

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

2 A. My name is Harold J. Smith and my business address is 511 East Boulevard, Charlotte, North
3 Carolina 28203.

4

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

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

11

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

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

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

24

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

27 A. Yes. I provided testimony in Newport's previous rate filing (Docket No. 3578). In
28 addition, I have provided expert testimony regarding the value of property located in
29 southern Connecticut as a raw water source for neighboring communities. The crucial factor
30 impacting the valuation of this property was the value placed on the sale of raw water. The

1 owners of the property filed an antitrust suit to collect damages resulting from the inability to
2 use the land as a raw water source.

3
4 **Q. Do you belong to any professional organizations or committees?**

5 A. Yes. I am a member of the American Water Works Association where I serve as chairman of
6 the Competitive Practices Committee.

7
8 **Q Please describe your role in this proceeding?**

9 A. I have worked with the City of Newport's Finance Director, the Director of Public Works
10 and the staff of Newport Water to develop pro forma revenue requirements and the resulting cost
11 allocations and cost based rates and charges. The results of my analyses area included in the
12 schedules incorporated herein with my testimony.

13
14 **Q. Please describe the purpose of your testimony.**

15 A. This testimony provides an explanation for each schedule attached to my testimony. The
16 schedules calculate the pro forma revenue requirements of Newport Water, as well as the
17 commodity rates for retail customers of the City of Newport Water Division ("Newport"), and
18 rates for the United States Navy (the "Navy") and the Portsmouth Water and Fire District (the
19 "PWFD"). Other charges calculated in the model include a billing charge, and both public and
20 private fire protection charges for Newport, and portions of Middletown and Portsmouth. The
21 testimony also serves as a guide to other sources where assumptions are used, the logic that was
22 used in the development of the model, and the flow of empirical and calculated information.

23 **Q. What are your general conclusions?**

24 A. As shown on RFC Schedule 5 Newport Water is in need of additional revenue of \$1,297,187
25 to properly fund O&M and capital costs related to providing service to its customers.

26
27 **Q. What are the proposed Test Year and Rate Year in this filing?**

28 A. The proposed Rate Year is July 1, 2005 to June 30, 2006. The Test Year is July 1, 2003 to
29 June 30, 2004.

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

2 A. Yes, the increase is due to several factors. The current commodity rates and billing charge are
3 insufficient to meet Newport Water’s anticipated rate year costs associated with providing
4 service to its customers. The net revenue requirements to be recovered from rates as set forth in
5 RFC Schedule 1 are \$9,542,139. As demonstrated on RFC 5, if the existing rates were to remain
6 in effect during the Rate Year, Newport Water would only recover \$8,244,952 from rates and
7 charges resulting in a revenue shortfall of \$1,297,187.

8
9 **CONTENT OF SCHEDULES**

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

11 A. There are nine main schedules and eleven support schedules in this filing. The main
12 schedules are as follows:

13 Schedule RFC 1-Summary Revenue Requirements: Summarizes Newport Water’s FY 2006
14 revenue requirements in a format that exhibits the test year and rate year revenue requirements
15 including adjustments that are listed separately by each account in the Newport Water chart of
16 accounts.

17 Schedule RFC 2 - Summary Operating Revenue Requirements by Line Item: Summary of the
18 test year, adjustments, and rate year revenue requirements by line item.

19
20 Schedule RFC 3 - Revenue Requirements Detail: Each line item from Newport Water’s revenue
21 requirements is exhibited in this schedule for the test year and rate year.

22
23 Schedule RFC 4 – Capital Needs and Sources: This schedule lists capital projects by different
24 functional activities that Newport Water expects to undertake during the rate year. In addition,
25 funding sources for these projects are identified (i.e., rate funding contribution to the capital
26 spending account, proceeds from the SRF loan, grants and the Water Protection Fund proceeds).

27
28 Schedule RFC 5 – Allocation of Costs to Customers and Charges: This schedule shows the way
29 in which the rate year revenue requirements are allocated to each customer class and

1 demonstrates the calculation of the rate increase required based on each customer class's share of
2 net rate year revenue requirements.

3
4 Schedule RFC 6 – Proposed Rates and Charges: The percentage rate increase calculated in
5 Schedule RFC 5 is applied to the existing rates in this schedule resulting in the proposed rates.

6
7 Schedule RFC 7 – Summary of Revenues and Expenses: The actual revenue that was generated
8 for the test year from rates, charges, and other sources is shown along with the rate year revenue
9 that is projected to be generated from the projected consumption, number of bills, and fire
10 protection accounts based on existing and proposed rates and charges. Comparisons of the
11 revenue requirements for the test year and the two rate year scenarios show the surpluses and
12 deficits generated.

13
14 Schedule RFC 8 – Customer Impacts: Comparison of bills for customers at existing rates and
15 proposed commodity rates and billing charges are shown at varying consumption levels. In
16 addition, an average level of consumption is provided for each customer class's respective billing
17 period.

18
19 Schedule RFC 9 –Restricted Accounts Balances: The restricted account balances that have been
20 used by Newport Water since the prior filing are tracked from the rate year through FY 2010.
21 The accounts included in this schedule are: the Debt Service Account, Repayment to City
22 Account, Capital Spending Account, Chemical Allowance Account, and Electricity Account.
23 The debt service requirements in the Debt Service Account schedule only include the debt
24 service requirements for Newport Water's existing debt and the debt service on the proposed
25 SRF loan. As discussed later in my testimony, Newport Water anticipates that it will be required
26 to secure additional debt in order to fully fund capital projects proposed to be implemented in FY
27 2007 through FY 2010. However, since Newport Water has not received approval for additional
28 debt, nor is it seeking approval for future debt issues in this rate filing, the debt service on the
29 anticipated future debt is not shown on this schedule.

1 The Capital Spending Account schedule only reflects the level of rate funded capital
2 expenditures needed to meet Newport Water's needs for FY 2006 and assumes that Newport
3 Water's rate funded capital expenditures for FY 2007 through FY 2010 will not exceed the
4 amount requested in this rate filing. Although it is expected that Newport Water's rate funded
5 capital needs during the period FY 2007 through FY 2010 will deviate from the amount
6 requested in this filing, the actual rate funded capital needs for future years cannot be accurately
7 determined at this time. To the extent that rate funded capital needs deviate dramatically from
8 the amount requested in this filing, Newport will have to seek rates to address these needs in
9 future proceedings before the Commission.

10
11 The Support schedules are as follows:

12 Schedule RFC A – Capital Improvements Schedule: The complete five year CIP as provided by
13 CDM is shown in this schedule.

14
15 Schedule RFC B – Debt Service: The existing debt service payments through FY 2010 and the
16 estimated debt service for the SRF Loan are included in this schedule.

17
18 Schedule RFC C – Individual Line Item Support for Adjustments to Test Year: This schedule
19 represents the origin of the adjustments from the test year to the rate year for specific line items.
20 Additional justification for specific adjustments is provided in the testimony of Julia Forgue.

21
22 Schedule RFC D – Revenue Offsets: Revenues generated from sources other than rates and
23 charges that are used to offset the rate year revenue requirements are included in this schedule.

24
25 Schedule RFC E – Revenue Proof: In addition to the information provided in Schedule RFC 7,
26 this schedule calculates debt service coverage in the rate year for total and existing debt service
27 and the estimated debt service on the SRF Loan.

28
29 Schedule RFC F – Monthly Balances: Debt Service Restricted Account: This schedule tracks the
30 monthly cash flow in the Debt Service Account through FY 2010. As is the case with Schedule

1 RFC 9, this schedule only includes the debt service requirements for Newport Water's existing
2 debt and the debt service on the proposed SRF loan. Additionally, the timing of the debt service
3 payments on the SRF loan are assumed to take place during the same month as the payments on
4 existing debt. The actually debt service payment for the SRF loan will be determined at loan
5 closing.

6
7 Schedule RFC G – Water Consumption Summarized By Class: Includes the annual
8 consumption from FY 2000 through FY 2004 by customer class and billing type and the
9 projected consumption for the rate year.

10
11 Schedule RFC H – Water Service Bills Summary: Includes the annual number of bills from FY
12 2000 through FY 2004 by customer class and billing type and the projected number of bills for
13 the rate year.

14
15 Schedule RFC I – Public and Private Fire Protection Accounts: Shows the number of fire
16 protection accounts from FY 2000 through February 2005 by public and private fire protection
17 connections

18
19 Schedule RFC J – Preliminary Capital Funding Plan: This schedule reflects Newport Water's
20 preliminary plan for funding capital improvements from FY 2006- FY 2010. Only the funding
21 for FY 2006 is included in this rate filing.

22
23 Schedule RFC K – Monthly Balances: Combined Debt Service and Capital Spending Restricted
24 Account: This schedule reflects the anticipated monthly cash flow in a combined debt service
25 and capital spending account. The need for this combined account is discussed later in this
26 testimony. Unlike Schedule RFC F, this schedule takes into consideration the Preliminary
27 Capital Funding Plan presented in Schedule RFC J.

28

1 **REVENUE REQUIREMENTS**

2 **Q. How did RFC develop the revenue requirements for Newport?**

3 A. The summary revenue requirements are shown in Schedule RFC 1, which shows the operation
4 and maintenance (“O&M”) costs and capital expenses for the entire Newport Water system,
5 including the PWFD and the Navy.

6 A test year that is based on the actual expenses incurred by the Newport Water for the period
7 from July 1, 2003 through June 30, 2004 is shown in Schedules RFC 1, RFC-2 and RFC 3 for
8 each line item in the budget. The Rate Year was developed by examining each cost line item for
9 the Test Year and making adjustments as necessary to reflect the anticipated cost to provide
10 service during the Rate Year. The adjustments to the Test Year are shown in the Adjustments
11 column. Further detail regarding these adjustments are provided in the Testimony of Julia
12 Forgue, City of Newport Public Works Director. The overall result indicates the revenue
13 requirements that will need to be recovered through rates and charges from Retail, the Navy and
14 the PWFD.

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

16 A. The capital revenue requirements for the Rate Year shown in Schedule RFC 3 are based on
17 the Newport Water’s five year capital improvement plan (CIP) and the City’s plan to fund the
18 projects identified in the CIP. The capital revenue requirements for the Rate Year were
19 developed with a focus on the first two years of the CIP. As shown on Schedule RFC 4,
20 Newport Water plans to use approximately \$3,000,000 in State Revolving Fund (SRF) loans
21 from the Rhode Island Clean Water Finance Agency to fund three large projects with the
22 remainder of the projects scheduled for FY 2006 being funded with rate revenues.

23
24 **Q. Will annual revenues generated under the proposed rates be sufficient to fund all of the**
25 **projects identified in Newport Water’s CIP?**

26 A. Annual revenues generated under the proposed rates will be sufficient to fund a portion of the
27 projects identified in Newport Water’s CIP. However, they will not be sufficient to fund all of

1 the projects in the CIP. In order to gain a better understanding of its future capital needs,
2 Newport Water developed the preliminary capital funding plan shown on Schedule RFC J. As
3 shown on RFC J, rate revenues designated to fund capital projects should be sufficient to fund a
4 number of the capital projects scheduled for FY 2007 through FY2010. However, there are a
5 number of large capital projects, such as improvements to the transmission and distribution
6 system and improvements to the water treatment plants that are scheduled for FY 2007 through
7 FY2010, which could not be funded with the revenues generated under the proposed rates.

8 Newport Water anticipates that it would look to sources other than rates to fund these projects,
9 with possible options being additional SRF loans or other forms of tax-exempt debt. It is likely
10 that the implementation of the preliminary capital funding plan will have an impact on the rates
11 that Newport Water charges its customers. At such time that Newport Water has finalized its
12 capital funding plan and fully understands the impact on its rates of implementing that plan, it
13 will appear before the Commission for approval of any needed rate changes.

14 **Q. How is the debt service on the SRF loans incorporated into the revenue requirements?**

15 A. Debt service on the SRF loan is calculated on Schedule RFC B assuming an interest rate of
16 3.75% and twenty year repayment terms. These assumptions were based on information provided
17 by representatives of the Rhode Island Clean Water Finance Agency. While it is possible that
18 the interest rate on the SRF will differ from the assumption, it is not likely that the difference
19 will be large. The annual debt service requirements for the SRF loan and the debt service on
20 existing debt obligations of Newport Water are shown on Schedule RFC B and reflected as
21 Contributions to the Debt Service Restricted Account in the schedules that detail the rate year
22 revenue requirements.

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

24 A. Since the way in which Newport Water provides service to its customers has not changed
25 significantly since Newport Water's most recent previous rate filing (Docket # 3578) the cost
26 allocations agreed to by the parties in Docket # 3578 have been used again in this filing. Further,
27 pursuant to the terms of the Settlement Agreement in Docket 3578, Newport is not seeking to
28 charge Portsmouth with transmission, distribution or peak costs associated with supply or

1 treatment. Therefore, a detailed cost of service study was not performed for this rate filing.
2 Instead, as shown on Schedule RFC 5, the appropriate allocation of rate year revenue
3 requirements was developed by first determining the percentage of total rate revenues that each
4 revenue source would contribute assuming that the existing rates were in effect during the Rate
5 Year. The resulting percentages were then applied to the rate year revenue requirements to
6 determine each revenue source's share of the rate year revenue requirements.

7

8 **Q. What are the revenue sources to which costs are allocated?**

9 A. Newport Water recovers rate revenues from five different revenue sources, the first three
10 being commodity rates charged to the Navy; PWFD and its retail customers. In addition,
11 Newport Water recovers rate revenues through its Billing Charge and Fire Protection Charges.

12

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

14 A. As shown on Schedule RFC 5, commodity rates for Newport Water's retail customer class,
15 PWFD, and the Navy were calculated by dividing each customer's share of the rate year revenue
16 requirements by their projected rate year consumption in thousands of gallons to yield a rate per
17 thousand gallons. In the case of the retail commodity charge, the calculated rate is then rounded
18 up to the nearest one-hundredth of a dollar. The calculated rate for PWFD is rounded up to the
19 nearest one-hundredth of one cent.

20

21 Billing Charges were determined by dividing the rate year revenue requirements that were
22 allocated to the Billing Charge by the number of bills anticipated for the rate year. Public Fire
23 Protection Charges were calculated by dividing the allocation to Public Fire Protection by the
24 number of fire hydrants served by Newport Water. The calculated billing charge and public fire
25 protection charge were also rounded up to the nearest one-hundredth of one dollar.

26

27 Private Fire Protection Charges were calculated by dividing the amount of rate year revenue
28 requirements allocated to each fire protection service size by the number of services of each size

1 anticipated for the Rate Year. The calculated fire protection charges were also rounded up to the
2 nearest one-hundredth of one dollar.

3
4 **Q. Have you provided information on what the customer impacts are projected to be?**

5 A. Yes, Schedule RFC 8 shows bills under existing and proposed rates and the percentage
6 impacts that are likely to occur for various volumes. The Billing Charge increases from \$11.00
7 per bill to \$12.74 per bill. Commodity Rates for each customer or customer class have increased
8 by approximately 15.7%. Schedule RFC 8 shown the customer bill for certain volumes under
9 the existing rate structure and what the total bill will be under the proposed rates for the same
10 consumption.

11
12 **Q. What consideration has been given as to whether the revenues from the rates and
13 charges are sufficient to cover revenue requirements for Newport?**

14 A. Schedule RFC 7 serves as a revenue proof to determine revenue sufficiency of the proposed
15 rates and charges. The revenues that would be generated under the existing rate structure are
16 shown for commodity rates, base charges, and fire protection charges.

17
18 **Q. According to the RFC model, are the rates and charges calculated sufficient to meet
19 revenue requirements?**

20 A. Yes, as shown in Schedule RFC 7, the revenues projected to be recovered from the proposed
21 rates are the same as the revenue requirements for the Rate Year.

22
23 **Q. In FY 2005, Newport Water experienced cash flow difficulties in the Debt Service
24 Restricted Account that made it necessary to temporarily transfer funds from another
25 restricted account into the Debt Service Restricted Account. Will Newport Water
26 encounter this same problem in the future under the proposed rates?**

27 A: As shown in Schedule RFC F, it does appear that the payment of debt service in November
28 of FY 2006 will put the Debt Service Restricted Account in a deficit position. This deficit occurs

1 because under the current approach to funding the restricted accounts, the funds that are
2 deposited into the Debt Service account from July through November are insufficient to cover
3 the November debt service payment, despite the fact that at the end of the fiscal year the account
4 has a positive balance. While RFC F indicates the deficit would be approximately \$93,000, it
5 should be recognized that RFC F depicts a “worst case” scenario in which the debt service
6 payments on the SRF loan take place at the same time as the debt service payments for the
7 existing debt. If this were not the case, the deficit may not occur or would occur at a different
8 point in the year.

9
10 **Q. Does Newport Water have a proposed solution that would eliminate this cash flow**
11 **problem?**

12 A: Yes, Newport Water proposes that it be allowed to combine the Debt Service Restricted
13 Account and the Capital Spending Restricted Account into one account. This solution, while still
14 restricting the funds in this new combined account for the purposes for which they are intended,
15 would allow the utility more flexibility with respect to the way in which it pays for debt service
16 and capital projects over the course of a year. As shown on Schedule RFC K, which shows the
17 monthly cash flow in the combined account as well as the impacts of Newport Water’s
18 preliminary capital funding plan, this account does not enter into a deficit position until FY 2010,
19 despite the fact that this schedule also assumes that Newport Water would take on significant
20 debt service as it secures funding for future projects.

21
22 Additionally, as shown on RFC K, by combining these two accounts, Newport Water would be
23 able to use excess revenues collected to meet rate funded capital requirements in years in which
24 rate funded capital requirements are less than those requested in this filing to meet debt service
25 obligations on future debt, thereby potentially alleviating the need to adjust rates prior to each
26 issuance of new debt.

1 **Q. What are the reasons for the increase in the retail and wholesale rates and the base**
2 **charge?**

3 A. Simply put, the increase in rates is needed because Newport Water's costs to provide service
4 to its customer is greater than the costs allowed in the previous rate case (Docket # 3578). As
5 demonstrated by the periodic financial reports that Newport Water has submitted to the
6 Commission in FY 2005, the revenues being generated through the existing rates and charges are
7 barely adequate to meet the utility's costs despite the fact that Newport Water has been carefully
8 managing its costs. As demonstrated in Schedule RFC 7, the rate year revenue under existing
9 rates would be insufficient to recover expenses for the rate year.

