

KEOUGH & SWEENEY, LTD.

ATTORNEYS AND COUNSELORS AT LAW
41 MENDON AVENUE
PAWTUCKET, RHODE ISLAND 02861
TELEPHONE (401) 724-3600
FACSIMILE (401) 724-9909
www.keoughsweeney.com

JOSEPH A. KEOUGH JR.*
JEROME V. SWEENEY III*

SEAN P. KEOUGH*
STACIL L. KOLB

JEROME V. SWEENEY II
OF COUNSEL

*ADMITTED TO PRACTICE IN
RHODE ISLAND & MASSACHUSETTS

RAYNHAM OFFICE:
90 NEW STATE HIGHWAY
RAYNHAM, MA 02109
TEL. (508) 822-2813
FAX (508) 822-2832

BOSTON OFFICE:
171 MILK STREET
SUITE 30
BOSTON, MA 02109
TEL. (617) 574-0054
FAX (617) 451-1914

January 18, 2013

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

Re: *Newport Water - Docket 4243*

Dear Ms. Massaro:

Enclosed please find an original and nine (9) copies of the following documents:

1. Newport Water's Response to the Portsmouth Water and Fire District's 7th Set of Data Requests.

Please note that an electronic copy of these documents has been sent to the service list.

Thank you for your attention to this matter.

Sincerely,



Joseph A. Keough Jr.

JAK/kf
Enclosure
cc: Docket 4243 Service List (via electronic mail)

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 4243
Response Of The City Of Newport,
Utilities Division, Water Department
To The Portsmouth Water and Fire District's
Data Requests
Set 7

PWFD 7-1: Please provide a breakdown of the \$2,699,000 of "Debt Service Reserve and financing costs" presented in Attachment A – Ms. Sitrin's letter of September 14, 2012 to Mr. Anthony Simeone.

Response: The \$2,699,000 of estimated debt service reserve and financing costs is composed of the following estimated costs:

1.) Agency origination fee of 1%	\$310,000.00
2.) Financial Advisor fees	35,000.00
3.) Bond Counsel fees	45,000.00
4.) Water Rate Coverage Compliance Certificate	4,000.00
5.) Trustee Fees and Trustee Counsel	5,000.00
6.) Any printing costs or payments for Agency counsel	11,000.00
7.) Required Debt Service Reserve	2,289,000.00

Prepared by: Laura Sitrin, Director of Finance, City of Newport

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 4243
Response Of The City Of Newport,
Utilities Division, Water Department
To The Portsmouth Water and Fire District's
Data Requests
Set 7

PWFD 7-2: Please provide a breakdown of the Debt Service Reserve and financing costs for the recent \$53.1 million bond issue.

Response: The debt service reserve and financing costs of the recent \$53.1 million bond issue are:

- | | |
|--------------------------------------|--------------|
| 1.) Agency origination fee of 1% | \$531,000.00 |
| 2.) Financial Advisor fees | 35,034.64 |
| 3.) Bond Counsel fees | 41,475.00 |
| 4.) Trustee Fees and Trustee Counsel | 5,000.00 |
| 5.) Required Debt Service Reserve | 3,476,200.88 |

Prepared by: Laura Sitrin, Director of Finance, City of Newport

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 4243
Response Of The City Of Newport,
Utilities Division, Water Department
To The Portsmouth Water and Fire District's
Data Requests
Set 7

PWFD 7-3: Please provide the underlying assumptions or bases for NWD's estimate of the cost of issuance on its form dated December 4, 2012 and included under Attachment A to the filing for:

- a) \$35,000 for the Financial Advisor,
- b) \$45,000 for the Bond Counsel, and
- c) \$20,000 for Other.

Response:

- a) The Financial Advisor fee is based on a contract with the firm. Specifically, the City must pay \$1.00 per \$1,000 of borrowing with a minimum fee of \$7,000 and a maximum fee of \$35,000 plus any ancillary costs such as printing, postage etc.
- b) The Bond Counsel fee is based on prior borrowings.
- c) The Other is based on recent payments for trustee, trustee counsel, Water Coverage Compliance Certificate plus additional money for Agency Counsel.

