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**RHODE ISLAND PUBLIC UTILITIES COMMISSION**

**DOCKET NO. 4243**

**CITY OF NEWPORT WATER DIVISION**

**PREFILED SURREBUTTAL TESTIMONY OF**

**CHRISTOPHER P.N. WOODCOCK**

October 20, 2011

**PREFILED SURREBUTTAL TESTIMONY OF**  
**CHRISTOPHER P.N. WOODCOCK**

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**Q: Are you the same Christopher P.N. Woodcock that prefiled testimony on behalf of the Portsmouth Water and Fire District (“PWFD”) in this docket?**

A: Yes I am.

**Q: What is the purpose of your surrebuttal testimony?**

A: I reviewed the prefiled direct testimony of Division witness Mr. Catlin as well as the rebuttal testimony of the City of Newport, Water Division’s (“NWD”) witnesses Mr. Smith, Ms. Gurghigian and Ms. Forgue. My surrebuttal testimony responds to some of the assertions made in that testimony.

**Division’s Direct Testimony**

**Q: Can you summarize any disagreements you have with Mr. Catlin’s testimony?**

A: In general, Mr. Catlin and I agree on nearly all matters. Mr. Catlin made several additional revisions primarily regarding salary costs, which Mr. Smith accepted and I have included in the attached schedules.

Mr. Catlin adjusted NWD’s initial claim for City Services by using the Division’s proposed rate year revenue requirements and by adjusting the WPC Fund budget to remove \$12.6 million of capital outlays. Mr. Smith essentially agreed to this on behalf of NWD. These changes are consistent with the Commission’s findings in Docket 4025; however, as I indicated in my direct testimony, the Commission should revisit this calculation in light of NWD’s nearly \$100 million capital program and the enormous impact it will have on the calculations.

Mr. Catlin and I also do not agree on the treatment of consultant costs. Mr. Smith addressed this matter as well.

1 **NWD's Rebuttal Testimony**

2 **Q: Can you identify the aspects of NWD's Rebuttal testimony that you would like**  
3 **to address?**

4 A: NWD agreed with many of the items raised by me and Mr. Catlin. However, there  
5 are several matters on which we are not in agreement. Those areas are: (1) Con-  
6 sultant Fees, (2) Debt Service (3) Water Sales, (4) Chemical Costs, (5) Rounding of  
7 Values, (6) City Services, (7) Reporting to the Commission, and (8) Pumping Costs.

8

9 **Consultant Fees**

10 **Q: What are the positions of the Division and NWD on Consultant Fees?**

11 A: NWD's initial filing included \$338,400 of Consultant Fees in the Administrative op-  
12 erating expense line item; however, NWD reduced this amount to \$333,200 in its  
13 response to PWFD 1-13. In addition, NWD carried \$500,000 in its Capital Im-  
14 provements Program ("CIP") for the next three years as costs for "Legal and Finan-  
15 cial" services.

16

17 The Division recommended an allowance of \$221,500 for the consultant fees in the  
18 Administration operating expenses.

19

20 In my direct testimony I recommended an allowance of \$163,500 for consultant fees  
21 in the Administration operating expenses.

22

23 In its rebuttal testimony, NWD reduced its claim for consulting fees to \$284,900.

24

25 **Q: Do you agree with the reasons NWD offered for its revised value?**

26 A: No. On pages 6-7 of his rebuttal testimony, Mr. Smith claimed that he is providing  
27 assistance with financial matters related to the new Lawton Valley Treatment Plant  
28 and the improvements to the Station One Water Treatment Plant (collectively

1 “Treatment Plant Projects”)<sup>1</sup>. These costs relate to the capital program for which  
2 NWD already allotted \$500,000 of consultant fees. NWD should not count them  
3 here again. Further, the bond issuance expenses already include any consult-  
4 ant/legal/financial costs related to any bond issues associated with this work.

5  
6 Mr. Smith also attempts to support the additional expenses because of a need for  
7 more consultants.<sup>2</sup> In addition to Raftelis Financial Consultants, Inc. (“RFC”) and  
8 Keough & Sweeney (“K&S”), NWD employed Camp, Dresser & McKee (“CDM”);  
9 Panonne, Lopes, Devereaux and West (“PLDW”); and First Southwest. As alleged  
10 support for these consulting expenses, Mr. Smith presented only a chart showing its  
11 eight different consultants, lawyers and financial advisors with check marks identify-  
12 ing the various services with which each consultant was involved. This chart does  
13 not indicate the cost of these consulting services. Aside from the services related to  
14 filings at the PUC, NWD does not explain why the services are paid in part from the  
15 operating budget and in part from the capital budget.

16  
17 NWD provides scant backup for a claim that includes consultant costs of more than  
18 a quarter million dollars (\$250,000.00) per year of operating expenses and nearly  
19 half a million dollars (\$500,000.00)<sup>3</sup> in capital expenses over the next three years.  
20 For the three years starting with FY 2012 (the rate year) NWD claimed consultant  
21 and legal costs in its capital and operating costs far in excess of \$1,000,000. These  
22 figures do not include an additional \$2.4 million for the City Advisor over the next  
23 three years.

24 **Q: What do you propose for Consultant Fees?**

25 A: Based on NWD’s responses to data requests and its prefiled direct and rebuttal  
26 testimony, the Commission should allow only \$211,000 within the Administration

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<sup>1</sup> See page 6-7 of Mr. Smith’s rebuttal testimony.

<sup>2</sup> See page 7 of Mr. Smith’s rebuttal testimony

<sup>3</sup> \$435,000 per RFC Schedule 4 Rebuttal

1 operating expenses for Consultant Fees. The following table shows the differences  
2 between my position and NWD's position:

|                         | <u>NWD</u>       | <u>PWFD</u>      |
|-------------------------|------------------|------------------|
| Rates/Legal / Financial | \$ 197,400       | \$ 123,500       |
| RIPUC/Other             | \$ 34,500        | \$ 34,500        |
| Bond Advisor            | \$ 10,000        | \$ 10,000        |
| Code Red                | \$ 3,000         | \$ 3,000         |
| Demand Study            | <u>\$ 40,000</u> | <u>\$ 40,000</u> |
| Total                   | \$ 284,900       | \$ 211,000       |

3  
4 In summary, my position and NWD's position compare as follows:

- 5 • I accepted NWD's claims for PUC expenses, its Bond Advisor, the Code  
6 Red emergency notification system, and the amortized demand study  
7 costs.
- 8 • I included legal and financial costs related only to NWD's rate filings and  
9 dealings with the PUC and Division; I did not include the cost of consult-  
10 ants related to bond issues, certifications, and other financial matters re-  
11 lated to the treatment plant upgrades. The millions of dollars allocated  
12 as legal and financial expenses in the CIP already include these costs.  
13 Also, in many cases, these costs will be included as part of the 12%  
14 bond issuance expenses claimed by NWD.

15  
16 **Debt Service**

17 **Q: Can you summarize the position of the parties on debt service?**

18 A: As with my direct testimony, the Division included only the cost of existing debt ser-  
19 vice (approximately \$1,389,000), concluding that the cost of any new bonds would  
20 not impact the rate year expenses.

21  
22 Mr. Smith provided rebuttal testimony that included the existing debt plus the cost of  
23 the new 2012A State Revolving Fund ("SRF") borrowing for the Easton's Pond Dam  
24 Repair. This added an additional \$200,323 to the rate year debt service costs.

1  
2 Mr. Smith also substantially revised the amounts and timing of the additional bond  
3 costs associated with the proposed step increases. NWD's initial and rebuttal filing  
4 included the following projected or proposed bond issues:

|             | <u>NWD Direct</u>  | <u>NWD Rebuttal</u> |
|-------------|--------------------|---------------------|
| 2012 SRF A: | \$18,597,766       | \$ 6,676,610        |
| 2012 SRF B: |                    | \$ 48,337,184       |
| 2013 SRF A: | \$36,951,000       | \$ 31,920,000       |
| 2014 SRF A: | \$32,205,000       | \$ 5,699,681        |
| 2015 SRF A: | <u>\$5,750,570</u> |                     |
| Totals      | \$93,504,336       | \$ 92,633,474       |

12 NWD accepted the delays in payments on the SRF bonds that PWFD and the Divi-  
13 sion testified to for the rate year, but changed and moved up the future bond issues,  
14 essentially undoing or reversing this admission.

16 **Q: Do you have any other disagreements with the proposed debt service**  
17 **amounts?**

18 A: Yes. Ms. Gurghigian submitted rebuttal testimony on behalf of NWD regarding the  
19 projected issuance costs and interest rates. She concurred with NWD's projected  
20 issuance costs of 12% and interest rate of 6%. In part, Ms. Gurghigian's testimony  
21 regarding the 6% interest rate relied on the current Bond Buyer index for unsubsi-  
22 dized loans and the median rate for the past 12 months. She found the use of the  
23 6% interest rate to be prudent on that basis.

25 **Q: Why do you disagree with these projections?**

26 A: In response to Div 3-5, NWD provided specifics related to the unsubsidized 2012  
27 SRF loan. The interest rate on this loan was 3.4% -- a value far below the "prudent  
28 rate" recommended by Ms. Gurghigian and even less than the 4% rate I included in  
29 my direct testimony. The issuance costs, including the debt service reserve fund-

1 ing, were 10%  $((\$544,095 + \$122,000) / \$6,640,000)$ . This is the same percentage  
2 I recommended in my direct testimony.

3  
4 **Q: What is your response to Ms. Forgue's disagreement with your claim that**  
5 **NWD's debt service plans keep changing (page 4 of her Rebuttal testimony)?**

6 A: The record clearly supports my concern that NWD's actual capital spending, funding  
7 and claims for debt service typically differ significantly from NWD's projections. I  
8 noted a number of such instances in my direct testimony.

9  
10 Ms. Forgue's statement on page 6 of her rebuttal testimony ("I do not believe we  
11 overstated our debt service needs.") is clearly incorrect. She testified that she  
12 agrees with Mr. Smith's adjustments to the debt service requirement, which cut that  
13 requirement nearly in half from more than \$3.0 million in the initial filing to \$1.58 mil-  
14 lion in the rebuttal filing. Not only have the amounts changed drastically, but so has  
15 the timing. Mr. Smith's rebuttal testimony (page 25, lines 16-26) provides a clear  
16 example.

17  
18 **Q: Why are these changes relevant?**

19 A: These constant changes frequently have been quite significant and must be recog-  
20 nized by the Commission in setting and administering NWD's restricted capital ac-  
21 counts. I base my concerns regarding the movement of restricted funds on this his-  
22 tory. Customers have differing cost responsibilities for different restricted accounts.  
23 If NWD is allowed to move funds from one account to another, customers may un-  
24 fairly be charged too little or too much. NWD's suggestion that errors in estimated  
25 needs are not important because of restrictions on funds fails to recognize NWD's  
26 history of significant deviations from its estimates and, more importantly, subse-  
27 quent requests to move such restricted funds.

1 **Q: What do you recommend regarding the debt service allowance?**

2 A: I included the payments on the 2012 SRF A Bond that was issued September 30,  
3 2011. These are actual costs for issued bonds. Accordingly, my rate year debt  
4 service recommendation matches that submitted by NWD in Mr. Smith's rebuttal  
5 testimony.

6

7 Based on the major and significant changes in debt service costs in the six months  
8 since NWD filed its testimony, it is clear that there is little certainty to the projected  
9 debt service provided by NWD. The amounts, the issuance years, the repayment  
10 dates, the interest costs, and the issuance costs all are in doubt.

11

12 The step increases proposed by NWD are only for the debt service associated with  
13 new bond issues. They should be funded only after NWD provides the Commission  
14 with actual debt service expenses after the bonds issue. Because these step in-  
15 creases should only be provided after proof of actual new debt costs, I did not in-  
16 clude any recommended step increases as part of my surrebuttal testimony. It is far  
17 too speculative to include these step increases in light of NWD's record with debt  
18 projections. The Commission should make it clear in its order that it will allow fund-  
19 ing for any new bonds once NWD presents the true and actual costs.<sup>4</sup>

20

21 **Q: Will waiting for the issuance of the bonds before allowing new rate increases**  
22 **limit NWD's ability to show investors that they will have the necessary rates**  
23 **to support the bond issues?**

24 A: There are three reasons why I do not believe this is a concern. First, the Commis-  
25 sion can issue a written order assuring that they will allow funding of actual debt  
26 service costs.

27

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<sup>4</sup> Mr. Smith appears to agree with this at page 20, lines 11-17 of his rebuttal testimony.



1 Second, as presented on RFC Schedule 11 Rebuttal, there will be nearly \$2 million  
2 available in NWD's restricted debt service account for a new bond issue, thus alle-  
3 viating cash flow issues.

4  
5 Third, NWD's projected debt service payments show a full year's principal and in-  
6 terest the first year of payment (see RFC Schedule C Rebuttal). As shown on the  
7 debt service payment schedule for all the other existing SRF loans, the actual pay-  
8 ment the first year is typically less than half the annual payments in later years  
9 when the full principal and interest become due. The amount in the restricted debt  
10 service fund should be sufficient to pay the actual first year costs even for the larg-  
11 est of the proposed issues.

12  
13 **Water Sales**

14 **Q: Do you agree with NWD's nearly 10% reduction of rate year water sales from**  
15 **its direct filing to its rebuttal filing?**

16 A: No I do not. This is a significant change. It has the effect of increasing the rates<sup>5</sup> by  
17 nearly 10%. There is scant testimony or support for this significant change.

18  
19 **Q: What do you recommend on this issue?**

20 A: The Commission is well aware of PWFD's concerns on this matter. In past dockets,  
21 PWFD supported reductions in NWD's projected sales to help assure that NWD re-  
22 ceived the revenues it deserved. In this case, NWD's sales reduction is unsup-  
23 ported.

24  
25 The Commission should use a three year average in accordance with NWD's direct  
26 testimony rather than switching to a two year average as presented in NWD's rebut-  
27 tal testimony. The three year average for FY2009-FY2011 of 1,761,133 is in itself a

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<sup>5</sup> Not the revenue requirements

1 significant reduction from the water use of 1,970,329 that was provided in Docket  
2 4025. While it is more than the FY 2010 use, it is less than the FY 2009 use and  
3 very close to the amount for the most recent year (FY 2011).  
4

5 **Chemical Costs**

6 **Q: Do you agree with Ms. Forgue's recommendation to base chemical usage on**  
7 **a three year running average from 2008 – 2010?**

8 A: No. NWD revised its rate year sales estimate based on the two year FY 2010 – FY  
9 2011 average. The two year sales average shown in Mr. Smith's RFC Schedule A  
10 Rebuttal is 1,701,582 thousand gallons. The sales average that Ms. Forgue claims  
11 should be used to determine chemical quantities is 1,858,117 thousand gallons; ten  
12 percent higher than the sales used by Mr. Smith. Because chemical use is gener-  
13 ally related to water production, the two should be based on the same assumptions.  
14

15 **Q: Do you have any disagreements with the three exceptions to using the three**  
16 **year average Ms. Forgue described on pages 6 and 7 of her rebuttal testi-**  
17 **mony?**

18 A: I agree with most of these exceptions, except as follows:

- 19 • Sodium hydroxide: I agree with Ms. Forgue to use the 9 months of FY 2009  
20 and all of FY 2010; however, I also recommend that the average include FY  
21 2011.
- 22 • Copper Sulfate: Ms. Forgue recommended a two year average using FY  
23 2008 and FY 2010 because FY 2009 was a low year for Copper Sulfate  
24 use. I recommend that the three year average for FY 2009 – FY 2011 be  
25 used. The circumstances that caused FY 2009 to be low may also occur in  
26 the rate year.  
27

1 **Q: What do you propose for Chemical Costs?**

2 A: As I have suggested elsewhere, the Commission should use the average of the  
3 sales for FY 2009 – FY 2011 to determine the rates. Depending on what the Com-  
4 mission decides regarding the appropriate sales values, NWD should update its  
5 chemical uses for those same periods and apply the current rates. Because I do  
6 not have the FY 2011 chemical uses,<sup>6</sup> I cannot perform that calculation.

7

8 **Rounding of Values**

9 **Q: Does Mr. Smith’s agreement to round total costs in each category up to the**  
10 **nearest \$100 satisfy the concerns in your direct testimony regarding round-**  
11 **ing?**

12 A: No. There is no reason to round everything up “to provide a very small cushion.” A  
13 review of the details in RFC Rebuttal Schedule B shows 97 instances where NWD  
14 rounded a number up to the nearest \$100. The impact of this rounding up is  
15 \$2,700. The operating reserve already provides NWD with a cushion; there is no  
16 need to add an additional cushion.

17

18 **Q: If the Commission allows NWD to round up its rate year expenses, would you**  
19 **expect this same treatment would apply to the other water utilities the Com-**  
20 **mission regulates?**

21 A: Yes. The Commission’s allowance of an extra cushion likely would apply to Rhode  
22 Island’s other regulated water departments, company, and districts.

23

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<sup>6</sup> These were requested in PWFD data request 5-2

1 **City Services**

2 **Q: Can you explain the parties' differences with respect to City services ex-**  
3 **penses?**

4 A: The only difference at this point is whether NWD's \$100 million capital program im-  
5 pacts the level of effort that other City departments provide to NWD. Ms. Forgue is  
6 correct that the Commission decided the matter of City services in prior dockets.  
7 However, the City is embarking on a massive capital program that will result in new  
8 debt service costs that have a significant impact on the overall allocations to NWD.  
9 The Commission did not fully consider this program in prior dockets. Because this  
10 is the first of likely five or more years of large rate increases to fund the new debt,  
11 the Commission should reconsider this now.

12

13 **Q: What impact does NWD's capital program have on the cost of City Services?**

14 A: Looking at Mr. Smith's Rebuttal Schedule D, the NWD budget comprises 13.78% of  
15 the (non-school) City budget. This is an increase from the 13.21% used in Docket  
16 4025. However, when the cost of NWD's new bond issues starts, its share of the  
17 City budget will rise to approximately 17.6% in 2013, 19.4% by 2014, and 19.8% in  
18 2015. This represents a 50% increase in the allocation of several City Services  
19 items from Docket 4025 when the Commission previously decided this matter.

20

21 **Q: Does Ms. Forgue's testimony that the other City Departments are impacted by**  
22 **"these enormous public works projects" and that they are "closely involved**  
23 **in bringing them to fruition" justify NWD's position regarding the cost of city**  
24 **services?**

25 A: No. She did not provide any evidence to support those claims. Ms. Forgue's only  
26 attempt to support these assertions was by quoting Ms. Sitrin's testimony from  
27 Docket 4025. From that quotation, the only relevant portion was Ms. Sitrin's state-  
28 ment that "The Water Fund's capital and debt needs alone require significant effort  
29 on the part of policy makers, managers and other employees of the City of Newport.

1 The capital, debt and operating issues are technical, complicated and difficult to  
2 immediately understand.” The policy makers completed their “significant effort”  
3 when the City Council authorized the capital program. NWD’s allocation of \$6.8 mil-  
4 lion for technical, legal, and financial assistance in their capital program<sup>7</sup> covers the  
5 costs associated with the “technical, complicated and difficult to understand” as-  
6 pects of the “capital, debt and operating issues.” There is no justification for an ad-  
7 ditional 50% of some of the City of Newport’s costs on top of that \$6.8 million.

8  
9 **Q: What City Funds does the 50% increase in the share of City Services impact?**

10 A: The funds allocated based on the Water share of the total budget are: City Man-  
11 ager, City Solicitor, a portion of Finance, and MIS – Other.

12  
13 **Q: What problems can you identify with the 50% increase in these City Funds?**

14 A: First, the proposed CIP includes a line item for legal services related to the capital  
15 projects. NWD did not provide any evidence to suggest that the City’s legal de-  
16 partment will need to increase the services to NWD by 50%.

17  
18 Next, the “MIS-Other” expense exceeds that of the three other City offices allocated  
19 based on percentage of budget; this allocation is the one most impacted by this is-  
20 sue. There is no basis to conclude that the MIS Department would have a 50% in-  
21 crease in services to NWD as a result of the construction of new water facilities. Us-  
22 ing the FY 2011 MIS-Other budget of \$894,364<sup>8</sup>, the increase from NWD’s current  
23 proposed allocation of 13.78% to the estimated FY 2015 allocation percent of  
24 19.8% would mean an additional expense of nearly \$60,000 per year. The pro-  
25 posed construction projects, which already include nearly \$7 million to pay the out-  
26 side City Advisor as well as other legal and financial expenses, should not also re-  
27 quire what amounts to another full-time position in the City’s MIS Department.

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<sup>7</sup> See RFC Rebuttal Schedule 4

<sup>8</sup> See RFC Rebuttal D

1

2 **Q: Are you asking the Commission for “a total re-litigation of the City Services**  
3 **Allocations” as suggested by Mr. Smith<sup>9</sup>?**

4 A: No. The Commission should reconsider only the derivation of the percentage of the  
5 Water budget as compared to the full City budget. This percentage applies to the  
6 allocation of only four City departments.

7

8 **Q: Is Mr. Smith’s claim that the parties knew about the capital projects in Docket**  
9 **4025 when the method using the full budgets, not just the operating budgets,**  
10 **was known<sup>10</sup> accurate?**

11 A: No, because the projected capital costs are so much higher now. Mr. Smith pre-  
12 sented NWD’s capital plan on his Schedule 4 in Docket 4025. The compliance  
13 schedule presenting the capital program only went through FY 2014. The capital  
14 costs from that rate year (FY 2010) through 2014 were just less than \$60 million,  
15 not the \$100 million we have now. NWD projected Lawton Valley to cost \$38.7 mil-  
16 lion in Docket 4025; it projects Lawton Valley at \$51 million in this docket. NWD  
17 previously projected the cost of Station One at \$10.8 million as opposed to the  
18 \$22.8 million projected in this docket.

19

20 **Q: What do you recommend for City Services?**

21 A: The change in circumstances resulting from NWD’s \$100 million construction pro-  
22 gram should cause the Commission to review its decision in Docket 4025 regarding  
23 the determination of appropriate allocation methods regarding four of the City’s de-  
24 partments. When the Commission first made this determination in Docket 4025,  
25 NWD’s capital requirements (\$3,157,741) were 28% of the overall revenue require-  
26 ment (\$11,284,853). NWD’s Rebuttal Schedule RFC-1 shows that the capital por-

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<sup>9</sup> Page 24, line 10 of Mr. Smith’s rebuttal testimony.

<sup>10</sup> Page 24, line 23 of Mr. Smith’s rebuttal testimony.

1 tion of the revenue requirement (\$4,089,369) already increased to 34%. Based on  
2 the increases presented in RFC Rebuttal Schedule E, the capital portion of NWD's  
3 overall revenue requirement will grow to 59% by 2015. The increase of the capital  
4 portion from 28% in Docket 4025 to 59% in 2015 more than doubles the capital pro-  
5 gram's impact on NWD's rates. That is a significant change in circumstances that  
6 would warrant a re-examination of the method used to allocate more than  
7 \$1,605,000 of City service expenses.

8  
9 NWD did not present any valid reason as to why the allocations from four of the  
10 City's administrative offices should be increased by approximately 50% due to  
11 NWD's construction program. The nearly \$7 million in proposed costs for the City  
12 agent and other legal and financial consulting services<sup>11</sup> should be sufficient to pro-  
13 vide the work that might otherwise be needed from City departments to support the  
14 capital improvement effort.

15  
16 In light of this change in circumstances and the additional \$7 million designated for  
17 management, engineering, financial, and legal support, I recommend that the deri-  
18 vation of the Water Budget percent of overall City budget should be determined  
19 based only on the operating costs of all departments. Most, if not all, of the ser-  
20 vices provided by the various departments of the City are related to the operating  
21 costs and not the capital costs. Removing all the capital items (including deprecia-  
22 tion) from the various budgets results in an allocation factor of 13.1%, nearly equal  
23 to the 13.2% derived in Docket 4025.

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<sup>11</sup> Over and above the costs included in the operating budget for consulting costs related to rate filings and other matters.

1 **Reporting to the Commission**

2 **Q: Does Ms. Forgue’s rebuttal testimony regarding the financial reporting to the**  
3 **Commission and other parties satisfy your concerns about NWD’s position**  
4 **regarding its reporting requirements?**

5 A: No. Ms. Forgue appears to acknowledge that it is important for the Manager of  
6 NWD to get reports on NWD’s financial condition, stating that she “keeps track of fi-  
7 nancial issues”. She reinforces this sentiment when she testifies “I am not suggest-  
8 ing ’it is not important to gather this type of financial information.’” NWD should not  
9 needlessly spend time and rate-payer funds on reports that are of no use to Ms.  
10 Forgue or the parties in this docket. Rather NWD should provide copies of the fi-  
11 nancial reports that (a) Ms. Forgue finds of value as the Manager of NWD and (b)  
12 Ms. Forgue gets on a regular basis to allow the parties to determine if these are suf-  
13 ficient. As I stated in my direct testimony: “PWFD would be amenable to different  
14 report formats if that would ease NWD’s burden in preparing the reports. These re-  
15 ports are not only beneficial to the Commission and ratepayers; they contain infor-  
16 mation that should be helpful to NWD’s managers as well.”

17

18 **Q: Do you agree with Ms. Forgue’s testimony that you “attempted to show that**  
19 **Newport’s payables are not being paid”?**

20 A: No. I did not make that statement in my direct testimony. On page 23 of my direct  
21 testimony I produced a graph of NWD’s payables and stated “It is clear from this  
22 chart that the payables are not being reduced.” (emphasis added) While the graph  
23 showed that the payables seem to be increasing, I did not say or suggest that they  
24 were not being paid. This type of information (the amount of payables as compared  
25 to prior periods) should be useful to NWD and of interest to all the other parties.

26



1 **Pumping Costs**

2 **Q: Do Ms. Forgue’s comments on pumping costs satisfy PWFD’s needs and ex-**  
3 **pectations on this matter?**

4 A: No. PWFD continually asks that NWD identify these costs and present these costs  
5 separately from the treatment costs. This separate presentment is critical because  
6 the pumping costs are not allocated to PWFD. The agreed cost-of-service model  
7 depends on the tracking and reporting of these costs. In response to PWFD 2-3,  
8 NWD stated that they had been keeping these separate costs. It is unclear why  
9 NWD will not report them in their filings and why PWFD must continue to request  
10 this breakdown in each rate filing. NWD should have provided this breakdown in its  
11 rebuttal schedules as PWFD asked. NWD’s failure to do so suggests that NWD has  
12 not kept its agreement to keep the accounting of these costs separate from the  
13 treatment costs. PWFD requested a breakdown of pumping costs in PWFD 5-5 and  
14 5-6, and PWFD expects NWD’s responses will be telling.

15

16 **Conclusion**

17 **Q: Have you prepared an exhibit that summarizes your recommendations?**

18 A: Yes. The attached spreadsheet was copied from the one prepared by Mr. Smith for  
19 NWD for his direct testimony. I revised it based on my initial findings for the exhibit  
20 attached to my direct testimony. I updated the model based on the further adjust-  
21 ments discussed herein. The schedules are labeled as CW Surrebuttal Schedule  
22 XXX. As noted earlier, I did not include Schedule E for the step increases because  
23 all parties agree or expect that any step increases will only take place after NWD  
24 provides proof of any additional debt service expenses.

25

1 **Q: How does your recommendation compare to that put forth in the Division's di-**  
2 **rect rate filing and NWD's rebuttal filing?**

3 A: The table below shows the positions of each party. I have not seen the Division's  
4 surrebuttal position but expect that there may be some changes from its initial posi-  
5 tion.

|   | <u>Revenue Increase</u> | <u>% Increase</u>   |
|---|-------------------------|---------------------|
| 6 |                         |                     |
| 7 | Division Direct         | \$ 1,698,645 16.34% |
| 8 | Newport Rebuttal        | \$ 2,399,019 24.61% |
| 9 | PWFD Rebuttal           | \$ 2,077,527 20.77% |

10

11 **Q: Does this complete your testimony?**

12 A: At the time this testimony was submitted, PWFD was awaiting responses to  
13 PWFD's most recent data requests. The response to those requests may result in  
14 further adjustments.

