

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: PAWTUCKET WATER SUPPLY :
BOARD GENERAL RATE FILING : DOCKET NO. 3945

REPORT AND ORDER

I. Background

On March 28, 2008, Pawtucket Water Supply Board (“PWSB”), a non-investor owned utility, filed with the Public Utilities Commission (“Commission”) an application for a general rate increase for effect April 28, 2008, pursuant to R.I.G.L. § 39-3-11. PWSB requested a total rate revenue increase of 17.4%, to collect an additional \$3,109,387 for operating revenues, for a total revenue requirement of \$20,938,109.

On April 9, 2008, the Commission suspended the effective date of PWSB’s requested rate increase in order to conduct a full investigation and to hold public hearings. The Commission also granted PWSB’s Petition for Relief from Filing Requirements Rule 2.6(a), seeking approval to use a rate year January 1, 2009 through December 31, 2009, a period which commences more than six months following the proposed effective date of the new tariffs. PWSB’s main reasoning for its request is to reduce the delay in collecting a full year’s revenue during the rate year. Because a Commission decision is due on or before October 28, 2008, PWSB will have the opportunity to collect almost a full quarter of its new rates in its first billing of the rate year, thus alleviating some of the difficulties it alleged as a result of regulatory lag during the period of the Commission’s investigation.

The instant general rate case filing represents PWSB’s fifth rate filing in the last seven years. The following table provides a brief history:

Docket No.	Filing Date	Amount Requested	Amount Allowed	Revenue Increase (%)
3378	8/20/01	\$3,828,966	\$2,732,584	29.9%
3497	2/28/03	\$3,157,389	\$2,382,459	21.13%
3593 ¹	2/23/04	\$3,414,969	\$3,414,969	25%
3674	4/11/05	\$3,540,101	\$1,259,117	7.7%
3945	3/28/08	\$3,109,387	\$1,333,548	11.1%

PWSB and the Division of Public Utilities and Carriers (“Division”) each submitted Pre-filed Testimony addressing all, or portions of, PWSB’s revenue requirement for the Rate Year commencing January 1, 2009 using a Test Year of FYE June 30, 2007. Several issues that were initially contested in Pre-Filed Direct Testimony were settled during the Rebuttal and Surrebuttal phases, including residential consumption, wholesale sales revenue, private fire service revenue, property taxes, miscellaneous non-operating revenue, police details, general liability insurance, customer growth, the methodology for projecting commercial revenue, and cost allocations. Three issues remained, namely, salary and wages, pension expenses and the operating revenue allowance. These remaining issues were settled through the filing of a Settlement Agreement between PWSB and the Division prior to the commencement of the hearings.

II. Settlement

On September 2, 2008, following the filing of pre-filed testimony by each of the parties, PWSB filed a proposed Settlement Agreement (“Settlement”) with the Commission settling all issues with the Division in the instant matter. The parties to the

¹ The amount requested was entirely for debt service and not to cover any operating expenses. The effective date was April 1, 2005, at the request of the Company. Otherwise, by statute, the effective date could have been no later than September 23, 2004.

Settlement agreed to additional revenues of \$1,992,810, an increase of 11.1% to support a total cost of service of \$19,940,794. The effect on a typical residential customer with annual consumption of 100 HCF would be an increase of \$62.92 or 17.58 percent, from \$357.88 to \$420.80 per year or approximately \$15.73 per quarter.²

To resolve the outstanding expense issues (salaries and wage expense, associated payroll taxes and pension contributions) the parties agreed that the PWSB's rebuttal position on salaries and wage expense would be reduced by \$77,486 on a pro-rata basis to all salaries and wages. To resolve their opposing opinions regarding the operating revenue allowance, the parties agreed to a 1.5 percent allowance of the rate revenues provided for in the Settlement. The operating revenue allowance was calculated at \$272,178 and represented an increase over the previously approved 1.5 percent allowance on the Operation and Maintenance ("O&M") expenses only. However, PWSB specifically stated that it still believes a 5 percent operating revenue allowance calculated on total expenses is proper and reserved the right to raise the issue as part of future rate requests.³

In their respective pre-filed testimony, the parties had generally agreed on the cost of service study and rate design. However, there was a dispute over the allocation of police details associated with transmission and distribution and another over the public fire charges. The parties agreed to accept the Division's change in the allocation of police details associated with transmission and distribution expenses. Additionally, the

² Settlement Agreement, p. 3 (attached hereto as Appendix A).

³ *Id.* at 4-5.

parties agreed to use the public fire charges submitted in PWSB's initial filing and to reduce the metered rates with the proposed additional revenues.⁴

VI. Hearing

A duly noticed public evidentiary hearing was held at the Commission's offices at 89 Jefferson Boulevard, Warwick, Rhode Island on September 3, 2008 for the purpose of considering the proposed Settlement Agreement.

The following appearances were entered:

FOR PWSB:	Joseph Keough, Jr., Esq.
FOR DIVISION:	Leo Wold, Esq. Special Assistant Attorney General
FOR COMMISSION:	Cynthia G. Wilson-Frias, Esq. Senior Legal Counsel

In support of the Settlement, PWSB presented James L. DeCelles, P.E., Chief Engineer of PWSB, Christopher P. N. Woodcock, a consultant to PWSB, David G. Bebyn, a consultant to PWSB, and Robert E. Benson, Chief Financial Officer of PWSB as part of a joint panel. The Division presented Andrea C. Crane, its consultant, as part of the joint panel.

Mr. DeCelles explained that although not set forth as a part of the Settlement, PWSB and the Town of Cumberland had settled an outstanding tax dispute which resulted in a \$1 million payment being made to PWSB which, in accordance with the Commission's Order in Docket No. 3674, was deposited into a restricted account. In this docket, PWSB had proposed, and the Division had accepted, to use the funds to cover

⁴ *Id.* at 5.

surveying costs in Cumberland so that PWSB could identify and measure its parcels and to use the remaining funds to acquire additional watershed land.⁵

Mr. DeCelles also explained that although not set forth in the Settlement, there had been no objection during the filing of testimony to PWSB's proposal to create a new position in collections.⁶ However, Mr. DeCelles also testified at the hearing that PWSB was seeking funding for a total of 54 positions, three less than approved in the last rate case.⁷ He explained that rather than hiring additional employees to work on the distribution system in Central Falls as was originally planned, PWSB made its crews smaller in order to have more crews available to do the work.⁸

Advising the Commission of the status of the new water treatment facility, Mr. DeCelles explained that the outside vendor, EarthTech, had moved all operations out of the old facility and were in the process of cleanup and removal of equipment. He indicated that EarthTech will then provide PWSB with a design to relocate the transmission and distribution ("T&D") facility to the location of the old facility. He noted that the T&D operations are in temporary facilities and as such, there will be no additional building of which to dispose.⁹ He clarified that a portion of the old treatment facility would need to be demolished due to structural concerns.¹⁰ Addressing the increased payment to EarthTech, Mr. DeCelles explained that the new treatment plant is more expensive to operate than the old one because of the new treatment process which is more energy intensive than the old process.¹¹

⁵ Tr. 9/3/08, pp. 17-18.

⁶ *Id.* at 14-15.

⁷ *Id.* at 39.

⁸ *Id.*

⁹ *Id.* at 19-20.

¹⁰ *Id.* at 20-21.

¹¹ *Id.* at 58-60.

Discussing pro forma consumption, Mr. Benson agreed that with the exception of the Cycle 11 billing, consumption is based on a four year average. However, Mr. Benson explained that Cycle 11 represents monthly industrial customers and the pro forma consumption for this class was based on Fiscal Year 2008. Ms. Crane indicated that the average was used for the smaller rate classes because of the impact of weather fluctuations on these customers' usage whereas industrial customer usage is more sensitive to the level of business activity. For example, she noted that the gain or loss of one large industrial customer can have a significant impact on consumption. Mr. Bebyn added that the use of a four year average for the Cycle 11 customer class would "grossly overstate" the consumption due to the loss of Osram Sylvania and reduced usage at Pawtucket Power.¹² Addressing the rationale for not using the Town of Cumberland's projections for wholesale water sales, the parties were comfortable using a four year average because Cumberland projected its usage based on less than a full year's data. Ms. Crane indicated that the Division recognized that sales to Cumberland have been increasing over time, but believed that in the overall context of the Settlement where many other projections were based on the use of a four year average, it was reasonable not to use FY 2008 as the basis.¹³

With regard to the allowance in the Settlement for funding of salaries and wage expenses, the parties agreed that the funding included anticipated salary increases that may result from ongoing labor contract negotiations. However, neither of the parties supported restricting a particular percentage of the salaries and wage expense because the rate year expense was a negotiated number based on an overall reduction of \$77,486. Mr.

¹² *Id.* at 51-53.

¹³ *Id.* at 54-58.

Woodcock explained that within this particular expense, “there had been three areas of disagreement, the amount of salaries and wages, direct salaries and wages, the associated payroll tax expense and the pension costs. The \$77,486 was an agreed upon number that really addressed all three of those issues, and for purposes of the settlement was prorated across what we had for salary numbers...[the projected salary increase is] embedded in there certainly, but it’s not quantified, and I’m not sure it’s quantifiable.”¹⁴ Ms. Crane agreed with Mr. Woodcock and indicated that if there were no increases resulting from a union contract, the revenue requirement would be somewhat overstated, but she believed that possibility was unlikely.¹⁵

Additionally, Ms. Crane testified that the Division was comfortable using an inflationary factor for electricity of 17.44 percent and to use estimates for oil rather than making adjustments for actual bids in the future because the Division viewed the Settlement as a package with a bottom line number. She also noted that the process of ratemaking is to set rates based on the best information available at the time. She stated that allowing adjustments for specific items in this case would turn ratemaking into a reimbursement system and would not be in the best interest of any party.¹⁶ She reiterated that rates are set based on the best available information and the utility must run within those constraints in the event future costs are different.¹⁷

Responding to a question regarding the reduction in public fire charges from \$629.93 to \$337.25, a 46.5% reduction, Mr. Woodcock explained that the largest impact was from a reallocation of the transmission and distribution salaries. He indicated that

¹⁴ *Id.* at 21-23.

¹⁵ *Id.* at 23-24.

¹⁶ *Id.* at 42-45.

¹⁷ *Id.* at 48-49.

PWSB updated the costs associated with hydrants, mains, and services using time sheets for the last two years. Therefore, he opined that PWSB's calculations related to fire protection, service repairs and replacements and work on pipes, transmission and distribution pipes were more accurate and resulted in a significant departure from previous estimations. These calculations showed that the costs associated with public fire service had been overstated in prior dockets.¹⁸

Discussing a new methodology for calculating lost and unaccounted for water, Mr. Woodcock explained that Rhode Island was unique in its use of the inch foot methodology which takes into account the length and diameter of the pipe, but does not seem to have support among the industry. Conversely, there is clear support in publications and analyses for basing lost and unaccounted for water on the length of the pipe only. He further explained that the methodology used in this case accounts for service pipes as well as distribution and transmission pipes. Mr. Woodcock also noted that while the half percent calculated to fire protection is not an industry standard, it is not unreasonable based on prior history and a review of other water utilities.¹⁹

Addressing the cost for police details required when PWSB does work on public streets, the parties utilized a seven month period through January 31, 2008 and increased it by inflation for one and a half years to develop the rate year expense. However, with regard to work in Central Falls, the police detail costs were doubled based on the City's requirements. Mr. DeCelles explained that Central Falls had been requiring police details even when PWSB was not interfering with traffic and that these requirements were in excess of those in Pawtucket and Cumberland. He indicated that PWSB had been and

¹⁸ *Id.* at 25-28.

¹⁹ *Id.* at 29-34.

would continue working with Central Falls' officials to develop similar standards as the other communities.²⁰

Explaining the methodology for determining the contractual services management fees paid to the City of Pawtucket ("City Services"), Mr. Benson explained that at the end of the fiscal year, each of the management departments prepares an analysis of the time devoted to activities related to PWSB.²¹ Each department prepares a memorandum which they submit to the Deputy Finance Director together with supporting documentation that "shows the calculation of how each department arrived at their amount of the management charge back...."²² Mr. Benson indicated that the Deputy Finance Director provides a copy to the PWSB with a copy of the journal entry indicating the charge for that year.²³

VI. Commission Findings

On September 30, 2009, at the Commission's open meeting, the Commission considered the Settlement and the evidence in the record and approved the Settlement as filed, finding it to be just and reasonable.

The Commission notes that the parties agreed to a new methodology for calculating lost and unaccounted for water which bases the calculation on the length of pipe only without taking into account the diameter of the pipes. This is a methodology was first raised by Kent County Water Authority ("KCWA") during the Surrebuttal stage of Docket No. 3832, *In re: Providence Water Supply Board Application to Change Rate Schedules*. In the Commission's Order, KCWA's proposal was denied on the basis that

²⁰ *Id.* at 34-35.

²¹ *Id.* at 37-38.

²² *Id.* at 38.

²³ *Id.*

the evidence was presented too late in the proceeding. However, the Commission encouraged the parties to raise the issue in future rate cases. Mr. Woodcock was KCWA's witness in Docket No. 3832 and raised the issue in the instant docket. The parties were able to fully review the basis for his proposal and accepted it. After review of the evidence and testimony at the hearing, the Commission specifically approves this methodology for calculating lost and unaccounted for water, finding it to be supported by the water industry through credible scholarly publications.

Additionally, the Commission accepts PWSB's methodology for determining its City Services. The Commission finds that in PWSB's case, the city's internal process of requesting an allocation of time each year from the various city departments together with supporting documentation is reasonable. It appears PWSB has a mechanism by which to review the charges it receives from the city for reasonableness.

Accordingly, it is

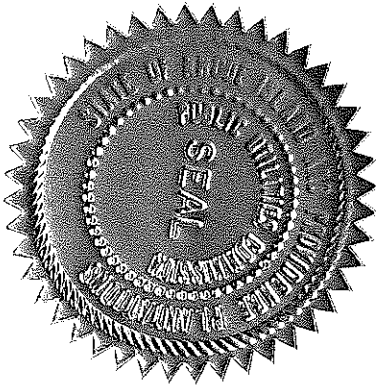
(19671) ORDERED:

1. Pawtucket Water Supply Board's Application for a General Rate Increase, filed on March 28, 2008, is hereby denied and dismissed.
2. The Settlement filed between Pawtucket Water Supply Board and the Division of Public Utilities Commission and associated tariffs are hereby approved.
3. Pawtucket Water Supply Board is granted a revenue increase of \$1,992,810, for a total cost of service of \$19,940,794 to be applied to usage on and after October 1, 2008.

