

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,  
3 North 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 role in this proceeding?**

13 A. I have worked with the City of Newport's Finance Director, the Director of Public Works  
14 and the staff of Newport Water to develop pro forma revenue requirements and the resulting cost  
15 allocations and cost based rates and charges. I was responsible for preparing a rate model and  
16 associated schedules that were submitted with my original testimony for this rate filing. I am  
17 also responsible for updating the rate model to incorporate any changes that result from the  
18 interaction between Newport Water, the Rhode Island Public Utility Commission (Commission),  
19 the Division of Public Utilities and Carriers (Division) and interveners as the rate case proceeds.

20

21 **Q. Please describe the purpose of your supplemental testimony.**

22 A. The purpose of this supplemental testimony is to address two issues that have been identified  
23 that will have a material impact on the amount of the rate increase that was requested in the  
24 original filing for this docket.

25

26 **Q. Why is Newport submitting testimony at this time rather than addressing this issue  
27 through rebuttal testimony?**

28 A. Newport became aware of the issues as it was responding to data requests in this docket. One  
29 of the issues in particular will have a material impact on Newport's requested rate increase.  
30 Therefore, we wanted the other parties to this Docket to have this information as soon as possible

1 so they could issue data requests if necessary, and so they could address the issues in their direct  
2 testimony.

3  
4 **Q. Please describe the first of these two issues.**

5 A. The first issue relates to Schedule RFC G that was submitted with my original pre-filed  
6 testimony. This schedule deals with Newport Water's historical and projected water sales. As a  
7 result of a data entry error, the volume of water sold to the Commercial customer class in the test  
8 year (FY 2004) was overstated by approximately 300 million gallons on the version of Schedule  
9 RFC G that was submitted with my original testimony. As shown on attached Schedule RFC G  
10 Supplemental, the actual volume of water sold to the Commercial class in FY 2004 was 640,632  
11 thousand gallons rather than 950,492 thousand gallons.

12  
13 **Q. Please describe the impact that this correction has on projected rate year water sales.**

14 A. This correction results in a decrease in projected sales in the rate year to all customer classes  
15 as shown in the following table and in Schedule RFC G Supplemental.

<b>Annual Consumption, by Class (1,000 gallons)</b>	<b>Original Schedule RFC G</b>	<b>Corrected Schedule RFC G</b>
Residential (T&M)	785,305	737,937
Commercial (T&M)	726,922	620,819
Governmental (T&M)	21,877	20,558
Navy (M)	445,375	418,511
PWFD (M)	472,654	444,145
Metered, Sundry Billed (2)	5,535	5,201
<b>Total</b>	<b>2,457,668</b>	<b>2,247,170</b>

16  
17  
18 **Q. Please describe the impact that this correction in projected rate year water sales has on  
19 proposed rates.**

20 A. The decrease in projected water sales means that Newport Water must charge its customers a  
21 higher amount than was proposed in my original testimony in order to generate the same amount  
22 of revenue. The calculation of the new proposed rates is shown on Schedule RFC 5  
23 Supplemental and the new proposed rates are shown on Schedule RFC 6 Supplemental.

1 **Q. What is the difference between the rates that were proposed in your original testimony**  
2 **and the new proposed rates that result from this correction to the water sales projections?**

3 A. The rate increase proposed for all customers in my original testimony was 15.73%. As a  
4 result of the correction to projected rate year sales, Newport Water will require a 25.27%  
5 increase in rates to all customers in order to generate revenues sufficient to meet the revenue  
6 requirements proposed in my original testimony.

7  
8 **Q. Does the change in rate year projected water sales have an impact on the overall**  
9 **amount of revenue that Newport Water is requesting in this rate filing?**

10 A. No, the overall revenue requirements and the amount of revenue needed to meet these  
11 revenue requirements does not change as a result of the changes in projected rate year water  
12 sales. In fact, as addressed below, Newport's overall revenue requirement has decreased.

13  
14 However, the difference between rate year revenues at existing rates and the amount of revenue  
15 needed to meet the overall revenue requirement does increase as a result of the lowered projected  
16 consumption. As set forth on the original Schedule RFC 5, the original filing requested  
17 additional revenues of \$1,297,187, while Schedule RFC 5 in the corrected rate model  
18 demonstrates the need for an additional \$1,726,291 in revenues above those that would be  
19 generated by the existing rates in the rate year.

20  
21 **Q. Please describe the second issue that will affect Newport Water's requested rate**  
22 **increase.**

23 A. As indicated in Newport Water's response to the Division's first data request (1-27), after  
24 further review of the amount requested under the line item Allowance for Doubtful Accounts on  
25 Schedules RFC 2, RFC 3 and RFC C, Newport Water has determined that the amount of  
26 \$225,000 that was requested in the original rate filing should be reduced to \$30,000.

27  
28  
29

1 **Q. Does this adjustment have an impact on the amount of revenue that Newport Water is**  
2 **requesting in this rate filing?**

3 A. Yes, this adjustment reduces the overall rate year revenue requirements that Newport Water  
4 is requesting by \$197,925 and subsequently reduces the amount of revenue Newport needs to  
5 recover by that same amount. In the original rate filing, Newport Water was requesting total  
6 revenue requirements of \$9,801,199 and total net revenues from rates and charges in the amount  
7 of \$9,542,139. As a result of the adjustment to the Allowance for Doubtful Accounts, the total  
8 overall revenue requirement has decreased to \$9,603,274 and total net revenues from rates and  
9 charges decreases to \$9,344,214.

