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Chairman

Raymond J. Marshall, P.E.
Executive Director

December 22, 2010

Luly Massaro, Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island 02888

Subject: NBC's Responses to the Third Set of Data Requests from the Division of Public Utilities and Carriers – Docket 4205

Dear Ms. Massaro:

Enclosed please find NBC's Responses to the Third Set of Data Requests from the Division of Public Utilities and Carriers as part of Docket 4205.

Sincerely,

Karen L. Giebink
Director of Administration and Finance

DIV. 3-1. With regard to the response to DIV. 1-3, please identify the salaries for the E&I Tech hired on May 9, 2010 and the CS Representative hired on January 3, 2010 that are included in test year expense.

Answer:

Customer Service Representative	1/3/2010	15,155.67
E & I Tech	5/9/2010	4,529.69

DIV. 3-2 With regard to the response to DIV. 1-5:

a. Please identify the EMDA-Water Quality Monitoring and Engineering-Flow Monitoring salary reimbursement amounts in FY 2008 and FY 2009 comparable to those shown on WEE-4 for FY 2010.

b. Please explain why these EMDA and Engineering amounts will no longer be funded out of capital.

Answer:

a. As the detail for this data request was reviewed, the salary and fringe that will not be eligible for capital reimbursement in the rate year was refined based upon the detail and is shown in the table below. The costs that will no longer be reimbursed relate to EMDA and an engineering position on the flow and water quality monitoring project (30221) and an engineering position on the GIS/Asset Management project. Schedule WEE-4 has also been revised and is shown on the next page.

Salary and Fringe Reimbursements

	2008	2009	2010
EMDA to Flow Monitoring	$ 14,936	$ 13,364	$ 16,535
Engineering to Flow Monitoring	27,124	46,479	29,449
Other to Flow Monitoring	12,269	12,340	15,057
less: Flow Monitoring to other projects	(12,269)	(23,788)	(15,607)
Plus Engineer to GIS/Asset Management		7,449	21,180
	$ 42,060	$ 55,845	$ 66,614
Flow Monitoring	27,136	31,223	29,312
GIS Asset Management	-	4,806	13,665
Total Salary	$ 27,136	$ 36,029	$ 42,977
Flow Monitoring	14,925	17,173	16,122
GIS Asset Management	-	2,643	7,516
Total Fringe	$ 14,925	$ 19,816	$ 23,637

Revised Salary and Fringe Schedule WEE-4

	Salary Reimbursement Account 59000	Fringe Reimbursement Account 59001
Adjusted Test Year	$ (1,042,505)	$ (572,552)
Elimination of Capital Reimbursements		
GIS/Asset Management	13,665	7,516
Engineering - Flow Monitoring	29,312	16,122
Interim Year FY 2011	(999,528)	(548,914)
7/1/11 COLA	3.0%	3.0%
Rate Year	(1,029,514)	(565,382)
Adjusted Test Year	1,042,505	572,552
Revised Rate Year Adjustment	$ 12,991	$ 7,170

b. NBC began performing these functions as part of two capital projects. The flow and water quality monitoring project is now complete but NBC is required by its RIPDES permit to continue to perform these functions. The GIS project is complete but there is ongoing maintenance work that must be performed. Since these are ongoing operating expenses they can no longer be capitalized.

DIV 3-3 With regard to the response to DIV. 1-12:

a. Please state whether NBC entered into any new maintenance of service agreements in FY 2009 other than the new Siemens arguments identified in Docket No. 4026 on Schedule WEE-8. If yes, please identify these agreements and annual costs.

b. Please state whether NBC entered into any new maintenance or service agreements in FY 2010. If yes, identify the agreements and annual costs.

Answer:

a. When Schedule Wee-8 in Docket 4026 was prepared the intent was to project the rate year cost of maintenance and service agreements. The calculation shows the test year level of expenditure and the only materially significant new agreement which was for Siemens ($58,776). The only other adjustment made to the test year was for the impact on FP of the new tunnel project which was only $7,924. This adjustment was made only because it was part of a larger $3.4 million dollar adjustment.

