2.11	1.47	3.09
Combined Large/Medium (> 1")	2,107	1,865	1.13	1.31	1.17	1.74	1.47	2.55
Wholesale	2,070	1,077	1.92	1.31	1.00	2.53	1.10	2.78

* System Max Day = 16,243 System Avg Day in Max Mo = 12,365 Ratio = 1.31

ALLOCATION OF RATE YEAR EXPENSES TO COST COMPONENTS

<u>EXPENSE ITEM</u>	<u>PRO FORMA</u>	<u>ALLOC.</u>							
<u>GENERAL & ADMINISTRATIVE</u>	<u>EXPENSE</u>	<u>SYMBOL (1)</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>	
Salaries & Wages - regular	\$665,817	L	\$147,902	\$36,270	\$35,310	\$296,062	\$117,892	\$32,382	
Salaries & Wages - overtime	\$2,000	L	\$444	\$109	\$106	\$889	\$354	\$97	
Salaries & Wages - out of grade pay	\$0	L	\$0	\$0	\$0	\$0	\$0	\$0	
Salaries & Wages - beepers	\$1,300	L	\$289	\$71	\$69	\$578	\$230	\$63	
Salaries & Wages - longevity	\$13,441	L	\$2,986	\$732	\$713	\$5,977	\$2,380	\$654	
Salaries & Wages - temporary services	\$0	L	\$0	\$0	\$0	\$0	\$0	\$0	
Salaries & Wages - vacation and sick	\$0	L	\$0	\$0	\$0	\$0	\$0	\$0	
Payroll tax - FICA	\$40,582	L	\$9,015	\$2,211	\$2,152	\$18,045	\$7,186	\$1,974	
Payroll tax - Medicare	\$9,491	L	\$2,108	\$517	\$503	\$4,220	\$1,681	\$462	
Employee Health Insurance	\$135,539	L	\$30,108	\$7,383	\$7,188	\$60,269	\$23,999	\$6,592	
Employee Dental Insurance	\$5,567	L	\$1,237	\$303	\$295	\$2,475	\$986	\$271	
Employee GTL Insurance	\$2,134	L	\$474	\$116	\$113	\$949	\$378	\$104	
Community Counseling	\$0	L	\$0	\$0	\$0	\$0	\$0	\$0	
Post employment Health Insurance	\$162,824	L	\$36,169	\$8,870	\$8,635	\$72,401	\$28,830	\$7,919	
MERS Defined Benefit	\$80,441	L	\$17,869	\$4,382	\$4,266	\$35,769	\$14,243	\$3,912	
OPEB/ Medical & Dental Insurance	\$0	L	\$0	\$0	\$0	\$0	\$0	\$0	
TIAA/CREF Defined Contribution	\$5,681	L	\$1,262	\$309	\$301	\$2,526	\$1,006	\$276	
Audit fees	\$14,470	E-M	\$10,617	\$3,118	\$344	\$0	\$0	\$391	
Contractual Programs	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0	
Contractual Services	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0	
Legal fees	\$47,115	E-M	\$34,568	\$10,152	\$1,122	\$0	\$0	\$1,273	
Legal fees - liens	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0	
Educational Training	\$9,602	L	\$2,133	\$523	\$509	\$4,270	\$1,700	\$467	
Consultant	\$15,470	E-M	\$11,350	\$3,333	\$368	\$0	\$0	\$418	
Municipal charges - admin support	\$354,494	E-M	\$260,088	\$76,385	\$8,440	\$0	\$0	\$9,581	
Pagers and Cell phones	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0	
Vehicle maintenance - outside parts	\$2,241	E-M	\$1,644	\$483	\$53	\$0	\$0	\$61	
Vehicle maintenance - fuel & misc	\$3,921	E-M	\$2,877	\$845	\$93	\$0	\$0	\$106	
Repairs & Maintenance	\$29,176	E-M	\$21,406	\$6,287	\$695	\$0	\$0	\$789	
Repairs & Maintenance - I.S. Hard/Software M	\$209,684	E-M	\$153,843	\$45,182	\$4,992	\$0	\$0	\$5,667	
Equipment rental	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0	
Utilities - Telephone	\$6,933	E-M	\$5,087	\$1,494	\$165	\$0	\$0	\$187	
Internet	\$9,416	E-M	\$6,908	\$2,029	\$224	\$0	\$0	\$254	
Utilities - DSL service	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0	
Utilities - Cellular service	\$4,393	E-M	\$3,223	\$947	\$105	\$0	\$0	\$119	
Utilities - Web hosting	\$250	E-M	\$183	\$54	\$6	\$0	\$0	\$7	
Electric	\$64,537	E-M	\$47,350	\$13,906	\$1,536	\$0	\$0	\$1,744	
Heating	\$21,815	E-M	\$16,005	\$4,701	\$519	\$0	\$0	\$590	
Other Utilities	\$8,002	E-M	\$5,871	\$1,724	\$191	\$0	\$0	\$216	
Unemployment Insurance	\$0	L	\$0	\$0	\$0	\$0	\$0	\$0	
Workers Compensation Insurance	\$6,924	L	\$1,538	\$377	\$367	\$3,079	\$1,226	\$337	
Property Insurance	\$277,740	E-M	\$203,775	\$59,846	\$6,612	\$0	\$0	\$7,506	
Advertising	\$2,983	E-M	\$2,188	\$643	\$71	\$0	\$0	\$81	
Printing	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0	
Dues & Subscriptions	\$16,727	E-M	\$12,272	\$3,604	\$398	\$0	\$0	\$452	
Office supplies	\$7,187	E-M	\$5,273	\$1,549	\$171	\$0	\$0	\$194	

Postage	\$1	E-M	\$1	\$0	\$0	\$0	\$0	\$0
Housekeeping expenses	\$36,021	E-M	\$26,428	\$7,762	\$858	\$0	\$0	\$974
Uniforms/clothing	\$730	L	\$162	\$40	\$39	\$325	\$129	\$36
Safety equipment & supplies	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
Tools - union	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
Capital material supplies	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
General tools	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
Materials and supplies	\$2,511	E-M	\$1,842	\$541	\$60	\$0	\$0	\$68
Other supplies	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
Public Relations	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
InState Accreditation	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
Bank service charges	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
PUC Annual Assessment	\$120,597	E-M	\$88,480	\$25,986	\$2,871	\$0	\$0	\$3,259
Damage claims	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
WF Equip Wash Account	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
WF Other Expense Wash Acct	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation Expense	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
Inventory Over/Short	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
Regulatory expense	\$42,963	E-M	\$31,521	\$9,257	\$1,023	\$0	\$0	\$1,161
Misc other expenses	\$1,072	E-M	\$786	\$231	\$26	\$0	\$0	\$29
Cash over/short	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
Legal Fees	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
Bank service charges	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation expense	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
Legal fees	\$1,164	E-M	\$854	\$251	\$28	\$0	\$0	\$31
Consultant	\$66,667	E-M	\$48,913	\$14,365	\$1,587	\$0	\$0	\$1,802
Bond Administration Fees	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
Trustee Fees	\$20,549	E-M	\$15,076	\$4,428	\$489	\$0	\$0	\$555
Consultant	\$1,662	E-M	\$1,219	\$358	\$40	\$0	\$0	\$45
Land Acquisition	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
CWIP Land & Land Rights	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
CWIP Inventory	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - Admin	\$2,531,832		\$1,273,346	\$361,674	\$93,653	\$507,833	\$202,220	\$93,105