10 The reasons for the increase in the cost for Newport Water to provide service are varied and
11 include the need for a new position within the Department of Public Works to address the
12 utility's financial issues: additional payments to the General Fund to more appropriately
13 compensate General Fund departments for the services that they provide to Newport Water;
14 additional debt service to support a loan from the State Revolving Fund that will provide funds
15 for capital projects and other increases that are generally associated with the upward trend in the
16 costs for good and services.

17
18 **Q: In your opinion, is there a need for the newly created position of Deputy Utilities**
19 **Director (Finance) position that Newport Water is requesting?**

20 A: Yes, as Newport Water's rate consultant for the past several years, I have at times found it to
21 be a challenge to obtain some of the financial information necessary to prepare rate filings for the
22 utility. While many of these challenges were eliminated as a result of Newport Water adding the
23 Financial Analyst position during our previous rate filing, it is still apparent that the City's
24 Director of Finance is required to devote too much of her time to issues related to Newport
25 Water to the detriment of her other responsibilities. It is my understanding that the new Deputy
26 Utilities Director (Finance) will assume responsibility for many of the utility related tasks that
27 the City's Director of Finance is currently responsible for including the preparation of periodic
28 financial reports for the Commission and providing support for the utility and its rate consultants
29 for rate filings. Additionally, the new Deputy Utilities Director should be able to help the utility

1 with respect to long-term financial planning thereby making the utility more efficient and cost
2 effective on a long-term basis.

3

4 **Does this conclude your testimony?**

5 Yes.

City of Newport, Rhode Island
Rhode Island Public Utilities Commission Rate Filing Docket #XXXX
FY 2005 Rate Filing



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RFC

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<u>Account</u>	<u>Test Year (1)</u>	<u>Rate Year Adjustment</u>	<u>Rate Year (2)</u>	<u>Notes</u>
<u>Operating Revenue Requirements</u>				
Administration	\$ 1,163,524	\$ 1,063,644	\$ 2,227,168	
Customer Accounts	476,661	60,154	536,815	
Customer Services	-	-	-	
Source of Supply - Island	406,243	48,844	455,087	
Source of Supply - Mainland	16,936	78,727	95,663	
Treatment - Newport Plant	1,304,989	47,577	1,352,566	
Pumping - Newport Plant	-	-	-	
Treatment - Lawton Valley	890,469	135,885	1,026,354	
Pumping - Lawton Valley	-	-	-	
Water Laboratory	187,215	26,737	213,952	
Transmission & Distribution Maintenance	767,708	71,185	838,893	
Fire Protection	5,378	8,622	14,000	
Total Operating Requirements	5,219,123	1,541,375	6,760,498	
<u>Capital Revenue Requirements</u>				
Contribution to Debt Service Account (3)	1,521,815	(143,047)	1,378,768	
Contribution to Repayment to City Account (4)	-	250,000	250,000	
Contribution to Capital Spending Account (3)	1,090,340	176,748	1,267,088	
Total Capital Requirements	2,612,155	283,701	2,895,856	
Subtotal Revenue Requirements	7,831,278	1,825,075	9,656,353	
Additional Rev Requirements (5)	117,469	27,376	144,845	
Revenue Requirements before Offsets	7,948,747	1,852,451	9,801,199	
Less: Revenue Offsets (6)	(278,113)	19,053	(259,060)	
Net Revenue Requirements	\$ 7,670,634	\$ 1,871,505	\$ 9,542,139	

- (1) Test Year covers the period from July 1, 2003 to June 30, 2004.
- (2) Rate Year is based on FY 2006 - Budget for the Newport Water Fund.
- (3) Funding of Debt Service and Capital Spending accounts based on projected spending for FY 2006 on debt service and rate funding of capital projects.
- (4) The Water Fund has received over the years a total of \$2.5 million in order to meet revenue shortfalls. A five-year plan to repay this amount back to the General Fund has been included in the revenue requirements. See Schedule RFC 9 "Balances: Restricted Accounts per RIPUC Docket #3578" for further detail.
- (5) Additional 1.5% of Total Revenue Requirements allowed as additional revenue per Rhode Island PUC.
- (6) See Schedule RFC D "Revenue Offsets" for further detail.

Summary of Revenue Requirements By Line Item

Schedule RFC 2

Operating Revenue Requirements		Test Year	Rate Year Adjustment	Rate Year	Notes
<u>Budget Line Item</u>					
ABB	Accrued Benefits Buy-Out	\$ -	\$ 70,000	\$ 70,000	
PPT	Permanent - Part Time	1,800	3,400	5,200	
001	Salaries & Wages	1,762,027	190,304	1,952,331	
002	Overtime	167,208	4,792	172,000	
003	Holiday Pay	27,055	2,945	30,000	
004	Temp Account	1,760	20,240	22,000	
044	Standby Salaries	9,300	341	9,641	
056	Injury Pay	2,453	(1,253)	1,200	
100	Employee Insurance Coverage	771,398	98,518	869,916	
103	Retiree Insurance Coverage	141,494	57,167	198,661	
105	Workers Compensation	38,561	11,568	50,129	
205	Copy & Binding	911	89	1,000	
207	Legal Advertisement	117	1,383	1,500	
210	Dues & Subscriptions	1,948	552	2,500	
212	Conferences and Training	7,969	12,531	20,500	
214	Tuition Reimbursement	-	2,000	2,000	
220	Consultant Fees	154,241	(54,241)	100,000	
225	Support Services	9,952	17,548	27,500	
238	Postage & Delivery	21,097	3,903	25,000	
239	Fire & Liability Insurance	89,692	33	89,725	
251	Telephone & Communication	7,876	2,324	10,200	
252	Water	610	10	620	
254	Contribution to Electricity Restricted Account	379,742	54,460	434,202	See Schedule RFC C
255	Natural Gas	52,581	18,719	71,300	
260	Rental Equip & Facilities	1,240	13,420	14,660	
261	Property Taxes	214,884	(73)	214,811	
265	Wastewater Charge	208,000	2,000	210,000	
266	Legal & Administrative	112,700	397,708	510,408	
267	Data Processing	81,100	208,563	289,663	
268	Mileage Reimbursement	1,042	1,458	2,500	
271	Gas/Vehicle Maintenance	104,187	10,262	114,449	
275	Repair & Maint - Equipment	145,742	62,758	208,500	
277	Reservoir Maintenance	4,489	31,511	36,000	
280	Regulatory Expense	19,187	813	20,000	
281	Regulatory Assessment	65,192	9,808	75,000	
295	Main Maintenance	54,509	20,491	75,000	
296	Service Maintenance	19,970	13,530	33,500	
297	Hydrant Maintenance	-	-	-	
298	Gate Maintenance	3,031	3,659	6,690	
299	Meter Maintenance	9,975	1,025	11,000	
311	Operating Supplies	57,332	24,058	81,390	
320	Clothing/Protective Gear	3,628	2,322	5,950	
335	Contribution to Chemical Restricted Account	356,868	(23,868)	333,000	See Schedule RFC C
339	Laboratory Supplies	9,850	452	10,302	
361	Office Supplies	21,396	14,604	36,000	
380	Customer Service Supplies	1,949	3,051	5,000	
561	Self Insurance	51,940	60	52,000	
563	Unemployment Insurance	-	-	-	
175	Annual Leave Buy-back	21,120	1,430	22,550	
999	Allowance for Doubtful Accounts	-	225,000	225,000	
Total Operating Requirements		\$ 5,219,123	\$ 1,541,375	\$ 6,760,498	

Debt Service and Capital Outlay		Test Year	Rate Year Adjustment	Rate Year	Notes
<u>Budget Line Item</u>					
DSA-P	Contribution to Debt Service Account (Principal)	1,147,988	(152,820)	995,168	fn (2) & (3), Schedule RFC 3
DSA-I	Contribution to Debt Service Account (Interest)	373,827	(206,087)	167,740	fn (2) & (3), Schedule RFC 3
DSA-SP	Contribution to Debt Service Account (SRF Principal)	-	103,373	103,373	fn (2) & (3), Schedule RFC 3
DSA-SI	Contribution to Debt Service Account (SRF Interest)	-	112,486	112,486	fn (2) & (3), Schedule RFC 3
CSA	Contribution to Capital Spending Account	1,090,340	176,748	1,267,088	fn (1), Schedule RFC 3
RCA	Contribution to Repayment to City Account	-	250,000	250,000	fn (4), Schedule RFC 3
Total Debt Service and Capital Outlay		\$ 2,612,155	\$ 283,701	\$ 2,895,856	

Revenue Requirements Detail

Account Detail

Administration

Account No. 15-500-2200		Test Year	Rate Year Adjustment	Rate Year	Notes
<u>Personnel</u>					
001	Salaries & Wages	\$ 157,848	\$ 54,829	\$ 212,677	See Schedule RFC C
044	Standby Salaries	9,300	341	9,641	
100	Employee Insurance Coverage	52,963	22,143	75,106	See Schedule RFC C
103	Retiree Insurance Coverage	141,494	57,167	198,661	See Schedule RFC C
105	Workers Compensation	38,561	11,568	50,129	See Schedule RFC C
	Subtotal	400,166	146,048	546,214	
<u>Other Operating</u>					
ABB	Accrued Benefits Buy-Out	-	70,000	70,000	See Schedule RFC C
207	Legal Advertisement	117	1,383	1,500	
210	Dues & Subscriptions	1,948	552	2,500	
212	Conferences and Training	2,436	64	2,500	
214	Tuition Reimbursement	-	2,000	2,000	
220	Consultant Fees	117,043	(17,043)	100,000	See Schedule RFC C
238	Postage & Delivery	1,211	3,789	5,000	
239	Fire & Liability Insurance	75,900	100	76,000	
251	Telephone & Communication	7,876	2,324	10,200	See Schedule RFC C
252	Water	610	10	620	
254	Contribution to Electricity Restricted Account	4,140	3,062	7,202	
255	Natural Gas	7,617	483	8,100	
260	Rental Equip & Facilities	-	-	-	
261	Property Taxes	214,884	(73)	214,811	
266	Legal & Administrative	112,700	397,708	510,408	See Schedule RFC C
267	Data Processing	81,100	208,563	289,663	See Schedule RFC C
268	Mileage Reimbursement	1,042	1,458	2,500	
271	Gas/Vehicle Maintenance	1,972	28	2,000	
275	Repair & Maint - Equipment	78	1,122	1,200	
280	Regulatory Expense	19,187	813	20,000	
281	Regulatory Assessment	39,434	566	40,000	
361	Office Supplies	21,098	14,902	36,000	See Schedule RFC C
561	Self Insurance	51,940	60	52,000	
563	Unemployment Insurance	-	-	-	
564	General Contingency	-	-	-	
175	Annual Leave Buy-back	1,025	725	1,750	
999	Allowance for Doubtful Accounts	-	225,000	225,000	See Schedule RFC C
	Subtotal	763,358	917,596	1,680,954	
Total Administration Operating Requirements		1,163,524	1,063,644	2,227,168	

Account No. 15-500-2200		Test Year	Rate Year Adjustment	Rate Year	Notes
<u>Debt Service and Capital Outlay</u>					
CSA	Contribution to Capital Spending Account (1)	34,000	323,000	357,000	See Schedule RFC C
RCA	Contribution to Repayment to City Account (2)	-	250,000	250,000	
	Subtotal	34,000	573,000	607,000	
	Total Administration Capital Requirements	34,000	573,000	607,000	
	Total Administration Revenue Requirements	1,197,524	1,636,644	2,834,168	

Customer Accounts

Account No. 15-500-2209		Test Year	Rate Year Adjustment	Rate Year	Notes
<u>Personnel</u>					
001	Salaries & Wages	\$ 275,192	\$ (7,612)	\$ 267,580	
002	Overtime	16,015	(3,015)	13,000	See Schedule RFC C
004	Temp Account	-	10,000	10,000	
056	Injury Pay	648	(648)	-	
100	Employee Insurance Coverage	117,924	261	118,185	
	Subtotal	409,779	(1,014)	408,765	
<u>Other Operating</u>					
205	Copy & Binding	911	89	1,000	
212	Conferences and Training	-	5,000	5,000	See Schedule RFC C
225	Support Services	9,633	7,867	17,500	See Schedule RFC C
238	Postage & Delivery	19,886	114	20,000	
271	Equipment Service Charge	14,819	1,231	16,050	
275	Repair & Maint - Equipment	3,568	36,432	40,000	See Schedule RFC C
299	Meter Maintenance	9,975	1,025	11,000	
311	Operating Supplies	679	6,321	7,000	See Schedule RFC C
320	Clothing/Protective Gear	688	312	1,000	
361	Office Supplies	298	(298)	-	
380	Customer Service Supplies	1,949	3,051	5,000	See Schedule RFC C
175	Annual Leave Buy-back	4,476	24	4,500	
	Subtotal	66,882	61,168	128,050	
	Total Customer Accounts Operating Requirements	476,661	60,154	536,815	
<u>Debt Service and Capital Outlay</u>					
CSA	Contribution to Capital Spending Account (1)	18,275	50,225	68,500	See Schedule RFC C
	Subtotal	18,275	50,225	68,500	
	Total Customer Accounts Capital Requirements	18,275	50,225	68,500	
	Total Customer Accounts Revenue Requirements	494,936	110,379	605,315	

Source of Supply - Island

Account No. 15-500-2212		Test Year	Rate Year Adjustment	Rate Year	Notes
<u>Personnel</u>					
001	Salaries & Wages	\$ 198,774	\$ 44,982	\$ 243,756	See Schedule RFC C
002	Overtime	15,123	877	16,000	
004	Temporary/Seasonal Wages	1,760	240	2,000	
056	Injury Pay	616	(616)	-	
100	Employee Insurance Coverage	83,199	10,632	93,831	See Schedule RFC C
175	Annual Leave Sellback	3,575	425	4,000	
	Subtotal	303,047	56,540	359,587	
<u>Other Operating</u>					
220	Consultant Fees	\$ 37,198	\$ (37,198)	\$ -	See Schedule RFC C
254	Contribution to Electricity Restricted Account	9,144	(1,644)	7,500	
271	Gas/Vehicle Maintenance	24,780	1,970	26,750	
275	Repair & Maint - Equipment	4,258	742	5,000	
277	Reservoir Maintenance	4,393	25,607	30,000	See Schedule RFC C
311	Operating Supplies	1,519	1,981	3,500	See Schedule RFC C
320	Clothing/Protective Gear	-	750	750	
335	Contribution to Chemical Restricted Account	21,904	96	22,000	
	Subtotal	103,196	(7,696)	95,500	
	Total Supply-Island Operating Requirements	406,243	48,844	455,087	
<u>Debt Service and Capital Outlay</u>					
DSA-SP	Contribution to Debt Service Account (SRF Principal) (3)	-	48,781	48,781	See Schedule RFC C
DSA-SI	Contribution to Debt Service Account (SRF Interest) (3)	-	53,082	53,082	See Schedule RFC C
CSA	Contribution to Capital Spending Account (1)	104,340	4,938	109,278	See Schedule RFC C
	Subtotal	104,340	106,801	211,141	
	Total Source of Supply - Island Capital Requirements	104,340	106,801	211,141	
	Total Source of Supply - Island Revenue Requirements	510,583	155,646	666,228	

Source of Supply - Mainland

Account No. 15-500-2213		Test Year	Rate Year Adjustment	Rate Year	Notes
<u>Personnel</u>					
002	Overtime	\$ -	\$ 10,000	10,000	See Schedule RFC C
PPT	Permanent/Part Time	1,800	3,400	5,200	See Schedule RFC C
004	Temporary/Seasonal Wages	-	10,000	10,000	See Schedule RFC C
100	Employee Insurance Coverage	203	960	1,163	
	Subtotal	2,003	24,360	26,363	
<u>Other Operating</u>					
254	Contribution to Electricity Restricted Account	14,837	46,163	61,000	
275	Repair & Maint - Equip	-	1,800	1,800	
277	Reservoir Maintenance	96	5,904	6,000	See Schedule RFC C
311	Operating Supplies	-	500	500	
	Subtotal	14,933	54,367	69,300	
Total Source of Supply - Mainland Operating Requirements		16,936	78,727	95,663	
<u>Debt Service and Capital Outlay</u>					
DSA-P	Contribution to Debt Service Account (Principal) (3)	538,614	100,482	639,096	See Schedule RFC C
DSA-I	Contribution to Debt Service Account (Interest) (3)	268,001	(146,677)	121,324	See Schedule RFC C
CSA	Contribution to Capital Spending Account (1)	4,350	(4,350)	-	See Schedule RFC C
	Subtotal	810,964	(50,544)	760,420	
Total Source of Supply - Mainland Capital Requirements		810,964	(50,544)	760,420	
Total Source of Supply - Mainland Revenue Requirements		\$ 827,900	\$ 28,183	\$ 856,083	

Treatment - Newport Plant

Account No. 15-500-2222		Test Year	Rate Year Adjustment	Rate Year	Notes
<u>Personnel</u>					
001	Salaries & Wages	\$ 344,110	\$ 30,473	\$ 374,583	See Schedule RFC C
002	Overtime	55,748	(5,748)	50,000	See Schedule RFC C
003	Holiday Pay	14,306	694	15,000	
100	Employee Insurance	169,388	15,777	185,165	See Schedule RFC C
175	Annual Leave Sellback	1,762	238	2,000	
	Subtotal	585,314	41,434	626,748	
<u>Other Operating</u>					
212	Conferences & Training	\$ 2,081	\$ 3,419	\$ 5,500	See Schedule RFC C
239	Fire & Liability Insurance	5,578	(78)	5,500	
254	Contribution to Electricity Restricted Account	193,599	22,901	216,500	
255	Natural Gas	22,155	13,845	36,000	
260	Rental - Equip & Facilities	741	259	1,000	
265	Wastewater Charge	208,000	2,000	210,000	
271	Equipment Service Charge	1,328	2,610	3,938	See Schedule RFC C
275	Repair & Maint-Equipment	39,438	5,562	45,000	See Schedule RFC C
311	Operating Supplies	21,441	4,589	26,030	See Schedule RFC C
320	Clothing/Protective Gear	686	664	1,350	
335	Contribution to Chemical Restricted Account	224,628	(49,628)	175,000	
	Subtotal	719,675	6,143	725,818	
Treatment - Newport Plant Operating Requirements		1,304,989	47,577	1,352,566	
<u>Debt Service and Capital Outlay</u>					
DSA-P	Contribution to Debt Service Account (Principal) (3)	551,858	(195,786)	356,072	See Schedule RFC C
DSA-I	Contribution to Debt Service Account (Interest) (3)	104,043	(57,627)	46,416	See Schedule RFC C
DSA-SP	Contribution to Debt Service Account (SRF Principal) (3)	-	-	-	See Schedule RFC C
DSA-SI	Contribution to Debt Service Account (SRF Interest) (3)	-	-	-	See Schedule RFC C
CSA	Contribution to Capital Spending Account (1)	335,174	(335,174)	-	See Schedule RFC C
	Subtotal	991,076	(588,588)	402,488	
Treatment - Newport Plant Capital Requirements		991,076	(588,588)	402,488	
Treatment - Newport Plant Revenue Requirements		2,296,065	(541,010)	1,755,054	