15

**City of Newport, Rhode Island  
Rhode Island Public Utilities Commission Rate Filing Docket # 4243**

**Exhibits for the Testimony of Christopher Woodcock**



**Main Schedules**

- CW Surrebuttal Sch. 1
- CW Surrebuttal Sch. 2
- CW Surrebuttal Sch. 3
- CW Surrebuttal Sch. 4
- CW Surrebuttal Sch. 5
- CW Surrebuttal Sch. 6
- CW Surrebuttal Sch. 7
- CW Surrebuttal Sch. 8
- CW Surrebuttal Sch. 9
- CW Surrebuttal Sch. 10
- CW Surrebuttal Sch. 11

**Support Schedules**

- CW Surrebuttal Sch. A
  
- CW Surrebuttal Sch. B
- CW Surrebuttal Sch. B-1
- CW Surrebuttal Sch. B-2
- CW Surrebuttal Sch. B-3
- CW Surrebuttal Sch. B-4
- CW Surrebuttal Sch. B-5
- CW Surrebuttal Sch. B-6
- CW Surrebuttal Sch. B-7
- CW Surrebuttal Sch. B-8
- CW Surrebuttal Sch. B-9
  
- CW Surrebuttal Sch. C
- CW Surrebuttal Sch. D
  
- CW Surrebuttal Sch. E

**Index of Schedules**

- [Summary of Revenue Requirements](#)
- [Summary of Revenue Requirements by Line Item](#)
- [Revenue Requirements Detail by Division](#)
- [Capital Improvement Plan](#)
- [Debt Service](#)
- [Offsets To Revenue Requirements](#)
- [Calculation of Additional Revenue](#)
- [Proposed Rates and Charges](#)
- [Customer Bill Impacts](#)
- [Revenue Proof](#)
- [Restricted Accounts Balances](#)

[Water Bills and Consumption](#)

[Support For Divisional O&M Expenses](#)

- [Administration](#)
- [Customer Service](#)
- [Source Supply Island](#)
- [Source Supply Mainland](#)
- [Station One](#)
- [Lawton Valley](#)
- [Laboratory](#)
- [Distribution](#)
- [Fire Protection](#)

[Debt Service Detail](#)

- [Development of Legal & Administrative and Data Processing Charge](#)
- [Future Year Rate Increases](#)

**Adjusted from Model Initially  
Developed By  
Raftelis Financial Consultants, Inc.  
1031 S. Caldwell St.  
Charlotte, NC 28203  
Phone (704) 373-1199  
Fax (704) 373-1113  
www.raftelis.com**

| Account   | Test Year            |                     |                         |                      |                       | FY 2012 Rate Year    |
|---|----------------------|---------------------|-------------------------|----------------------|-----------------------|----------------------|
|   | Docket 4025          | FY 2010 Test Year   | Normalizing Adjustments | Normalized Test Year | Rate Year Adjustments |                      |
| <b>Operating Revenue Requirements</b>               |                      |                     |                         |                      |                       |                      |
| Administration                                      | \$ 2,130,300         | \$ 2,025,955        | \$ (17,136)             | \$ 2,008,819         | \$ 288,271            | \$ 2,297,090         |
| Customer Service                                    | \$ 716,920           | \$ 555,590          | \$ 50,855               | \$ 606,445           | \$ 6,712              | \$ 613,157           |
| Source of Supply - Island                           | \$ 546,896           | \$ 562,091          | \$ 62,226               | \$ 624,317           | \$ 14,707             | \$ 639,023           |
| Source of Supply - Mainland                         | \$ 143,300           | \$ 84,181           | \$ 56,019               | \$ 140,200           | \$ 27,595             | \$ 167,795           |
| Treatment - Newport Plant (Station One)             | \$ 1,705,900         | \$ 1,626,249        | \$ 90,669               | \$ 1,716,918         | \$ 113,567            | \$ 1,830,485         |
| Treatment - Lawton Valley                           | \$ 1,601,750         | \$ 1,320,333        | \$ 173,250              | \$ 1,493,583         | \$ 119,513            | \$ 1,613,096         |
| Water Laboratory                                    | \$ 248,850           | \$ 150,503          | \$ 65,806               | \$ 216,309           | \$ 7,261              | \$ 223,570           |
| Transmission & Distribution Maintenance             | \$ 1,018,696         | \$ 944,099          | \$ 76,202               | \$ 1,020,301         | \$ 32,571             | \$ 1,052,872         |
| Fire Protection                                     | \$ 14,500            | \$ 5,482            | \$ 8,018                | \$ 13,500            | \$ -                  | \$ 13,500            |
| <b>Total Operating Requirements</b>                 | <b>\$ 8,127,112</b>  | <b>\$ 7,274,483</b> | <b>\$ 565,908</b>       | <b>\$ 7,840,391</b>  | <b>\$ 610,197</b>     | <b>\$ 8,450,588</b>  |
| <b>Capital Revenue Requirements</b>                 |                      |                     |                         |                      |                       |                      |
| Contribution to Debt Service Account (3)            | \$ 2,010,823         | \$ 1,282,604        | \$ (52,604)             | \$ 1,230,000         | \$ 359,369            | \$ 1,589,369         |
| Contribution to Capital Spending Account (3)        | \$ 1,146,918         | \$ 1,146,918        | \$ 1,297,182            | \$ 1,297,182         | \$ 1,202,818          | \$ 2,500,000         |
| <b>Total Capital Requirements</b>                   | <b>\$ 3,157,741</b>  | <b>\$ 2,429,522</b> | <b>\$ 1,244,579</b>     | <b>\$ 2,527,182</b>  | <b>\$ 1,562,187</b>   | <b>\$ 4,089,369</b>  |
| Subtotal Revenue Requirements                       | \$ 11,284,853        | \$ 9,704,004        | \$ 1,810,487            | \$ 10,367,573        | \$ 2,172,383          | \$ 12,539,956        |
| Additional Rev Requirements (Operating Revenue) (4) | \$ 243,813           | \$ 243,813          |                         | \$ 155,514           | \$ 98,004             | \$ 253,518           |
| <b>Revenue Requirements before Offsets</b>          | <b>\$ 11,528,666</b> | <b>\$ 9,947,817</b> | <b>\$ 1,810,487</b>     | <b>\$ 10,523,087</b> | <b>\$ 2,270,387</b>   | <b>\$ 12,793,474</b> |
| Less: Revenue Offsets (5)                           | \$ (740,378)         | \$ (634,843)        | \$ -                    | \$ (634,843)         | \$ (100,018)          | \$ (734,861)         |
| <b>Net Revenue Requirements</b>                     | <b>\$ 10,788,288</b> | <b>\$ 9,312,974</b> | <b>\$ 1,810,487</b>     | <b>\$ 9,888,244</b>  | <b>\$ 2,170,369</b>   | <b>\$ 12,058,613</b> |
|   |                      |                     |                         | current rates        |                       | \$ 10,002,754        |
|   |                      |                     |                         | increase needed      |                       | \$ 2,055,859         |
|   |                      |                     |                         |                      |                       | 20.6%                |

- (1) Test Year covers the period from July 1, 2009 to June 30, 2010.
- (2) Rate Year is the period beginning July 1, 2009 and ending June 30, 2010.
- (3) Funding of Debt Service and Capital Spending accounts based on projected spending on debt service and rate funding of capital projects for FY 2010
- (4) Used to fund operating reserve. Rate year amount equal to 3% of O&M expenses.
- (5) See CW Surrebuttal Sch. 6 "Offsets To Revenue Requirements" for further detail.

|  |  | Docket 4025          | FY 2010 Test Year (1) | Test Year Normalizing Adjustments | Normalized Test Year | Rate Year Adjustments | FY 2012 Rate Year (2) |
|--|--|----------------------|-----------------------|-----------------------------------|----------------------|-----------------------|-----------------------|
| <b>Operating Revenue Requirements</b>              |  |                      |                       |                                   |                      |                       |                       |
| <u>Budget Line Item</u>                            |  |                      |                       |                                   |                      |                       |                       |
| 50 520   | Accrued Benefits Buy-Out                       | \$ 175,000           | \$ 175,000            | \$ -                              | \$ 175,000           | \$ -                  | \$ 175,000            |
| 50 005   | Permanent - Part Time                          | \$ 13,000            | \$ 5,200              | \$ 7,800                          | \$ 13,000            | \$ -                  | \$ 13,000             |
| 50 001   | Salaries & Wages                               | \$ 2,293,500         | \$ 2,045,628          | \$ 169,365                        | \$ 2,214,993         | \$ 9,555              | \$ 2,224,548          |
| 50 002   | Overtime                                       | \$ 206,418           | \$ 206,497            | \$ (6,044)                        | \$ 200,453           | \$ (6,691)            | \$ 193,762            |
| 50 003   | Holiday Pay                                    | \$ 39,100            | \$ 30,889             | \$ -                              | \$ 30,889            | \$ 2,916              | \$ 33,805             |
| 50 004   | Temp Salaries                                  | \$ 58,100            | \$ 34,443             | \$ 23,774                         | \$ 58,217            | \$ (12,753)           | \$ 45,464             |
| 50 044   | Standby Salaries                               | \$ 12,500            | \$ 12,480             | \$ -                              | \$ 12,480            | \$ 20                 | \$ 12,500             |
| 50 056   | Injury Pay                                     | \$ -                 | \$ -                  | \$ -                              | \$ -                 | \$ -                  | \$ -                  |
| 50 100   | Employee Benefits                              | \$ 1,185,492         | \$ 1,056,403          | \$ 124,145                        | \$ 1,180,548         | \$ 137,820            | \$ 1,318,368          |
| 50 103   | Retiree Insurance Coverage                     | \$ 347,200           | \$ 324,849            | \$ -                              | \$ 324,849           | \$ 189,151            | \$ 514,000            |
| 50 105   | Workers Compensation Insurance                 | \$ 114,000           | \$ 67,174             | \$ -                              | \$ 67,174            | \$ 17,826             | \$ 85,000             |
| 50 205   | Copy & Binding                                 | \$ 1,000             | \$ 550                | \$ -                              | \$ 550               | \$ (50)               | \$ 500                |
| 50 207   | Advertisement                                  | \$ 9,000             | \$ 780                | \$ 8,220                          | \$ 9,000             | \$ -                  | \$ 9,000              |
| 50 210   | Dues & Subscriptions                           | \$ 2,500             | \$ 1,356              | \$ 1,144                          | \$ 2,500             | \$ -                  | \$ 2,500              |
| 50 212   | Conferences and Training                       | \$ 20,500            | \$ 3,651              | \$ 15,348                         | \$ 18,999            | \$ 1,501              | \$ 20,500             |
| 50 214   | Tuition Reimbursement                          | \$ 2,000             | \$ 1,882              | \$ 118                            | \$ 2,000             | \$ -                  | \$ 2,000              |
| 50 216   | Water Management Study                         | \$ -                 | \$ 58,443             | \$ (58,443)                       | \$ -                 | \$ -                  | \$ -                  |
| 50 220   | Consultant Fees                                | \$ 201,500           | \$ 204,905            | \$ -                              | \$ 204,905           | \$ 6,095              | \$ 211,000            |
| 50 225   | Contract Services (Support Services)           | \$ 33,500            | \$ 20,057             | \$ 13,447                         | \$ 33,504            | \$ 4,928              | \$ 38,432             |
| 50 238   | Postage & Delivery                             | \$ 35,300            | \$ 30,140             | \$ 2,660                          | \$ 32,800            | \$ (94)               | \$ 32,706             |
| 50 239   | Fire & Liability Insurance                     | \$ 114,700           | \$ 95,580             | \$ -                              | \$ 95,580            | \$ 30,937             | \$ 126,517            |
| 50 251   | Telephone & Communication                      | \$ 8,300             | \$ 4,644              | \$ -                              | \$ 4,644             | \$ 856                | \$ 5,500              |
| 50 305   | Water/Sewer                                    | \$ 427,050           | \$ 388,856            | \$ 38,587                         | \$ 427,443           | \$ 228,201            | \$ 655,644            |
| 50 306   | Contribution to Electricity Restricted Account | \$ 582,400           | \$ 526,344            | \$ 47,345                         | \$ 573,689           | \$ 37,839             | \$ 611,528            |
| 50 307   | Natural Gas                                    | \$ 60,200            | \$ 59,472             | \$ -                              | \$ 59,472            | \$ 1,939              | \$ 61,411             |
| 50 260   | Heavy Equipment Rental                         | \$ 10,400            | \$ 1,348              | \$ 8,052                          | \$ 9,400             | \$ (40)               | \$ 9,360              |
| 50 308   | Property Taxes                                 | \$ 229,000           | \$ 207,535            | \$ -                              | \$ 207,535           | \$ 19,239             | \$ 226,774            |
| 50 266   | Legal & Administrative                         | \$ 301,400           | \$ 301,400            | \$ -                              | \$ 301,400           | \$ 3,151              | \$ 304,551            |
| 50 267   | Data Processing                                | \$ 137,000           | \$ 137,000            | \$ -                              | \$ 137,000           | \$ 465                | \$ 137,465            |
| 50 268   | Mileage Reimbursement                          | \$ 2,000             | \$ 287                | \$ 1,713                          | \$ 2,000             | \$ 0                  | \$ 2,000              |
| 50 271   | Gas/Vehicle Maintenance                        | \$ 200,533           | \$ 210,874            | \$ -                              | \$ 210,874           | \$ 14,214             | \$ 225,088            |
| 50 275   | Repair & Maint - Equipment                     | \$ 185,700           | \$ 90,826             | \$ 65,774                         | \$ 156,600           | \$ 0                  | \$ 156,600            |
| 50 277   | Reservoir Maintenance                          | \$ 31,000            | \$ 423                | \$ 20,077                         | \$ 20,500            | \$ 0                  | \$ 20,500             |
| 50 280   | Regulatory Expense                             | \$ 10,000            | \$ 14,696             | \$ (4,696)                        | \$ 10,000            | \$ (0)                | \$ 10,000             |
| 50 281   | Regulatory Assessment                          | \$ 83,270            | \$ 72,508             | \$ -                              | \$ 72,508            | \$ 7,588              | \$ 80,096             |
| 50 276   | Repairs/Main Maintenance                       | \$ 84,800            | \$ 47,945             | \$ 22,055                         | \$ 70,000            | \$ 0                  | \$ 70,000             |
| 50 296   | Service Maintenance                            | \$ 33,500            | \$ 28,213             | \$ -                              | \$ 28,213            | \$ 1,787              | \$ 30,000             |
| 50 299   | Meter Maintenance                              | \$ 11,000            | \$ 8,183              | \$ 1,817                          | \$ 10,000            | \$ (0)                | \$ 10,000             |
| 50 311   | Operating Supplies                             | \$ 74,050            | \$ 51,594             | \$ 19,806                         | \$ 71,400            | \$ (50)               | \$ 71,350             |
| 50 320   | Uniforms & Protective Gear                     | \$ 5,600             | \$ 1,007              | \$ 3,994                          | \$ 5,001             | \$ (1)                | \$ 5,000              |
| 50 335   | Contribution to Chemical Restricted Account    | \$ 669,000           | \$ 682,515            | \$ -                              | \$ 682,515           | \$ (90,396)           | \$ 592,119            |
| 50 339   | Laboratory Supplies                            | \$ 18,500            | \$ 15,972             | \$ 2,528                          | \$ 18,500            | \$ 0                  | \$ 18,500             |
| 50 361   | Office Supplies                                | \$ 30,000            | \$ 15,756             | \$ -                              | \$ 15,756            | \$ 4,244              | \$ 20,000             |
| 50 380   | Customer Service Supplies                      | \$ 15,000            | \$ -                  | \$ 10,000                         | \$ 10,000            | \$ -                  | \$ 10,000             |
| 50 505   | Self Insurance                                 | \$ 10,000            | \$ -                  | \$ 10,000                         | \$ 10,000            | \$ -                  | \$ 10,000             |
| 50 515   | Unemployment Claims                            | \$ 12,000            | \$ -                  | \$ 12,000                         | \$ 12,000            | \$ -                  | \$ 12,000             |
| 50 175   | Annual Leave Buy-back                          | \$ 31,100            | \$ 31,176             | \$ 5,323                          | \$ 36,499            | \$ 1                  | \$ 36,500             |
| <b>Total Operating Requirements</b>                |  | <b>\$ 8,127,112</b>  | <b>\$ 7,274,483</b>   | <b>\$ 565,908</b>                 | <b>\$ 7,840,391</b>  | <b>\$ 610,197</b>     | <b>\$ 8,450,588</b>   |
| <b>Contribution to Capital Restricted Accounts</b> |  |                      |                       |                                   |                      |                       |                       |
| DSA  | Debt Service Account                           | \$ 2,010,823         | \$ 1,282,604          | \$ (52,604)                       | \$ 1,230,000         | \$ 359,369            | \$ 1,589,369          |
| CRA  | Capital Spending Account                       | \$ 1,146,918         | \$ 1,146,918          | \$ 1,297,182                      | \$ 1,297,182         | \$ 1,202,818          | \$ 2,500,000          |
| <b>Total Capital and Debt Service Requirements</b> |  | <b>\$ 3,157,741</b>  | <b>\$ 2,429,522</b>   | <b>\$ 1,244,579</b>               | <b>\$ 2,527,182</b>  | <b>\$ 1,562,187</b>   | <b>\$ 4,089,369</b>   |
| <b>Subtotal Revenue Requirements</b>               |  | <b>\$ 11,284,853</b> | <b>\$ 9,704,004</b>   | <b>\$ 1,810,487</b>               | <b>\$ 10,367,573</b> | <b>\$ 2,172,383</b>   | <b>\$ 12,539,956</b>  |
| Additional Rev. Reqts. (4)                         |  | \$ 243,813           | \$ 243,813            | \$ -                              | \$ 155,514           | \$ 98,004             | \$ 253,518            |
| <b>Total Revenue Requirements before Offsets</b>   |  | <b>\$ 11,528,666</b> | <b>\$ 9,947,817</b>   | <b>\$ 1,810,487</b>               | <b>\$ 10,523,087</b> | <b>\$ 2,270,387</b>   | <b>\$ 12,793,474</b>  |
| Less: Revenue Offsets                              |  | \$ (740,378)         | \$ (634,843)          | \$ -                              | \$ (634,843)         | \$ (100,018)          | \$ (734,861)          |
| <b>NET REVENUE REQUIREMENTS</b>                    |  | <b>\$ 10,788,288</b> | <b>\$ 9,312,974</b>   | <b>\$ 1,810,487</b>               | <b>\$ 9,888,244</b>  | <b>\$ 2,170,369</b>   | <b>\$ 12,058,613</b>  |

Account Detail

Administration

|                                |  | Test Year    |              |                 |              |              |              |
|--------------------------------|--|--------------|--------------|-----------------|--------------|--------------|--------------|
|                                |  | FY 2010 Test | Normalizing  | Normalized Test | Rate Year    | FY 2012 Rate |              |
|                                |  | Year (1)     | Adjustments  | Year            | Adjustments  | Year (2)     |              |
| <u>Account No. 15-500-2200</u> |  | Docket 4025  |              |                 |              |              |              |
| <u>Personnel</u>               |  |              |              |                 |              |              |              |
| 50 001                         | Salaries & Wages                               | \$ 265,000   | \$ 253,913   | \$ 11,090       | \$ 265,003   | \$ 8,886     | \$ 273,889   |
| 50 044                         | Standby Salaries                               | \$ 12,500    | \$ 12,480    | \$ -            | \$ 12,480    | \$ 20        | \$ 12,500    |
| 50 520                         | Accrued Benefits Buyout                        | \$ 175,000   | \$ 175,000   | \$ -            | \$ 175,000   | \$ -         | \$ 175,000   |
| 50 100                         | Employee Benefits                              | \$ 96,500    | \$ 101,052   | \$ -            | \$ 101,052   | \$ 27,151    | \$ 128,203   |
| 50 103                         | Retiree Insurance Coverage                     | \$ 347,200   | \$ 324,849   | \$ -            | \$ 324,849   | \$ 189,151   | \$ 514,000   |
| 50 105                         | Workers Compensation Insurance                 | \$ 114,000   | \$ 67,174    | \$ -            | \$ 67,174    | \$ 17,826    | \$ 85,000    |
|                                | Subtotal                                       | \$ 1,010,200 | \$ 934,468   | \$ 11,090       | \$ 945,558   | \$ 243,034   | \$ 1,188,592 |
| <u>Other Operating</u>         |  |              |              |                 |              |              |              |
| 50 207                         | Advertisement                                  | \$ 9,000     | \$ 780       | \$ 8,220        | \$ 9,000     | \$ -         | \$ 9,000     |
| 50 210                         | Dues & Subscriptions                           | \$ 2,500     | \$ 1,356     | \$ 1,144        | \$ 2,500     | \$ -         | \$ 2,500     |
| 50 212                         | Conferences and Training                       | \$ 2,500     | \$ 160       | \$ 2,340        | \$ 2,500     | \$ 1,500     | \$ 4,000     |
| 50 214                         | Tuition Reimbursement                          | \$ 2,000     | \$ 1,882     | \$ 118          | \$ 2,000     | \$ -         | \$ 2,000     |
| 50 216                         | Water Management Study                         |              | \$ 58,443    | \$ (58,443)     | \$ -         | \$ -         |              |
| 50 220                         | Consultant Fees                                | \$ 201,500   | \$ 204,905   | \$ -            | \$ 204,905   | \$ 6,095     | \$ 211,000   |
| 50 238                         | Postage & Delivery                             | \$ 1,000     | \$ 254       | \$ 746          | \$ 1,000     | \$ (0)       | \$ 1,000     |
| 50 239                         | Fire & Liability Insurance                     | \$ 86,000    | \$ 71,862    | \$ -            | \$ 71,862    | \$ 4,606     | \$ 76,468    |
| 50 251                         | Telephone & Communication                      | \$ 8,300     | \$ 4,644     | \$ -            | \$ 4,644     | \$ 856       | \$ 5,500     |
| 50 305                         | Water/Sewer                                    | \$ 1,050     | \$ 1,443     | \$ -            | \$ 1,443     | \$ 541       | \$ 1,984     |
| 50 306                         | Contribution to Electricity Restricted Account | \$ 8,000     | \$ 5,423     | \$ -            | \$ 5,423     | \$ 377       | \$ 5,800     |
| 50 307                         | Natural Gas                                    | \$ 8,000     | \$ 6,336     | \$ -            | \$ 6,336     | \$ 916       | \$ 7,252     |
| 50 308                         | Property Taxes                                 | \$ 229,000   | \$ 207,535   | \$ -            | \$ 207,535   | \$ 19,239    | \$ 226,774   |
| 50 266                         | Legal & Administrative                         | \$ 301,400   | \$ 301,400   | \$ -            | \$ 301,400   | \$ 3,151     | \$ 304,551   |
| 50 267                         | Data Processing                                | \$ 137,000   | \$ 137,000   | \$ -            | \$ 137,000   | \$ 465       | \$ 137,465   |
| 50 268                         | Mileage Reimbursement                          | \$ 2,000     | \$ 287       | \$ 1,713        | \$ 2,000     | \$ 0         | \$ 2,000     |
| 50 271                         | Gas/Vehicle Maintenance                        | \$ 8,480     | \$ 7,137     | \$ -            | \$ 7,137     | \$ 371       | \$ 7,508     |
| 50 275                         | Repair & Maint - Equipment                     | \$ 1,200     | \$ 3,590     | \$ (2,390)      | \$ 1,200     | \$ (0)       | \$ 1,200     |
| 50 280                         | Regulatory Expense                             | \$ 10,000    | \$ 14,696    | \$ (4,696)      | \$ 10,000    | \$ (0)       | \$ 10,000    |
| 50 281                         | Regulatory Assessment                          | \$ 46,770    | \$ 45,221    | \$ -            | \$ 45,221    | \$ 2,875     | \$ 48,096    |
| 50 361                         | Office Supplies                                | \$ 30,000    | \$ 15,756    | \$ -            | \$ 15,756    | \$ 4,244     | \$ 20,000    |
| 50 505                         | Self Insurance                                 | \$ 10,000    | \$ -         | \$ 10,000       | \$ 10,000    | \$ -         | \$ 10,000    |
| 50 515                         | Unemployment Claims                            | \$ 12,000    | \$ -         | \$ 12,000       | \$ 12,000    | \$ -         | \$ 12,000    |
| 50 175                         | Annual Leave Buy-back                          | \$ 2,400     | \$ 1,378     | \$ 1,022        | \$ 2,400     | \$ -         | \$ 2,400     |
|                                | Subtotal                                       | \$ 1,120,100 | \$ 1,091,487 | \$ (28,226)     | \$ 1,063,261 | \$ 45,237    | \$ 1,108,498 |
|                                | Total Administration Operating Requirements    | \$ 2,130,300 | \$ 2,025,955 | \$ (17,136)     | \$ 2,008,819 | \$ 288,271   | \$ 2,297,090 |
|                                | Total Administration Revenue Requirements      | \$ 2,130,300 | \$ 2,025,955 | \$ (17,136)     | \$ 2,008,819 | \$ 288,271   | \$ 2,297,090 |

Customer Service

|                                |  | Test Year   |                       |                         |                      |                       |                       |  |
|--------------------------------|--|-------------|-----------------------|-------------------------|----------------------|-----------------------|-----------------------|--|
|                                |  | Docket 4025 | FY 2010 Test Year (1) | Normalizing Adjustments | Normalized Test Year | Rate Year Adjustments | FY 2012 Rate Year (2) |  |
| <u>Account No. 15-500-2209</u> |  |             |                       |                         |                      |                       |                       |  |
| <u>Personnel</u>               |  |             |                       |                         |                      |                       |                       |  |
| 50 001                         | Salaries & Wages                               | \$ 326,100  | \$ 263,978            | \$ -                    | \$ 263,978           | \$ (7,643)            | \$ 256,335            |  |
| 50 002                         | Overtime                                       | \$ 21,218   | \$ 22,127             | \$ -                    | \$ 22,127            | \$ (11,927)           | \$ 10,200             |  |
| 50 004                         | Temp Salaries                                  | \$ 22,800   | \$ 22,917             | \$ -                    | \$ 22,917            | \$ (12,717)           | \$ 10,200             |  |
| 50 056                         | Injury Pay                                     | \$ -        | \$ -                  | \$ -                    | \$ -                 | \$ -                  | \$ -                  |  |
| 50 100                         | Employee Benefits                              | \$ 175,200  | \$ 136,661            | \$ -                    | \$ 136,661           | \$ 32,132             | \$ 168,793            |  |
|                                | Subtotal                                       | \$ 545,318  | \$ 445,683            | \$ -                    | \$ 445,683           | \$ (155)              | \$ 445,528            |  |
| <u>Other Operating</u>         |  |             |                       |                         |                      |                       |                       |  |
| 50 205                         | Copy & Binding                                 | \$ 1,000    | \$ 550                | \$ -                    | \$ 550               | \$ (50)               | \$ 500                |  |
| 50 212                         | Conferences and Training                       | \$ 5,000    | \$ 850                | \$ 4,150                | \$ 5,000             | \$ -                  | \$ 5,000              |  |
| 50 225                         | Contract Services (Support Services)           | \$ 21,000   | \$ 13,278             | \$ 7,725                | \$ 21,003            | \$ 4,999              | \$ 26,002             |  |
| 50 238                         | Postage & Delivery                             | \$ 34,300   | \$ 29,886             | \$ 1,914                | \$ 31,800            | \$ (94)               | \$ 31,706             |  |
| 50 271                         | Gasoline & Vehicle Maintenance                 | \$ 27,852   | \$ 31,408             | \$ -                    | \$ 31,408            | \$ 2,013              | \$ 33,421             |  |
| 50 275                         | Repair & Maint - Equipment                     | \$ 41,500   | \$ 19,606             | \$ 20,394               | \$ 40,000            | \$ (0)                | \$ 40,000             |  |
| 50 299                         | Meter Maintenance                              | \$ 11,000   | \$ 8,183              | \$ 1,817                | \$ 10,000            | \$ (0)                | \$ 10,000             |  |
| 50 311                         | Operating Supplies                             | \$ 9,000    | \$ 1,604              | \$ 3,396                | \$ 5,000             | \$ 0                  | \$ 5,000              |  |
| 50 320                         | Uniforms & Protective Gear                     | \$ 1,000    | \$ 28                 | \$ 972                  | \$ 1,000             | \$ -                  | \$ 1,000              |  |
| 50 380                         | Customer Service Supplies                      | \$ 15,000   | \$ -                  | \$ 10,000               | \$ 10,000            | \$ -                  | \$ 10,000             |  |
| 50 175                         | Annual Leave Buy-back                          | \$ 4,950    | \$ 4,513              | \$ 487                  | \$ 5,000             | \$ 0                  | \$ 5,000              |  |
|                                | Subtotal                                       | \$ 171,602  | \$ 109,907            | \$ 50,855               | \$ 160,762           | \$ 6,867              | \$ 167,629            |  |
|                                | Total Customer Accounts Operating Requirements | \$ 716,920  | \$ 555,590            | \$ 50,855               | \$ 606,445           | \$ 6,712              | \$ 613,157            |  |
|                                | Total Customer Accounts Revenue Requirements   | \$ 716,920  | \$ 555,590            | \$ 50,855               | \$ 606,445           | \$ 6,712              | \$ 613,157            |  |

