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June 14, 2012

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 Petition to Amend Multi-Year Rate Plan;
2. Testimony of Julia Forgue in Support of Newport Water's Petition to Amend Multi-Year Rate Plan;
3. Testimony of Harold J. Smith in Support of Newport Water's Petition to Amend Multi-Year Rate Plan.

Please note that an electronic copy of these documents has been sent to the service list from Docket 4243.

Sincerely,



Joseph A. Keough Jr.

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

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

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION

DOCKET NO: 4243

PETITION TO AMEND MULTI-YEAR RATE PLAN

I. INTRODUCTION

Now comes the City Of Newport, Utilities Department, Water Division (“Newport Water” or “Newport”), and pursuant to RIGL §39-15.1-4(d), petitions the Rhode Island Public Utilities Commission (“Commission”) to amend the multi-year rate plan approved in the above-captioned Docket.

II. FACTS

1. In April 2011, Newport Water filed an application for a general rate increase (Docket 4243).
2. In its application, Newport proposed a multi-year rate plan pursuant to R.I.G.L. §39-15.1-4 to support increased debt service for the design and construction of a new Lawton Valley Water Treatment Plant and improvements to the Station One Water Treatment Facility (“Treatment Plant Projects”).
3. The parties in Docket 4243 reached a Settlement Agreement, which the Commission approved at its November 29, 2011 open meeting.
4. In its subsequent report and order (No. 20636), the Commission authorized a multi-year rate plan that allowed Newport to increase rates in four separate phases:
 - FY12 \$2,222,258 (22.5%)¹
 - FY13 \$4,272,361 (35.3%)
 - FY14 \$2,395,489 (14.6%)
 - FY15 \$ 519,606 (2.7%)

¹ The increase in FY12 was an overall increase to support a total cost of service including O&M and Capital expenses. The increases for FY 13, 14 and 15 were for increased debt service only.

5. Newport anticipated implementing the FY13, 14 and 15 increases on July 1 of each fiscal year.
6. However, the Commission's Order acknowledged that the dates and amounts in the multi-year rate plan could change.
7. Thus, the Commission ordered Newport Water to file a motion to amend the multi-year rate plan if the debt service funding plan changed.
8. Since the conclusion of Docket 4243, certain details of the Treatment Plant Projects financing plan have come into clearer focus, and Newport does not need to implement the next phase of its multi-year rate plan until April 2013.

III. CONCLUSION

Based on the facts set forth above, Newport Water asserts that it is in its rate payers' best interest to delay the next phase of its multi-year rate plan until April 2013. In support of this motion, Newport Water relies on the testimony of Julia Fogue, Director of Utilities for the City of Newport, and Harold J. Smith, Vice President of Raftelis Financial Consultants, Inc., which is incorporated herein and attached hereto.

WHEREFORE, the City Of Newport, Utilities Department, Water Division prays that the Rhode Island Public Utilities Commission grant the relief sought herein.

The City Of Newport, Utilities Department,
Water Division
By its attorney,



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CERTIFICATION

I hereby certify that on June 14, 2012, I sent a copy of the within to all parties set forth on the attached Service List from Docket 4243 by electronic mail and copies to Luly Massaro, Commission Clerk, by electronic mail and regular mail.

Parties/Address	E-mail Distribution	Phone/Fax
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City of Newport Department of Utilities



**TESTIMONY
OF
JULIA FORGUE
CITY OF NEWPORT
DIRECTOR OF UTILITIES**

IN SUPPORT OF

**THE CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
PETITION TO AMEND MULTI-YEAR RATE PLAN**

BEFORE THE

RHODE ISLAND PUBLIC UTILITIES COMMISSION

DOCKET NO. 4243

JUNE 14, 2012

1 **I. INTRODUCTION**

2 **Q. Please provide your full name, title and business address for the record.**

3 A. Julia Forgue, P.E. I am employed by the City of Newport where I serve as Director of
4 Utilities. My business address is 70 Halsey Street, Newport, RI.

5

6 **Q. How long have you held this position?**

7 A. I began my employment with the City of Newport on March 12, 2001 as Director of
8 Public Works. While Director of Public Works, I also served as the General Manager of
9 the Water Division. The City of Newport finalized a reorganization of City Departments
10 in December 2007, and I am now the Director of Utilities.