ALLOCATION OF RATE YEAR EXPENSES TO COST COMPONENTS

<u>EXPENSE ITEM</u>	<u>PRO FORMA</u>	<u>ALLOC.</u>						
<u>CUSTOMER SERVICE</u>	<u>EXPENSE</u>	<u>SYMBOL (1)</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
Salaries & wages - regular	\$312,517	B	\$0	\$0	\$0	\$0	\$312,517	\$0
Salaries & wages - overtime	\$1,753	B	\$0	\$0	\$0	\$0	\$1,753	\$0
Salaries & wages - out of grade pay	\$0	B	\$0	\$0	\$0	\$0	\$0	\$0
Salaries & Wages - beepers	\$1,300	B	\$0	\$0	\$0	\$0	\$1,300	\$0
Salaries & Wages - longevity	\$19,648	B	\$0	\$0	\$0	\$0	\$19,648	\$0
Salaries & Wages - temporary services	\$0	B	\$0	\$0	\$0	\$0	\$0	\$0
Salaries & Wages - vacation and sick	\$0	B	\$0	\$0	\$0	\$0	\$0	\$0
Payroll tax - FICA	\$19,858	B	\$0	\$0	\$0	\$0	\$19,858	\$0
Payroll tax - Medicare	\$4,644	B	\$0	\$0	\$0	\$0	\$4,644	\$0
Employee Health Insurance	\$94,572	B	\$0	\$0	\$0	\$0	\$94,572	\$0
Employee Dental Insurance	\$3,923	B	\$0	\$0	\$0	\$0	\$3,923	\$0
Employee GTL Insurance	\$1,524	B	\$0	\$0	\$0	\$0	\$1,524	\$0
MERS Defined Benefit	\$25,235	B	\$0	\$0	\$0	\$0	\$25,235	\$0
TIAA/CREF Defined Contribution	\$3,171	B	\$0	\$0	\$0	\$0	\$3,171	\$0
Contractual services	\$10,658	B	\$0	\$0	\$0	\$0	\$10,658	\$0
Educational training	\$89	B	\$0	\$0	\$0	\$0	\$89	\$0
Consultant	\$0	B	\$0	\$0	\$0	\$0	\$0	\$0
Vehicle maint. - outside parts	\$7	B	\$0	\$0	\$0	\$0	\$7	\$0
Vehicle fuel & misc	\$0	B	\$0	\$0	\$0	\$0	\$0	\$0
Repairs & Maintenance	\$671	B	\$0	\$0	\$0	\$0	\$671	\$0
IS Hard/Software Maintenance	\$0	B	\$0	\$0	\$0	\$0	\$0	\$0
Equipment rental	\$0	B	\$0	\$0	\$0	\$0	\$0	\$0
Utilities - Telephone	\$1,096	B	\$0	\$0	\$0	\$0	\$1,096	\$0
Utilities - Cellular service	\$505	B	\$0	\$0	\$0	\$0	\$505	\$0
Workers Compensation Insurance	\$508	B	\$0	\$0	\$0	\$0	\$508	\$0
Advertising	\$0	B	\$0	\$0	\$0	\$0	\$0	\$0
Printing	\$39,574	B	\$0	\$0	\$0	\$0	\$39,574	\$0
Dues & Subscriptions	\$66	B	\$0	\$0	\$0	\$0	\$66	\$0
Postage	\$120,618	B	\$0	\$0	\$0	\$0	\$120,618	\$0
Uniforms/clothing	\$350	B	\$0	\$0	\$0	\$0	\$350	\$0
Safety equipment & supplies	\$0	B	\$0	\$0	\$0	\$0	\$0	\$0
Materials and supplies	\$503	B	\$0	\$0	\$0	\$0	\$503	\$0
Other supplies	\$16	B	\$0	\$0	\$0	\$0	\$16	\$0
Water conservation & education	\$0	B	\$0	\$0	\$0	\$0	\$0	\$0
CC Convenience Fees	\$140,193	B	\$0	\$0	\$0	\$0	\$140,193	\$0
PWSB Bad Debt expense	\$0	B	\$0	\$0	\$0	\$0	\$0	\$0
Cash proof reconciliation expense	\$0	B	\$0	\$0	\$0	\$0	\$0	\$0
Other misc expenses	\$0	B	\$0	\$0	\$0	\$0	\$0	\$0
WSB Bad Debt Expense	-\$9,083	B	\$0	\$0	\$0	\$0	-\$9,083	\$0
Proof/Recon Expense	\$0	B	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - Customer Service	\$793,917		\$0	\$0	\$0	\$0	\$793,917	\$0

ALLOCATION OF RATE YEAR EXPENSES TO COST COMPONENTS

<u>EXPENSE ITEM</u>	<u>PRO FORMA</u>	<u>ALLOC.</u>						
<u>SOURCE OF SUPPLY</u>	<u>EXPENSE</u>	<u>SYMBOL (1)</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
Salaries & wages - regular	\$218,921	A	\$218,921	\$0	\$0	\$0	\$0	\$0
Salaries & wages - overtime	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
Salaries & wages - out of grade pay	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
Salaries & wages - beepers	\$2,860	A	\$2,860	\$0	\$0	\$0	\$0	\$0
Salaries & Wages - longevity	\$20,845	A	\$20,845	\$0	\$0	\$0	\$0	\$0
Salaries & Wages - temporary services	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
Salaries & Wages - vacation and sick	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
Payroll tax - FICA	\$13,050	A	\$13,050	\$0	\$0	\$0	\$0	\$0
Payroll tax - Medicare	\$3,052	A	\$3,052	\$0	\$0	\$0	\$0	\$0
Employee Health Insurance	\$64,277	A	\$64,277	\$0	\$0	\$0	\$0	\$0
Employee Dental Insurance	\$2,723	A	\$2,723	\$0	\$0	\$0	\$0	\$0
Employee GTL Insurance	\$914	A	\$914	\$0	\$0	\$0	\$0	\$0
MERS Defined Benefit	\$24,613	A	\$24,613	\$0	\$0	\$0	\$0	\$0
TIAA/CREF Defined Contribution	\$2,189	A	\$2,189	\$0	\$0	\$0	\$0	\$0
Contractual Services	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
Educational Training	\$2,410	A	\$2,410	\$0	\$0	\$0	\$0	\$0
Consultant	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
Cumberland Police Details	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
Security service	\$89,593	A	\$89,593	\$0	\$0	\$0	\$0	\$0
Lab testing - Water Quality Testing	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
Vehicle maint. - outside parts	\$1,204	A	\$1,204	\$0	\$0	\$0	\$0	\$0
Vehicle fuel & misc	\$3,571	A	\$3,571	\$0	\$0	\$0	\$0	\$0
Repairs & Maintenance - general	\$321	A	\$321	\$0	\$0	\$0	\$0	\$0
IS Hard/Software Maintenance	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
Repairs & Maintenance - collection reservoirs	\$42,804	A	\$42,804	\$0	\$0	\$0	\$0	\$0
Repairs & Maintenance - wells	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
Rental property expense	\$6,281	A	\$6,281	\$0	\$0	\$0	\$0	\$0
Equipment rental	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
Utilities - Telephone	\$540	A	\$540	\$0	\$0	\$0	\$0	\$0
Internet	\$2,385	A	\$2,385	\$0	\$0	\$0	\$0	\$0
Utilities - DSL Line Charges	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
Utilities - Cellular phones	\$1,453	A	\$1,453	\$0	\$0	\$0	\$0	\$0
Electric	\$124,307	A	\$124,307	\$0	\$0	\$0	\$0	\$0
Utilities - Heating	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
Other Utilities	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
Workers Compensation Insurance	\$7,369	A	\$7,369	\$0	\$0	\$0	\$0	\$0
Dues & Subscriptions	\$515	A	\$515	\$0	\$0	\$0	\$0	\$0
Office supplies	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
Uniforms/clothing	\$708	A	\$708	\$0	\$0	\$0	\$0	\$0
Safety equipment & supplies	\$68	A	\$68	\$0	\$0	\$0	\$0	\$0
Capital material supplies	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
Materials & supplies	\$1,560	A	\$1,560	\$0	\$0	\$0	\$0	\$0
Other supplies	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation expense	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
Property taxes	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
Other misc expenses	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation expense	<u>\$0</u>	A	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal - Supply	\$638,533		\$638,533	\$0	\$0	\$0	\$0	\$0
PURIFICATION								
Treatment Plant Operating Contract (DBO)	\$4,126,325	D	\$2,612,192	\$1,514,133	\$0	\$0	\$0	\$0
Telephone	\$0	D	\$0	\$0	\$0	\$0	\$0	\$0
Electric	\$1,278,289	D	\$809,228	\$469,061	\$0	\$0	\$0	\$0
Heating	\$0	D	\$0	\$0	\$0	\$0	\$0	\$0
Other Utilities	\$0	D	\$0	\$0	\$0	\$0	\$0	\$0
Water Quaility Testing	\$0	D	\$0	\$0	\$0	\$0	\$0	\$0
Property taxes	\$0	D	\$0	\$0	\$0	\$0	\$0	\$0
Misc Other Expenses	\$0	D	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation expense	<u>\$0</u>	D	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal - Purification	\$5,404,614		\$3,421,420	\$1,983,195	\$0	\$0	\$0	\$0