Treatment - Lawton Valley

Account No. 15-500-2223		Test Year	Rate Year Adjustment	Rate Year	Notes
<u>Personnel</u>					
001	Salaries & Wages	\$ 339,536	\$ 63,462	\$ 402,998	See Schedule RFC C
002	Overtime	26,145	1,855	28,000	
003	Holiday Pay	12,749	2,251	15,000	See Schedule RFC C
100	Employee Insurance	152,283	38,832	191,115	See Schedule RFC C
175	Annual Leave Sellback	3,445	55	3,500	
	Subtotal	534,158	106,455	640,613	
<u>Other Operating</u>					
212	Conferences & Training	\$ 1,610	\$ 1,890	\$ 3,500	See Schedule RFC C
239	Fire & Liability Insurance	5,992	8	6,000	
254	Contribution to Electricity Restricted Account	143,004	(13,004)	130,000	
255	Natural Gas	22,718	4,282	27,000	
260	Rental Equip. & Facilities	-	500	500	
265	Wastewater Charge	-	-	-	
271	Gas/Vehicle Maintenance	1,260	131	1,391	
275	Repair & Maint Land Equipment	54,322	5,678	60,000	See Schedule RFC C
311	Operating Supplies	16,274	3,726	20,000	See Schedule RFC C
320	Uniforms/Protective Gear	795	555	1,350	
335	Contribution to Chemical Restricted Account	110,336	25,664	136,000	
	Subtotal	356,311	29,430	385,741	
	Treatment - Lawton Valley Operating Requirements	890,469	135,885	1,026,354	
<u>Debt Service and Capital Outlay</u>					
CSA	Contribution to Capital Spending Account (1)	228,708	92,002	320,710	
DSA-SP	Contribution to Debt Service Account (SRF Principal) (3)	-	-	-	See Schedule RFC C
DSA-SI	Contribution to Debt Service Account (SRF Interest) (3)	-	-	-	See Schedule RFC C
	Subtotal	228,708	92,002	320,710	
	Treatment - LV Capital Requirements	228,708	92,002	320,710	
	Treatment - LV Revenue Requirements	1,119,177	227,886	1,347,064	

Water Laboratory

Account No. 15-500-2235

		Test Year	Adjustment	Rate Year	Notes
<u>Personnel</u>					
001	Salaries & Wages	\$ 99,569	\$ 6,618	\$ 106,187	
004	Temporary/Seasonal Wages	-	-	-	See Schedule RFC C
100	Employee Insurance Coverage	40,730	4,373	45,103	
175	Annual Leave Sellback	2,461	39	2,500	
	Subtotal	142,760	11,030	153,790	
<u>Other Operating</u>					
275	Repair & Maint - Equipment	1,482	18	1,500	
281	Regulatory Assessment	25,758	9,242	35,000	See Schedule RFC C
311	Operating Supplies	7,365	5,995	13,360	See Schedule RFC C
339	Laboratory Supplies	9,850	452	10,302	
	Subtotal	44,455	15,707	60,162	
	Total Water Laboratory Operating Requirements	187,215	26,737	213,952	
<u>Debt Service and Capital Outlay</u>					
CSA	Contribution to Capital Spending Account (1)				
	Subtotal	-	-	-	
	Total Water Laboratory Capital Requirements	-	-	-	
	Total Water Laboratory Revenue Requirements	187,215	26,737	213,952	

Transmission & Distribution Maintenance

Account No. 15-500-2241

		Test Year	Adjustment	Rate Year	Notes
<u>Personnel</u>					
001	Salaries & Wages	\$ 346,998	\$ (2,448)	\$ 344,550	
002	Overtime	54,177	823	55,000	
056	Injury Pay	1,189	11	1,200	
100	Employee Insurance Coverage	154,708	5,540	160,248	
175	Annual Leave Sellback	4,376	(76)	4,300	
	Subtotal	561,448	3,850	565,298	
<u>Other Operating</u>					
212	Conferences & Training	1,842	2,158	4,000	See Schedule RFC C
225	Contract Services	319	9,681	10,000	See Schedule RFC C
239	Fire & Liability Insurance	2,222	3	2,225	
254	Contribution to Electricity Restricted Account	15,018	(3,018)	12,000	
255	Natural Gas	91	109	200	
260	Heavy Equip Rental	499	12,661	13,160	
271	Gas/Vehicle Maintenance	60,028	4,292	64,320	
275	Repair & Maint - Equipment	37,218	2,782	40,000	
295	Main Maintenance	54,509	20,491	75,000	See Schedule RFC C
296	Service Maintenance	19,970	13,530	33,500	See Schedule RFC C
298	Gate Maintenance	3,031	3,659	6,690	See Schedule RFC C
311	Operating Supplies	10,054	946	11,000	
320	Uniforms/Protective Gear	1,459	41	1,500	
	Subtotal	206,260	67,335	273,595	
	Transmission & Distribution Operating Requirements	767,708	71,185	838,893	
<u>Debt Service and Capital Outlay</u>					
DSA-P	Contribution to Debt Service Account (Principal) (3)	57,516	(57,516)	-	
DSA-I	Contribution to Debt Service Account (Interest) (3)	1,783	(1,783)	-	
DSA-SP	Contribution to Debt Service Account (SRF Principal) (3)	-	54,592	54,592	See Schedule RFC C
DSA-SI	Contribution to Debt Service Account (SRF Interest) (3)	-	59,405	59,405	See Schedule RFC C
CSA	Contribution to Capital Spending Account (1)	294,085	(4,085)	290,000	See Schedule RFC C
	Subtotal	353,384	50,613	403,997	
	Total Transmission & Distribution Capital Requirements	\$ 353,384	\$ 50,613	\$ 403,997	
	Total Transmission & Distribution Revenue Requirements	\$ 1,121,092	\$ 121,798	\$ 1,242,890	

Fire Protection

Account No. 15-500-2245		Test Year	Rate Year Adjustment	Rate Year	Notes
<u>Personnel</u>					
001	Salaries & Wages	\$ -	\$ -	\$ -	
002	Overtime	-	-	-	
100	Employee Insurance Coverage	-	-	-	
	Subtotal	-	-	-	
<u>Other Operating</u>					
275	Repair & Maintenance - Equip.	5,378	8,622	14,000	See Schedule RFC C
297	Hydrant Maintenance	-	-	-	
	Subtotal	5,378	8,622	14,000	
	Fire Protection Operating Requirements	5,378	8,622	14,000	
<u>Debt Service and Capital Outlay</u>					
CSA	Contribution to Capital Spending Account (1)	71,409	50,191	121,600	See Schedule RFC C
	Subtotal	71,409	50,191	121,600	
	Total Fire Protection Capital Requirements	71,409	50,191	121,600	
	Total Fire Protection Revenue Requirements	76,787	58,813	135,600	
	TOTAL OPERATING REQUIREMENTS	\$ 5,219,123	\$ 1,541,375	\$ 6,760,498	
	TOTAL DEBT SERVICE AND CAPITAL OUTLAY	\$ 2,612,155	\$ 283,701	\$ 2,895,856	

Debt Service and Capital Outlay	Test Year	Rate Year Adjustment	Rate Year	Notes
<u>Contribution to Capital Restricted Accounts</u>				
Debt Service (3)	\$ 1,521,815	\$ (143,047)	\$ 1,378,768	See Schedule RFC C
Repayment to City Account (4)	-	250,000	250,000	
Capital Spending (5)	1,090,340	176,748	1,267,088	See Schedule RFC C
Total Capital Restricted Accounts	2,612,155	283,701	2,895,856	
Subtotal Revenue Requirements	7,831,278	1,825,075	9,656,353	
Additional Rev. Reqts. (6)	117,469	27,376	144,845	
Total Revenue Requirements before Offsets	7,948,747	1,852,451	9,801,199	
Less: Revenue Offsets	(278,113)	19,053	(259,060)	
NET REVENUE REQUIREMENTS	7,670,634	1,871,505	9,542,139	

Debt Service and Capital Outlay - Summary	Test Year	Rate Year Adjustment	Rate Year	Notes
DSA-P Contribution to Debt Service Account (Principal) (3)	\$ 1,147,988	\$ 995,168	\$ 995,168	
DSA-I Contribution to Debt Service Account (Interest) (3)	373,827	(228,816)	167,740	
DSA-SP Contribution to Debt Service Account (SRF Principal) (3)	-	103,373	103,373	
DSA-SI Contribution to Debt Service Account (SRF Interest) (3)	-	112,486	112,486	
CSA Contributions to Capital Spending Account (1)	1,090,340	176,748	1,267,088	
RCA Funding of Repayment to City Account (2)	-	250,000	250,000	
Total Debt Service and Capital Outlay	\$ 2,612,155	\$ 283,701	\$ 2,895,856	
	\$ -	\$ -	\$ -	

- (1) The contributions to the Capital Spending Account in the test year for each budget account are based on allocation percentages among the functional categories. The total Capital Funding amount of \$1,090,340 (per TSC-16) less the test year amount of \$34,000 for Administration (2200) is allocated 63.67% to Supply & Treatment, 6.79% to Transmission, 21.05% to Distribution, 1.73% to Meters and Services, and 6.76% to Fire Protection. The percentages for the Transmission and Distribution functional categories were combined under the T&D Maintenance Account. The Meter & Services percentage was allocated to the Customer Accounts account and the Fire Protection percentage was allocated to the Fire Protection account. The remaining percentage for Supply & Treatment was allocated to the Source of Supply - Island, Source of Supply - Mainland, Treatment - Newport Plant, and Treatment - Lawton Valley Plant accounts based on the actual O&M expenses for the test year. See line item CSA under each budget account in Schedule RFC C for further detail.
- (2) The test year funding of the Debt Service account is based on the amount allowed per TSC - 16. See Schedule RFC C, page 19, for further detail. The amount of rate funding during the rate year for the Debt Service account is based on the debt service on the SRF Loan that is projected for FY 2006 and is allocated to each budget account based on the relationship of the projects to the budget account. See Schedule RFC 4 for further detail. Existing debt service is allocated to each budget account based on budget information provided by Newport. See Schedule RFC C for further detail.
- (3) The test year amounts for the Contribution to Debt Service Account under each budget account (line items DSA-P and DSA-I) are based on the allocation of the amount, \$1,521,815, contributed from rates per TSC-16. The allocation of this amount to each budget account is based on the debt service payments per budget account shown in the FY 2004 adopted budget that totals \$1,723,512. This amount is in accordance with the deduction of \$1,723,512 from the Debt Service Account to address existing debt service per TSC-16 and is shown in RFC Schedules 9 and B. The \$1,723,512 is allocated as follows in the FY 2004 adopted budget: \$610,000 (35.4%) of bond principal and \$303,521 (17.6%) of bond interest to Source of Supply - Mainland, \$625,000 (36.3%) of bond principal and \$117,833 (6.8%) of bond interest to Treatment - Newport, and \$65,139 (3.8%) of bond principal and \$2,019 (0.1%) of bond interest to Transmission & Distribution Maintenance.
- (4) This contribution is related to the \$2.5 million that is to be paid back to the General Fund over a period of 5 years where each annual contribution of \$250,000 is to be funded through rates.
- (5) The test year funding of the Capital Spending account is based on the amount allowed per TSC-16 in Docket #3578. See Schedule RFC C for further detail. The amount of rate funding for the Capital Spending account during the rate year is based on designated capital projects for FY 2006 from CIP developed by CDM. See RFC Schedule 4 for further detail.
- (6) Additional funding of 1.5% of Total Revenue Requirements allowed by Rhode Island PUC.

		FY 2006	FY 2007	Rate Year	
Rate Year Capital Needs					
Studies					
ST-1	Safe Yield Study	\$ 200,000	\$ -	\$ 200,000	Rate Funded
ST-2	GIS and Hydraulic Modeling	200,000	100,000	200,000	Rate Funded
ST-4	Easton Pond Dam and Moat Study	100,000	-	100,000	Rate Funded
Raw Water Supply and Transmission					
RWT-1 (1)	Lawton Valley Raw Water Main Replacement	712,773	702,734	1,415,507	SRF Funded
RWT-2 (2)	Replacement on Bottom Sluice Gate in Lawton Valley Reservoir Intake	9,278	129,888	9,278	Rate Funded
Treatment					
TRT-1 (2)	Lawton Valley WTP - Chloramine Conversion	147,400	106,339	147,400	Combination Rate and Grant Funded
TRT-2 (2)	Lawton Valley WTP - Residuals Management	520,710	572,954	520,710	Combination Rate and Grant Funded
TRT-6 (2)	Station 1 - Chloramine Conversion	140,000	95,705	140,000	Combination Rate and Grant Funded
Transmission, Storage and Distribution					
TSD-1 (3)	Distribution Main Improvements (FY 2006 - 2007)	1,400,000	1,500,000	1,400,000	Combination SRF and WPF Funded
TSD-2	Remote Radio Read Pilot	-	20,000	-	
TSD-3	Leak Detection Equipment	30,000	30,000	30,000	Rate Funded
TSD-4	Meter Replacement	50,000	50,000	50,000	Rate Funded
TSD-5	Water Trench Restoration	60,000	62,400	60,000	Rate Funded
TSD-6	Fire Hydrant Replacement	41,600	-	41,600	Rate Funded
TSD-7	Finished Water Storage Tank Maintenance	764,000	81,000	764,000	SRF Funded
Miscellaneous					
MISC-1	Equipment and Vehicle Replacement	157,000	78,700	157,000	Rate Funded
MISC-2	Fire Code Upgrades	80,000	-	80,000	Rate Funded
MISC-3	Billing Software	18,500	-	18,500	Rate Funded
Total Rate Year Capital Needs		\$ 4,631,261	\$ 4,878,880	\$ 5,333,995	

Rate Year Capital Funding Sources

Total Capital Revenue Requirements to be Funded from Rates	1,754,488
Less: Water Treatment Grant	(287,400)
Less: Treatment Plant Improvement Grant	(200,000)
Net Rate Funded Capital Revenue Requirements	\$ 1,267,088
Total Capital Revenue Requirements to be Funded with SRF Loan	3,579,507
Less: Water Quality Protection Funds	(579,879)
Net SRF Loan Amount	\$ 2,999,628

- (1) Project extends over a two year period (FY2006-FY2007). Entire project will be funded with SRF Loan proceeds.
- (2) Projects extend over a two year period (FY2006-FY2007).
- (3) Project is Phase 2 of the Ocean Ave. Improvements. Project to be funded with \$579,879 of Water Protection Funds with the remaining balance funded through the SRF Loan.

Docket #XXXX

**City of Newport, Rhode Island
2005 Rate Filing**

Allocation of Costs to Customers and Charges

Schedule RFC 5

Customer Class	Existing Rate	FY 2006 Consumption (1,000 gals) (1)	Rate Year Revenues Under Existing Rates	% of Total Rate Revenues
Retail	\$ 3.38	1,539,639	\$ 5,203,980	63.12%
Navy	\$ 2.0873	445,375	\$ 929,630	11.28%
Portsmouth	\$ 1.658	472,654	\$ 783,660	9.50%
Total Revenues Under Existing Rates			\$ 6,917,271	

Type of Charge	Existing Charge	FY 2006 Number of Bills (2)	Rate Year Revenues Under Existing Charges	% of Total Rate Revenues
Billing Charge	\$ 11.00	49,171	\$ 540,877	6.56%
Fire Protection Charges (Public)	\$ 560.00	982	\$ 549,920	6.67%
Fire Protection Charges (Private)				
less than 2"	\$ 11.00	0	\$ -	
2"	\$ 46.00	0	\$ -	
4"	\$ 285.00	55	\$ 15,675	
6"	\$ 570.00	234	\$ 133,380	
8"	\$ 1,305.00	62	\$ 80,910	
10"	\$ 2,155.00	0	\$ -	
12"	\$ 3,460.00	2	\$ 6,920	
Total Revenues Under Existing Charges			\$ 236,885	2.87%

Total Rate Year Revenues from Existing Rates and Charges \$ 8,244,952 100.00%

Net Rate Year Revenue Requirements \$ 9,542,139

Additional Revenue Needed \$ 1,297,187

% Revenue Increase Required 15.73%

Allocations:

			Proposed Rates	Existing Rates	% Increase In Rates
Retail	63.12%	\$ 6,022,727	\$ 3.91	\$ 3.38	15.73%
Navy	11.28%	\$ 1,075,890	\$ 2.42	\$ 2.09	15.73%
Portsmouth	9.50%	\$ 906,954	\$ 1.92	\$ 1.66	15.73%
Billing Charge	6.56%	\$ 625,973	\$ 12.73	\$ 11.00	15.73%
Public Fire Protection	6.67%	\$ 636,439	\$ 648.11	\$ 560.00	15.73%
Private Fire Protection	2.87%	\$ 274,154			
		100.00%	\$ 9,542,139		

(1) As shown in RFC Schedule H - Water Consumption Summarized By Class.

(2) As shown in RFC Schedule I - Water Service Bills Summary.