Source of Supply - Island

|                                |  | Docket 4025 | FY 2010 Test<br>Year (1) | Test Year<br>Normalizing<br>Adjustments | Normalized Test<br>Year | Rate Year<br>Adjustments | FY 2012 Rate<br>Year (2) |
|--------------------------------|--|-------------|--------------------------|---|-------------------------|--------------------------|--------------------------|
| <u>Account No. 15-500-2212</u> |  |             |                          |   |                         |                          |                          |
| <u>Personnel</u>               |  |             |                          |   |                         |                          |                          |
| 50 001                         | Salaries & Wages                                     | \$ 216,900  | \$ 257,841               | \$ -                                    | \$ 257,841              | \$ 3,369                 | \$ 261,210               |
| 50 002                         | Overtime   | \$ 28,200   | \$ 12,726                | \$ 15,474                               | \$ 28,200               | \$ 703                   | \$ 28,903                |
| 50 004                         | Temporary/Seasonal Wages                             | \$ 10,000   | \$ 4,896                 | \$ 5,104                                | \$ 10,000               | \$ -                     | \$ 10,000                |
| 50 056                         | Injury Pay   | \$ -        | \$ -                     | \$ -                                    | \$ -                    | \$ -                     | \$ -                     |
| 50 100                         | Employee Benefits                                    | \$ 111,296  | \$ 127,018               | \$ -                                    | \$ 127,018              | \$ 5,034                 | \$ 132,052               |
| 50 175                         | Annual Leave Buyback                                 | \$ 6,300    | \$ 5,894                 | \$ 406                                  | \$ 6,300                | \$ 0                     | \$ 6,300                 |
|                                | Subtotal   | \$ 372,696  | \$ 408,375               | \$ 20,984                               | \$ 429,359              | \$ 9,106                 | \$ 438,465               |
| <u>Other Operating</u>         |  |             |                          |   |                         |                          |                          |
| 50 306                         | Contribution to Electricity Restricted Account       | \$ 34,100   | \$ 18,608                | \$ 15,500                               | \$ 34,108               | \$ 8,000                 | \$ 42,108                |
| 50 271                         | Gas/Vehicle Maintenance                              | \$ 48,300   | \$ 54,860                | \$ -                                    | \$ 54,860               | \$ 3,788                 | \$ 58,648                |
| 50 275                         | Repair & Maint - Equipment                           | \$ 8,300    | \$ 530                   | \$ 6,470                                | \$ 7,000                | \$ 0                     | \$ 7,000                 |
| 50 277                         | Reservoir Maintenance                                | \$ 25,000   | \$ 423                   | \$ 15,577                               | \$ 16,000               | \$ 0                     | \$ 16,000                |
| 50 311                         | Operating Supplies                                   | \$ 3,750    | \$ 4,699                 | \$ 3,101                                | \$ 7,800                | \$ (50)                  | \$ 7,750                 |
| 50 320                         | Uniforms & Protective Gear                           | \$ 750      | \$ 106                   | \$ 594                                  | \$ 700                  | \$ (0)                   | \$ 700                   |
| 50 335                         | Contribution to Chemical Restricted Account          | \$ 54,000   | \$ 74,490                | \$ -                                    | \$ 74,490               | \$ (6,138)               | \$ 68,352                |
|                                | Subtotal   | \$ 174,200  | \$ 153,716               | \$ 41,242                               | \$ 194,958              | \$ 5,600                 | \$ 200,558               |
|                                | Total Supply-Island Operating Requirements           | \$ 546,896  | \$ 562,091               | \$ 62,226                               | \$ 624,317              | \$ 14,707                | \$ 639,023               |
|                                | Total Source of Supply - Island Revenue Requirements | \$ 546,896  | \$ 562,091               | \$ 62,226                               | \$ 624,317              | \$ 14,707                | \$ 639,023               |



Source of Supply - Mainland

|                                |  | Docket 4025 | FY 2010 Test<br>Year (1) | Test Year<br>Normalizing<br>Adjustments | Normalized Test<br>Year | Rate Year<br>Adjustments | FY 2012 Rate<br>Year (2) |
|--------------------------------|--|-------------|--------------------------|---|-------------------------|--------------------------|--------------------------|
| <u>Account No. 15-500-2213</u> |  |             |                          |   |                         |                          |                          |
| <u>Personnel</u>               |  |             |                          |   |                         |                          |                          |
| 50 002                         | Overtime   | \$ 4,500    | \$ 3,842                 | \$ 658                                  | \$ 4,500                | \$ 117                   | \$ 4,617                 |
| 50 005                         | Permanent/Part Time                                      | \$ 13,000   | \$ 5,200                 | \$ 7,800                                | \$ 13,000               | \$ -                     | \$ 13,000                |
| 50 004                         | Temporary/Seasonal Wages                                 | \$ 15,300   | \$ 6,630                 | \$ 8,670                                | \$ 15,300               | \$ (36)                  | \$ 15,264                |
| 50 100                         | Employee Benefits  | \$ 2,600    | \$ 1,456                 | \$ 1,144                                | \$ 2,600                | \$ (75)                  | \$ 2,525                 |
|                                | Subtotal   | \$ 35,400   | \$ 17,128                | \$ 18,272                               | \$ 35,400               | \$ 6                     | \$ 35,406                |
| <u>Other Operating</u>         |  |             |                          |   |                         |                          |                          |
| 50 306                         | Contribution to Electricity Restricted Account           | \$ 92,600   | \$ 60,685                | \$ 31,915                               | \$ 92,600               | \$ 27,589                | \$ 120,189               |
| 50 275                         | Repair & Maint - Equip                                   | \$ 8,800    | \$ 6,368                 | \$ 832                                  | \$ 7,200                | \$ 0                     | \$ 7,200                 |
| 50 277                         | Reservoir Maintenance                                    | \$ 6,000    | \$ -                     | \$ 4,500                                | \$ 4,500                | \$ -                     | \$ 4,500                 |
| 50 311                         | Operating Supplies                                       | \$ 500      | \$ -                     | \$ 500                                  | \$ 500                  | \$ -                     | \$ 500                   |
|                                | Subtotal   | \$ 107,900  | \$ 67,053                | \$ 37,747                               | \$ 104,800              | \$ 27,589                | \$ 132,389               |
|                                | Total Source of Supply - Mainland Operating Requirements | \$ 143,300  | \$ 84,181                | \$ 56,019                               | \$ 140,200              | \$ 27,595                | \$ 167,795               |
|                                | Total Source of Supply - Mainland Revenue Requirements   | \$ 143,300  | \$ 84,181                | \$ 56,019                               | \$ 140,200              | \$ 27,595                | \$ 167,795               |

Treatment - Newport Plant (Station One)

|                                |  | Docket 4025  | FY 2010 Test Year (1) | Test Year Normalizing Adjustments | Normalized Test Year | Rate Year Adjustments | FY 2012 Rate Year (2) |
|--------------------------------|--|--------------|-----------------------|-----------------------------------|----------------------|-----------------------|-----------------------|
| <u>Account No. 15-500-2222</u> |  |              |                       |                                   |                      |                       |                       |
| <u>Personnel</u>               |  |              |                       |                                   |                      |                       |                       |
| 50 001                         | Salaries & Wages                                 | \$ 441,500   | \$ 388,225            | \$ 53,275                         | \$ 441,500           | \$ 9,691              | \$ 451,191            |
| 50 002                         | Overtime   | \$ 58,100    | \$ 84,862             | \$ (26,760)                       | \$ 58,102            | \$ 1,919              | \$ 60,021             |
| 50 003                         | Holiday Pay                                      | \$ 19,100    | \$ 15,575             | \$ -                              | \$ 15,575            | \$ 1,470              | \$ 17,045             |
| 50 100                         | Employee Benefits                                | \$ 237,000   | \$ 210,406            | \$ 26,594                         | \$ 237,000           | \$ 43,508             | \$ 280,508            |
| 50 175                         | Annual Leave Buy Back                            | \$ 4,950     | \$ 4,907              | \$ 93                             | \$ 5,000             | \$ -                  | \$ 5,000              |
|                                | Subtotal   | \$ 760,650   | \$ 703,975            | \$ 53,202                         | \$ 757,177           | \$ 56,588             | \$ 813,765            |
| <u>Other Operating</u>         |  |              |                       |                                   |                      |                       |                       |
| 50 212                         | Conferences & Training                           | \$ 5,500     | \$ 99                 | \$ 4,401                          | \$ 4,500             | \$ 0                  | \$ 4,500              |
| 50 239                         | Fire & Liability Insurance                       | \$ 12,700    | \$ 10,496             | \$ -                              | \$ 10,496            | \$ 2,191              | \$ 12,687             |
| 50 306                         | Contribution to Electricity Restricted Account   | \$ 247,500   | \$ 266,070            | \$ (70)                           | \$ 266,000           | \$ 329                | \$ 266,329            |
| 50 307                         | Natural Gas                                      | \$ 23,300    | \$ 23,072             | \$ -                              | \$ 23,072            | \$ 1,178              | \$ 24,250             |
| 50 260                         | Heavy Equipment Rental                           | \$ 1,000     | \$ 495                | \$ 105                            | \$ 600               | \$ 0                  | \$ 600                |
| 50 305                         | Water/Sewer                                      | \$ 184,000   | \$ 175,564            | \$ 8,436                          | \$ 184,000           | \$ 109,020            | \$ 293,020            |
| 50 271                         | Gasoline & Vehicle Maintenance                   | \$ 8,100     | \$ 7,324              | \$ -                              | \$ 7,324             | \$ (0)                | \$ 7,324              |
| 50 275                         | Repair & Maint-Equipment                         | \$ 35,000    | \$ 4,020              | \$ 20,980                         | \$ 25,000            | \$ 0                  | \$ 25,000             |
| 50 311                         | Operating Supplies                               | \$ 27,800    | \$ 25,185             | \$ 2,615                          | \$ 27,800            | \$ (0)                | \$ 27,800             |
| 50 320                         | Uniforms & Protective Gear                       | \$ 1,350     | \$ -                  | \$ 1,000                          | \$ 1,000             | \$ -                  | \$ 1,000              |
| 50 335                         | Contribution to Chemical Restricted Account      | \$ 399,000   | \$ 409,949            | \$ -                              | \$ 409,949           | \$ (55,740)           | \$ 354,210            |
|                                | Subtotal   | \$ 945,250   | \$ 922,273            | \$ 37,467                         | \$ 959,740           | \$ 56,979             | \$ 1,016,720          |
|                                | Treatment - Newport Plant Operating Requirements | \$ 1,705,900 | \$ 1,626,249          | \$ 90,669                         | \$ 1,716,918         | \$ 113,567            | \$ 1,830,485          |
|                                | Treatment - Newport Plant Revenue Requirements   | \$ 1,705,900 | \$ 1,626,249          | \$ 90,669                         | \$ 1,716,918         | \$ 113,567            | \$ 1,830,485          |

Treatment - Lawton Valley

|  |  | Docket 4025  | FY 2010 Test<br>Year (1) | Test Year<br>Normalizing<br>Adjustments | Normalized Test<br>Year | Rate Year<br>Adjustments | FY 2012 Rate<br>Year (2) |
|--|--|--------------|--------------------------|---|-------------------------|--------------------------|--------------------------|
| <u>Account No. 15-500-2223</u>                   |  |              |                          |   |                         |                          |                          |
| <u>Personnel</u>                                 |  |              |                          |   |                         |                          |                          |
| 50 001   | Salaries & Wages                               | \$ 500,100   | \$ 380,971               | \$ 75,000                               | \$ 455,971              | \$ 5,747                 | \$ 461,718               |
| 50 002   | Overtime                                       | \$ 42,400    | \$ 35,524                | \$ -                                    | \$ 35,524               | \$ 2,133                 | \$ 37,657                |
| 50 003   | Holiday Pay                                    | \$ 20,000    | \$ 15,314                | \$ -                                    | \$ 15,314               | \$ 1,446                 | \$ 16,760                |
| 50 100   | Employee Benefits                              | \$ 275,500   | \$ 209,093               | \$ 66,407                               | \$ 275,500              | \$ 12,719                | \$ 288,219               |
| 50 175   | Annual Leave Buy Back                          | \$ 3,850     | \$ 3,861                 | \$ 139                                  | \$ 4,000                | \$ -                     | \$ 4,000                 |
|  | Subtotal                                       | \$ 841,850   | \$ 644,763               | \$ 141,546                              | \$ 786,309              | \$ 22,045                | \$ 808,354               |
| <u>Other Operating</u>                           |  |              |                          |   |                         |                          |                          |
| 50 212   | Conferences & Training                         | \$ 3,500     | \$ 59                    | \$ 2,941                                | \$ 3,000                | \$ 0                     | \$ 3,000                 |
| 50 239   | Fire & Liability Insurance                     | \$ 13,600    | \$ 11,239                | \$ -                                    | \$ 11,239               | \$ 7,375                 | \$ 18,614                |
| 50 306   | Contribution to Electricity Restricted Account | \$ 180,600   | \$ 158,212               | \$ -                                    | \$ 158,212              | \$ 128                   | \$ 158,340               |
| 50 307   | Natural Gas                                    | \$ 28,900    | \$ 30,065                | \$ -                                    | \$ 30,065               | \$ (156)                 | \$ 29,909                |
| 50 260   | Heavy Equipment Rental                         | \$ 500       | \$ 406                   | \$ 94                                   | \$ 500                  | \$ (0)                   | \$ 500                   |
| 50 305   | Water/Sewer                                    | \$ 242,000   | \$ 211,849               | \$ 30,151                               | \$ 242,000              | \$ 118,640               | \$ 360,640               |
| 50 271   | Gas/Vehicle Maintenance                        | \$ 8,400     | \$ 7,882                 | \$ -                                    | \$ 7,882                | \$ 0                     | \$ 7,882                 |
| 50 275   | Repair & Maintenance                           | \$ 43,400    | \$ 42,284                | \$ (7,284)                              | \$ 35,000               | \$ 0                     | \$ 35,000                |
| 50 311   | Operating Supplies                             | \$ 22,000    | \$ 15,498                | \$ 4,802                                | \$ 20,300               | \$ (0)                   | \$ 20,300                |
| 50 320   | Uniforms & Protective Gear                     | \$ 1,000     | \$ -                     | \$ 1,000                                | \$ 1,000                | \$ -                     | \$ 1,000                 |
| 50 335   | Contribution to Chemical Restricted Account    | \$ 216,000   | \$ 198,076               | \$ -                                    | \$ 198,076              | \$ (28,519)              | \$ 169,557               |
|  | Subtotal                                       | \$ 759,900   | \$ 675,570               | \$ 31,704                               | \$ 707,274              | \$ 97,468                | \$ 804,742               |
| Treatment - Lawton Valley Operating Requirements |  | \$ 1,601,750 | \$ 1,320,333             | \$ 173,250                              | \$ 1,493,583            | \$ 119,513               | \$ 1,613,096             |
| Treatment - LV Revenue Requirements              |  | \$ 1,601,750 | \$ 1,320,333             | \$ 173,250                              | \$ 1,493,583            | \$ 119,513               | \$ 1,613,096             |

Water Laboratory

|                                |   | Docket 4025 | FY 2010 Test<br>Year (1) | Test Year<br>Normalizing<br>Adjustments | Normalized Test<br>Year | Rate Year<br>Adjustments | FY 2012 Rate<br>Year (2) |
|--------------------------------|---|-------------|--------------------------|---|-------------------------|--------------------------|--------------------------|
| <u>Account No. 15-500-2235</u> |   |             |                          |   |                         |                          |                          |
| <u>Personnel</u>               |   |             |                          |   |                         |                          |                          |
| 50 001                         | Salaries & Wages                              | \$ 127,700  | \$ 72,200                | \$ 30,000                               | \$ 102,200              | \$ 2,158                 | \$ 104,358               |
| 50 100                         | Employee Benefits                             | \$ 62,400   | \$ 33,822                | \$ 30,000                               | \$ 63,822               | \$ 390                   | \$ 64,212                |
| 50 175                         | Annual Leave Buy Back                         | \$ 2,750    | \$ -                     | \$ 2,800                                | \$ 2,800                | \$ -                     | \$ 2,800                 |
|                                | Subtotal                                      | \$ 192,850  | \$ 106,022               | \$ 62,800                               | \$ 168,822              | \$ 2,548                 | \$ 171,370               |
| <u>Other Operating</u>         |   |             |                          |   |                         |                          |                          |
| 50 275                         | Repair & Maint - Equipment                    | \$ 1,000    | \$ 1,222                 | \$ 478                                  | \$ 1,700                | \$ (0)                   | \$ 1,700                 |
| 50 281                         | Water Lab Regulatory Assessment               | \$ 36,500   | \$ 27,287                | \$ -                                    | \$ 27,287               | \$ 4,713                 | \$ 32,000                |
| 50 339                         | Laboratory Supplies                           | \$ 18,500   | \$ 15,972                | \$ 2,528                                | \$ 18,500               | \$ 0                     | \$ 18,500                |
|                                | Subtotal                                      | \$ 56,000   | \$ 44,481                | \$ 3,006                                | \$ 47,487               | \$ 4,713                 | \$ 52,200                |
|                                | Total Water Laboratory Operating Requirements | \$ 248,850  | \$ 150,503               | \$ 65,806                               | \$ 216,309              | \$ 7,261                 | \$ 223,570               |
|                                | Total Water Laboratory Revenue Requirements   | \$ 248,850  | \$ 150,503               | \$ 65,806                               | \$ 216,309              | \$ 7,261                 | \$ 223,570               |

Transmission & Distribution Maintenance

|                                |  | Test Year    |             |                 |              |              |              |  |
|--------------------------------|--|--------------|-------------|-----------------|--------------|--------------|--------------|--|
|                                |  | FY 2010 Test | Normalizing | Normalized Test | Rate Year    | FY 2012 Rate |              |  |
|                                |  | Docket 4025  | Adjustments | Year            | Adjustments  | Year (2)     |              |  |
|                                |  |              | Year (1)    |                 |              |              |              |  |
| <u>Account No. 15-500-2241</u> |  |              |             |                 |              |              |              |  |
| <u>Personnel</u>               |  |              |             |                 |              |              |              |  |
| 50 001                         | Salaries & Wages                                       | \$ 416,200   | \$ 428,500  | \$ -            | \$ 428,500   | \$ (12,653)  | \$ 415,847   |  |
| 50 002                         | Overtime   | \$ 52,000    | \$ 47,416   | \$ 4,584        | \$ 52,000    | \$ 364       | \$ 52,364    |  |
| 50 004                         | Temp Wages   | \$ 10,000    | \$ -        | \$ 10,000       | \$ 10,000    | \$ -         | \$ 10,000    |  |
| 50 056                         | Injury Pay   | \$ -         | \$ -        | \$ -            | \$ -         | \$ -         | \$ -         |  |
| 50 100                         | Employee Benefits                                      | \$ 224,996   | \$ 236,895  | \$ -            | \$ 236,895   | \$ 16,961    | \$ 253,856   |  |
| 50 175                         | Annual Leave Buy Back                                  | \$ 5,900     | \$ 10,624   | \$ 376          | \$ 11,000    | \$ -         | \$ 11,000    |  |
|                                | Subtotal   | \$ 709,096   | \$ 723,435  | \$ 14,960       | \$ 738,395   | \$ 4,672     | \$ 743,067   |  |
| <u>Other Operating</u>         |  |              |             |                 |              |              |              |  |
| 50 212                         | Conferences & Training                                 | \$ 4,000     | \$ 2,484    | \$ 1,516        | \$ 4,000     | \$ 0         | \$ 4,000     |  |
| 50 225                         | Contract Services                                      | \$ 12,500    | \$ 6,778    | \$ 5,722        | \$ 12,500    | \$ (70)      | \$ 12,430    |  |
| 50 239                         | Fire & Liability Insurance                             | \$ 2,400     | \$ 1,983    | \$ -            | \$ 1,983     | \$ 16,765    | \$ 18,748    |  |
| 50 306                         | Contribution to Electricity Restricted Account         | \$ 19,600    | \$ 17,346   | \$ -            | \$ 17,346    | \$ 1,416     | \$ 18,762    |  |
| 50 260                         | Heavy Equipment Rental                                 | \$ 8,900     | \$ 447      | \$ 7,853        | \$ 8,300     | \$ (40)      | \$ 8,260     |  |
| 50 271                         | Gas/Vehicle Maintenance                                | \$ 99,400    | \$ 102,264  | \$ -            | \$ 102,264   | \$ 8,041     | \$ 110,305   |  |
| 50 275                         | Repair & Maint - Equipment                             | \$ 32,000    | \$ 7,724    | \$ 18,276       | \$ 26,000    | \$ 0         | \$ 26,000    |  |
| 50 276                         | Repairs/Main Maintenance                               | \$ 84,800    | \$ 47,945   | \$ 22,055       | \$ 70,000    | \$ 0         | \$ 70,000    |  |
| 50 296                         | Service Maintenance                                    | \$ 33,500    | \$ 28,213   | \$ -            | \$ 28,213    | \$ 1,787     | \$ 30,000    |  |
| 50 311                         | Operating Supplies                                     | \$ 11,000    | \$ 4,608    | \$ 5,392        | \$ 10,000    | \$ 0         | \$ 10,000    |  |
| 50 320                         | Uniforms & Protective Gear                             | \$ 1,500     | \$ 872      | \$ 428          | \$ 1,300     | \$ (0)       | \$ 1,300     |  |
|                                | Subtotal   | \$ 309,600   | \$ 220,664  | \$ 61,242       | \$ 281,906   | \$ 27,899    | \$ 309,805   |  |
|                                | Transmission & Distribution Operating Requirements     | \$ 1,018,696 | \$ 944,099  | \$ 76,202       | \$ 1,020,301 | \$ 32,571    | \$ 1,052,872 |  |
|                                | Total Transmission & Distribution Revenue Requirements | \$ 1,018,696 | \$ 944,099  | \$ 76,202       | \$ 1,020,301 | \$ 32,571    | \$ 1,052,872 |  |

Fire Protection

|                                |  | Docket 4025 | FY 2010 Test<br>Year (1) | Test Year<br>Normalizing<br>Adjustments | Normalized Test<br>Year | Rate Year<br>Adjustments | FY 2012 Rate<br>Year (2) |
|--------------------------------|--|-------------|--------------------------|---|-------------------------|--------------------------|--------------------------|
| <u>Account No. 15-500-2245</u> |  |             |                          |   |                         |                          |                          |
| <u>Personnel</u>               |  |             |                          |   |                         |                          |                          |
| 50 001                         | Salaries & Wages                           | \$ -        | \$ -                     | \$ -                                    | \$ -                    | \$ -                     | \$ -                     |
| 50 002                         | Overtime                                   | \$ -        | \$ -                     | \$ -                                    | \$ -                    | \$ -                     | \$ -                     |
| 50 100                         | Employee Benefits                          | \$ -        | \$ -                     | \$ -                                    | \$ -                    | \$ -                     | \$ -                     |
|                                | Subtotal                                   | \$ -        | \$ -                     | \$ -                                    | \$ -                    | \$ -                     | \$ -                     |
| <u>Other Operating</u>         |  |             |                          |   |                         |                          |                          |
| 50 275                         | Repair & Maintenance - Equip.              | \$ 14,500   | \$ 5,482                 | \$ 8,018                                | \$ 13,500               | \$ -                     | \$ 13,500                |
|                                | Subtotal                                   | \$ 14,500   | \$ 5,482                 | \$ 8,018                                | \$ 13,500               | \$ -                     | \$ 13,500                |
|                                | Fire Protection Operating Requirements     | \$ 14,500   | \$ 5,482                 | \$ 8,018                                | \$ 13,500               | \$ -                     | \$ 13,500                |
|                                | Total Fire Protection Revenue Requirements | \$ 14,500   | \$ 5,482                 | \$ 8,018                                | \$ 13,500               | \$ -                     | \$ 13,500                |

City of Newport, Rhode Island  
 FY 2012 Rate Filing  
 Capital Improvement Plan

CW Surrebuttal Sch. 4

| Funding Source  | 2010         | 2011         | 2012         | 2013          | 2014          | 2015         |
|---|--------------|--------------|--------------|---------------|---------------|--------------|
|   |              |              | Rate Year    |               |               |              |
| Safe Yield Study - WP                                   | \$ 123,533   | \$ 867       |              |               |               |              |
| GIS and Hydraulic Modeling - WP                         | \$ 263,007   | \$ 26,993    |              |               |               |              |
| IRP Update - WP   | \$ 46,494    | \$ 1,876     |              |               |               |              |
| Water Quality Protection Plan Update- RIWRB - F&O       | \$ 16,099    | \$ 2,628     |              |               |               |              |
| WSSMP 5 year Update- RIWRB due 9/30/13                  |              |              |              | \$ 80,000     |               |              |
| Sediment Assessment - Lawton Brook - LBG                | \$ 18,065    | \$ 16,728    |              |               |               |              |
| RIDOH & RIDEM- Reservoir Monitoring                     |              |              | \$ 150,000   | \$ 150,000    |               |              |
| Main from Gardiner to Paradise                          |              | \$ 150,000   |              | \$ 1,600,000  |               |              |
| Intake at Paradise                                      |              | \$ 190,000   |              |               |               |              |
| Intake at Watson & Nonquit                              |              | \$ 250,000   |              |               |               |              |
| Intake at Sissons                                       |              | \$ 50,000    |              |               |               |              |
| Aeration- St Mary's Reservoir                           |              |              | \$ 50,000    |               |               |              |
| Demolition of Old Nonquit Pump Sta                      | \$ 2,800     | \$ 20,000    |              |               |               |              |
| Dam Repair- Easton Pond Dam                             | \$ 236,000   | \$ 500,000   | \$ 6,000,000 |               |               |              |
| Dam and Dike Rehabilitation - Lawton Valley             |              |              | \$ 100,000   | \$ 800,000    |               |              |
| Dam and Spillway Rehabilitation - Station 1             |              |              |              | \$ 250,000    | \$ 100,000    |              |
| Paradise Pump Station Improvements                      |              |              | \$ 85,000    |               |               |              |
| Sakonnet River Pump Station Improvements                |              |              | \$ 152,000   |               |               |              |
| Station 1 Raw Water Pump Station Improvements           |              |              |              | \$ 195,000    |               |              |
| St Mary's Pump Station Improvements                     |              |              |              |               | \$ 185,000    |              |
| Storage Tank Painting - 2MG standpipe                   |              |              |              |               |               |              |
| Water Department Office/Garage Rehabilitation           |              |              |              |               | \$ 400,000    |              |
| Mitchells Lane meter and PRV                            |              |              | \$ 90,000    |               |               |              |
| RIDOH- DB Review Assistance                             |              |              | \$ 100,000   | \$ 100,000    |               |              |
| City Agent for New LVWTP & Sta1 Imprv                   | \$ 1,846,960 | \$ 1,162,790 | \$ 1,273,200 | \$ 575,000    | \$ 575,000    | \$ 350,000   |
| Professional Service for WTP Imprv ( Legal & Financial) | \$ -         | \$ -         | \$ -         | \$ -          | \$ -          | \$ -         |
| Station One Improvements                                |              | \$ -         | \$ 3,000,000 | \$ 12,000,000 | \$ 7,800,000  |              |
| LVWTP New Treatment Plant                               |              |              | \$ 6,000,000 | \$ 20,000,000 | \$ 20,000,000 | \$ 4,739,000 |
| System Wide Main Improvements                           | \$ 3,093,048 | \$ 300,000   | \$ -         | \$ 3,200,000  | \$ 300,000    | \$ 3,500,000 |
| Distribution Main Iprov.(Sherman St) Design & Construc  |              | \$ 156,952   |              |               |               |              |
| Meter Replacement                                       | \$ 64,247    | \$ 66,817    | \$ 69,490    | \$ 72,269     | \$ 75,200     | \$ 78,200    |
| Radio Read Remote reading laptop                        |              |              | \$ 13,000    | \$ 13,000     |               |              |
| Forest Ave Pump Sta Imprv.                              |              |              | \$ 250,000   |               |               |              |
| Water Trench Restoration                                | \$ 75,000    | \$ 78,000    | \$ 81,120    | \$ 84,365     | \$ 87,700     | \$ 91,200    |
| Fire Hydrant Replacement                                | \$ 17,000    | \$ 17,000    | \$ 18,000    | \$ 18,000     | \$ 18,000     | \$ 18,000    |
| Equipment and Vehicle Replacemen                        |              | \$ 160,000   | \$ 199,000   | \$ 92,000     | \$ 120,000    | \$ 66,000    |

|                         | 2010         | 2011         | 2012          | 2013          | 2014          | 2015         |
|-------------------------|--------------|--------------|---------------|---------------|---------------|--------------|
| 101 Water Revenue Bonds | -            | -            | -             | -             | -             | -            |
| 201 SRF Loan            | 2,082,960    | 1,662,790    | \$ 16,273,200 | \$ 32,575,000 | \$ 28,375,000 | \$ 5,089,000 |
| 301 Rates               | 3,719,292    | 1,487,862    | \$ 1,357,610  | \$ 6,654,634  | \$ 1,285,900  | \$ 3,753,400 |
| 401 Other               | -            | -            | -             | -             | -             | -            |
| 501 Other               | -            | -            | -             | -             | -             | -            |
|                         | \$ 5,802,252 | \$ 3,150,652 | \$ 17,630,810 | \$ 39,229,634 | \$ 29,660,900 | \$ 8,842,400 |