ALLOCATION OF RATE YEAR EXPENSES TO COST COMPONENTS

<u>EXPENSE ITEM</u>	<u>PRO FORMA</u>	<u>ALLOC.</u>						
<u>TRANSMISSION & DISTRIBUTION</u>	<u>EXPENSE</u>	<u>SYMBOL (1)</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
Regular Salaries	\$1,159,881	O	\$156,891	\$90,941	\$88,533	\$742,324	\$0	\$81,192
Overtime	\$58,802	O	\$7,954	\$4,610	\$4,488	\$37,634	\$0	\$4,116
Detail Overtime	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Out of Grade Pay	\$2,947	O	\$399	\$231	\$225	\$1,886	\$0	\$206
On Call Stipend	\$18,460	O-A	\$14,311	\$1,447	\$1,409	\$0	\$0	\$1,292
Shift Differential	\$6,240	O	\$844	\$489	\$476	\$3,994	\$0	\$437
Longevity	\$69,029	O	\$9,337	\$5,412	\$5,269	\$44,179	\$0	\$4,832
Temporary Services	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Vacation and Sick	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
FICA	\$79,586	O	\$10,765	\$6,240	\$6,075	\$50,935	\$0	\$5,571
Medicare	\$18,613	O	\$2,518	\$1,459	\$1,421	\$11,912	\$0	\$1,303
Health Benefits	\$340,621	O	\$46,074	\$26,706	\$26,000	\$217,998	\$0	\$23,843
Dental Benefits	\$13,841	O	\$1,872	\$1,085	\$1,056	\$8,858	\$0	\$969
Life Benefits	\$6,096	O	\$825	\$478	\$465	\$3,901	\$0	\$427
MERS Defined Benefit	\$132,500	O	\$17,923	\$10,389	\$10,114	\$84,800	\$0	\$9,275
TIAACREF Defined Contribution	\$11,354	O	\$1,536	\$890	\$867	\$7,267	\$0	\$795
Educational Training	\$8,495	O	\$1,149	\$666	\$648	\$5,436	\$0	\$595
Consultant	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Cumberland Police Details	\$20,799	O	\$2,813	\$1,631	\$1,588	\$13,311	\$0	\$1,456
CF Police Details	\$28,913	O	\$3,911	\$2,267	\$2,207	\$18,504	\$0	\$2,024
Lab Tests	\$0	T	\$0	\$0	\$0	\$0	\$0	\$0
Outside Parts	\$45,397	F	\$0	\$0	\$0	\$0	\$0	\$45,397
Gas & Oil	\$30,790	O	\$4,165	\$2,414	\$2,350	\$19,706	\$0	\$2,155
General Maintenance	\$23,507	O	\$3,180	\$1,843	\$1,794	\$15,044	\$0	\$1,645
IS Hard/Software Maintenance	\$3,927	O	\$531	\$308	\$300	\$2,513	\$0	\$275
Transmission/Distribution Main	-\$326	T	-\$152	-\$88	-\$86	\$0	\$0	\$0
Fire Services	\$8,446	F	\$0	\$0	\$0	\$0	\$0	\$8,446
Pumping Station Services	\$0	S	\$0	\$0	\$0	\$0	\$0	\$0
Hydrants	-\$726	O	-\$98	-\$57	-\$55	-\$464	\$0	-\$51
Equipment Rental	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Telephone	\$3,198	O	\$433	\$251	\$244	\$2,047	\$0	\$224
Internet	\$598	O	\$81	\$47	\$46	\$383	\$0	\$42
DSL Line Charges	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Cellular Phones	\$5,559	O	\$752	\$436	\$424	\$3,558	\$0	\$389
Electric Bills	\$24,651	O	\$3,334	\$1,933	\$1,882	\$15,777	\$0	\$1,726
Heating	\$19,884	O	\$2,690	\$1,559	\$1,518	\$12,726	\$0	\$1,392
Other Utilities	\$2,549	O	\$345	\$200	\$195	\$1,631	\$0	\$178
Workers Compensation	\$84,837	O	\$11,475	\$6,652	\$6,476	\$54,295	\$0	\$5,939
Advertising	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Printing	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Dues & Subscriptions	\$704	O	\$95	\$55	\$54	\$451	\$0	\$49
Drug Testing Kits	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Office Supplies	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Postage	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Housekeeping	\$26,738	O	\$3,617	\$2,096	\$2,041	\$17,112	\$0	\$1,872
Clothing Allowance	\$6,164	O	\$834	\$483	\$470	\$3,945	\$0	\$431
Safety Supplies	\$4,158	O	\$562	\$326	\$317	\$2,661	\$0	\$291
Tools/Union	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Water Quaility Testing	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Capital Material Supplies	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
General Tools	\$17,907	O	\$2,422	\$1,404	\$1,367	\$11,460	\$0	\$1,253
Materials/Supplies	\$8,133	O	\$1,100	\$638	\$621	\$5,205	\$0	\$569
Road Surface Restoration	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Other Supplies	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Property Taxes	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Misc Other Expenses	\$126	O	\$17	\$10	\$10	\$81	\$0	\$9
Salaries & wages - Captilized Labor	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation expense	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - T&D	\$2,292,395		\$314,504	\$175,452	\$170,807	\$1,421,068	\$0	\$210,564