10

11 **Q. Why is the reduction in revenue requirements greater than the difference between the**  
12 **\$225,000 that was originally requested for doubtful accounts and the supplemental request**  
13 **for \$30,000?**

14 A. The \$197,925 reduction in revenue requirements is greater than \$195,000 reduction in the  
15 Allowance for Doubtful Accounts because the reduction in rate year expenses also results in a  
16 reduction to the line item for Additional Revenue Requirements, which is calculated as 1.5% of  
17 total rate year expenses. Since the reduction in the Allowance for Doubtful Accounts reduces  
18 total rate year expenses, the line item Additional Revenue Requirements is also reduced.

19

20 **Q. What is the net impact on the proposed rates of the adjustments made to address the**  
21 **two issues that you have described in this supplemental testimony?**

22 A. As previously discussed, the correction of the Commercial sales volume in FY 2004 did not  
23 result in a change to the overall revenue requirements or the amount of revenue requested.  
24 However, it did demonstrate that the need for additional revenue, above that generated by  
25 existing rates, is greater than the amount requested in the original rate filing. This correction also  
26 resulted in the need for higher rates in order to generate the required revenues from lower  
27 projected rate year water sales.

28

1 On the other hand, the reduction in the amount requested for the Allowance for Doubtful  
2 Accounts reduced the overall revenue requirements and requested revenues, and if considered  
3 alone would have resulted in a commensurate reduction in proposed rates.

4  
5 The combination of these two adjustments results in an overall decrease in revenue requirements  
6 and requested revenues from rates and charges as described above and an increase in proposed  
7 rates charged to customers. The original filing requested a 15.73% increase to the existing rates  
8 for all customers, while this supplemental testimony requests a 22.67% increase to the existing  
9 rates for all customers.

10

11 **Q. Does Newport Water wish to submit as testimony revised rate model schedules that**  
12 **reflect the adjustments discussed in this testimony?**

13 A. Yes, along with this testimony, Newport Water is submitting revised rate model schedules  
14 that reflect the adjustments discussed in this testimony. These schedules include Schedules RFC  
15 1 Supplemental through RFC 9 Supplemental and Schedules RFC A Supplemental through RFC  
16 K Supplemental.

17

18 To facilitate review of the adjustments, in the electronic version of the model, cell notes have  
19 been added to the cells in which adjustments were made and these cells have been highlighted in  
20 yellow. Note that adjustments were only made to two cells in the rate model on Schedules RFC  
21 C and RFC G; however, these adjustments result in changes to several other schedules, primarily  
22 Schedules RFC 1 through RFC 3 and RFC 5 through RFC 8.

23

24 **Does this conclude your testimony?**

25 A. Yes. However, to the extent that other adjustments to the rate model are required as the rate  
26 filing process proceeds, Newport Water may be required to submit additional revised versions of  
27 the rate model schedules that would reflect these changes.

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



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**RFC**

**Index of Schedules**

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**Main Schedules**

Schedule RFC 1 Supplemental	<a href="#"><u>Summary of Revenue Requirements By Account</u></a>
Schedule RFC 2 Supplemental	<a href="#"><u>Summary of Revenue Requirements By Line Item</u></a>
Schedule RFC 3 Supplemental	<a href="#"><u>Revenue Requirements Detail</u></a>
Schedule RFC 4 Supplemental	<a href="#"><u>Capital Needs and Sources</u></a>
Schedule RFC 5 Supplemental	<a href="#"><u>Allocation of Costs to Customers and Charges</u></a>
Schedule RFC 6 Supplemental	<a href="#"><u>Proposed Rates and Charges</u></a>
Schedule RFC 7 Supplemental	<a href="#"><u>Summary of Revenues and Expenses</u></a>
Schedule RFC 8 Supplemental	<a href="#"><u>Customer Impacts</u></a>
Schedule RFC 9 Supplemental	<a href="#"><u>Restricted Accounts Balances</u></a>

**Support Schedules**

Schedule RFC A Supplemental	<a href="#"><u>Capital Improvements Schedule</u></a>
Schedule RFC B Supplemental	<a href="#"><u>Debt Service - Existing and Proposed</u></a>
Schedule RFC C Supplemental	<a href="#"><u>Individual Line Item Support for Adjustments to Test Year</u></a>
Schedule RFC D Supplemental	<a href="#"><u>Revenue Offsets</u></a>
Schedule RFC E Supplemental	<a href="#"><u>Revenue Proof</u></a>
Schedule RFC F Supplemental	<a href="#"><u>Monthly Balances: Debt Service Restricted Account</u></a>
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Schedule RFC I Supplemental	<a href="#"><u>Public and Private Fire Protection Accounts</u></a>
Schedule RFC J Supplemental	<a href="#"><u>Preliminary Capital Funding Plan</u></a>
Schedule RFC K Supplemental	<a href="#"><u>Monthly Balances: Combined Debt Service and Capital Spending Restricted Ac</u></a>