Avg. Annual Rate Funded Capital \$ 2,456,991  
 Proposed Rate Funded Capital \$ 2,500,000

\$ 5,802,252 \$ 3,150,652 \$ 17,630,810 \$ 39,229,634 \$ 29,660,900 \$ 8,842,400

Totals  
 Docket 4025 Rate Financed \$ 4,838,080 \$ 1,652,019 \$ 1,501,817 \$ 1,167,610 \$ 516,634  
 vs this case ##### \$ 3,719,292 \$ 1,487,862 \$ 1,357,610 \$ 6,654,634

City of Newport, Rhode Island  
 FY 2012 Rate Filing  
 Debt Service

CW Surrebutt 5

| Fiscal Year | Existing(1)      |                          |  |                       |                                       |                | 2012 SRF A<br>(Dam Repair,<br>City Agent,<br>Sta 1<br>Improvements<br>and New<br>Plant) \$18.6 M | Total Existing<br>Debt Service |
|-------------|------------------|--------------------------|--|-----------------------|---------------------------------------|----------------|--|--------------------------------|
|             | Revenue<br>Bonds | 2007 SRF A<br>\$3.0M (3) | 2008 SRF B<br>\$5.9 M Fed Dir.<br>Loan | 2009 SRF A<br>\$3.3 M | Total Existing<br>SRF Debt<br>Service | Total Existing |  |                                |
| 2008        | 1,009,932        | 72,901                   | -                                      | -                     | 72,901                                | 1,082,833      | -  | \$1,082,833                    |
| 2009        | 959,782          | 211,318                  | 66,753                                 | 1,213                 | 279,284                               | 1,239,066      | -  | \$1,239,066                    |
| 2010        | 910,552          | 211,749                  | 157,915                                | 2,388                 | 372,052                               | 1,282,604      | -  | \$1,282,604                    |
| 2011        | 642,596          | 211,990                  | 411,824                                | 61,108                | 684,922                               | 1,327,518      | -  | \$1,327,518                    |
| 2012        | 571,079          | 211,081                  | 424,858                                | 182,028               | 817,966                               | 1,389,045      | 200,323  | \$1,589,369                    |
| 2013        | 388,755          | 211,034                  | 424,365                                | 181,966               | 817,365                               | 1,206,120      | 543,762  | \$1,749,882                    |
| 2014        | -                | 210,828                  | 424,365                                | 181,518               | 816,710                               | 816,710        | 543,763  | \$3,714,799                    |
| 2015        | -                | 211,441                  | 424,945                                | 181,416               | 817,802                               | 817,802        | 543,758  | \$4,142,529                    |
| 2016        | -                | 210,861                  | 424,070                                | 181,648               | 816,579                               | 816,579        | 543,734  | \$4,148,821                    |
| 2017        | -                | 184,069                  | 423,727                                | 181,504               | 789,301                               | 789,301        | 543,774  | \$4,129,425                    |
| 2018        | -                | 184,052                  | 422,898                                | 181,058               | 788,008                               | 788,008        | 543,764  | \$4,136,276                    |
| 2019        | -                | 210,815                  | 422,537                                | 181,105               | 814,457                               | 814,457        | 543,786  | \$4,171,229                    |
| 2020        | -                | 210,360                  | 422,607                                | 180,896               | 813,863                               | 813,863        | 543,725  | \$4,179,396                    |
| 2021        | -                | 210,677                  | 423,085                                | 180,444               | 814,205                               | 814,205        | 543,764  | \$4,188,950                    |
| 2022        | -                | 210,752                  | 421,968                                | 180,521               | 813,240                               | 813,240        | 543,782  | \$4,197,545                    |
| 2023        | -                | 210,583                  | 421,274                                | 180,357               | 812,213                               | 812,213        | 543,764  | \$4,206,421                    |
| 2024        | -                | 210,169                  | 421,946                                | 180,701               | 812,815                               | 812,815        | 543,690  | \$4,217,268                    |
| 2025        | -                | 210,489                  | 420,969                                | 180,056               | 811,515                               | 811,515        | 543,739  | \$4,226,749                    |
| 2026        | -                | 209,543                  | 420,366                                | 179,832               | 809,740                               | 809,740        | 543,692  | \$4,236,088                    |
| 2027        | -                | 209,336                  | 421,064                                | 180,151               | 810,551                               | 810,551        | 543,725  | \$4,248,540                    |
| 2028        | -                | 209,832                  | 420,053                                | 180,205               | 810,089                               | 810,089        | 543,717  | \$4,260,142                    |
| 2029        | -                | -                        | 419,321                                | 179,974               | 599,295                               | 599,295        | -  | \$3,518,186                    |
| 2030        | -                | -                        | 426,632                                | 179,449               | 606,081                               | 606,081        | -  | \$3,538,028                    |
| 2031        | -                | -                        | -                                      | 178,652               | 178,652                               | 178,652        | -  | \$3,124,178                    |
| 2032        | -                | -                        | -                                      | -                     | -                                     | -              | -  | \$2,959,649                    |
| 2033        | -                | -                        | -                                      | -                     | -                                     | -              | -  | \$458,965                      |
| 2034        | -                | -                        | -                                      | -                     | -                                     | -              | -  | \$0                            |
| 2035        | -                | -                        | -                                      | -                     | -                                     | -              | -  | \$0                            |
| 2036        | -                | -                        | -                                      | -                     | -                                     | -              | -  | \$0                            |
| 2037        | -                | -                        | -                                      | -                     | -                                     | -              | -  | \$0                            |
| 2038        | -                | -                        | -                                      | -                     | -                                     | -              | -  | \$0                            |
|             | \$ 4,482,696     | \$ 4,233,879             | \$ 8,667,539                           | \$ 3,678,188          | \$ 16,579,606                         | \$ 21,062,302  | \$ 8,900,262   |                                |

(1) Debt service on existing debt based on debt service schedules provided by City of Newport



**City of Newport, Rhode Island  
 FY 2012 Rate Filing  
 Offsets To Revenue Requirements**

**CW Surrebuttal Sch. 6**

|  | <b>Docket 4025</b> | <b>FY 2009<br/>Actual</b> | <b>FY 2010<br/>Actual</b> | <b>FY 2012 Rate<br/>Year</b> |
|--|--------------------|---------------------------|---------------------------|------------------------------|
| Sundry charges                               | \$ 140,016         | \$ 25,623                 | \$ 53,150                 | \$ 104,000                   |
| WPC cost share on customer service           | \$ 269,842         | \$ 319,491                | \$ 269,842                | \$ 296,743                   |
| Middletown cost share on customer service    | \$ 134,819         | \$ 102,103                | \$ 134,819                | \$ 143,451                   |
| Rental of Property                           | \$ 81,000          | \$ 62,800                 | \$ 77,800                 | \$ 108,167                   |
| Water Penalty                                | \$ 42,320          | \$ 21,276                 | \$ 30,839                 | \$ 47,500                    |
| Miscellaneous                                | \$ 7,515           | \$ 77,593                 | \$ 44,092                 | \$ 8,600                     |
| Investment Interest Income                   | \$ 39,191          | \$ 11,798                 | \$ 4,498                  | \$ 3,900                     |
| Water Quality Protection Fees                | \$ 25,676          | \$ 23,767                 | \$ 19,803                 | \$ 22,500                    |
| <b>Total Offsets to Revenue Requirements</b> | <b>\$ 740,379</b>  | <b>\$ 644,451</b>         | <b>\$ 634,843</b>         | <b>\$ 734,861</b>            |

Customer Service Expenses

|                               |                                     | <b>FY 2012</b>    | <b>FY 2013</b>    | <b>FY 2014</b>    | <b>FY 2015</b>    |
|-------------------------------|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                               | O&M                                 | \$ 613,157        | \$ 613,157        | \$ 613,157        | \$ 613,157        |
|                               | Debt Service on Loan for Radio Read | \$ 201,627        | \$ 201,393        | \$ 201,393        | \$ 201,669        |
|                               | Meter Replacement Costs             | \$ 82,490         | \$ 85,269         | \$ 75,200         | \$ 78,200         |
|                               | <b>TOTAL</b>                        | <b>\$ 897,274</b> | <b>\$ 899,819</b> | <b>\$ 889,750</b> | <b>\$ 893,026</b> |
| Customer Service Expenses 50% |                                     | <b>\$ 448,637</b> | <b>\$ 449,910</b> | <b>\$ 444,875</b> | <b>\$ 446,513</b> |
| Charge to WPC                 | 9981 66%                            | \$ 296,743        | \$ 297,584        | \$ 294,254        | \$ 295,338        |
| Charge to Middletown Sewer    | 4825 32%                            | \$ 143,451        | \$ 143,858        | \$ 142,248        | \$ 142,772        |
| Water Customers               | 15090 98%                           |                   |                   |                   |                   |

There are 14,442 water customers as of 09/03/08

Of these, 9,245 are also Newport Sewer customers and 4,619 are Middletown customers that we supply Middletown with usage data on. Accordingly, Newport Sewer should split the customer service costs on 62.42% of the water bills and Middletown should split the costs on 31.19% of the water bills

City of Newport, Rhode Island  
 FY 2012 Rate Filing  
 Calculation of Additional Revenue

CW Surrebuttal Sch. 7

**Billing Charge Revenues**

| Type of Charge  | Current Charge | FY 2012 Number of Bills | Rate Year Revenues Under Existing Charges | FY 13 Revenues Under FY 12 Proposed Charges | FY 14 Revenues Under FY 13 Proposed Charges | FY 15 Revenues Under FY 14 Proposed Charges |
|---|----------------|-------------------------|---|---|---|---|
| Billing Charge  | \$ 15.31       | 64,402                  | \$ 985,995                                | \$ 1,188,861                                | \$ 1,204,961                                | \$ 1,398,167                                |
| Total Revenues From Billing Charge Under Existing Rates |                |                         | \$ 985,995                                | \$ 1,188,861                                | \$ 1,204,961                                | \$ 1,398,167                                |

**Commodity Charge Revenues**

| Customer Class  | Current Rate | FY 2012 Consumption (1,000 gals) | Rate Year Revenues Under Existing Rates | FY 13 Revenues Under FY 12 Proposed Charges | FY 14 Revenues Under FY 13 Proposed Charges | FY 15 Revenues Under FY 14 Proposed Charges |
|---|--------------|----------------------------------|---|---|---|---|
| Retail  | \$ 5.25      | 1,153,643                        | \$ 6,056,626                            | \$ 7,302,561                                | \$ 7,406,389                                | \$ 8,594,641                                |
| Navy  | \$ 3.2280    | 178,971                          | \$ 577,718                              | \$ 696,376                                  | \$ 705,503                                  | \$ 818,434                                  |
| Portsmouth  | \$ 2.573     | 428,519                          | \$ 1,102,579                            | \$ 1,329,265                                | \$ 1,346,834                                | \$ 1,562,379                                |
| Total Revenues From Commodity Charge Under Existing Rates |              |                                  | \$ 7,736,923                            | \$ 9,328,201                                | \$ 9,458,726                                | \$ 10,975,454                               |

**Fire Protection Revenues**

| Type of Charge  | Current Charge | FY 2012 Number of Bills | Rate Year Revenues Under Existing Charges | FY 13 Revenues Under FY 12 Proposed Charges | FY 14 Revenues Under FY 13 Proposed Charges | FY 15 Revenues Under FY 14 Proposed Charges |
|---|----------------|-------------------------|---|---|---|---|
| Fire Protection Charges (Public)  | \$ 869.00      | 1035                    | \$ 899,415                                | \$ 1,084,680                                | \$ 1,099,170                                | \$ 1,275,120                                |
| Total Revenues From Public Fire Protection Charge Under Existing Rates    |                |                         | \$ 899,415                                | \$ 1,084,680                                | \$ 1,099,170                                | \$ 1,275,120                                |
| Fire Protection Charges (Private)   |                |                         |   |   |   |   |
| less than 2"  | \$ 17.05       | 0                       | \$ -                                      | \$ -  | \$ -  | \$ -  |
| 2"  | \$ 72.00       | 4                       | \$ 288                                    | \$ 348                                      | \$ 356                                      | \$ 416                                      |
| 4"  | \$ 442.00      | 62                      | \$ 27,404                                 | \$ 33,046                                   | \$ 33,542                                   | \$ 38,936                                   |
| 6"  | \$ 884.00      | 245                     | \$ 216,580                                | \$ 261,170                                  | \$ 264,845                                  | \$ 307,230                                  |
| 8"  | \$ 2,023.00    | 62                      | \$ 125,426                                | \$ 151,218                                  | \$ 153,264                                  | \$ 177,816                                  |
| 10"   | \$ 3,340.00    | 0                       | \$ -                                      | \$ -  | \$ -  | \$ -  |
| 12"   | \$ 5,362.00    | 2                       | \$ 10,724                                 | \$ 12,930                                   | \$ 13,102                                   | \$ 15,198                                   |
| Total Revenues from Private Fire Protection Charge Under Existing Charges |                |                         | \$ 380,422                                | \$ 458,712                                  | \$ 465,109                                  | \$ 539,596                                  |
| Total Revenues from Existing Rates and Charges                            |                |                         | \$ 10,002,754                             | \$ 12,060,454                               | \$ 12,227,966                               | \$ 14,188,337                               |
| Net Revenue Requirements  |                |                         | \$ 12,058,646                             | \$ 12,219,160                               | \$ 14,184,076                               | \$ 14,611,806                               |
| Additional Revenue Needed   |                |                         | \$ 2,055,892                              | \$ 158,705                                  | \$ 1,956,110                                | \$ 423,469                                  |
| % Revenue Increase Required   |                |                         | 20.55%                                    | 1.32%                                       | 16.00%                                      | 2.98%                                       |

**City of Newport, Rhode Island  
 FY 2012 Rate Filing  
 Proposed Rates and Charges**

**CW Surrebuttal Sch. 8**

| Rates and Charges                    | Current Rates | Rate Year           |                  | Future Years        |                  |                     |                  |                     |                  |
|--------------------------------------|---------------|---------------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|------------------|
|                                      |               | % Increase Required | Proposed FY 2012 | % Increase Required | Proposed FY 2013 | % Increase Required | Proposed FY 2014 | % Increase Required | Proposed FY 2015 |
| Billing Charge (per bill)            |               |                     |                  |                     |                  |                     |                  |                     |                  |
| Quarterly                            | \$ 15.31      | 20.6%               | \$ 18.46         | 1.3%                | \$ 18.71         | 16.0%               | \$ 21.71         | 3.0%                | \$ 22.36         |
| Monthly                              | \$ 15.31      | 20.6%               | \$ 18.46         | 1.3%                | \$ 18.71         | 16.0%               | \$ 21.71         | 3.0%                | \$ 22.36         |
| Commodity Charge (per 1,000 gallons) |               |                     |                  |                     |                  |                     |                  |                     |                  |
| Retail                               |               |                     |                  |                     |                  |                     |                  |                     |                  |
| Residential                          | \$ 5.25       | 20.6%               | \$ 6.33          | 1.3%                | \$ 6.42          | 16.0%               | \$ 7.45          | 3.0%                | \$ 7.68          |
| Commercial                           | \$ 5.25       | 20.6%               | \$ 6.33          | 1.3%                | \$ 6.42          | 16.0%               | \$ 7.45          | 3.0%                | \$ 7.68          |
| Governmental                         | \$ 5.25       | 20.6%               | \$ 6.33          | 1.3%                | \$ 6.42          | 16.0%               | \$ 7.45          | 3.0%                | \$ 7.68          |
| Wholesale                            |               |                     |                  |                     |                  |                     |                  |                     |                  |
| Navy                                 | \$ 3.2280     | 20.6%               | \$ 3.8910        | 1.3%                | \$ 3.9420        | 16.0%               | \$ 4.5730        | 3.0%                | \$ 4.7090        |
| Portsmouth Water & Fire District     | \$ 2.5730     | 20.6%               | \$ 3.102         | 1.3%                | \$ 3.143         | 16.0%               | \$ 3.646         | 3.0%                | \$ 3.755         |
| Fire Protection                      |               |                     |                  |                     |                  |                     |                  |                     |                  |
| Public (per hydrant)                 | \$ 869.00     | 20.6%               | \$ 1,048         | 1.3%                | \$ 1,062         | 16.0%               | \$ 1,232         | 3.0%                | \$ 1,269         |
| Private (Connection Size)            |               |                     |                  |                     |                  |                     |                  |                     |                  |
| Less than 2"                         | \$ 17.05      | 20.6%               | \$ 21            | 1.3%                | \$ 20.84         | 16.0%               | \$ 24.18         | 3.0%                | \$ 24.91         |
| 2"                                   | \$ 72.00      | 20.6%               | \$ 87            | 1.3%                | \$ 89.00         | 16.0%               | \$ 104.00        | 3.0%                | \$ 108.00        |
| 4"                                   | \$ 442.00     | 20.6%               | \$ 533           | 1.3%                | \$ 541.00        | 16.0%               | \$ 628.00        | 3.0%                | \$ 647.00        |
| 6"                                   | \$ 884.00     | 20.6%               | \$ 1,066         | 1.3%                | \$1,081.00       | 16.0%               | \$ 1,254.00      | 3.0%                | \$ 1,292.00      |
| 8"                                   | \$ 2,023.00   | 20.6%               | \$ 2,439         | 1.3%                | \$2,472.00       | 16.0%               | \$ 2,868.00      | 3.0%                | \$ 2,954.00      |
| 10"                                  | \$ 3,340.00   | 20.6%               | \$ 4,027         | 1.3%                | \$4,080.00       | 16.0%               | \$ 4,733.00      | 3.0%                | \$ 4,875.00      |
| 12"                                  | \$ 5,362.00   | 20.6%               | \$ 6,465         | 1.3%                | \$6,551.00       | 16.0%               | \$ 7,599.00      | 3.0%                | \$ 7,826.00      |

| Customer Class                | Monthly Consumption (gallons) | Bill at Current Rates | Proposed FY 2012       |                                |                               | Proposed FY 2013       |                                |                               | Proposed FY 2014       |                                |                               | Proposed FY 2015       |                                |                               |
|-------------------------------|-------------------------------|-----------------------|------------------------|--------------------------------|-------------------------------|------------------------|--------------------------------|-------------------------------|------------------------|--------------------------------|-------------------------------|------------------------|--------------------------------|-------------------------------|
|                               |                               |                       | Bill at Proposed Rates | \$ Increase from Current Rates | % Increase from Current Rates | Bill at Proposed Rates | \$ Increase from FY 2012 Rates | % Increase from FY 2012 Rates | Bill at Proposed Rates | \$ Increase from FY 2013 Rates | % Increase from FY 2013 Rates | Bill at Proposed Rates | \$ Increase from FY 2014 Rates | % Increase from FY 2014 Rates |
| <b>Residential (Monthly)</b>  |                               |                       |                        |                                |                               |                        |                                |                               |                        |                                |                               |                        |                                |                               |
|                               | 1,000                         | \$20.56               | \$24.79                | \$4.23                         | 20.6%                         | \$25.13                | \$0.34                         | 1.4%                          | \$29.16                | \$4.03                         | 16.0%                         | \$30.04                | \$0.88                         | 3.0%                          |
|                               | 2,000                         | \$25.81               | \$31.12                | \$5.31                         | 20.6%                         | \$31.55                | \$0.43                         | 1.4%                          | \$36.61                | \$5.06                         | 16.0%                         | \$37.72                | \$1.11                         | 3.0%                          |
|                               | 4,000                         | \$36.31               | \$43.78                | \$7.47                         | 20.6%                         | \$44.39                | \$0.61                         | 1.4%                          | \$51.51                | \$7.12                         | 16.0%                         | \$53.08                | \$1.57                         | 3.0%                          |
| Avg. Monthly Bill             | 5,000                         | \$41.56               | \$50.11                | \$8.55                         | 20.6%                         | \$50.81                | \$0.70                         | 1.4%                          | \$58.96                | \$8.15                         | 16.0%                         | \$60.76                | \$1.80                         | 3.1%                          |
|                               | 7,500                         | \$54.69               | \$65.94                | \$11.25                        | 20.6%                         | \$66.86                | \$0.92                         | 1.4%                          | \$77.59                | \$10.73                        | 16.0%                         | \$79.96                | \$2.37                         | 3.1%                          |
|                               | 10,000                        | \$67.81               | \$81.76                | \$13.95                        | 20.6%                         | \$82.91                | \$1.15                         | 1.4%                          | \$96.21                | \$13.30                        | 16.0%                         | \$99.16                | \$2.95                         | 3.1%                          |
|                               | 15,000                        | \$94.06               | \$113.41               | \$19.35                        | 20.6%                         | \$115.01               | \$1.60                         | 1.4%                          | \$133.46               | \$18.45                        | 16.0%                         | \$137.56               | \$4.10                         | 3.1%                          |
|                               | 20,000                        | \$120.31              | \$145.06               | \$24.75                        | 20.6%                         | \$147.11               | \$2.05                         | 1.4%                          | \$170.71               | \$23.60                        | 16.0%                         | \$175.96               | \$5.25                         | 3.1%                          |
|                               | 25,000                        | \$146.56              | \$176.71               | \$30.15                        | 20.6%                         | \$179.21               | \$2.50                         | 1.4%                          | \$207.96               | \$28.75                        | 16.0%                         | \$214.36               | \$6.40                         | 3.1%                          |
|                               | 30,000                        | \$172.81              | \$208.36               | \$35.55                        | 20.6%                         | \$211.31               | \$2.95                         | 1.4%                          | \$245.21               | \$33.90                        | 16.0%                         | \$252.76               | \$7.55                         | 3.1%                          |
| <b>Residential(Quarterly)</b> |                               |                       |                        |                                |                               |                        |                                |                               |                        |                                |                               |                        |                                |                               |
|                               | 4,000                         | \$36.31               | \$43.78                | \$7.47                         | 20.6%                         | \$44.39                | \$0.61                         | 1.4%                          | \$51.51                | \$7.12                         | 16.0%                         | \$53.08                | \$1.57                         | 3.0%                          |
|                               | 8,000                         | \$57.31               | \$69.10                | \$11.79                        | 20.6%                         | \$70.07                | \$0.97                         | 1.4%                          | \$81.31                | \$11.24                        | 16.0%                         | \$83.80                | \$2.49                         | 3.1%                          |
| Avg. Quarterly Bill           | 14,800                        | \$93.01               | \$112.14               | \$19.13                        | 20.6%                         | \$113.73               | \$1.58                         | 1.4%                          | \$131.97               | \$18.24                        | 16.0%                         | \$136.02               | \$4.05                         | 3.1%                          |
|                               | 20,000                        | \$120.31              | \$145.06               | \$24.75                        | 20.6%                         | \$147.11               | \$2.05                         | 1.4%                          | \$170.71               | \$23.60                        | 16.0%                         | \$175.96               | \$5.25                         | 3.1%                          |
|                               | 30,000                        | \$172.81              | \$208.36               | \$35.55                        | 20.6%                         | \$211.31               | \$2.95                         | 1.4%                          | \$245.21               | \$33.90                        | 16.0%                         | \$252.76               | \$7.55                         | 3.1%                          |
|                               | 40,000                        | \$225.31              | \$271.66               | \$46.35                        | 20.6%                         | \$275.51               | \$3.85                         | 1.4%                          | \$319.71               | \$44.20                        | 16.0%                         | \$329.56               | \$9.85                         | 3.1%                          |
|                               | 60,000                        | \$330.31              | \$398.26               | \$67.95                        | 20.6%                         | \$403.91               | \$5.65                         | 1.4%                          | \$468.71               | \$64.80                        | 16.0%                         | \$483.16               | \$14.45                        | 3.1%                          |
|                               | 80,000                        | \$435.31              | \$524.86               | \$89.55                        | 20.6%                         | \$532.31               | \$7.45                         | 1.4%                          | \$617.71               | \$85.40                        | 16.0%                         | \$636.76               | \$19.05                        | 3.1%                          |
|                               | 100,000                       | \$540.31              | \$651.46               | \$111.15                       | 20.6%                         | \$660.71               | \$9.25                         | 1.4%                          | \$766.71               | \$106.00                       | 16.0%                         | \$790.36               | \$23.65                        | 3.1%                          |
|                               | 120,000                       | \$645.31              | \$778.06               | \$132.75                       | 20.6%                         | \$789.11               | \$11.05                        | 1.4%                          | \$915.71               | \$126.60                       | 16.0%                         | \$943.96               | \$28.25                        | 3.1%                          |