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**City of Newport, Rhode Island
2005 Rate Filing
Proposed Rates and Charges**

Schedule RFC 6

Rates and Charges	Current	% Increase Required	Proposed
Billing Charge (per bill)			
Tertiary	\$ 11.00	15.73%	\$ 12.74
Monthly	11.00	15.73%	12.74
Volume Charge (per 1,000 gallons)			
Retail			
Residential	\$ 3.38	15.73%	\$ 3.92
Commercial	3.38	15.73%	3.92
Governmental	3.38	15.73%	3.92
Wholesale			
Navy	\$ 2.0873	15.73%	\$ 2.4157
Portsmouth Water & Fire District	1.658	15.73%	1.9189
Fire Protection			
Public (per hydrant)	\$ 560.00	15.73%	\$ 648.11
Private (Connection Size)			
Less than 2"	\$ 11.00	15.73%	\$ 12.74
2"	46.00	15.73%	53.24
4"	285.00	15.73%	329.84
6"	570.00	15.73%	659.68
8"	1,305.00	15.73%	1,510.32
10"	2,155.00	15.73%	2,494.05
12"	3,460.00	15.73%	4,004.37

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**City of Newport, Rhode Island
2005 Rate Filing
Summary of Revenues and Expenses**

Schedule RFC 7

Revenue	Actual FY 2004	Rate Year Amount at Existing Rates	Rate Year Amount at Proposed Rates
Billing Charge	\$ 725,155	\$ 540,877	\$ 626,433
Retail Consumption	3,943,015	5,203,980	6,035,385
Wholesale Bulk Sales	2,181,626	1,713,291	1,982,867
Fire Protection	748,508	786,805	910,599
Miscellaneous	278,113	259,060	259,060
Total Revenues	7,876,417	8,504,012	9,814,344
Expenses			
Administration	1,163,524	2,227,168	2,227,168
Customer Accounts	476,661	536,815	536,815
Customer Services	-	-	-
Source of Supply - Island	406,243	455,087	455,087
Source of Supply - Mainland	16,936	95,663	95,663
Treatment - Newport Plant	1,304,989	1,352,566	1,352,566
Pumping - Newport Plant	-	-	-
Treatment - Lawton Valley	890,469	1,026,354	1,026,354
Pumping - Lawton Valley	-	-	-
Water Laboratory	187,215	213,952	213,952
Transmission & Distribution Maintenance	767,708	838,893	838,893
Fire Protection	5,378	14,000	14,000
Total Operating Expenses	5,219,123	6,760,498	6,760,498
Payment to General Fund	-	250,000	250,000
Debt Service	1,521,815	1,378,768	1,378,768
Capital Outlay	1,090,340	1,267,088	1,267,088
Total Non-operating Expenses	2,612,155	2,895,856	2,895,856
Total Expenses	7,831,278	9,656,353	9,656,353
Operating Reserve	117,469	144,845	144,845
Total Revenue Requirements	\$ 7,948,747	\$ 9,801,199	\$ 9,801,199
Revenue Surplus/(Deficit)	\$ (72,330)	\$ (1,297,187)	\$ 13,146

City of Newport, Rhode Island
 2005 Rate Filing
 Customer Impacts

Schedule RFC 8

Customer Class	Monthly Consumption (gallons)	Bill at Current Rates	Proposed			
			Bill at Proposed Rates	\$ Increase	% Increase	
Residential (Monthly)	1,000	\$14.38	\$16.66	\$2.28	15.86%	
	2,000	\$17.76	\$20.58	\$2.82	15.88%	
	4,000	\$24.52	\$28.42	\$3.90	15.91%	
	Average Use per Bill	4,600	\$26.55	\$30.77	\$4.22	15.91%
	7,500	\$36.35	\$42.14	\$5.79	15.93%	
	10,000	\$44.80	\$51.94	\$7.14	15.94%	
	15,000	\$61.70	\$71.54	\$9.84	15.95%	
	20,000	\$78.60	\$91.14	\$12.54	15.95%	
	25,000	\$95.50	\$110.74	\$15.24	15.96%	
	30,000	\$112.40	\$130.34	\$17.94	15.96%	
Residential(Tertiary)	4,000	\$24.52	\$28.42	\$3.90	15.91%	
	8,000	\$38.04	\$44.10	\$6.06	15.93%	
	16,000	\$65.08	\$75.46	\$10.38	15.95%	
	Average Use per Bill	18,400	\$73.19	\$84.87	\$11.68	15.95%
	30,000	\$112.40	\$130.34	\$17.94	15.96%	
	40,000	\$146.20	\$169.54	\$23.34	15.96%	
	60,000	\$213.80	\$247.94	\$34.14	15.97%	
	80,000	\$281.40	\$326.34	\$44.94	15.97%	
	100,000	\$349.00	\$404.74	\$55.74	15.97%	
	120,000	\$416.60	\$483.14	\$66.54	15.97%	

City of Newport, Rhode Island
 2005 Rate Filing
 Customer Impacts

Schedule RFC 8

Customer Class	Monthly Consumption (gallons)	Bill at Current Rates	Proposed			
			Bill at Proposed Rates	\$ Increase	% Increase	
Commercial (Monthly)	2,000	\$17.76	\$20.58	\$2.82	15.88%	
	5,000	\$27.90	\$32.34	\$4.44	15.91%	
	10,000	\$44.80	\$51.94	\$7.14	15.94%	
	20,000	\$78.60	\$91.14	\$12.54	15.95%	
	30,000	\$112.40	\$130.34	\$17.94	15.96%	
	Average Use per Bill	38,000	\$139.44	\$161.70	\$22.26	15.96%
		50,000	\$180.00	\$208.74	\$28.74	15.97%
		75,000	\$264.50	\$306.74	\$42.24	15.97%
		100,000	\$349.00	\$404.74	\$55.74	15.97%

Governmental (Monthly)

	2,000	\$17.76	\$20.58	\$2.82	15.88%
	5,000	\$27.90	\$32.34	\$4.44	15.91%
	10,000	\$44.80	\$51.94	\$7.14	15.94%
	20,000	\$78.60	\$91.14	\$12.54	15.95%
Average Use per Bill	22,000	\$85.36	\$98.98	\$13.62	15.96%
	35,000	\$129.30	\$149.94	\$20.64	15.96%
	50,000	\$180.00	\$208.74	\$28.74	15.97%
	75,000	\$264.50	\$306.74	\$42.24	15.97%
	100,000	\$349.00	\$404.74	\$55.74	15.97%

City of Newport, Rhode Island
 2005 Rate Filing
 Customer Impacts

Schedule RFC 8

Customer Class	Monthly Consumption (gallons)	Bill at Current Rates	Proposed		
			Bill at Proposed Rates	\$ Increase	% Increase
Portsmouth (Monthly)					
	10,000,000	\$16,591.00	\$19,201.74	\$2,610.74	15.74%
	20,000,000	\$33,171.00	\$38,390.74	\$5,219.74	15.74%
	40,000,000	\$66,331.00	\$76,768.74	\$10,437.74	15.74%
	50,000,000	\$82,911.00	\$95,957.74	\$13,046.74	15.74%
Average Use per Bill	74,000,000	\$122,703.00	\$142,011.34	\$19,308.34	15.74%
	100,000,000	\$165,811.00	\$191,902.74	\$26,091.74	15.74%
	150,000,000	\$248,711.00	\$287,847.74	\$39,136.74	15.74%

Navy (Monthly)

	500,000	\$840.00	\$972.19	\$132.19	15.74%
	750,000	\$1,254.50	\$1,451.92	\$197.42	15.74%
Average Use per Bill	3,000,000	\$4,985.00	\$5,769.44	\$784.44	15.74%
	5,000,000	\$8,301.00	\$9,607.24	\$1,306.24	15.74%
	7,500,000	\$12,446.00	\$14,404.49	\$1,958.49	15.74%
	10,000,000	\$16,591.00	\$19,201.74	\$2,610.74	15.74%

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**City of Newport, Rhode Island
2005 Rate Filing
Restricted Accounts Balances**

Schedule RFC 9

	<i>Fiscal Year Ending June 30</i>				
	2006	2007	2008	2009	2010
<u>Debt Service Account</u>					
Beginning Cash Balance	\$ 166,898	\$ 185,859	\$ 245,855	\$ 407,103	\$ 616,550
<u>Additions</u>					
From Rates	\$ 1,378,768	\$ 1,378,768	\$ 1,378,768	\$ 1,378,768	\$ 1,378,768
Interest Income	18,961	11,219	8,272	6,321	7,166
Total Additions	1,397,728	1,389,987	1,387,040	1,385,088	1,385,933
Interest Rate	1.4%	1.4%	1.4%	1.4%	1.4%
<u>Deductions (1)</u>					
Existing Debt Service	1,162,908	1,114,131	1,009,932	959,782	910,551
Transfer to City Repayment Account					
SRF Loan Principal	103,373	107,250	111,272	115,445	119,774
SRF Loan Interest	112,486	108,610	104,588	100,415	96,086
Total Deductions	1,378,768	1,329,991	1,225,792	1,175,642	1,126,411
Ending Cash Balance	185,859	245,855	407,103	616,550	876,072

(1) Debt service reflected in this schedule only includes debt service on existing debt and the SRF loan proposed for FY 2006. Although Newport Water anticipates it will need to secure additional funds, either through the SRF or tax-exempt bonds, for projects implemented during the period FY2007 through FY2010, debt service for the FY2007-FY2010 debt is not included in this schedule.

<u>Repayment to City Account</u>					
Beginning Cash Balance	750,000	500,000	250,000	-	-
<u>Additions</u>					
From Rates (2)	250,000	250,000	250,000	-	-
Transfer from Debt Service Account					
<u>Deductions</u>					
Repayment to City	500,000	500,000	500,000	-	-
Ending Cash Balance	\$ 500,000	\$ 250,000	\$ -	\$ -	\$ -

Docket No. XXXX

**City of Newport, Rhode Island
2005 Rate Filing
Restricted Accounts Balances**

Schedule RFC 9

	<i>Fiscal Year Ending June 30</i>				
	2006	2007	2008	2009	2010
Capital Spending Account (1)					
Beginning Cash Balance	\$ 1,755,923	\$ 1,785,931	\$ 1,810,724	\$ 1,835,901	\$ 1,861,427
<u>Additions</u>					
From Rates	\$ 1,267,088	\$ 1,267,088	\$ 1,267,088	\$ 1,267,088	\$ 1,267,088
Interest income	30,008	24,793	25,177	25,526	25,881
Interest Rate	1.4%	1.4%	1.4%	1.4%	1.4%
<u>Deductions</u>					
Capital Outlays	\$ 1,267,088	\$ 1,267,088	\$ 1,267,088	\$ 1,267,088	\$ 1,267,088
Ending Cash Balance	\$ 1,785,931	\$ 1,810,724	\$ 1,835,901	\$ 1,861,427	\$ 1,887,309

(1) The capital spending account takes into consideration projects funded in the Rate Year and does not reflect future capital needs of the utility.

Chemical Allowance Account

Beginning Cash Balance	\$ 41,273	\$ 41,849	\$ 42,431	\$ 43,021	\$ 43,619
<u>Additions</u>					
From Water Rates					
335 Contribution to Chemical Restricted Account	333,000	333,000	333,000	333,000	333,000
Interest Income	576	582	590	598	606
Interest Rate	1.4%	1.4%	1.4%	1.4%	1.4%
<u>Deductions</u>					
335 Chemicals	333,000	333,000	333,000	333,000	333,000
Ending Cash Balance	\$ 41,849	\$ 42,431	\$ 43,021	\$ 43,619	\$ 44,225

Electricity Account

Beginning Cash Balance (3)	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Additions</u>					
From Water Rates					
254 Contribution to Electricity Account (4)	434,202	434,202	434,202	434,202	434,202
Interest Income	-	-	-	-	-
Interest Rate	1.4%	1.4%	1.4%	1.4%	1.4%
<u>Deductions</u>					
254 Electricity	434,202	434,202	434,202	434,202	434,202
Offset to Revenue Requirements					
Ending Cash Balance	\$ -	\$ -	\$ -	\$ -	\$ -

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City of Newport, Rhode Island
2005 Rate Filing
Capital Improvements Schedule

Schedule RFC A

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	Total
Studies						
ST-1 Safe Yield Study	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
ST-2 GIS and Hydraulic Modeling	200,000	100,000	-	-	-	300,000
ST-3 IRP Update	-	-	-	-	-	-
ST-4 Easton Pond Dam and Moat Study	100,000	-	-	-	-	100,000
Raw Water Supply and Transmission						
RWT-1 Lawton Valley Raw Water Main Replacement	712,773	702,734	-	-	-	1,415,507
RWT-2 Replacement on Bottom Sluice Gate in LV Res. Intake	9,278	129,888	-	-	-	139,166
RWT-3 Intake at Gardiner Pond	-	9,278	129,888	-	-	139,166
RWT-4 Main from Gardiner to Paradise	-	-	-	100,377	1,405,284	1,505,661
RWT-5 Intake at Paradise	-	-	-	-	17,999	17,999
RWT-6 Dam and Dike Rehabilitation - Lawton Valley	-	-	-	-	-	-
RWT-7 Dam and Dike Rehabilitation - Station 1	-	-	-	-	-	-
Treatment						
TRT-1 Lawton Valley WTP - Chloramine Conversion	147,400	106,339	-	-	-	253,739
TRT-2 Lawton Valley WTP - Residuals Management	550,710	542,954	-	-	-	1,093,664
TRT-3 Lawton Valley WTP - Chemical Feed	-	374,634	-	-	-	374,634
TRT-4 Lawton Valley WTP - SCADA	-	529,154	-	-	-	529,154
TRT-5 Lawton Valley WTP - New WTP	-	250,000	75,000	-	100,000	425,000
TRT-6 Station 1 - Chloramine Conversion	140,000	95,705	-	-	-	235,705
TRT-7 Station 1 - Additional Pretreatment/Clarification Train	-	186,094	106,339	1,918,467	1,918,467	4,129,367
TRT-8 Station 1 - General Improvements	-	-	-	-	1,329,241	1,329,241
TRT-9 Station 1 - UV	-	-	-	651,860	-	651,860
Transmission, Storage and Distribution						
TSD-1 Distribution Main Improvements (FY 2006 - 2007)	1,400,000	1,500,000	-	-	-	2,900,000
TSD-1 Distribution Main Improvements (FY 2008 - 2010)	-	-	3,500,000	3,500,000	3,500,000	10,500,000
TSD-2 Remote Radio Read Pilot	-	20,000	-	-	-	20,000
TSD-3 Leak Detection Equipment	30,000	30,000	-	-	-	60,000
TSD-4 Meter Replacement	50,000	50,000	50,000	50,000	50,000	250,000
TSD-5 Water Trench Restoration	60,000	62,400	64,896	67,492	70,192	324,980
TSD-6 Fire Hydrant Replacement	41,600	-	-	-	16,000	57,600
TSD-7 Finished Water Storage Tank Maintenance	764,000	81,000	575,000	-	-	1,420,000
Miscellaneous						
MISC-1 Equipment and Vehicle Replacement	157,000	78,700	93,300	50,360	19,000	398,360
MISC-2 Fire Code Upgrades	80,000	-	-	-	-	80,000
MISC-3 Billing Software	18,500	-	-	-	-	18,500
Total CIP Funding Needs	\$ 4,661,261	\$ 4,848,880	\$ 4,594,423	\$ 6,338,556	\$ 8,426,183	\$ 28,869,303

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City of Newport, Rhode Island
 2005 Rate Filing
 Debt Service - Existing and Proposed

Schedule RFC B

Bond Repayment Schedule

Existing Debt Service

FY 2005 Bond Refunding (October 2004)

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	Total
Principal		\$ 513,214	\$ 995,168	\$ 969,406	\$ 894,389	\$ 868,627	\$ 844,559	\$ 5,085,363
Interest		110,713	167,740	144,725	115,543	91,155	65,992	695,868
1992 Water System Improvements	\$ 67,159							67,159
1992 Sakonnet Crossing	349,650	283,837.50						633,488
1994 Water Treatment Plant	323,955	18,015.00						341,970
1994 Water Treatment Plant	418,878	26,214						445,092
1994 Sakonnet Crossing	33,681	3,753						37,434
1994 Sakonnet Crossing	530,190	440,955						971,145
Total Existing Debt Service	\$ 1,723,513	\$ 1,396,702	\$ 1,162,908	\$ 1,114,131	\$ 1,009,932	\$ 959,782	\$ 910,551	\$ 8,277,518
<i>Average Existing Debt Service</i>		<i>\$ 1,092,334</i>	<i>\$ 1,092,334</i>	<i>\$ 1,092,334</i>	<i>\$ 1,092,334</i>	<i>\$ 1,092,334</i>	<i>\$ 1,092,334</i>	

Proposed Debt Service

State Revolving Fund (1)

Assumed Interest	3.75%	Principal payments:	\$103,373	\$107,250	\$111,272	\$115,445	\$119,774
Assumed Term	20	Interest payments:	\$112,486	\$108,610	\$104,588	\$100,415	\$96,086
Total Amount Funded	2,999,628	Total Payment	215,860	215,860	215,860	215,860	215,860

Total Debt Service \$ 1,723,513 \$ 1,396,702 \$ 1,378,768 \$ 1,329,991 \$ 1,225,792 \$ 1,175,642 \$ 1,126,411

(1) Debt service payments not to begin until after construction ends. Payments projected to begin in FY 2006.

Administration

Account No. 15-500-2200

001	Salaries & Wages						
Title	Proposed Salary Base	Copay	3% MERS	Health Buy	Long	Total	
Dir. Of Public Works (Allocate 40%)	\$ 37,867	\$ -	\$ 1,136	\$ -		\$ 39,003	
Admin Secretary (Allocate 70%)	25,870	-	776			26,646	
Vacant - Dep.Dir., Util/AssocDirFin-Util	76,141	(1,262)	2,284			77,163	
Vacant - WPC (Allocate 40%)	(30,456)	505	(914)			(30,865)	
Vacant - Dep. Dir. - Util. Engineer	76,141	(1,262)	2,284			77,163	
Vacant - WPC (Allocate 40%)	(30,456)	505	(914)			(30,865)	
Financial Analyst	54,072	(1,262)	1,622			54,432	
							Total
							\$ 212,677
							Rate Year
							\$ 212,677
							Test Year
							\$ 157,848
							Adjustment
							\$ 54,829

ABB Accrued Benefits Buy-Out

Retirements Projected for FY 2006	
Sick Leave Maximum	\$ 25,000
Vacation Maximum	\$ 10,000
Total Maximum Benefits Buy-Out per Retirement	\$ 35,000
Number of Retirements projected for Rate Year	2
Total Projected Benefits Buy-Out	\$ 70,000
Rate Year	\$ 70,000
Test Year	\$ -
Adjustment	\$ 70,000

100 Employee Insurance Coverage

Title	FICA MEDIC	8.99% Pension	Health 5% 5% Plan 200	5% Increase Dental	Life Ins & 5%	Total
Dir. Of Public Works	\$ 2,873	\$ 3,404		\$ -	73	\$ 6,350
Admin Secretary	2,038	2,326	8,836	769	94	14,062
Dep.Dir., Util/AssocDirFin-Util	5,903	6,845	12,623	1,098	-	26,469
Vacant - WPC (Allocate 40%)	(2,361)	(2,738)	(5,049)	(439)	-	(10,587)
Vacant - Dep. Dir. - Util. Engineer	5,903	6,845	12,623	1,098	-	26,469
Vacant - WPC (Allocate 40%)	(2,361)	(2,738)	(5,049)	(439)	-	(10,587)
Financial Analyst	4,164	4,861	12,623	1,098	183	22,929
						Total
						\$ 75,106
						Rate Year
						\$ 75,106
						Test Year
						\$ 52,963
						Adjustment
						\$ 22,143

103 Retiree Insurance Coverage

Actual FY 2003	\$ 140,580
Actual FY 2004	\$ 141,494
Projected FY 2005 (\$14,522 per month)	\$ 174,264
% Annual Increase	14% Percentage projected by Newport Finance Department
Projected FY 2006	\$ 198,661
Rate Year	\$ 198,661
Test Year	\$ 141,494
Adjustment	\$ 57,167

105 Workers Compensation

FY 2004 Test Year	x Increase in Claims (1)	Total
\$ 38,561	30%	\$ 50,129
Rate Year		\$ 50,129
Test Year		\$ 38,561
Adjustment		\$ 11,568

(1) 30% increase in claims projected by Newport Finance Department based on historic claims.