4. Pawtucket Water Supply Board shall restrict funds from rates for the following accounts annually: Debt Service (\$6,688,543); IFR (\$3,100,000); Capital Leases (\$149,781); and O&M Reserve (\$0).²⁴
5. Pawtucket Water Supply Board shall comply with all other findings and instructions as contained in this Report and Order.

EFFECTIVE AT WARWICK, RHODE ISLAND PURSUANT TO AN OPEN MEETING DECISIONS ON SEPTEMBER 30, 2008. WRITTEN ORDER ISSUED JUNE 19, 2009.

PUBLIC UTILITIES COMMISSION





Elia Germani, Chairman

**Robert B. Holbrook, Commissioner

*Mary E. Bray, Commissioner

*Commissioner Bray recused herself from this docket as a result of her position on the Pawtucket City Council.

**Commissioner Holbrook concurred with the decision, but has retired and is unavailable for signature.

²⁴ See Settlement Agreement, Schedule 1, p. 4. The O&M Reserve was not funded through rates because it was fully funded and needed no further deposits.

APPENDIX A

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

**IN RE: PAWTUCKET WATER SUPPLY BOARD)
 APPLICATION TO CHANGE RATE) DOCKET NO. 3945
 SCHEDULES)**

SETTLEMENT AGREEMENT

I. INTRODUCTION

The Pawtucket Water Supply Board (“PWSB”) and the Division of Public Utilities and Carriers (“Division”) have reached an agreement on the PWSB’s March 28, 2008 Application To Change Rate Schedules. As such, the PWSB and the Division jointly request the approval of this Settlement Agreement by the State of Rhode Island Public Utilities Commission (hereinafter “Commission”).

II. RECITALS

1. On March 28, 2008, the PWSB filed an Application To Change Rate Schedules (hereinafter “Application”) pursuant to R.I.G.L § 39-3-11 and Part II of the Commission’s Rules of Practice and Procedure.
2. The Application originally sought to collect additional operating revenue in the amount of \$3,109,387 to support total operating revenues of \$20,938,109.
3. The impact of this request would have resulted in a 19.1% increase in revenues.
4. The application also contained a Cost of Service Study and Rate Design to determine the level of costs properly recoverable from each of the various classes of the PWSB’s customers.

5. In support of its Application, the PWSB filed the direct testimony and schedules of David Bebyn, C.P.A. of B& E Consulting, LLC; Christopher P.N. Woodcock of Woodcock & Associates, Inc.; Robert E. Benson, Chief Financial Officer of the Pawtucket Water Supply Board; and, James L. DeCelles, P.E., Chief Engineer of the Pawtucket Water Supply Board..
6. In response to the PWSB's filing, the Division conducted an investigation and review of the proposed rate change request with the assistance of its staff and two outside expert consultants. The Division also issued data requests to assist in its investigation and review.
7. On July 16, 2008, the Division submitted direct testimony from its consultants Andrea C. Crane of The Columbia Group, Inc. and Jerome D. Mierzwa of Exeter Associates, Inc.
8. The Division, through Ms. Crane's testimony, recommended that the PWSB's revenue increase be limited to \$1,637,884, which would equal a 9.9% increase in revenues. Mr. Mierzwa evaluated the PWSB's Cost of Service Study and Rate Design and recommended certain adjustments.
9. On August 14, 2008, the PWSB filed rebuttal testimony and schedules from its witnesses David G. Bebyn, Christopher P.N. Woodcock, Robert E. Benson and James L. DeCelles. In its rebuttal testimony and schedules the PWSB amended its original revenue request. The revised request sought to collect additional operating revenues in the amount of \$2,707,514 or a 16.5% increase in revenues.
10. Following the submission of the PWSB's rebuttal testimony, and prior to the Division filing its surrebuttal testimony, the parties engaged in settlement discussions.

11. On August 25, 2008, the Division filed surrebuttal testimony and schedules of Andrea C. Crane.
12. As a result of these settlement discussions and after due consideration of the testimony, exhibits, schedules, data requests, data responses, and other documentation included in the filings of the parties in this Docket, the PWSB and the Division have now agreed to a comprehensive settlement which resolves all issues relating to the PWSB's Application to Change Rate Schedules.
13. The PWSB and the Division, by and through their respective representatives, believe that this settlement, as a whole, constitutes a just and reasonable resolution of the issues in this proceeding, and jointly request its approval by the Commission.

III. TERMS OF SETTLEMENT

Revenue Requirement

14. Incorporated herein and attached hereto as Exhibit 1 are Joint Settlement Schedules 1.0 through 10.0, which memorialize the settlement reached between the PWSB and the Division. The parties agree with these schedules as presented.
15. As set forth in these schedules, the PWSB's rates are designed to allow for the collection of additional operating revenue in the amount of \$1,992,810 to support total cost of service of \$19,940,794. The impact of this request will result in an 11.1% increase in total revenues. For a typical residential customer who uses 100 HCF of water per year, the impact of this request will result in an increase of \$62.92 per year, from \$357.88 per year to \$420.80 per year, or 17.58%. The impact on other retail customers' bills will vary based on classification and consumption level.

16. During settlement discussions, the PWSB and the Division had narrowed their areas of disagreement on the PWSB's revenue request to three specific expense items: (1) Salaries and Wage Expense; (2) associated Payroll tax expense, and (3) Pension Contributions. It was the Division's position that the PWSB's rebuttal position for these items should be further reduced by \$247,495. The PWSB took the position that the amounts requested in rebuttal were proper and that no further deductions should be made. In an effort to resolve these remaining three issues, the parties have agreed that the PWSB's rebuttal position on Salaries and Wage Expense will be reduced by \$77,486. This reduction will be made to all salaries and wages on a pro-rata basis.

Operating Revenue Allowance

17. The issue of setting a proper Operating Revenue Allowance was once again litigated in this Docket, as it had been in PWSB Docket 3674, which was filed on April 11, 2005, and in several other recent rate filings before the Commission. In its original filing, the PWSB requested an Operating Revenue Allowance equal to five percent (5%) of total revenues, which would equate to \$924,649. The Division recommended that the PWSB's Operating Revenue Allowance remain at one and a half percent (1.5%) of operation and maintenance expenses, which would equal \$139,071.

The PWSB continues to maintain that an Operating Revenue Allowance equal to five percent (5%) of total expenses, a portion of which would be restricted, is the proper amount. Nevertheless, the PWSB is also mindful that the parties have worked diligently to settle *all* of the issues in this Docket, which will ultimately reduce the

rate case costs to be borne by ratepayers. The PWSB recognizes that the Operating Revenue Allowance proposed in this settlement, which is equal to one and a half percent (1.5%) of rate revenues, represents an increase over its current Operating Revenue Allowance of one and a half percent (1.5%) of operation and maintenance expenses. Thus, the PWSB agrees to the Operating Revenue Allowance of one and a half percent (1.5%) of rate revenues (\$272,178) provided for in this settlement.

This agreement is subject to paragraphs 21 and 22 herein below, and the PWSB shall not be prevented from requesting an increase to its Operating Revenue Allowance in future rate cases or proceedings before the Commission.

Cost of Service

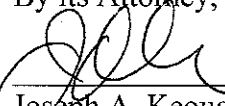
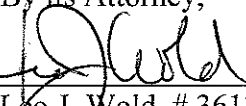
18. In his direct testimony, Division witness Jerome Mierzwa generally agreed with the cost of service study and rate design proposed by PWSB witness Christopher Woodcock. Mr. Mierzwa did recommend one change in the allocation of police details associated with transmission and distribution expenses. PWSB agreed to this revision in its rebuttal testimony and it is reflected in the settlement schedules.
19. Mr. Mierzwa also recommended that PWSB's proposed reduction to the public fire charges be cut in half and that the additional revenues be used to offset the proposed metered rates. For the proposed settlement, the parties have agreed to use the public fire charges submitted in PWSB's original filing and reduce the metered rates with the proposed additional revenues.

IV. EFFECT OF SETTLEMENT

20. This Settlement Agreement is the result of a negotiated settlement. The discussions which have produced this Settlement Agreement have been conducted with the explicit understanding that all offers of settlement and discussion relating thereto are and shall be privileged, shall be without prejudice to the position of any party or participant presenting such offer or participating in any such discussion, and are not to be used in any manner in connection with these or other proceedings.
21. This settlement agreement is the product of negotiation and compromise. The making of this agreement establishes no principal or precedent. This agreement shall not be deemed to foreclose any party from making any contention in any future proceeding or investigation.
22. The agreement by any party to the terms of this Settlement Agreement shall not be construed as an agreement as to any matter of fact or law beyond the terms thereof. By entering into this Settlement Agreement, matters or issues other than those explicitly identified in this agreement have not been settled upon or conceded by any party to this Settlement Agreement, and nothing in this agreement shall preclude any party from taking any position in any future proceeding regarding such unsettled matters.
23. In the event that the Commission rejects this Settlement Agreement, or modifies this agreement or any provision therein, then this agreement shall be deemed withdrawn and shall be null and void in all respects.

IN WITNESS WHEREOF, the Parties agree that this Settlement Agreement is reasonable, in the public interest and in accordance with law and regulatory policy, and have caused this agreement to be executed by their respective representatives, each being authorized to do so.

Dated this 2ND day of September, 2008.

<p>PAWTUCKET WATER SUPPLY BOARD By its Attorney,  Joseph A. Keough, Jr. #4925 KEOUGH & SWEENEY, LTD. 100 Armistice Boulevard Pawtucket, RI 02860 Tel: (401)-724-3600 jkeoughjr@keoughsweeney.com</p>	<p>DIVISION OF PUBLIC UTILITIES AND CARRIERS, By its Attorney,  Leo J. Wold, # 3613 Special Assistant Attorney General 150 South Main Street Providence, RI 02903 Tel: 401-274-4400, ext. 2218 LWold@riag.ri.gov</p>
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<p>PUBLIC UTILITIES COMMISSION</p> <p>DOCKET NO. <u>3945</u></p> <p>SPONSOR <u>Joint</u></p> <p>EXHIBIT NO. <u>3945</u></p> <p>IDENT. (DATE) <u>9/3/08</u></p> <p>FULL (DATE) <u>9/3/08</u></p> <p>RECEIVED BY <u>cgw</u></p>
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TEST YEAR & RATE YEAR EXPENSES

Expense Item	Test Year FY 2007	Summary of Adjustments	Rate Year CY 2009	Adjustments Detail		
				Labor & Related Items	Other Adjustments	Supporting Schedule
ADMINISTRATION						
Salaries & Wages - (601)	\$489,948	\$208,791	\$698,739	\$208,791	\$0	Settlement
Salaries & Wages - Payroll Taxes	\$35,743	\$16,339	\$52,082	\$16,339	\$0	R. Benson
Employee Pensions & Benefits (604)	\$335,304	\$84,015	\$419,319	\$84,015	\$0	R. Benson
Materials and Supplies (Account 620)	\$51,644	\$4,394	\$56,038	\$0	\$4,394	Sch. 1.1 (i)
Contractual Services - Legal (Account 633)	\$68,726	\$5,847	\$74,573	\$0	\$5,847	Sch. 1.1 (i)
Contractual Services - Mgt. Fees (634) City Chg	\$179,410	\$15,264	\$194,673	\$0	\$15,264	Sch. 1.1 (i)
Contractual Services - Other (Account 635)	\$75,625	\$6,434	\$82,060	\$0	\$6,434	Sch. 1.1 (i)
Rental of Equipment (Account 642)	\$4,938	\$420	\$5,358	\$0	\$420	Sch. 1.1 (i)
Transportation Expenses (Account 650)	\$4,626	\$394	\$5,019	\$0	\$394	Sch. 1.1 (i)
Insurance - General Liability (Account 657)	\$141,453	\$41,173	\$182,626	\$0	\$41,173	See RB-16
Insurance - Worker's Compensation (658)	\$59,588	\$5,070	\$64,658	\$0	\$5,070	Sch. 1.1 (i)
Insurance - Other (Account 659)	\$2,140	\$182	\$2,322	\$0	\$182	Sch. 1.1 (i)
Regulatory Com Expense - Other (667)	\$41,364	\$13,480	\$54,844	\$0	\$13,480	Sch. 1.1
Reg Com Exp - Amort of Rate Case Exp (666)	\$83,433	\$16,567	\$100,000	\$0	\$16,567	Sch. 1.1
Miscellaneous Expense (Account 675)	\$64,184	\$5,461	\$69,644	\$0	\$5,461	Sch. 1.1 (i)
Other -pba fees	\$0	\$0	\$0	\$0	\$0	Sch. 1.1 (i)
Education Training	\$4,726	\$402	\$5,129	\$0	\$402	Sch. 1.1 (i)
Maint of Misc Plant	\$34,196	\$2,909	\$37,105	\$0	\$2,909	Sch. 1.1 (i)
Other Utilities	\$45,204	\$7,882	\$53,086	\$0	\$7,882	Sch. 1.1 (u)
Printing	\$18,143	\$1,544	\$19,687	\$0	\$1,544	Sch. 1.1 (i)
Postage	\$151	\$13	\$164	\$0	\$13	Sch. 1.1 (i)
Subtotal - Admin	\$1,740,547	\$436,579	\$2,177,125	\$309,145	\$127,434	
CUSTOMER SERVICE						
Salary & Wages - Cust Ser	\$151,981	\$36,158	\$188,139	\$36,158	\$0	Settlement
Salary & Wages - Meter	\$389,648	\$41,009	\$430,657	\$41,009	\$0	Settlement
Salary & Wages Payroll Tx(CS)	\$11,688	\$2,920	\$14,608	\$2,920	\$0	R. Benson
Salary & Wages Payroll Tx (Meters)	\$29,775	\$3,579	\$33,355	\$3,579	\$0	R. Benson
Empl Pensions & Benefits (Cust Ser)	\$45,415	\$38,688	\$84,104	\$38,688	\$0	R. Benson
Empl Pensions & Benefits (Meters)	\$141,699	\$69,239	\$210,938	\$69,239	\$0	R. Benson
Matts & Supp (Cust Serv)	\$2,067	\$176	\$2,243	\$0	\$176	Sch. 1.1 (i)
Matts & Supp (Meters)	\$8,808	\$749	\$9,557	\$0	\$749	Sch. 1.1 (i)
Contractual Services - Other - [Cust. Svc.] (Account 63)	\$14,841	\$1,263	\$16,103	\$0	\$1,263	Sch. 1.1 (i)
Transportation Expenses - [Cust svc.] (Account 650)	\$3,746	\$319	\$4,065	\$0	\$319	Sch. 1.1 (i)
Transportation Expenses - [Meter] (Account 650)	\$7,184	\$611	\$7,795	\$0	\$611	Sch. 1.1 (i)
Bad Debt Expense (Account 670)	\$0	\$0	\$0	\$0	\$0	Sch. 1.1 (i)
Miscellaneous Expense - [Cust. Svc.] (Account 675)	\$491	\$42	\$533	\$0	\$42	Sch. 1.1 (i)
Miscellaneous Expense - [Meter] (Account 675)	\$136	\$12	\$148	\$0	\$12	Sch. 1.1 (i)
Education Training - [Cust. Svc.]	\$230	\$20	\$250	\$0	\$20	Sch. 1.1 (i)
Education Training - [Meter]	\$1,513	\$129	\$1,641	\$0	\$129	Sch. 1.1 (i)
Repairs & Maintenance - general	\$893	\$76	\$969	\$0	\$76	Sch. 1.1 (i)
Repairs & Maintenance - meters	\$2,531	\$0	\$2,531	\$0	\$215	Sch. 1.1 (i)
Other Utilities - [Cust. Svc.]	\$2,522	\$0	\$2,522	\$0	\$440	Sch. 1.1 (u)
Other Utilities - [Meter]	\$3,837	\$0	\$3,837	\$0	\$669	Sch. 1.1 (u)
Printing - [Cust. Svc.]	\$15,651	\$0	\$15,651	\$0	\$1,332	Sch. 1.1 (i)
Printing - [Meter]	\$357	\$0	\$357	\$0	\$30	Sch. 1.1 (i)
Postage--[Cust. Svc.]	\$33,478	\$0	\$33,478	\$0	\$2,848	Sch. 1.1 (i)
Subtotal - Customer Accts	\$868,492	\$194,989	\$1,063,481	\$191,594	\$8,930	