The City anticipates going out to bid for Trustee. That will likely cause additional cost for the Bond Counsel, the Financial Advisor, the Trustee Counsel and the Agency's Counsel. All fees are rounded to the nearest \$5,000.

Prepared by: Laura Sitrin, Director of Finance, City of Newport

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 4243
Response Of The City Of Newport,
Utilities Division, Water Department
To The Portsmouth Water and Fire District's
Data Requests
Set 7

PWFD 7-4: What is the amount of the Debt Service Reserve requirement included for the proposed bonds? Please provide a copy of Newport's Trust Indenture that sets forth the required amount of the Debt Service Reserve for the proposed bond issue.

Response: The Debt Service Reserve requirement is estimated to be \$2,289,000.00. The amount will not be actually determined until Rhode Island Clean Water Finance Agency structures their bond. There is no Trust Indenture for the proposed bond issue attached is information from the City's current Trust Indenture on our outstanding water revenue bonds regarding the Debt Service Reserve Fund.

Prepared by: Laura Sitrin, Director of Finance, City of Newport

City as reasonably expected to be received and deposited to the Debt Service Assistance Account on or before the last day of the Fiscal Year during which the applicable Debt Service Requirement calculation is to be made if such Debt Service Assistance has been appropriated by the applicable governmental entity, if any, or is payable pursuant to an agreement constituting a valid general obligation of the grantor, (B) amounts on deposit in the Stabilization Account and (C) the amount, if any, of Bond proceeds available or projected to be available to pay Principal Installments and interest becoming due in such Fiscal Year on Bonds Outstanding; provided that the interest and Principal Installments payable on any Series of Agency Bonds during such period shall be limited to the Required Debt Service Fund Deposits for such period set forth in the applicable Supplemental Indenture; and provided, further, for purposes of demonstrating compliance with Section 603(2) (as contemplated by Section 603(4)) hereof, that the amount of Debt Service Assistance deducted from such calculation pursuant to clause (iii) above shall include only Debt Service Assistance actually received by the City during or on account of such period and deposited in the Debt Service Assistance Account or amounts in anticipation thereof transferred from the Revenue Fund or from general funds of the City and deposited in such account;

"Debt Service Reserve Fund" shall mean the fund so designated created by Section 502;

"Debt Service Reserve Fund Requirement" shall mean, with respect to any Series of Bonds, as of any particular date of computation, an amount of cash, Permitted Investments or Reserve Deposits, or any combination of the foregoing, equal to the lesser of (i) the maximum aggregate Debt Service Requirement on a Series of Bonds in any current or future fiscal year or other appropriate twelve month period on such Series of Bonds; (ii) 125% of the average annual Debt Service Requirement on a Series of Bonds in any current or future fiscal year or other appropriate twelve month period, and (iii) 10% of the Outstanding Principal Amount of such Series of Bonds. For purposes of this computation, the amount of anticipated loan subsidies to be paid by the Agency on account of a Series of Bonds in such years shall be deducted from the calculation of Debt Service Requirement with respect to each Series of Bonds;

"Depository" shall mean any bank or trust company selected in accordance with Section 803 hereof as a depository of moneys to be held under the provisions of this Indenture, and may include the Trustee;

"Discount Bonds" shall have the meaning given such term in Section 203(3) hereof;

"Electricity Account" shall mean the account in the Operating Fund so designated and created pursuant to Section 505;

"Fiduciary" shall mean the Trustee, any Paying Agent, any Depository or any Authenticating Agent;

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 4243
Response Of The City Of Newport,
Utilities Division, Water Department
To The Portsmouth Water and Fire District's
Data Requests
Set 7

PWFD 7-5: What is the balance in the existing debt service reserve as of 12/31/2012?

Response: The City has five existing debt service reserves held by the Trustee, Wells Fargo. The balances do not change. The amounts are:

2007 Series A	\$212,633.20
2008 Series A	433,173.40
2009 Series A	181,313.30
Easton's Conduit	544,095.00
2012 Series A	3,476,201.37

Prepared by: Laura Sitrin, Director of Finance, City of Newport

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 4243
Response Of The City Of Newport,
Utilities Division, Water Department
To The Portsmouth Water and Fire District's
Data Requests
Set 7

PWFD 7-6: What was the minimum required amount for the debt service reserve as of 12/31/2012?