<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	\$ 868,644	\$ 2,032,168	
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	
<b>Total Operating Requirements</b>	<b>5,219,123</b>	<b>1,346,375</b>	<b>6,565,498</b>	
<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	
<b>Total Capital Requirements</b>	<b>2,612,155</b>	<b>283,701</b>	<b>2,895,856</b>	
Subtotal Revenue Requirements	7,831,278	1,630,075	9,461,353	
Additional Rev Requirements (5)	117,469	24,451	141,920	
<b>Revenue Requirements before Offsets</b>	<b>7,948,747</b>	<b>1,654,526</b>	<b>9,603,274</b>	
Less: Revenue Offsets (6)	(278,113)	19,053	(259,060)	
<b>Net Revenue Requirements</b>	<b>\$ 7,670,634</b>	<b>\$ 1,673,580</b>	<b>\$ 9,344,214</b>	

- (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 St

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	-	30,000	30,000	
<b>Total Operating Requirements</b>		<b>\$ 5,219,123</b>	<b>\$ 1,346,375</b>	<b>\$ 6,565,498</b>	



<b>Debt Service and Capital Outlay</b>		<b>Test Year</b>	<b>Rate Year Adjustment</b>	<b>Rate Year</b>	<b>Notes</b>
<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
<b>Total Debt Service and Capital Outlay</b>		<b>\$ 2,612,155</b>	<b>\$ 283,701</b>	<b>\$ 2,895,856</b>	

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	

Other Operating

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	-	30,000	30,000	See Schedule RFC C
	Subtotal	763,358	722,596	1,485,954	
	Total Administration Operating Requirements	1,163,524	868,644	2,032,168	

<b>Account No. 15-500-2200</b>		<b>Test Year</b>	<b>Rate Year Adjustment</b>	<b>Rate Year</b>	<b>Notes</b>
<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	1,441,644	2,639,168	

**Customer Accounts**

<b>Account No. 15-500-2209</b>		<b>Test Year</b>	<b>Rate Year Adjustment</b>	<b>Rate Year</b>	<b>Notes</b>
<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**

<b>Account No. 15-500-2245</b>		<b>Test Year</b>	<b>Rate Year Adjustment</b>	<b>Rate Year</b>	<b>Notes</b>
<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	
	<b>TOTAL OPERATING REQUIREMENTS</b>	\$ 5,219,123	\$ 1,346,375	\$ 6,565,498	
	<b>TOTAL DEBT SERVICE AND CAPITAL OUTLAY</b>	\$ 2,612,155	\$ 283,701	\$ 2,895,856	

Revenue Requirements Detail

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	1,630,075	9,461,353	
Additional Rev. Reqts. (6)	117,469	24,451	141,920	
<b>Total Revenue Requirements before Offsets</b>	<b>7,948,747</b>	<b>1,654,526</b>	<b>9,603,274</b>	
Less: Revenue Offsets	(278,113)	19,053	(259,060)	
<b>NET REVENUE REQUIREMENTS</b>	<b>7,670,634</b>	<b>1,673,580</b>	<b>9,344,214</b>	

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	
<b>Total Debt Service and Capital Outlay</b>	<b>\$ 2,612,155</b>	<b>\$ 283,701</b>	<b>\$ 2,895,856</b>	
	\$ -	\$ -	\$ -	

- (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	
<b>Rate Year Capital Needs</b>					
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
<b>Total Rate Year Capital Needs</b>		<b>\$ 4,631,261</b>	<b>\$ 4,878,880</b>	<b>\$ 5,333,995</b>	

**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)
<b>Net Rate Funded Capital Revenue Requirements</b>	<b>\$ 1,267,088</b>
Total Capital Revenue Requirements to be Funded with SRF Loan	3,579,507
Less: Water Quality Protection Funds	(579,879)
<b>Net SRF Loan Amount</b>	<b>\$ 2,999,628</b>

- (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 Supplement**

Customer Class	Existing Rate	FY 2006 Consumption (1,000 gals) (1)	Rate Year Revenues Under Existing Rates	% of Total Rate Revenues
Retail	\$ 3.38	1,384,515	\$ 4,679,660	61.43%
Navy	\$ 2.0873	418,511	\$ 873,557	11.47%
Portsmouth	\$ 1.658	444,145	\$ 736,392	9.67%
Total Revenues Under Existing Rates			\$ 6,289,609	

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	7.10%
Fire Protection Charges (Public)	\$ 560.00	982	\$ 549,920	7.22%
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	3.11%

Total Rate Year Revenues from Existing Rates and Charges \$ 7,617,291 100.00%

Net Rate Year Revenue Requirements \$ 9,344,214

**Additional Revenue Needed \$ 1,726,923**

**% Revenue Increase Required 22.67%**

Allocations:

			Proposed Rates	Existing Rates	% Increase In Rates
Retail	61.43%	\$ 5,740,590	\$ 4.15	\$ 3.38	22.67%
Navy	11.47%	\$ 1,071,602	\$ 2.56	\$ 2.09	22.67%
Portsmouth	9.67%	\$ 903,340	\$ 2.03	\$ 1.66	22.67%
Billing Charge	7.10%	\$ 663,499	\$ 13.49	\$ 11.00	22.67%
Public Fire Protection	7.22%	\$ 674,593	\$ 686.96	\$ 560.00	22.67%
Private Fire Protection	3.11%	\$ 290,589			
100.00%		\$ 9,344,214			