TEST YEAR & RATE YEAR EXPENSES

<u>Expense Item</u>	Test Year <u>FY 2007</u>	Summary of <u>Adjustments</u>	Rate Year <u>CY 2009</u>	<u>Adjustments Detail</u>		Supporting <u>Schedule</u>
				<u>Labor Increase</u>	<u>Other Adjustments</u>	
<u>SOURCE OF SUPPLY</u>						
Salaries & Wages - (601)	\$156,667	-\$29,509	\$127,158	-\$29,509	\$0	Settlement
Salaries & Wages - Payroll Taxes	\$11,789	-\$1,898	\$9,891	-\$1,898	\$0	R. Benson
Employee Pensions & Benefits (604)	\$46,779	\$4,531	\$51,310	\$4,531	\$0	R. Benson
Purchased Power (Account 615)	\$18,947	\$12,844	\$31,791	\$0	\$12,844	Sch. 1.1
Materials and Supplies (Account 620)	\$2,501	\$213	\$2,714	\$0	\$213	Sch. 1.1 (i)
Transportation Expenses (Account 650)	\$8,592	\$731	\$9,323	\$0	\$731	Sch. 1.1 (i)
Miscellaneous Expense (Account 675)	\$104	\$9	\$112	\$0	\$9	Sch. 1.1 (i)
Security Service	\$65,571	\$5,579	\$71,149	\$0	\$5,579	Sch. 1.1 (i)
Education Training	\$245	\$21	\$266	\$0	\$21	Sch. 1.1 (i)
Maint of Misc Plant	\$62,073	\$5,281	\$67,354	\$0	\$5,281	Sch. 1.1 (i)
Other Utilities	\$2,053	\$358	\$2,411	\$0	\$358	Sch. 1.1 (u)
Subtotal - Supply	\$375,321	-\$1,841	\$373,480	-\$26,876	\$25,035	
<u>PURIFICATION</u>						
DBO O&M Contract	\$1,236,302	\$458,942	\$1,695,244	\$0	\$458,942	Sch. 1.1
Purchased Power (Account 615)	\$557,025	\$377,600	\$934,625	\$0	\$377,600	Sch. 1.1
Other Utilities	\$0	\$0	\$0	\$0	\$0	
Subtotal - Purification	\$1,793,326	\$836,542	\$2,629,868	\$0	\$836,542	

TEST YEAR & RATE YEAR EXPENSES

<u>Expense Item</u>	<u>Test Year FY 2007</u>	<u>Summary of Adjustments</u>	<u>Rate Year CY 2009</u>	<u>Adjustments Detail</u>		
				<u>Labor Increase</u>	<u>Other Adjustments</u>	<u>Supporting Schedule</u>
TRANSMISSION & DISTRIBUTION						
Salaries & Wages - (601)	\$794,555	\$164,198	\$958,753	\$164,198	\$0	Settlement
Salaries & Wages -[Engineering] (601)	\$417,411	\$7,283	\$424,694	\$7,283	\$0	Settlement
Salaries & Wages - Payroll Taxes -	\$61,534	\$12,889	\$74,423	\$12,889	\$0	R. Benson
Salaries & Wages - Payroll Taxes - [Engineering]	\$30,845	\$2,275	\$33,121	\$2,275	\$0	R. Benson
Salaries & Wages - Police Details	\$71,364	\$8,666	\$80,030	\$0	\$8,666	Sch. 1.1
Employee Pensions & Benefits - (604)	\$289,173	\$120,089	\$409,262	\$120,089	\$0	R. Benson
Employee Pensions & Benefits - [Engineering] (604)	\$110,609	\$26,059	\$136,668	\$26,059	\$0	R. Benson
Materials and Supplies - (Account 620)	\$35,466	\$3,017	\$38,483	\$0	\$3,017	Sch. 1.1 (i)
Materials and Supplies - [Engineering] (Account 620)	\$23,000	\$1,957	\$24,956	\$0	\$1,957	Sch. 1.1 (i)
Rental of Equipment (Account 642)	\$1,200	\$102	\$1,302	\$0	\$102	Sch. 1.1 (i)
Rental of Equipment - [Engineering] (Account 642)	\$2,497	\$212	\$2,709	\$0	\$212	Sch. 1.1 (i)
Transportation Expenses - (Account 650)	\$44,984	\$3,827	\$48,811	\$0	\$3,827	Sch. 1.1 (i)
Transportation Expenses - [Engineering](Account 650)	\$10,242	\$871	\$11,114	\$0	\$871	Sch. 1.1 (i)
Miscellaneous Expense - (Account 675)	\$3,534	\$301	\$3,834	\$0	\$301	Sch. 1.1 (i)
Miscellaneous Expense - [Engineering] (Account 675)	\$0	\$0	\$0	\$0	\$0	Sch. 1.1 (i)
Education Training	\$4,676	\$398	\$5,074	\$0	\$398	Sch. 1.1 (i)
Education Training - [Engineering]	\$3,549	\$302	\$3,851	\$0	\$302	Sch. 1.1 (i)
Repairs & Maintenance - general	\$4,575	\$389	\$4,964	\$0	\$389	Sch. 1.1 (i)
Repairs & Maintenance - T&D	\$11,515	\$980	\$12,494	\$0	\$980	Sch. 1.1 (i)
Repairs & Maintenance - fire services	\$0	\$0	\$0	\$0	\$0	Sch. 1.1 (i)
Repairs & Maintenance - services	\$100	\$9	\$109	\$0	\$9	Sch. 1.1 (i)
Repairs & Maintenance - Hydrants	-\$1,344	\$1,344	\$0	\$0	\$1,344	One Time
Road surface restoration	\$0	\$0	\$0	\$0	\$0	Sch. 1.1 (i)
Repairs & Maintenance - general	\$517	\$44	\$561	\$0	\$44	Sch. 1.1 (i)
Other Utilities	\$30,184	\$5,263	\$35,447	\$0	\$5,263	Sch. 1.1 (u)
Other Utilities - [Engineering]	\$7,070	\$1,233	\$8,303	\$0	\$1,233	Sch. 1.1 (u)
Printing	\$0	\$0	\$0	\$0	\$0	Sch. 1.1 (i)
Postage--[Engineering]	\$0	\$0	\$0	\$0	\$0	Sch. 1.1 (i)
Subtotal - T&D	\$1,957,256	\$361,708	\$2,318,964	\$332,793	\$28,915	

TEST YEAR & RATE YEAR EXPENSES

<u>Expense Item</u>	Test Year FY 2007	Summary of Adjustments	Rate Year CY 2009	<----- Adjustments Detail ----->		
				Labor Increase	Other Adjustments	Supporting Schedule
CAPITAL EXPENSE						
Property Taxes						
Source of Supply	\$297,576	\$408,622	\$706,198	\$0	\$0	R. Benson Tes
Treatment-Pumping	\$4,499	-\$4,499	\$0	\$0	\$0	R. Benson Tes
Treatment-Purification	\$131,289	-\$129,983	\$1,306	\$0	\$0	R. Benson Tes
Trans & Distrib	\$409,257	-\$327,294	\$81,963	\$0	\$0	R. Benson Tes
Rental Property	\$1,584	\$6,416	\$8,000	\$0	\$0	R. Benson Tes
Restrict. Bond Principal & Interest	\$5,736,014	\$952,530	\$6,688,543	\$0	\$952,530	Sch. 1.1
Leases	\$150,962	-\$1,181	\$149,781	\$0	-\$1,181	Sch. 1.1
IFR	\$3,100,000	\$0	\$3,100,000	\$0	\$0	Sch. 1.1
CF Franchise Fee	\$86,416	-\$86,416	\$0	\$0	-\$86,416	Sch. 1.1
Calgon Royalties Fund	\$73,000	-\$73,000	\$0	\$0	-\$73,000	Sch. 1.1
CF System Fund	\$255,202	-\$255,202	\$0	\$0	-\$255,202	included T&D
Trustee Fees	\$308,657	\$61,250	\$369,907	\$0	\$61,250	Sch. 1.1
O&M Reserve Deposit	\$31,480	-\$31,480	\$0	\$0	-\$31,480	Sch. 1.1
Subtotal - Capital	<u>\$10,585,934</u>	<u>\$519,764</u>	<u>\$11,105,698</u>	<u>\$0</u>	<u>\$566,502</u>	
TOTAL EXPENSES	\$17,320,876	\$2,347,740	\$19,668,616	\$806,655	\$1,593,357	
PLUS: Operating Revenue Allowance	\$130,883	\$141,295	\$272,178			
LESS: Service Instal Revenue	-\$208,054	\$0	-\$208,054			see DGB-1
LESS: State Surcharge Revenue	-\$57,071	\$0	-\$57,071			see DGB-8
LESS: Penalties	-\$67,936	\$0	-\$67,936			see DGB-1
LESS: Cumberland Tax Reduction		-\$200,000	-\$200,000		-\$200,000	Per Agreemen
LESS: Non-Operating Rental	-\$17,530	\$0	-\$17,530			see DGB-1
LESS: Interest Income	-\$10,365	\$0	-\$10,365			see DGB-1
LESS: Misc Non-Operating	-\$6,990	-\$2,957	-\$9,947			see RB-R-1
LESS: Available Funds for Debt	<u>\$0</u>	<u>-\$952,529</u>	<u>-\$952,529</u>		<u>-\$952,529</u>	Sch 1.1
REQUIRED FROM RATES	\$17,083,812	\$1,333,548	\$18,417,361	\$806,655	\$440,828	

DETAILS OF ADJUSTMENTS TO TEST YEAR EXPENSES

Capital Requirements

Property Taxes

See testimony and Exhibits or R. Benson

Debt Service

Projected Debt is as follows:

		<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
<i>Existing Revenue Bonds</i>				
	Principal	\$800,000	\$3,075,000	\$3,140,000
	Sinking Fund	\$3,000	-\$1,000	\$2,000
	Interest	<u>\$3,296,620</u>	<u>\$3,349,437</u>	<u>\$3,296,758</u>
	Total	\$4,099,620	\$6,423,437	\$6,438,758
<i>Projected Revenue Bonds</i>				
	Principal		\$0	\$0
	Interest		<u>\$0</u>	<u>\$0</u>
	Total	\$0	\$0	\$0
<i>Existing General Obligation Bonds</i>				
	Principal	\$217,010	\$200,404	\$208,667
	Interest	<u>\$58,122</u>	<u>\$49,614</u>	<u>\$41,119</u>
	Total	\$275,132	\$250,018	\$249,786
<i>Total All Bonds</i>				
		\$4,374,752	\$6,673,455	\$6,688,543
	For Rate Year Use			\$6,688,543

Available Funds to Offset Debt

See testimony of Robert Benson. PWSB proposes to maintain the same net allowance for debt granted in Docket # 3674 of **\$ 5,736,014**

The difference between the prior allowance and the actual debt (see above) will be funded from available funds in the Debt Stabilization fund.