11

12 **Q. What responsibilities do you have as Director of Utilities with regard to the**
13 **Newport Water System?**

14 A. I serve as general manager of the water and water pollution control divisions. I plan,
15 organize and direct the Water Division's activities. I direct and oversee the work of
16 supervisors on administrative and technical issues conforming to a policy framework
17 established by the City as well as State and Federal agencies.

18

19 **Q. Can you provide a brief description of your work experience?**

20 A. Prior to working for the City of Newport, I was employed by the City of East
21 Providence, Rhode Island for fourteen years. In the last eleven years I managed the
22 water division as Director of Public Works. The City of East Providence purchases water
23 wholesale from Providence Water and operates and maintains its own transmission and
24 distribution system with approximately 15,000 services. Before working for the City of
25 East Providence, I was a project engineer at consulting firms in Colorado and New
26 Hampshire.

1 **Q. What is your educational background?**

2 A. I received a B.S. in Civil Engineering from Northeastern University in 1981 and a M.S.
3 in Civil Engineering from the University of Colorado at Boulder in 1982. I am a registered
4 Professional Engineer in Rhode Island and New Hampshire.

5

6 **Q. Do you have any professional affiliations?**

7 A. Yes, I am a member of the American Water Works Association, New England
8 Waterworks Association and the Rhode Island Waterworks Association. I served as
9 President of the RIWWA from December 2001 to December 2003. I am also a member
10 of the Water Environment Association.

11

12 **Q Please describe your role in this proceeding?**

13 A. To support Newport Water's motion to amend the multi-year rate increase approved
14 by the Rhode Island Public Utilities Commission ("Commission") in Docket 4243.

15

16 **Q. Please provide an overview of why Newport is filing the motion to amend?**

17 A. In April 2011, Newport Water filed an application for a general rate increase (Docket
18 4243). In its application, Newport proposed a multi-year rate plan pursuant to R.I.G.L.
19 §39-15.1-4 to support increased debt service for the design and construction of a new
20 Lawton Valley Water Treatment Plant and improvements to the Station One Water
21 Treatment Facility ("Treatment Plant Projects").

22

23 The parties in Docket 4243 reached a Settlement Agreement, which the Commission
24 approved at its November 29, 2011 open meeting. In its subsequent report and order
25 (No. 20636), the Commission authorized a multi-year rate plan that allowed Newport to
26 increase rates in four separate phases:

- 1 • FY12 \$2,222,258 (22.5%)¹
- 2 • FY13 \$4,272,361 (35.3%)
- 3 • FY14 \$2,395,489 (14.6%)
- 4 • FY15 \$ 519,606 (2.7%)

5

6 Newport anticipated implementing the FY13, 14 and 15 increases on July 1 of each fiscal
7 year. However, the Commission's Order acknowledged that the dates and amounts in
8 the plan could change. Thus, the Commission ordered Newport Water to file a motion to
9 amend the multi-year rate plan if the debt service funding plan changed.

10

11 Since the conclusion of Docket 4243, the Treatment Plant Projects financing plan has
12 come into clearer focus, and Newport proposes to alter the schedule of increases
13 approved by the Commission in Docket 4243.

14

15 **II. MOTION TO AMEND**

16 **Q. What are the factors contributing to Newport Water' Motion to Amend?**

17 A. Three primary factors contribute to Newport's Motion To Amend:

- 18 1. Newport's award of the Treatment Plant Projects contract following the
19 conclusion of Docket 4243;
- 20
- 21 2. Newport's receipt of a draw down schedule from the Treatment Plant Projects
22 vendor; and,
- 23
- 24 3. Newport's imminent closing of the first borrowing to finance the Treatment
25 Plant Projects.
- 26
- 27

28

¹ The increase in FY12 was an overall increase to support a total cost of service including O&M and Capital expenses. The increases for FY 13, 14 and 15 were for increased debt service only.