220 Consultant Fees

ACTUAL EXPENSES PLUS AMORTIZATION OF ACCRUED EXPENSES FOR NEW RATE FILING

Actual FY 2003	\$ 380,737
Actual FY 2004	\$ 117,043
FY 2005 as of January 7, 2005	\$ 128,487
Rate Year (1)	\$ 100,000
Test Year	\$ 117,043
Adjustment	\$ (17,043)

(1) Annual Expense Allowance per Division as represented in Schedule TSC-6 in Docket #3578.

Administration
 Account No. 15-500-2200

251 Telephone & Communication				Unit Cost/ month	Total FY 2006
Make	Number	Unit			
Wireless		8 pagers	\$	6.00	\$ 576
Nextel		5 phones		40.00	2,400
		2 phone		16.50	396
Verizon	All lines	Avg Month		480.00	5,760
Nextel		2 new phones		40.00	960
Total					\$ 10,092
Rate Year (1)					\$ 10,200
Test Year					\$ 7,876
Adjustment					\$ 2,324

(1) Rate Year amount contains small allowance for overages.

266 Legal & Administrative		
	FY 2006 Budget	Percentage
General Fund Less School & Library	46,904,339	67.95%
Harbor	542,600	0.79%
Water Fund	10,832,300	15.69%
WPC	9,021,183	13.07%
Parking	1,044,362	1.51%
Beach	686,039	0.99%
Total Budget	69,030,823	100.00%

Divisions/Functions to be Allocated: Based on Percentage of Budget	Total City Budget	Allocation to Water Fund	% Allocation to Water Fund
City Council	\$ 130,230	\$ 20,436	
City Manager	296,918	46,592	
City Solicitor	360,705	56,602	
City Clerk	458,964	72,021	
Finance Administration	329,332	51,679	
Assessment	270,906	42,511	
Collections	263,286	41,315	
Administrative Services	134,628	21,126	
Facilities Maintenance	602,116	94,484	
Planning	1,037,343		
	3,884,428	446,764	15.69%
To be allocated based on Payroll checks			
Human Resources	231,323	13,440	5.81%
Based on Vendor Checks:			
Accounting	340,285	36,785	10.81%
Based on Purchase Orders			
Purchasing	90,000	13,419	14.91%
Total Legal & Admin Costs	4,546,036	510,408	
	Rate Year	\$ 510,408	
	Test Year	\$ 112,700	
	Adjustment	\$ 397,708	

267 Data Processing			
	Total City Budget	Allocation to Water Fund	% Allocation to Water Fund
Water Fund	\$ 10,078,849		15.69%
Total Budget	\$ 66,085,751		
Management Information Systems	\$ 1,845,933	\$ 289,663	15.69%
	Rate Year	\$ 289,663	
	Test Year	\$ 81,100	
	Adjustment	\$ 208,563	

Administration

Account No. 15-500-2200

361	Office Supplies		
	Items Included:		
	Everyday supplies paper, toner, pens pencils etc	\$	11,519
	Fax Software		7,000
	HP Laser Color Network Printer		2,000
	Copy Machine		3,500
	Toner Cartridges and New Items Contract		2,000
	Shredder		5,000
	Lawton Valley		1,660
	Station #1		1,660
	Laboratory		1,660
	Total	\$	36,000
	 FY 2005 Year to Date as of January 7		 \$ 18,131
	Rate Year	\$	36,000
	Test Year	\$	21,098
	Adjustment	\$	14,902

999	Allowance for Doubtful Accounts		
	Rate Year (1)	\$	225,000
	Test Year		-
	Adjustment	\$	225,000

(1) Amount identified in FY 2004 Audit.

CSA	Contribution to Capital Spending Account		
	Rate Year		
	From Capital Needs and Sources:		
	Safe Yield Study	\$	200,000
	Equipment and Vehicle Replacement	\$	157,000
	Rate Year	\$	357,000
	Test Year (1)		34,000
	Adjustment	\$	323,000

(1) See Footnote (1) in RFC Schedule 3.

Customer Accounts

Account No. 15-500-2209

002	<u>Overtime</u>		
	Implementation of new billing sytem will require additional Overtime		
	Rate Year	\$	13,000
	Test Year	\$	16,015
	Difference	\$	(3,015)

004	<u>Temp Account</u>		
	Temporary Employee	\$	10 per hour 40 hours per week 20 weeks during Rate Year
		\$	8,000
	Rate Year	\$	10,000
	Test Year	\$	-
	Adjustment	\$	10,000

212	<u>Conferences & Training</u>		
	Training new supervisor and additional meter training for personnel (confined space entry OSHA required) New Line Item under Customer Accounts, no FY 2004 Actuals		
	Rate Year	\$	5,000
	Test Year	\$	-
	Adjustment	\$	5,000

225	<u>Support Services</u>		
	Description: Newport Water will be required to pay approximately \$4,000 - \$5,000 per year for continued support service agreement.		
	List Perfect Labor Cost	\$	10,000
	Opal Maintenance Contract		4,500
	Billing consultant for reporting Opal		3,000
	Total	\$	17,500
	Rate Year	\$	17,500
	Test Year	\$	9,633
	Adjustment	\$	7,867

Customer Accounts
Account No. 15-500-2209

275 Repair & Maint - Equipment

		Calculated	Rounded
Meters 5/8"	114	\$ 16,780	\$ 17,000
114 per year			-
Meter 2"	10	1,902	2,000
Hex head bolts	100per box	149	200
Head locking nuts	100per box	149	200
meter gaskets	1.94 ec	50	50
Hydrant meters to be replaced		6,826	7,000
Boxes watych dog		2,784	3,000
Brass spacers , proread register, wired boxes for replacement		4,108	4,200
Repairs for any tools/machines for the meter test bench		6,000	6,000
Repairing and maintaining meter guns			
Maintaining handheld computers			
Total		\$ 38,748	\$ 39,650
Rate Year		\$ 40,000	
Test Year		\$ 3,568	
Adjustment		\$ 36,432	

311 Operating Supplies

Description: Represents equipment necessary to meet OSHA regulations including miscellaneous gas detectors, hand held radios, and magnetic locators.

Purchase new meter reading guns as needed	\$	3,000
Purchase of any new tools and misc.costs associated with meter installation and repairs		4,000
Total	\$	7,000
Rate Year	\$	7,000
Test Year	\$	679
Adjustment	\$	6,321

380 Customer Service Supplies

Description: Water conservation program to be reinstated in June 2005.

Water conservation kits, booklets, brochures	\$	5,000
Rate Year	\$	5,000
Test Year	\$	1,949
Adjustment	\$	3,051

CSA Contribution to Capital Spending Account

<u>Rate Year</u>		
From Capital Needs and Sources:		
Meter Replacement	\$	50,000
Billing Software	\$	18,500
Rate Year	\$	68,500
Capital Spending Account per Docket #3578 % Funding for Meters & Services		1.73%
Capital Spending Funding Contribution from TSC-16		1,090,340
less Administration account (2200) capital spending contribution for test year		(34,000)
Total Capital Spending Account Funding for Test Year	\$	1,056,340
Test Year (1)		18,275
Adjustment	\$	50,225

(1) See Footnote (1) in RFC Schedule 3.

Source of Supply - Island
 Account No. 15-500-2212

001	Salaries & Wages	Proposed Salary Base	Copay	3% MERS	Health Buy	Long	Total
	Title						
	Super., Water Dist/Collect	\$ 63,847	\$ -	\$ 1,915	\$ -	\$ -	\$ 65,762
	Maintenance Mechanic	37,528	-	1,168	-	1,407	40,103
	Skilled Laborer Equip Oper	32,591	-	1,019	-	1,385	34,995
	Skilled Laborer Equip Oper	32,591	-	1,019	-	1,385	34,995
	Skilled Laborer Equip Oper	32,591	-	1,010	6,312	1,059	40,972
	Laborer	26,145	-	784	-	-	26,929
	Total						\$ 243,756
	Rate Year						\$ 243,756
	Test Year						\$ 198,774
	Adjustment						\$ 44,982

100	Employee Insurance Coverage	FICA MEDIC	8.99% Pension	Health 5% 5% Plan 200	5% Increase Dental	Life Ins & 5%	Total
	Title						
	Super., Water Dist/Collect	\$ 5,031	\$ 5,740	\$ 5,226	\$ 350	\$ 134	\$ 16,481
	Maintenance Mechanic	3,068	3,500	12,623	1,098	183	20,472
	Skilled Laborer Equip Oper	2,677	3,054	12,623	1,098	183	19,635
	Skilled Laborer Equip Oper	2,677	3,054	12,623	1,098	183	19,635
	Skilled Laborer Equip Oper	3,134	3,025		1,098	183	7,440
	Laborer	2,060	2,350	5,226	350	183	10,168
	Total						\$ 93,831
	Rate Year						\$ 93,831
	Test Year						\$ 83,199
	Adjustment						\$ 10,632

220	Consultant Fees
	All Consultant Fees are captured under Administration (2200) or the CIP.
	Rate Year \$ -
	Test Year \$ 37,198
	Adjustment \$ (37,198)

277	Reservoir Maintenance
	Tree Removal \$ 3,500
	Dam Improvement Repairs:
	Gravel & Loam 9,000
	Rip-Rap Stone 2,500
	Gabions, Geofabric 3,000
	Medium Size Brush Chipper 8,000
	Sign Installation and Maintenance 4,000
	Total \$ 30,000
	Rate Year \$ 30,000
	Test Year \$ 4,393
	Adjustment \$ 25,607

Source of Supply - Island
Account No. 15-500-2212

311	Operating Supplies		
	Machine and Tool Lubricants	\$	1,000
	Grease Guns		250
	Replacement Blades/Brush Cutting		2,250
	Total	\$	3,500
	<u>Rate Year</u>	\$	<u>3,500</u>
	Test Year	\$	1,519
	Adjustment	\$	1,981

CSA Contribution to Capital Spending Account
Rate Year

From Capital Needs and Sources:		
Easton Pond Dam and Moat Study	\$	100,000
Replacement on Bottom Sluice Gate in Lawton Valley Reservoir Intake	\$	9,278
	<u>Rate Year</u>	<u>\$ 109,278</u>
<u>Test Year</u>		
Total Supply-Island Operating Requirements	\$	406,243
Total Source of Supply - Mainland Operating Requirements	\$	16,936
Treatment - Newport Plant Operating Requirements	\$	1,304,989
Treatment - Lawton Valley Operating Requirements	\$	890,469
	\$	2,618,637
Capital Spending Account per Docket #3578 % Funding for Supply & Treatment		63.67%
Allocation to Source of Supply - Island		9.88%
Capital Spending Funding Contribution from TSC-16		1,090,340
less Administration account (2200) capital spending contribution for test year		(34,000)
Total Capital Spending Account Funding for Test Year		<u>1,056,340</u>
	Test Year	<u>104,340</u>
	Adjustment	4,938

(1) See Footnote (1) in RFC Schedule 3.

Source of Supply - Mainland

Account No. 15-500-2213

002 Overtime
 Night and weekend hours for full time staff to attend to the Mainland pump station as needed.
 Pump station operated only under specific conditions. Not brought on line in FY 2004.
 \$10,000 was amount that was agreed to in Docket 3578.

Rate Year	\$	10,000
Test Year	\$	-
Adjustment	\$	10,000

PPT Permanent/Part Time

New account number for permanent/part time employee
 Applies to 50-year employee where the respective salary needs to be adjusted in order to maintain
 employment with the Newport Water Department.

Rate Year	\$	5,200
Test Year	\$	1,800
Adjustment	\$	3,400

004 Temporary/Seasonal Wages

Temporary and seasonal hours for temporary staff to attend to the Mainland pump station.
 Pump station operated only under specific conditions. Not brought on line in FY 2004.

Rate Year	\$	10,000
Test Year	\$	-
Adjustment	\$	10,000

277 Reservoir Maintenance

Tree Removal	\$	1,000
Dam & Spillway Repairs (gravel, soil, rip rap, gabions)		5,000
Total	\$	6,000
Rate Year	\$	6,000
Test Year	\$	96
Adjustment	\$	5,904

DSA-P Contribution to Debt Service Account (Principal)

Refunding October 2004 (1)		
November 15, 2005 Principal Payment	\$	639,096
May 15, 2006 Principal Payment	\$	356,072
Total	\$	995,168
Rate Year	\$	639,096
Test Year	\$	538,614
Adjustment	\$	100,482

(1) From PWFD 1-4 New Debt Service Schedule

DSA-I Contribution to Debt Service Account (Interest)

Refunding October 2004 (1)			
November 15, 2005 Interest Payment	\$	87,465	2222-452 \$ 46,416
May 15, 2006 Interest Payment		80,275	Rate Year \$ 121,324
Total	\$	167,740	\$ 167,740
			Test Year \$ 268,001
			Adjustment \$ (146,677)

(1) From PWFD 1-4 New Debt Service Schedule

CSA Contribution to Capital Spending Account

Rate Year		
No CIP Projects identified for Source of Supply - Mainland during the Rate Year		
Rate Year		\$ -
Test Year		
Total Supply-Island Operating Requirements	\$	406,243
Total Source of Supply - Mainland Operating Requirements	\$	16,936
Treatment - Newport Plant Operating Requirements	\$	1,304,989
Treatment - Lawton Valley Operating Requirements	\$	890,469
	\$	2,618,637
Capital Spending Account per Docket #3578 % Funding for Supply & Treatment		63.67%
Allocation to Source of Supply - Island		0.41%
Capital Spending Funding Contribution from TSC-16		1,090,340
less Administration account (2200) capital spending contribution for test year		(34,000)
Total Capital Spending Account Funding for Test Year	\$	1,056,340
	Test Year (1)	\$ 4,350
	Adjustment	\$ (4,350)

(1) See Footnote (1) in RFC Schedule 3.

Treatment - Newport Plant
 Account No. 15-500-2222

001 Salaries & Wages						
Title	Proposed Salary Base	Copay	3% MERS	Health Buy	Long	Total
Water Qual/Prod Sup.	\$ 70,607	\$ (1,262)	\$ 2,118			\$ 71,463
Allocate 50% - Lawton Valley	(35,303)	631	(1,059)			(35,731)
Water Plant Foreman Oper	41,085	-	1,300		2,260	44,645
Water Plant Operator - A	35,784	-	1,141		2,237	39,162
Water Plant Operator - A	35,784	-	1,141		2,237	39,162
Water Plant Operator - A	35,784	-	1,111		1,252	38,147
Water Plant Operator - A	35,784	-	1,141		2,237	39,162
Water Plant Operator - A	35,784	-	1,133		1,968	38,885
Water Plant Operator - A	35,784	-	1,141		2,237	39,162
Water Plant Operator - C	29,164	-	875		-	30,039
Water Plant Operator - C	29,599	-	888		-	30,487
Total						\$ 374,583
Rate Year						\$ 374,583
Test Year						\$ 344,110
Adjustment						\$ 30,473

002 Overtime	
Shift coverage for vacation and sick leave	\$ 50,000
Rate Year	\$ 50,000
Test Year	\$ 55,748
Adjustment	\$ (5,748)

100 Employee Insurance						
Title	FICA MEDIC	8.99% Pension	Health 5% 5% Plan 200	5% Increase Dental	Life Ins & 5%	Total
Water Qual/Prod Sup.	\$ 5,467	\$ 6,348	\$ 12,623	\$ 1,098	\$ 183	\$ 25,719
Allocate 50% - Lawton Valley	(2,733)	(3,174)	(6,312)	(549)	(91)	(12,859)
Water Plant Foreman Oper	3,415	3,897	12,623	1,098	183	21,216
Water Plant Operator - A	2,996	3,418	12,623	1,098	183	20,318
Water Plant Operator - A	2,996	3,418	12,623	1,098	183	20,318
Water Plant Operator - A	2,918	3,330	12,623	1,098	183	20,152
Water Plant Operator - A	2,996	3,418	12,623	1,098	183	20,318
Water Plant Operator - A	2,975	3,394	12,623	1,098	183	20,273
Water Plant Operator - A	2,996	3,418	12,623	1,098	183	20,318
Water Plant Operator - C	2,298	2,622	5,226	350	-	10,496
Water Plant Operator - C	2,332	2,661	12,623	1,098	183	18,897
Total						\$ 185,165
Rate Year						\$ 185,165
Test Year						\$ 169,388
Adjustment						\$ 15,777

212 Conferences & Training (1)	
Rhode Island Department of Health required certifications for ten employees	\$ 2,000
Conferences	500
Haz Mat requirement for RMP	3,000
Total	\$ 5,500
Rate Year	\$ 5,500
Test Year	\$ 2,081
Adjustment	\$ 3,419

(1) Travel expenses to employees covered by Admin Mileage Allowance (2200-0268).

271 Equipment Service Charge (1)	
FY 2003 Actual	\$ 3,837
FY 2004 Actual	\$ 1,328
Rate Year (2)	\$ 3,938
Test Year	\$ 1,328
Adjustment	\$ 2,610

(1) Fuel and Maintenance per the Department of Public Works
 (2) Rate Year amount is based on 7% increase per Finance Department.