This difference is set as a revenue offset equal to **\$952,529**

Trustee Fees

		<u>Estim RY</u>
Bank of New York	Trustees Fees 4 @ \$2,500	\$ 10,000
US Bank	Admin Fess	\$ 3,250
Partridge, Hahn & Snow	Legal Fees - Annual Disclosure filing	\$ 1,500
Amtec	Annual Arbitrage Services	\$ 600
	Subtotal	\$15,350
	RI CWFA Fees	\$ 354,557
	Total Trustee Fees	\$ 369,907

Capital Leases

	<u>CY 2008</u>	<u>CY 2009</u>	<u>CY 2010</u>
Principal	\$134,430	\$139,364	\$144,478
Interest	<u>\$15,351</u>	<u>\$10,417</u>	<u>\$5,302</u>
Total	\$149,781	\$149,781	\$149,781
For Rate Year Use			\$149,781

IFR - PAYGO Rate Year
\$3,100,000

O&M Reserve Requirement

Rate Year O&M =	\$9,360,385	(Operating Costs plus Property Taxes)
Required Level (25%)	\$2,340,096	
Balance 6/30/08	<u>\$2,668,304</u>	
Monthly Additions	<u>\$11,586</u>	(includes \$107,552 int. income plus \$2,623.33/month)
Estimated Balance 12/30/08	\$2,737,820	
Rate Year Addition =	\$0	

DETAILS OF ADJUSTMENTS TO TEST YEAR EXPENSES

Operating Costs

DBO Contract

	<u>New WTP</u>	
Annual Contract 2/08-2/09	\$1,640,770	current estimate from contractor
Annual Contract 2/09 - 2/10	\$1,695,244	increased by estimated annual increase CPI
Increase Over Test Year =	\$458,942	

Inflation Adjustments

Certain items (with an "i" notation) were increased from test year amounts by an inflation rate of 3.32% per year or 8.51% for 2.5 years.

Fuel costs (with "u" notation) were increased for inflation by twice this rate or 17.44% for 2.5 years.

Police Details

FY 07 was not representative as it included many older (catch-up) jobs. To develop rate year we used actual costs through January 2008.

		<u>Pawtucket</u>	<u>Central Falls *</u>	<u>Cumberland</u>	<u>Total FY 08</u>
7 months - Jan. 31 2008	\$	17,197	\$ 11,286	\$ 4,682	
Annual Amount (7/07 - 6/08)	\$	29,500	\$ 38,700	\$ 8,000	\$ 76,200
Estimated Rate Year (1 1/2 year inflation)					\$ 80,030

* see testimony of R. Benson - doubled for extra requirements for police details from Town of Central Falls

Power Costs

<u>Source of Supply</u>	Test Year	Adjustment **	Rate Year
Delivery *	\$ 6,916	\$ -	\$ 6,916
Supply *	\$ 12,031	\$ 12,031	\$ 24,063
Total	\$ 18,947	\$ 12,031	\$ 30,978
 <u>Purification</u>			
Delivery *	\$ 203,314	\$ -	\$ 203,314
Supply *	\$ 353,711	\$ 353,711	\$ 707,422
Total	\$ 557,025	\$ 353,711	\$ 910,736

* based on 6 months analysis of billings, 36.5% = delivery charges and 63.5% = supply charges

** Based on discussions with League of Cities & Towns regarding future energy prices, supply costs expected to double in next contract.

Plus Increased sales: Retail (ccf) =	143,041		
Wholesale (ccf) =	<u>-19,533</u>		
Total	123,508		
Cost per ccf (ACC-7) \$	0.20	<u>Treatment</u>	<u>Supply</u>
Incremental increase \$	24,702	\$ 23,889	\$ 813

Central Falls Franchise Fee & System Fund

The Central Falls System has been purchased so the Franchise Fee Fund is no longer needed

Costs for the Central Falls System have been included with the Transmission & Distribution operating expenses

Calgon Royalties Fund

This fund is no longer needed; no funding is proposed.

Regulatory Expenses

1. Rate Case Estimated Rate Year

Rate Case Costs (estim)	\$200,000
Spread over 2 yrs	\$100,000
Other	<u>\$0</u>
Total Rate Year	\$100,000
Test Year	\$83,433
Adjustment	\$16,567

2. PUC Fee - Admin

FY 2008 Fee	\$52,222
Increase (1.5 yr inflation)	<u>\$2,622</u>
Total Rate Year	\$54,844
Test Year	\$41,364
Adjustment	\$13,480

Insurance - General Liability

See testimony of R. Benson --RB-R-4 \$ 41,173 increase over test year to \$182,626

Operating Revenue Allowance

See testimony of C. Woodcock. An operating reserve allowance of 1.5% on total revenues is requested in this case. As shown on Schedule 2, the average annual reduction in sales has been approximately 5% per year over the past four years.

UNITS OF SERVICE

METERS

<u>Meter Size</u>	<u>Test Year</u>		<u>Rate Year</u>		<u>Total</u>	<u>Equiv Factor</u>	<u># of Equivs</u>
	<u>Quarterly</u>	<u>Monthly</u>	<u>Quarterly</u>	<u>Monthly *</u>			
5/8	21,445	9	21,362	92	21,454	1.00	21,454
3/4	251	4	210	45	255	1.39	353
1	480	11	353	138	491	2.00	982
1 1/2	231	6	121	116	237	4.07	965
2	377	30	114	293	407	5.29	2,151
3	28	14	22	20	42	6.00	252
4	12	6	9	9	18	14.00	252
6	0	5	0	5	5	21.00	105
8	0	0	0	0	0	30.00	0
Totals	22,824	85	22,191	718	22,909		26,515

* Reflects conversion of accounts projected to be converted to monthly billing.

PUBLIC FIRE HYDRANTS

	<u>Test Year</u>	<u>Adjustments</u>	<u>Rate Year</u>
Pawtucket	1,518	0	1,518
Central Falls	203	0	203
Valley Falls	197	0	197
Totals	1,918	0	1,918

PRIVATE FIRE SERVICE

<u>Size</u>	<u>Test Year</u>	<u>Adjustments</u>	<u>Rate Year</u>	<u>Equiv Factor *</u>	<u># of Equivs</u>
2	25	1	26	4.07	106
4	42	7	49	6.00	294
6	371	21	392	14.00	5,488
8	91	-1	90	21.00	1,890
10	4	0	4	21.00	84
12	2	0	2	21.00	42
Total	535	28	563		7,904

* one size down to equate to meter equivalent

UNITS OF SERVICE

METERED WATER USE (ccf/year)

<u>Class</u>	<u>Test Year *</u>	<u>Adjustments *</u>	<u>Rate Year</u>
Small (5/8 - 1")	2,884,356	117,228	3,001,584
Medium (1.5 - 2" & By pass)	641,275	19,987	661,262
Large (3" and up)	342,742	5,826	348,568
Total	3,868,373	143,041	4,011,414

Wholesale			
Cumberland	723,207	-19,533	703,674
Seekonk	0	0	0
Total	723,207	-19,533	703,674

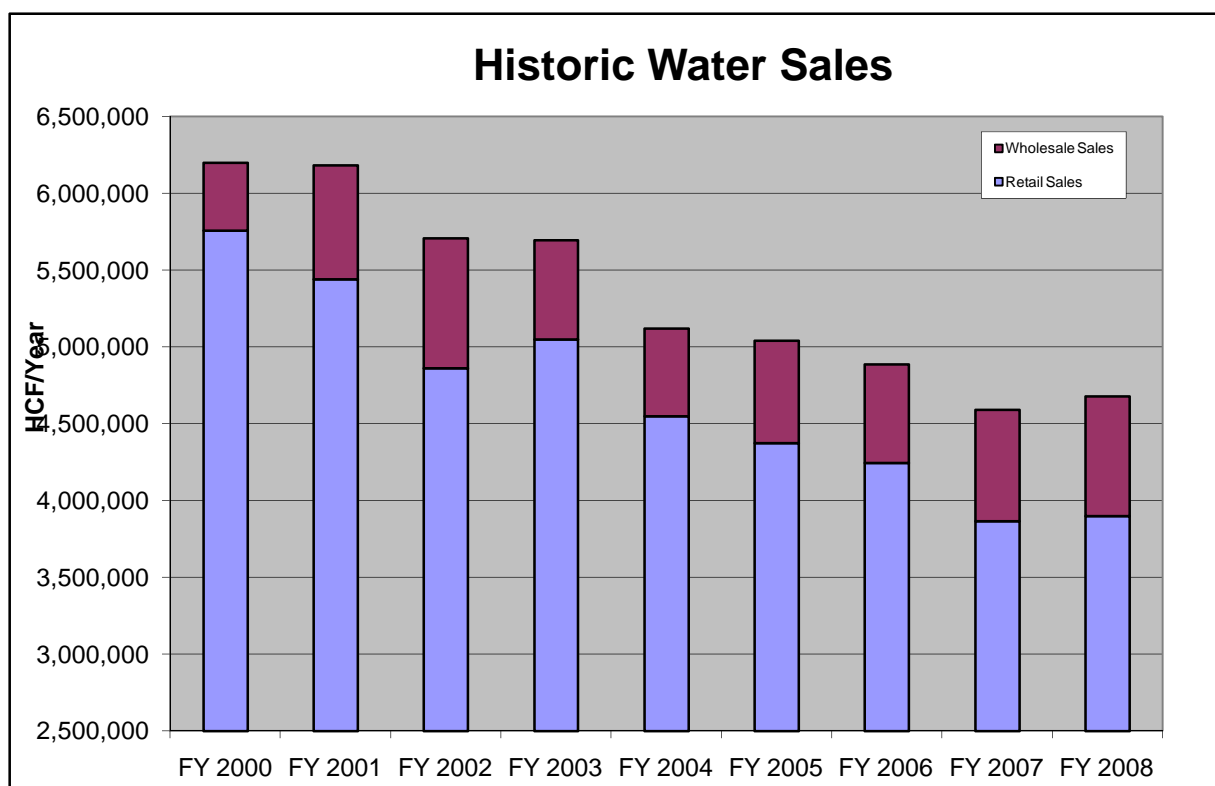
For Adjustments see Rebuttal testimony and schedules of D. Bebyn (DGB-3A Rebuttal) and testimony of C. Woodcock
For wholesale see ACC-5

Miles of Mains

<u>Size</u>	<u>Miles</u>	<u>Inch-Miles</u>	
Service Pipes	108.47		
2	1.24	2.5	
4	1.47	5.9	
6	109.16	655.0	
8	80.83	646.6	
10	1.78	17.8	
12	47.77	573.2	80.9%
16	4.24	67.8	
20	9.13	182.6	
24	6.06	145.4	
30	0.10	3.0	
36	0.35	12.6	
48	0.04	1.9	
54	0.65	35.1	19.1%
Totals	371.29	2,350	

Variations in Historic Water Sales (hcf/year)

	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Retail Sales	5,758,813	5,443,371	4,864,720	5,050,315	4,551,901	4,375,630	4,245,199	3,868,373	3,901,899
Wholesale Sales	443,892	741,077	845,377	645,992	569,609	666,953	644,728	723,207	779,807
Total	6,202,705	6,184,448	5,710,097	5,588,203	5,087,083	5,053,049	4,889,927	4,591,580	4,681,706
Change		-0.3%	-7.7%	-2.1%	-9.0%	-0.7%	-3.2%	-6.1%	2.0%
<i><u>Percent Variation from 4 Year Average</u></i>									
Retail Sales			18.7%	23.2%	11.1%	6.8%	3.6%	-5.6%	-4.8%
Wholesale Sales			20.1%	-8.2%	-19.1%	-5.2%	-8.4%	2.8%	10.8%
Total Sales			18.9%	16.4%	5.9%	5.2%	1.8%	-4.4%	-2.5%



UNITS OF SERVICE - DEMAND FACTORS

	<u>BASE</u>		<u>MAXIMUM DAY</u>			<u>PEAK HOUR</u>			Equivalent Meters & Services	<u>Bills</u>
	<u>Annual Use</u> ccf/year	<u>Average Day</u> ccf/day	<u>Demand</u> <u>Factor</u>	<u>Maximum Day</u> ccf/day	<u>Extra Capacity</u> ccf/day	<u>Demand</u> <u>Factor</u>	<u>Maximum Hou</u> ccf/day	<u>Extra Capacity</u> ccf/day		
<u>Inside - Retail</u>										
Small (5/8 - 1")	3,001,584	8,224	2.50	20,559	12,335	3.50	28,782	8,224	22,789	91,000
Medium (1.5 - 2" & By p	661,262	1,812	2.00	3,623	1,812	3.00	5,435	1,812	3,116	5,848
Large (3" and up)	348,568	955	1.80	1,719	764	2.50	2,387	668	609	532
Fire Protection	6,000 gal/min for 6 hours per Docket	3193		2,888	2,888		481	481		563
<u>Wholesale</u>										
Cumberland	703,674	1,928	2.50	4,820	2,892	3.50	6,748	1,928		
Seekonk	0	0	2.50	0	0	3.50	0	0		
Totals	4,715,088	12,918		33,608	20,690		43,834	13,113	26,515	97,943

Unaccounted For Water (thousand gallons/yr)

	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Average</u>	<u>ccf/yr</u>
Plant Production	4,452,629	4,427,640	4,156,939	3,962,147	4,249,839	5,296,620
Less: Retail Sales	3,405,059	3,273,199	3,175,630	2,893,744	3,186,908	3,868,373
Wholesale Sales	426,097	498,916	482,290	540,996	487,075	723,207
Semi-Annual Flush	59,918	102,737	43,435	52,512	64,651	70,199
Estimated Fire	22,263	22,138	20,785	19,811	21,249	26,483
Estim. Construction	0	20,913	0	0	5,228	0
Unaccounted Water	539,292	509,737	434,800	455,084	484,728	608,358