1 **Q. When did Newport award the contract for the Treatment Plant Projects?**

2 A. The Newport City Council awarded the contract on January 25, 2012. The
3 Commission will recall that Newport chose to award a single Design/Build ("D/B")
4 contract. After extensive evaluation, Newport chose AECOM Technical Services, Inc.
5 (design and engineering) and C.H. Nickerson & Company, Inc. (construction) as a joint
6 venture ("AECOM/Nickerson") to act as a single DB vendor. The parties executed the DB
7 contract and Newport issued the Notice to Proceed on February 22, 2012.

8
9 **Q. How did the contract award impact Newport's borrowing schedule?**

10 A. Each of the potential D/B vendors had different plans and schedules for the design
11 and construction of the Treatment Plant Projects. Thus, each potential vendor had
12 different potential payment schedules. Once Newport awarded the D/B Contract to
13 AECOM/Nickerson, we agreed to a specific draw down and payment schedule. (See
14 Exhibit 1) This brought the amount and timing of our anticipated borrowings into focus.

15
16 **Q. How have Newport's planned borrowings changed since the conclusion of Docket
17 4243?**

18 A. Now that Newport has a draw down schedule for the Treatment Plant Projects, the
19 amount of Newport's borrowings changed as follows:

<u>Fiscal Year</u>	<u>Docket 4243²</u>	<u>Current Estimate</u>
2012	\$47,164,161	\$53,100,000
2013	\$31,808,223	\$26,900,000
2014	\$ 5,677,263	\$5,000,000

20

21

² See, Docket 4243, RFC Schedule C Compliance

1 **Q. Is Newport currently taking steps to borrow the first \$53,100,000?**

2 A. Yes, Newport filed an Application For Borrowing Authority with the Division of Public
3 Utilities and Carriers, which was approved on April 9, 2012. It is anticipated that the loan
4 will close in June 2012. By closing on this first loan and knowing the actual interest rate
5 and debt service payments, Newport can begin fine tuning the timing of its subsequent
6 borrowings.

7

8 **Q. When does Newport anticipate raising rates for the next \$26,900,000 borrowing?**

9 A. As set forth in Mr. Smith's testimony, Newport anticipates it will need to implement
10 the next phase of its multi-year rate plan in April 2013.

11

12 **Q. Will Newport Water submit a compliance filing for the next phase of the increase?**

13 A. Yes, Newport Water will submit a compliance filing in conformance with R.I.G.L. § 39-
14 15.1-4 before seeking to implement the April 2013 rate increase.

15

16 **III. CONCLUSION**

17 **Q. Does this conclude your testimony?**

18 A. Yes it does.

EXHIBIT 1

Newport Drawdown - City

Invoice No.	Invoice Month	Estimated Payment	Estimated %	Maximum Cumulative Percentage	Maximum Cumulative Drawdown
1	Mar-12	\$1,334,000	2.0%	2.0%	\$1,334,000
2	Apr-12	\$1,334,000	2.0%	4.0%	\$2,668,000
3	May-12	\$1,000,500	1.5%	5.5%	\$3,668,500
4	Jun-12	\$1,334,000	2.0%	7.5%	\$5,002,500
5	Jul-12	\$1,334,000	2.0%	9.5%	\$6,336,500
6	Aug-12	\$2,001,000	3.0%	12.5%	\$8,337,500
7	Sep-12	\$2,001,000	3.0%	15.5%	\$10,338,500
8	Oct-12	\$2,668,000	4.0%	19.5%	\$13,006,500
9	Nov-12	\$2,668,000	4.0%	23.5%	\$15,674,500
10	Dec-12	\$3,001,500	4.5%	28.0%	\$18,676,000
11	Jan-13	\$3,001,500	4.5%	32.5%	\$21,677,500
12	Feb-13	\$3,335,000	5.0%	37.5%	\$25,012,500
13	Mar-13	\$3,335,000	5.0%	42.5%	\$28,347,500
14	Apr-13	\$4,002,000	6.0%	48.5%	\$32,349,500
15	May-13	\$4,002,000	6.0%	54.5%	\$36,351,500
16	Jun-13	\$4,002,000	6.0%	60.5%	\$40,353,500
17	Jul-13	\$4,002,000	6.0%	66.5%	\$44,355,500
18	Aug-13	\$3,335,000	5.0%	71.5%	\$47,690,500
19	Sep-13	\$2,668,000	4.0%	75.5%	\$50,358,500
20	Oct-13	\$2,668,000	4.0%	79.5%	\$53,026,500
21	Nov-13	\$2,001,000	3.0%	82.5%	\$55,027,500
22	Dec-13	\$2,001,000	3.0%	85.5%	\$57,028,500
23	Jan-14	\$2,001,000	3.0%	88.5%	\$59,029,500
24	Feb-14	\$1,667,500	2.5%	91.0%	\$60,697,000
25	Mar-14	\$1,334,000	2.0%	93.0%	\$62,031,000
26	Apr-14	\$1,334,000	2.0%	95.0%	\$63,365,000
27	May-14	\$1,000,500	1.5%	96.5%	\$64,365,500
28	Jun-14	\$667,000	1.0%	97.5%	\$65,032,500
29	Jul-14	\$667,000	1.0%	98.5%	\$65,699,500
30	Aug-14	\$333,500	0.5%	99.0%	\$66,033,000
31	Sep-14	\$333,500	0.5%	99.5%	\$66,366,500
32	Oct-14	\$133,400	0.2%	99.7%	\$66,499,900
33	Nov-14	\$133,400	0.2%	99.9%	\$66,633,300
34	Dec-14	\$66,700	0.1%	100.0%	\$66,700,000
		Total	100.0%		\$66,700,000