ALLOCATION OF RATE YEAR EXPENSES TO COST COMPONENTS

<u>EXPENSE ITEM</u>	<u>PRO FORMA</u>	<u>ALLOC.</u>							
<u>EXPENSE</u>		<u>SYMBOL (1)</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>	
ENGINEERING									
Salaries & wages - regular	\$567,475	L	\$126,056	\$30,913	\$30,095	\$252,333	\$100,480	\$27,599	
Salaries & wages - overtime	\$0	L	\$0	\$0	\$0	\$0	\$0	\$0	
Salaries & wages - out of grade pay	\$0	L	\$0	\$0	\$0	\$0	\$0	\$0	
Salaries & wages - beepers	\$2,600	L	\$578	\$142	\$138	\$1,156	\$460	\$126	
Salaries & Wages - longevity	\$21,866	L	\$4,857	\$1,191	\$1,160	\$9,723	\$3,872	\$1,063	
Salaries & Wages - temporary services	\$0	L	\$0	\$0	\$0	\$0	\$0	\$0	
Salaries & Wages - Vacation and Sick	\$0	L	\$0	\$0	\$0	\$0	\$0	\$0	
Payroll tax - FICA	\$33,677	L	\$7,481	\$1,835	\$1,786	\$14,975	\$5,963	\$1,638	
Payroll tax - Medicare	\$7,876	L	\$1,750	\$429	\$418	\$3,502	\$1,395	\$383	
Employee Health Insurance	\$121,875	L	\$27,073	\$6,639	\$6,463	\$54,193	\$21,580	\$5,927	
Employee Dental Insurance	\$5,122	L	\$1,138	\$279	\$272	\$2,277	\$907	\$249	
Employee GTL Insurance	\$2,134	L	\$474	\$116	\$113	\$949	\$378	\$104	
MERS Defined Benefit	\$47,636	L	\$10,582	\$2,595	\$2,526	\$21,182	\$8,435	\$2,317	
TIAA/CREF Defined Contribution	\$5,629	L	\$1,250	\$307	\$299	\$2,503	\$997	\$274	
Contractual services	\$10,213	L	\$2,269	\$556	\$542	\$4,541	\$1,808	\$497	
Educational training	\$2,758	E	\$1,226	\$594	\$66	\$548	\$250	\$75	
Consultant	\$30,596	E	\$13,602	\$6,593	\$728	\$6,075	\$2,771	\$827	
Vehicle repairs - outside parts	\$213	E	\$95	\$46	\$5	\$42	\$19	\$6	
Vehicle fuel & misc	\$5,145	E	\$2,288	\$1,109	\$122	\$1,022	\$466	\$139	
Repairs & Maintenance - general	\$510	E	\$227	\$110	\$12	\$101	\$46	\$14	
Repairs & Maintenance - I.S. Hard/Software M	\$2,184	E	\$971	\$471	\$52	\$434	\$198	\$59	
Equipment rental	\$0	E	\$0	\$0	\$0	\$0	\$0	\$0	
Utilities - Telephone	\$1,205	E	\$536	\$260	\$29	\$239	\$109	\$33	
Utilities - Cellular service	\$3,292	E	\$1,463	\$709	\$78	\$654	\$298	\$89	
Workers Compensation	\$13,736	E	\$6,107	\$2,960	\$327	\$2,727	\$1,244	\$371	
Advertising	\$0	E	\$0	\$0	\$0	\$0	\$0	\$0	
Printing	\$837	E	\$372	\$180	\$20	\$166	\$76	\$23	
Dues & Subscriptions	\$66	E	\$30	\$14	\$2	\$13	\$6	\$2	
Office supplies	\$0	E	\$0	\$0	\$0	\$0	\$0	\$0	
Postage	\$0	E	\$0	\$0	\$0	\$0	\$0	\$0	
Uniforms/clothing	\$834	E	\$371	\$180	\$20	\$166	\$76	\$23	
Safety equipment & supplies	\$0	E	\$0	\$0	\$0	\$0	\$0	\$0	
Capital material supplies	\$0	E	\$0	\$0	\$0	\$0	\$0	\$0	
Materials & supplies	\$1,116	E	\$496	\$240	\$27	\$222	\$101	\$30	
Other supplies	\$0	E	\$0	\$0	\$0	\$0	\$0	\$0	
Other misc expenses	\$0	E	\$0	\$0	\$0	\$0	\$0	\$0	
Capitalized Labor	\$0	L	\$0	\$0	\$0	\$0	\$0	\$0	
Subtotal - Engineering	\$888,596		\$211,290	\$58,467	\$45,298	\$379,742	\$151,933	\$41,866	

ALLOCATION OF RATE YEAR EXPENSES TO COST COMPONENTS

<u>EXPENSE ITEM</u>	<u>PRO FORMA</u>	<u>ALLOC.</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
<u>METERING</u>	<u>EXPENSE</u>	<u>SYMBOL (1)</u>						
Regular Salaries	\$234,308	O	\$31,694	\$18,371	\$17,885	\$149,957	\$0	\$16,402
Overtime	\$2,036	O	\$275	\$160	\$155	\$1,303	\$0	\$142
Out of Grade Pay	\$2,112	O	\$286	\$166	\$161	\$1,352	\$0	\$148
On Call Stipend	\$1,300	O	\$176	\$102	\$99	\$832	\$0	\$91
Longevity	\$20,712	O	\$2,802	\$1,624	\$1,581	\$13,256	\$0	\$1,450
Temporary Services	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Vacation and Sick	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
FICA	\$15,155	O	\$2,050	\$1,188	\$1,157	\$9,699	\$0	\$1,061
Medicare	\$3,544	O	\$479	\$278	\$271	\$2,268	\$0	\$248
Health Benefits	\$72,814	O	\$9,849	\$5,709	\$5,558	\$46,601	\$0	\$5,097
Dental Benefits	\$3,015	O	\$408	\$236	\$230	\$1,929	\$0	\$211
Life Benefits	\$1,219	O	\$165	\$96	\$93	\$780	\$0	\$85
MERS Defined Benefit	\$35,201	O	\$4,762	\$2,760	\$2,687	\$22,529	\$0	\$2,464
TIAACREF Defined Contribution	\$1,709	O	\$231	\$134	\$130	\$1,094	\$0	\$120
Contractual Services	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Educational Training	\$3,501	O	\$474	\$275	\$267	\$2,241	\$0	\$245
Outside Parts	\$399	O	\$54	\$31	\$30	\$256	\$0	\$28
Gas & Oil	\$4,586	O	\$620	\$360	\$350	\$2,935	\$0	\$321
General Maintenance	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
IS Hard/Software Maintenance	\$587	O	\$79	\$46	\$45	\$376	\$0	\$41
Meters	\$182	O	\$25	\$14	\$14	\$116	\$0	\$13
Equipment Rental	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Telephone	\$748	O	\$101	\$59	\$57	\$479	\$0	\$52
Cellular Phones	\$3,085	O	\$417	\$242	\$235	\$1,974	\$0	\$216
Workers Compensation	\$10,040	O	\$1,358	\$787	\$766	\$6,426	\$0	\$703
Printing	\$1,468	O	\$199	\$115	\$112	\$939	\$0	\$103
Dues & Subscriptions	\$158	O	\$21	\$12	\$12	\$101	\$0	\$11
Travel	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Office Supplies	\$94	O	\$13	\$7	\$7	\$60	\$0	\$7
Postage	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Clothing Allowance	\$1,342	O	\$182	\$105	\$102	\$859	\$0	\$94
Safety Supplies	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Materials/Supplies	\$7,048	O	\$953	\$553	\$538	\$4,511	\$0	\$493
Meter Supplies	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Other Supplies	\$111	O	\$15	\$9	\$8	\$71	\$0	\$8
Misc Other Expenses	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Capitalized Labor	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - Metering	<u>\$426,477</u>		<u>\$57,688</u>	<u>\$33,438</u>	<u>\$32,553</u>	<u>\$272,946</u>	<u>\$0</u>	<u>\$29,853</u>
TOTAL O&M	\$12,976,365	I	\$5,916,780	\$2,612,225	\$342,311	\$2,581,589	\$1,148,070	\$375,389

ALLOCATION OF RATE YEAR EXPENSES TO COST COMPONENTS

<u>EXPENSE ITEM</u>	<u>PRO FORMA</u>	<u>ALLOC.</u>						
<u>CAPITAL EXPENSE</u>	<u>EXPENSE</u>	<u>SYMBOL (1)</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
Property Taxes	\$497,898	P	\$256,776	\$117,667	\$64,821	\$46,945	\$1,879	\$9,809
Restrict. Bond Principal, Interest & RICWFA Fee	\$8,280,469	P-M	\$4,676,400	\$1,956,905	\$1,078,037	\$390,369	\$15,622	\$163,135
Leases	\$0	P-M	\$0	\$0	\$0	\$0	\$0	\$0
IFR Pay-As-You-Go	\$2,500,000	P	\$1,289,302	\$590,820	\$325,476	\$235,717	\$9,433	\$49,253
Trustee Fees	\$0	P-M	\$0	\$0	\$0	\$0	\$0	\$0
O&M Reserve Deposit	\$522,739	E	\$232,399	\$112,638	\$12,445	\$103,789	\$47,339	\$14,128
Subtotal - Capital	<u>\$11,801,105</u>		<u>\$6,454,877</u>	<u>\$2,778,030</u>	<u>\$1,480,779</u>	<u>\$776,820</u>	<u>\$74,273</u>	<u>\$236,325</u>
TOTAL EXPENSES	\$24,777,470		\$12,371,658	\$5,390,255	\$1,823,091	\$3,358,409	\$1,222,343	\$611,714
PLUS: Rev. Stabiliz./Oper. Rev. Allowance	\$712,238	I	\$324,756	\$143,378	\$18,789	\$141,697	\$63,014	\$20,604
LESS: Service Installation Revenue	-\$144,305	S	\$0	\$0	\$0	-\$144,305	\$0	\$0
LESS: Other Misc. Operating Revenues	-\$386,532	I	-\$176,245	-\$77,811	-\$10,197	-\$76,899	-\$34,198	-\$11,182
LESS: State Surcharge Revenue	-\$45,129	I	-\$20,577	-\$9,085	-\$1,190	-\$8,978	-\$3,993	-\$1,306
LESS: Penalties	\$0	I	\$0	\$0	\$0	\$0	\$0	\$0
LESS: Non-Operating Rental	-\$29,289	A	-\$29,289	\$0	\$0	\$0	\$0	\$0
LESS: Interest Income	-\$271,009	I	-\$123,571	-\$54,556	-\$7,149	-\$53,916	-\$23,977	-\$7,840
LESS: Intergovernmental & other grant revenue	-\$159,942	I	-\$72,928	-\$32,197	-\$4,219	-\$31,820	-\$14,151	-\$4,627
LESS: Misc Non-Operating	<u>\$0</u>	I	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
REQUIRED FROM RATES	\$24,453,501		\$12,273,803	\$5,359,984	\$1,819,124	\$3,184,188	\$1,209,039	\$607,364