| Customer Class                | Monthly Consumption (gallons) | Bill at Current Rates | Proposed FY 2012       |                                |                               | Proposed FY 2013       |                                |                               | Proposed FY 2014       |                                |                               | Proposed FY 2015       |                                |                               |
|-------------------------------|-------------------------------|-----------------------|------------------------|--------------------------------|-------------------------------|------------------------|--------------------------------|-------------------------------|------------------------|--------------------------------|-------------------------------|------------------------|--------------------------------|-------------------------------|
|                               |                               |                       | Bill at Proposed Rates | \$ Increase from Current Rates | % Increase from Current Rates | Bill at Proposed Rates | \$ Increase from FY 2012 Rates | % Increase from FY 2012 Rates | Bill at Proposed Rates | \$ Increase from FY 2013 Rates | % Increase from FY 2013 Rates | Bill at Proposed Rates | \$ Increase from FY 2014 Rates | % Increase from FY 2014 Rates |
| <b>Commercial (Monthly)</b>   |                               |                       |                        |                                |                               |                        |                                |                               |                        |                                |                               |                        |                                |                               |
|                               | 2,000                         | \$25.81               | \$31.12                | \$5.31                         | 20.6%                         | \$31.55                | \$0.43                         | 1.4%                          | \$36.61                | \$5.06                         | 16.0%                         | \$37.72                | \$1.11                         | 3.0%                          |
|                               | 5,000                         | \$41.56               | \$50.11                | \$8.55                         | 20.6%                         | \$50.81                | \$0.70                         | 1.4%                          | \$58.96                | \$8.15                         | 16.0%                         | \$60.76                | \$1.80                         | 3.1%                          |
|                               | 10,000                        | \$67.81               | \$81.76                | \$13.95                        | 20.6%                         | \$82.91                | \$1.15                         | 1.4%                          | \$96.21                | \$13.30                        | 16.0%                         | \$99.16                | \$2.95                         | 3.1%                          |
| Avg. Monthly Bill             | 20,000                        | \$120.31              | \$145.06               | \$24.75                        | 20.6%                         | \$147.11               | \$2.05                         | 1.4%                          | \$170.71               | \$23.60                        | 16.0%                         | \$175.96               | \$5.25                         | 3.1%                          |
|                               | 30,000                        | \$172.81              | \$208.36               | \$35.55                        | 20.6%                         | \$211.31               | \$2.95                         | 1.4%                          | \$245.21               | \$33.90                        | 16.0%                         | \$252.76               | \$7.55                         | 3.1%                          |
|                               | 40,000                        | \$225.31              | \$271.66               | \$46.35                        | 20.6%                         | \$275.51               | \$3.85                         | 1.4%                          | \$319.71               | \$44.20                        | 16.0%                         | \$329.56               | \$9.85                         | 3.1%                          |
|                               | 50,000                        | \$277.81              | \$334.96               | \$57.15                        | 20.6%                         | \$339.71               | \$4.75                         | 1.4%                          | \$394.21               | \$54.50                        | 16.0%                         | \$406.36               | \$12.15                        | 3.1%                          |
|                               | 75,000                        | \$409.06              | \$493.21               | \$84.15                        | 20.6%                         | \$500.21               | \$7.00                         | 1.4%                          | \$580.46               | \$80.25                        | 16.0%                         | \$598.36               | \$17.90                        | 3.1%                          |
|                               | 100,000                       | \$540.31              | \$651.46               | \$111.15                       | 20.6%                         | \$660.71               | \$9.25                         | 1.4%                          | \$766.71               | \$106.00                       | 16.0%                         | \$790.36               | \$23.65                        | 3.1%                          |
| <b>Governmental (Monthly)</b> |                               |                       |                        |                                |                               |                        |                                |                               |                        |                                |                               |                        |                                |                               |
|                               | 2,000                         | \$25.81               | \$31.12                | \$5.31                         | 20.6%                         | \$31.55                | \$0.43                         | 1.4%                          | \$36.61                | \$5.06                         | 16.0%                         | \$37.72                | \$1.11                         | 3.0%                          |
|                               | 5,000                         | \$41.56               | \$50.11                | \$8.55                         | 20.6%                         | \$50.81                | \$0.70                         | 1.4%                          | \$58.96                | \$8.15                         | 16.0%                         | \$60.76                | \$1.80                         | 3.1%                          |
|                               | 10,000                        | \$67.81               | \$81.76                | \$13.95                        | 20.6%                         | \$82.91                | \$1.15                         | 1.4%                          | \$96.21                | \$13.30                        | 16.0%                         | \$99.16                | \$2.95                         | 3.1%                          |
| Avg. Monthly Bill             | 20,000                        | \$120.31              | \$145.06               | \$24.75                        | 20.6%                         | \$147.11               | \$2.05                         | 1.4%                          | \$170.71               | \$23.60                        | 16.0%                         | \$175.96               | \$5.25                         | 3.1%                          |
|                               | 22,000                        | \$130.81              | \$157.72               | \$26.91                        | 20.6%                         | \$159.95               | \$2.23                         | 1.4%                          | \$185.61               | \$25.66                        | 16.0%                         | \$191.32               | \$5.71                         | 3.1%                          |
|                               | 35,000                        | \$199.06              | \$240.01               | \$40.95                        | 20.6%                         | \$243.41               | \$3.40                         | 1.4%                          | \$282.46               | \$39.05                        | 16.0%                         | \$291.16               | \$8.70                         | 3.1%                          |
|                               | 50,000                        | \$277.81              | \$334.96               | \$57.15                        | 20.6%                         | \$339.71               | \$4.75                         | 1.4%                          | \$394.21               | \$54.50                        | 16.0%                         | \$406.36               | \$12.15                        | 3.1%                          |
|                               | 75,000                        | \$409.06              | \$493.21               | \$84.15                        | 20.6%                         | \$500.21               | \$7.00                         | 1.4%                          | \$580.46               | \$80.25                        | 16.0%                         | \$598.36               | \$17.90                        | 3.1%                          |
|                               | 100,000                       | \$540.31              | \$651.46               | \$111.15                       | 20.6%                         | \$660.71               | \$9.25                         | 1.4%                          | \$766.71               | \$106.00                       | 16.0%                         | \$790.36               | \$23.65                        | 3.1%                          |

| Customer Class              | Monthly Consumption (gallons) | Bill at Current Rates | Proposed FY 2012       |                                |                               | Proposed FY 2013       |                                |                               | Proposed FY 2014       |                                |                               | Proposed FY 2015       |                                |                               |
|-----------------------------|-------------------------------|-----------------------|------------------------|--------------------------------|-------------------------------|------------------------|--------------------------------|-------------------------------|------------------------|--------------------------------|-------------------------------|------------------------|--------------------------------|-------------------------------|
|                             |                               |                       | Bill at Proposed Rates | \$ Increase from Current Rates | % Increase from Current Rates | Bill at Proposed Rates | \$ Increase from FY 2012 Rates | % Increase from FY 2012 Rates | Bill at Proposed Rates | \$ Increase from FY 2013 Rates | % Increase from FY 2013 Rates | Bill at Proposed Rates | \$ Increase from FY 2014 Rates | % Increase from FY 2014 Rates |
| <b>Portsmouth (Monthly)</b> |                               |                       |                        |                                |                               |                        |                                |                               |                        |                                |                               |                        |                                |                               |
|                             | 10,000,000                    | \$25,745.31           | \$31,038.46            | \$5,293.15                     | 20.6%                         | \$31,448.71            | \$410.25                       | 1.3%                          | \$36,481.71            | \$5,033.00                     | 16.0%                         | \$37,572.36            | \$1,090.65                     | 3.0%                          |
|                             | 20,000,000                    | \$51,475.31           | \$62,058.46            | \$10,583.15                    | 20.6%                         | \$62,878.71            | \$820.25                       | 1.3%                          | \$72,941.71            | \$10,063.00                    | 16.0%                         | \$75,122.36            | \$2,180.65                     | 3.0%                          |
|                             | 38,000,000                    | \$97,789.31           | \$117,894.46           | \$20,105.15                    | 20.6%                         | \$119,452.71           | \$1,558.25                     | 1.3%                          | \$138,569.71           | \$19,117.00                    | 16.0%                         | \$142,712.36           | \$4,142.65                     | 3.0%                          |
|                             | 50,000,000                    | \$128,665.31          | \$155,118.46           | \$26,453.15                    | 20.6%                         | \$157,168.71           | \$2,050.25                     | 1.3%                          | \$182,321.71           | \$25,153.00                    | 16.0%                         | \$187,772.36           | \$5,450.65                     | 3.0%                          |
|                             | 75,000,000                    | \$192,990.31          | \$232,668.46           | \$39,678.15                    | 20.6%                         | \$235,743.71           | \$3,075.25                     | 1.3%                          | \$273,471.71           | \$37,728.00                    | 16.0%                         | \$281,647.36           | \$8,175.65                     | 3.0%                          |
|                             | 100,000,000                   | \$257,315.31          | \$310,218.46           | \$52,903.15                    | 20.6%                         | \$314,318.71           | \$4,100.25                     | 1.3%                          | \$364,621.71           | \$50,303.00                    | 16.0%                         | \$375,522.36           | \$10,900.65                    | 3.0%                          |
|                             | 150,000,000                   | \$385,965.31          | \$465,318.46           | \$79,353.15                    | 20.6%                         | \$471,468.71           | \$6,150.25                     | 1.3%                          | \$546,921.71           | \$75,453.00                    | 16.0%                         | \$563,272.36           | \$16,350.65                    | 3.0%                          |
| <b>Navy (Monthly)</b>       |                               |                       |                        |                                |                               |                        |                                |                               |                        |                                |                               |                        |                                |                               |
|                             | 500,000                       | \$1,629.31            | \$1,963.96             | \$334.65                       | 20.5%                         | \$1,989.71             | \$25.75                        | 1.3%                          | \$2,308.21             | \$318.50                       | 16.0%                         | \$2,376.86             | \$68.65                        | 3.0%                          |
|                             | 750,000                       | \$2,436.31            | \$2,936.71             | \$500.40                       | 20.5%                         | \$2,975.21             | \$38.50                        | 1.3%                          | \$3,451.46             | \$476.25                       | 16.0%                         | \$3,554.11             | \$102.65                       | 3.0%                          |
|                             | 2,800,000                     | \$9,053.71            | \$10,913.26            | \$1,859.55                     | 20.5%                         | \$11,056.31            | \$143.05                       | 1.3%                          | \$12,826.11            | \$1,769.80                     | 16.0%                         | \$13,207.56            | \$381.45                       | 3.0%                          |
|                             | 5,000,000                     | \$16,155.31           | \$19,473.46            | \$3,318.15                     | 20.5%                         | \$19,728.71            | \$255.25                       | 1.3%                          | \$22,886.71            | \$3,158.00                     | 16.0%                         | \$23,567.36            | \$680.65                       | 3.0%                          |
|                             | 7,500,000                     | \$24,225.31           | \$29,200.96            | \$4,975.65                     | 20.5%                         | \$29,583.71            | \$382.75                       | 1.3%                          | \$34,319.21            | \$4,735.50                     | 16.0%                         | \$35,339.86            | \$1,020.65                     | 3.0%                          |
|                             | 10,000,000                    | \$32,295.31           | \$38,928.46            | \$6,633.15                     | 20.5%                         | \$39,438.71            | \$510.25                       | 1.3%                          | \$45,751.71            | \$6,313.00                     | 16.0%                         | \$47,112.36            | \$1,360.65                     | 3.0%                          |

Docket No. 4243

City of Newport, Rhode Island  
 FY 2012 Rate Filing  
 Revenue Proof

CW Surrebuttal Sch. 10

| Existing                           | Proposed FY 2012                    | Proposed FY 2013                    | Proposed FY 2014                    | Proposed FY 2015                    |
|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Rate Year Revenue at Current Rates | Rate Year Revenue at Proposed Rates | Rate Year Revenue at Proposed Rates | Rate Year Revenue at Proposed Rates | Rate Year Revenue at Proposed Rates |

**Revenues**

|   |                       |                      |                      |                      |                      |
|---|-----------------------|----------------------|----------------------|----------------------|----------------------|
| Billing Charge  | \$ 985,995            | \$ 1,188,861         | \$ 1,204,961         | \$ 1,398,167         | \$ 1,440,029         |
| Water Commodity Charge  |                       |                      |                      |                      |                      |
| Retail  |                       |                      |                      |                      |                      |
| Residential   | \$ 3,461,831          | \$ 4,173,979         | \$ 4,233,325         | \$ 4,912,503         | \$ 5,064,164         |
| Commercial  | \$ 2,464,935          | \$ 2,972,007         | \$ 3,014,263         | \$ 3,497,860         | \$ 3,605,847         |
| Governmental  | \$ 129,860            | \$ 156,574           | \$ 158,801           | \$ 184,278           | \$ 189,967           |
| Subtotal Retail Commodity Revenue                                     | \$ 6,056,626          | \$ 7,302,561         | \$ 7,406,389         | \$ 8,594,641         | \$ 8,859,979         |
| Wholesale   |                       |                      |                      |                      |                      |
| Navy  | \$ 577,718            | \$ 696,376           | \$ 705,503           | \$ 818,434           | \$ 842,774           |
| Portsmouth  | \$ 1,102,579          | \$ 1,329,265         | \$ 1,346,834         | \$ 1,562,379         | \$ 1,609,088         |
| Subtotal Wholesale Commodity Revenue                                  | \$ 1,680,297          | \$ 2,025,641         | \$ 2,052,337         | \$ 2,380,813         | \$ 2,451,861         |
| Total Commodity Charge Revenues                                       | \$ 7,736,923          | \$ 9,328,201         | \$ 9,458,726         | \$ 10,975,454        | \$ 11,311,840        |
| From Fire Protection  |                       |                      |                      |                      |                      |
| Public Fire Protection Revenue  | \$ 899,415            | \$ 1,084,680         | \$ 1,099,170         | \$ 1,275,120         | \$ 1,313,415         |
| Private Fire Protection Revenue                                       | \$ 380,422            | \$ 458,712           | \$ 465,109           | \$ 539,596           | \$ 555,886           |
| Total Fire Protection Revenues  | \$ 1,279,837          | \$ 1,543,392         | \$ 1,564,279         | \$ 1,814,716         | \$ 1,869,301         |
| Other Revenue   | \$ 734,861            | \$ 734,861           | \$ 734,861           | \$ 734,861           | \$ 734,861           |
| <b>Total Revenues</b>   | <b>\$ 10,737,615</b>  | <b>\$ 12,795,315</b> | <b>\$ 12,962,827</b> | <b>\$ 14,923,198</b> | <b>\$ 15,356,031</b> |
| <b>Total Revenue Requirements</b>                                     |                       |                      |                      |                      |                      |
| Operating   | \$ 8,450,588          | \$ 8,450,588         | \$ 8,450,588         | \$ 8,450,588         | \$ 8,450,588         |
| Capital   | \$ 4,089,369          | \$ 4,089,369         | \$ 4,249,882         | \$ 6,214,799         | \$ 6,642,529         |
| Less: Water Quality Protection Funds                                  |                       |                      |                      |                      |                      |
| Subtotal Revenue Requirements   | \$ 12,539,956         | \$ 12,539,956        | \$ 12,700,470        | \$ 14,665,387        | \$ 15,093,117        |
| Additional Rev Req.   | \$ 253,518            | \$ 253,518           | \$ 253,518           | \$ 253,518           | \$ 253,518           |
| <b>Total Revenue Requirements</b>                                     | <b>\$ 12,793,474</b>  | <b>\$ 12,793,474</b> | <b>\$ 12,953,988</b> | <b>\$ 14,918,904</b> | <b>\$ 15,346,634</b> |
| <b>Surplus/(Deficit) of Revenues to be Recovered from All Charges</b> |                       |                      |                      |                      |                      |
| Total Revenue Requirements  | \$ 12,793,474         | \$ 12,793,474        | \$ 12,953,988        | \$ 14,918,904        | \$ 15,346,634        |
| Other Revenue   | \$ (734,861)          | \$ (734,861)         | \$ (734,861)         | \$ (734,861)         | \$ (734,861)         |
| Net Revenue Requirements  | \$ 12,058,613         | \$ 12,058,613        | \$ 12,219,127        | \$ 14,184,044        | \$ 14,611,774        |
| Total Revenue from Rates and Charges                                  | \$ 10,002,754         | \$ 12,060,454        | \$ 12,227,966        | \$ 14,188,337        | \$ 14,621,170        |
| <b>Revenue Surplus/(Deficit)</b>                                      | <b>\$ (2,055,859)</b> | <b>\$ 1,841</b>      | <b>\$ 8,840</b>      | <b>\$ 4,294</b>      | <b>\$ 9,397</b>      |

City of Newport, Rhode Island  
 FY 2012 Rate Filing  
 Restricted Accounts Balances

CW Surrebuttal Sch. 11

|   | Rate Year    |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|
|   | 2011         | 2012         | 2013         | 2014         | 2015         |
| <b>Debt Service Account</b>                     |              |              |              |              |              |
|   |              |              | Error        |              | Error        |
| <b>Beginning Cash Balance</b>                   | \$ 1,394,463 | \$ 1,989,949 | \$ 2,013,640 | \$ 2,041,665 | \$ 2,070,052 |
| <u>Additions</u>                                |              |              |              |              |              |
| From Rates                                      | 2,010,823    | \$1,589,369  | \$1,749,882  | \$3,714,799  | \$4,142,529  |
| From Capital Restricted Acct.                   | -            | -            | -            | -            | -            |
| Interest Income                                 | 164          | 23,691       | 28,025       | 28,387       | 28,782       |
| <b>Total Additions</b>                          | \$ 2,010,987 | \$ 1,613,059 | \$ 1,777,907 | \$ 3,743,186 | \$ 4,171,311 |
| <b>Interest Rate</b>                            |              | 1.4%         | 1.4%         | 1.4%         | 1.4%         |
| <u>Deductions</u>                               |              |              |              |              |              |
| Existing Revenue Bond Debt Service              | 642,596      | 571,079      | 388,755      | -            | -            |
| To Capital Restricted Acct.                     | -            | -            | -            | -            | -            |
| Existing SRF Debt Service                       | 772,905      | 817,966      | 817,365      | 816,710      | 817,802      |
| Proposed SRF Debt Service                       | -            | 200,323      | 543,762      | 2,898,089    | 3,324,726    |
| <b>Total Deductions</b>                         | \$ 1,415,501 | \$ 1,589,369 | \$ 1,749,882 | \$ 3,714,799 | \$ 4,142,529 |
| <b>Ending Cash Balance</b>                      | \$ 1,989,949 | \$ 2,013,640 | \$ 2,041,665 | \$ 2,070,052 | \$ 2,098,834 |
| <b>Capital Spending Account</b>                 |              |              |              |              |              |
| <b>Beginning Cash Balance</b>                   | \$ 1,879,557 | \$ 2,141,183 | \$ 3,311,718 | \$ (804,746) | \$ 426,903   |
| <u>Additions</u>                                |              |              |              |              |              |
| From Rates                                      | 1,146,918    | 2,500,000    | 2,500,000    | 2,500,000    | 2,500,000    |
| From DS Restricted Acct.                        | -            | -            | -            | -            | -            |
| From Quarterly Billing Revenue Account          | -            | -            | -            | -            | -            |
| From Repayment from RICWFA                      | 792,950      | -            | -            | -            | -            |
| Interest income                                 | 2,322        | 28,145       | 38,170       | 17,549       | (2,645)      |
| <b>Total Additions</b>                          | \$ 1,942,190 | \$ 2,528,145 | \$ 2,538,170 | \$ 2,517,549 | \$ 2,497,355 |
| <b>Interest Rate</b>                            |              | 1.4%         | 1.4%         | 1.4%         | 1.4%         |
| <u>Deductions</u>                               |              |              |              |              |              |
| To Debt Service Restricted Acct.                | -            | -            | -            | -            | -            |
| Capital Outlays                                 | 1,680,564    | 1,357,610    | 6,654,634    | 1,285,900    | 3,753,400    |
| <b>Total Deductions</b>                         | \$ 1,680,564 | \$ 1,357,610 | \$ 6,654,634 | \$ 1,285,900 | \$ 3,753,400 |
| <b>Ending Cash Balance</b>                      | \$ 2,141,183 | \$ 3,311,718 | \$ (804,746) | \$ 426,903   | \$ (829,142) |
| <b>Chemical Allowance Account</b>               |              |              |              |              |              |
| <b>Beginning Cash Balance</b>                   | \$ 13,764    | \$ 442       | \$ 541       | \$ 548       | \$ 555       |
| <u>Additions</u>                                |              |              |              |              |              |
| From Water Rates                                |              |              |              |              |              |
| 335 Contribution to Chemical Restricted Account | 669,000      | 592,119      | 592,119      | 592,119      | 592,119      |
| Interest Income                                 | 193          | 99           | 7            | 8            | 8            |
| <b>Total Additions</b>                          | \$ 669,193   | \$ 592,218   | \$ 592,126   | \$ 592,126   | \$ 592,127   |
| <b>Interest Rate</b>                            | 1.4%         | 1.4%         | 1.4%         | 1.4%         | 1.4%         |
| <u>Deductions</u>                               |              |              |              |              |              |
| 335 Chemicals                                   | 682,515      | 592,119      | 592,119      | 592,119      | 592,119      |
| <b>Total Deductions</b>                         | \$ 682,515   | \$ 592,119   | \$ 592,119   | \$ 592,119   | \$ 592,119   |
| <b>Ending Cash Balance</b>                      | \$ 442       | \$ 541       | \$ 548       | \$ 555       | \$ 563       |



City of Newport, Rhode Island  
 FY 2012 Rate Filing  
 Restricted Accounts Balances

CW Surrebuttal Sch. 11

|  | Rate Year  |            |            |            |            |
|--|------------|------------|------------|------------|------------|
|  | 2011       | 2012       | 2013       | 2014       | 2015       |
| <b>Electricity Account</b>                     |            |            |            |            |            |
| <b>Beginning Cash Balance</b>                  | \$ 163,900 | \$ 174,905 | \$ 177,277 | \$ 179,742 | \$ 182,241 |
| <u>Additions</u>                               |            |            |            |            |            |
| From Water Rates                               |            |            |            |            |            |
| 254 Contribution to Electricity Account        | 582,400    | 611,528    | 611,528    | 611,528    | 611,528    |
| Interest Income                                | 2,295      | 2,372      | 2,465      | 2,499      | 2,534      |
| <b>Total Additions</b>                         | \$ 584,695 | \$ 613,900 | \$ 613,993 | \$ 614,027 | \$ 614,062 |
| <b>Interest Rate</b>                           | 1.4%       | 1.4%       | 1.4%       | 1.4%       | 1.4%       |
| <u>Deductions</u>                              |            |            |            |            |            |
| 254 Electricity                                | 573,689    | 611,528    | 611,528    | 611,528    | 611,528    |
| <b>Total Deductions</b>                        | \$ 573,689 | \$ 611,528 | \$ 611,528 | \$ 611,528 | \$ 611,528 |
| <b>Ending Cash Balance</b>                     | \$ 174,905 | \$ 177,277 | \$ 179,742 | \$ 182,241 | \$ 184,775 |
| <b>Retiree Insurance</b>                       |            |            |            |            |            |
| <b>Beginning Cash Balance</b>                  | \$ 29,804  | \$ 52,570  | \$ 53,311  | \$ 54,063  | \$ 54,825  |
| <u>Additions</u>                               |            |            |            |            |            |
| From Water Rates                               |            |            |            |            |            |
| 254 Contribution to Retiree Insurance Account  | 347,200    | 514,000    | 514,000    | 514,000    | 514,000    |
| Contribution from Newport Water Cash Account   |            |            |            |            |            |
| Interest Income                                | 417        | 741        | 752        | 762        | 773        |
| <b>Total Additions</b>                         | \$ 347,617 | \$ 514,741 | \$ 514,752 | \$ 514,762 | \$ 514,773 |
| <b>Interest Rate</b>                           | 1.4%       | 1.4%       | 1.4%       | 1.4%       | 1.4%       |
| <u>Deductions</u>                              |            |            |            |            |            |
| 254 Retiree Insurance                          | 324,849    | 514,000    | 514,000    | 514,000    | 514,000    |
| <b>Total Deductions</b>                        | \$ 324,849 | \$ 514,000 | \$ 514,000 | \$ 514,000 | \$ 514,000 |
| <b>Ending Cash Balance</b>                     | \$ 52,570  | \$ 53,311  | \$ 54,063  | \$ 54,825  | \$ 55,598  |
| <b>Accrued Benefit Buyout</b>                  |            |            |            |            |            |
| <b>Beginning Cash Balance</b>                  | \$ 58,799  | \$ 59,622  | \$ 60,463  | \$ 61,315  | \$ 62,180  |
| <u>Additions</u>                               |            |            |            |            |            |
| From Water Rates                               |            |            |            |            |            |
| Contribution to Accrued Benefit Buyout Account | 175,000    | 175,000    | 175,000    | 175,000    | 175,000    |
| Contribution from Newport Water Cash Account   |            |            |            |            |            |
| Interest Income                                | 823        | 841        | 852        | 864        | 877        |
| <b>Total Additions</b>                         | \$ 175,823 | \$ 175,841 | \$ 175,852 | \$ 175,864 | \$ 175,877 |
| <b>Interest Rate</b>                           | 1.4%       | 1.4%       | 1.4%       | 1.4%       | 1.4%       |
| <u>Deductions</u>                              |            |            |            |            |            |
| Accrued Benefit Buyout                         | 175,000    | 175,000    | 175,000    | 175,000    | 175,000    |
| <b>Total Deductions</b>                        | 175,000    | 175,000    | 175,000    | 175,000    | 175,000    |
| <b>Ending Cash Balance</b>                     | \$ 59,622  | \$ 60,463  | \$ 61,315  | \$ 62,180  | \$ 63,057  |

City of Newport, Rhode Island  
 FY 2012 Rate Filing  
 Restricted Accounts Balances

CW Surrebuttal Sch. 11

|   | Rate Year  |            |            |              |              |
|---|------------|------------|------------|--------------|--------------|
|   | 2011       | 2012       | 2013       | 2014         | 2015         |
| <b>Salary and Wage Increase Account</b>             |            |            |            |              |              |
| <b>Beginning Cash Balance</b>                       | \$ 91,328  | \$ 181,710 | \$ 184,272 | \$ 186,870   | \$ 189,505   |
| <u>Additions</u>                                    |            |            |            |              |              |
| From Water Rates                                    |            |            |            |              |              |
| Contribution to Salary and Wage Increase Account    | 88,471     | -          | -          | -            | -            |
| Interest Income                                     | 1,911      | 2,562      | 2,598      | 2,635        | 2,672        |
| <b>Total Additions</b>                              | \$ 90,382  | \$ 2,562   | \$ 2,598   | \$ 2,635     | \$ 2,672     |
| <b>Interest Rate</b>                                | 1.4%       | 1.4%       | 1.4%       | 1.4%         | 1.4%         |
| <u>Deductions</u>                                   |            |            |            |              |              |
| Withdrawals to Cover Salary and Wage Increases      |            |            |            |              |              |
| <b>Total Deductions</b>                             | \$ -       | \$ -       | \$ -       | \$ -         | \$ -         |
| <b>Ending Cash Balance</b>                          | \$ 181,710 | \$ 184,272 | \$ 186,870 | \$ 189,505   | \$ 192,176   |
| <b>Operating Revenue Allowance</b>                  |            |            |            |              |              |
| <b>Beginning Cash Balance</b>                       | \$ 122,032 | \$ 366,699 | \$ 622,784 | \$ 880,661   | \$ 1,140,343 |
| <u>Additions</u>                                    |            |            |            |              |              |
| From Water Rates                                    |            |            |            |              |              |
| Contribution to Operating Revenue Allowance Account | 243,813    | 253,518    | 253,518    | 253,518      | 253,518      |
| Interest Income                                     | 854        | 2,567      | 4,359      | 6,165        | 7,982        |
| <b>Total Additions</b>                              | \$ 244,667 | \$ 256,085 | \$ 257,877 | \$ 259,682   | \$ 261,500   |
| <b>Interest Rate</b>                                | 1.4%       | 1.4%       | 1.4%       | 1.4%         | 1.4%         |
| <u>Deductions</u>                                   |            |            |            |              |              |
| Approved Withdrawals                                |            |            |            |              |              |
| <b>Total Deductions</b>                             | \$ -       | \$ -       | \$ -       | \$ -         | \$ -         |
| <b>Ending Cash Balance</b>                          | \$ 366,699 | \$ 622,784 | \$ 880,661 | \$ 1,140,343 | \$ 1,401,843 |

City of Newport, Rhode Island  
 FY 2012 Rate Filing  
 Water Bills and Consumption  
 Updated per Div DR #3

CW Surrebuttal Sch. A

|                                     | FY 2008          | FY 2009          | FY 2010          | FY 2011          | FY 2012<br>Rate Year<br>(3yr avg) | Docket No.<br>4025 |
|-------------------------------------|------------------|------------------|------------------|------------------|-----------------------------------|--------------------|
| <b>Annual Consumption, by Class</b> |                  |                  |                  |                  |                                   |                    |
| Residential                         | 780,264          | 690,544          | 646,679          | 640,966          | <b>659,396</b>                    | 753,416            |
| Commercial                          | 481,398          | 494,616          | 431,782          | 482,136          | <b>469,511</b>                    | 462,927            |
| Governmental                        | 23,616           | 24,905           | 23,199           | 26,102           | <b>24,735</b>                     | 24,057             |
| Navy                                | 247,728          | 225,392          | 173,790          | 137,731          | <b>178,971</b>                    | 278,289            |
| PWFD                                | 473,338          | 444,777          | 412,324          | 428,455          | <b>428,519</b>                    | 451,640            |
| <b>Total (in 1000's Gallons)</b>    | <b>2,006,344</b> | <b>1,880,234</b> | <b>1,687,775</b> | <b>1,715,390</b> | <b>1,761,133</b>                  | <b>1,970,329</b>   |

| Connection<br>Size | Retail Accounts |              | Wholesale |            |
|--------------------|-----------------|--------------|-----------|------------|
|                    | Commercial      | Residential  | Navy      | Portsmouth |
| 5/8                | 682             | 10073        |           |            |
| 3/4                | 223             | 2219         | 1         |            |
| 1                  | 182             | 363          |           |            |
| 1.5                | 169             | 179          |           |            |
| 2                  | 187             | 75           |           |            |
| 3                  | 54              | 21           |           |            |
| 4                  | 13              | 2            |           | 1          |
| 5                  | 1               | 0            |           |            |
| 6                  | 12              | 2            | 10        |            |
| 8                  |                 | 2            |           |            |
| 10                 |                 |              | 1         |            |
| <b>Total</b>       | <b>1523</b>     | <b>12936</b> | <b>12</b> | <b>1</b>   |

|                  |        |
|------------------|--------|
| Billed Monthly   | 780    |
| Billed Quarterly | 13,668 |
| Billed Annually  | 370    |