Response: See the response to PWFD 7-5. The amounts are funded immediately from the bond proceeds by Rhode Island Clean Water Finance Agency. The City cannot access those funds.

Prepared by: Laura Sitrin, Director of Finance, City of Newport

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 4243
Response Of The City Of Newport,
Utilities Division, Water Department
To The Portsmouth Water and Fire District's
Data Requests
Set 7

PWFD 7-7: Please explain how interest earnings on the debt service reserve are used, including in your answer, without limitation:

- a) Whether such earnings remain in the account;
- b) If so, whether such earnings are used to reduce future requirements; and
- c) If the earnings do not remain in the account, where NWD transfers them.

Response: Any interest earned on debt service reserve accounts is transferred by the trustee to the debt service payment account and is used to reduce future interest payments by the City. The City has no control over or access to the debt service reserve accounts or the debt service payment account.

Prepared by: Laura Sitrin, Director of Finance, City of Newport

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 4243
Response Of The City Of Newport,
Utilities Division, Water Department
To The Portsmouth Water and Fire District's
Data Requests
Set 7

PWFD 7-8: Please provide the annual amount of interest earnings on the debt service reserve accounts for each of the past three fiscal years and the earnings through December 31, 2012 of this fiscal year.

Response: Annual interest earned on the combined existing debt service reserve accounts for the past three fiscal years and through December 31, 2012 of this fiscal year is as follows:

Fiscal Year 2010	\$ 266.05
Fiscal Year 2011	104.23
Fiscal Year 2012	145.90
Fiscal Year 2013 to date	.74

Response by Laura Sitrin, Director of Finance, City of Newport

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 4243
Response Of The City Of Newport,
Utilities Division, Water Department
To The Portsmouth Water and Fire District's
Data Requests
Set 7

PWFD 7-9: What was the interest rate on the existing \$53.1 million 2012 SRF B bond issue? Provide a copy of the debt service repayment schedule for the \$53.1 million bond issue, including any annual interest rates.

Response: The market rate of the loan was 4.029%. The effective yield rate which incorporates the 25% RICWFA subsidy plus the principal forgiveness for green technology is 2.316%. The debt service schedule is attached.

Prepared by: Laura Sitrin, Director of Finance, City of Newport

Rhode Island Clean Water Finance Agency
 Safe Drinking Water Revolving Fund Revenue Bonds, Series 2012A
 Final Numbers - June 7, 2012

Loan Debt Service

Aggregate Newport DW 2012A Loan - \$53.1M (A Rated, Revenue Pledge)