ALLOCATION OF RATE YEAR EXPENSES TO COST COMPONENTS

<u>EXPENSE ITEM</u>	<u>PRO FORMA</u> <u>EXPENSE</u>	<u>ALLOC.</u> <u>SYMBOL (1)</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
ADMINISTRATION								
Salaries & Wages - (601)	\$698,739	L-M	\$639,082	\$20,900	\$6,980	\$0	\$0	\$31,777
Salaries & Wages - Payroll Taxes	\$52,082	L-M	\$47,635	\$1,558	\$520	\$0	\$0	\$2,369
Employee Pensions & Benefits (604)	\$419,319	L-M	\$383,518	\$12,542	\$4,189	\$0	\$0	\$19,070
Materials and Supplies (Account 620)	\$56,038	E-M	\$47,351	\$6,946	\$324	\$0	\$0	\$1,417
Contractual Services - Legal (Account 630)	\$74,573	E-M	\$63,013	\$9,243	\$431	\$0	\$0	\$1,885
Contractual Services - Mgt. Fees (634)	\$194,673	E-M	\$164,497	\$24,129	\$1,126	\$0	\$0	\$4,922
Contractual Services - Other (Account 635)	\$82,060	E-M	\$69,339	\$10,171	\$475	\$0	\$0	\$2,075
Rental of Equipment (Account 642)	\$5,358	E-M	\$4,527	\$664	\$31	\$0	\$0	\$135
Transportation Expenses (Account 650)	\$5,019	E-M	\$4,241	\$622	\$29	\$0	\$0	\$127
Insurance - General Liability (Account 651)	\$182,626	E-M	\$154,317	\$22,636	\$1,056	\$0	\$0	\$4,617
Insurance - Worker's Compensation (652)	\$64,658	L-M	\$59,138	\$1,934	\$646	\$0	\$0	\$2,941
Insurance - Other (Account 659)	\$2,322	E-M	\$1,962	\$288	\$13	\$0	\$0	\$59
Regulatory Com Expense - Other (667)	\$54,844	E-M	\$46,343	\$6,798	\$317	\$0	\$0	\$1,387
Reg Com Exp - Amort of Rate Case Ex	\$100,000	E-M	\$84,499	\$12,395	\$578	\$0	\$0	\$2,528
Miscellaneous Expense (Account 675)	\$69,644	E-M	\$58,849	\$8,632	\$403	\$0	\$0	\$1,761
Other -pba fees	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
Education Training	\$5,129	E-M	\$4,334	\$636	\$30	\$0	\$0	\$130
Maint of Misc Plant	\$37,105	E-M	\$31,353	\$4,599	\$215	\$0	\$0	\$938
Other Utilities	\$53,086	E-M	\$44,857	\$6,580	\$307	\$0	\$0	\$1,342
Printing	\$19,687	E-M	\$16,635	\$2,440	\$114	\$0	\$0	\$498
Postage	\$164	E-M	\$139	\$20	\$1	\$0	\$0	\$4
Subtotal - Admin	\$2,177,125		\$1,925,628	\$153,732	\$17,785	\$0	\$0	\$79,980
CUSTOMER SERVICE								
Salary & Wages - Cust Ser	\$188,139	B	\$0	\$0	\$0	\$0	\$188,139	\$0
Salary & Wages - Meter	\$430,657	M	\$0	\$0	\$0	\$296,077	\$134,580	\$0
Salary & Wages Payroll Tx(CS)	\$14,608	B	\$0	\$0	\$0	\$0	\$14,608	\$0
Salary & Wages Payroll Tx (Meters)	\$33,355	M	\$0	\$0	\$0	\$22,931	\$10,423	\$0
Empl Pensions & Benefits (Cust Ser)	\$84,104	B	\$0	\$0	\$0	\$0	\$84,104	\$0
Empl Pensions & Benefits (Meters)	\$210,938	M	\$0	\$0	\$0	\$145,020	\$65,918	\$0
Matls & Supp (Cust Serv)	\$2,243	B	\$0	\$0	\$0	\$0	\$2,243	\$0
Matls & Supp (Meters)	\$9,557	M	\$0	\$0	\$0	\$6,571	\$2,987	\$0
Contractual Services - Other - [Cust. Svc.]	\$16,103	B	\$0	\$0	\$0	\$0	\$16,103	\$0
Transportation Expenses - [Cust svc.]	\$4,065	B	\$0	\$0	\$0	\$0	\$4,065	\$0
Transportation Expenses - [Meter] (Account 670)	\$7,795	M	\$0	\$0	\$0	\$5,359	\$2,436	\$0
Bad Debt Expense (Account 670)	\$0	B	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous Expense - [Cust. Svc.]	\$533	B	\$0	\$0	\$0	\$0	\$533	\$0
Miscellaneous Expense - [Meter] (Account 670)	\$148	M	\$0	\$0	\$0	\$101	\$46	\$0
Education Training - [Cust. Svc.]	\$250	B	\$0	\$0	\$0	\$0	\$250	\$0
Education Training - [Meter]	\$1,641	M	\$0	\$0	\$0	\$1,128	\$513	\$0
Repairs & Maintenance - general	\$969	B	\$0	\$0	\$0	\$0	\$969	\$0
Repairs & Maintenance - meters	\$2,531	M	\$0	\$0	\$0	\$1,740	\$791	\$0
Other Utilities - [Cust. Svc.]	\$2,522	B	\$0	\$0	\$0	\$0	\$2,522	\$0
Other Utilities - [Meter]	\$3,837	M	\$0	\$0	\$0	\$2,638	\$1,199	\$0
Printing - [Cust. Svc.]	\$15,651	B	\$0	\$0	\$0	\$0	\$15,651	\$0
Printing - [Meter]	\$357	M	\$0	\$0	\$0	\$245	\$112	\$0
Postage--[Cust. Svc.]	\$33,478	B	\$0	\$0	\$0	\$0	\$33,478	\$0
Subtotal - Customer Accts	\$1,063,481		\$0	\$0	\$0	\$481,811	\$581,670	\$0

ALLOCATION OF RATE YEAR EXPENSES TO COST COMPONENTS

<u>EXPENSE ITEM</u>	<u>PRO FORMA</u> <u>EXPENSE</u>	<u>ALLOC.</u> <u>SYMBOL (1)</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT</u>	<u>FIRE</u>
<u>SOURCE OF SUPPLY</u>									
Salaries & Wages - (601)	\$127,158	A	\$127,158	\$0	\$0	\$0	\$0	\$0	\$0
Salaries & Wages - Payroll Taxes	\$9,891	A	\$9,891	\$0	\$0	\$0	\$0	\$0	\$0
Employee Pensions & Benefits (604)	\$51,310	A	\$51,310	\$0	\$0	\$0	\$0	\$0	\$0
Purchased Power (Account 615)	\$31,791	A	\$31,791	\$0	\$0	\$0	\$0	\$0	\$0
Materials and Supplies (Account 620)	\$2,714	A	\$2,714	\$0	\$0	\$0	\$0	\$0	\$0
Transportation Expenses (Account 650)	\$9,323	A	\$9,323	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous Expense (Account 675)	\$112	A	\$112	\$0	\$0	\$0	\$0	\$0	\$0
Security Service	\$71,149	A	\$71,149	\$0	\$0	\$0	\$0	\$0	\$0
Education Training	\$266	A	\$266	\$0	\$0	\$0	\$0	\$0	\$0
Maint of Misc Plant	\$67,354	A	\$67,354	\$0	\$0	\$0	\$0	\$0	\$0
Other Utilities	<u>\$2,411</u>	A	<u>\$2,411</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal - Supply	\$373,480		\$373,480	\$0	\$0	\$0	\$0	\$0	\$0
<u>PURIFICATION</u>									
DBO O&M Contract	\$1,695,244	D	\$1,014,356	\$680,888	\$0	\$0	\$0	\$0	\$0
Purchased Power (Account 615)	\$934,625	A	\$934,625	\$0	\$0	\$0	\$0	\$0	\$0
Other Utilities	<u>\$0</u>	A	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal - Purification	\$2,629,868		\$1,948,981	\$680,888	\$0	\$0	\$0	\$0	\$0

ALLOCATION OF RATE YEAR EXPENSES TO COST COMPONENTS

<u>EXPENSE ITEM</u>	<u>PRO FORMA</u>	<u>ALLOC.</u>						
	<u>EXPENSE</u>	<u>SYMBOL (1)</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
<u>TRANSMISSION & DISTRIBUTION</u>								
Salaries & Wages - (601)	\$958,753	O	\$65,757	\$44,140	\$14,741	\$767,002	\$0	\$67,113
Salaries & Wages -[Engineering] (601)	\$424,694	O	\$29,128	\$19,552	\$6,530	\$339,755	\$0	\$29,729
Salaries & Wages - Payroll Taxes -	\$74,423	O	\$5,104	\$3,426	\$1,144	\$59,539	\$0	\$5,210
Salaries & Wages - Payroll Taxes - [En	\$33,121	O	\$2,272	\$1,525	\$509	\$26,497	\$0	\$2,318
Salaries & Wages - Police Details	\$80,030	O-A	\$69,513	\$3,684	\$1,230	\$0	\$0	\$5,602
Employee Pensions & Benefits - (604)	\$409,262	O	\$28,070	\$18,842	\$6,292	\$327,410	\$0	\$28,648
Employee Pensions & Benefits - [Engir	\$136,668	O	\$9,374	\$6,292	\$2,101	\$109,334	\$0	\$9,567
Materials and Supplies - (Account 620)	\$38,483	O	\$2,639	\$1,772	\$592	\$30,786	\$0	\$2,694
Materials and Supplies - [Engineering]	\$24,956	O	\$1,712	\$1,149	\$384	\$19,965	\$0	\$1,747
Rental of Equipment (Account 642)	\$1,302	O	\$89	\$60	\$20	\$1,042	\$0	\$91
Rental of Equipment - [Engineering] (A	\$2,709	O	\$186	\$125	\$42	\$2,167	\$0	\$190
Transportation Expenses - (Account 65	\$48,811	O	\$3,348	\$2,247	\$750	\$39,049	\$0	\$3,417
Transportation Expenses - [Engineering]	\$11,114	O	\$762	\$512	\$171	\$8,891	\$0	\$778
Miscellaneous Expense - (Account 675	\$3,834	O	\$263	\$177	\$59	\$3,068	\$0	\$268
Miscellaneous Expense - [Engineering]	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Education Training	\$5,074	O	\$348	\$234	\$78	\$4,059	\$0	\$355
Education Training - [Engineering]	\$3,851	O	\$264	\$177	\$59	\$3,081	\$0	\$270
Repairs & Maintenance - general	\$4,964	O	\$340	\$229	\$76	\$3,971	\$0	\$347
Repairs & Maintenance - T&D	\$12,494	T	\$6,592	\$4,425	\$1,478	\$0	\$0	\$0
Repairs & Maintenance - fire services	\$0	F	\$0	\$0	\$0	\$0	\$0	\$0
Repairs & Maintenance - services	\$109	S	\$0	\$0	\$0	\$109	\$0	\$0
Repairs & Maintenance - Hydrants	\$0	F	\$0	\$0	\$0	\$0	\$0	\$0
Road surface restoration	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Repairs & Maintenance - general	\$561	O	\$39	\$26	\$9	\$449	\$0	\$39
Other Utilities	\$35,447	O	\$2,431	\$1,632	\$545	\$28,358	\$0	\$2,481
Other Utilities - [Engineering]	\$8,303	O	\$569	\$382	\$128	\$6,642	\$0	\$581
Printing	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Postage--[Engineering]	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - T&D	<u>\$2,318,964</u>		<u>\$228,800</u>	<u>\$110,606</u>	<u>\$36,938</u>	<u>\$1,781,174</u>	<u>\$0</u>	<u>\$161,445</u>
TOTAL O&M	\$8,562,918	I	\$4,476,889	\$945,226	\$54,724	\$2,262,985	\$581,670	\$241,426

ALLOCATION OF RATE YEAR EXPENSES TO COST COMPONENTS

<u>EXPENSE ITEM</u>	<u>PRO FORMA</u> <u>EXPENSE</u>	<u>ALLOC.</u> <u>SYMBOL (1)</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT</u>	<u>FIRE</u>
<u>CAPITAL EXPENSE</u>									
Property Taxes									
Source of Supply	\$706,198	A	\$706,198	\$0	\$0	\$0	\$0	\$0	\$0
Treatment-Pumping	\$0	D	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Treatment-Purification	\$1,306	D	\$781	\$525	\$0	\$0	\$0	\$0	\$0
Trans & Distrib	\$81,963	T-C	\$37,089	\$24,896	\$8,427	\$7,085	\$3,221	\$1,244	
Rental Property	\$8,000	A	\$8,000	\$0	\$0	\$0	\$0	\$0	\$0
Restrict. Bond Principal & Interest	\$6,688,543	P-M	\$4,305,392	\$2,006,350	\$326,193	\$0	\$0	\$50,609	
Leases	\$149,781	P-M	\$96,413	\$44,929	\$7,305	\$0	\$0	\$1,133	
IFR	\$3,100,000	A	\$3,100,000	\$0	\$0	\$0	\$0	\$0	\$0
CF Franchise Fee	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Calgon Royalties Fund	\$0	A	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CF System Fund	\$0	T-C	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trustee Fees	\$369,907	P-M	\$238,108	\$110,960	\$18,040	\$0	\$0	\$2,799	
O&M Reserve Deposit	\$0	E	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - Capital	<u>\$11,105,698</u>		<u>\$8,491,982</u>	<u>\$2,187,660</u>	<u>\$359,964</u>	<u>\$7,085</u>	<u>\$3,221</u>	<u>\$55,786</u>	
TOTAL EXPENSES	\$19,668,616		\$12,968,871	\$3,132,886	\$414,688	\$2,270,070	\$584,890	\$297,211	
PLUS: Operating Revenue Allowance	\$272,178	I	\$142,301	\$30,045	\$1,739	\$71,930	\$18,489	\$7,674	
LESS: Service Instal Revenue	-\$208,054	S	\$0	\$0	\$0	-\$208,054	\$0	\$0	
LESS: State Surcharge Revenue	-\$57,071	I	-\$29,838	-\$6,300	-\$365	-\$15,083	-\$3,877	-\$1,609	
LESS: Penalties	-\$67,936	I	-\$35,519	-\$7,499	-\$434	-\$17,954	-\$4,615	-\$1,915	
LESS: Cumberland Tax Reduction	-\$200,000	O	-\$13,717	-\$9,208	-\$3,075	-\$160,000	\$0	-\$14,000	
LESS: Non-Operating Rental	-\$17,530	A	-\$17,530	\$0	\$0	\$0	\$0	\$0	
LESS: Interest Income	-\$10,365	I	-\$5,419	-\$1,144	-\$66	-\$2,739	-\$704	-\$292	
LESS: Misc Non-Operating	-\$9,947	I	-\$5,201	-\$1,098	-\$64	-\$2,629	-\$676	-\$280	
LESS: Available Funds for Debt	<u>-\$952,529</u>	P-M	-\$613,140	-\$285,728	-\$46,454	\$0	\$0	-\$7,207	
REQUIRED FROM RATES	\$18,417,361		\$12,390,808	\$2,851,953	\$365,970	\$1,935,541	\$593,508	\$279,581	