ALLOCATION OF PLANT IN SERVICE TO COST COMPONENTS

<u>EXPENSE ITEM</u>	<u>PLANT VALUE</u>	<u>ALLOC.</u> <u>SYMBOL (1)</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
<u>SOURCE OF SUPPLY</u>								
Land & Land Rights	\$6,718,783	A	\$6,718,783	\$0	\$0	\$0	\$0	\$0
Structures & Improvements	\$16,080,821	A	\$16,080,821	\$0	\$0	\$0	\$0	\$0
Wells & Springs	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
<u>PUMPING</u>								
Land & Land Rights	\$30,133	D	\$19,076	\$11,057	\$0	\$0	\$0	\$0
Structures & Improvements	\$937,301	D	\$593,363	\$343,938	\$0	\$0	\$0	\$0
Pumping Equipment	\$1,740,807	D	\$1,102,027	\$638,780	\$0	\$0	\$0	\$0
<u>PURIFICATION</u>								
Land & Land Rights	\$26,046	D	\$16,489	\$9,557	\$0	\$0	\$0	\$0
Structures & Improvements	\$53,488,795	D	\$33,861,365	\$19,627,430	\$0	\$0	\$0	\$0
Water Treatment Equipment	\$0	D	\$0	\$0	\$0	\$0	\$0	\$0
<u>TRANSM & DISTRIBUTION</u>								
Land & Land Rights	\$1,590	H	\$685	\$397	\$508	\$0	\$0	\$0
Distribution Reservoirs	\$693,080	H	\$298,483	\$173,013	\$221,584	\$0	\$0	\$0
Transmission Mains	\$18,636,480	D	\$11,797,923	\$6,838,558	\$0	\$0	\$0	\$0
Distribution mains	\$86,813,290	H	\$37,387,178	\$21,671,135	\$27,754,977	\$0	\$0	\$0
Services	\$12,681,745	S	\$0	\$0	\$0	\$12,681,745	\$0	\$0
Meters	\$6,000,262	S	\$0	\$0	\$0	\$6,000,262	\$0	\$0
Hydrants	\$4,034,471	F	\$0	\$0	\$0	\$0	\$0	\$4,034,471
Other Misc Equip	\$264,511	H	\$113,915	\$66,030	\$84,567	\$0	\$0	\$0
<u>GENERAL</u>								
Structures & Improvements	\$5,729,287	E	\$2,547,129	\$1,234,527	\$136,400	\$1,137,547	\$518,840	\$154,845
Office furniture & equipment	\$535,511	E	\$238,078	\$115,390	\$12,749	\$106,325	\$48,496	\$14,473
Transportation equipment	\$2,062,482	E	\$916,939	\$444,416	\$49,102	\$409,505	\$186,777	\$55,743
Stores equipment	\$0	E	\$0	\$0	\$0	\$0	\$0	\$0
Tools, shop & garage equipment	\$0	E	\$0	\$0	\$0	\$0	\$0	\$0
Laboratory equipment	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0
Power equipment	\$50,343	E	\$22,382	\$10,848	\$1,199	\$9,996	\$4,559	\$1,361
Communication equipment	\$0	E	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous equipment	\$672,333	E	\$298,906	\$144,872	\$16,007	\$133,491	\$60,886	\$18,171
TOTAL PLANT	\$217,198,071		\$112,013,541	\$51,329,947	\$28,277,092	\$20,478,870	\$819,558	\$4,279,064
PERCENT		P	51.57%	23.63%	13.02%	9.43%	0.38%	1.97%

ALLOCATION OF NON-ADMINISTRATIVE LABOR COSTS TO COST COMPONENTS

<u>EXPENSE ITEM</u>	<u>PRO FORMA</u> <u>AMOUNT</u>	<u>ALLOC.</u> <u>SYMBOL (1)</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
<u>CUSTOMER SERVICE</u>								
Salaries and wages	\$335,219	B	\$0	\$0	\$0	\$0	\$335,219	\$0
<u>SOURCE OF SUPPLY</u>								
Salaries and wages	\$242,625	A	\$242,625	\$0	\$0	\$0	\$0	\$0
<u>TRANSMISSION & DISTRIBUTION</u>								
Salaries and wages	\$1,315,359	O	\$177,922	\$103,131	\$100,401	\$841,830	\$0	\$92,075
TOTALS	\$1,893,203		\$420,548	\$103,131	\$100,401	\$841,830	\$335,219	\$92,075
PERCENT		L	22.2%	5.4%	5.3%	44.5%	17.7%	4.9%

ALLOCATION TO FIRE, WHOLESALE & RETAIL SERVICE

<u>UNITS OF SERVICE</u>	<u>TOTAL</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING DIRECT FIRE</u>	
Number		3,623,937	13,734	17,223	27,993	285,588	1,923
Units		ccf/yr	ccf/day	ccf/day	equiv meters	bills	hydrants
Revenue Requirements	\$24,453,501	\$12,273,803	\$5,359,984	\$1,819,124	\$3,184,188	\$1,209,039	\$607,364
Allocation to Fire Protection	\$2,686,235	\$36,821	\$1,127,024	\$915,025	included in calculation		\$607,364
Allocation to Wholesale *	\$2,087,914	\$1,534,232	\$547,933	\$5,750			
Net To Retail Metered Rates	\$19,679,352	\$10,702,750 12.5%	\$3,685,027 10.2%	\$898,349 0.3%	\$3,184,188	\$1,209,039	\$0

* Allocation to wholesale based on:

<u>BASE</u>		
Metered Sales (ccf/yr)	3,623,937	
Retail Sales (ccf/yr)	3,153,888	
Retail Unacctd For (ccf/yr)	<u>141,801</u>	Based on miles of pipe: 100% of distribution/service costs plus 87.0% of transmission plus estim fire
Total Retail (ccf/yr)	3,295,689	
Wholesale Sales (ccf/yr)	470,049	
Wholesale Unacctd For (ccf/yr)	<u>766</u>	
Total Wholesale (ccf/yr)	<u>470,815</u>	
Grand Total (ccf/yr)	3,766,504	
Wholesale Percent of Grand Total	12.5%	
Total Base Allocation	\$12,273,803	
Wholesale Allocation	\$1,534,232	

MAX DAY

Total Max Day Allocation	\$5,359,984	
Less: Distribution Costs		
81.8% of T&D O&M	-\$27,364	
Admin O&M Share	-\$3,789	13.8%
Distribution Capital Items	<u>-\$1,499,627</u>	53.98% (Less Distribution Mains & Gen'l Items allocated to Max Day)
Total Net of Distribution	\$3,829,205	
Wholesale Max Day %	14.31%	See DF Sch. 2.2
Wholesale Allocation	\$547,933	

PEAK HOUR

Total Peak Hour Allocation	\$1,819,124	
Less: Distribution Costs		
81.8% of T&D O&M	-\$26,639	
Admin O&M Share	-\$7,288	27.4%
Capital Items	<u>-\$1,480,779</u>	100.00% (All Capital Peak Hour costs = distribution)
Total Net of Distribution	\$304,417	
Wholesale Peak Hr %	1.89%	See DF Sch. 2.2
Wholesale Allocation	\$5,750	