The NBC entered into numerous maintenance and service agreements in FY 2009 but with the exception of the Siemens agreement none were considered material enough to note. Due to the voluminous and diverse nature of service agreements NBC no longer tracks them in a single location. This is why the method for determining the rate year expense in this Docket is different than prior rate cases.

b. See the answer to Div 1-12 which provides all of the service agreements for FY 2009 and 2010. In the rate year in this docket, NBC has based the increase in this account on the average annual percent increase due to the number and diversity of service agreements. The only adjustment to the test year for maintenance and service agreements was specifically identified as not “traditional” increases but rather are for 2 contracts that used to be carried as a capital expense associated with CSO flow monitoring that are now ongoing operating expenses.

DIV. 3-4. With regard to NBC's claim for the inclusion of the two new maintenance and service agreements reflected on Schedule WEE-7 in this proceeding, please state whether NBC has any agreements that have been or will be terminated in FY 2011 or FY 2012. If yes, identify the agreement(s) and amount(s).

Answer: Please see the answer to item 3-3 above. Due to the number and diversity of the maintenance and service contracts NBC does not maintain records in a single location that readily shows when agreements terminate. Therefore NBC does not have a detailed listing showing what agreements will terminate in FY 2011 or 2012. Further, NBC knows of no specific agreements that will expire and not be renewed or renegotiated in FY 2011 or 2012.

DIV. 3-5. With regard to the response to DIV. 1-12, please state whether NBC's Oracle software is capable of summarizing Maintenance and Service agreement costs by vendor/provider. If yes, please provide such a summary for FY 2008, FY 2009, and FY 2010, comparable to the response to DIV 1-44 in Docket No. 4026.

Answer: The Oracle software is not capable of providing this information in the format requested. (If it were available, NBC would have provided it in that format in the first place). This is one of the reasons why the methodology for calculating the rate year expense was changed. NBC had been manually tracking this information for years but the volume is now far too excessive and the effort compared to the value of having this information centrally located is not cost justified.

DIV. 3-6. With regard to the response to DIV. 1-11:

a. In the response to DIV 1-2 in Docket No. 4026, NBC identified the FY 2008 Worker's Compensation Premium as $470,769 with Payroll Audit Adjustment, and $461,808 as the final premium with audit appeal adjustment. Please reconcile the amount shown on Schedule WEE-9 with these amounts.

b. Please provide the Worker's Compensation Premium statements for FY 2008, FY 2009 and FY 2010 and identify any adjustments made to arrive at the expense amounts shown on Schedule WEE-9.

Answer: a. Reconciliation of the FY 2008 Workers comp

General Ledger Balancer 6/30/2008	$ 403,936
Test Year Adjustments in Docket 4206:	
Elimination of a one-time Cash Receipt	36,568
Removal of FY 2007 refund	13,139
Increase as a result of FY 2008 audit	17,166
	$ 470,809
Final audit appeal adjustment	(9,001)
	$ 461,808

b. The Worker's Compensation expense amounts on Schedule WEE-9 are directly from our audited financial statements. NBC has provided the General ledger detail for FY 2008, FY 2009 and FY 2010 which would identify any additional expenses or cash refunds.

In an attempted to simplify the process, NBC requested the average increase for the last two years. The final audit for FY 2010 resulted in an additional worker's comp expense of $ 17,377. This amount was not included in the test year or used to project the rate year worker's compensation expense.

Ledger / Ledger Set	**NARRAGANSETT BAY COMMISSION**
Period From	**JUL-08**
Period To	**JUN-08**
Accounting Flexfield From	**02-000-00-53680**
Accounting Flexfield To	**02-999-00-53680**
Balance Type	**Actual**
Encumbrance Type / Budget Name	
Include Zero Amount Lines	**No**
Include User Transaction Identifiers	**No**
Include Statistical Amount Lines	**No**
Include Accounts With No Activity	**No**

Ledger Name NARRAGANSETT BAY COMMISSION | Ledger Currency USD | Balance Type Actual