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

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

**Docket No. XXXX**

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

**Schedule RFC 6 Sup**

Rates and Charges	Current	% Increase Required	Proposed
<b>Billing Charge (per bill)</b>			
Tertiary	\$ 11.00	22.67%	\$ 13.50
Monthly	11.00	22.67%	13.50
<b>Volume Charge (per 1,000 gallons)</b>			
Retail			
Residential	\$ 3.38	22.67%	\$ 4.15
Commercial	3.38	22.67%	4.15
Governmental	3.38	22.67%	4.15
Wholesale			
Navy	\$ 2.0873	22.67%	\$ 2.5606
Portsmouth Water & Fire District	1.658	22.67%	2.0339
<b>Fire Protection</b>			
Public (per hydrant)	\$ 560.00	22.67%	\$ 686.96
Private (Connection Size)			
Less than 2"	\$ 11.00	22.67%	\$ 13.50
2"	46.00	22.67%	56.43
4"	285.00	22.67%	349.62
6"	570.00	22.67%	699.23
8"	1,305.00	22.67%	1,600.86
10"	2,155.00	22.67%	2,643.57
12"	3,460.00	22.67%	4,244.42

**Docket No. XXXX**

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

**Schedule RFC 7 Sup**

<b>Revenue</b>	<b>Actual FY 2004</b>	<b>Rate Year Amount at Existing Rates</b>	<b>Rate Year Amount at Proposed Rates</b>
Billing Charge	\$ 725,155	\$ 540,877	\$ 663,803
Retail Consumption	3,943,015	4,679,660	5,745,736
Wholesale Bulk Sales	2,181,626	1,609,949	1,974,984
Fire Protection	748,508	786,805	965,186
Miscellaneous	278,113	259,060	259,060
<b>Total Revenues</b>	<b>7,876,417</b>	<b>7,876,351</b>	<b>9,608,769</b>
<b>Expenses</b>			
Administration	1,163,524	2,032,168	2,032,168
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
<b>Total Operating Expenses</b>	<b>5,219,123</b>	<b>6,565,498</b>	<b>6,565,498</b>
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
<b>Total Non-operating Expenses</b>	<b>2,612,155</b>	<b>2,895,856</b>	<b>2,895,856</b>
<b>Total Expenses</b>	<b>7,831,278</b>	<b>9,461,353</b>	<b>9,461,353</b>
<b>Operating Reserve</b>	<b>117,469</b>	<b>141,920</b>	<b>141,920</b>
<b>Total Revenue Requirements</b>	<b>\$ 7,948,747</b>	<b>\$ 9,603,274</b>	<b>\$ 9,603,274</b>
Revenue Surplus/(Deficit)	\$ (72,330)	\$ (1,726,923)	\$ 5,496

City of Newport, Rhode Island  
 2005 Rate Filing  
 Customer Impacts

Schedule RFC 8 Supplemental

Customer Class	Monthly Consumption (gallons)	Bill at Current Rates	Proposed			
			Bill at Proposed Rates	\$ Increase	% Increase	
<b>Residential (Monthly)</b>	1,000	\$14.38	\$17.65	\$3.27	22.74%	
	2,000	\$17.76	\$21.80	\$4.04	22.75%	
	4,000	\$24.52	\$30.10	\$5.58	22.76%	
	Average Use per Bill	4,600	\$26.55	\$32.59	\$6.04	22.76%
	7,500	\$36.35	\$44.63	\$8.28	22.76%	
	10,000	\$44.80	\$55.00	\$10.20	22.77%	
	15,000	\$61.70	\$75.75	\$14.05	22.77%	
	20,000	\$78.60	\$96.50	\$17.90	22.77%	
	25,000	\$95.50	\$117.25	\$21.75	22.77%	
	30,000	\$112.40	\$138.00	\$25.60	22.78%	
<b>Residential(Tertiary)</b>	4,000	\$24.52	\$30.10	\$5.58	22.76%	
	8,000	\$38.04	\$46.70	\$8.66	22.77%	
	16,000	\$65.08	\$79.90	\$14.82	22.77%	
	Average Use per Bill	18,400	\$73.19	\$89.86	\$16.67	22.77%
	30,000	\$112.40	\$138.00	\$25.60	22.78%	
	40,000	\$146.20	\$179.50	\$33.30	22.78%	
	60,000	\$213.80	\$262.50	\$48.70	22.78%	
	80,000	\$281.40	\$345.50	\$64.10	22.78%	
	100,000	\$349.00	\$428.50	\$79.50	22.78%	
	120,000	\$416.60	\$511.50	\$94.90	22.78%	



City of Newport, Rhode Island  
 2005 Rate Filing  
 Customer Impacts

Schedule RFC 8 Supplemental

Customer Class	Monthly Consumption (gallons)	Bill at Current Rates	Proposed			
			Bill at Proposed Rates	\$ Increase	% Increase	
Commercial (Monthly)	2,000	\$17.76	\$21.80	\$4.04	22.75%	
	5,000	\$27.90	\$34.25	\$6.35	22.76%	
	10,000	\$44.80	\$55.00	\$10.20	22.77%	
	20,000	\$78.60	\$96.50	\$17.90	22.77%	
	30,000	\$112.40	\$138.00	\$25.60	22.78%	
	Average Use per Bill	38,000	\$139.44	\$171.20	\$31.76	22.78%
		50,000	\$180.00	\$221.00	\$41.00	22.78%
		75,000	\$264.50	\$324.75	\$60.25	22.78%
		100,000	\$349.00	\$428.50	\$79.50	22.78%