ALLOCATION OF PLANT IN SERVICE TO COST COMPONENTS

<u>EXPENSE ITEM</u>	<u>NET PLANT & CWIP *</u>	<u>ALLOC. SYMBOL (1)</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
<u>SOURCE OF SUPPLY</u>								
Land & Land Rights	\$5,160,444	A	\$5,160,444	\$0	\$0	\$0	\$0	\$0
Structures & Improvements	\$9,766,418	A	\$9,766,418	\$0	\$0	\$0	\$0	\$0
Wells & Springs	\$372,105	A	\$372,105	\$0	\$0	\$0	\$0	\$0
<u>PUMPING</u>								
Land & Land Rights	\$30,133	D	\$18,030	\$12,103	\$0	\$0	\$0	\$0
Structures & Improvements	\$303,873	D	\$181,824	\$122,049	\$0	\$0	\$0	\$0
Electric Pumping Equipment	\$128,396	D	\$76,826	\$51,570	\$0	\$0	\$0	\$0
<u>PURIFICATION</u>								
Land & Land Rights	\$26,046	D	\$15,585	\$10,461	\$0	\$0	\$0	\$0
Structures & Improvements	\$45,754,725	D	\$27,377,526	\$18,377,199	\$0	\$0	\$0	\$0
Water Treatment Equipment	\$0	D	\$0	\$0	\$0	\$0	\$0	\$0
<u>TRANSM & DISTRIBUTION</u>								
Land & Land Rights	\$1,590	H	\$812	\$545	\$232	\$0	\$0	\$0
Distribution Reservoirs	\$2,479,568	H	\$1,266,787	\$850,333	\$362,449	\$0	\$0	\$0
Transmission Mains	\$8,863,784	D	\$5,303,681	\$3,560,103	\$0	\$0	\$0	\$0
Distribution mains	\$37,569,796	H	\$19,194,042	\$12,884,025	\$5,491,729	\$0	\$0	\$0
Services	\$4,879,061	M	\$0	\$0	\$0	\$3,354,354	\$1,524,706	\$0
Meters	\$2,279,970	M	\$0	\$0	\$0	\$1,567,480	\$712,491	\$0
Hydrants	\$864,386	F	\$0	\$0	\$0	\$0	\$0	\$864,386
Other Misc Equip	\$38,423	H	\$19,630	\$13,177	\$5,617	\$0	\$0	\$0
<u>GENERAL</u>								
Structures & Improvements	\$1,268,480	E	\$506,785	\$157,223	\$7,337	\$449,521	\$115,543	\$32,070
Office furniture & equipment	\$283,497	E	\$113,263	\$35,138	\$1,640	\$100,465	\$25,823	\$7,167
Transportation equipment	\$274,079	E	\$109,500	\$33,971	\$1,585	\$97,128	\$24,965	\$6,929
Stores equipment	\$0	E	\$0	\$0	\$0	\$0	\$0	\$0
Tools, shop & garage equipment	\$0	E	\$0	\$0	\$0	\$0	\$0	\$0
Laboratory equipment	\$20,967	A	\$20,967	\$0	\$0	\$0	\$0	\$0
Power equipment	\$11,435	E	\$4,569	\$1,417	\$66	\$4,052	\$1,042	\$289
Communication equipment	\$0	E	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous equipment	\$0	E	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PLANT	\$120,377,178		\$69,508,795	\$36,109,314	\$5,870,656	\$5,573,000	\$2,404,571	\$910,842
PERCENT		P	57.74%	30.00%	4.88%	4.63%	2.00%	0.76%

*Note: Test Year Net Plant plus CWIP

ALLOCATION OF NON-ADMINISTRATIVE LABOR COSTS TO COST COMPONENTS

<u>EXPENSE ITEM</u>	<u>PRO FORMA</u> <u>AMOUNT</u>	<u>ALLOC.</u> <u>SYMBOL (1)</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
<u>CUSTOMER SERVICE</u>								
Salary & Wages - Cust Ser	\$188,139	B	\$0	\$0	\$0	\$0	\$188,139	\$0
Salary & Wages - Meter	\$430,657	M	\$0	\$0	\$0	\$296,077	\$134,580	\$0
<u>SOURCE OF SUPPLY</u>								
Salaries & Wages - (601)	\$127,158	A	\$127,158	\$0	\$0	\$0	\$0	\$0
<u>TRANSMISSION & DISTRIBUTION</u>								
Salaries & Wages - (601)	\$958,753	O	\$65,757	\$44,140	\$14,741	\$767,002	\$0	\$67,113
Salaries & Wages -[Engineering] (601)	<u>\$424,694</u>	O	<u>\$29,128</u>	<u>\$19,552</u>	<u>\$6,530</u>	<u>\$339,755</u>	<u>\$0</u>	<u>\$29,729</u>
TOTALS	\$2,129,401		\$222,043	\$63,692	\$21,271	\$1,402,834	\$322,719	\$96,841
PERCENT		L	10.4%	3.0%	1.0%	65.9%	15.2%	4.5%

ALLOCATION TO FIRE, WHOLESALE & RETAIL SERVICE

<u>UNITS OF SERVICE</u>	<u>TOTAL</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING DIRECT FIRE</u>	
Number Units		4,715,088 ccf/yr	20,690 ccf/day	13,113 ccf/day	26,515 equiv meters	97,943 bills	1,918 hydrants
Revenue Requirements	\$18,417,361	\$12,390,808	\$2,851,953	\$365,970	\$1,935,541	\$593,508	\$279,581
Allocation to Fire Protection	\$753,005	\$61,954	\$398,038	\$13,432	included in calculation		\$279,581
Allocation to Wholesale *	\$1,822,386	\$1,641,408	\$186,893	-\$5,914			
Net To Retail Metered Rates	\$15,841,969	\$10,687,446	\$2,267,022	\$358,452	\$1,935,541	\$593,508	\$0

* Allocation to wholesale based on:

BASE

Metered Sales (ccf/yr)	4,715,088	
Retail Sales (ccf/yr)	4,011,414	
Retail Unacctd For (ccf/yr)	<u>629,811</u>	Based on miles of pipe: 100% of distribution/service costs plus 85.1% of transmission plus estim fire
Total Retail (ccf/yr)	4,641,225	

Wholesale Sales (ccf/yr)	703,674
Wholesale Unacctd For (ccf/yr)	<u>5,030</u>
Total Wholesale (ccf/yr)	<u>708,704</u>
Grand Total (ccf/yr)	5,349,929
Wholesale Percent of Grand Total	13.2%
Total Base Allocation	\$12,390,808
Wholesale Allocation	\$1,641,408

MAX DAY

Total Max Day Allocation	\$2,851,953	
Less: Distribution Costs		
94.5% of T&D O&M	-\$104,479	
Admin O&M Share	-\$16,992	16.3%
Distribution Capital Items	<u>-\$1,393,292</u>	63.69% (Less Distribution Mains & Gen'l Items allocated to Max Day)
Total Net of Distribution	\$1,337,190	
Wholesale Max Day %	13.98%	See Sch. 2.2
Wholesale Allocation	\$186,893	

PEAK HOUR

Total Peak Hour Allocation	\$365,970	
Less: Distribution Costs		
94.5% of T&D O&M	-\$34,892	
Admin O&M Share	-\$11,340	32.5%
Capital Items	<u>-\$359,964</u>	100.00% (All Capital Peak Hour costs = distribution)
Total Net of Distribution	-\$40,226	
Wholesale Peak Hr %	14.70%	See Sch. 2.2
Wholesale Allocation	-\$5,914	

ALLOCATION SYMBOLS

ALLOCATION		<u>SYMBOL</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>	
100.00%	A	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Supply, IFR, Power & Chemical:
100.00%	B	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	Billing
100.00%	D	59.84%	40.16%	0.00%	0.00%	0.00%	0.00%	0.00%	Max Day Demand
100.00%	E	39.95%	12.39%	0.58%	35.44%	9.11%	2.53%	0.00%	O&M less A&G
100.00%	E-M	84.50%	12.39%	0.58%	0.00%	0.00%	2.53%	0.00%	O&M less A&G - No Meter Alloc
100.00%	F	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	Fire Service
100.00%	H	51.09%	34.29%	14.62%	0.00%	0.00%	0.00%	0.00%	Max Hour Demand
100.00%	I	52.28%	11.04%	0.64%	26.43%	6.79%	2.82%	0.00%	Total O&M
100.00%	L	10.43%	2.99%	1.00%	65.88%	15.16%	4.55%	0.00%	Labor
100.00%	L-M	91.46%	2.99%	1.00%	0.00%	0.00%	4.55%	0.00%	Labor-No Meter Allocation
100.00%	M	0.00%	0.00%	0.00%	68.8%	31.3%	0.00%	0.00%	Cust Serv - "Meter"
100.00%	O	6.86%	4.60%	1.54%	80.00%	0.00%	7.00%	0.00%	O&M Mains, Hydrants & Service
100.00%	O-A	86.86%	4.60%	1.54%	0.00%	0.00%	7.00%	0.00%	T&D Police Details
100.00%	P	57.74%	30.00%	4.88%	4.63%	2.00%	0.76%	0.00%	Plant
100.00%	P-M	64.37%	30.00%	4.88%	0.00%	0.00%	0.76%	0.00%	Plant-No Meter
100.00%	S	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	Services and Meters
100.00%	T	52.76%	35.41%	11.83%	0.00%	0.00%	0.00%	0.00%	T&D Mains
100.00%	T-C	45.25%	30.37%	10.28%	8.64%	3.93%	1.52%	0.00%	T&D Capital

Symbol D

	<u>MGD</u>	<u>%</u>
Avg Day	12.010	59.84%
Max Day Inc	<u>8.062</u>	<u>40.16%</u>
Total Max Day	20.072	100.00%

Symbol E

	<u>TOTAL</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
Amount	\$6,385,793	\$2,551,261	\$791,494	\$36,938	\$2,262,985	\$581,670	\$161,445
Percent	E	40.0%	12.4%	0.6%	35.4%	9.1%	2.5%

Symbol H

	<u>MGD</u>	<u>%</u>
Avg Day	12.010	51.09%
Max Day Inc	8.062	34.29%
Peak Hour Inc	<u>3.436</u>	<u>14.62%</u>
Total Peak Hour	23.508	100.00%

	<u>FY 01</u>	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>	<u>Average</u>
Avg Day mgd)	13.389	13.035	11.954	12.229	12.33	10.42	10.714	12.010
Max Day (mgd)	21.085	21.395	17.583	19.087	21.05	20.23		20.072
Max Hour (mgd)	33.28	25.03	18.96	26.09	21	20.5	19.7	23.508
	1.6	1.2	1.1	1.4	1.0	1.0		1.30

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

	<u># Employees</u>	<u>Meter Read</u>	<u>Meters</u>
Meter Reader*	2.5	2.5	
Technician*	4.5		4.5
Backflow	1.0		1.0
Subtotal	8.0	2.5	5.5
Percent		31%	69%
Agent	1.0	0.31	0.69
Supervisor	1.0	0.31	0.69
Total	10.0	3.1	6.9
Percent		31%	69%

* Note: half of one meter reader's time is used as a meter technician.

ALLOCATION SYMBOLS

Symbol O

	<u>% of Time</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
Mains	13.00%	6.86%	4.60%	1.54%	0.00%	0.00%	0.00%
Hydrants	7.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.00%
Services	80.00%	0.00%	0.00%	0.00%	80.00%	0.00%	0.00%
Total	100.0%	6.9%	4.6%	1.5%	80.0%	0.0%	7.0%

Note: In docket 3378 allocation of time set at 50% mains, 30% hydrants, 20% services, above based on actual TY and FY06 time records.

	<u>FY06</u>	<u>FY07</u>	<u>Average</u>
Mains	13.00%	13.00%	13.00%
Hydrants	9.00%	5.00%	7.00%
Services	78.00%	82.00%	80.00%
Total	100.0%	100.0%	100.0%

Symbol T

	<u>Plant Amt.</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
Transmission	\$8,863,784	\$5,303,681	\$3,560,103	\$0	\$0	\$0	\$0
Distribution	\$37,569,796	\$19,194,042	\$12,884,025	\$5,491,729	\$0	\$0	\$0
Total	\$46,433,580	\$24,497,723	\$16,444,127	\$5,491,729	\$0	\$0	\$0
		52.76%	35.41%	11.83%	0.00%	0.00%	0.00%

Symbol T-C

	<u>Plant Amt.</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
Distribution Reservoirs	\$2,479,568	\$1,266,787	\$850,333	\$362,449	\$0	\$0	\$0
Transmission Mains	\$8,863,784	\$5,303,681	\$3,560,103	\$0	\$0	\$0	\$0
Distribution mains	\$37,569,796	\$19,194,042	\$12,884,025	\$5,491,729	\$0	\$0	\$0
Services	\$4,879,061	\$0	\$0	\$0	\$3,354,354	\$1,524,706	\$0
Meters	\$2,279,970	\$0	\$0	\$0	\$1,567,480	\$712,491	\$0
Hydrants	\$864,386	\$0	\$0	\$0	\$0	\$0	\$864,386
Total	\$56,936,566	\$25,764,511	\$17,294,460	\$5,854,178	\$4,921,834	\$2,237,197	\$864,386
		45.25%	30.37%	10.28%	8.64%	3.93%	1.52%

FIRE SERVICE CHARGES

PUBLIC FIRE SERVICE

Annual Charge/Hydrant = \$302.72

PRIVATE FIRE SERVICE

<u>SERVICE SIZE</u> <u>(inches)</u>	<u>ANNUAL</u> <u>CHARGE</u>
2	\$125.42
4	\$254.33
6	\$640.81
8	\$1,131.52
10	\$1,597.19
12	\$2,242.58

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

	<u>NUMBER</u>	<u>DEMAND FACTOR (1)</u>	<u>NO. OF EQUIVS.</u>	<u>PERCENT OF DEMAND</u>	<u>NON-HYDR. REQUIRED</u>	<u>DIRECT HYDRANT</u>	<u>TOTAL</u>
PUBLIC FIRE SERVICE							
Hydrants	1,918	111.31	213,494.4	75.28%	\$524,982	\$55,634	\$580,616
PRIVATE FIRE SERVICE							
SIZE (IN)							
2	26	6.19	160.9				
4	49	38.32	1,877.6				
6	392	111.31	43,633.9				
8	90	237.21	21,348.6				
10	4	426.58	1,706.3				
12	<u>2</u>	<u>689.04</u>	<u>1,378.1</u>				
TOTAL-PRIV.	563		70,105.5	24.72%	\$172,389	\$0	\$172,389
GRAND TOTALS	2,481		283,599.8	100.00%	\$697,371	\$55,634	\$753,005
Total Fire Allocation							\$753,005
Less O&M for T&D Fire							\$2,694
Hydrant Capital							\$52,941
Net Non-Hydrant							\$697,371

(1) Based on size to the 2.63 power.