Account 02-080-00-53680 | Description NARRAGANSETT BAY COMMISSI-GENERAL ADMINISTRATION-DEFAULT-WORKERS' COMP INSURANCE

					Beginning Balance for Period	JUL-08	0.00	0.00

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Payables	Purchase Invoices	Jul 3, 2007	Invoices	06122007-49	Worker's Compensation Insurance	45,624.30	
					BEACON MUTUAL INSURANCE CO		
Manual	Other	Jul 30, 2007			RS-JUL-08-AP ACCRUAL		45,624.30
Manual	Other	Jul 31, 2007			4535 INT ADJ	91,238.60	
					Period Total	136,862.90	45,624.30

					Ending Balance for Period	JUL-08	91,238.60	0.00
					Beginning Balance for Period	AUG-08	91,238.60	0.00

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Manual	Other	Aug 1, 2007			RS-JUL-08-AP ACCRUAL	45,624.30	
Payables	Purchase Invoices	Aug 1, 2007	Invoices	09012007-49	Worker's Compensation Insurance	45,624.30	

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
					BEACON MUTUAL INSURANCE CO		
Manual	Accrual	Aug 30, 2007			RS-AUG-08-AP ACCRUAL		45,624.30
					Period Total	91,248.60	45,624.30
					Ending Balance for Period AUG-08	**136,862.90**	**0.00**
					Beginning Balance for Period SEP-08	**136,862.90**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Manual	Accrual	Sep 1, 2007			RS-AUG-08-AP ACCRUAL	45,624.30	
Payables	Purchase Invoices	Sep 5, 2007	Invoices	06122007- 49	Worker's Compensation Insurance	45,624.30	
					BEACON MUTUAL INSURANCE CO		
Manual	Accrual	Sep 28, 2007			SEP-08-AP ACCRUAL		45,624.30
					Period Total	91,248.60	45,624.30
					Ending Balance for Period SEP-08	**182,487.20**	**0.00**
					Beginning Balance for Period OCT-08	**182,487.20**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Manual	Accrual	Oct 1, 2007			SEP-08-AP ACCRUAL	45,624.30	
Payables	Purchase Invoices	Oct 4, 2007	Invoices	06122007- 49	Worker's Compensation Insurance	45,624.30	
					BEACON MUTUAL INSURANCE CO		
Manual	Accrual	Oct 31, 2007			RS-OCT-08-AP ACCRUAL		45,624.30
					Period Total	91,248.60	45,624.30

Ending Balance for Period	OCT-08	**228,111.50**	**0.00**

Beginning Balance for Period	NOV-08	**228,111.50**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Manual	Accrual	Nov 1, 2007			RS-OCT-08-AP ACCRUAL	45,624.30	
Manual	Accrual	Nov 29, 2007			RS-NOV-08-AP ACCRUAL		45,624.30
Manual	Adjustment	Nov 30, 2007			#4663 INT ADJ		45,624.30
Manual	Adjustment	Nov 30, 2007			#4664 INT ADJ	91,248.60	
					Period Total	136,872.90	91,248.60

Ending Balance for Period	NOV-08	**273,735.80**	**0.00**

Beginning Balance for Period	DEC-08	**273,735.80**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Manual	Accrual	Dec 1, 2007			RS-NOV-08-AP ACCRUAL	45,624.30	
Payables	Purchase Invoices	Dec 20, 2007	Invoices	25787 6/12/07	Worker's Compensation Insurance	45,624.30	
					BEACON MUTUAL INSURANCE CO		
Manual	Accrual	Dec 31, 2007			TP AP ACCRUAL		45,624.30
					Period Total	91,248.60	45,624.30

Ending Balance for Period	DEC-08	**319,360.10**	**0.00**

Beginning Balance for Period	JAN-08	**319,360.10**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Manual	Accrual	Jan 1, 2008			TP AP ACCRUAL	45,624.30	
Payables	Purchase Invoices	Jan 2, 2008	Invoices	020108-49	Worker's Compensation Insurance	45,624.30	
					BEACON MUTUAL INSURANCE CO		
Manual	Other	Jan 29, 2008			TP-JAN-08-AP ACCRUAL		45,624.30
					Period Total	91,248.60	45,624.30