Governmental (Monthly)

	2,000	\$17.76	\$21.80	\$4.04	22.75%
	5,000	\$27.90	\$34.25	\$6.35	22.76%
	10,000	\$44.80	\$55.00	\$10.20	22.77%
	20,000	\$78.60	\$96.50	\$17.90	22.77%
Average Use per Bill	22,000	\$85.36	\$104.80	\$19.44	22.77%
	35,000	\$129.30	\$158.75	\$29.45	22.78%
	50,000	\$180.00	\$221.00	\$41.00	22.78%
	75,000	\$264.50	\$324.75	\$60.25	22.78%
	100,000	\$349.00	\$428.50	\$79.50	22.78%

City of Newport, Rhode Island  
 2005 Rate Filing  
 Customer Impacts

Schedule RFC 8 Supplemental

Customer Class	Monthly Consumption (gallons)	Bill at Current Rates	Proposed		
			Bill at Proposed Rates	\$ Increase	% Increase
Portsmouth (Monthly)	10,000,000	\$16,591.00	\$20,352.50	\$3,761.50	22.67%
	20,000,000	\$33,171.00	\$40,691.50	\$7,520.50	22.67%
	40,000,000	\$66,331.00	\$81,369.50	\$15,038.50	22.67%
	50,000,000	\$82,911.00	\$101,708.50	\$18,797.50	22.67%
	Average Use per Bill 74,000,000	\$122,703.00	\$150,522.10	\$27,819.10	22.67%
	100,000,000	\$165,811.00	\$203,403.50	\$37,592.50	22.67%
	150,000,000	\$248,711.00	\$305,098.50	\$56,387.50	22.67%

Navy (Monthly)

Average Use per Bill	500,000	\$840.00	\$1,030.45	\$190.45	22.67%
	750,000	\$1,254.50	\$1,538.93	\$284.43	22.67%
	3,000,000	\$4,985.00	\$6,115.20	\$1,130.20	22.67%
	5,000,000	\$8,301.00	\$10,183.00	\$1,882.00	22.67%
	7,500,000	\$12,446.00	\$15,267.75	\$2,821.75	22.67%
	10,000,000	\$16,591.00	\$20,352.50	\$3,761.50	22.67%

**Docket No. XXXX**

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

**Schedule RFC 9 Sup**

	<i>Fiscal Year Ending June 30</i>				
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Debt Service Account</b>					
<b>Beginning Cash Balance</b>	\$ 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
<b>Total Additions</b>	<b>1,397,728</b>	<b>1,389,987</b>	<b>1,387,040</b>	<b>1,385,088</b>	<b>1,385,933</b>
<b>Interest Rate</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>
<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
<b>Total Deductions</b>	<b>1,378,768</b>	<b>1,329,991</b>	<b>1,225,792</b>	<b>1,175,642</b>	<b>1,126,411</b>
<b>Ending Cash Balance</b>	<b>185,859</b>	<b>245,855</b>	<b>407,103</b>	<b>616,550</b>	<b>876,072</b>

(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.

<b>Repayment to City Account</b>					
<b>Beginning Cash Balance</b>	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	-	-
<b>Ending Cash Balance</b>	\$ 500,000	\$ 250,000	\$ -	\$ -	\$ -

**Docket No. XXXX**

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

**Schedule RFC 9 Sup**

	<i>Fiscal Year Ending June 30</i>				
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Capital Spending Account (1)</b>					
<b>Beginning Cash Balance</b>	\$ 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
<b>Interest Rate</b>	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
<b>Ending Cash Balance</b>	\$ 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**

<b>Beginning Cash Balance</b>	\$ 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
<b>Interest Rate</b>	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
<b>Ending Cash Balance</b>	\$ 41,849	\$ 42,431	\$ 43,021	\$ 43,619	\$ 44,225

**Electricity Account**

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

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

Schedule RFC A Supplemental

	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
<b>Total CIP Funding Needs</b>	<b>\$ 4,661,261</b>	<b>\$ 4,848,880</b>	<b>\$ 4,594,423</b>	<b>\$ 6,338,556</b>	<b>\$ 8,426,183</b>	<b>\$ 28,869,303</b>

Docket No. XXXX

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

Schedule RFC B Supplemental

**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
<b>Total Existing Debt Service</b>	<b>\$ 1,723,513</b>	<b>\$ 1,396,702</b>	<b>\$ 1,162,908</b>	<b>\$ 1,114,131</b>	<b>\$ 1,009,932</b>	<b>\$ 959,782</b>	<b>\$ 910,551</b>	<b>\$ 8,277,518</b>
<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%
Assumed Term	20
Total Amount Funded	2,999,628

Principal payments:	\$103,373	\$107,250	\$111,272	\$115,445	\$119,774
Interest payments:	\$112,486	\$108,610	\$104,588	\$100,415	\$96,086
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		Proposed Salary Base	Copay	3% MERS	Health Buy	Long	Total
Title							
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					
	Make	Number	Unit	Unit Cost/ month	Total FY 2006
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**