Date	Principal	Loan Rate	(1) Principal Forgiveness Loan	DW 2012A Loan Net Principal	(2) Interest	Net Fees @ 0.500%	Total Fees & Interest	Total Net Debt Service	Annual Net Debt Service & Fees
06/14/12									
9/1/2012	1,000.00	0.94%	(58.81)	941.19	55,516.24	10,654.64	66,170.88	67,112.07	67,112.07
3/1/2013					339,751.07	65,204.92	404,955.99	404,955.99	
9/1/2013	1,000.00	0.94%	(58.81)	941.19	595,133.66	114,218.29	709,351.95	710,293.14	1,115,249.13
3/1/2014					651,520.26	125,036.85	776,557.11	776,557.11	
9/1/2014	2,065,000.00	0.94%	(119,847.48)	1,945,152.52	651,520.26	125,036.85	776,557.11	2,721,709.63	3,498,266.74
3/1/2015					642,378.04	120,173.97	762,552.01	762,552.01	
9/1/2015	2,094,000.00	1.13%	(121,672.56)	1,972,327.44	642,378.04	120,173.97	762,552.01	2,734,879.45	3,497,431.46
3/1/2016					631,234.39	115,243.15	746,477.54	746,477.54	
9/1/2016	2,128,000.00	1.31%	(123,497.65)	2,004,502.35	631,234.39	115,243.15	746,477.54	2,750,979.89	3,497,457.43
3/1/2017					618,104.90	110,231.90	728,336.80	728,336.80	
9/1/2017	2,166,000.00	1.58%	(125,728.32)	2,040,271.68	618,104.90	110,231.90	728,336.80	2,768,608.48	3,496,945.28
3/1/2018					601,986.75	105,131.22	707,117.97	707,117.97	
9/1/2018	2,211,000.00	1.81%	(128,364.55)	2,082,635.45	601,986.75	105,131.22	707,117.97	2,789,753.42	3,496,871.39
3/1/2019					583,138.90	99,924.63	683,063.53	683,063.53	
9/1/2019	2,263,000.00	1.99%	(131,406.37)	2,131,593.63	583,138.90	99,924.63	683,063.53	2,814,657.16	3,497,720.69
3/1/2020					561,929.54	94,595.65	656,525.19	656,525.19	
9/1/2020	2,320,000.00	2.18%	(134,650.97)	2,185,349.03	561,929.54	94,595.65	656,525.19	2,841,874.22	3,498,399.41
3/1/2021					538,109.24	89,132.27	627,241.51	627,241.51	
9/1/2021	2,381,000.00	2.32%	(138,301.15)	2,242,698.85	538,109.24	89,132.27	627,241.51	2,869,940.36	3,497,181.87
3/1/2022					512,093.93	83,525.53	595,619.46	595,619.46	
9/1/2022	2,449,000.00	2.46%	(142,154.11)	2,306,845.89	512,093.93	83,525.53	595,619.46	2,902,465.35	3,498,084.81
3/1/2023					483,719.73	77,758.41	561,478.14	561,478.14	
9/1/2023	2,521,000.00	2.65%	(146,412.65)	2,374,587.35	483,719.73	77,758.41	561,478.14	2,936,065.49	3,497,543.63
3/1/2024					452,256.45	71,821.94	524,078.39	524,078.39	
9/1/2024	2,601,000.00	2.81%	(151,076.77)	2,449,923.23	452,256.45	71,821.94	524,078.39	2,974,001.62	3,498,080.01
3/1/2025					417,835.03	65,697.13	483,532.16	483,532.16	
9/1/2025	2,686,000.00	2.94%	(155,943.67)	2,530,056.33	417,835.03	65,697.13	483,532.16	3,013,588.49	3,497,120.65
3/1/2026					380,643.20	59,371.99	440,015.19	440,015.19	
9/1/2026	2,779,000.00	3.01%	(161,418.93)	2,617,581.07	380,643.20	59,371.99	440,015.19	3,057,596.26	3,497,611.45
3/1/2027					341,248.60	52,828.04	394,076.64	394,076.64	
9/1/2027	2,877,000.00	3.05%	(167,096.99)	2,709,903.01	341,248.60	52,828.04	394,076.64	3,103,979.65	3,498,056.29
3/1/2028					299,922.58	46,053.28	345,975.86	345,975.86	
9/1/2028	2,979,000.00	2.82%	(172,977.83)	2,806,022.17	299,922.58	46,053.28	345,975.86	3,151,998.03	3,497,973.89
3/1/2029					260,357.67	39,038.23	299,395.90	299,395.90	
9/1/2029	3,077,000.00	3.20%	(178,655.88)	2,898,344.12	260,357.67	39,038.23	299,395.90	3,197,740.02	3,497,135.92
3/1/2030					213,984.16	31,792.37	245,776.53	245,776.53	
9/1/2030	3,192,000.00	3.25%	(185,347.87)	3,006,652.13	213,984.16	31,792.37	245,776.53	3,252,428.66	3,498,205.19
3/1/2031					165,126.06	24,275.74	189,401.80	189,401.80	
9/1/2031	3,311,000.00	3.25%	(192,242.65)	3,118,757.35	165,126.06	24,275.74	189,401.80	3,308,159.15	3,497,560.95
3/1/2032					114,446.25	16,478.84	130,925.09	130,925.09	
9/1/2032	3,436,000.00	3.33%	(199,543.00)	3,236,457.00	114,446.25	16,478.84	130,925.09	3,367,382.09	3,498,307.18
3/1/2033					60,559.24	8,387.70	68,946.94	68,946.94	
9/1/2033	3,562,000.00	3.61%	(206,917.60)	3,355,082.40	60,559.24	8,387.70	68,946.94	3,424,029.34	3,492,976.28
	53,100,000.00		(3,083,374.62)	50,016,625.38	18,051,590.81	3,063,075.53	21,114,666.34	71,131,291.72	71,131,291.72

(1) Green Principal Forgiveness funds have been distributed to borrowers with loan proceeds used to fund Green Projects. See financing documents for details.
 (2) Interest during construction is calculated based on the timing of expected draws and the overall weighted average loan rate of 2.605%.