PREFILED TESTIMONY

OF

**HAROLD J. SMITH
RAFTELIS FINANCIAL CONSULTING**

IN SUPPORT OF

**THE CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION
PETITION TO AMEND MULTI-YEAR RATE PLAN**

BEFORE THE

RHODE ISLAND PUBLIC UTILITIES COMMISSION

Docket No. 4243

JUNE 14, 2012



1 **I. INTRODUCTION**

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

3 A. My name is Harold J. Smith and my business address is 1031 South Caldwell Street,
4 Charlotte, North Carolina 28203.

5

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

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

13

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

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

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

26

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

3 A. Yes. I provided testimony for the City of Newport, Utilities Department, Water
4 Division ("Newport Water" or "Newport") in six previous rate filings before the
5 Rhode Island Public Utilities Commission ("Commission") in Dockets 3578, 3675,
6 3818, 4025, 4128 and 4243. I also provided testimony in the Providence Water
7 Supply Board's most recent rate filings (Docket Nos. 3832, 4061 and 4070). I also
8 testified on behalf of the Consumer Advocate before the Nova Scotia Utility and
9 Review Board (W-HRWC-R-10).

10

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

12 A. Yes. I am a member of the American Water Works Association where I am the past
13 chairman of the Strategic Management Practices Committee, and I am a member of the
14 Financial Management Committee of the New England Water Works Association.

15

16 **Q. What is the purpose of your testimony?**

17 A. To support Newport Water's motion to amend the multi-year rate increase approved
18 by the Commission in Docket 4243.

19

20 **Q. Please provide an overview of why Newport Water is filing the motion to amend?**

21 A. In April 2011, Newport Water filed an application for a general rate increase (Docket
22 4243). Newport Water proposed a multi-year rate plan pursuant to R.I.G.L. §39-15.1-4
23 to support increased debt service for the design and construction of a new Lawton
24 Valley Water Treatment Plant and improvements to the Station One Water Treatment
25 Facility ("Treatment Plant Projects").

26

1 The parties in Docket 4243 reached a Settlement Agreement that the Commission
2 approved at a November 29, 2011 open meeting. In its subsequent report and order
3 (No. 20636), the Commission authorized a multi-year rate plan, which allowed Newport
4 to increase rates in four separate phases:

- 5 • FY12 \$2,222,258 (22.5%)¹
- 6 • FY13 \$4,272,361 (35.3%)
- 7 • FY14 \$2,395,489 (14.6%)
- 8 • FY15 \$ 519,606 (2.7%)

9

10 Newport anticipated implementing the FY13, 14 and 15 increases on July 1 of each fiscal
11 year. However, the Commission's Order acknowledged that the dates and amounts in
12 the plan could change. Thus, the Commission ordered Newport Water to file a motion to
13 amend the multi-year rate plan if the debt service funding plan changed.