<u>361 Office Supplies</u>			
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
	<u>Rate Year</u>	\$	36,000
	<u>Test Year</u>	\$	21,098
	<u>Adjustment</u>	\$	14,902

999 Allowance for Doubtful Accounts

<u>Rate Year (1)</u>	\$	30,000
Test Year		-
<u>Adjustment</u>	\$	30,000

(1) Amount allowed in Docket # 3578

CSA Contribution to Capital Spending Account

<u>Rate Year</u>			
From Capital Needs and Sources:			
Safe Yield Study		\$	200,000
Equipment and Vehicle Replacement		\$	157,000
	<u>Rate Year</u>	\$	357,000
	<u>Test Year (1)</u>		34,000
	<u>Adjustment</u>	\$	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 &amp; 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 per year	114 \$ 16,780	\$ 17,000
Meter 2"	10	1,902
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		
<b>Total</b>	<b>\$ 38,748</b>	<b>\$ 39,650</b>
<b>Rate Year</b>	<b>\$ 40,000</b>	
<b>Test Year</b>	<b>\$ 3,568</b>	
<b>Adjustment</b>	<b>\$ 36,432</b>	

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
<b>Total</b>	<b>\$ 7,000</b>
<b>Rate Year</b>	<b>\$ 7,000</b>
<b>Test Year</b>	<b>\$ 679</b>
<b>Adjustment</b>	<b>\$ 6,321</b>

380 Customer Service Supplies

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

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

CSA Contribution to Capital Spending Account

<b>Rate Year</b>	
From Capital Needs and Sources:	
Meter Replacement	\$ 50,000
Billing Software	\$ 18,500
<b>Rate Year</b>	<b>\$ 68,500</b>
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)
<b>Total Capital Spending Account Funding for Test Year</b>	<b>\$ 1,056,340</b>
Test Year (1)	18,275
<b>Adjustment</b>	<b>\$ 50,225</b>

(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
	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
	<b>Total</b>						<b>\$ 243,756</b>
	<b>Rate Year</b>						<b>\$ 243,756</b>
	<b>Test Year</b>						<b>\$ 198,774</b>
	<b>Adjustment</b>						<b>\$ 44,982</b>

100	Employee Insurance Coverage	FICA MEDIC	8.99% Pension	Health 5% 5% Plan 200	5% Increase Dental	Life Ins & 5%	Total
	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
	<b>Total</b>						<b>\$ 93,831</b>
	<b>Rate Year</b>						<b>\$ 93,831</b>
	<b>Test Year</b>						<b>\$ 83,199</b>
	<b>Adjustment</b>						<b>\$ 10,632</b>

220	Consultant Fees
	All Consultant Fees are captured under Administration (2200) or the CIP.
	<b>Rate Year</b> \$ -
	<b>Test Year</b> \$ 37,198
	<b>Adjustment</b> \$ (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
	<b>Total</b> \$ 30,000
	<b>Rate Year</b> \$ 30,000
	<b>Test Year</b> \$ 4,393
	<b>Adjustment</b> \$ 25,607

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

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

CSA Contribution to Capital Spending Account

	<u>Rate Year</u>		
	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
	Rate Year	\$	<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
		\$	<u>2,618,637</u>
	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		<u>(34,000)</u>
	Total Capital Spending Account Funding for Test Year		1,056,340
	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

<u>Rate Year</u>		
No CIP Projects identified for Source of Supply - Mainland during the 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
	\$	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

275	<u>Repair &amp; 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
	<u>Rate Year</u>	\$	45,000
	Test Year	\$	39,438
	Adjustment	\$	5,562

311	<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
	<u>Rate Year</u>	\$	26,030
	Test Year	\$	21,441
	Adjustment	\$	4,589

DSA-P	<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
	<u>Rate Year</u>	\$	356,072
	Test Year	\$	551,858
	Adjustment	\$	(195,786)

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

DSA-I	<u>Contribution to Debt Service (Interest)</u>		
	Refunding October 2004 (1)		
	November 15, 2005 Interest Payment	\$ 87,465	2213-452 \$ 121,324
	May 15, 2006 Interest Payment	80,275	<u>Rate Year</u> \$ 46,416
	Total	\$ 167,740	\$ 167,740
	Test Year		\$ 104,043
	Adjustment		\$ (57,627)

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

CSA	<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)
	<u>Rate Year</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
	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

<u>275</u>		<u>Repair &amp; 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:		12,400
	New control valve		
	Rate of flow transmitters & manifold		
	Loss of head transmitters		
	Rate Controller		
	Air Transducer		
	Honeywell chart recorder		
	Oils, fuel, and grease		
	Compressor maintenance		2,000
	Backflow devices		
	Alum pumps		3,500
	Coastal Electric (three visits)		4,000
	Basin flocculator repairs		5,000
		Total	\$ 60,000
		Rate Year	\$ 60,000
		Test Year	\$ 54,322
		Adjustment	\$ 5,678