Ending Balance for Period	JAN-08	**364,984.40**	**0.00**

Beginning Balance for Period	FEB-08	**364,984.40**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Manual	Other	Feb 1, 2008			TP-JAN-08-AP ACCRUAL	45,624.30	
Manual	Other	Feb 6, 2008			CR 2/6/2008		13,139.00
Payables	Purchase Invoices	Feb 6, 2008	Invoices	03012008-49	Worker's Compensation Insurance	45,624.30	
					BEACON MUTUAL INSURANCE CO		
Manual	Other	Feb 28, 2008			TP-FEB-08-AP ACCRUAL		45,624.30
Manual	Other	Feb 28, 2008			CR 2/27/2008		2,590.00
					Period Total	91,248.60	61,353.30

Ending Balance for Period	FEB-08	**394,879.70**	**0.00**

Beginning Balance for Period	MAR-08	**394,879.70**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Manual	Other	Mar 1, 2008			TP-FEB-08-AP ACCRUAL	45,624.30	

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Manual	Other	Mar 31, 2008			TP-MAR-08-AP ACCRUAL		45,624.30
					Period Total	45,624.30	45,624.30

Ending Balance for Period	MAR-08	**394,879.70**	**0.00**

Beginning Balance for Period	APR-08	**394,879.70**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Manual	Other	Apr 1, 2008			TP-MAR-08-AP ACCRUAL	45,624.30	
					Period Total	45,624.30	0.00

Ending Balance for Period	APR-08	**440,504.00**	**0.00**

Beginning Balance for Period	MAY-08	**440,504.00**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Manual	Other	May 6, 2008			CR 5/5/2008		36,568.00
					Period Total	0.00	36,568.00

Ending Balance for Period	MAY-08	**403,936.00**	**0.00**

Beginning Balance for Period	JUN-08	**403,936.00**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Payables	Purchase Invoices	Jun 19, 2008	Invoices	06162008-49	Worker's Compensation	101,192.80	
					BEACON MUTUAL INSURANCE CO		
Manual	Adjustment	Jun 26, 2008			4872 INT ADJ		101,192.80
					Period Total	101,192.80	101,192.80

Ending Balance for Period	JUN-08	**403,936.00**	**0.00**
Account Total		**403,936.00**	**0.00**
Ledger Total		**403,936.00**	**0.00**

End of Report

Ledger / Ledger Set	**NARRAGANSETT BAY COMMISSION**
Period From	**JUL-09**
Period To	**JUN-09**
Accounting Flexfield From	**02-000-00-53680**
Accounting Flexfield To	**02-999-00-53680**
Balance Type	**Actual**
Encumbrance Type / Budget Name	
Include Zero Amount Lines	**No**
Include User Transaction Identifiers	**No**
Include Statistical Amount Lines	**No**
Include Accounts With No Activity	**No**

Ledger Name NARRAGANSETT BAY COMMISSION | Ledger Currency USD | Balance Type Actual

Account 02-080-00-53680 | Description NARRAGANSETT BAY COMMISSI-GENERAL ADMINISTRATION-DEFAULT-WORKERS' COMP INSURANCE

Beginning Balance for Period	JUL-09	0.00	0.00

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Payables	Purchase Invoices	Jul 7, 2008	Invoices	07032008-49	Worker's Compensation	47,509.40	
					BEACON MUTUAL INSURANCE CO		
					Period Total	148,702.20	47,509.40

Ending Balance for Period	JUL-09	101,192.80	0.00
Beginning Balance for Period	AUG-09	101,192.80	0.00

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Payables	Purchase Invoices	Aug 5, 2008	Invoices	08012008-49	Worker's Compensation	40,971.83	
					BEACON MUTUAL INSURANCE CO		
					Period Total	88,481.23	40,971.83

Ending Balance for Period	AUG-09	148,702.20	0.00
Beginning Balance for Period	SEP-09	148,702.20	0.00

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Payables	Purchase Invoices	Sep 8, 2008	Invoices	09082008-49	Worker's Compensation	40,976.83	
					BEACON MUTUAL INSURANCE CO		
					Period Total	81,948.66	40,976.83