14

15 Since the conclusion of Docket 4243, certain details of the Treatment Plant Projects
16 financing have come into focus, and Newport proposes to alter the schedule of
17 increases approved by the Commission.

18

19 **II. MOTION TO AMEND**

20 **Q. What factors contribute to Newport Water' Motion to Amend?**

21 A. As described in Ms. Forgue's testimony, three primary factors contribute to
22 Newport's Motion To Amend:

- 23 1. Newport's award of the Treatment Plant Projects contract following the
24 conclusion of Docket 4243;

25

¹ The increase in FY12 was an overall increase to support a total cost of service including O&M and Capital expenses. The increases for FY 13, 14 and 15 were for increased debt service only.

- 1 2. Newport's receipt of a draw down schedule from the Treatment Plant Projects
2 vendor; and,
3
4 3. Newport's imminent first borrowing to finance the Treatment Plant Projects.
5

6 **Q. Please explain how the contract award and draw down schedule impacted
7 Newport's planned borrowings?**

8 A. The Newport City Council awarded the Design/Build ("D/B") contract for the
9 Treatment Plant Projects to AECOM Technical Services, Inc. (design and engineering)
10 and C.H. Nickerson & Company, Inc. (construction) as a joint venture
11 ("AECOM/Nickerson") on January 25, 2012. AECOM/Nickerson's plan for design and
12 construction differed from the other potential D/B vendors. Thus, Newport's payment
13 schedule would have differed depending on the chosen vendor. Once Newport awarded
14 the D/B Contract to AECOM/Nickerson, it had a specific draw down and payment
15 schedule. (See Exhibit 1 to Julia Forgue's testimony) This brought the amount and timing
16 of Newport's anticipated borrowings into focus.

17

18 **Q. Has Newport's planned borrowings changed since the conclusion of Docket 4243?**

19 A. Yes. Now that Newport has a draw down schedule for the Treatment Plant Projects,
20 the amount of Newport's borrowings changed as follows:

<u>Fiscal Year</u>	<u>Docket 4243²</u>	<u>Current Estimate</u>
2012	\$47,164,161	\$53,100,000
2013	\$31,808,223	\$26,900,000
2014	\$ 5,677,263	\$5,000,000

21

22

² See, Docket 4243, RFC Schedule C Compliance

1 **Q. Is Newport currently taking steps to borrow the first \$53,100,000?**

2 A. Yes, Newport filed an Application For Borrowing Authority with the Division of Public
3 Utilities and Carriers on March 7, 2012 (Division Docket D-12-3). The Division approved
4 the Application on April 9, 2012, and I anticipate the loan will close in June 2012. By
5 closing on this first loan, Newport knows the actual interest rate and debt service
6 payments and can begin fine tuning the timing of its subsequent borrowings.

7

8 **Q. When does Newport anticipate it will have to raise rates for debt service for the**
9 **next \$26,900,000 loan?**

10 A. Newport anticipates it will not need to increase revenue for the next borrowing until
11 April 2013.

12

13 **Q. Can you explain why?**

14 A. Yes. Newport expects to close on the \$53,100,000 loan in June 2012, and current
15 rates are expected to generate revenue sufficient to meet the debt service needs of this
16 loan through FY 2013. The loan proceeds will be distributed as follows:

17 \$43,500,000 Project Funds for Water Treatment Plant Projects
18 \$ 5,100,000 conversion of short term BAN into subsidized DWSRF borrowing
19 \$ 3,830,000 debt service reserve fund; and,
20 \$ 631,000 costs of issuance

21

22 When the project funds from the \$53,100,000 loan are applied to the draw down
23 schedule, it demonstrates that Newport will nearly exhaust the funds in June 2013 and
24 completely exhaust the funds by July 2013. Thus, Newport needs to close on the
25 \$26,900,000 loan by May 2013 to provide a buffer between the closing and the
26 exhaustion of funds.

1 Attached to my testimony are Schedules RFC 1 and 2, which help illustrate the timing of
2 the next proposed increase.

3

4 Schedule RFC 1 shows Newport's projected debt service requirements including debt
5 service on existing loans and the anticipated payments for the \$53,100,000 loan, the
6 \$26,900,000 loan and the \$5,000,000 loan. Note that the projected debt service for the
7 \$53,100,000 loan is based on debt service schedules provided by the lender. Projected
8 debt service for the other two loans assumes that the annual interest rate for these
9 borrowings will be 6%.