<u>311</u>		<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

<u>CSA</u>		<u>Contribution to Capital Spending Account</u>	
	<u>Rate Year</u>		
	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
	<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		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 x5/16 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
		<b>2223-311</b>		
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
		<b>2222-311</b>		
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 Conferences	\$ 200	3,200
			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
			Total	\$ 6,690
			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</u>	<u>\$ 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
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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 &amp; 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
								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 Adjustment
	Rate Year	Test Year	
	\$ 22,000	\$ 21,904	
	\$ 175,000	\$ 224,628	
	\$ 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)

<b>2213 Source of Supply - Mainland</b>		
Bond Principal	\$ 610,000	35.4%
Bond Interest	\$ 303,521	17.6%
<b>2222 Treatment - Newport</b>		
Bond Principal	\$ 625,000	36.3%
Bond Interest	\$ 117,833	6.8%
<b>2241 T&amp;D Maintenance</b>		
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
	<u>2,999,628</u>	<u>100%</u>

**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

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

Individual Line Item Support for Adjustments to Test Year

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

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

	Test Year	Rate Year Adjustment	Rate Year
<b>Water Revenue Summary</b>			
<b>Account No. 15-0</b>			
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
<b>Offsets to Revenue Requirements</b>	<b>\$ 278,113</b>	<b>\$ (19,053)</b>	<b>\$ 259,060</b>

Docket No. XXXX

City of Newport, Rhode Island  
 2005 Rate Filing  
 Revenue Proof

Schedule RFC E Su

Actual FY 2004 (1)	Existing		Proposed	
		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	\$ 540,945
Commercial	252,237	\$ 95,572	\$ 117,293
Governmental	2,757	\$ 2,884	\$ 3,540

Wholesale

Navy	2,605	1,518	1,863
Portsmouth Water & Fire District	11	132	162
<b>Total Billing Charge Revenues</b>	<b>725,155</b>	<b>540,877</b>	<b>663,803</b>

From Water Commodity Charge

Retail

Residential	2,393,644	2,494,228	3,062,440
Commercial	1,484,595	2,098,367	2,576,398
Governmental	64,776	69,485	85,315
Metered Sundried Billed		17,579	21,584
<b>Subtotal Retail Commodity Revenue</b>	<b>3,943,015</b>	<b>4,679,660</b>	<b>5,745,736</b>

Wholesale

Navy	1,239,424	873,557	1,071,638
Portsmouth	942,202	736,392	903,346
<b>Subtotal Wholesale Commodity Revenue</b>	<b>2,181,626</b>	<b>1,609,949</b>	<b>1,974,984</b>

**Total Revenues from Commodity Charge**

<b>6,124,641</b>	<b>6,289,609</b>	<b>7,720,720</b>
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From Fire Protection

Public Fire Protection Revenue	534,559	549,920	674,595
Private Fire Protection Revenue	213,949	236,885	290,591
<b>Total Fire Protection Revenues</b>	<b>748,508</b>	<b>786,805</b>	<b>965,186</b>

Other Revenue

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

<b>\$ 7,876,417</b>	<b>\$ 7,876,351</b>	<b>\$ 9,608,769</b>
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Docket No. XXXX

City of Newport, Rhode Island  
 2005 Rate Filing  
 Revenue Proof

Schedule RFC E Su

	Existing		Proposed	
	Actual FY 2004 (1)	FY 2006 Rate Year at Existing Rates	FY 2006 Rate Year at Proposed Rates	
<b>Total Revenue Requirements</b>				
Operating	\$ 5,219,123	\$ 6,565,498	\$ 6,565,498	
Capital	2,612,155	2,895,856	2,895,856	
Subtotal Revenue Requirements	7,831,278	9,461,353	9,461,353	
Additional Rev Req.	117,469	141,920	141,920	
<b>Total Revenue Requirements</b>	<b>7,948,747</b>	<b>9,603,274</b>	<b>9,603,274</b>	
<b>Surplus/(Deficit) of Revenues to be Recovered from All Charges</b>				
Total Revenue Requirements	7,948,747	9,603,274	9,603,274	
Other Revenue	(278,113)	(259,060)	(259,060)	
Net Revenue Requirements	7,670,634	9,344,214	9,344,214	
Total Revenue from Rates and Charges	7,598,304	7,617,291	9,349,709	
Revenue Surplus/(Deficit)	\$ (72,330)	\$ (1,726,923)	\$ 5,496	
<b>Debt Service Coverage Calculations</b>				
Total Revenues	\$ 7,876,417	\$ 7,876,351	\$ 9,608,769	
Less: Operating Expenses	5,219,123	6,565,498	6,565,498	
<b>Net Revenues Available for Debt Service</b>	<b>2,657,294</b>	<b>1,310,853</b>	<b>3,043,271</b>	
<b>Total Debt Service</b>	<b>1,723,513</b>	<b>1,378,768</b>	<b>1,378,768</b>	
<b>Total Debt Service Coverage</b>	<b>1.54</b>	<b>0.95</b>	<b>2.21</b>	
<i>Minimum Total Debt Service Coverage Ratio</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>	
<b>Revenue Bond Debt Service</b>	\$ 1,723,513	\$ 1,162,908	\$ 1,162,908	
<b>Revenue Bond Coverage Ratio</b>	<b>1.54</b>	<b>1.13</b>	<b>2.62</b>	
<i>Minimum Revenue Bond Coverage Ratio</i>	<i>1.2</i>	<i>1.2</i>	<i>1.2</i>	
<b>SRF Loan Debt Service</b>	\$ -	\$ 215,860	\$ 215,860	
Revenues Available to pay SRF Loan (2)	933,782	147,945	1,880,363	
<b>SRF Loan Coverage Ratio</b>	<b>N/A</b>	<b>0.69</b>	<b>8.71</b>	
<i>Minimum SRF Loan Coverage Ratio</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>	
<b>Revenues Remaining After Paying All Debt Service</b>	<b>\$ 933,782</b>	<b>\$ (67,915)</b>	<b>\$ 1,664,504</b>	
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)	(141,920)	(141,920)	
<b>Revenue Surplus (Deficit)</b>	<b>\$ (274,027)</b>	<b>\$ (1,726,923)</b>	<b>\$ 5,496</b>	

(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.