Treatment - Newport Plant
Account No. 15-500-2222

<u>275</u>	<u>Repair & Maint-Equipment</u>		
	Painting, welding materials, tools and gases		
	Pipe repair plumbing		
	Wiring, control and instrumentation repair and maintenance, trouble shooting		
	Minor building maintenance	\$	3,500
	Robicon VFD Service		6,000
	Mechanical Seals		4,000
	Clear Well top		
	Coastal Electric (three visits per year, \$4,000 per visit)		12,000
	Filter Effluent Control Valve		3,630
	Golden Anderson Control Check Valve		3,400
	Flight Mixer		1,870
	Oils, Fuel, and Grease		3,600
	Turbidimeter (two per year)		4,000
	Chlorine Residual Analyzer		3,000
	Total	\$	45,000
	Rate Year	\$	45,000
	Test Year	\$	39,438
	Adjustment	\$	5,562

<u>311</u>	<u>Operating Supplies</u>		
	Machine, pump supplies, bearings, pump packing, seals, drill bits, sandpaper, fasteners, miscellaneous tools, V belts, gauges, electrical/test meters	\$	11,000
	Generator Service		1,530
	Transfer Switch Service		500
	SCADA Service with ABB		11,000
	Chlorine Inspection and Load Test		2,000
	Total	\$	26,030
	Rate Year	\$	26,030
	Test Year	\$	21,441
	Adjustment	\$	4,589

<u>DSA-P</u>	<u>Contribution to Debt Service (Principal)</u>		
	Refunding October 2004 (1)		
	November 15, 2005 Principal Payment	\$	639,096
	May 15, 2006 Principal Payment	\$	356,072
	Total	\$	995,168
	Rate Year	\$	356,072
	Test Year	\$	551,858
	Adjustment	\$	(195,786)

(1) From PWFD 1-4 New Debt Service Schedule

<u>DSA-I</u>	<u>Contribution to Debt Service (Interest)</u>		
	Refunding October 2004 (1)		
	November 15, 2005 Interest Payment	\$	87,465
	May 15, 2006 Interest Payment	\$	80,275
	Total	\$	167,740
	Rate Year	\$	46,416
	Test Year	\$	104,043
	Adjustment	\$	(57,627)

(1) From PWFD 1-4 New Debt Service Schedule

<u>CSA</u>	<u>Contribution to Capital Spending Account</u>		
	<u>Rate Year</u>		
	From Capital Needs and Sources:		
	Station 1 - Chloramine Conversion	\$	140,000
	Less: Treatment Plant Improvement Grant	\$	(140,000)
	Rate Year	\$	-
	<u>Test Year</u>		
	Total Supply-Island Operating Requirements	\$	406,243
	Total Source of Supply - Mainland Operating Requirements	\$	16,936
	Treatment - Newport Plant Operating Requirements	\$	1,304,989
	Treatment - Lawton Valley Operating Requirements	\$	890,469
	Total	\$	2,618,637
	Capital Spending Account per Docket #3578 % Funding for Supply & Treatment		63.67%
	Allocation to Source of Supply - Island		31.73%
	Capital Spending Funding Contribution from TSC-16		1,090,340
	less Administration account (2200) capital spending contribution for test year		(34,000)
	Total Capital Spending Account Funding for Test Year	\$	1,056,340
	Test Year (1)	\$	335,174
	Adjustment	\$	(335,174)

(1) See Footnote (1) in RFC Schedule 3.

Treatment - Lawton Valley
 Account No. 15-500-2223

001	Salaries & Wages	Proposed Salary Base	Copay	3% MERS	Health Buy	Long	Total
	Water Qual/Prod Sup. (Allocate 50%)						\$ 35,731
	Water Plant Foreman Oper	\$ 39,317	\$ -	\$ 1,218	\$ 6,312	\$ 1,278	48,125
	Water Plant Operator - A	35,784	-	1,135		2,058	38,977
	Water Plant Operator - A	35,784	-	1,127		1,789	38,700
	Water Plant Operator - A	35,784	-	1,127		1,789	38,700
	Skilled Laborer Equip Oper	32,591	-	995		570	34,156
	Water Plant Operator - C	29,973	-	899		-	30,872
	Water Plant Operator - C	30,049	-	901		-	30,950
	Water Plant Operator - A	35,784	-	1,141		2,237	39,162
	Water Plant Operator - A	35,784	-	1,114		1,342	38,240
	Water Plant Operator - B	28,529	-	856		-	29,385
	Total						\$ 402,998
	Rate Year						\$ 402,998
	Test Year						\$ 339,536
	Adjustment						\$ 63,462

003	Holiday Pay		
	Number of Operators		9
	Number of Holidays	X	12
	Number of Hours Per Holiday	X	8
	Average Rate Per Hour	X	\$ 17.00
	Total		\$ 14,688
	Total (Rounded)		\$ 15,000
	Rate Year		\$ 15,000
	Test Year		\$ 12,749
	Adjustment		\$ 2,251

100	Employee Insurance	FICA MEDIC	8.99% Pension	Health 14% 5% Plan 200	5% Increase Dental	Life Ins & 5%	Total
	Water Qual/Prod Sup.						\$ 12,859
	Water Plant Foreman Oper	\$ 3,681	\$ 3,649		\$ 1,098	\$ 183	8,611
	Water Plant Operator - A	2,981	3,402	12,623	1,098	183	20,287
	Water Plant Operator - A	2,961	3,378	12,623	1,098	183	20,243
	Water Plant Operator - A	2,961	3,378	12,623	1,098	183	20,243
	Skilled Laborer Equip Oper	2,613	2,981	12,623	1,098	183	19,498
	Water Plant Operator - C	2,362	2,695	5,226	1,098	-	11,381
	Water Plant Operator - C	2,368	2,701	12,623	1,098	183	18,973
	Water Plant Operator - A	2,996	3,418	12,623	1,098	183	20,318
	Water Plant Operator - A	2,925	3,338	12,623	1,098	183	20,167
	Water Plant Operator - B	2,248	2,565	12,623	1,098	-	18,534
	Total						\$ 191,115
	Rate Year						\$ 191,115
	Test Year						\$ 152,283
	Adjustment						\$ 38,832

212	Conferences & Training (1)		
	Rhode Island DOH required certifications for ten employees (\$200 each course)		\$ 2,000
	Conferences		1,500
	Total		\$ 3,500
	Rate Year		\$ 3,500
	Test Year		\$ 1,610
	Adjustment		\$ 1,890

(1) Travel expenses to employees covered by Admin Mileage Allowance (2200-0268).

Individual Line Item Support for Adjustments to Test Year

Treatment - Lawton Valley
Account No. 15-500-2223

275	<u>Repair & Maint Land Equipment</u>		
	Painting, welding materials, tools and gases, pipe repair plumbing, wiring, control and instrumentation repair and maintenance, trouble shooting, and minor building maintenance	\$	9,100
	Rebuild 6 MGD Pump		24,000
	Filter conversion, mercury well transmitters, flow pacing controls: New control valve Rate of flow transmitters & manifold Loss of head transmitters Rate Controller Air Transducer Honeywell chart recorder		12,400
	Oils, fuel, and grease Compressor maintenance		2,000
	Backflow devices Alum pumps		3,500
	Coastal Electric (three visits) Basin flocculator repairs		4,000
			<u>5,000</u>
	Total	\$	60,000
	Rate Year	\$	60,000
	Test Year	\$	54,322
	Adjustment	\$	5,678

311	<u>Operating Supplies</u>		
	Machine, pump supplies, bearings, pump packing, seals, tools, drill bits, sandpaper, fasteners, gauges, and electrical test meters	\$	5,250
	Generator Service		1,500
	Transfer Switch Service		250
	Harbor Controls Contract		10,000
	Underwater Solutions, 4 MG Reservoir RIDOH		3,000
	Total	\$	20,000
	Rate Year	\$	20,000
	Test Year	\$	16,274
	Adjustment	\$	3,726

CSA	<u>Contribution to Capital Spending Account</u>		
	Rate Year		
	From Capital Needs and Sources:		
	Lawton Valley WTP - Chloramine Conversion	\$	147,400
	Lawton Valley WTP - Residuals Management	\$	520,710
	Less: Water Treatment Grant	\$	(200,000)
	Less: Water Treatment Grant	\$	(147,400)
	Rate Year	\$	320,710
	Test Year		
	Total Supply-Island Operating Requirements	\$	406,243
	Total Source of Supply - Mainland Operating Requirements	\$	16,936
	Treatment - Newport Plant Operating Requirements	\$	1,304,989
	Treatment - Lawton Valley Operating Requirements	\$	890,469
		\$	2,618,637
	Capital Spending Account per Docket #3578 % Funding for Supply & Treatment		63.67%
	Allocation to Source of Supply - Island		21.65%
	Capital Spending Funding Contribution from TSC-16		1,090,340
	less Administration account (2200) capital spending contribution for test year		(34,000)
	Total Capital Spending Account Funding for Test Year	\$	1,056,340
	Test Year (1)	\$	228,708
	Adjustment		92,002

(1) See Footnote (1) in RFC Schedule 3.

Water Laboratory
Account No. 15-500-2235

004	Temporary/Seasonal Wages		
	Rate Year	\$	-
	Test Year	\$	-
	Adjustment	\$	-

281 Regulatory Assessment

Quant	UNIT	ITEM DESCRIPTION	UNIT \$	TOTAL \$
1	each	4801000 Bacteria performance evaluation	\$ 150	\$ 150
2	each	4801000 Bacteria performance evaluation	150	300
1	set	4804000 HPC Performance evaluation	78	78
40	each	HAA5 analysis to meet USEPA drinking water regulations.	130	5,200
5	each	hazardous waste fee for HAA5	5	25
10	each	Pb/Cu analysis to meet USEPA drinking water regulations.	20	200
56	each	TOC analysis to meet USEPA drinking water regulations.	22	1,232
14	each	Hazardous Waste Disposal for TOC	5	70
40	each	TTHM analysis to meet USEPA drinking water regulations.	50	2,000
5	each	hazardous waste fee for TTHM	5	25
1	pack	WP 200 Colilert for 100 ml sample, 200-pack	676	676
1	pack	WQT100 51-Well Quanti-Trays ordered with DST tests,100/pack.	70	70
1	pack	WQT-2K 97-Well Quanti-Tray/2000 trays, 100/pack.	110	110
1	each	WKIT1001, Quanti-Cult - QC bacteria: 3 E coli, 3 Klebsiella P, 3 Pseudomonas A	135	135
1	each	WQTC Colilert/Colilert-18 Comparator predispensed in a Quanti-Tray	10	10
1	each	WQT2KC Colilert/Colilert-18 Comparator predispensed in a Quanti-Tray/2000	10	10
1	each	WQTS2X-115 115V Model 2X Quanti-Tray Sealer w/ 51-well rubber insert	4,000	4,000
1	each	Extended Maintenance Agreement (time of purchase exchange option)	300	300
1	each	WQTSRBR-2k Quanti-Tray/2000 97-well rubber insert for the Quanti-Tray Sealer	60	60
8	pond	Cryptosporidium monitoring for Jan - June 2006	2,500	20,000
1	set	IPE-MIN-001-AV, Inorganic minerals ,accuvalue.	42	42
1	each	IPE-TRC-001-AV, Free Residual Chlorine, Accuvalue.	37	37
1	each	IPE-TURB-001-AV, Turbidity sample , accuvalue.	37	37
1		Shipping on above accuvalue	6	6
1		Handling on above accuvalue	6	6
1	set	IPE-MIN-001-AS, Inorganic minerals for WS18	42	42
1	each	IPE-TRC-001-AS, Free Residual Chlorine for WS18	37	37
1	each	IPE-TURB-001-AS, Turbidity for WS18	37	37
1		Shipping on above WS18	6	6
1		Handling on above WS18	6	6
			TOTAL PRICE =	\$ 34,908
			Total (Rounded)	\$ 35,000
			Rate Year	\$ 35,000
			Test Year	\$ 25,758
			Adjustment	\$ 9,242

Water Laboratory
 Account No. 15-500-2235

311 Operating Supplies

Quant	UNIT	ITEM DESCRIPTION	UNIT \$	TOTAL \$
4	each	22433-00 LR manganese reagent set, 100 test per set.	\$ 95	\$ 379
6	each	44116-00 Turbidimeter drain plug	10	60
2	each	19554-00 Turbidimeter lamp	20	40
6	pack	WCLS 200 Colisure, 200/pack.	776	4,656
6	pack	WV120sbst200 Vesels, 200/pack.	90	540
4	each	1250L 13 Biological indicator, B/T Sure, 5/box.	19	77
		(Note: ordered quantity of 5 at \$18.30 per box)		-
1	each	1756 U35 1:100 dilution bottle, 50 x 99 ml, 50/case.	29	29
		(note: replaced with # 1756 U74)		-
1	each	1756 U33 1:10 dilution bottle, 50 x 90 ml, 50/case.	29	29
		(note: replaced with # 1756 U34)		-
10	each	C581-D24 PAO, 0.00564N, 1 liter.	65	650
1	each	0343-V95 R2A Agar, Difco # 1826-17-1, 500 gram.	80	80
		note: new Thomas # for Agar is C680-C50?		-
1	each	4120-G56 Buffer, pH 4, color coded, 19 liter.	110	110
1	each	4120-G64 Buffer, pH 7, color coded, 19 liter.	110	110
1	each	C396-V83 Hydrogen Peroxide, 30%, 500ml.	53	53
4	each	C396-V76 Hydrogen Peroxide, 30%, 120ml.	18	73
1	each	1135-J95 Coat, lab, blue, Men's Med (40-42).	33	33
2	each	5762-L60 Glove, Handguards, 50/box.	36	72
100	each	Bag, nylon mesh, new material	3	275
12	each	Gas, Nitrogen, refill, 60 cu ft.	18	216
1	each	425-49 ManVer Hardness indicator, Hardness 2, 500ml.	17	17
1	each	424-49 Buffer Solution, Hardness, 500 ml.	14	14
2	each	291-49 Fluoride Standard, 1.00 ppm, 500ml.	12	25
2	each	359-49 Fluoride Standard, 10.00 ppm, 500ml.	19	37
4	each	22614-38 Buret, Auto, 10 ml complete.	59	235
1	each	8613-G10 Stirrer, magnetic, Corning Model PC-131.	96	96
1	each	8254-R60 Dipper, 1000 ml 6' handle.	44	44
1	pack	8254-R65 Dipper, 1000 ml 12' handle.	73	73
1	each	C726-A55 Sodium Thiosulfate, 500 g.	40	40
1	each	4111-M20 Electrode support arm for above.	69	69
6	each	C581-D24 PAO, 0.00564N, 1 liter.	41	243
1	case	2904-F26 Kimwipes, small, 60/case.	180	180
1	case	2904-F48 Kimwipes, large, 15/case.	129	129
1	case	5762-C44 Glove, latex, 1000/case.	75	75
1	case	9571-J27 Graduate, 100ml, PMP, Nalgene, 12/case.	70	70
1	pack	1532-N16 Beaker, 250 ml 12/pack.	53	53
1	pack	1532-N36 Beaker, 600ml 6/pack.	77	77
1	pack	1532-N56 Beaker, 1000 ml, 6/pack.	123	123
2	each	1135-K04 Coat, lab, blue, Men's 3x large (56-58).	38	75
1	each	1135-D20 Apron, large.	21	21
1	each	8613-G10 Stirrer, magnetic, Corning Model PC-131.	96	96
2	each	8609-U20 Retriever, stir bar, 305cm.	9	18
2	pack	7775-F30 Pipet aid, 6/pack.	28	56
1	pack	5191-H17 Funnel, short stem, 65mm top ID.	121	121
1	each	9521-S76 Tubing, latex, 3/16 x 5/16 x 1/16, 50 ft reel.	39	39
1	each	9521-T97 Tubing, latex, 5/16 x 1/2 x 3/32, 50 ft reel.	60	60
1	each	9560-B08 Tubing, nalgene, 3/16x5/16x1/16, 50 ft.	53	53
1	each	9560-B45 Tubing, nalgene, 5/16x7/16x1/16, 50 ft.	77	77
1	carton	2902-J13 Alcojet, 9 x 4lb per carton.	123	123
1	each	1135-J35 Coat, lab, white, 3x-large. (Men's 46?)	25	25
1	each	2077-E20 lighter, piezoelectric.	26	26
1	pack	4907-H29 Flask, 250ml, 12/pack.	61	61
1	pack	1532-N56 Beaker, 1000 ml, 6/pack.	113	113
2	box	9875-H95 weigh funnel, for 500-1000 flask, 20/box.	22	44
1	each	9329-C15 Waterproof Thermometer	14	14
1	each	C886-J20 ZnCl2, granular, 500 gram.	67	67
1	box	9885-D63 Weigh dish, Hexagonal, 5 x 3.5, 500/box.	74	74
1	each	9321-K05 Thermometer, armored, -35 to 50 C	30	30
2	each	9321-K55 Thermometer, -35 to 50 C	16	32
1	each	5761-Q45 Glove, nitrile, large, 1000/case.	100	100
1	each	8613-G10 Stirrer, magnetic, Corning Model PC-131.	87	87
1	each	4120-G80 Buffer set, 4,7,10, 3 x 475 ml bottles/set.	35	35
		2223-311		
4	each	22433-00 LR manganese reagent set, 100 test per set.	\$ 95	\$ 379
36	each	25569-00 Free chlorine reagent set for CL17 analyzer	34	1,235
		2222-311		
4	each	22433-00 LR manganese reagent set, 100 test per set.	\$ 94.85	\$ 379
12	each	25569-00 Free chlorine reagent set for CL17 analyzer	34.30	412
12	each	25570-00 Total chlorine reagent set for CL17 analyzer	35.40	425
TOTAL PRICE =				\$ 13,360
			Rate Year	\$ 13,360
			Test Year	\$ 7,365
			Adjustment	\$ 5,995

Transmission & Distribution Maintenance
Account No. 15-500-2241

212 Conferences & Training (1)

Quant	UNIT	ITEM DESCRIPTION	UNIT \$	TOTAL \$
16	Continuing Education Units	Rhode Island Department of Health (RIDOH) required certification	\$ 200	3,200
		Conferences	800	800
		Total	\$ 4,000	
		Rate Year	\$ 4,000	
		Test Year	\$ 1,842	
		Adjustment	\$ 2,158	

(1) Travel expenses are covered by Item 2200-0268, Administration Mileage Allowance.