DETERMINATION OF FIRE SERVICE CHARGES

<u>PUBLIC FIRE PROTECTION</u>		<u>CALCULATED CHARGE</u>
PUBLIC FIRE ALLOCATION (1)	\$580,616	
----- =	----- =	\$302.72 per year
NUMBER OF PUBLIC HYDRANTS	1,918	

PRIVATE FIRE PROTECTION

PRIVATE FIRE ALLOCATION (1,2)	\$172,389	
----- =	----- =	\$2.46 /EQUIV.
NO. OF EQUIV. UNITS	70,105.47	

<u>SIZE (IN)</u>	<u>DEMAND FACTOR</u>	<u>DEMAND CHARGE</u>	<u>SERVICE LINE CHRG</u>	<u>BILLING CHARGE</u>	<u>CALCULATED CHARGE</u>
2	6.19	\$15.22	\$105.35	\$4.85	\$125.42
4	38.32	\$94.23	\$155.25	\$4.85	\$254.33
6	111.31	\$273.71	\$362.25	\$4.85	\$640.81
8	237.21	\$583.29	\$543.38	\$4.85	\$1,131.52
10	426.58	\$1,048.96	\$543.38	\$4.85	\$1,597.19
12	689.04	\$1,694.35	\$543.38	\$4.85	\$2,242.58

(1) Allocation from Joint Settlement Sch 4.1

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

Service Line Maintenance Cost =	\$890,587	(Half of total "Metering" O&M)
Service Line Debt Costs =	\$0	
Addnl Allocation to Fire Service =	\$204,515	(22.96%)
Cost per Equiv/year =	\$ 25.88	

SETTLEMENT ADJUSTMENT TO PUBLIC FIRE CHARGES

Current Fire Charge	\$	629.93
Cost of Service		\$302.72
Settlement	\$	337.25
Difference	\$	34.53
Rev. Impact (Increase)	\$	66,229
Water Sales (ccf/yr)		4,011,414
Rate Reduction (\$/ccf)		(0.017)

DETERMINATION OF SERVICE CHARGES

BILLING CHARGE

CUST. BILLING ALLOC. (2)	=	\$474,806	
-----		-----	\$4.85 PER BILLING
NUMBER OF BILLINGS		97,943	

METER CHARGE

CUST. METER ALLOC. (1,2)	=	\$1,471,373	
-----		-----	\$55.49 / EQ. METER/YR
NO. EQUIV. METERS		26,515	

TOTAL SERVICE CHARGES

METER SIZE (IN)	QUARTERLY ACCOUNTS			MONTHLY ACCOUNTS		
	METER CHARGE	BILLING CHARGE	TOTAL CHARGE	METER CHARGE	BILLING CHARGE	TOTAL CHARGE
5/8	\$13.87	\$4.85	\$18.72	\$4.62	\$4.85	\$9.47
3/4	\$19.22	\$4.85	\$24.07	\$6.41	\$4.85	\$11.26
1	\$27.75	\$4.85	\$32.59	\$9.25	\$4.85	\$14.10
1 1/2	\$56.48	\$4.85	\$61.33	\$18.83	\$4.85	\$23.68
2	\$73.33	\$4.85	\$78.18	\$24.44	\$4.85	\$29.29
3	\$83.24	\$4.85	\$88.09	\$27.75	\$4.85	\$32.59
4	\$194.23	\$4.85	\$199.07	\$64.74	\$4.85	\$69.59
6	\$291.34	\$4.85	\$296.19	\$97.11	\$4.85	\$101.96
8	\$416.20	\$4.85	\$421.05	\$138.73	\$4.85	\$143.58

(1) Less allocation of Service Maintenance Costs to Private Fire Service - see Joint Settlemt Sch. 4.2,

(2) adjusted further to minimize large increase to service chares by reducing the allocations to

- meter and services by 15.0%
- billing by 20.0%

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

Class Demands

CUSTOMER CLASS	AVERAGE DEMANDS		FACTOR	MAX DAY EXTRA CAPACITY		
	(CCF/DAY)	PERCENT		(CCF/DAY)	XTRA CCF/DAY	PERCENT
<i>Retail</i>						
Small (5/8 - 1")	8,224	63.66%	2.50	20,559	12,335	69.29%
Medium (1.5 - 2" & By pass	1,812	14.02%	2.00	3,623	1,812	10.18%
Large (3" and up)	955	7.39%	1.80	1,719	764	4.29%
<i>Wholesale</i>						
Cumberland	1,928	14.92%	2.50	4,820	2,892	16.24%
Seekonk	0	0.00%	2.50	0	0	0.00%
Total	12,918	100.00%		30,721	17,803	100.00%

CUSTOMER CLASS	AVERAGE DEMANDS		FACTOR	PEAK HOUR EXTRA CAPACITY		
	(CCF/DAY)	PERCENT		(CCF/DAY)	XTRA CCF/DAY	PERCENT
<i>Retail</i>						
Small (5/8 - 1")	8,224	63.66%	3.50	28,782	8,224	65.10%
Medium (1.5 - 2" & By pass	1,812	14.02%	3.00	5,435	1,812	14.34%
Large (3" and up)	955	7.39%	2.50	2,387	668	5.29%
<i>Wholesale</i>						
Cumberland	1,928	14.92%	3.50	6,748	1,928	15.26%
Seekonk	0	0.00%	3.50	0	0	0.00%
Total	12,918	100.00%		43,352	12,632	100.00%

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

CUSTOMER CLASS	BASE COSTS		MAX. DAY XTRA CAPACITY		PEAK HR. XTRA CAPACITY		TOTAL AMOUNT
	PERCENT	AMOUNT*	PERCENT	AMOUNT	PERCENT	AMOUNT	
<i>Retail</i>							
Small (5/8 - 1")	74.83%	\$8,280,106	82.73%	\$1,875,425	76.83%	\$275,395	\$10,430,925
Medium (1.5 - 2" & By pass	16.48%	\$1,824,143	12.15%	\$275,443	16.93%	\$60,671	\$2,160,257
Large (3" and up)	8.69%	\$961,552	5.12%	\$116,154	6.25%	\$22,387	\$1,100,093
Total	100.00%	\$11,065,802	100.00%	\$2,267,022	100.00%	\$358,452	\$13,691,276
		80.8%		16.6%		2.6%	

* Includes allocation of service costs -- see Joint Settled Sch. 5.0

METERED WATER RATES

Small (5/8 - 1")

Total Expense (2)	\$10,430,925	=	\$ 3.475 per ccf
----- = -----			
Metered Sales (HCF) (1)	3,001,584		\$ (0.017) (Fire Adjust)
			\$3.459 per ccf

Medium (1.5 - 2" & By pass)

Total Expense (2)	\$2,160,257	=	\$ 3.267 per ccf
----- = -----			
Metered Sales (HCF) (1)	661,262		\$ (0.017) (Fire Adjust)
			\$3.251 per ccf

Large (3" and up)

Total Expense (2)	\$1,100,093	=	\$ 3.156 per ccf
----- = -----			
Metered Sales (HCF) (1)	348,568		\$ (0.017) (Fire Adjust)
			\$3.140 per ccf

Wholesale

Total Expense (3)	\$1,822,386	=	\$2.590 per ccf
----- = -----			
Metered Sales (HCF) (1)	703,674		

- (1) See Joint Settlemt Sch 2.0
- (2) See Joint Settlemt Sch 6.0
- (3) See Joint Settlemt Sch. 3.3

COMPARISON OF CURRENT & PROPOSED RATES

		<u>Current</u>	<u>Proposed</u>	<u>% Change</u>
<u>Metered Rates</u>				
Small (5/8 - 1")		\$2.903	\$3.459	19.2%
Medium (1.5 - 2" & By pass)		\$2.709	\$3.251	20.0%
Large (3" and up)		\$2.544	\$3.140	23.4%
<u>Wholesale</u>		\$2.217	\$2.590	16.8%
<u>Service Charges</u>				
Quarterly	5/8	\$16.89	\$18.72	10.8%
	3/4	\$21.84	\$24.07	10.2%
	1	\$29.72	\$32.59	9.7%
	1 1/2	\$56.29	\$61.33	9.0%
	2	\$71.87	\$78.18	8.8%
	3	\$81.03	\$88.09	8.7%
	4	\$183.66	\$199.07	8.4%
	6	\$273.47	\$296.19	8.3%
	8	\$388.93	\$421.05	8.3%
Monthly	5/8	\$8.34	\$9.47	13.5%
	3/4	\$9.99	\$11.26	12.7%
	1	\$12.61	\$14.10	11.8%
	1 1/2	\$21.47	\$23.68	10.3%
	2	\$26.66	\$29.29	9.9%
	3	\$29.72	\$32.59	9.7%
	4	\$63.93	\$69.59	8.9%
	6	\$93.86	\$101.96	8.6%
	8	\$132.35	\$143.58	8.5%
<u>Fire Service (annual)</u>				
Public	/hydrant/yr	\$629.93	\$337.25	-46.5%
Private	2	\$185.92	\$125.42	-32.5%
	4	\$523.75	\$254.33	-51.4%
	6	\$876.95	\$640.81	-26.9%
	8	\$1,386.65	\$1,131.52	-18.4%
	10	\$1,715.05	\$1,597.19	-6.9%
	12	\$2,170.20	\$2,242.58	3.3%

IMPACT OF PROPOSED RATES
(quarterly bills unless otherwise noted)

METER SIZE	QUARTERLY USE - CU FT	CURRENT RATES	<----- PROPOSED ----->		
			NEW BILL	\$ INCREASE	% INCREASE
<u>Metered Service (Quarterly Bills)</u>					
Small					
5/8	2,000	\$74.95	\$87.90	\$12.95	17.28%
5/8	2,500	\$89.47	\$105.20	\$15.73	17.58%
5/8	4,000	\$133.01	\$157.08	\$24.07	18.10%
5/8	5,000	\$162.04	\$191.67	\$29.63	18.29%
5/8	7,500	\$234.62	\$278.15	\$43.53	18.55%
5/8	10,000	\$307.19	\$364.62	\$57.43	18.70%
5/8	15,000	\$452.34	\$537.57	\$85.23	18.84%
5/8	20,000	\$597.49	\$710.52	\$113.03	18.92%
5/8	25,000	\$742.64	\$883.47	\$140.83	18.96%
1	30,000	\$900.62	\$1,070.29	\$169.67	18.84%
1	40,000	\$1,190.92	\$1,416.19	\$225.27	18.92%
1	75,000	\$2,206.97	\$2,626.84	\$419.87	19.02%
Medium					
1 1/2	100,000	\$2,765.29	\$3,312.33	\$547.04	19.78%
1 1/2	200,000	\$5,474.29	\$6,563.33	\$1,089.04	19.89%
2	300,000	\$8,198.87	\$9,831.18	\$1,632.31	19.91%
2	400,000	\$10,907.87	\$13,082.18	\$2,174.31	19.93%
Large					
3	250,000	\$6,441.03	\$7,938.09	\$1,497.06	23.24%
3	500,000	\$12,801.03	\$15,788.09	\$2,987.06	23.33%
4	750,000	\$19,263.66	\$23,749.07	\$4,485.41	23.28%
6	1,000,000	\$25,713.47	\$31,696.19	\$5,982.72	23.27%
6	3,000,000	\$76,593.47	\$94,496.19	\$17,902.72	23.37%
<u>Fire Service (Annual Bill)</u>					
Municipal Fire Service	200 hydrants	\$125,986.00	\$67,450.00	-\$58,536.00	-46.46%
	1400 hydrants	\$881,902.00	\$472,150.00	-\$409,752.00	-46.46%
Private Fire Service	4 Inch Service	\$523.75	\$254.33	-\$269.42	-51.44%
	6 Inch Service	\$876.95	\$640.81	-\$236.14	-26.93%
	8 Inch Service	\$1,386.65	\$1,131.52	-\$255.13	-18.40%

REVENUE RECONCILIATION**Service Charge:**

		<----- Current ----->		<----- Proposed ----->	
	<u>Number</u>	<u>Rate</u>	<u>Revenue</u>	<u>Rate</u>	<u>Revenue</u>
<u>Quarterly</u>					
5/8	21,362	\$16.89	\$1,443,217	\$18.72	\$1,599,587
3/4	210	\$21.84	\$18,346	\$24.07	\$20,219
1	353	\$29.72	\$41,965	\$32.59	\$46,017
1 1/2	121	\$56.29	\$27,244	\$61.33	\$29,684
2	114	\$71.87	\$32,773	\$78.18	\$35,650
3	22	\$81.03	\$7,131	\$88.09	\$7,752
4	9	\$183.66	\$6,612	\$199.07	\$7,167
6	0	\$273.47	\$0	\$296.19	\$0
8	0	\$388.93	\$0	\$421.05	\$0
<u>Monthly</u>					
5/8	92	\$8.34	\$9,207	\$9.47	\$10,455
3/4	45	\$9.99	\$5,395	\$11.26	\$6,080
1	138	\$12.61	\$20,882	\$14.10	\$23,350
1 1/2	116	\$21.47	\$29,886	\$23.68	\$32,963
2	293	\$26.66	\$93,737	\$29.29	\$102,984
3	20	\$29.72	\$7,133	\$32.59	\$7,822
4	9	\$63.93	\$6,904	\$69.59	\$7,516
6	5	\$93.86	\$5,632	\$101.96	\$6,118
8	0	\$132.35	\$0	\$143.58	\$0
Consumption Charge:					
Small (5/8 - 1")	3,001,584	\$2.903	\$8,713,598	\$3.459	\$10,382,479
Medium (1.5 - 2" & By p	661,262	\$2.709	\$1,791,359	\$3.251	\$2,149,763
Large (3" and up)	348,568	\$2.544	\$886,757	\$3.140	\$1,094,504
Extra Large	0	\$2.544	\$0	\$3.140	\$0
<u>Wholesale</u>	703,674	\$2.217	\$1,560,045	\$2.590	\$1,822,516