**Total Bills 64,402**

|  | Connection History |                 |                 |              |              | Rate Year<br>FY 2012 |                          |
|--|--------------------|-----------------|-----------------|--------------|--------------|----------------------|--------------------------|
|  | Connection<br>Size | June 30<br>2005 | June 30<br>2006 | June 30 2007 | June 30 2008 | June 30 2011         | Number of<br>Connections |
| <b>Public Hydrants</b>                           |                    |                 |                 |              |              |                      |                          |
| Newport  | 6                  | 580             | 580             | 588          | 583          | 618                  | 618                      |
| Middletown                                       | 6                  | 394             | 394             | 408          | 408          | 408                  | 408                      |
| Portsmouth                                       | 6                  | 8               | 8               | 8            | 8            | 9                    | 9                        |
| <b>Subtotal: Public Hydrants</b>                 |                    | <b>982</b>      | <b>982</b>      | <b>1004</b>  | <b>999</b>   | <b>1035</b>          | <b>1035</b>              |
| <b>Private Fire Connections</b>                  |                    |                 |                 |              |              |                      |                          |
| <2   |                    | 0               | 0               | 0            | 0            |                      | 0                        |
| 2  |                    | 0               | 0               | 1            | 1            | 4                    | 4                        |
| 4  |                    | 55              | 55              | 55           | 57           | 62                   | 62                       |
| 6  |                    | 234             | 234             | 238          | 246          | 245                  | 245                      |
| 8  |                    | 62              | 62              | 60           | 62           | 62                   | 62                       |
| 10   |                    | 0               | 0               | 0            | 0            | 0                    | 0                        |
| 12   |                    | 2               | 2               | 2            | 2            | 2                    | 2                        |
| <b>Subtotal: Private Fire Connections</b>        |                    | <b>353</b>      | <b>353</b>      | <b>356</b>   | <b>368</b>   | <b>375</b>           | <b>375</b>               |
| <b>Total Public and Private Fire Connections</b> |                    | <b>1,335</b>    | <b>1,335</b>    | <b>1,360</b> | <b>1,367</b> | <b>1,410</b>         | <b>1,410</b>             |

Docket No. 4243

Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Administration  
 15-500-2200

CW Surrebuttal Sch. B-1

| Account | Description   | Docket 4025         | Actual FY 2010 | Projected FY 2011 | Proposed FY 2012 |
|---------|---|---------------------|----------------|-------------------|------------------|
| 50001   | Salaries & Wages  |                     |                |                   |                  |
|         | Director of Utilities - 60% S12-H                                       | \$ 60,298           | \$ 59,620      | \$ 59,620         | \$ 63,851        |
|         | Aministrative Secretary - 60 NO1-12                                     | \$ 28,486           | \$ 26,945      | \$ 26,945         | \$ 27,753        |
|         | Deputy Director - Finance - S10-I                                       |                     |                | \$ 39,533         | \$ 58,372        |
|         | Deputy Director - Finance - S10-E                                       | \$ 52,865           | \$ 48,600      | \$ 9,499          |                  |
|         | Deputy Director - Engineerir S10-G                                      | \$ 55,294           | \$ 51,868      | \$ 51,868         | \$ 55,027        |
|         | Financial Analyst NO2-17  | \$ 67,594           | \$ 66,880      | \$ 66,880         | \$ 68,886        |
|         | Total   | \$ 265,000          | \$ 253,913     | \$ 254,345        | \$ 273,889       |
| 50044   | Standby Salaries  | \$ 12,500           | \$ 12,480      | \$ 12,480         | \$ 12,500        |
| 50520   | Accrued Benefits Buyout   | \$ 175,000          | \$ 175,000     | \$ 175,000        | \$ 175,000       |
| 50100   | Employee Benefits   |                     |                |                   |                  |
|         | Director of Utilities - 60%   | \$ 13,164           | \$ 13,113      | \$ 13,150         | \$ 15,422        |
|         | Aministrative Secretary - 60%   | \$ 15,953           | \$ 16,038      | \$ 17,393         | \$ 18,338        |
|         | Deputy Director - Finance - 60%   | \$ 23,286           | \$ 20,861      | \$ 18,536         | \$ 18,920        |
|         | Deputy Director - Engineering - 60%                                     | \$ 23,767           | \$ 21,311      | \$ 22,969         | \$ 24,947        |
|         | Financial Analyst   | \$ 23,063           | \$ 21,596      | \$ 22,227         | \$ 36,048        |
|         | Benefits on standby salaries, buyouts and annual lea                    | \$ 1,140            | \$ 8,134       | \$ 14,526         | \$ 14,527        |
|         | Total   | \$ 96,500           | \$ 101,052     | \$ 108,801        | \$ 128,203       |
| 50103   | Retiree Insurance Coverage  | \$ 347,200          | \$ 324,849     | \$ 398,000        | \$ 514,000       |
|         | Blue Cross premiums increased 15.6% from 2010 to 2011                   |                     |                |                   |                  |
|         | July 2010 premiums \$31,759/month = \$381,106 plus                      |                     |                |                   |                  |
|         | 2 mid year retirees at \$8,500 each in 2011                             |                     |                |                   |                  |
|         | 5% premium increase plus 4 additional retirees at \$18,500 each in 2012 |                     |                |                   |                  |
| 50105   | Workers Compensation  | \$ 114,000          | \$ 67,174      | \$ 69,000         | \$ 85,000        |
|         | FY 2008 \$87,455, FY 2009 \$64,722                                      |                     |                |                   |                  |
|         | increase 3% per year  |                     |                |                   |                  |
| 50175   | Annual Leave Buyback  | 1 employee \$ 2,400 | \$ 1,378       | \$ 2,400          | \$ 2,400         |
| 50207   | Advertisement   | \$ 9,000            | \$ 780         | \$ 9,000          | \$ 9,000         |

Docket No. 4243

Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Administration  
 15-500-2200

CW Surrebuttal Sch. B-1

|                                       |                        |            |            |            |  |
|---------------------------------------|------------------------|------------|------------|------------|--|
| 50210 Membership Dues & Subscriptions |                        |            |            |            |  |
| Utilities Director                    | \$ 408                 | \$ 274     | \$ 408     | \$ 408     |  |
| Laboratory Supervisor                 | \$ 245                 | \$ 40      | \$ 266     | \$ 266     |  |
| Supervisor treatment plants           | \$ 356                 | \$ 40      | \$ 266     | \$ 266     |  |
| Distribution Supervisor               | \$ 245                 | \$ 271     | \$ 266     | \$ 266     |  |
| Deputy Director - Finance             | \$ 510                 | \$ 40      | \$ 418     | \$ 418     |  |
| Deputy Director - Engineering         | \$ 365                 | \$ 271     | \$ 344     | \$ 344     |  |
| Water Meter Foreman                   | \$ 313                 | \$ 40      | \$ 266     | \$ 266     |  |
| Financial Analyst                     |                        | \$ 40      | \$ 266     | \$ 266     |  |
| Other                                 |                        | \$ 340     |            | \$ -       |  |
| Total                                 | \$ 2,500               | \$ 1,356   | \$ 2,500   | \$ 2,500   |  |
| 50212 Conferences & Training          | \$ 2,500               | \$ 160     | \$ 2,500   | \$ 4,000   |  |
| 50214 Tuition Reimbursement           | \$ 2,000               | \$ 1,882   | \$ 2,000   | \$ 2,000   |  |
| 50216 Water Management Study          |                        | \$ 58,443  |            |            |  |
| 50220 Consultant Fees                 |                        |            |            |            |  |
| Legal Fees                            | \$ 116,500             | \$ 77,035  | \$ 125,000 | \$ 81,750  |  |
| Financial Consultant                  | \$ 25,000              | \$ 53,977  | \$ 128,380 | \$ 81,750  |  |
| Risk Management Study                 | \$ 10,000              | \$ 5,060   |            |            |  |
| Other Fees                            | \$ 50,000              |            | \$ 40,000  | \$ 34,500  |  |
| RIPUC                                 |                        | \$ 61,333  |            |            |  |
| Bond Advisor                          |                        | \$ 7,500   | \$ 10,000  | \$ 10,000  |  |
| Code Red                              |                        |            |            | \$ 3,000   |  |
| Total                                 | \$ 201,500             | \$ 204,905 | \$ 303,380 | \$ 211,000 |  |
| 50238 Postage                         | \$ 1,000               | \$ 254     | \$ 1,000   | \$ 1,000   |  |
| 50239 Fire & Liability Insurance      | \$ 86,000              | \$ 71,862  | \$ 75,635  | \$ 76,468  |  |
| 2% increase per year                  |                        |            |            |            |  |
| 50251 Telephone & Communication       |                        |            |            |            |  |
| Arch Wireless                         | 5 Pagers \$ 300        | \$ 381     | \$ 408     | \$ 500     |  |
| Cell Phones                           | 9 lines in F\ \$ 8,000 | \$ 4,262   | \$ 4,653   | \$ 5,000   |  |
| Total                                 | \$ 8,300               | \$ 4,644   | \$ 5,100   | \$ 5,500   |  |

Docket No. 4243

Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Administration  
 15-500-2200  
 50305 Water

CW Surrebuttal Sch. B-1

|                |    |        |           |           |           |
|----------------|----|--------|-----------|-----------|-----------|
| Gallons        |    | 53,000 | 78,887    | 75,000    | 75,000    |
| water rate     | \$ | 4,5400 | \$ 5,2500 | \$ 5,2500 | \$ 5,2500 |
| water charge   | \$ | 241    | \$ 414    | \$ 394    | \$ 394    |
| billing charge | \$ | 159    | \$ 184    | \$ 184    | \$ 184    |
| sewer charge   | \$ | 337    | \$ 550    | \$ 764    | \$ 888    |
| WQP charge     | \$ | 15     | \$ 23     | \$ 22     | \$ 23     |
| CSO charge     | \$ | 272    | \$ 272    | \$ 496    | \$ 496    |
| total          | \$ | 1,050  | \$ 1,443  | \$ 1,900  | \$ 1,984  |

50306 Electricity  
 70 Halsey St.

3 yr avg

|  |    |         |            |            |            |            |
|--|----|---------|------------|------------|------------|------------|
| Kwh Annual usage                             |    | 36,558  | 48,000     | 33,494     | 37,000     | 37,000     |
| Base Electric rate                           | \$ | 0.09460 | \$ 0.09460 | \$ 0.09463 | \$ 0.09463 | \$ 0.09463 |
| Electric charge including gross receipts tax | \$ | 4,542   | \$ 3,305   | \$ 3,647   | \$ 3,647   | \$ 3,647   |
| taxes  | \$ | 150     | \$ 99      | \$ 86      | \$ 86      | \$ 86      |
| fixed charge                                 | \$ | 189     | \$ 80      | \$ 96      | \$ 96      | \$ 96      |
| delivery charges                             | \$ | 2,712   | \$ 1,939   | \$ 1,976   | \$ 1,976   | \$ 1,976   |
| total cost                                   | \$ | 8,000   | \$ 5,423   | \$ 6,000   | \$ 5,800   | \$ 5,800   |

50307 Natural Gas

3 yr avg

|                     |    |        |           |           |           |           |
|---------------------|----|--------|-----------|-----------|-----------|-----------|
| Therms Annual usage |    | 4763   | 5,000     | 4,317     | 5,000     | 5,000     |
| Therms Base Rate    | \$ | 1.1255 | \$ 1.0801 | \$ 1.0801 | \$ 1.0801 | \$ 1.0801 |
| Cost of Gas         | \$ | 5,628  | \$ 4,663  | \$ 5,401  | \$ 5,401  | \$ 5,401  |
| Fixed Charge        | \$ | 567    | \$ 265    | \$ 223    | \$ 223    | \$ 223    |
| Other charges       | \$ | 1,449  | \$ 1,218  | \$ 1,411  | \$ 1,411  | \$ 1,411  |
| Gross earnings Tax  | \$ | 236    | \$ 190    | \$ 217    | \$ 217    | \$ 217    |
| Total Cost          | \$ | 8,000  | \$ 6,336  | \$ 7,252  | \$ 7,252  | \$ 7,252  |

50308 Property Taxes

|                |            |            |           |           |           |
|----------------|------------|------------|-----------|-----------|-----------|
| Portsmouth     | 7 parcels  | \$ 114,273 | \$ 81,064 | \$ 81,323 | \$ 92,654 |
| Tiverton       | 3 parcels  | \$ 24,313  | \$ 29,390 | \$ 31,438 | \$ 31,902 |
| Little Compton | 3 parcels  | \$ 11,012  | \$ 10,851 | \$ 12,530 | \$ 12,530 |
| Middletown     | 21 parcels | \$ 79,338  | \$ 86,230 | \$ 87,031 | \$ 89,688 |

|       |  |            |            |            |            |
|-------|--|------------|------------|------------|------------|
| Total |  | \$ 229,000 | \$ 207,535 | \$ 213,761 | \$ 226,774 |
|-------|--|------------|------------|------------|------------|

50266 Legal & Administrative \$ 301,400 \$ 301,400 \$ 301,400 \$ 304,551

50267 Data Processing \$ 137,000 \$ 137,000 \$ 137,000 \$ 137,465

Docket No. 4243

Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Administration  
 15-500-2200

|  |           |                  |           | CW Surrebuttal Sch. | B-1       |                     |
|--|-----------|------------------|-----------|---------------------|-----------|---------------------|
| 50268 Mileage Allowance  | \$        | 2,000            | \$        | 287                 | \$        | 2,000               |
| 50271 Gasoline & Vehicle Allowance   |           |                  |           |                     |           |                     |
|  |           |                  | 1 vehicle |                     |           |                     |
| Fuel - Gallons   |           | 448              |           | 169                 |           | 170                 |
| Fuel \$/Gallon   | \$        | 2,385            | \$        | 2,140               | \$        | 2,700               |
| Fuel Cost  | \$        | 1,068            | \$        | 362                 | \$        | 459                 |
| Parts/Labor  | \$        | 6,375            | \$        | 6,775               | \$        | 7,049               |
| Insurance * included in parts/labor FY 2010 and after                        | \$        | 1,037            | \$        | -                   | \$        | -                   |
| Total  | \$        | 8,480            | \$        | 7,137               | \$        | 7,508               |
| 50275 Repairs & Maintenance  |           |                  |           |                     |           |                     |
| Halsey St smoke Detector Service   | \$        | 800              | \$        | 440                 | \$        | 450                 |
| Other  | \$        | 300              | \$        | 135                 | \$        | 400                 |
| Heater Maintenance   | \$        | 100              | \$        | 3,015               | \$        | 350                 |
| total  | \$        | 1,200            | \$        | 3,590               | \$        | 1,200               |
| 50280 Regulatory Expense (Printing and mailing CCR and notices to customers) | \$        | 10,000           | \$        | 14,696              | \$        | 10,000              |
| 50281 Regulatory Assessment  |           |                  |           |                     |           |                     |
| RIWWA - Assessment   | \$        | 630              | \$        | 630                 | \$        | 630                 |
| RI Div of PUC - Assessment   | \$        | 29,138           | \$        | 22,185              | \$        | 25,059              |
| RI Dept of Health - License  | \$        | 16,302           | \$        | 21,707              | \$        | 21,707              |
| General Treasurer State of RI RIPDES Permit 00217                            | \$        | 700              | \$        | 700                 | \$        | 700                 |
| Total  | \$        | 46,770           | \$        | 45,221              | \$        | 48,096              |
| 50361 Office Supplies  | \$        | 30,000           | \$        | 15,756              | \$        | 20,000              |
| 50505 Self Insurance   | \$        | 10,000           | \$        | -                   | \$        | 10,000              |
| 50515 Unemployment Claims  | \$        | 12,000           | \$        | -                   | \$        | 12,000              |
| <b>Total</b>   | <b>\$</b> | <b>2,130,300</b> | <b>\$</b> | <b>2,025,955</b>    | <b>\$</b> | <b>2,199,823</b>    |
|  |           |                  |           |                     |           | <b>\$ 2,297,090</b> |

Docket No. 4243

Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Customer Service  
 15-500-2209

CW Surrebuttal Sch. B-2

| Account         | Description  | Docket<br>4025 | Actual<br>FY 2010 | Projected<br>FY 2011 | Proposed<br>FY 2012 |
|-----------------|--|----------------|-------------------|----------------------|---------------------|
| 50001           | Salaries & Wages   |                |                   |                      |                     |
|                 | Water Meter Repair UT2A  | \$40,934       | \$39,425          | \$34,647             | \$36,757            |
|                 | Water Meter Repair UT2C  | \$45,601       | \$36,757          | \$36,757             | \$38,996            |
|                 | Principal Account Clerk UC2X   | \$49,491       | \$49,491          | \$24,746             |                     |
|                 | Principal Account Clerk  |                |                   | \$17,324             | \$35,687            |
|                 | Water Meter Repair UT2X  | \$42,818       | \$41,865          | \$43,852             | \$46,483            |
|                 | Maintenance Mechanic UT3F  | \$48,879       | \$46,570          | \$43,255             | \$45,889            |
| Position to SSI | Sr. Maintenance Mechanic UT2A  | \$46,822       | \$0               | \$0                  | \$0                 |
|                 | Water Meter Foreman UT6D   | \$51,493       | \$49,870          | \$49,508             | \$52,523            |
|                 | Total  | \$326,100      | \$263,978         | \$250,088            | \$256,335           |
|                 | No change FY 2011, FY 2012 includes 3% COLA and step increases if applicable |                |                   |                      |                     |
| 50002           | Overtime   |                |                   |                      |                     |
|                 | hours  | 643            | 654               | 643                  | 300                 |
|                 | rate   | \$33           | \$ 33.83          | \$ 33.00             | \$ 33.99            |
|                 | total  | \$21,218       | \$22,127          | \$21,218             | \$10,200            |
| 50004           | Temp Salaries  | \$22,800       | \$22,917          | \$21,280             | \$10,200            |
| 50056           | Injury Pay   | \$0            | \$0               | \$0                  | \$0                 |
| 50100           | Employee Benefits  |                |                   |                      |                     |
|                 | Water Meter Repair UT2A  | \$16,410       | \$9,186           | \$26,827             | \$ 28,262           |
|                 | Water Meter Repair UT2C  | \$17,463       | \$15,055          | \$16,335             | \$ 17,408           |
|                 | Principal Account Clerk UC2X   | \$28,323       | \$27,381          | \$15,316             |                     |
|                 | Principal Account Clerk  |                |                   | \$3,718              | \$ 28,003           |
|                 | Water Meter Repair UT2X  | \$26,822       | \$26,055          | \$30,073             | \$ 30,619           |
|                 | Maintenance Mechanic UT3F  | \$28,185       | \$27,217          | \$28,423             | \$ 30,475           |
| Position to SSI | Sr. Maintenance Mechanic UT2A  | \$27,722       | \$0               | \$0                  | \$ -                |
|                 | Water Meter Foreman UT6D   | \$28,773       | \$27,959          | \$30,591             | \$ 32,083           |
|                 | Benefits for OT, Injury & Annual leave Buyback                               | \$4,005        | \$3,808           | \$3,664              | \$ 1,943            |
|                 | Total  | \$175,200      | \$136,661         | \$154,946            | \$168,793           |



Docket No. 4243

Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Customer Service  
 15-500-2209

CW Surrebuttal Sch. B-2

|  |          |          |          |          |
|--|----------|----------|----------|----------|
| 50175 Annual Leave B 2 employees           | \$4,950  | \$4,513  | \$5,400  | \$5,000  |
| 50205 Copying & binding                    | \$1,000  | \$550    | \$800    | \$500    |
| 50212 Conferences & Training               | \$5,000  | \$850    | \$5,000  | \$5,000  |
| 50225 Support Services                     |          |          |          |          |
| Printing & mailing (document technologies) | \$14,368 | \$13,278 | \$13,400 | \$13,802 |
| Opal Maintenance Contract                  | \$3,500  |          | \$5,500  | \$5,700  |
| Billing Consultant for Opal Reporting      | \$3,000  |          | \$3,000  | \$3,000  |
| Badger/orion service contract              |          |          | \$2,950  | \$3,500  |
| total                                      | \$21,000 | \$13,278 | \$24,850 | \$26,002 |
| 50238 Postage                              |          |          |          |          |
| Mailing Service                            | \$30,444 | \$29,622 | \$30,511 | \$31,426 |
| radio read mailings                        | \$3,528  |          | \$0      | \$0      |
| USPS                                       | \$250    | \$263    | \$271    | \$280    |
| total                                      | \$34,300 | \$29,886 | \$30,800 | \$31,706 |
| rate increase 3% per year                  |          |          |          |          |
| 50271 Gasoline & Vehicle Allowance         |          |          |          |          |
| 3 vehicles                                 |          |          |          |          |
| Fuel - Gallons                             | 2,355    | 1,828    | 1,828    | 1,828    |
| Fuel \$/Gallon                             | \$2.39   | \$2.14   | \$2.70   | \$2.70   |
| Fuel Cost                                  | \$5,616  | \$3,920  | \$4,936  | \$4,936  |
| Parts/Labor                                | \$19,126 | \$27,489 | \$28,485 | \$28,485 |
| Insurance * included in parts/labor        | \$3,110  | \$0      | \$0      | \$0      |
| Total                                      | \$27,852 | \$31,408 | \$33,421 | \$33,421 |
| 50275 Repairs & Maintenance                |          |          |          |          |
| Small Meters                               | \$23,415 |          | \$17,415 | \$11,000 |
| Large Meters                               | \$11,340 | \$12,133 | \$14,340 | \$20,700 |
| Meter Pits                                 | \$2,100  |          | \$2,100  | \$3,500  |
| Strainers                                  | \$1,995  |          | \$1,995  | \$2,300  |
| Customer repairs                           |          | \$5,879  | \$3,000  | \$0      |

Docket No. 4243

Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Customer Service  
 15-500-2209

CW Surrebuttal Sch. B-2

|  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|
| meter gun repair                             | \$2,625          | \$1,595          | \$2,625          | \$2,500          |
| total  | \$41,500         | \$19,606         | \$41,475         | \$40,000         |
| 50299 Meter Maintenance                      |                  |                  |                  |                  |
| Appurtenant piping, tail pieces,ss fasteners | \$7,200          | \$6,536          | \$7,200          | \$4,300          |
| Annual Calibration of Navy meters            | \$1,700          | \$900            | \$1,700          | \$1,700          |
| reducing flanges                             | \$2,100          | \$747            | \$2,100          | \$4,000          |
| total  | \$11,000         | \$8,183          | \$11,000         | \$10,000         |
| 50311 Operating Supplies                     |                  |                  |                  |                  |
| Repair External meter devices                | \$2,500          |                  | \$2,500          | \$2,500          |
| new tool & misc costs                        | \$2,500          | \$1,604          | \$2,500          | \$2,500          |
| gas detectors                                | \$2,000          |                  | \$0              | \$0              |
| confined space entry equipment               | \$2,000          |                  | \$2,000          | \$0              |
| Total  | \$9,000          | \$1,604          | \$7,000          | \$5,000          |
| 50320 Uniforms & protective Gear             | \$1,000          | \$28             | \$1,000          | \$1,000          |
| 50380 Customer Service Supplies              | \$15,000         | \$0              | \$5,000          | \$10,000         |
| <b>Total</b>                                 | <b>\$716,920</b> | <b>\$555,590</b> | <b>\$613,278</b> | <b>\$613,157</b> |

Docket No. 4243

Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Source of Supply - Island  
 15-500-2212

CW Surrebuttal Sch. B-3

| Account n   | Description  |       | Docket 4025 | Actual FY 2010 | Projected FY 2011 | Proposed FY 2012 |
|-------------|--|-------|-------------|----------------|-------------------|------------------|
| 50001       | Salaries & Wages   |       |             |                |                   |                  |
|             | Supervisor Water Dist/Coll 50%   | N5G   | \$ 39,526   | \$ 33,639      | \$ 31,715         | \$ 33,647        |
| position tr | Position from Distribution/Collection Foreman                                | UT5D  |             | \$ 48,964      | \$ 49,043         | \$ 52,029        |
|             | Distribution/Collection Mechanic   | UT4   | \$ 51,003   | \$ 46,672      | \$ 45,758         | \$ 49,546        |
|             | Distribution/Collection Operator   | UT3D  | \$ 42,945   | \$ 40,772      | \$ 40,772         | \$ 41,995        |
|             | Distribution/Collection Operator   | UT3C  | \$ 44,560   | \$ 41,763      | \$ 41,763         | \$ 44,409        |
|             | Distribution/Collection Operator   | UT3B  | \$ 48,085   | \$ 11,384      | \$ 37,312         | \$ 39,584        |
|             | Laborer  | UT2A  | \$ 37,840   | \$ 34,647      | \$ 34,647         | \$ 36,757        |
|             | adjustment for vacancies   |       | \$ (47,121) |                |                   | \$ (36,757)      |
|             | Total  |       | \$ 216,900  | \$ 257,841     | \$ 281,010        | \$ 261,210       |
|             | No change FY 2011, FY 2012 includes 3% COLA and step increases if applicable |       |             |                |                   |                  |
| 50002       | Overtime   |       |             |                |                   |                  |
|             |  | hours | 871         | 395            | 871               | 871              |
|             |  | rate  | \$ 32.37    | \$ 32.22       | \$ 32.22          | \$ 33.18         |
|             |  | total | \$ 28,200   | \$ 12,726      | \$ 28,062         | \$ 28,903        |
| 50004       | Temp Salar plan 19 weeks @\$12/hour<br>actual 10 weeks in FY 2010            |       | \$ 10,000   | \$ 4,896       | \$ 10,000         | \$ 10,000        |
| 50056       | Injury Pay   |       | \$ -        | \$ -           | \$ -              | \$ -             |

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Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Source of Supply - Island  
 15-500-2212

CW Surrebuttal Sch. B-3

50100 Employee Benefits

|  |    |          |    |         |    |         |    |          |
|--|----|----------|----|---------|----|---------|----|----------|
| Supervisor Water Dist/Coll 50%               | \$ | 17,432   | \$ | 19,944  | \$ | 15,186  | \$ | 17,831   |
| Distribution/Collection Foreman              | \$ | 28,663   | \$ | 28,282  | \$ | 30,816  | \$ | 31,963   |
| Distribution/Collection Mechanic             |    |          | \$ | 11,881  | \$ | 11,616  | \$ | 12,992   |
| Distribution/Collection Operator             | \$ | 26,850   | \$ | 16,129  | \$ | 16,987  | \$ | 18,134   |
| Distribution/Collection Operator             | \$ | 27,213   | \$ | 25,860  | \$ | 29,164  | \$ | 30,117   |
| Distribution/Collection Operator             | \$ | 18,024   |    |         | \$ | 16,001  | \$ | 17,550   |
| Laborer                                      | \$ | 15,711   | \$ | 24,547  | \$ | 27,046  | \$ | 28,262   |
| Benefits for OT, Temp & Annual leave Buyback | \$ | 3,373    | \$ | 375     | \$ | 3,394   | \$ | 3,465    |
| Adjustment for vacancies                     | \$ | (26,005) |    |         |    |         | \$ | (28,262) |
| Total  | \$ | 111,296  | \$ | 127,018 | \$ | 150,210 | \$ | 132,052  |

|                            |             |    |       |    |       |    |       |    |       |
|----------------------------|-------------|----|-------|----|-------|----|-------|----|-------|
| 50175 Annual Leave Buyback | 4 employees | \$ | 6,300 | \$ | 5,894 | \$ | 6,300 | \$ | 6,300 |
|----------------------------|-------------|----|-------|----|-------|----|-------|----|-------|

50306 Contribution to Electricity Restricted Account  
 St Mary's & Paradise Pumping Stations

3 yr Avg

|                           |        |          |        |         |         |         |        |
|---------------------------|--------|----------|--------|---------|---------|---------|--------|
| Annual KWH Usage          | 185743 | 238,000  |        | 103,470 | 238,000 | 238,000 |        |
| KWH Base rate             |        | \$0.0946 | \$     | 0.0986  | \$      | 0.0986  |        |
| cost of Supply (incl GRT) |        | \$       | 22,522 | \$      | 10,199  | \$      | 24,438 |
| taxes                     |        | \$       | 939    | \$      | 329     | \$      | 707    |
| fixed charge              |        | \$       | 1,313  | \$      | 1,399   | \$      | 1,596  |
| delivery charge           |        | \$       | 9,270  | \$      | 6,681   | \$      | 15,368 |
| total cost                |        | \$       | 34,100 | \$      | 18,608  | \$      | 42,108 |

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Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Source of Supply - Island  
 15-500-2212