ALLOCATION SYMBOLS

ALLOCATION								Description
<u>Sum Check</u>	<u>SYMBOL</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>	
100.00%	A	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Supply, IFR, Power & Chemicals
100.00%	B	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	Billing
100.00%	D	63.31%	36.69%	0.00%	0.00%	0.00%	0.00%	Max Day Demand
100.00%	E	44.46%	21.55%	2.38%	19.85%	9.06%	2.70%	O&M less A&G
100.00%	E-M	73.37%	21.55%	2.38%	0.00%	0.00%	2.70%	O&M less A&G - No Meter Alloc.
100.00%	F	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	Fire Service
100.00%	H	43.07%	24.96%	31.97%	0.00%	0.00%	0.00%	Max Hour Demand
100.00%	I	45.60%	20.13%	2.64%	19.89%	8.85%	2.89%	Total O&M
100.00%	L	22.21%	5.45%	5.30%	44.47%	17.71%	4.86%	Labor
100.00%	L-M	84.39%	5.45%	5.30%	0.00%	0.00%	4.86%	Labor-No Meter Allocation
100.00%	M	0.00%	0.00%	0.00%	80.0%	20.0%	0.00%	Cust Serv - "Meter"
100.00%	O	13.53%	7.84%	7.63%	64.00%	0.00%	7.00%	O&M Mains, Hydrants & Services
100.00%	O-A	77.53%	7.84%	7.63%	0.00%	0.00%	7.00%	T&D Police Details
100.00%	P	51.57%	23.63%	13.02%	9.43%	0.38%	1.97%	Plant
100.00%	P-M	56.48%	23.63%	13.02%	4.71%	0.19%	1.97%	Meter & Service Capital
100.00%	S	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	Services and Meters
100.00%	T	46.64%	27.04%	26.32%	0.00%	0.00%	0.00%	T&D Mains
100.00%	T-C	38.40%	22.26%	21.71%	14.50%	0.00%	3.13%	T&D Capital

Symbol D

	<u>MGD</u>	<u>%</u>
Avg Day	7.692	63.31%
Max Day Inc	<u>4.458</u>	<u>36.69%</u>
Total Max Day	12.150	100.00%

Symbol E

	<u>TOTAL</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
Amount	\$10,444,533	\$4,643,435	\$2,250,551	\$248,658	\$2,073,756	\$945,850	\$282,284
Percent	E	44.5%	21.5%	2.4%	19.9%	9.1%	2.7%

Symbol H

	<u>MGD</u>	<u>%</u>
Avg Day	7.692	43.07%
Max Day Inc	4.458	24.96%
Peak Hour Inc	<u>5.710</u>	<u>31.97%</u>
Total Peak Hour	17.860	100.00%

	<u>FY 22</u>
Avg Day (mgd)	7.69
Max Day (mgd)	12.15
Max Hour (mgd)	17.86

Symbol M These accounts include activities associated with meter reading, meter testing, backflow testing, etc. Costs have been split based on the following personnel associated with these activities:

	<u># Employees</u>	<u>Meter Read</u>	<u>Meters</u>
Meter Reader	1.0	1.0	
Technician	3.0		3.0
Backflow	<u>1.0</u>		<u>1.0</u>
Subtotal	5.0	1.0	4.0
Percent		20%	80%
Agent	1.0	0.20	0.80
Supervisor	<u>1.0</u>	<u>0.20</u>	<u>0.80</u>
Total	7.0	1.4	5.6
Percent		20%	80%

ALLOCATION SYMBOLS

Symbol O

	<u>% of Time</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
Mains	29.00%	13.53%	7.84%	7.63%	0.00%	0.00%	0.00%
Hydrants	7.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.00%
Services	64.00%	0.00%	0.00%	0.00%	64.00%	0.00%	0.00%
Total	100.0%	13.5%	7.8%	7.6%	64.0%	0.0%	7.0%

Symbol T

	<u>Plant Amt.</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
Transmission	\$18,636,480	\$11,797,923	\$6,838,558	\$0	\$0	\$0	\$0
Distribution	\$86,813,290	\$37,387,178	\$21,671,135	\$27,754,977	\$0	\$0	\$0
Total	\$105,449,770	\$49,185,101	\$28,509,692	\$27,754,977	\$0	\$0	\$0
		46.64%	27.04%	26.32%	0.00%	0.00%	0.00%

Symbol T-C

	<u>Plant Amt.</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
Distribution Reservoirs	\$693,080	\$298,483	\$173,013	\$221,584	\$0	\$0	\$0
Transmission Mains	\$18,636,480	\$11,797,923	\$6,838,558	\$0	\$0	\$0	\$0
Distribution mains	\$86,813,290	\$37,387,178	\$21,671,135	\$27,754,977	\$0	\$0	\$0
Services	\$12,681,745	\$0	\$0	\$0	\$12,681,745	\$0	\$0
Meters	\$6,000,262	\$0	\$0	\$0	\$6,000,262	\$0	\$0
Hydrants	\$4,034,471	\$0	\$0	\$0	\$0	\$0	\$4,034,471
Total	\$128,859,328	\$49,483,584	\$28,682,706	\$27,976,561	\$18,682,007	\$0	\$4,034,471
		38.40%	22.26%	21.71%	14.50%	0.00%	3.13%

FIRE SERVICE CHARGES

PUBLIC FIRE SERVICE

Annual Charge/Hydrant =	\$1,064.74
Charge per meter/month (Pawtucket) =	
5/8	\$6.24
3/4	\$9.36
1	\$15.60
1 1/2	\$31.21
2	\$49.93
3	\$93.63
4	\$156.04
6	\$312.09
8	\$499.34

PRIVATE FIRE SERVICE

<u>SERVICE SIZE</u> <u>(inches)</u>	<u>ANNUAL</u> <u>CHARGE</u>
2	\$12.37
4	\$42.68
6	\$102.01
8	\$210.14
10	\$344.67
12	\$531.12

**ALLOCATION OF FIRE SERVICE EXPENSES
TO PUBLIC AND PRIVATE FIRE SERVICE**

	<u>NUMBER</u>	<u>DEMAND FACTOR (1)</u>	<u>NO. OF EQUIVS.</u>	<u>PERCENT OF DEMAND</u>	<u>NON-HYDR. REQUIRED</u>	<u>DIRECT HYDRANT</u>	<u>TOTAL</u>
PUBLIC FIRE SERVICE							
Hydrants	1,923	111.31	214,050.9	74.07%	\$1,824,687	\$222,817	\$2,047,504
PRIVATE FIRE SERVICE							
SIZE (IN)							
2	37	6.19	229.0				
4	83	38.32	3,180.5				
6	400	111.31	44,524.4				
8	99	237.21	23,483.4				
10	5	426.58	2,132.9				
12	2	<u>689.04</u>	<u>1,378.1</u>				
TOTAL-PRIV.	626		74,928.3	25.93%	\$638,730	\$0	\$638,730
GRAND TOTALS	2,549		288,979.3	100.00%	\$2,463,418	\$222,817	\$2,686,235
Total Fire Allocation					\$2,686,235		
Less: Hydrant Capital					\$222,817		
Net Non-Hydrant					\$2,463,418		

(1) Based on size to the 2.63 power.