Ending Balance for Period	SEP-09	**189,674.03**	**0.00**

Beginning Balance for Period	OCT-09	**189,674.03**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Payables	Purchase Invoices	Oct 6, 2008	Invoices	10062008-49	Worker's Compensation	40,976.83	
					BEACON MUTUAL INSURANCE CO		
Payables	Purchase Invoices	Oct 10, 2008	Invoices	515389	Worker's Compensation	17,166.00	
					BEACON MUTUAL INSURANCE CO		
					Period Total	99,119.66	40,976.83

Ending Balance for Period	OCT-09	**247,816.86**	**0.00**

Beginning Balance for Period	NOV-09	**247,816.86**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Payables	Purchase Invoices	Nov 13, 2008	Invoices	521343	MANUAL CK #2203 342465-559081	9,176.60	
					BEACON MUTUAL INSURANCE CO		

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Payables	Purchase Invoices	Nov 20, 2008	Invoices	11172008-49	Worker's Compensation	49,577.43	
					BEACON MUTUAL INSURANCE CO		
					Period Total	99,730.86	49,577.43

Ending Balance for Period	NOV-09	**297,970.29**	**0.00**

Beginning Balance for Period	DEC-09	**297,970.29**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Payables	Purchase Invoices	Dec 16, 2008	Invoices	12152008-49	Worker's Compensation	50,153.43	
					BEACON MUTUAL INSURANCE CO		
					Period Total	99,730.86	50,153.43

Ending Balance for Period	DEC-09	**347,547.72**	**0.00**

Beginning Balance for Period	JAN-09	**347,547.72**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Payables	Purchase Invoices	Jan 15, 2009	Invoices	01152009-49	Worker's Compensation	50,153.43	
					BEACON MUTUAL INSURANCE CO		
Payables	Purchase Invoices	Jan 21, 2009	Invoices	01152009-49	Worker's Compensation		50,153.43
					BEACON MUTUAL INSURANCE CO		
Payables	Purchase Invoices	Jan 23, 2009	Invoices	01212009-49	Worker's Compensation	41,768.43	

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
					BEACON MUTUAL INSURANCE CO		
					Period Total	142,075.29	193,114.66
					Ending Balance for Period JAN-09	**296,508.35**	**0.00**
					Beginning Balance for Period FEB-09	**296,508.35**	**0.00**
Payables	Purchase Invoices	Feb 23, 2009	Invoices	02162009-49	Worker's Compensation	41,768.43	
					BEACON MUTUAL INSURANCE CO		
Payables	Purchase Invoices	Feb 23, 2009	Invoices	02162009-49	AMENDMENT #1	8,384.99	
					BEACON MUTUAL INSURANCE CO		
					Period Total	91,921.85	50,153.42
					Ending Balance for Period FEB-09	**338,276.78**	**0.00**
					Beginning Balance for Period MAY-09	**404,389.52**	**0.00**
Manual	Adjustment	May 19, 2009			5249 INT ADJ	25,298.20	
					Period Total	25,298.20	0.00
					Ending Balance for Period MAY-09	**429,687.72**	**0.00**

Beginning Balance for Period	JUN-09	**429,687.72**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Payables	Purchase Invoices	Jun 12, 2009	Invoices	131498	Workers Compensation Premium for Policy Period 7/01/09 - 7/01/10	89,329.40	
					BEACON MUTUAL INSURANCE CO		
Manual	Adjustment	Jun 18, 2009			5277 INT ADJ	25,298.20	
Manual	Adjustment	Jun 25, 2009			5291 INT ADJ		89,329.40
Payables	Purchase Invoices	Jun 29, 2009	Invoices	06242009-3443	MPCK#2218, WC - PAYROLL	15,000.00	
					[redacted]		
Payables	Purchase Invoices	Jun 29, 2009	Invoices	06242009-3440	MPCK#2217, WC - PAYROLL	5,609.65	
					[redacted]		
					Period Total	135,237.25	89,329.40