CW Surrebuttal Sch. B-3

|   |            |           |    |        |           |           |
|---|------------|-----------|----|--------|-----------|-----------|
| 50271 Gas/Vehicle Maintenance                           | 5 vehicles |           |    |        |           |           |
| diesel gallons  |            | 556       |    | 449    | 449       | 449       |
| cost/gallon   |            | \$ 3.0325 | \$ | 2.4650 | \$ 3.2500 | \$ 3.2500 |
| diesel cost   |            | \$ 1,687  | \$ | 1,106  | \$ 1,458  | \$ 1,458  |
| gasoline gallons  |            | 2,346     |    | 2,424  | 2,424     | 2,424     |
| cost/gallon   |            | \$ 2.3850 | \$ | 2.1402 | \$ 2.7000 | \$ 2.7000 |
| gasoline cost   |            | \$ 5,596  | \$ | 5,188  | \$ 6,545  | \$ 6,545  |
| total fuel cost   |            | \$ 7,283  | \$ | 6,294  | \$ 8,002  | \$ 8,002  |
| parts/labor   |            | \$ 35,757 | \$ | 48,566 | \$ 50,646 | \$ 50,646 |
| insurance   |            | \$ 5,183  | \$ | -      | \$ -      | \$ -      |
| total   |            | \$ 48,300 | \$ | 54,860 | \$ 58,648 | \$ 58,648 |
|   |            |           |    |        |           |           |
| 50275 Repairs & Maintenance                             |            |           |    |        |           |           |
| minor repairs to pump stations                          |            | \$ 1,000  | \$ | 279    | \$ 1,000  | \$ 2,000  |
| equipment repairs/boat motor/chain saw etc              |            | \$ 1,500  | \$ | 251    | \$ 1,500  | \$ 1,500  |
| Door Repair Paradise pump stn                           |            | \$ 2,000  |    |        | \$ 2,000  |           |
| Roof Repairs paradise pump stn                          |            | \$ 2,000  |    |        | \$ 2,000  |           |
| Pump Stn Annual service Agreement- VFD warranty         |            | \$ 1,800  |    |        |           | \$ 3,500  |
| total   |            | \$ 8,300  | \$ | 530    | \$ 6,500  | \$ 7,000  |
|   |            |           |    |        |           |           |
| 50277 Reservoir Maintenance                             |            |           |    |        |           |           |
| Tree Removal  |            | \$ 2,000  |    |        | \$ 2,300  | \$ 1,000  |
| Dam improvement repairs (gravel, riprap, gabions, etc.) |            | \$ 13,000 |    |        | \$ 5,000  | \$ 5,000  |
| sign installation & Maintenance                         |            | \$ 1,000  |    |        | \$ 3,000  | \$ 3,000  |
| dam inspections   |            | \$ 7,000  |    |        | \$ 5,000  | \$ 5,000  |
| Fence repair  |            | \$ 2,000  |    |        | \$ 2,000  | \$ 2,000  |
| other   |            |           | \$ | 423    |           |           |
| total   |            | \$ 25,000 | \$ | 423    | \$ 17,300 | \$ 16,000 |

Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Source of Supply - Island  
 15-500-2212

CW Surrebuttal Sch. B-3

50311 Operating Supplies

|                                  |    |       |    |       |    |       |    |       |
|----------------------------------|----|-------|----|-------|----|-------|----|-------|
| machine & tool lubricant         | \$ | 1,000 | \$ | 202   | \$ | 1,000 | \$ | 1,000 |
| grease guns                      | \$ | 250   |    |       | \$ | 250   | \$ | 250   |
| Brush cutter/mower               | \$ | 1,000 | \$ | 1,000 | \$ | 1,000 | \$ | 1,000 |
| parts for trackless              |    |       |    |       | \$ | 800   | \$ | -     |
| small mower replacement          |    |       |    |       |    |       | \$ | 4,000 |
| coppering bags                   |    |       | \$ | 704   |    |       |    |       |
| other                            |    |       | \$ | 1,946 |    |       |    |       |
| replacement blades/brush cutting | \$ | 1,500 | \$ | 847   | \$ | 700   | \$ | 1,500 |
| Total                            | \$ | 3,750 | \$ | 4,699 | \$ | 3,750 | \$ | 7,750 |

50320 Uniforms & protective Gear

|  |    |     |    |     |    |     |    |     |
|--|----|-----|----|-----|----|-----|----|-----|
|  | \$ | 750 | \$ | 106 | \$ | 750 | \$ | 700 |
|--|----|-----|----|-----|----|-----|----|-----|

50335 Chemicals

|                      |    |        |    |        |    |        |    |        |
|----------------------|----|--------|----|--------|----|--------|----|--------|
| copper sulfate       |    |        |    |        |    |        |    |        |
| usage in lbs         |    | 28,000 |    | 39,000 |    | 34,000 |    | 36,650 |
| cost/lb              | \$ | 1.9100 | \$ | 1.9100 | \$ | 1.4400 | \$ | 1.8650 |
| total copper sulfate | \$ | 53,480 | \$ | 74,490 | \$ | 48,960 | \$ | 68,352 |
| total cost           | \$ | 54,000 | \$ | 74,490 | \$ | 48,960 | \$ | 68,352 |

|              |           |                |           |                |           |                |           |                |
|--------------|-----------|----------------|-----------|----------------|-----------|----------------|-----------|----------------|
| <b>total</b> | <b>\$</b> | <b>546,896</b> | <b>\$</b> | <b>562,091</b> | <b>\$</b> | <b>653,598</b> | <b>\$</b> | <b>639,023</b> |
|--------------|-----------|----------------|-----------|----------------|-----------|----------------|-----------|----------------|

| Account | Description                                    | Docket 4025 | Actual FY 2010 | Projected FY 2011 | Proposed FY 2012 |
|---------|--|-------------|----------------|-------------------|------------------|
| 50002   | Overtime                                       |             |                |                   |                  |
|         | hours  | 250         | 141            | 137               | 137              |
|         | rate   | \$ 18.00    | \$ 27.25       | \$ 32.72          | \$ 33.70         |
|         | total  | \$ 4,500    | \$ 3,842       | \$ 4,483          | \$ 4,617         |
| 50004   | Temp Salaries                                  |             |                |                   |                  |
|         | hours  | \$ 1,272    | 663            | 1,272             | 1,272            |
|         | rate   | \$ 12       | \$ 10          | \$ 12             | \$ 12            |
|         | total  | \$ 15,300   | \$ 6,630       | \$ 15,300         | \$ 15,264        |
| 50005   | Permanent Part time                            | \$ 13,000   | \$ 5,200       | \$ 10,400         | \$ 13,000        |
| 50100   | Employee Benefits                              |             |                |                   |                  |
|         | Benefits for OT, Temp & part time              | \$ 2,600    | \$ 1,456       | \$ 2,309          | \$ 2,525         |
| 50306   | Contribution to Electricity Restricted Account |             |                |                   |                  |
|         | Nonquit pumping Station                        |             |                |                   |                  |
|         | 3 yr average                                   |             |                |                   |                  |
|         | Annual KWH Usage                               | 479,994     | 647,000        | 348,853           | 647,000          |
|         | KWH Base rate                                  |             | \$0.09463      | \$0.09857         | \$0.09857        |
|         | cost of Supply (incl GRT)                      | \$ 61,226   | \$ 34,387      | \$ 66,434         | \$ 66,434        |
|         | taxes  | \$ 2,553    | \$ 1,040       | \$ 2,150          | \$ 2,150         |
|         | fixed charge                                   | \$ 2,917    | \$ 4,457       | \$ 9,096          | \$ 9,096         |
|         | delivery charge                                | \$ 25,807   | \$ 20,801      | \$ 42,508         | \$ 42,508        |
|         | total cost                                     | \$ 92,600   | \$ 60,685      | \$120,189         | \$120,189        |
| 50275   | Repairs & Maintenance                          |             |                |                   |                  |
|         | Stonkus Hydraulic Annual Contract              | \$ 1,800    | \$ 2,184       | \$ 2,200          | \$ 2,200         |
|         | Doors @ pumping Station                        | \$ 4,000    | \$ 98          | \$ 4,000          |                  |
|         | Excavator rental                               |             | \$ 2,750       | \$ -              |                  |
|         | Repair heaters                                 |             | \$ 646         | \$ -              |                  |
|         | other  |             | \$ 690         | \$ -              | \$ 2,000         |
|         | emergency repairs                              | \$ 3,000    |                | \$ 2,600          | \$ 3,000         |
|         | total  | \$ 8,800    | \$ 6,368       | \$ 8,800          | \$ 7,200         |

Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Source of Supply - Mainland  
 15-500-2213

Docket No. 4243

CW Surrel B-4

50277 Reservoir Maintenance

|   |          |      |          |          |
|---|----------|------|----------|----------|
| Tree Removal  | \$ 1,000 |      | \$ 500   | \$ 500   |
| Dam improvement repairs (gravel, riprap, gabions, e | \$ 3,000 |      | \$ 2,000 | \$ 2,000 |
| dam inspections                                     | \$ 2,000 |      | \$ 2,000 | \$ 2,000 |
| total   | \$ 6,000 | \$ - | \$ 4,500 | \$ 4,500 |

50311 Operating Supplies

|  |        |      |        |        |
|--|--------|------|--------|--------|
| machine & tool lubricant, grease guns, etc | \$ 500 | \$ - | \$ 500 | \$ 500 |
|--|--------|------|--------|--------|

|              |                   |                  |                  |                  |
|--------------|-------------------|------------------|------------------|------------------|
| <b>total</b> | <b>\$ 143,300</b> | <b>\$ 84,181</b> | <b>\$166,480</b> | <b>\$167,795</b> |
|--------------|-------------------|------------------|------------------|------------------|



Docket No. 4243

Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Station One  
 15-500-2222

CW Surrebuttal Sch. B-5

| Account | Description  | Docket 4025 | Actual FY 2010 | Projected FY 2011 | Proposed FY 2012 |
|---------|--|-------------|----------------|-------------------|------------------|
| 50001   | Salaries & Wages   |             |                |                   |                  |
|         | Water Quality Production Supv (50% SO8D Assistant WQP Supervisor (50%) SO6D  | \$ 35,145   | \$ 35,249      | \$ 33,932         | \$ 36,347        |
|         | Water Plant Foreman Operator(50%)  | \$ 24,784   |                | \$ -              | \$ 31,162        |
|         | Acting Foreman   |             |                |                   | \$ 27,113        |
|         | Water Plant Operator - Grade 3 UT4F  | \$ 54,458   | \$ 49,580      | \$ 49,586         | \$ 36,757        |
|         | Water Plant Operator - Grade 3 UT4F  | \$ 52,201   | \$ 49,357      | \$ 49,357         | \$ 52,362        |
|         | Water Plant Operator - Grade 3 UT4B  | \$ 51,516   | \$ 41,867      | \$ 41,873         | \$ 44,432        |
|         | Water Plant Operator - Grade 3 UT4F  | \$ 51,347   | \$ 49,190      | \$ 49,201         | \$ 52,251        |
|         | Water Plant Operator - Grade 3 UT4C  | \$ 46,413   | \$ 44,103      | \$ 44,097         | \$ 46,746        |
|         | Water Plant Operator - Grade 3 UT4D  | \$ 45,528   | \$ 44,369      | \$ 44,375         | \$ 45,743        |
|         | Water Plant Operator - Grade 2 UT3B  | \$ 41,377   | \$ 39,123      | \$ 39,137         | \$ 41,521        |
|         | Water Plant Operator - Grade 1 UT2A  | \$ 38,618   | \$ 35,387      | \$ 35,229         | \$ 36,757        |
|         | Total  | \$ 441,500  | \$ 388,225     | \$ 386,787        | \$ 451,191       |
|         | No change FY 2011, FY 2012 includes 3% COLA and step increases if applicable |             |                |                   |                  |
| 50002   | Overtime   |             |                |                   |                  |
|         | hours  | 1,900       | 2,767          | 2,800             | 1,900            |
|         | rate   | \$ 30.57    | \$ 30.67       | \$ 30.67          | \$ 31.59         |
|         | total  | \$ 58,100   | \$ 84,862      | \$ 85,876         | \$ 60,021        |
| 50003   | Holiday Pay  |             |                |                   |                  |
|         | Operators  | 9.0         | 8.0            | 8.0               | 8.5              |
|         | Holidays   | 12          | 12             | 12                | 12               |
|         | Hours/Holiday  | 8           | 8              | 8                 | 8                |
|         | Average Pay Rate   | \$ 22       | \$ 20.28       | \$ 20.28          | \$ 20.89         |
|         | Total  | \$ 19,100   | \$ 15,575      | \$ 15,575         | \$ 17,045        |

Docket No. 4243

Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Station One  
 15-500-2222

CW Surrebuttal Sch. B-5

50100 Employee Benefits

|   |  |    |         |    |         |    |         |    |         |
|---|--|----|---------|----|---------|----|---------|----|---------|
| Water Quality Production Supv (50% SO8D         |  | \$ | 16,446  | \$ | 16,065  | \$ | 17,197  | \$ | 18,486  |
| Assistant WQP Supervisor (50%) SO6D             |  | \$ | 14,190  |    |         |    |         | \$ | 17,229  |
| Water Plant Foreman Operator(50%)               |  | \$ | -       | \$ | -       |    |         | \$ | 16,248  |
| Water Plant Operator - Grade 3 UT4F             |  | \$ | 29,440  | \$ | 28,084  | \$ | 30,601  | \$ | 28,262  |
| Water Plant Operator - Grade 3 UT4F             |  | \$ | 28,932  | \$ | 27,860  | \$ | 30,601  | \$ | 32,044  |
| Water Plant Operator - Grade 3 UT4B             |  | \$ | 28,778  | \$ | 25,630  | \$ | 28,462  | \$ | 29,998  |
| Water Plant Operator - Grade 3 UT4F             |  | \$ | 28,740  | \$ | 27,726  | \$ | 30,240  | \$ | 31,893  |
| Water Plant Operator - Grade 3 UT4C             |  | \$ | 17,647  | \$ | 9,780   | \$ | 10,782  | \$ | 12,189  |
| Water Plant Operator - Grade 3 UT4D             |  | \$ | 27,432  | \$ | 25,985  | \$ | 27,046  | \$ | 30,316  |
| Water Plant Operator - Grade 2 UT3B             |  | \$ | 26,497  | \$ | 25,452  | \$ | 27,867  | \$ | 29,293  |
| Water Plant Operator - Grade 1 UT2A             |  | \$ | 15,887  | \$ | 16,036  | \$ | 17,619  | \$ | 28,262  |
| Benefits for OT, Annual leave Buyback, Holidays |  | \$ | 3,011   | \$ | 7,788   | \$ | 8,140   | \$ | 6,288   |
| Total   |  | \$ | 237,000 | \$ | 210,406 | \$ | 228,555 | \$ | 280,508 |

|                            |             |    |       |    |       |    |       |    |       |
|----------------------------|-------------|----|-------|----|-------|----|-------|----|-------|
| 50175 Annual Leave Buyback | 3 employees | \$ | 4,950 | \$ | 4,907 | \$ | 4,950 | \$ | 5,000 |
|----------------------------|-------------|----|-------|----|-------|----|-------|----|-------|

50212 Conferences & Training

|  |  |    |       |    |    |    |       |    |       |
|--|--|----|-------|----|----|----|-------|----|-------|
| RIDOH Required Certifications for 10 employees |  | \$ | 2,000 |    |    | \$ | 2,000 | \$ | 2,200 |
| Supv/Plant Prod - RIWWA                        |  | \$ | 120   | \$ | 40 | \$ | 120   | \$ | 150   |
| Supv/Plant Prod - NEWWA                        |  | \$ | 550   |    |    | \$ | 550   | \$ | 550   |
| Conferences & Training                         |  | \$ | 500   | \$ | 59 | \$ | 500   | \$ | 600   |
| Training, travel                               |  | \$ | 2,330 |    |    | \$ | 2,330 | \$ | 1,000 |

|       |  |    |       |    |    |    |       |    |       |
|-------|--|----|-------|----|----|----|-------|----|-------|
| total |  | \$ | 5,500 | \$ | 99 | \$ | 5,500 | \$ | 4,500 |
|-------|--|----|-------|----|----|----|-------|----|-------|

50239 Fire & Liability Insurance

|               |  |    |        |    |        |    |        |    |        |
|---------------|--|----|--------|----|--------|----|--------|----|--------|
| RI Interlocal |  | \$ | 12,700 | \$ | 10,496 | \$ | 10,706 | \$ | 12,687 |
|---------------|--|----|--------|----|--------|----|--------|----|--------|

Docket No. 4243

Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Station One  
 15-500-2222

CW Surrebuttal Sch. B-5

50306 Contribution to Electricity Restricted Account  
 100 Bliss Mine Rd

|                           | 3 yr average |            |            |            |            |
|---------------------------|--------------|------------|------------|------------|------------|
| Annual KWH Usage          | 1,841,333    | 1,870,000  | 2,007,360  | 2,008,000  | 2,008,000  |
| KWH Base rate             |              | \$ 0.0946  | \$ 0.0946  | \$ 0.0946  | \$ 0.0946  |
| cost of Supply (incl GRT) |              | \$ 176,958 | \$ 197,816 | \$ 197,935 | \$ 197,935 |
| taxes                     |              | \$ 7,379   | \$ 2,615   | \$ 2,736   | \$ 2,736   |
| fixed charge              |              | \$ 2,837   | \$ 4,891   | \$ 4,891   | \$ 4,891   |
| delivery charge           |              | \$ 60,261  | \$ 60,748  | \$ 60,767  | \$ 60,767  |
| total cost                |              | \$ 247,500 | \$ 266,070 | \$ 266,329 | \$ 266,329 |

50307 Natural Gas

|                     | 3 yr average |           |           |           |           |
|---------------------|--------------|-----------|-----------|-----------|-----------|
| Therms Annual usage | 15636        | 15,600    | 15,555    | 16,500    | 16,500    |
| Therms Base Rate    |              | \$ 1.1056 | \$ 1.0859 | \$ 1.0801 | \$ 1.0801 |
| Cost of Gas         |              | \$ 17,247 | \$ 16,891 | \$ 17,822 | \$ 17,822 |
| Fixed Charges       |              | \$ 920    | \$ 2,505  | \$ 2,543  | \$ 2,543  |
| Other charges       |              | \$ 4,368  | \$ 2,988  | \$ 3,156  | \$ 3,156  |
| Gross earnings Tax  |              | \$ 696    | \$ 688    | \$ 729    | \$ 729    |
| Total Cost          |              | \$ 23,300 | \$ 23,072 | \$ 24,250 | \$ 24,250 |

50260 Rental of Equipment

|                    |          |        |        |        |
|--------------------|----------|--------|--------|--------|
| Dumpster Rentals   | \$ 431   | \$ 381 | \$ 400 | \$ 400 |
| chemical cylinders | \$ 569   | \$ 114 | \$ 200 | \$ 200 |
| total              | \$ 1,000 | \$ 495 | \$ 600 | \$ 600 |

50305 Sewer Charge

|         |            |            |            |            |
|---------|------------|------------|------------|------------|
| Gallons | 28,260,000 | 25,818,000 | 27,000,000 | 26,000,000 |
| \$/Gal  | \$ 0.0065  | \$ 0.0068  | \$ 0.0102  | \$ 0.01127 |
| Cost    | \$ 184,000 | \$ 175,564 | \$ 275,000 | \$ 293,020 |

|      |          |
|------|----------|
| 2008 | 28255900 |
| 2009 | 26044000 |
| 2010 | 25818000 |

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Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Station One  
 15-500-2222

CW Surrebuttal Sch. B-5

|  |           |        |           |           |           |
|--|-----------|--------|-----------|-----------|-----------|
| 50271 Gas/Vehicle Maintenance  | 1 vehicle |        |           |           |           |
| gasoline gallons   |           | 274    | 257       | 257       | 257       |
| cost/gallon  | \$        | 2,3850 | \$ 2,1314 | \$ 2,1314 | \$ 2,1314 |
| gasoline cost  | \$        | 653    | \$ 548    | \$ 548    | \$ 548    |
| parts/labor  | \$        | 6,375  | \$ 6,776  | \$ 6,776  | \$ 6,776  |
| insurance  | \$        | 1,037  | \$ -      | \$ -      | \$ -      |
| total  | \$        | 8,100  | \$ 7,324  | \$ 7,324  | \$ 7,324  |
|  |           |        |           |           |           |
| 50275 Repairs & Maintenance  |           |        |           |           |           |
| Painting, welding materials, tools and gases                             | \$        | 3,000  |           | \$ 1,000  | \$ 1,000  |
| Fire Alarm Panel Upgrade   |           |        |           |           | \$ 3,000  |
| Air handling, clarifier, filter repair & maint                           | \$        | 4,000  |           | \$ 2,000  | \$ 1,000  |
| A/C, heating and hot water repairs                                       | \$        | 2,000  |           | \$ 1,000  | \$ 1,000  |
| Spare parts, analyzer maintenance/replacement                            | \$        | 3,000  | \$ 408    | \$ 3,000  | \$ 5,000  |
| Building maint, qtrly fire alarm testing, fire extinguisher inspection s | \$        | 1,000  | \$ 1,708  | \$ 1,700  | \$ 1,900  |
| Tank inspections required by RIDOH                                       | \$        | 2,000  |           | \$ 1,000  | \$ 1,000  |
| Valve update/replacement, pump O&M                                       | \$        | 5,000  | \$ 1,116  | \$ 2,000  | \$ 2,000  |
| Service contract for Plant VFD's   |           |        |           |           | \$ 2,100  |
| Surge tank and component maintenance                                     | \$        | 1,000  |           | \$ 1,000  | \$ 1,000  |
| Standby Power Repairs  |           |        |           |           | \$ 2,000  |
| Replace Raw Water Aeration Blowers                                       |           |        |           |           | \$ 2,000  |
| Loading Dock Door Repair   | \$        | 3,000  |           | \$ 3,000  | \$ -      |
| Sump Pump Replacement  | \$        | 1,000  |           |           | \$ -      |
| Clear well roof  | \$        | 8,000  |           |           | \$ -      |
| Filter Effluent Valve Replacement  |           |        |           | \$ 9,000  |           |
| Rapid mix, chemfeed, VFD O&M   | \$        | 2,000  | \$ 787    |           | \$ 2,000  |
| Roof repairs   |           |        |           | \$ 10,000 |           |
| total  | \$        | 35,000 | \$ 4,020  | \$ 35,000 | \$ 25,000 |

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Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Station One  
 15-500-2222

CW Surrebuttal Sch. B-5

50311 Operating Supplies

|   |    |        |    |               |    |        |    |        |
|---|----|--------|----|---------------|----|--------|----|--------|
| Machine, pump supplies, bearings, pump packing, seals,<br>drill bits, sandpaper, fasteners, miscellaneous tools, V belts,<br>gauges, electrical/test meters | \$ | 1,600  | \$ | 459           | \$ | 1,600  | \$ | 1,600  |
| Generator Service - Ralco   | \$ | 1,500  | \$ | 1,506         | \$ | 1,500  | \$ | 1,500  |
| Transfer Switch Service - NET&S   | \$ | 700    | \$ | 600           | \$ | 700    | \$ | 700    |
| Instrumentation - ABB   | \$ | 11,500 | \$ | 11,220        | \$ | 11,500 | \$ | 11,500 |
| SCADA Service - R E Erickson  | \$ | 12,500 | \$ | <u>11,400</u> | \$ | 12,500 | \$ | 12,500 |
| <br>Total   | \$ | 27,800 | \$ | 25,185        | \$ | 27,800 | \$ | 27,800 |

|                                  |    |       |    |   |    |       |    |       |
|----------------------------------|----|-------|----|---|----|-------|----|-------|
| 50320 Uniforms & protective Gear | \$ | 1,350 | \$ | - | \$ | 1,000 | \$ | 1,000 |
|----------------------------------|----|-------|----|---|----|-------|----|-------|

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Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Station One  
 15-500-2222  
 50335 Chemicals

CW Surrebuttal Sch. B-5

|                             |           |                  |           |                  |           |                  |           |                  |
|-----------------------------|-----------|------------------|-----------|------------------|-----------|------------------|-----------|------------------|
| Alum quantity               |           | 412,431          |           | 365,625          |           | 372,614          |           | 373,000          |
| Unit Cost                   | \$        | 0.2100           | \$        | 0.2100           | \$        | 0.1840           | \$        | 0.1745           |
| Alum Total Cost             | \$        | 86,611           | \$        | 76,781           | \$        | 68,561           | \$        | 65,089           |
| Chlorine quantity           |           | 57,380           |           | 52,210           |           | 51,800           |           | 52,200           |
| Unit Cost                   | \$        | 0.4750           | \$        | 0.4750           | \$        | 0.4250           | \$        | 0.4250           |
| Chlorine Total Cost         | \$        | 27,256           | \$        | 24,800           | \$        | 22,015           | \$        | 22,185           |
| Flouride quantity           |           | 18,195           |           | 20,204           |           | 19,183           |           | 20,200           |
| Unit cost                   | \$        | 0.4190           | \$        | 0.4187           | \$        | 0.4574           | \$        | 0.4200           |
| Flouride Total Cost         | \$        | 7,624            | \$        | 8,459            | \$        | 8,774            | \$        | 8,484            |
| Sodium chlorite quantity    |           | 99,725           |           | 146,691          |           | 170,000          |           | 147,000          |
| Unit Cost                   | \$        | 0.9860           | \$        | 0.9860           | \$        | 0.7800           | \$        | 0.7800           |
| Sodium chlorite total Cost  | \$        | 98,329           | \$        | 144,637          | \$        | 132,600          | \$        | 114,660          |
| Polymer                     |           | 1,320            |           | 1,375            |           | 1,228            |           | 1,300            |
| Unit Cost                   | \$        | 7.2160           | \$        | 7.2160           | \$        | 7.6500           | \$        | 7.6500           |
| Polymer Total Cost          | \$        | 9,525            | \$        | 9,922            | \$        | 9,394            | \$        | 9,945            |
| Sodium Hydroxide quantity   |           | 96,400           |           | 79,000           |           | 79,000           |           | 79,000           |
| Unit Cost                   | \$        | 0.8349           | \$        | 0.8349           | \$        | 0.6298           | \$        | 0.6893           |
| Sodium Hydroxide total cost | \$        | 80,484           | \$        | 65,957           | \$        | 49,754           | \$        | 54,455           |
| GAC quantity                |           | 1,640            |           | 1,640            |           | 1,640            |           | 1,640            |
| Unit Cost                   | \$        | 54.3300          | \$        | 48.4100          | \$        | 48.4100          | \$        | 48.4100          |
| GAC Total Cost              | \$        | 89,100           | \$        | 79,392           | \$        | 79,392           | \$        | 79,392           |
| total                       | \$        | 398,928          | \$        | 409,949          | \$        | 370,491          | \$        | 354,210          |
| rounded                     | \$        | 399,000          | \$        | 409,949          | \$        | 371,000          | \$        | 354,210          |
| <b>total</b>                | <b>\$</b> | <b>1,705,900</b> | <b>\$</b> | <b>1,626,249</b> | <b>\$</b> | <b>1,746,252</b> | <b>\$</b> | <b>1,830,485</b> |

Newport Water Division  
Budget for Rate Filing  
FY 2012  
Station One  
15-500-2222

CW Surrebuttal Sch. B-5

| <b>Div 1-26</b> | 2008    | 2009    | 2010    | avg (like use) |
|-----------------|---------|---------|---------|----------------|
| Sodium Chlo     | 99,614  | 113,282 | 146,691 | 119,862        |
| Alum            | 397,840 | 356,721 | 365,625 | 373,395        |
| Chlorine        | 56,460  | 47,090  | 52,210  | 51,920         |
| Flouride        | 17,450  | 19,805  | 20,204  | 19,153         |
| Polymer         | 1,210   | 1,100   | 1,375   | 1,228          |
| Lime            | 239,755 | 50,340  |         |                |
| Sodium Hydrox   |         | 565,005 | 792,108 | 678,557        |
| GAC             | 36,000  | 36,000  | 36,000  |                |

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Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Lawton Valley  
 15-500-2223