225 Contract Services

Welding services, as needed	\$ 3,000
Water storage tank inspections by divers per Infrastructure Replacement Plan (IRP) and as needed	7,000
Total	\$ 10,000
Rate Year	\$ 10,000
Test Year	\$ 319
Adjustment	\$ 9,681

295 Main Maintenance

Materials for the repair of water mains (i.e. sleeves/repair couplings)	\$ 9,500
Hydraulic pipe cutter	5,500
Road saw cutter replacement	6,500
Demolition saw and blades	2,250
Materials for in-house replacement of water mains	25,000
Temporary surface restoration materials (asphalt, gravel, sand, etc.)	25,000
Total	\$ 73,750
Rate Year	\$ 75,000
Test Year	\$ 54,509
Adjustment	\$ 20,491

296 Service Maintenance

Quant	UNIT	ITEM DESCRIPTION	UNIT \$	TOTAL \$
1	Each	Tap machine for 3/4" - 1" taps	\$ 750	\$ 750
4	Each	Service Keys	110	440
		Tools, tapping/crimping/cutting/drilling etc.		1,200
8	Each	Service Barricades	110	880
100	Each	Safety Cones	15	1,500
3000	feet	New Services copper tubing 3/4" - 2"	3	9,150
2000	feet	Lead/iron pipe service renewals	3	6,100
		Curb stops, corporations, service saddles, unions, repair couplings, brass fittings		10,400
		Temporary service restoration (asphalt, gravel, sand)		3,080
		Total	\$ 33,500	
		Rate Year	\$ 33,500	
		Test Year	\$ 19,970	
		Adjustment	\$ 13,530	

Transmission & Distribution Maintenance
Account No. 15-500-2241

298 Gate Maintenance

Quant	UNIT	ITEM DESCRIPTION	UNIT \$	TOTAL \$
4	Each	Gate Keys	\$ 110	\$ 440
100		Gate Boxes	\$ 50	5,000
		Temporary Surface Restoration		1,250
				<u>6,690</u>
				Rate Year \$ 6,690
				Test Year \$ 3,031
				Adjustment \$ 3,659

DSA-P Contribution to Debt Service (Principal)

Rate Year	\$ -
Test Year	\$ 57,516
Adjustment	\$ (57,516)

(1) From PWFD 1-4 New Debt Service Schedule

DSA-I Contribution to Debt Service (Interest)

Rate Year	\$ -
Test Year	\$ 1,783
Adjustment	\$ (1,783)

(1) From PWFD 1-4 New Debt Service Schedule

CSA Contribution to Capital Spending Account

<u>Rate Year</u>	
From Capital Needs and Sources:	
GIS and Hydraulic Modeling	\$ 200,000
Leak Detection Equipment	\$ 30,000
Water Trench Restoration	\$ 60,000
	<u>Rate Year \$ 290,000</u>
<u>Test Year</u>	
Capital Spending Account per Docket #3578 % Funding for Transmission	6.79%
Capital Spending Account per Docket #3578 % Funding for Distribution	21.05%
Allocation to Transmission & Distribution Maintenance	27.84%
Capital Spending Funding Contribution from TSC-16	1,090,340
less Administration account (2200) capital spending contribution for test year	(34,000)
Total Capital Spending Account Funding for Test Year	\$ 1,056,340
Test Year (1)	\$ 294,085
Adjustment	\$ (4,085)

(1) See Footnote (1) in RFC Schedule 3.

Fire Protection

Account No. 15-500-2245

275 Repair & Maintenance - Equip.

Maintain fire hydrants, parts, stem fasteners, traffic kits		
Permits	1,000	
Main Valves	3,000	
Acetylene & Oxygen	300	
Repair of wrench	150	
Hydrant parts-Am Dar	1,000	
Chain tongs	650	
Repair of wrench	400	
misc other materials as needed	3,000	
Welding of hydrant base	300	
Braizing nipp on hyd plate	500	
Temporary surface restoration	3,500	
Total	\$ 13,800	
Rate Year	\$ 14,000	
Test Year	\$ 5,378	
Adjustment	\$ 8,622	

CSA Contribution to Capital Spending Account

Rate Year

From Capital Needs and Sources:

Fire Hydrant Replacement	\$ 41,600
Fire Code Upgrades	\$ 80,000
Rate Year	\$ 121,600

Test Year

Capital Spending Account per Docket #3578 % Funding for Fire Protection	6.76%
Allocation to Fire Protection	6.76%
Capital Spending Funding Contribution from TSC-16	1,090,340
less Administration account (2200) capital spending contribution for test year	(34,000)
Total Capital Spending Account Funding for Test Year	1,056,340
Test Year (1)	\$ 71,409
Adjustment	\$ 50,191

(1) See Footnote (1) in RFC Schedule 3.

Contribution to Restricted Accounts

254	Contribution to Electricity Restricted Account									
	Location Account (1)	2004 July	2004 August	2004 September	2004 October	2004 November	2004 December	Total FY 2005 as of 12/31	Projected FY 2005	
	<u>Administration</u>									
	70 Halsey Street	\$ 205	\$ 1,929	\$ 377	\$ 280	\$ 325	\$ 393	\$ 3,508	\$ 7,015	
	70 Halsey Street - Load Zone	\$ 4	\$ 4	\$ 6	\$ 8	\$ 12	\$ 60	\$ 93	\$ 186	
	<u>Source of Supply - Island</u>									
	Paradise Pump Station	\$ 124	\$ 1,333	\$ 428	\$ 718	\$ 151	\$ 311	\$ 3,065	\$ 6,129	
	St. Mary's Pump Station	\$ 15	\$ 35	\$ 49	\$ 64	\$ 131	\$ 371	\$ 666	\$ 1,332	
	<u>Source of Supply - Mainland</u>									
	Nonquit Pump Station (New)	\$ 635	\$ 635	\$ 635	\$ 635	\$ 749	\$ 1,258	\$ 4,547	\$ 9,095	
	Nonquit Pump Station (Old)	\$ 6	\$ 8	\$ 15	\$ 106	\$ 343	\$ 449	\$ 927	\$ 1,855	
	<u>Treatment - Newport</u>									
	Station 1	\$ 10,669	\$ 16,328	\$ 17,483	\$ 16,017	\$ 18,826	\$ 21,496	\$ 100,820	\$ 201,640	
	<u>Treatment - Lawton Valley</u>									
	Lawton Valley Plant	\$ 2,936	\$ 9,047	\$ 9,113	\$ 6,262	\$ 5,878	\$ 5,102	\$ 38,338	\$ 76,676	
	Lawton Valley Pump House	\$ 5,480	\$ 3,914	\$ 4,438	\$ 2,580	\$ 2,447	\$ 2,952	\$ 21,810	\$ 43,620	
	<u>Transmission & Distribution Maintenance</u>									
	Reservoir Road Tank	\$ 0	\$ 4	\$ 4	\$ 8	\$ 9	\$ 12	\$ 38	\$ 75	
	Forest Avenue Pump Station	\$ 756	\$ 914	\$ 1,026	\$ 948	\$ 864	\$ 986	\$ 5,495	\$ 10,989	
	Goulart Lane Tank	\$ -	\$ 4	\$ 4	\$ 5	\$ 9	\$ 6	\$ 27	\$ 54	
	Lighting in Midd'	\$ 19	\$ 73	\$ 64	\$ 59	\$ 59	\$ 64	\$ 338	\$ 677	
								Projected FY 2005	\$ 179,672	\$ 359,343
								Rate Year (2)		\$ 434,202
								Test Year		\$ 379,742
								Adjustment		\$ 54,460

(1) Accounts are with Narragansett Electric (Commodity)

(2) An additional \$50,000 has been included in Rate Year to account for emergency use of Mainland pump stations.

335	Contribution to Chemical Restricted Account			Overall
	Rate Year	Test Year	Adjustment	
	Source of Supply - Island (1)	\$ 22,000	\$ 21,904	
	Treatment - Newport (2)	\$ 175,000	\$ 224,628	
	Treatment - Lawton Valley (3)	\$ 136,000	\$ 110,336	
	Total	\$ 333,000	\$ 356,868	\$ (23,868)

(1) Includes costs associated with Copper Sulfate.

(2) Includes costs for Chlorine, Sodium Chlorite, Alum, Polymer, fluoride, and lime. In addition, the granular activated carbon (GAC filter) is changed on an annual basis.

(3) Includes costs associated with Chlorine, Alum, Lime, Sodium Chlorite, and Polymer.

DSA-P
 DSA-I Contribution to Debt Service Restricted Account - Existing Debt Service (1)

2213 Source of Supply - Mainland			
Bond Principal	\$	610,000	35.4%
Bond Interest	\$	303,521	17.6%
2222 Treatment - Newport			
Bond Principal	\$	625,000	36.3%
Bond Interest	\$	117,833	6.8%
2241 T&D Maintenance			
Bond Principal	\$	65,139	3.8%
Bond Interest	\$	2,019	0.1%
Total (2)	\$	1,723,512	100.0%

- (1) From FY 2004 Adopted Budget
- (2) Deduction for existing debt service in FY 2004 per TSC-16.

DSA-SP
 DSA-SI Contribution to Debt Service Restricted Account - SRF Loan

<u>SRF Debt Service</u>	<u>Allocation of Debt Service to Rate Year Accounts</u>		
Lawton Valley Raw Water Main Replacement	1,415,507	47%	Source of Supply - Island
Distribution Main Improvements (FY 2006 - 2007)	1,400,000	27%	Transmission & Distribution Maintenance
Less: Water Protection Funds	(579,879)		Transmission & Distribution Maintenance
Finished Water Storage Tank Maintenance	764,000	25%	Transmission & Distribution Maintenance
	2,999,628	100%	

2212 Source of Supply - Island

	Rate Year	Test Year	Adjustment
DSA-SP - Debt Service Principal (SRF Loan)	\$ 48,781	\$ -	\$ 48,781
DSA-SI - Debt Service Interest (SRF Loan)	\$ 53,082	\$ -	\$ 53,082
Total	\$ 101,863		\$ 101,863

2222 Treatment - Newport

	Rate Year	Test Year	Adjustment
DSA-SP - Debt Service Principal (SRF Loan)	\$ -	\$ -	\$ -
DSA-SI - Debt Service Interest (SRF Loan)	\$ -	\$ -	\$ -
Total	\$ -		\$ -

2223 Treatment - Lawton Valley

	Rate Year	Test Year	Adjustment
DSA-SP - Debt Service Principal (SRF Loan)	\$ -	\$ -	\$ -
DSA-SI - Debt Service Interest (SRF Loan)	\$ -	\$ -	\$ -
Total	\$ -		\$ -

2241 T&D Maintenance

	Rate Year	Test Year	Adjustment
DSA-SP - Debt Service Principal (SRF Loan)	\$ 54,592	\$ -	\$ 54,592
DSA-SI - Debt Service Interest (SRF Loan)	\$ 59,405	\$ -	\$ 59,405
Total	\$ 113,997		\$ 113,997

Total SRF Principal	\$	103,373
Total SRF Interest	\$	112,486
Total Debt Service	\$	215,860

City of Newport, Rhode Island
 2005 Rate Filing
 Individual Line Item Support for Adjustments to Test Year
 Contribution to Restricted Accounts

Docket No. XXXX

Schedule RFC C

CSA	Contribution to Capital Spending Account	Rate Year	Test Year	Adjustment
2200 Administration				
	Safe Yield Study	\$	200,000	
	Equipment and Vehicle Replacement	\$	157,000	
		\$	357,000	\$ 34,000 \$ 323,000
2209 Customer Accounts				
	Meter Replacement	\$	50,000	
	Billing Software	\$	18,500	
		\$	68,500	\$ 18,275 \$ 50,225
2212 Source of Supply - Island				
	Easton Pond Dam and Moat Study	\$	100,000	
	Replacement on Bottom Sluice Gate in Lawton Valley Reservoir Intake	\$	9,278	
		\$	109,278	\$ 104,340 \$ 4,938
2213 Source of Supply - Mainland				
	No CIP Projects identified for Source of Supply - Mainland during the Rate Year		-	
		\$	-	\$ 4,350 \$ (4,350)
2222 Treatment - Newport				
	Station 1 - Chloramine Conversion	\$	140,000	
	Less: Treatment Plant Improvement Grant	\$	(140,000)	
		\$	-	\$ 335,174 \$ (335,174)
2223 Treatment - Lawton Valley				
	Lawton Valley WTP - Chloramine Conversion	\$	147,400	
	Lawton Valley WTP - Residuals Management	\$	520,710	
	Less: Water Treatment Grant	\$	(147,400)	
		\$	520,710	\$ 228,708 92,002
2241 T&D Maintenance				
	GIS and Hydraulic Modeling	\$	200,000	
	Leak Detection Equipment	\$	30,000	
	Water Trench Restoration	\$	60,000	
		\$	290,000	\$ 294,085 \$ (4,085)
2245 Fire Protection				
	Fire Hydrant Replacement	\$	41,600	
	Fire Code Upgrades	\$	80,000	
		\$	121,600	\$ 71,409 \$ 50,191
Total Contribution to CSA		\$	1,467,088	\$ 1,090,340 \$ 176,748

Individual Line Item Support for Adjustments to Test Year

Reconciliation of Restricted Account Funding for Test Year with TSC-16

DSA-P		
DSA-I	Debt Service Restricted Account	Rate Year
	Average Debt Service (FY 2003 -2008)	\$ 1,306,815
	Additional Funding for Repayment to City Account	250,000
	Total Funding Requirements	1,556,815
	Offset to Debt Service Requirements per Docket 3578	(35,000)
	Reconciliation with TSC-16 Debt Service Funding Contribution	\$ 1,521,815
CSA		
	Capital Spending Restricted Account	
	Average Capital Spending (FY 2003 - 2008)	\$ 1,406,667
	Capital Outlays (Division Adjustment)	148,673
	Total Funding Requirements	1,555,340
	Offset to Capital Spending Requirements per Docket 3578	(465,000)
	Reconciliation with TSC-16 Capital Spending Funding Contribution	\$ 1,090,340

Docket No. XXXX

City of Newport, Rhode Island
 2005 Rate Filing
 Revenue Offsets

Schedule RFC D

	Test Year	Rate Year Adjustment	Rate Year
Water Revenue Summary			
Account No. 15-0			
306 Customer Services	\$ 74,013	\$ (5,013)	\$ 69,000
Transfer from Water Pollution Control Division	-	10,560	10,560
342 Rental of Property	102,767	(13,267)	89,500
373 Water Penalty	-	50,000	50,000
495 Miscellaneous	22,422	(2,422)	20,000
497 Lease Purchase Proceeds	-	-	-
501 Invest Interest Income	59,765	(59,765)	-
599 Water Quality Protection Fees	19,146	854	20,000
Offsets to Revenue Requirements	\$ 278,113	\$ (19,053)	\$ 259,060

Docket No. XXXX

City of Newport, Rhode Island
 2005 Rate Filing
 Revenue Proof

Schedule RFC E

	Existing		Proposed	
	Actual FY 2004 (1)	FY 2006 Rate Year at Existing Rates	FY 2006 Rate Year at Proposed Rates	

Revenues

Billing Charge Revenues (\$11.00 per bill)

Retail

Residential	\$ 467,545	\$ 440,770	\$ 510,492
Commercial	252,237	\$ 95,572	\$ 110,690
Governmental	2,757	\$ 2,884	\$ 3,340

Wholesale

Navy	2,605	1,518	1,758
Portsmouth Water & Fire District	11	132	153
Total Billing Charge Revenues	725,155	540,877	626,433

From Water Commodity Charge

Retail

Residential	2,393,644	2,654,331	3,078,396
Commercial	1,484,595	2,456,995	2,849,533
Governmental	64,776	73,946	85,759
Metered Sundried Billed		18,708	21,697
Subtotal Retail Commodity Revenue	3,943,015	5,203,980	6,035,385

Wholesale

Navy	1,239,424	929,630	1,075,891
Portsmouth	942,202	783,660	906,976
Subtotal Wholesale Commodity Revenue	2,181,626	1,713,291	1,982,867

Total Revenues from Commodity Charge

6,124,641	6,917,271	8,018,252
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From Fire Protection

Public Fire Protection Revenue	534,559	549,920	636,444
Private Fire Protection Revenue	213,949	236,885	274,155
Total Fire Protection Revenues	748,508	786,805	910,599

Other Revenue

\$ 278,113	\$ 259,060	\$ 259,060
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Total Revenues

\$ 7,876,417	\$ 8,504,012	\$ 9,814,344
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Docket No. XXXX

City of Newport, Rhode Island
 2005 Rate Filing
 Revenue Proof

Schedule RFC E

	Existing		Proposed	
	Actual FY 2004 (1)	FY 2006 Rate Year at Existing Rates	FY 2006 Rate Year at Proposed Rates	
Total Revenue Requirements				
Operating	\$ 5,219,123	\$ 6,760,498	\$ 6,760,498	
Capital	2,612,155	2,895,856	2,895,856	
Subtotal Revenue Requirements	7,831,278	9,656,353	9,656,353	
Additional Rev Req.	117,469	144,845	144,845	
Total Revenue Requirements	7,948,747	9,801,199	9,801,199	
Surplus/(Deficit) of Revenues to be Recovered from All Charges				
Total Revenue Requirements	7,948,747	9,801,199	9,801,199	
Other Revenue	(278,113)	(259,060)	(259,060)	
Net Revenue Requirements	7,670,634	9,542,139	9,542,139	
Total Revenue from Rates and Charges	7,598,304	8,244,952	9,555,284	
Revenue Surplus/(Deficit)	\$ (72,330)	\$ (1,297,187)	\$ 13,146	
Debt Service Coverage Calculations				
Total Revenues	\$ 7,876,417	\$ 8,504,012	\$ 9,814,344	
Less: Operating Expenses	5,219,123	6,760,498	6,760,498	
Net Revenues Available for Debt Service	2,657,294	1,743,514	3,053,847	
Total Debt Service	1,723,513	1,378,768	1,378,768	
Total Debt Service Coverage	1.54	1.26	2.21	
<i>Minimum Total Debt Service Coverage Ratio</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>	
Revenue Bond Debt Service	\$ 1,723,513	\$ 1,162,908	\$ 1,162,908	
Revenue Bond Coverage Ratio	1.54	1.50	2.63	
<i>Minimum Revenue Bond Coverage Ratio</i>	<i>1.2</i>	<i>1.2</i>	<i>1.2</i>	
SRF Loan Debt Service	\$ -	\$ 215,860	\$ 215,860	
Revenues Available to pay SRF Loan (2)	933,782	580,606	1,890,939	
SRF Loan Coverage Ratio	N/A	2.69	8.76	
<i>Minimum SRF Loan Coverage Ratio</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>	
Revenues Remaining After Paying All Debt Service	\$ 933,782	\$ 364,747	\$ 1,675,079	
Other Expenditures and Transfers				
Capital Spending Funding Requirements	(1,090,340)	(1,267,088)	(1,267,088)	
Funding of Repayment to City Account	-	(250,000)	(250,000)	
Additional Rev Reqs allowed by PUC	(117,469)	(144,845)	(144,845)	
Revenue Surplus (Deficit)	\$ (274,027)	\$ (1,297,187)	\$ 13,146	

(1) From "City of Newport - Water Fund, Revenues by Source/Tariff/Rate Class, June 30, 2004"

(2) Revenues available for debt service less revenue bond payments.