DETERMINATION OF FIRE SERVICE CHARGES

<u>PUBLIC FIRE PROTECTION</u>		<u>CALCULATED</u>	
		<u>CHARGE</u>	
PUBLIC FIRE ALLOCATION	\$2,047,504		
----- =	----- =	\$1,064.74 per year =	\$88.73 per month
NUMBER OF PUBLIC HYDRANTS	1,923		

PRIVATE FIRE PROTECTION

PRIVATE FIRE ALLOCATION (1)	\$638,730		638,730
----- =	----- =	\$8.52 /EQUIV.	
NO. OF EQUIV. UNITS	74,928.35		

<u>SIZE (IN)</u>	<u>ANNUAL AMOUNTS</u>							
	<u>DEMAND</u> <u>FACTOR</u>	<u>DEMAND</u> <u>CHARGE</u>	<u>SERVICE</u> <u>EQUIVS (2)</u>	<u>SERVICE</u> <u>LINE CHRG</u>	<u>MONTHLY</u> <u>TOTAL</u>	<u>+ BILLING</u> <u>CHARGE</u>	<u>CALCULATED</u> <u>MON. CHRG</u>	<u>PROPOSED</u> <u>MON. CHRG</u>
2	6.19	\$52.77	5.00	\$44.88	\$8.14	\$4.23	\$12.37	\$17.80
4	38.32	\$326.65	15.00	\$134.65	\$38.44	\$4.23	\$42.68	\$42.55
6	111.31	\$948.88	25.00	\$224.42	\$97.77	\$4.23	\$102.01	\$101.70
8	237.21	\$2,022.08	50.00	\$448.84	\$205.91	\$4.23	\$210.14	\$209.52
10	426.58	\$3,636.40	50.00	\$448.84	\$340.44	\$4.23	\$344.67	\$343.64
12	689.04	\$5,873.79	50.00	\$448.84	\$526.89	\$4.23	\$531.12	\$529.53

(1) Private Fire includes allocated service maintenance costs as detailed below:

(2) See Schedule 2.0

Service Line Maintenance Cost =	\$136,473	(Half of total "Metering" O&M)
Service Line Debt Costs =	\$264,991	Debt for metering*(services for metering/(services for metering + meters for metering)
Addnl Allocation to Fire Service =	\$150,181	(37.41%)
Cost per Equiv/year =	\$ 8.98	

CITY OF PAWTUCKET FIRE CHARGES

Because the City of Pawtucket has passed an Ordinance to stop paying hydrant rental fees under R.I.G.L. § 45-39-4 it is necessary to reallocate the allocated costs directly to the customers in Pawtucket. This was approved by the RI PUC in Docket 4300.

Fire Hydrants in Pawtucket = 1,515
 Proposed Hydrant Charge (per month) = \$88.73
 Annual Hydrant Charge to Pawtucket = \$1,613,111

<u>Pawtucket Meters by Size</u>	<u>Accounts</u>	<u>Eq. Ratio</u>	<u>Eq. Accts.</u>
5/8	16,412	1.00	16,412
3/4	211	1.50	317
1	434	2.50	1,085
1 1/2	170	5.00	850
2	291	8.00	2,328
3	18	15.00	270
4	7	25.00	175
6	2	50.00	100
8	0	80.00	0
Total	17,545		21,537

Calculated Monthly Charge per Equivalent \$6.24

Calculated Pawtucket Monthly Fire Protection Charges by Meter Size

5/8	\$6.24
3/4	\$9.36
1	\$15.60
1 1/2	\$31.21
2	\$49.93
3	\$93.63
4	\$156.04
6	\$312.09
8	\$499.34

DETERMINATION OF SERVICE CHARGES**BILLING CHARGE**

CUST. BILLING ALLOC.		\$1,209,039	
-----	=	-----	=
NUMBER OF BILLINGS (Include Priv		285,588	\$4.23 PER BILLING

METER CHARGE

CUST. METER ALLOC. (1)		\$3,034,006	
-----	=	-----	=
NO. EQUIV. METERS		27,993	\$108.39 / EQ. METER/YR

TOTAL SERVICE CHARGES

<u>METER SIZE (IN)</u>	<u>MONTHLY ACCOUNTS</u>		
	<u>METER CHARGE</u>	<u>BILLING CHARGE</u>	<u>TOTAL CHARGE</u>
5/8	\$9.03	\$4.23	\$13.27
3/4	\$13.55	\$4.23	\$17.78
1	\$22.58	\$4.23	\$26.81
1 1/2	\$45.16	\$4.23	\$49.39
2	\$72.26	\$4.23	\$76.49
3	\$135.48	\$4.23	\$139.72
4	\$225.80	\$4.23	\$230.04
6	\$451.61	\$4.23	\$455.84
8	\$722.58	\$4.23	\$726.81

**ALLOCATION OF GENERAL WATER EXPENSES
TO CUSTOMER CLASSES**

Class Demands

CUSTOMER CLASS	AVERAGE DEMANDS		FACTOR	MAX DAY EXTRA CAPACITY		
	(CCF/DAY)	PERCENT		(CCF/DAY)	XTRA CCF/DAY	PERCENT
<i>Retail</i>						
Small (5/8 - 1")	6,831	68.80%	2.11	14,380	7,549	69.60%
Large (>1")	1,810	18.23%	1.74	3,142	1,332	12.28%
<i>Wholesale</i>						
Cumberland	1,288	12.97%	2.53	3,253	1,965	18.12%
Seekonk	0	0.00%	2.53	0	0	0.00%
Total	9,929	100.00%		20,774	10,846	100.00%

CUSTOMER CLASS	AVERAGE DEMANDS		FACTOR	PEAK HOUR EXTRA CAPACITY		
	(CCF/DAY)	PERCENT		(CCF/DAY)	XTRA CCF/DAY	PERCENT
<i>Retail</i>						
Small (5/8 - 1")	6,831	68.80%	3.09	21,137	6,758	78.95%
Large (>1")	1,810	18.23%	2.55	4,618	1,477	17.25%
<i>Wholesale</i>						
Cumberland	1,288	12.97%	2.78	3,578	325	3.80%
Seekonk	0	0.00%	2.78	0	0	0.00%
Total	9,929	100.00%		29,334	8,560	100.00%

Allocation of Retail Metered Sales Costs to Classes (see DF Sch. 3.3)

CUSTOMER CLASS	BASE COSTS	MAX. DAY XTRA CAPACITY		PEAK HR. XTRA CAPACITY		TOTAL AMOUNT
	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT	
<i>Retail</i>						
Small (5/8 - 1")	79.05%	\$8,461,058	85.00%	\$3,132,282	82.07%	\$737,260
Large (>1")	20.95%	\$2,241,691	15.00%	\$552,745	17.93%	\$161,089
Total	100.00%	\$10,702,750	100.00%	\$3,685,027	100.00%	\$898,349
		70.0%		24.1%		5.9%

METERED WATER RATES

Small (5/8 - 1")

Total Expense (2)	\$12,330,600	=	\$	4.945 per ccf

Metered Sales (HCF)	2,493,306			

Large (>1")

Total Expense (2)	\$2,955,526	=	\$	4.474 per ccf

Metered Sales (HCF)	660,582			

Wholesale

Total Expense (3)	\$2,087,914	=	\$	4.442 per ccf

Metered Sales (HCF)	470,049			

COMPARISON OF CURRENT & PROPOSED RATES

		<u>Current</u>	<u>Proposed</u>	<u>% Change</u>
<u>Metered Rates (\$/ccf)</u>				
Small (5/8 - 1")		\$4.254	\$4.945	16.2%
Large (>1")		\$4.000	\$4.474	11.9%
Wholesale		\$3.477	\$4.442	27.8%
<u>Service Charges (Monthly)</u>				
	5/8	\$11.02	\$13.27	20.4%
	3/4	\$14.36	\$17.78	23.8%
	1	\$19.68	\$26.81	36.2%
	1 1/2	\$37.62	\$49.39	31.3%
	2	\$48.15	\$76.49	58.9%
	3	\$54.33	\$139.72	157.2%
	4	\$123.63	\$230.04	86.1%
	6	\$184.27	\$455.84	147.4%
	8	\$262.23	\$726.81	177.2%
<u>Fire Service (Monthly)</u>				
Public	/hydrant/month	\$58.14	\$88.73	52.6%
Pawtucket	\$/month			
	5/8	\$5.06	\$6.24	23.4%
	3/4	\$5.06	\$9.36	85.1%
	1	\$5.06	\$15.60	208.5%
	1 1/2	\$5.06	\$31.21	517.0%
	2	\$5.06	\$49.93	887.2%
	3	\$5.06	\$93.63	1751.1%
	4	\$5.06	\$156.04	2985.1%
	6	\$5.06	\$312.09	6070.2%
	8	\$5.06	\$499.34	9772.3%
Private				
	2	\$17.80	\$17.80	0.0%
	4	\$38.43	\$42.55	10.7%
	6	\$96.51	\$101.70	5.4%
	8	\$175.62	\$209.52	19.3%
	10	\$261.98	\$343.64	31.2%
	12	\$381.67	\$529.53	38.7%