	Fiscal Year Ending June 30					
	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 actually 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	Projected
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	Average	FY 2006
<b>Annual Consumption, by Class (1)</b>							
Residential (T&M)	682,937	698,765	773,872	780,666	736,577	<b>734,563</b>	<b>737,937</b>
Commercial (T&M)	703,460	620,182	561,576	564,052	640,632	<b>617,980</b>	<b>620,819</b>
Governmental (T&M)	20,634	20,197	19,222	19,132	23,134	<b>20,464</b>	<b>20,558</b>
Navy (M)	466,167	450,247	307,051	348,222	511,299	<b>416,597</b>	<b>418,511</b>
PWFD (M)	438,179	442,582	455,142	451,723	422,944	<b>442,114</b>	<b>444,145</b>
Metered, Sundry Billed (2)	5,866	4,431	6,353	5,244	3,992	<b>5,177</b>	<b>5,201</b>
<b>Total (in 1000's Gallons)</b>	<b>2,317,243</b>	<b>2,236,404</b>	<b>2,123,216</b>	<b>2,169,039</b>	<b>2,338,578</b>	<b>2,236,896</b>	<b>2,247,170</b>

(includes both monthly and tertiary accounts)

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

→ 0.23%

(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)	617,980	3,045	12,180	138.7
Commercial (Monthly)		5,643	5,643	34.7
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



**Docket No. XXXX**

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

**Schedule RFC H Sup**

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

**% CompoundGrowth 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 Supplementa**

	<b>March 30 2002</b>	<b>June 30 2000</b>	<b>June 30 2001</b>	<b>June 30 2002</b>	<b>June 30 2003</b>	<b>Dec 31 2003</b>	<b>June 30 2004</b>	<b>Feb 28 2005</b>
<b>Public Hydrants</b>								
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
<b>Total</b>	<b>951</b>	<b>949</b>	<b>949</b>	<b>951</b>	<b>951</b>	<b>951</b>	<b>975</b>	<b>982</b>

**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
<b>Commercial</b>								
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
<b>Government - General</b>								
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
<b>Government - Navy</b>								
6" Connection	2	3	3	3	3	3	3	3
	2	3	3	3	3	3	3	3
<b>Government - City Newport</b>								
6" Connection						2	2	2
8" Connection	1	1	1	1	1	2	2	2
	1	1	1	1	1	4	4	4
<b>Total</b>	<b>238</b>	<b>240</b>	<b>240</b>	<b>309</b>	<b>329</b>	<b>332</b>	<b>329</b>	<b>329</b>

**Number of Accounts per Connection Size**

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

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
<b>Total</b>	<b>263</b>	<b>241</b>	<b>241</b>	<b>310</b>	<b>330</b>	<b>332</b>	<b>329</b>	<b>329</b>

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

Schedule RFC J Supplemental

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	Total
<b>Studies</b>						
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
<b>Raw Water Supply and Transmission</b>						
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	-	-	-	-	-	-
<b>Treatment</b>						
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
<b>Transmission, Storage and Distribution</b>						
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
<b>Miscellaneous</b>						
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
<b>Total CIP Funding Needs</b>	<b>\$ 4,631,261</b>	<b>\$ 4,878,880</b>	<b>\$ 4,594,423</b>	<b>\$ 6,338,556</b>	<b>\$ 8,426,183</b>	<b>\$ 28,869,303</b>

**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)				
<b>Total Rate Funded</b>	<b>\$ 1,267,088</b>	<b>\$ 1,123,664</b>	<b>\$ 913,084</b>	<b>\$ 920,089</b>	<b>\$ 1,602,432</b>

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
	<b>\$1,378,768</b>	<b>\$1,547,404</b>	<b>\$2,198,807</b>	<b>\$2,424,771</b>	<b>\$2,476,667</b>

**Rate Funded Capital**

	\$ 1,267,088	\$ 1,336,264	\$ 913,084	\$ 920,089	\$ 1,602,432
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<b>Total Capital Revenue Requirements</b>	<b>\$2,645,856</b>	<b>\$2,883,668</b>	<b>\$3,111,891</b>	<b>\$3,344,860</b>	<b>\$4,079,099</b>
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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
<b>July</b>					
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
<b>August</b>					
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
<b>September</b>					
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
<b>October</b>					
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
<b>November</b>					
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)
<b>December</b>					
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
<b>January</b>					
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
<b>February</b>					
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
<b>March</b>					
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
<b>April</b>					
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
<b>May</b>					
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)
<b>June</b>					
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)