Monthly Balances: Debt Service Restricted Account

	<i>Fiscal Year Ending June 30</i>					
	2005	2006	2007	2008	2009	2010
Beginning Annual Balance	\$ 291,784	\$ 166,898	\$ 185,859	\$ 245,855	\$ 407,103	\$ 616,550
Monthly Funding - July	105,985	114,897	114,897	114,897	114,897	114,897
End July Balance	397,769	281,795	300,756	360,752	522,000	731,447
Monthly Funding - August	105,985	114,897	114,897	114,897	114,897	114,897
Aug Payment (Pre-Refunding)	(283,838)					
End August Balance	219,916	396,693	415,653	475,650	636,898	846,344
Monthly Funding - Sept	105,985	114,897	114,897	114,897	114,897	114,897
End September Balance	325,901	511,590	530,551	590,547	751,795	961,242
Monthly Funding - Oct	105,985	114,897	114,897	114,897	114,897	114,897
End October Balance	431,885	626,487	645,448	705,444	866,692	1,076,139
Nov Payment (Pre-Refunding)	(488,937)					
Nov Payment (Refunded)	(106,284)	(726,561)	(701,473)	(669,406)	(643,975)	(617,395)
Nov Payment (SRF Loan) (1)		(107,930)	(107,930)	(107,930)	(107,930)	(107,930)
Monthly Funding - Nov	105,985	114,897	114,897	114,897	114,897	114,897
End November Balance	(57,351)	(93,106)	(49,058)	43,006	229,685	465,711
Monthly Funding - Dec	105,985	114,897	114,897	114,897	114,897	114,897
End December Balance	48,633	21,791	65,840	157,903	344,582	580,609
Monthly Funding - Jan	105,985	114,897	114,897	114,897	114,897	114,897
End January Balance	154,618	136,688	180,737	272,800	459,479	695,506
Monthly Funding - Feb	105,985	114,897	114,897	114,897	114,897	114,897
End February Balance	260,603	251,586	295,634	387,698	574,377	810,403
Monthly Funding - Mar	105,985	114,897	114,897	114,897	114,897	114,897
End March Balance	366,587	366,483	410,532	502,595	689,274	925,301
Monthly Funding - Apr	105,985	114,897	114,897	114,897	114,897	114,897
End April Balance	472,572	481,380	525,429	617,492	804,171	1,040,198
Monthly Funding - May	105,985	114,897	114,897	114,897	114,897	114,897
May Payment (Refunded)	(517,643)	(436,347)	(412,658)	(340,526)	(315,807)	(293,156)
May Payment (SRF Loan)		(107,930)	(107,930)	(107,930)	(107,930)	(107,930)
End May Balance	60,913	52,001	119,738	283,934	495,332	754,009
Monthly Funding - June	105,985	114,897	114,897	114,897	114,897	114,897
End June Balance	166,898	166,898	234,636	398,831	610,229	868,907
Estimated Interest Income (2)		18,961	11,219	8,272	6,321	7,166
Ending Annual Balance	\$ 166,898	\$ 185,859	\$ 245,855	\$ 407,103	\$ 616,550	\$ 876,072

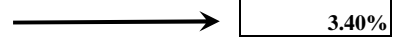
(1) The timing of the debt service payments on the SRF loan are assumed to take place during the same month as the payments on existing debt. The actual debt service payment for the SRF loan will be determined at loan closing.

(2) From Schedule RFC 9

	Annual Consumption in 1000's Gallons					Historical Average	Projected FY 2006
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004		
Annual Consumption, by Class (1)							
Residential (T&M)	682,937	698,765	773,872	780,666	736,577	734,563	785,305
Commercial (T&M)	703,460	620,182	561,576	564,052	950,492	679,952	726,922
Governmental (T&M)	20,634	20,197	19,222	19,132	23,134	20,464	21,877
Navy (M)	466,167	450,247	307,051	348,222	511,299	416,597	445,375
PWFD (M)	438,179	442,582	455,142	451,723	422,944	442,114	472,654
Metered, Sundry Billed (2)	5,866	4,431	6,353	5,244	3,992	5,177	5,535
Total (in 1000's Gallons)	2,317,243	2,236,404	2,123,216	2,169,039	2,648,438	2,298,868	2,457,668

(includes both monthly and tertiary accounts)

System 5 Year Compound % Growth Rate (FY 2000 - FY 2004)



- (1) Consumption for retail classes, the Navy and Portsmouth Water & Fire District averaged from FY 2000 through FY 2004. Systemwide compound growth percentage in consumption applied to average for each customer class to obtain estimate of Rate Year consumption.
- (2) Metered Sundry consumption represents consumption by customers at public points throughout system that is allowed by Newport (fire hydrants, treatment plant connection, etc.). Billed at Block 1 rate, \$3.73/1,000 gallons.


**Average Water Consumption per Customer per Billing Period
 by Class and Billing Type
 FY 2000 - FY 2004**

	Annual Average Consumption (1,000 gallons)	Number Bills	Number Annual Bills (By Month)	Average Consumption per Billing Period (1,000 gallons)
Residential (Tertiary)	734,563	39,555	158,220	18.5
Residential (Monthly)		515	515	4.6
Commercial (Tertiary)	679,952	3,045	12,180	152.6
Commercial (Monthly)		5,643	5,643	38.2
Governmental (Tertiary)	20,464	225	900	87.4
Governmental (Monthly)		37	37	21.8
Navy (Monthly)	416,597	138	138	3,018.8
Portsmouth Water & Fire District (Monthly)	442,114	12	12	73,685.7

City of Newport, Rhode Island
 2005 Rate Filing
 Water Service Bills Summary

Schedule RFC H

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	Average # of Bills	FY 2006 Rate Year
Tertiary and Monthly Bills							
Residential (T&M)							
Tertiary	39,159	39,451	39,782	40,199	39,186	39,555	39,555
Monthly	496	487	502	512	576	515	515
Commercial (T&M)							0
Tertiary	3,057	3,116	3,179	3,237	2,637	3,045	3,045
Monthly	5,500	5,557	5,692	5,767	5,700	5,643	5,643
Governmental (T&M)							0
Tertiary	210	225	248	223	219	225	225
Monthly	46	47	48	45	0	37	37
Navy (M)	128	131	129	122	180	138	138
PWFD (M)	12	12	12	12	12	12	12
Total # of Bills	48,608	49,026	49,592	50,117	48,510	49,171	49,171

% Compound Growth Rate (1)  -0.05%

(1) Growth rate based on compound annual growth rate from FY 2000 through FY 2004.

Docket No. XXXX

**City of Newport, Rhode Island
2005 Rate Filing
Public and Private Fire Protection Accounts**

Schedule RFC I

<u>Public Hydrants</u>	March 30 2002	June 30 2000	June 30 2001	June 30 2002	June 30 2003	Dec 31 2003	June 30 2004	Feb 28 2005
Newport	572	572	572	572	572	572	581	580
Middletown	371	369	369	371	371	371	386	394
Portsmouth	8	8	8	8	8	8	8	8
Total	951	949	949	951	951	951	975	982

Number of Accounts

Private Fire Services

Residential

4" Connection	8	6	5	8	11	12	11	12
6" Connection	14	24	24	28	29	31	29	30
8" Connection	1	3	3	6	6	5	5	6
10" Connection	1	1	1	1	1	1	1	0
12" Connection	1	1	1	1	1	1	1	2
	1	35	34	44	48	50	47	50
Commercial								
4" Connection	22	12	12	24	30	30	33	32
6" Connection	172	146	146	182	189	192	189	188
8" Connection	33	37	38	48	51	51	51	50
	227	195	196	254	270	273	273	270
Government - General								
4" Connection	1	0	0	1	1	1	1	1
6" Connection	5	5	5	5	5	1	1	1
8" Connection	1	1	1	1	1	0		0
	7	6	6	7	7	2	2	2
Government - Navy								
6" Connection	2	3	3	3	3	3	3	3
	2	3	3	3	3	3	3	3
Government - City Newport								
6" Connection						2	2	2
8" Connection	1	1	1	1	1	2	2	2
	1	1	1	1	1	4	4	4
Total	238	240	240	309	329	332	329	329

Number of Accounts per Connection Size

	Growth %	Projected FY 2006
4" Connection	21.49%	55
6" Connection	4.59%	234
8" Connection	6.17%	62
10" Connection	-100.00%	0
12" Connection	14.87%	2
Total		353

4" Connection	31	18	17	33	42	43	45	45
6" Connection	194	179	179	219	227	229	224	224
8" Connection	36	42	43	56	59	58	58	58
10" Connection	1	1	1	1	1	1	1	0
12" Connection	1	1	1	1	1	1	1	2
Total	263	241	241	310	330	332	329	329

City of Newport, Rhode Island
 2005 Rate Filing
 Preliminary Capital Funding Plan

Schedule RFC J

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	Total
Studies						
ST-1 Safe Yield Study	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
ST-2 GIS and Hydraulic Modeling	200,000	100,000	-	-	-	300,000
ST-3 IRP Update	-	-	-	-	-	-
ST-4 Easton Pond Dam and Moat Study	100,000	-	-	-	-	100,000
Raw Water Supply and Transmission						
RWT-1 Lawton Valley Raw Water Main Replacement	712,773	702,734	-	-	-	1,415,507
RWT-2 Replacement on Bottom Sluice Gate in L V Reservoir Intake	9,278	129,888	-	-	-	139,166
RWT-3 Intake at Gardiner Pond	-	9,278	129,888	-	-	139,166
RWT-4 Main from Gardiner to Paradise	-	-	-	100,377	1,405,284	1,505,661
RWT-5 Intake at Paradise	-	-	-	-	17,999	17,999
RWT-6 Dam and Dike Rehabilitation - Lawton Valley	-	-	-	-	-	-
RWT-7 Dam and Dike Rehabilitation - Station 1	-	-	-	-	-	-
Treatment						
TRT-1 Lawton Valley WTP - Chloramine Conversion	147,400	106,339	-	-	-	253,739
TRT-2 Lawton Valley WTP - Residuals Management	520,710	572,954	-	-	-	1,093,664
TRT-3 Lawton Valley WTP - Chemical Feed	-	374,634	-	-	-	374,634
TRT-4 Lawton Valley WTP - SCADA	-	529,154	-	-	-	529,154
TRT-5 Lawton Valley WTP - New WTP	-	250,000	75,000	-	100,000	425,000
TRT-6 Station 1 - Chloramine Conversion	140,000	95,705	-	-	-	235,705
TRT-7 Station 1 - Additional Pretreatment/Clarification Train	-	186,094	106,339	1,918,467	1,918,467	4,129,367
TRT-8 Station 1 - General Improvements	-	-	-	-	1,329,241	1,329,241
TRT-9 Station 1 - UV	-	-	-	651,860	-	651,860
Transmission, Storage and Distribution						
TSD-1 Distribution Main Improvements (FY 2006 - 2007)	1,400,000	1,500,000	-	-	-	2,900,000
TSD-1 Distribution Main Improvements (FY 2008 - 2010)	-	-	3,500,000	3,500,000	3,500,000	10,500,000
TSD-2 Remote Radio Read Pilot	-	20,000	-	-	-	20,000
TSD-3 Leak Detection Equipment	30,000	30,000	-	-	-	60,000
TSD-4 Meter Replacement	50,000	50,000	50,000	50,000	50,000	250,000
TSD-5 Water Trench Restoration	60,000	62,400	64,896	67,492	70,192	324,980
TSD-6 Fire Hydrant Replacement	41,600	-	-	-	16,000	57,600
TSD-7 Finished Water Storage Tank Maintenance	764,000	81,000	575,000	-	-	1,420,000
Miscellaneous						
MISC-1 Equipment and Vehicle Replacement	157,000	78,700	93,300	50,360	19,000	398,360
MISC-2 Fire Code Upgrades	80,000	-	-	-	-	80,000
Billing Software	18,500	-	-	-	-	18,500
Total CIP Funding Needs	\$ 4,631,261	\$ 4,878,880	\$ 4,594,423	\$ 6,338,556	\$ 8,426,183	\$ 28,869,303

Funding Sources

Rate Funded	1,754,488	\$ 1,336,264				
Less: Water Treatment Grant	\$ (287,400)	\$ (212,600)				
Less: Grant for Station 1 Upgrades	\$ (200,000)					
Total Rate Funded	\$ 1,267,088	\$ 1,123,664	\$ 913,084	\$ 920,089	\$ 1,602,432	
SRF Funded	\$ 3,579,507					
Less: Water Protection Funds	\$ (579,879)					
2006 SRF	\$ 2,999,628					
2007 SRF or Bonds		\$ 3,021,221				
2008 SRF or Bonds			\$ 10,500,000			
2009 SRF or Bonds				\$ 3,836,934		
2010 SRF or Bonds					\$ 1,405,284	
Debt Service						
Existing	\$1,162,908	\$1,114,131	\$1,009,932	\$959,782	\$910,551	
2006 SRF	\$215,860	\$215,860	\$215,860	\$215,860	\$215,860	
2007 SRF or Bonds		\$217,413	\$217,413	\$217,413	\$217,413	
2008 SRF or Bonds			\$755,602	\$755,602	\$755,602	
2009 SRF or Bonds				\$276,114	\$276,114	
2010 SRF or Bonds					\$101,127	
	\$1,378,768	\$1,547,404	\$2,198,807	\$2,424,771	\$2,476,667	
Rate Funded Capital	\$ 1,267,088	\$ 1,336,264	\$ 913,084	\$ 920,089	\$ 1,602,432	
Total Capital Revenue Requirements	\$2,645,856	\$2,883,668	\$3,111,891	\$3,344,860	\$4,079,099	

Monthly Balances: Combined Debt Service and Capital Spending Restricted Account

	2006	2007	2008	2009	2010
Beginning Annual Balance	\$ 1,922,821	\$ 1,971,790	\$ 1,982,490	\$ 1,549,904	\$ 882,747
July					
Monthly Funding DS	114,897	114,897	114,897	114,897	114,897
Monthly Funding CS	105,591	105,591	105,591	105,591	105,591
Debt Service Payment					
Capital Expense (1)	(105,591)	(93,647)	(76,090)	(76,674)	(133,536)
End July Balance	2,037,718	2,098,631	2,126,888	1,693,718	969,699
August					
Monthly Funding DS	114,897	114,897	114,897	114,897	114,897
Monthly Funding CS	105,591	105,591	105,591	105,591	105,591
Debt Service Payment					
Capital Expense	(105,591)	(93,647)	(76,090)	(76,674)	(133,536)
End August Balance	2,152,615	2,225,472	2,271,286	1,837,532	1,056,651
September					
Monthly Funding DS	114,897	114,897	114,897	114,897	114,897
Monthly Funding CS	105,591	105,591	105,591	105,591	105,591
Debt Service Payment					
Capital Expense	(105,591)	(93,647)	(76,090)	(76,674)	(133,536)
End September Balance	2,267,513	2,352,313	2,415,683	1,981,345	1,143,603
October					
Monthly Funding DS	114,897	114,897	114,897	114,897	114,897
Monthly Funding CS	105,591	105,591	105,591	105,591	105,591
Debt Service Payment					
Capital Expense	(105,591)	(93,647)	(76,090)	(76,674)	(133,536)
End October Balance	2,382,410	2,479,154	2,560,081	2,125,159	1,230,555
November					
Monthly Funding DS	114,897	114,897	114,897	114,897	114,897
Monthly Funding CS	105,591	105,591	105,591	105,591	105,591
Debt Service Payment	(834,491)	(918,109)	(1,263,843)	(1,376,469)	(1,400,453)
Capital Expense	(105,591)	(93,647)	(76,090)	(76,674)	(133,536)
End November Balance	1,662,816	1,687,886	1,440,635	892,504	(82,946)
December					
Monthly Funding DS	114,897	114,897	114,897	114,897	114,897
Monthly Funding CS	105,591	105,591	105,591	105,591	105,591
Debt Service Payment					
Capital Expense	(105,591)	(93,647)	(76,090)	(76,674)	(133,536)
End December Balance	1,777,714	1,814,727	1,585,033	1,036,318	4,006
January					
Monthly Funding DS	114,897	114,897	114,897	114,897	114,897
Monthly Funding CS	105,591	105,591	105,591	105,591	105,591
Debt Service Payment					
Capital Expense	(105,591)	(93,647)	(76,090)	(76,674)	(133,536)
End January Balance	1,892,611	1,941,567	1,729,430	1,180,132	90,958
February					
Monthly Funding DS	114,897	114,897	114,897	114,897	114,897
Monthly Funding CS	105,591	105,591	105,591	105,591	105,591
Debt Service Payment					
Capital Expense	(105,591)	(93,647)	(76,090)	(76,674)	(133,536)
End February Balance	2,007,508	2,068,408	1,873,828	1,323,946	177,910
March					
Monthly Funding DS	114,897	114,897	114,897	114,897	114,897
Monthly Funding CS	105,591	105,591	105,591	105,591	105,591
Debt Service Payment					
Capital Expense	(105,591)	(93,647)	(76,090)	(76,674)	(133,536)
End March Balance	2,122,406	2,195,249	2,018,226	1,467,759	264,862
April					
Monthly Funding DS	114,897	114,897	114,897	114,897	114,897
Monthly Funding CS	105,591	105,591	105,591	105,591	105,591
Debt Service Payment					
Capital Expense	(105,591)	(93,647)	(76,090)	(76,674)	(133,536)
End April Balance	2,237,303	2,322,090	2,162,623	1,611,573	351,814
May					
Monthly Funding DS	114,897	114,897	114,897	114,897	114,897
Monthly Funding CS	105,591	105,591	105,591	105,591	105,591
Debt Service Payment	(544,277)	(629,294)	(934,963)	(1,048,301)	(1,076,214)
Capital Expense	(105,591)	(93,647)	(76,090)	(76,674)	(133,536)
End May Balance	1,807,923	1,819,637	1,372,058	707,086	(637,448)
June					
Monthly Funding DS	114,897	114,897	114,897	114,897	114,897
Monthly Funding CS	105,591	105,591	105,591	105,591	105,591
Debt Service Payment					
Capital Expense	(105,591)	(93,647)	(76,090)	(76,674)	(133,536)
End June Balance	1,922,821	1,946,478	1,516,455	850,900	(550,496)
Estimated Interest Income (1)	48,969	36,012	33,449	31,847	33,047
Ending Annual Balance	\$ 1,971,790	\$ 1,982,490	\$ 1,549,904	\$ 882,747	\$ (517,449)