10

11 Schedule RFC 2 shows the projected cash balances for the Debt Service Restricted
12 Account from July 2011 through June 2014. As shown, the balance in this account
13 remains positive until September 2013, indicating that the monthly deposit from rate
14 revenue is sufficient to cover debt service requirements through FY 2013, but Newport
15 requires additional funding from rates to meet the anticipated debt service
16 requirements in FY 2014 and beyond. A rate increase effective April 2013 will allow
17 Newport Water to build funds in the Debt Service Restricted Account and avoid the
18 projected deficit in September 2014.

19

20 **III. CONCLUSION**

21 **Q. Does this conclude your testimony?**

22 A. Yes it does.

Newport Water Division
 Motion To Amend
 Debt Service Detail

Schedule RFC 1

Fiscal Year	EXISTING (1)								PROPOSED (2)												Total Annual Debt Service			
	Revenue Bonds	2007 SRF A \$3.0 M	2008 SRF B \$5.9 M	2009 SRF A \$3.3 M	2012 SRF A (Dam Repair)				2012 SRF B (City Agent, Sta 1 Improvements and New Plant)				2013 SRF A (Sta 1 Improvements and New Plant)				2014 SRF A (Sta 1 Improvements and New Plant)							
		Agency Loan	Fed Dir. Loan		Loan				Loan				Loan				Loan							
		Rate	3.40%		Amount	\$ 6,676,610	Rate	4.03%	Amount	53,100,000	Rate	6.00%	Amount	26,900,000	Rate	6.00%	Amount	5,000,000						
Total	Total	Total	Total	Interest	Principal	Total	Drawdown	Interest	Principal	Total	Drawdown	Interest	Principal	Total	Drawdown	Interest	Principal	Total	Drawdown					
2008	1,009,932	72,901																						
2009	959,782	211,318	66,753	1,213																				\$ 1,239,066
2010	910,552	211,749	157,915	2,388																				\$ 1,282,604
2011	642,596	211,990	411,824	61,108																				\$ 1,327,518
2012	571,079	211,081	424,858	182,028	200,176		200,176	6,676,610																\$ 1,589,221
2013	388,755	211,034	424,365	181,966	228,508	315,000	543,508	6,676,610	471,121	941	472,062	23,376,441												\$ 2,221,690
2014		210,828	424,365	181,518	217,228	325,000	542,228	6,676,610	1,485,914	941	1,486,855	39,589,291	500,000	0	500,000									\$ 3,345,793
2015		211,441	424,945	181,416	205,508	340,000	545,508	6,676,610	1,539,109	1,945,153	3,484,262	53,100,000	1,614,000	731,265	2,345,265	26,900,000								\$ 7,192,836
2016		210,861	424,070	181,648	193,346	350,000	543,346	6,676,610	1,509,030	1,972,327	3,481,357	53,100,000	1,579,657	775,140	2,354,797	26,900,000	300,000	135,923	435,923	5,000,000				\$ 7,632,002
2017		184,069	423,727	181,504	180,833	360,000	540,833	6,676,610	1,474,814	2,004,502	3,479,317	53,100,000	1,543,252	821,649	2,364,901	26,900,000	293,616	144,078	437,695	5,000,000				\$ 7,612,046
2018		184,052	422,898	181,058	167,878	375,000	542,878	6,676,610	1,435,455	2,040,272	3,475,726	53,100,000	1,504,664	870,948	2,375,612	26,900,000	286,850	152,723	439,573	5,000,000				\$ 7,621,797
2019		210,815	422,537	181,105	154,395	390,000	544,395	6,676,610	1,390,182	2,082,635	3,472,817	53,100,000	1,463,760	923,205	2,386,965	26,900,000	279,677	161,886	441,564	5,000,000				\$ 7,660,197