Ending Balance for Period	JUN-09	**475,595.57**	**0.00**
[redacted] Account Total		**475,595.57**	**0.00**
[redacted] Ledger Total		**475,595.57**	**0.00**

End of Report

Ledger / Ledger Set	**NARRAGANSETT BAY COMMISSION**
Period From	**JUL-10**
Period To	**JUN-10**
Accounting Flexfield From	**02-000-00-53680**
Accounting Flexfield To	**02-999-00-53680**
Balance Type	**Actual**
Encumbrance Type / Budget Name	
Include Zero Amount Lines	**No**
Include User Transaction Identifiers	**No**
Include Statistical Amount Lines	**No**
Include Accounts With No Activity	**No**

Ledger Name NARRAGANSETT BAY COMMISSION | Ledger Currency USD | Balance Type Actual

Account **02-080-00-53680** Description **NARRAGANSETT BAY COMMISSI-GENERAL ADMINISTRATION-DEFAULT-WORKERS' COMP INSURANCE**

Beginning Balance for Period	JUL-10	**0.00**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Payables	Purchase Invoices	Jul 17, 2009	Invoices	MANUAL	Workers Compensation Premium for Policy Period 7/01/09 - 7/01/10	44,669.70	
					BEACON MUTUAL INSURANCE CO		
					Period Total	44,669.70	0.00

Ending Balance for Period	JUL-10	**44,669.70**	**0.00**
Beginning Balance for Period	AUG-10	**44,669.70**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Payables	Purchase Invoices	Aug 14, 2009	Invoices	MANUAL 7/16/09	Workers Compensation Premium for Policy Period 7/01/09 - 7/01/10	44,669.70	
					BEACON MUTUAL INSURANCE CO		
					Period Total	44,669.70	0.00

Ending Balance for Period	AUG-10	**89,339.40**	**0.00**
Beginning Balance for Period	SEP-10	**89,339.40**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Payables	Purchase Invoices	Sep 10, 2009	Invoices	16-JUL-2009	Workers Compensation Premium for Policy Period 7/01/09 - 7/01/10	44,669.70	
					BEACON MUTUAL INSURANCE CO		
					Period Total	44,669.70	0.00

Ending Balance for Period	SEP-10	**134,009.10**	**0.00**

Beginning Balance for Period	OCT-10	**134,009.10**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Payables	Purchase Invoices	Oct 13, 2009	Invoices	MANUAL	Workers Compensation Premium for Policy Period 7/01/09 - 7/01/10	44,669.70	
					BEACON MUTUAL INSURANCE CO		
					Period Total	44,669.70	0.00

Ending Balance for Period	OCT-10	**178,678.80**	**0.00**

Beginning Balance for Period	NOV-10	**178,678.80**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Payables	Purchase Invoices	Nov 13, 2009	Invoices	11102009-49	Workers Compensation Premium for Policy Period 7/01/09 - 7/01/10	44,669.70	
					BEACON MUTUAL INSURANCE CO		
					Period Total	44,669.70	0.00

Ending Balance for Period	NOV-10	**223,348.50**	**0.00**

Beginning Balance for Period	DEC-10	**223,348.50**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Payables	Purchase Invoices	Dec 14, 2009	Invoices	12142009-49	Workers Compensation Premium for Policy Period 7/01/09 - 7/01/10	41,962.70	
					BEACON MUTUAL INSURANCE CO		
					Period Total	41,962.70	0.00

Ending Balance for Period	DEC-10	**265,311.20**	**0.00**

Beginning Balance for Period	JAN-10	**265,311.20**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Payables	Purchase Invoices	Jan 14, 2010	Invoices	02012010-49-CN	Workers Compensation Premium for Policy Period 7/01/09 - 7/01/10	44,669.70	
					BEACON MUTUAL INSURANCE CO		
Payables	Purchase Invoices	Jan 14, 2010	Invoices	02012010-49	Workers Compensation Premium for Policy Period 7/01/09 - 7/01/10	44,669.70	
					BEACON MUTUAL INSURANCE CO		
Payables	Purchase Invoices	Jan 14, 2010	Invoices	02012010-49-CN	Workers Compensation Premium for Policy Period 7/01/09 - 7/01/10		44,669.70
					BEACON MUTUAL INSURANCE CO		
					Period Total	89,339.40	44,669.70

