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August 29, 2024

Via Email

And First Class Mail

Ms. Stephanie De La Rosa
Clerk
State of Rhode Island
Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

RE: *City of Newport, Utilities Department, Water Division – Docket 24-30-WW*

Dear Ms. De La Rosa:

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

1. The City of Newport, Utilities Department, Water Division's response to the Rhode Island Division of Public Utilities and Carriers' Data Requests (Set 3, Responses 7A, 8 and 9).

Thank you for your attention to this matter.

Sincerely,



Joseph A. Keough, Jr.

Enclosures

cc: Service List (via email)

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 24-30-WW
Response Of The City Of Newport,
Utilities Division, Water Department
To The State of Rhode Island
Division Of Public Utilities And Carriers'
Data Requests
Set 3

Div. 3-7A: Please provide the following monthly labor data for NWD FY 2023 through the most recent month available.

- a. The annual payroll charge to O&M accounts.
- b. Overtime payroll broken down between expensed, capitalized and other.
- c. Overtime payroll hours broken down between expensed, capitalized and other.

Response: a. The annual payroll is charged to Administration, Customer Service, Source of Supply Island, Station One, Lawton Valley, Laboratory and Distribution. The FY23 payroll charges are set forth in the Harold Smith's rate model in Schedules D-7 through D-14. Please see Newport's response for unaudited figures for FY2024.

b. Overtime payroll is expensed. It is not capitalized.

c. Overtime payroll is expensed. It is not capitalized.

Prepared by: Robert C. Schultz, Jr.

STATE OF RHODE ISLAND
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DOCKET NO. 24-30-WW
Response Of The City Of Newport,
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To The State of Rhode Island
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Data Requests
Set 3

Div. 3-8: Refer to the Newport Water Rate Excel Model. Please provide the supporting documents showing the derivation of the FY 2025 Salaries & Wages presented in the tabs labelled as "Administration 2025"; "Customer Service 2025"; "Source Supply Island"; "Source Supply Mainland 2025"; "Station One 2025"; "Lawton Valley 2025"; "Laboratory 2025"; and "Distribution 2025".

Response: Please see Excel Spreadsheet entitled Div. 3-8 and 9 Attachment, and please note that this schedule corrects the following issues in the rate model:

- Employees of the City of Newport contribute 7% of their salaries to the State of Rhode Island Municipal Employees' Retirement System (MERS), and the City of Newport reimburses 3% of this contribution. In the test year, the 3% reimbursement was included in the total salaries, but it was not included in the rate year. In the Div.3-8 attachment, this extra 3% is shown in a separate column. Please note that FICA is calculated on the combination of the salaries and the 3% contribution and was calculated correctly in the rate model. For instance, in Source of Supply Island, the 7.65% FICA contribution should be applied to \$368,357.08, which is the combination of the FY2025 Salaries and the 3.0% contribution in the MERS column. The FICA contribution in the original model was properly calculated.
- This schedule corrects the allocation of positions that are allocated between Water and Water Pollution Control to the correct 60%/40% allocation.
- There were small errors in the total Employee Benefits for the Customer Service and Laboratory Accounts in the original rate model that have also been corrected.

Newport Water will provide an updated rate model with these corrections.

Prepared by: Robert C. Schultz, Jr. and Harold Smith

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Set 3

Div. 3-9: Refer to the Newport Water Rate Excel Model. Please provide the supporting documents showing the derivation of the FY 2025 Employee Benefits presented in the tabs labelled as "Administration 2025"; "Customer Service 2025"; "Source Supply Island"; "Source Supply Mainland 2025"; "Station One 2025"; "Lawton Valley 2025"; "Laboratory 2025"; and "Distribution 2025".

Response: See response and attachment to Div. 3-8.

Prepared by: Robert C. Schultz, Jr. and Harold Smith

CERTIFICATION

I hereby certify that on August 29, 2024, I sent a copy of the within to all parties set forth on the attached Service List by electronic mail and copies to Stephanie De La Rosa, Commission Clerk, by electronic mail and regular mail.

Parties/Address	E-mail Distribution	Phone
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Set 3

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