2020		210,360	422,607	180,896	140,383	405,000	545,383	6,676,610	1,339,589	2,131,594	3,471,182	53,100,000	1,420,403	978,597	2,399,000	26,900,000	272,074	171,599	443,674	5,000,000				\$ 7,673,102
2021		210,677	423,085	180,444	125,931	417,500	543,431	6,676,610	1,283,767	2,185,349	3,469,116	53,100,000	1,374,443	1,037,313	2,411,756	26,900,000	264,015	181,895	445,911	5,000,000				\$ 7,684,418
2022		210,752	421,968	180,521	111,038	430,000	541,038	6,676,610	1,222,861	2,242,699	3,465,560	53,100,000	1,325,726	1,099,552	2,425,278	26,900,000	255,473	192,809	448,282	5,000,000				\$ 7,693,397
2023		210,583	421,274	180,357	95,616	445,000	540,616	6,676,610	1,157,098	2,306,846	3,463,943	53,100,000	1,274,087	1,165,525	2,439,611	26,900,000	246,418	204,378	450,795	5,000,000				\$ 7,707,179
2024		210,169	421,946	180,701	79,577	465,000	544,577	6,676,610	1,085,557	2,374,587	3,460,144	53,100,000	1,219,348	1,235,456	2,454,804	26,900,000	236,819	216,640	453,459	5,000,000				\$ 7,725,800
2025		210,489	420,969	180,056	62,921	480,000	542,921	6,676,610	1,007,611	2,449,923	3,457,534	53,100,000	1,161,326	1,309,583	2,470,909	26,900,000	226,645	229,639	456,283	5,000,000				\$ 7,739,162
2026		209,543	420,366	179,832	45,737	495,000	540,737	6,676,610	923,547	2,530,056	3,453,604	53,100,000	1,099,822	1,388,159	2,487,980	26,900,000	215,860	243,417	459,277	5,000,000				\$ 7,751,338
2027		209,336	421,064	180,151	27,936	515,000	542,936	6,676,610	834,092	2,617,581	3,451,673	53,100,000	1,034,628	1,471,448	2,506,076	26,900,000	204,428	258,022	462,450	5,000,000				\$ 7,773,685
2028		209,832	420,053	180,205	9,429	535,000	544,429	6,676,610	740,053	2,709,903	3,449,956	53,100,000	965,522	1,559,735	2,525,257	26,900,000	192,310	273,503	465,813	5,000,000				\$ 7,795,544
2029			419,321	179,974					645,372	2,806,022	3,451,394	53,100,000	892,270	1,653,319	2,545,589	26,900,000	179,465	289,914	469,379	5,000,000				\$ 7,065,656
2030			426,632	179,449					545,172	2,898,344	3,443,517	53,100,000	814,622	1,752,518	2,567,140	26,900,000	165,849	307,308	473,158	5,000,000				\$ 7,089,896
2031				178,652					435,178	3,006,652	3,441,830	53,100,000	732,316	1,857,669	2,589,985	26,900,000	151,417	325,747	477,164	5,000,000				\$ 6,687,631
2032									320,327	3,118,757	3,439,084	53,100,000	645,072	1,969,129	2,614,201	26,900,000	136,118	345,292	481,410	5,000,000				\$ 6,549,025
2033									199,872	3,236,457	3,436,329	53,100,000	552,593	2,087,277	2,639,870	26,900,000	119,902	366,009	485,911	5,000,000				\$ 6,562,110
2034									60,559	3,355,082	3,415,642	53,100,000	454,565	2,212,514	2,667,078	26,900,000	102,712	387,970	490,682	5,000,000				\$ 6,573,402
2035																								\$ 495,739
2036																								\$ -

(1) Debt service on existing debt based on debt service schedules provided by the City of Newport.
 (2) Debt service for SRF 2012 A and B is based on debt service schedules provided by RICWFA.