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 4243
Response Of The City Of Newport,
Utilities Division, Water Department
To The Portsmouth Water and Fire District's
Data Requests
Set 7

PWFD 7-10: What was the interest rate on the existing \$6.76761 million 2012 SRF A (dam repair) bond issue? Provide a copy of the debt service repayment schedule for that bond issue, including any annual interest rates.

Response: The interest rate of the loan is 3.4%. The debt service schedule is attached.

Prepared by: Laura Sitrin, Director of Finance, City of Newport

City of Newport, Rhode Island (Water Revenue Bonds)
Final Numbers

Date	Principal	Interest	Total Debt Service	RICWA Fee	Debt Service Reserve Fund	Net Debt Service	Annual Net D/S
03/01/2012		94,693.78	94,693.78	3,481.39		98,175.17	98,175.17
06/30/2012		112,880.00	427,880.00	4,150.00		432,030.00	
09/01/2012	315,000	107,525.00	107,525.00	3,953.13		111,478.13	543,508.13
03/01/2013		107,525.00	432,525.00	3,953.13		436,478.13	
06/30/2013	325,000	102,000.00	102,000.00	3,750.00		105,750.00	542,228.13
09/01/2013		102,000.00	442,000.00	3,750.00		445,750.00	
03/01/2014	340,000	96,220.00	96,220.00	3,537.50		99,757.50	545,507.50
06/30/2014		96,220.00	446,220.00	3,537.50		449,757.50	
09/01/2014	350,000	90,270.00	90,270.00	3,318.75		93,588.75	543,346.25
03/01/2015		90,270.00	450,270.00	3,318.75		453,588.75	
06/30/2015	360,000	84,150.00	84,150.00	3,093.75		87,243.75	540,832.50
09/01/2015		84,150.00	459,150.00	3,093.75		462,243.75	
03/01/2016	375,000	77,775.00	77,775.00	2,859.38		80,634.38	542,878.13
06/30/2016		77,775.00	467,775.00	2,859.38		470,634.38	
09/01/2016	390,000	71,145.00	71,145.00	2,615.63		73,760.63	544,395.01
03/01/2017		71,145.00	476,145.00	2,615.63		478,760.63	
06/30/2017	405,000	64,260.00	64,260.00	2,362.50		66,622.50	545,383.13
09/01/2017		64,260.00	479,260.00	2,362.50		481,622.50	
03/01/2018	415,000	57,205.00	57,205.00	2,103.13		59,308.13	540,930.63
06/30/2018		57,205.00	487,205.00	2,103.13		489,308.13	
09/01/2018	430,000	49,895.00	49,895.00	1,834.38		51,729.38	541,037.51
03/01/2019		49,895.00	494,895.00	1,834.38		496,729.38	
06/30/2019	445,000	42,330.00	42,330.00	1,556.25		43,886.25	540,615.63
09/01/2019		42,330.00	507,330.00	1,556.25		508,886.25	
03/01/2020	465,000	34,425.00	34,425.00	1,265.63		35,690.63	
06/30/2020		34,425.00	34,425.00				