REVENUE RECONCILIATION

		<u><----- Current -----></u>		<u><----- Proposed -----></u>	
<u>Fire Protection:</u>					
Public Hydrants	1,918	\$629.93	\$1,208,206	\$337.25	\$646,846
Private Fire Protection					
2	26	\$185.92	\$4,834	\$125.42	\$3,261
4	49	\$523.75	\$25,664	\$254.33	\$12,462
6	392	\$876.95	\$343,764	\$640.81	\$251,198
8	90	\$1,386.65	\$124,799	\$1,131.52	\$101,837
10	4	\$1,715.05	\$6,860	\$1,597.19	\$6,389
12	2	\$2,170.20	\$4,340	\$2,242.58	\$4,485
			=====		=====
Total			\$16,426,288		\$18,419,099
Plus: Misc Revenues			\$1,523,433		\$1,523,433
			=====		=====
Pro Forma Revenue			\$17,949,722		\$19,942,532
Required Revenue			\$19,940,794		\$19,940,794
Difference			-\$1,991,072		\$1,738
Increase in Revenues					\$1,992,810
Percent Increase in Total Revenues					11.1%
Percent Increase in Rate Revenues (non-misc)					12.1%

SUMMARY OF COST OF SERVICE

	<u>Test Year</u>	<u>Adjustments</u>	<u>Rate Year</u>
Revenues			
Service Charges	\$1,756,062	\$187,298	\$1,943,361
Metered Rates	\$12,951,759	\$2,497,502	\$15,449,261
Fire Protection	\$1,718,467	-\$691,990	\$1,026,477
Miscellaneous	<u>\$367,947</u>	<u>\$1,155,486</u>	<u>\$1,523,433</u>
<i>Total Revenue</i>	\$16,794,235	\$3,148,297	\$19,942,532
Expenses			
<u>O&M</u>			
Admin	\$1,740,547	\$436,579	\$2,177,125
Customer Serv	\$868,492	\$194,989	\$1,063,481
Supply	\$375,321	-\$1,841	\$373,480
Purification	\$1,793,326	\$836,542	\$2,629,868
Trans & Distrib	<u>\$1,957,256</u>	<u>\$361,708</u>	<u>\$2,318,964</u>
Total O&M	\$6,734,942	\$1,827,976	\$8,562,918
<u>Capital</u>			
Property Taxes	\$844,205	-\$46,738	\$797,467
Bond Principal & Interest	\$5,736,014	\$952,530	\$6,688,543
Leases	\$150,962	-\$1,181	\$149,781
IFR	\$3,100,000		\$3,100,000
CF Franchise Fee	\$86,416		\$0
Calgon Royalties Fund	\$73,000	-\$73,000	\$0
CF System Fund	\$255,202	-\$255,202	\$0
Trustee Fees	\$308,657	\$61,250	\$369,907
O&M Reserve Deposit	<u>\$31,480</u>	<u>-\$31,480</u>	<u>\$0</u>
Total Capital	\$10,585,934	\$606,179	\$11,105,698
<u>Operating Revenue Allowance</u>	<u>\$130,883</u>	<u>\$141,295</u>	<u>\$272,178</u>
<i>Total Expenses</i>	\$17,451,759	\$2,575,450	\$19,940,794

PAWTUCKET WATER SUPPLY BOARD TARIFF SCHEDULES

Effective: [October 1, 2008](#)

PAWTUCKET WATER SUPPLY BOARD
85 BRANCH STREET
PAWTUCKET, RHODE ISLAND 02860

PAWTUCKET WATER SUPPLY BOARD TARIFF SCHEDULES

Replaces Tariff: November 11, 2005
Effective: October 1, 2008

Public Utilities Docket No. 3945

TARIFF SCHEDULES

Schedule

- A Bulk Sales for Resale
- B Public Fire Protection
- C Private Fire Protection
- D Customer Service Charge
- E Metered Sales
- F Miscellaneous Charges
- G Penalty for Late Payment of Water Bill

SCHEDULE B

PAWTUCKET WATER SUPPLY BOARD
Public Fire Protection

Rhode Island Public Utilities Commission
Public Utilities Docket No. 3945

Effective: October 1, 2008

Applicability

Applicable throughout the entire territory served by the Pawtucket Water Supply Board for service to public fire hydrants.

Rates

Per Annum

For each Hydrant

\$337.25

All public meters which are not 6 inch hydrants pay the private fire protection rates. See Schedule C of this tariff for the rates.

Terms of Payment

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

SCHEDULE C

PAWTUCKET WATER SUPPLY BOARD
Private Fire Protection

Rhode Island Public Utilities Commission
Public Utilities Docket No. 3945

Effective: October 1, 2008

Applicability

Applicable throughout the entire territory served by the Pawtucket Water Supply Board for service to private fire protection appliances owned and maintained by the customer based upon the size of the connection to the premises measured at the street.

	<u>Per Annum</u>
For each 2 inch connection	\$ 125.42
For each 4 inch connection	\$ 254.33
For each 6 inch connection	\$ 640.81
For each 8 inch connection	\$ 1,131.52
For each 10 inch connection	\$ 1,597.19
For each 12 inch connection	\$ 2,242.58

Unmetered fire hydrants will be charged as six-inch connections. No additional charge will be made for fire protection appliances owned and maintained by the customers.

Terms of Payment

All bills for private fire protection service furnished under this schedule are rendered annually in advance and are due and payable in full when rendered. Water usage through fire services for the purposes other than fire protections shall be billed in arrears annually at the same rate per hundred cubic feet as the small class in Sch. E.

Fire services are equipped with a detector check valve furnished by the owner, and a by-pass meter purchased by the owner from the Pawtucket Water Supply Board.

<u>Detector Check Size</u>	<u>By-Pass Meter Size</u>
4 inch	3/4 or 1 inch
6 inch	1 1/2 inch
8 inch	2 inch
10 inch	3 inch
12 inch	4 inch

SCHEDULE D

PAWTUCKET WATER SUPPLY BOARD
Customer Service Charge

Rhode Island Public Utilities Commission
Public Utilities Docket No. 3945

Effective: October 1, 2008

Applicability

Applicable throughout the entire territory served by the Pawtucket Water Supply Board for residential, commercial and industrial users, exclusive of fire service connection.

Rates

For each service connected to the Pawtucket Water Supply Board's mains, the following quarterly and monthly minimum customer service charges shall apply:

<u>Size of Meter</u>	<u>Quarterly Customer Charge</u>	<u>Monthly Customer Charge</u>
5/8 inch	\$ 18.72	\$ 9.47
3/4 inch	\$ 24.07	\$ 11.26
1 inch	\$ 32.59	\$ 14.10
1 1/2 inch	\$ 61.33	\$ 23.68
2 inch	\$ 78.18	\$ 29.29
3 inch	\$ 88.09	\$ 32.59
4 inch	\$ 199.07	\$ 69.59
6 inch	\$ 296.19	\$ 101.96
8 inch	\$ 421.05	\$ 143.58

Terms of Payment

All customer service charges billed under this schedule are rendered on a quarterly basis for residential customers, and on a monthly basis for certain industrial and commercial customers, in advance and are due and payable in full when rendered.

SCHEDULE E

PAWTUCKET WATER SUPPLY BOARD
Metered Sales

Rhode Island Public Utilities Commission
Public Utilities Docket No. 3945

Effective: October 1, 2008

Applicability

General metered water service in the entire territory served by the Pawtucket Water Supply Board.

Rates

For all quantities used except for private fire protection and bulk sales to public authorities for resale, the following rates shall apply:

<u>Class</u> <u>(meter size)</u>		<u>Rate per Hundred Cubic Feet</u>
Small (5/8 - 1")	\$	3.459
Medium (1.5 - 2")	\$	3.251
Large (3" and up)	\$	3.140

Terms of Payment

All metered sales bills under this schedule are rendered on a quarterly basis for residential customers, and monthly for industrial and commercial customers, in arrears and are due and payable in full when rendered.

SCHEDULE F (Continued)

PAWTUCKET WATER SUPPLY BOARD
Miscellaneous Charge

Rhode Island Public Utilities Commission
Public Utilities Docket No. 3945

Effective: October 1, 2008

Service Termination Charges

Applicable to all customers whose service has been terminated due to delinquent accounts status or violations of the Rules and Regulations of the Pawtucket Water Supply Board. Payable in advance, before service is restored.

Service Shutoff Fee: \$ 64.00

Service Restoration Fee: \$ 43.00

Application Charge

Not applicable

Returned Check Fee:

Charge: \$ 20.00

Fire Hydrant Flow Test

Charge: \$ 150.00

Temporary Construction Service

Service applications will be completed and returned to the Pawtucket Water Supply Board, 85 Branch Street, Pawtucket, RI 02860, during normal business hours.

- a. Advance payment will be made at the time of application. This payment will include an application/service charge of six months duration; a deposit on the meter and connection; and a deposit on the estimated cost of the water to be used. Please consult the instructions on the back of the application and/or the Rules and Regulations of the PWSB for further details.
- b. Water Charges are as follows: Costs at time of Application

Meter Size	Material Deposit	6 Mo. AP. SVCE.CHG.	Water Deposit	Total
5/8"	\$ 100.00	\$ 27.90	\$ 272.04	\$ 400.00
2"	\$ 800.00	\$ 155.58	\$ 544.42	\$ 1,500.00

SCHEDULE F (Continued)

PAWTUCKET WATER SUPPLY BOARD
Miscellaneous Charge

Rhode Island Public Utilities Commission
Public Utilities Docket No. 3945

Effective: October 1, 2008

Swimming Pools

Not applicable

Tank Truck - Bulk Sales

Tank trucks must be filled using an air-gap separation to assure the prevention of the backflow from the truck to the water system. The consumer will pay a service charge (Tank Truck filling Permit) of \$50.00 per day, plus the cost of the water used at prevailing rate, plus the cost of PWSB labor if required. The customer will use a hydrant meter to document the volume of the truck.

Main Extensions

An engineering fee, sampling/testing charge will be assessed prior to approval of construction.

The engineering inspection fee is \$250.00 per day.

The charge for sampling and testing shall be \$85.00 for each segment of pipe to be tested, and shall be paid prior to the start of construction.

A deposit is required as security for the faithful performance of the contract work. This deposit may be used to complete the installation or correct any defects in the event that the contractor fails to do so in a timely manner. This refundable deposit is due prior to commencement of construction and shall be held for a period of one year following acceptance of the main extension. The amount of the deposit is based on the length of the main extension as follows:

<u>Main Length</u>	<u>Deposit Fee</u>
0 - 150 linear ft.	\$ 2,000.00
151 - 300 linear ft.	\$ 4,000.00
301 - 450 linear ft.	\$ 6,000.00 *
over 450 linear ft.	\$ 8,000.00 *

* A performance bond in the amount of \$20,000 may be substituted for the deposit fee upon prior approval of the PWSB.

Service Installation Charges

The charges for service installation are to be paid at the time of application for a new water service installation or for connection to a vacant lot service or abandoned water service.

The cost of road patching, sidewalk patching, and engineering/inspection, must be added to the basic service installation charges as set forth herein.

All installation charges are to be computed by the Engineering Section of the Pawtucket Water Supply Board.

PAWTUCKET WATER SUPPLY BOARD

Miscellaneous Charge

Rhode Island Public Utilities Commission

Public Utilities Docket No. 3945

Effective: October 1, 2008

NEW WATER SERVICE INSTALLATION FEES

<u>Service Size</u>	<u>Fee</u>
1" Service	\$1,752.00
2" Service	\$2,621.00
4" Service	\$2,855.00
6" Service	\$3,107.00
8" Service	\$3,517.00
10" Service	\$4,895.00

The basic installation fee for services greater than 10 inch in size shall be charged on a time and materials basis consistent with the methodology used in computing the above basic installation fees

Special Circumstances - Any new water service installation sites where special circumstances may be encountered (i.e. ledge, special fittings, routing around other utilities, repair of traffic control devices) will also be charged on a time and materials basis.

In addition to the basic installation fee and any costs related to special circumstances, the applicant shall be responsible for charges associated with the following:

- 1 All road and/or sidewalk restoration costs
- 2 Uniformed police officers for traffic control required for public safety at the current local Police department rate.
- 3 The cost of the water meter and meter couplings purchased from the PWSB for meter sizes through 2 inches (meters larger than 2 inch in size shall be purchased, owned, installed and maintained by the applicant/owner
- 4 "Customer Service Charge" for one full cycle based on the meter size
- 5 If the new service is a fire service, the "Annual Fire Service Charge" based on the size of the fire service connection to the premises measured at the street.
- 6 The "Road Opening Permit" fee at the current local City or Town rate.

SCHEDULE F (Continued)

PAWTUCKET WATER SUPPLY BOARD
Miscellaneous Charge

Rhode Island Public Utilities Commission
Public Utilities Docket No. 3945

Effective: October 1, 2008

this page is not required

PAWTUCKET WATER SUPPLY BOARD
Penalty for Late Payment
of Water Bills

Rhode Island Public Utilities Commission
Public Utilities Docket No. 3945

Effective: October 1, 2008

Applicability

Applicable throughout the entire territory served by the Pawtucket Water Supply Board for residential, commercial and industrial users.

Rates

Amounts not paid by the DUE DATE will accumulate a penalty of 18% per year (1.5% per month) from the DUE DATE through the PAYMENT DATE.

DUE DATE is 30 days after the BILLING DATE and is listed on each billing statement, and the BILLING DATE is the date on which the billing statement was mailed and also is listed on each billing statement.