IMPACT OF PROPOSED RATES

METER SIZE	MONTHLY USE - CU FT	CURRENT RATES	<----- PROPOSED ----->		
			NEW BILL	\$ INCREASE	% INCREASE
<u>Metered Service (Monthly Bills/Includes Pawtucket Fire)</u>					
Small					
5/8	600	\$41.60	\$49.18	\$7.58	18.2%
5/8	800	\$50.11	\$59.07	\$8.96	17.9%
5/8	1,200	\$67.13	\$78.85	\$11.73	17.5%
5/8	1,700	\$88.40	\$103.58	\$15.18	17.2%
5/8	2,500	\$122.43	\$143.14	\$20.71	16.9%
5/8	3,000	\$143.70	\$167.86	\$24.16	16.8%
5/8	5,000	\$228.78	\$266.76	\$37.98	16.6%
5/8	7,500	\$335.13	\$390.39	\$55.26	16.5%
5/8	9,000	\$398.94	\$464.56	\$65.62	16.4%
1	1,000	\$67.28	\$91.86	\$24.58	36.5%
1	12,000	\$535.22	\$635.81	\$100.59	18.8%
1	25,000	\$1,088.24	\$1,278.66	\$190.42	17.5%
Large					
1 1/2	25,000	\$1,042.68	\$1,199.10	\$156.42	15.0%
1 1/2	50,000	\$2,042.68	\$2,317.60	\$274.92	13.5%
2	75,000	\$3,053.21	\$3,481.92	\$428.72	14.0%
2	100,000	\$4,053.21	\$4,600.42	\$547.22	13.5%
3	75,000	\$3,059.39	\$3,588.85	\$529.46	17.3%
3	100,000	\$4,059.39	\$4,707.35	\$647.96	16.0%
4	250,000	\$10,128.68	\$11,571.08	\$1,442.40	14.2%
6	300,000	\$12,189.33	\$14,189.93	\$2,000.60	16.4%
Wholesale					
6	1,000,000	\$34,954.27	\$44,875.84	\$9,921.57	28.4%
<u>Fire Service (Monthly Bill)</u>					
Municipal Fire Service	200 hydrants	\$11,627.60	\$17,746.00	\$6,118.40	52.6%
Pawtucket Public Fire Protection	Per Month (5/8")	\$5.06	\$6.24	\$1.18	23.4%
Private Fire Service	4 Inch Service	\$38.43	\$42.55	\$4.12	10.7%
Private Fire Service	6 Inch Service	\$96.51	\$101.70	\$5.19	5.4%
Private Fire Service	8 Inch Service	\$175.62	\$209.52	\$33.90	19.3%

Rate Year Calculated User Charge Revenues - Current Rates

Fixed Charges			
Meter Size	Accounts	Current Rate/Month	Annual Revenues
5/8	21,769	\$ 11.02	\$ 2,878,733
3/4	272	\$ 14.36	\$ 46,881
1	533	\$ 19.68	\$ 125,899
1 1/2	211	\$ 37.62	\$ 95,261
2	366	\$ 48.15	\$ 211,470
3	13	\$ 54.33	\$ 8,476
4	7	\$ 123.63	\$ 10,385
6	1	\$ 184.27	\$ 2,211
8	1	\$ 262.23	\$ 3,147
Total	23,173		\$ 3,382,462
Volumetric Charges			
Rate Class	Consumption	Current Rate per ccf	Annual Revenues
Small (5/8" - 1")	2,493,306	\$4.254	\$ 10,606,524
Large (>1")	660,582	\$4.000	\$ 2,642,328
Wholesale	470,049	\$3.477	\$ 1,634,359
Total	3,623,937		\$ 14,883,211
Fire Charges			
Rate Class	Units	Current Rate/Month	Annual Revenues
Public Hydrants	408	\$ 58.14	\$ 284,644
Pawtucket			
5/8	16,412	\$ 5.06	\$ 996,143
3/4	211	\$ 5.06	\$ 12,807
1	434	\$ 5.06	\$ 26,342
1 1/2	170	\$ 5.06	\$ 10,318
2	291	\$ 5.06	\$ 17,663
3	18	\$ 5.06	\$ 1,093
4	7	\$ 5.06	\$ 425
6	2	\$ 5.06	\$ 121
8	0	\$ 5.06	\$ -
			\$ 1,064,911
Private Fire Service			
2	37	\$ 17.80	\$ 7,903
4	83	\$ 38.43	\$ 38,276
6	400	\$ 96.51	\$ 463,248
8	99	\$ 175.62	\$ 208,637
10	5	\$ 261.98	\$ 15,719
12	2	\$ 381.67	\$ 9,160
Total	626		\$ 742,943
Grand Total User Charge Revenue			\$ 20,358,171

Rate Year Calculated User Charge Revenues - Proposed Rates

Fixed Charges			
Meter Size	Accounts	Rate/Month	Annual Revenues
5/8	21,769	\$ 13.27	\$ 3,466,496
3/4	272	\$ 17.78	\$ 58,034
1	533	\$ 26.81	\$ 171,477
1 1/2	211	\$ 49.39	\$ 125,055
2	366	\$ 76.49	\$ 335,944
3	13	\$ 139.72	\$ 21,796
4	7	\$ 230.04	\$ 19,323
6	1	\$ 455.84	\$ 5,470
8	1	\$ 726.81	\$ 8,722
Total	23,173		\$ 4,212,317
Volumetric Charges			
Rate Class	Consumption	Rate per ccf	Annual Revenues
Small (5/8" - 1")	2,493,306	\$4.945	\$ 12,329,399
Large (>1")	660,582	\$4.474	\$ 2,955,444
Wholesale	470,049	\$4.442	\$ 2,087,956
Total	3,623,937		\$ 17,372,799
Fire Charges			
Rate Class	Units	Rate/Month	Annual Revenues
Public Hydrants	408	\$ 88.73	\$ 434,422
Pawtucket			
5/8	16,412	\$ 6.24	\$ 1,229,280
3/4	211	\$ 9.36	\$ 23,706
1	434	\$ 15.60	\$ 81,268
1 1/2	170	\$ 31.21	\$ 63,666
2	291	\$ 49.93	\$ 174,370
3	18	\$ 93.63	\$ 20,223
4	7	\$ 156.04	\$ 13,108
6	2	\$ 312.09	\$ 7,490
8	0	\$ 499.34	\$ -
			\$ 1,613,111
Private Fire Service			
2	37	\$ 17.80	\$ 7,903
4	83	\$ 42.55	\$ 42,378
6	400	\$ 101.70	\$ 488,179
8	99	\$ 209.52	\$ 248,906
10	5	\$ 343.64	\$ 20,619
12	2	\$ 529.53	\$ 12,709
Total	626		\$ 820,693
Grand Total User Charge Revenue			\$ 24,453,342

Difference (\$) \$ 4,095,171
Difference (%) 20.12%

	Step 1 <u>FY 2025</u>	Step 2 <u>FY 2026</u>	Step 3 <u>FY 2027</u>
FY 2025 Revenue Required from Rates	\$ 24,453,501	\$ 24,453,501	\$ 24,453,501
<u>Salary Step Increases</u>			
General & Admin	\$ -	\$ 25,367	\$ 27,223
Customer Service	-	6,105	6,242
Source of Supply	-	5,073	5,769
Purification	-		
T&D	-	19,734	22,737
Engineering	-	14,656	15,716
Metering	-	5,504	6,316
Subtotal: Salary Step Increases	-	76,438	84,002
Rate Year Revenue Required from Rates	\$ 24,453,501	\$ 24,529,939	\$ 24,613,941
Step Increase (%)		0.3%	0.3%
Step Increase (\$)		\$ 76,438	\$ 84,002

CERTIFICATION

I hereby certify that on April 4, 2024, I sent a copy of the within to all parties set forth on the attached Service List by electronic mail and copies to Luly Massaro, Commission Clerk, by electronic mail and regular mail.

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