Ending Balance for Period	JAN-10	**309,980.90**	**0.00**

Beginning Balance for Period	FEB-10	**309,980.90**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Payables	Purchase Invoices	Feb 15, 2010	Invoices	03012010-49	Workers Compensation Premium for Policy Period 7/01/09 - 7/01/10	44,669.70	
					BEACON MUTUAL INSURANCE CO		
					Period Total	44,669.70	0.00

Ending Balance for Period	FEB-10	**354,650.60**	**0.00**

Beginning Balance for Period	MAR-10	**354,650.60**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Manual	Other	Mar 4, 2010			CR 3/3/10		5,288.21
Manual	Adjustment	Mar 11, 2010			5579 INT ADJ	5,288.21	
Manual	Adjustment	Mar 16, 2010			5586 INT ADJ	22,332.35	
					Period Total	27,620.56	5,288.21

Ending Balance for Period	MAR-10	**376,982.95**	**0.00**

Beginning Balance for Period	APR-10	**376,982.95**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Manual	Adjustment	Apr 19, 2010			5621 INT ADJ	22,332.35	
					Period Total	22,332.35	0.00

Ending Balance for Period	APR-10	**399,315.30**	**0.00**

Beginning Balance for Period	MAY-10	**399,315.30**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Manual	Adjustment	May 14, 2010			#5647 INT ADJ	22,332.35	
					Period Total	22,332.35	0.00

Ending Balance for Period	MAY-10	**421,647.65**	**0.00**

Beginning Balance for Period	JUN-10	**421,647.65**	**0.00**

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor	Debit	Credit
Manual	Adjustment	Jun 17, 2010			5677 INT ADJ	22,332.35	
Payables	Purchase Invoices	Jun 21, 2010	Invoices	143707	Worker's Comp Blanket FY 2011	79,278.60	
					BEACON MUTUAL INSURANCE CO		
Manual	Adjustment	Jun 29, 2010			5691 INT ADJ		79,278.60

Source	Category	GL Date	Event Class	Transaction Number	Line Description/Vendor		Debit	Credit
					Period Total		101,610.95	79,278.60
					Ending Balance for Period	JUN-10	**443,980.00**	**0.00**
					Account Total		**443,980.00**	**0.00**
					Ledger Total		**443,980.00**	**0.00**

End of Report

DIV. 3-7. With regard to the response to DIV. 1-13, please identify the policy and plan year with which the cash refund in FY 2008 is associated.

Answer: The only information we have readily available on the cash receipt of $2,820 is the following:

Issued by:	Starkweather & Shepley
Check Number:	83562
Date Deposited:	2/27/2008
Description on Entry:	Resulting from Endorsements issued

DIV. 3-8. With regard to the response to DIV. 1-18:

a. Please state who NBC obtains its gas supply from.

b. Please state whether the supply rate of 1.0801 per therm is fixed by contract and if so, identify the contract period.

c. If the supply rate is not fixed by contract, identify the rates that NBC has paid for supply in each month subsequent to June 2010.

Answer: a. NBC obtains its gas supply from National Grid.

b. The supply rate of 1.0801 per therm is not fixed by contract.

c.

Supply	2 Ernest	21 Ernest	37 Ernest	BP Admin	BP Plant	BP HeatEx	Lab	COB	Dexter	Dexter PS	692	Omega PS	1 Ernest
Jul-10	1.08010	1.03380	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010
Aug-10	1.08010	1.03380	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010
Sep-10	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010
Oct-10	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010	1.08010
Nov-10	0.9974	1.06831	1.08010	1.02703	1.08010	1.08010	1.06831	1.06831	not available	1.02800	0.94450	1.08010	1.06830

DIV. 3-9. With regard to DIV. 1-20, does the supply rate effective from February 1, 2011 to January 31, 2012 differ from the rate shown for February 1, 2012 to January 31, 2013. If yes, identify the 2011-2012 rate.

Answer: No.