City of Newport, Rhode Island Water Revenue Bonds
Final Numbers

Date	Principal	Interest	Debt Service	Total Debt Service	RFA Fee	Debt Service Reserve Fund	Debt Service	Net Debt Service	Annual Net D/S
06/30/2024									544,576.88
09/01/2024	480,000	34,425.00	514,425.00	514,425.00	1,265.63		515,690.63	515,690.63	
03/01/2025		26,265.00	26,265.00	26,265.00	965.63		27,230.63	27,230.63	542,921.26
06/30/2025	495,000	26,265.00	521,265.00	521,265.00	965.63		522,230.63	522,230.63	
09/01/2025		17,850.00	17,850.00	17,850.00	656.25		18,506.25	18,506.25	540,736.88
03/01/2026									
06/30/2026	515,000	17,850.00	532,850.00	532,850.00	656.25		533,506.25	533,506.25	
09/01/2026		9,095.00	9,095.00	9,095.00	334.38		9,429.38	9,429.38	542,935.63
03/01/2027									
06/30/2027	535,000	9,095.00	544,095.00	544,095.00	334.38	544,095	334.38	334.38	
09/01/2027									
06/30/2028	6,640,000	2,068,393.78	8,708,393.78	8,708,393.78	76,043.97	544,095	8,240,342.75	8,240,342.75	8,240,342.75

10
11
12
13
14
15
16

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 4243
Response Of The City Of Newport,
Utilities Division, Water Department
To The Portsmouth Water and Fire District's
Data Requests
Set 7

PWFD 7-11: Regarding HJS Schedule 2 CF: The existing debt service in September 2012 (FY 2013) is presented as \$1,238,114. The existing debt service on Schedule HJS Schedule D6 Update in the October 25, 2012 filing in Docket 4355 for September 2012 (FY 2013) is \$1,519,375 (\$1,452,264 for existing debt plus \$67,111 for the \$53.1 million loan). Please explain the difference in these existing debt service costs. Why did the existing debt change?

Response: The amount shown in HJS Schedule D-6 Update was the anticipated amount of the debt service payment due in September of 2012. While the updated rate model was filed on October 25, the original model was prepared in July and August of 2012 and the anticipated payment was set forth in the schedule. The actual debt service payment was not updated in HJS Schedule D6 in the October 25, 2012 model because the purpose of that model was to incorporate daily data from the summer of 2012 into the determination of demand factors. The amount shown in HJS Schedule 2 CF is the amount that was actually withdrawn from the debt service restricted account in September of 2012.

Prepared by: Harold Smith

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 4243
Response Of The City Of Newport,
Utilities Division, Water Department
To The Portsmouth Water and Fire District's
Data Requests
Set 7

- PWFD 7-12: Regarding HJS Schedule 2 CF: the beginning cash balance on July 1, 2012 is shown as \$2,175,010. The beginning cash balance on July 1, 2012 on Schedule HJS Schedule D6 Update in the October 25, 2012 filing in Docket 4355 is shown as \$2,192,896. The October 25 filing was more than three months after July 1, 2012 and should have been known at that time.
- a) Please provide the actual cash balance on July 1, 2012.
 - b) Please explain where the two different historic values came from and why they differ.

Response:

- a) The actual cash balance on July 1, 2012 was \$2,175,010.
- b) The beginning balance shown on HJS Schedule D-6 Update was an estimate balance in the account on July 1, 2012. While the updated rate model was filed on October 25, the original model was prepared in July and August of 2012 at which time the books for FY 2012 had not yet been closed and the exact balance in the account was not yet known. HJS Schedule D6 was not updated in the October 25, 2012 model because the purpose of that model was to incorporate daily data from the summer of 2012 into the determination of demand factors.

Prepared by: Harold Smith

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 4243
Response Of The City Of Newport,
Utilities Division, Water Department
To The Portsmouth Water and Fire District's
Data Requests
Set 7

PWFD 7-13: Please explain why no interest income is presented for the Debt Service Account for FY 2013 and FY 2014, yet interest income is presented for FY 2015 on HJS Schedule 3 CF.

Response: Since actual interest earned on the balance in the Debt Service Restricted account has historically been an immaterial amount (less than \$20 per month), it was decided to assume that no interest would accrue to this account for all three years shown on the schedule. Unfortunately this change was not made on the section of the schedule for FY 2015.

Prepared by: Harold Smith

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 4243
Response Of The City Of Newport,
Utilities Division, Water Department
To The Portsmouth Water and Fire District's
Data Requests
Set 7

PWFD 7-14: What assumptions were used to determine the estimated interest income earnings for FY 2015 on HJS Schedule 3 CF?

Response: Please see the response to PWFD 7-13.