City of Newport, Rhode Island
 Motion To Amend
 Debt Service Restricted Account Balance

Schedule 2

	FY 2012 ACTUAL									FY 2012 PROJECTED		
	July	August	September	October	November	December	January	February	March	April	May	June
Debt Service Account												
Beginning Cash Balance	\$ 1,989,949	\$ 1,989,964	\$ 2,325,118	\$ 1,789,176	\$ 1,952,744	\$ 1,555,935	\$ 1,688,396	\$ 1,820,952	\$ 1,953,399	\$ 1,795,553	\$ 1,928,001	\$ 2,060,448
Additions												
From Rates		\$335,137	\$167,569	\$167,569	\$167,569	\$132,447	\$132,447	\$132,447	\$132,447	\$132,447	\$132,447	\$132,447
Interest Income	15	17	18	14	15	14	108	-	-	-	-	-
Total Additions	\$ 15	\$ 335,154	\$ 167,587	\$ 167,583	\$ 167,584	\$ 132,461	\$ 132,556	\$ 132,447	\$ 132,447	\$ 132,447	\$ 132,447	\$ 132,447
Deductions												
Existing Debt Service			703,529	4,015	564,393				290,293			
Proposed Debt Service												
Total Deductions	\$ -	\$ -	\$ 703,529	\$ 4,015	\$ 564,393	\$ -	\$ -	\$ -	\$ 290,293	\$ -	\$ -	\$ -
Ending Cash Balance	\$ 1,989,964	\$ 2,325,118	\$ 1,789,176	\$ 1,952,744	\$ 1,555,935	\$ 1,688,396	\$ 1,820,952	\$ 1,953,399	\$ 1,795,553	\$ 1,928,001	\$ 2,060,448	\$ 2,192,896

	FY 2013											
	July	August	September	October	November	December	January	February	March	April	May	June
Debt Service Account												
Beginning Cash Balance	\$ 2,192,896	\$ 2,325,343	\$ 2,457,790	\$ 1,070,862	\$ 1,203,310	\$ 1,335,757	\$ 1,468,205	\$ 1,600,652	\$ 1,733,099	\$ 1,163,231	\$ 1,295,678	\$ 1,428,126
Additions												
From Rates	\$132,447	\$132,447	\$132,447	\$132,447	\$132,447	\$132,447	\$132,447	\$132,447	\$132,447	\$132,447	\$132,447	\$132,447
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-
Total Additions	\$ 132,447	\$ 132,447	\$ 132,447	\$ 132,447	\$ 132,447	\$ 132,447	\$ 132,447	\$ 132,447	\$ 132,447	\$ 132,447	\$ 132,447	\$ 132,447
Deductions												
Existing Debt Service			1,452,264						297,365			
Proposed Debt Service (\$53.1 M Loan)			67,111						404,951			
Total Deductions	\$ -	\$ -	\$ 1,519,375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 702,316	\$ -	\$ -	\$ -
Ending Cash Balance	\$ 2,325,343	\$ 2,457,790	\$ 1,070,862	\$ 1,203,310	\$ 1,335,757	\$ 1,468,205	\$ 1,600,652	\$ 1,733,099	\$ 1,163,231	\$ 1,295,678	\$ 1,428,126	\$ 1,560,573

	FY 2014											
	July	August	September	October	November	December	January	February	March	April	May	June
Debt Service Account												
Beginning Cash Balance	\$ 1,560,573	\$ 1,693,021	\$ 1,825,468	\$ (76,521)	\$ 55,927	\$ 188,374	\$ 320,821	\$ 453,269	\$ 585,716	\$ (593,193)	\$ (460,746)	\$ (328,299)
Additions												
From Rates	\$132,447	\$132,447	\$132,447	\$132,447	\$132,447	\$132,447	\$132,447	\$132,447	\$132,447	\$132,447	\$132,447	\$132,447
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-
Total Additions	\$ 132,447	\$ 132,447	\$ 132,447	\$ 132,447	\$ 132,447	\$ 132,447	\$ 132,447	\$ 132,447	\$ 132,447	\$ 132,447	\$ 132,447	\$ 132,447
Deductions												
Existing Debt Service			1,074,138						284,800			
Proposed Debt Service (\$53.1 M Loan)			710,298						776,557			
Proposed Debt Service (\$26.9 M Loan)			250,000						250,000			
Total Deductions	\$ -	\$ -	\$ 2,034,436	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,311,357	\$ -	\$ -	\$ -
Ending Cash Balance	\$ 1,693,021	\$ 1,825,468	\$ (76,521)	\$ 55,927	\$ 188,374	\$ 320,821	\$ 453,269	\$ 585,716	\$ (593,193)	\$ (460,746)	\$ (328,299)	\$ (195,851)