DIV. 3-10. With regard to the response to DIV. 1-22, please identify the Field's Point hypochlorite and bisulfite gallons used for the 12 months ended October 2009 and October 2010.

Answer: The Field's Point hypochlorite and bisulfite gallons for the 12 months ended October 2009 and October 2010 are as follows:

	Field's Point	
12 Months Ending	**Hypochlorite Gallons**	**Bisulfite Gallons**
Oct-09	840,211	256,994
Oct-10	925,687	265,256

DIV. 3-11. With regard to the response to DIV. 1-24:

a. Please identify the gallons of hypochlorite and bisulfite used in FY 2008, 2009 and FY 2010.

b. Please indicate whether the per gallon costs of hypochlorite and bisulfite are the same at Bucklin Point as at Field's Point. If not, identify the prices for FY 2011 and FY 2012.

c. Please explain the basis for including $49,031.25 for rate case expense for B&E consulting in other management and audit expense given NBC has separately included rate case expense as part of its regulatory expense claim.

Answer:

a. These are pass-thru amounts from the vendor that provides the Bucklin Point Management contract services. NBC does not have usage information but the FY 2010 purchases and prices are shown in the table below. NBC does not have FY 2008 and FY 2009 information

Invoice Date	Month	Bisulfite	$/gal
10/29/2009	December	33,543	0.1995
1/12/2010	February	33,547	0.1995
3/31/2010	April	33,100	0.1995
3/19/2010	May	33,118	0.1995
4/12/2010	May	33,105	0.1900

Invoice Date	Month	Hypo	$/gal
8/17/2009	September	5,938	0.7550
10/29/2009	December	6,072	0.6850
12/16/2009	January	6,186	0.6850
11/17/2009	January	6,070	0.6850
1/7/2010	February	4,978	0.5750
3/30/2010	April	5,976	0.5750
4/2/2010	April	6,070	0.5750
3/16/2010	April	5,050	0.5750

b. See answer to item a above.

c. NBC has not made a separate regulatory expense claim. NBC provided a separate regulatory rate case expense calculation at the Commission's request but did not make a claim for it in the rate year.

DIV. 3-12. With regard to the response to DIV. 1-1 indicating union negotiations are scheduled to begin in January 2011, please indicate whether NBC intends to seek changes in employee contributions to medical and dental insurance consistent with those of other State employee unions. If not, explain why not.

Answer: As was explained by expert witness Vincent Ragosta, Jr. in a prior PUC Docket, when it comes to assessing or comparing collective bargaining agreements, the agreements must be looked at in their entirety including management rights, compensation, and benefits. That being said, NBC is acutely aware of the need to address the cost of health care and has historically done so as part of the collective bargaining process. NBC has undertaken a number of measures to control health insurance costs including changes to plan design and renewal rates that have been well below the state average. NBC also reduced annual health insurance costs by nearly 10% in fiscal year 2010 through a change in health care providers, a move that was challenged by one of its unions but was successfully defended through the arbitration process.

In addition, NBC negotiated increases in the employee share of healthcare premiums as part of the 2004 contract negotiations that also eliminated automatic longevity increases, generating immediate cost savings that will grow substantially over time. NBC's collective bargaining agreements also contain strong management rights language not included in the State's contracts which, again, translate into significant monetary savings. All of these factors must be considered during the approach to and conduct of bargaining in good faith.

With respect to NBC's non-union employees, the non-union employees were converted to a merit based compensation system in 2002 and as a result, these employees, unlike State employees, do not receive contracted longevity or step increases. The resulting annual savings to NBC ratepayers is well in excess of the additional 10% premium co-payments above their current 10% to arrive at the 20% level of State employees. In addition, a significant portion of the State's employee costs relate to the State pension. NBC's contribution to non-union employee pension plan is 10% as opposed to nearly 30% for NBC's union employees as well as State employees.

From a strategic perspective it would not make sense to divulge NBC's collective bargaining objectives publicly but NBC is cognizant of current issues in this arena. It is only fair and reasonable, however, that all aspects of the collective bargaining agreements are considered when analyzing compensation and benefits issues.