Prepared by: Harold Smith

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 4243
Response Of The City Of Newport,
Utilities Division, Water Department
To The Portsmouth Water and Fire District's
Data Requests
Set 7

PWFD 7-15: Please provide a schedule of the actual Debt Service Restricted Account Cash flow in the same format as on HJS Schedule 3 CF for the period July 1, 2010 through December 31, 2012, presenting actual amounts that reconcile to the City's bank statements.

Response: See attached schedule

Prepared by: Harold Smith

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 4243
Response Of The City Of Newport,
Utilities Division, Water Department
To The Portsmouth Water and Fire District's
Data Requests
Set 7

PWFD 7-16: Please confirm that HJS Schedule 3 CF indicates the following. If not confirmed, please explain why.

- a) Proposed rate contributions in FY 2013 \$2,125,780 for estimated annual debt of \$1,940,430;
- b) Proposed rate contributions in FY 2014 \$3,735,016 for estimated annual debt of \$3,545,793; and
- c) Proposed rate contributions in FY 2015 \$7,843,534 for estimated annual debt of \$6,205,146

Response:

- a) Confirmed.
- b) Confirmed.
- c) Confirmed.

Prepared by: Harold Smith

CERTIFICATION

I hereby certify that on January 23, 2013, I sent a copy of the within to all parties set forth on the attached Service List by electronic mail and copies to Luly Massaro, Commission Clerk, by electronic mail and regular mail.

Parties/Address	E-mail Distribution	Phone
Julia Forgue, Director of Public Works Newport Water Department 70 Halsey St. Newport, RI 02840	jforgue@cityofnewport.com	401-845-5601
	crussell@cityofnewport.com	
	lsitrin@CityofNewport.com	
Karen Lyons, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	klyons@riag.ri.gov	401-222-2424
	sscialabba@ripuc.state.ri.us	
	psmith@ripuc.state.ri.us	
	dmacrae@riag.ri.gov	
Harold Smith Raftelis Financial Consulting, PA 511 East Blvd. Charlotte, NC 28203	Hsmith@raftelis.com	704-373-1199
Gerald Petros, Esq. Hinckley, Allen & Snyder 1500 Fleet Center Providence, RI 02903	gpetros@haslaw.com	401-274-2000
	aramos@haslaw.com	
	jmansolf@haslaw.com	
William McGlinn Portsmouth Water & Fire District 1944 East Main Rd. PO Box 99 Portsmouth, RI 02871	wmcglinn@portsmouthwater.org	401-683-2090 ext. 224
Ellen M. Evans Senior Trial Attorney Naval Facilities Engineering Command Litigation Office 720 Kennon St., Bldg. 36, Room 233 Washington Navy Yard, DC 20374-5051	ellen.evans@navy.mil	202-685-2235

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 4243
Response Of The City Of Newport,
Utilities Division, Water Department
To The Portsmouth Water and Fire District's
Data Requests
Set 7

Dr. Kay Davoodi, P.E. Utility Rates and Studies Office NAVFACHQ- Building 33 1322 Patterson Ave SE Washington Navy Yard, D.C. 20374-5065	Khojasteh.davoodi@navy.mil	202-685-3319
	Larry.r.allen@navy.mil	
Maurice Brubaker Brubaker and Associates, Inc. PO Box 412000 St.Louis, MO 63141-2000	mbrubaker@consultbai.com	401-724-3600 401-724-9909
	bcollins@consultbai.com	
Thomas S. Catlin Exeter Associates, Inc. 10480 Little Patuxent Parkway, Suite 300 Columbia, MD 21044	tcatlin@exeterassociates.com	410-992-7500
	jmierzwa@exeterassociates.com	
Christopher Woodcock Woodcock & Associates, Inc. 18 Increase Ward Drive Northborough, MA 01532	Woodcock@w-a.com	508-393-3337
An original and nine (9) copies w/ Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	lmassaro@puc.state.ri.us	401-780-2107
	cwilson@puc.state.ri.us	
	sccamara@puc.state.ri.us	



Joseph A. Keough, Jr., Esquire # 4925
KEOUGH & SWEENEY, LTD.
41 Mendon Avenue
Pawtucket, RI 02861
(401) 724-3600 (phone)
(401) 724-9909 (fax)
jkeoughjr@keoughsweeney.com