CW Surrebuttal Sch. B-6

| Account        | Description  | Docket 4025 | Actual FY 2010 | Projected FY 2011 | Proposed FY 2012 |
|----------------|--|-------------|----------------|-------------------|------------------|
| 50001          | Salaries & Wages   |             |                |                   |                  |
|                | Water Quality Production Supv (50 SO8D                                       | \$ 35,145   | \$ 35,249      | \$ 33,932         | \$ 36,347        |
|                | Assistant WQP Supervisor (50% SO6D   | \$ 24,874   |                | \$ -              | \$ 31,162        |
|                | Water Plant Foreman Operator(50%)  | \$ 52,163   |                |                   | \$ 27,113        |
| Acting Foreman | Water Plant Operator - 3 UT4G  | \$ 53,208   | \$ 50,940      | \$ 54,014         | \$ 54,226        |
|                | Water Plant Operator - 3 UT4F  | \$ 52,306   | \$ 49,357      | \$ 50,837         | \$ 52,362        |
|                | Water Plant Operator - 3 UT4F  | \$ 51,356   | \$ 49,293      | \$ 51,339         | \$ 52,496        |
|                | Water Plant Operator - 3 UT4D  | \$ 45,580   | \$ 44,386      | \$ 44,995         | \$ 47,093        |
|                | Water Plant Operator - 3 UT4C  | \$ 44,617   | \$ 43,132      | \$ 43,683         | \$ 45,743        |
|                | Water Plant Operator - 3 UT2D  | \$ 38,618   | \$ 38,637      | \$ 38,995         | \$ 40,913        |
|                | Water Plant Operator - 3 UT2A  | \$ 50,550   | \$ 35,330      | \$ 35,686         | \$ 37,506        |
|                | Water Plant Operator - 3 UT2A  | \$ 51,628   | \$ 34,647      | \$ 35,686         | \$ 36,757        |
|                | Total  | \$ 500,100  | \$ 380,971     | \$ 389,167        | \$ 461,718       |
|                | No change FY 2011, FY 2012 includes 3% COLA and step increases if applicable |             |                |                   |                  |
| 50002          | Overtime   |             |                |                   |                  |
|                | hours  | 1,201       | 1,166          | 1,200             | 1,200            |
|                | rate   | \$ 34.96    | \$ 30.47       | \$ 30.47          | \$ 31.38         |
|                | total  | \$ 42,400   | \$ 35,524      | \$ 36,560         | \$ 37,657        |
| 50003          | Holiday Pay  |             |                |                   |                  |
|                | Operators  | 9           | 8              | 8                 | 8.5              |
|                | Holidays   | 12          | 12             | 12                | 12               |
|                | Hours/Holiday  | 8           | 8              | 8                 | 8                |
|                | Average Pay Rate   | \$ 22.04    | \$ 19.94       | \$ 19.94          | \$ 20.54         |
|                | Total  | \$ 20,000   | \$ 15,314      | \$ 15,314         | \$ 16,760        |



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50100 Employee Benefits

|  |    |         |    |         |    |         |    |         |
|--|----|---------|----|---------|----|---------|----|---------|
| Water Quality Production Supv (50 SO8D     | \$ | 16,446  | \$ | 16,065  | \$ | 17,197  | \$ | 18,486  |
| Assistant WQP Supervisor (50% SO6D         | \$ | 14,190  |    |         |    |         | \$ | 17,229  |
| Water Plant Foreman Operator(50%)          | \$ | 28,924  | \$ | -       |    |         | \$ | 16,248  |
| Water Plant Operator - 3 UT4G              | \$ | 27,226  | \$ | 28,207  | \$ | 30,905  | \$ | 32,496  |
| Water Plant Operator - 3 UT4F              | \$ | 28,956  | \$ | 27,860  | \$ | 29,047  | \$ | 32,044  |
| Water Plant Operator - 3 UT4F              | \$ | 28,742  | \$ | 27,939  | \$ | 30,342  | \$ | 31,952  |
| Water Plant Operator - 3 UT4D              | \$ | 27,443  | \$ | 26,595  | \$ | 29,006  | \$ | 30,643  |
| Water Plant Operator - 3 UT4C              | \$ | 28,804  | \$ | 26,391  | \$ | 28,730  | \$ | 30,316  |
| Water Plant Operator - 3 UT2D              | \$ | 15,887  | \$ | 23,495  | \$ | 27,743  | \$ | 29,145  |
| Water Plant Operator - 3 UT2A              | \$ | 28,561  | \$ | 17,313  | \$ | 27,046  | \$ | 28,320  |
| Water Plant Operator - 3 UT2A              | \$ | 29,241  | \$ | 11,004  | \$ | 18,004  | \$ | 16,865  |
| Benefits for OT, Holidays, & Annual leave) | \$ | 1,100   | \$ | 4,224   | \$ | 4,263   | \$ | 4,475   |
| Total                                      | \$ | 275,500 | \$ | 209,093 | \$ | 242,283 | \$ | 288,219 |

|                            |  |             |    |       |    |       |    |       |    |       |
|----------------------------|--|-------------|----|-------|----|-------|----|-------|----|-------|
| 50175 Annual Leave Buyback |  | 2 employees | \$ | 3,850 | \$ | 3,861 | \$ | 3,850 | \$ | 4,000 |
|----------------------------|--|-------------|----|-------|----|-------|----|-------|----|-------|

|  |    |       |    |    |    |       |       |       |       |  |
|--|----|-------|----|----|----|-------|-------|-------|-------|--|
| 50212 Conferences & Training                   |    |       |    |    |    |       |       |       |       |  |
| RIDOH Required Certifications for 10 employees | \$ | 2,000 |    |    |    | \$    | 2,000 | \$    | 2,000 |  |
| Conferences & Training                         | \$ | 1,500 | \$ | 59 | \$ | 1,500 | \$    | 1,000 |       |  |
| total  | \$ | 3,500 | \$ | 59 | \$ | 3,500 | \$    | 3,000 |       |  |

|                                  |    |        |    |        |    |        |    |        |  |  |
|----------------------------------|----|--------|----|--------|----|--------|----|--------|--|--|
| 50239 Fire & Liability Insurance |    |        |    |        |    |        |    |        |  |  |
| RI Interlocal                    | \$ | 13,600 | \$ | 11,239 | \$ | 11,464 | \$ | 18,614 |  |  |

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Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Lawton Valley  
 15-500-2223

CW Surrebuttal Sch. B-6

50306 Contribution to Electricity Restricted Account

Lawton Valley Treatment plant & pumping station

3 yr average

|                           |           |            |            |            |            |
|---------------------------|-----------|------------|------------|------------|------------|
| Annual KWH Usage          | 1,120,018 | 1,317,000  | 1,114,160  | 1,115,000  | 1,115,000  |
| KWH Base rate             |           | \$ 0.0946  | \$ 0.0946  | \$ 0.0946  | \$ 0.0946  |
| cost of Supply (incl GRT) |           | \$ 124,628 | \$ 109,826 | \$ 109,909 | \$ 109,909 |
| taxes                     |           | \$ 5,197   | \$ 1,923   | \$ 1,937   | \$ 1,937   |
| fixed charge              |           | \$ 4,078   | \$ 6,147   | \$ 6,147   | \$ 6,147   |
| delivery charge           |           | \$ 46,714  | \$ 40,316  | \$ 40,346  | \$ 40,346  |
| total cost                |           | \$ 180,600 | \$ 158,212 | \$ 158,340 | \$ 158,340 |

50307 Natural Gas

3 yr average

|                    |       |           |           |           |           |
|--------------------|-------|-----------|-----------|-----------|-----------|
| CCF Annual usage   | 19277 | 19,250    | 20,733    | 20,750    | 20,750    |
| CCF Base Rate      |       | \$ 1.1264 | \$ 1.0817 | \$ 1.0801 | \$ 1.0801 |
| Cost of Gas        |       | \$ 21,683 | \$ 22,426 | \$ 22,412 | \$ 22,412 |
| Fixed Charge       |       | \$ 708    | \$ 2,862  | \$ 2,705  | \$ 2,705  |
| Other charges      |       | \$ 5,579  | \$ 3,889  | \$ 3,893  | \$ 3,893  |
| Gross earnings Tax |       | \$ 796    | \$ 888    | \$ 899    | \$ 899    |
| Total Cost         |       | \$ 28,900 | \$ 30,065 | \$ 30,000 | \$ 29,909 |

50260 Rental of Equipment

|                    |  |        |        |        |        |
|--------------------|--|--------|--------|--------|--------|
| Dumpster Rentals   |  | \$ 300 | \$ 375 | \$ 300 | \$ 300 |
| chemical cylinders |  | \$ 200 | \$ 31  | \$ 200 | \$ 200 |
| total              |  | \$ 500 | \$ 406 | \$ 500 | \$ 500 |

50305 Sewer Charge

|         |  |            |            |            |            |
|---------|--|------------|------------|------------|------------|
| Gallons |  | 37,230,000 | 31,154,000 | 32,000,000 | 32,000,000 |
| \$/Gal  |  | \$ 0.0065  | \$ 0.0068  | \$ 0.0102  | \$ 0.01127 |
| Cost    |  | \$ 242,000 | \$ 211,849 | \$ 326,080 | \$ 360,640 |

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 Budget for Rate Filing  
 FY 2012  
 Lawton Valley  
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|   |           |           |           |           |  |           |
|---|-----------|-----------|-----------|-----------|--|-----------|
| 50271 Gas/Vehicle Maintenance   | 1 vehicle |           |           |           |  |           |
| gasoline gallons  |           | 196       |           | 514       |  | 514       |
| cost/gallon   |           | \$ 2,3850 |           | \$ 2,1503 |  | \$ 2,1503 |
| gasoline cost   |           | \$ 468    |           | \$ 1,104  |  | \$ 1,104  |
| parts/labor   |           | \$ 6,860  |           | \$ 6,777  |  | \$ 6,777  |
| insurance   |           | \$ 1,037  |           | \$ -      |  | \$ -      |
| total   |           | \$ 8,400  |           | \$ 7,882  |  | \$ 7,882  |
|   |           |           |           |           |  |           |
| 50275 Repairs & Maintenance   |           |           |           |           |  |           |
| Painting, welding materials, tools and gases  |           | \$ 6,000  |           | \$ 2,000  |  | \$ 1,000  |
| Pulsator Repair & Modifications   |           | \$ 5,000  |           | \$ 2,000  |  | \$ -      |
| Electrical Controls & Instrumentation supplies,<br>filters, repair & maintenance, troubleshooting |           | \$ 9,000  | \$ 2,310  | \$ 3,000  |  | \$ 3,000  |
| Building Maintenance, floors, heat & hot water  |           | \$ 4,000  | \$ 3,506  | \$ 4,000  |  | \$ 3,000  |
| Valve update/replacement, pump O&M  |           | \$ 8,000  | \$ 121    | \$ 2,100  |  | \$ 2,000  |
| Priming sytem maintenance, spare parts, rapid mix<br>chem feed & Forest Ave.                      |           | \$ 5,000  | \$ 392    | \$ 5,000  |  | \$ 3,000  |
| Aeration compressor Service   |           |           | \$ 1,940  | \$ 2,000  |  | \$ 2,000  |
| Rebuild 2MG Raw Water Pump  |           |           | \$ 3,421  | \$ 2,000  |  | \$ 2,000  |
| Calibrate venturi meters  |           |           |           | \$ 1,900  |  | \$ 1,900  |
| Repair 4MG raw Water Pump   |           |           | \$ 5,825  |           |  |           |
| Repair Residual Pump  |           |           | \$ 16,739 |           |  |           |
| Maintain constructed Wetlands   |           |           |           | \$ 5,000  |  | \$ 7,700  |
| Clean Residuals Tank  |           |           |           |           |  | \$ 6,000  |
| RIDOH Tank inspections  |           | \$ 3,000  | \$ 7,790  | \$ -      |  | \$ 3,000  |
| Remove Trees over clear well  |           | \$ 3,000  |           | \$ 1,000  |  |           |
| Fire Alarm testing  |           | \$ 400    | \$ 240    | \$ 400    |  | \$ 400    |
| Roof repairs  |           |           | \$ -      | \$ 10,000 |  |           |
| total   |           | \$ 43,400 | \$ 42,284 | \$ 40,400 |  | \$ 35,000 |

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Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Lawton Valley  
 15-500-2223

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50311 Operating Supplies

|   |    |        |    |        |    |        |    |        |
|---|----|--------|----|--------|----|--------|----|--------|
| Machine, pump supplies, bearings, pump packing, seals,<br>drill bits, sandpaper, fasteners, miscellaneous tools, V belts,<br>gauges, electrical/test meters | \$ | 4,500  | \$ | 981    | \$ | 4,500  | \$ | 4,500  |
| Generator Service - Ralco   | \$ | 2,000  | \$ | 2,131  | \$ | 2,000  | \$ | 2,000  |
| Transfer Switches Service - NET&S   | \$ | 300    | \$ | 300    | \$ | 300    | \$ | 300    |
| Harbor controls contract  | \$ | 12,700 | \$ | 10,000 | \$ | 11,000 | \$ | 11,000 |
| Elevator Maintenance  | \$ | 2,500  | \$ | 2,086  | \$ | 2,500  | \$ | 2,500  |
| <br>  |    |        |    |        |    |        |    |        |
| Total   | \$ | 22,000 | \$ | 15,498 | \$ | 20,300 | \$ | 20,300 |

|                                  |    |       |    |   |    |       |    |       |
|----------------------------------|----|-------|----|---|----|-------|----|-------|
| 50320 Uniforms & protective Gear | \$ | 1,000 | \$ | - | \$ | 1,000 | \$ | 1,000 |
|----------------------------------|----|-------|----|---|----|-------|----|-------|

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Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Lawton Valley  
 15-500-2223  
 50335 Chemicals

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|                             |           |                  |           |                  |           |                  |           |                  |
|-----------------------------|-----------|------------------|-----------|------------------|-----------|------------------|-----------|------------------|
| Alum quantity               |           | 382,540          |           | 311,809          |           | 327,173          |           | 312,000          |
| Unit Cost                   | \$        | 0.2100           | \$        | 0.2100           | \$        | 0.1840           | \$        | 0.1745           |
| Alum Total Cost             | \$        | 80,333           | \$        | 65,480           | \$        | 60,200           | \$        | 54,444           |
| Chlorine quantity           |           | 39,130           |           | 34,462           |           | 35,200           |           | 34,000           |
| Unit Cost                   | \$        | 0.4750           | \$        | 0.4750           | \$        | 0.4250           | \$        | 0.4250           |
| Chlorine Total Cost         | \$        | 18,587           | \$        | 16,369           | \$        | 14,960           | \$        | 14,450           |
| Flouride quantity           |           | 16,329           |           | 5,755            |           | 9,184            |           | 9,000            |
| Unit cost                   | \$        | 0.4190           | \$        | 0.4187           | \$        | 0.4574           | \$        | 0.4200           |
| Flouride Total Cost         | \$        | 6,842            | \$        | 2,410            | \$        | 4,201            | \$        | 3,780            |
| Sodium chlorite quantity    |           | 57,553           |           | 58,544           |           | 59,139           |           | 65,000           |
| Unit Cost                   | \$        | 0.9860           | \$        | 0.9860           | \$        | 0.7800           | \$        | 0.7800           |
| Sodium chlorite total Cost  | \$        | 56,747           | \$        | 57,724           | \$        | 46,128           | \$        | 50,700           |
| Sodium Hydroxide quantity   |           | 64,000           |           | 67,185           |           | 67,000           |           | 67,000           |
| Unit Cost                   | \$        | 0.8349           | \$        | 0.8349           | \$        | 0.6298           | \$        | 0.6893           |
| Sodium Hydroxide total cost | \$        | 53,434           | \$        | 56,093           | \$        | 42,197           | \$        | 46,183           |
| total                       | \$        | 215,943          | \$        | 198,076          | \$        | 167,686          | \$        | 169,557          |
| rounded                     | \$        | 216,000          | \$        | 198,076          | \$        | 168,000          | \$        | 169,557          |
| <b>total</b>                | <b>\$</b> | <b>1,601,750</b> | <b>\$</b> | <b>1,320,333</b> | <b>\$</b> | <b>1,454,640</b> | <b>\$</b> | <b>1,613,096</b> |

| Div 1-26        | 2008    | 2009    | 2010    | avg (like use) |
|-----------------|---------|---------|---------|----------------|
| Alum            | 344,827 | 326,308 | 311,809 | 327,648        |
| Chlorine        | 35,302  | 34,430  | 34,462  | 34,731         |
| Sodium chlorite | 49,779  | 49,230  | 58,544  | 52,518         |
| Flouride        | 12,406  | 9,040   | 5,755   | 9,067          |
| Lime            | 196,200 | 45,400  |         |                |
| Sodium Hydrox   |         | 433,213 | 671,850 | 552,532        |

Docket No. 4243

Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Laboratory  
 15-500-2235

CW Surrebuttal Sch. B-7

| Account | Description   | Docket 4025 | Actual FY 2010 | Projected FY 2011 | Proposed FY 2012 |
|---------|---|-------------|----------------|-------------------|------------------|
| 50001   | Salaries & Wages  |             |                |                   |                  |
|         | Laboratory Supervisor   | \$ 67,573   | \$ 40,530      | \$ 62,504         | \$ 62,504        |
|         | Microbiologist G2 Step 3  | \$ 60,072   | \$ 31,670      | \$ 39,451         | \$ 41,854        |
|         | Total   | \$ 127,700  | \$ 72,200      | \$ 102,000        | \$ 104,358       |
|         | fully staffed in FY 2011, FY 2012 includes 3% COLA and step increases if applicable |             |                |                   |                  |
| 50100   | Employee Benefits   |             |                |                   |                  |
|         | Laboratory Supervisor   | \$ 32,237   | \$ 19,286      | \$ 32,693         | \$ 34,501        |
|         | Microbiologist  | \$ 30,550   | \$ 14,536      | \$ 27,362         | \$ 29,497        |
|         | Benefits on Annual leave buyback  | \$ 210      |                | \$ 210            | \$ 214           |
|         | Total   | \$ 62,400   | \$ 33,822      | \$ 60,300         | \$ 64,212        |
| 50175   | Annual Leave Buybar 1 employee  | \$ 2,750    | \$ -           | \$ 2,750          | \$ 2,800         |
| 50275   | Repairs & Maintenance   |             |                |                   |                  |
|         | Cleaning, Recalculation & Certification of balances, fume head, thermometers, etc.  | \$ 600      | \$ 957         | \$ 600            | \$ 1,200         |
|         | Misc repairs to Equipment   | \$ 400      | \$ 265         | \$ 400            | \$ 500           |
|         | Total   | \$ 1,000    | \$ 1,222       | \$ 1,000          | \$ 1,700         |

Docket No. 4243

Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Laboratory  
 15-500-2235

CW Surrebuttal Sch. B-7

50281 Regulatory Assessment

|   |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|
| Bacteria, Coliform, pH, Turbid Analysis | \$ 1,300         | \$ 2,302         | \$ 6,400         | \$ 6,400         |
| TTHM/HAA5 Analysis                      | \$ 12,800        | \$ 5,020         | \$ 6,150         | \$ 6,200         |
| TOC Analysis                            | \$ 1,200         | \$ 936           | \$ 1,080         | \$ 1,100         |
| pb/cu Analysis                          | \$ 200           | \$ 435           | \$ 800           |                  |
| RI DOH Lab Fees                         | \$ 19,995        | \$ 7,659         | \$ 15,000        | \$ 15,000        |
| Haz Mat Fees                            |                  |                  | \$ 750           | \$ 800           |
| ERA QC Samples                          |                  |                  | \$ 1,400         | \$ 1,400         |
| Lab Renewal Application                 |                  |                  | \$ 410           | \$ 500           |
| UCMR2 Analysis                          |                  | \$ 10,360        |                  |                  |
| RIPDES Permit Alum Analysis             | \$ 1,000         | \$ 575           | \$ 600           | \$ 600           |
| <b>Total</b>                            | <b>\$ 36,500</b> | <b>\$ 27,287</b> | <b>\$ 32,600</b> | <b>\$ 32,000</b> |

50339 Laboratory Supplies

|   |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|
| Buffers, reagents, Standards, gases & misc<br>expendable supplies                       | \$ 3,300          | \$ 6,092          | \$ 4,267          | \$ 6,000          |
| Colisure PA media   | \$ 3,000          | \$ 2,382          | \$ 4,800          | \$ 4,800          |
| Expendable wipes, gloves, pipets, bottles, glassware                                    | \$ 1,500          | \$ 2,287          | \$ 2,067          | \$ 1,900          |
| Replacement of dispensers, turbidmeters, microscopes<br>meters and other misc equipment | \$ 5,700          | \$ 5,211          | \$ 5,782          | \$ 5,800          |
| Replace Glassware washer  | \$ 5,000          | \$ -              |                   |                   |
| <b>total</b>  | <b>\$ 18,500</b>  | <b>\$ 15,972</b>  | <b>\$ 17,000</b>  | <b>\$ 18,500</b>  |
| <b>total</b>  | <b>\$ 248,850</b> | <b>\$ 150,503</b> | <b>\$ 215,650</b> | <b>\$ 223,570</b> |

Docket No. 4243

Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Distribution  
 15-500-2241

|         |   | CW Surrebuttal Sch. B-8 |                |                   |                  |
|---------|---|-------------------------|----------------|-------------------|------------------|
| Account | Description                                 | Docket 4025             | Actual FY 2010 | Projected FY 2011 | Proposed FY 2012 |
| 50001   | Salaries & Wages                            |                         |                |                   |                  |
|         | Supervisor Water Dist/Coll 50%              | N5G \$ 39,526           | \$ 33,639      | \$ 31,715         | \$ 33,647        |
|         | Distribution/Collection Mechanic            | UT4E \$ 52,398          | \$ 47,919      | \$ 47,919         | \$ 50,838        |
|         | Heavy Equipment Operator                    | UT4C \$ 46,457          | \$ 45,097      | \$ 45,168         | \$ 47,918        |
|         | Distribution/Collection Mechanic            | UT4D \$ 52,616          | \$ 46,117      | \$ 46,195         | \$ 49,009        |
|         | Distribution/Collection Foreman             | UT5E \$ 45,459          | \$ 45,404      | \$ 51,096         | \$ 54,226        |
|         | Parts/InventORY Contol Tech                 | UC2E \$ 41,441          | \$ 38,995      | \$ 38,995         | \$ 41,370        |
|         | Distribution/Collection Operator            | UT3C \$ 47,794          | \$ 39,585      | \$ 39,585         | \$ 41,995        |
|         | Engineering Technician                      | UT5G \$ 55,729          | \$ 53,815      | \$ 53,844         | \$ 55,460        |
|         | Distribution/Collection Operator            | UT3C \$ 41,411          | \$ 39,497      | \$ 39,585         | \$ 41,995        |
|         | Distribution/Collection Operator            | UT3B \$ 40,440          | \$ 38,432      | \$ 38,432         | \$ 40,773        |
|         | Adjustment for Vacancies                    | \$ (47,121)             |                |                   | \$ (41,384)      |
|         | Total                                       | \$ 416,200              | \$ 428,500     | \$ 432,534        | \$ 415,847       |
| 50002   | Overtime                                    |                         |                |                   |                  |
|         | hours                                       | 1,520                   | 1,432          | 1,520             | 1,520            |
|         | rate  | \$ 33.95                | \$ 33.11       | \$ 33.95          | \$ 34.45         |
|         | total                                       | \$ 52,000               | \$ 47,416      | \$ 52,000         | \$ 52,364        |
| 50004   | Temp Salaries One employee 19 weeks \$12/hr | \$ 10,000               | \$ -           | \$ 10,000         | \$ 10,000        |
| 50056   | Injury Pay                                  | \$ -                    | \$ -           | \$ -              | \$ -             |



Docket No. 4243

Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Distribution  
 15-500-2241

CW Surrebuttal Sch. B-8

50100 Employee Benefits

|   |    |          |    |        |    |        |    |          |
|---|----|----------|----|--------|----|--------|----|----------|
| Supervisor Water Dist/Coll 50%                          | \$ | 17,432   | \$ | 12,894 | \$ | 15,186 | \$ | 17,831   |
| Distribution/Collection Mechanic UT4E                   | \$ | 28,977   | \$ | 27,306 | \$ | 30,278 | \$ | 31,675   |
| Heavy Equipment Operator UT4C                           | \$ | 27,640   | \$ | 26,932 | \$ | 30,236 | \$ | 30,967   |
| Distribution/Collection Mechanic UT4D                   | \$ | 28,220   | \$ | 17,240 | \$ | 20,539 | \$ | 19,834   |
| Distribution/Collection Foreman UT5E                    | \$ | 27,416   | \$ | 28,350 | \$ | 30,990 | \$ | 32,496   |
| Parts/InventORY Contol Tech UC2E                        | \$ | 26,512   | \$ | 25,453 | \$ | 28,066 | \$ | 29,532   |
| Distribution/Collection Operator UT3C                   | \$ | 17,958   | \$ | 25,160 | \$ | 28,117 | \$ | 29,380   |
| Engineering Technician UT5G                             | \$ | 29,726   | \$ | 29,152 | \$ | 31,522 | \$ | 32,795   |
| Distribution/Collection Operator UT3C                   | \$ | 26,505   | \$ | 25,384 | \$ | 28,117 | \$ | 29,532   |
| Distribution/Collection Operator UT3B                   | \$ | 16,221   | \$ | 15,248 | \$ | 18,245 | \$ | 17,838   |
| Benefits for OT, Injury & Annual leave Buyback & AFSCME | \$ | 5,194    | \$ | 3,776  | \$ | 5,556  | \$ | 5,661    |
| Adjustment for vacancies                                | \$ | (26,805) |    |        |    |        | \$ | (23,685) |

|       |    |         |    |         |    |         |    |         |
|-------|----|---------|----|---------|----|---------|----|---------|
| Total | \$ | 224,996 | \$ | 236,895 | \$ | 266,852 | \$ | 253,856 |
|-------|----|---------|----|---------|----|---------|----|---------|

|                                 |    |       |    |        |    |        |    |        |
|---------------------------------|----|-------|----|--------|----|--------|----|--------|
| 50175 Annual Leave E6 employees | \$ | 5,900 | \$ | 10,624 | \$ | 10,624 | \$ | 11,000 |
|---------------------------------|----|-------|----|--------|----|--------|----|--------|

50212 Conferences & Training

|                                |    |       |    |       |    |       |    |       |
|--------------------------------|----|-------|----|-------|----|-------|----|-------|
| Continuing Education Units     | \$ | 3,200 | \$ | 1,659 | \$ | 3,200 | \$ | 3,200 |
| Supervisor Water Dist/ Collect | \$ | 670   | \$ | 800   | \$ | 670   | \$ | 670   |
| Travel                         | \$ | 130   | \$ | 25    | \$ | 130   | \$ | 130   |

|       |    |       |    |       |    |       |    |       |
|-------|----|-------|----|-------|----|-------|----|-------|
| Total | \$ | 4,000 | \$ | 2,484 | \$ | 4,000 | \$ | 4,000 |
|-------|----|-------|----|-------|----|-------|----|-------|

50225 Contract Services

|                                |    |       |    |       |    |       |    |       |
|--------------------------------|----|-------|----|-------|----|-------|----|-------|
| Welding Services as required   | \$ | 2,500 |    |       | \$ | 2,500 | \$ | 2,000 |
| Weathe Data Network            |    |       | \$ | 119   | \$ | 120   | \$ | 120   |
| Water Storage Tank Inspections | \$ | 3,000 |    |       | \$ | -     | \$ | 3,000 |
| Dig safe Contract (609.15*12)  | \$ | 7,000 | \$ | 6,660 | \$ | 7,310 | \$ | 7,310 |

|       |    |        |    |       |    |        |    |        |
|-------|----|--------|----|-------|----|--------|----|--------|
| total | \$ | 12,500 | \$ | 6,778 | \$ | 10,000 | \$ | 12,430 |
|-------|----|--------|----|-------|----|--------|----|--------|

50239 Fire & Liability Insurance

Docket No. 4243

Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Distribution  
 15-500-2241

|                                    |    |       |    |                     |           |
|------------------------------------|----|-------|----|---------------------|-----------|
|                                    |    |       |    | CW Surrebuttal Sch. | B-8       |
| RI Interlocal 2% increase per year | \$ | 2,400 | \$ | 1,983               | \$ 2,023  |
|                                    |    |       |    |                     | \$ 18,748 |

Contribution to Electricity Restricted Account  
 50306 Forest Ave, Goulart Lane, Reservoir Rd

|                  |                |           |           |           |           |
|------------------|----------------|-----------|-----------|-----------|-----------|
|                  | 3 year average |           |           |           |           |
| Annual KWH Usage | 109,086        | 131,000   | 107,456   | 117,000   | 117,000   |
| KWH Base rate    | \$ 0.0946      | \$ 0.0946 | \$ 0.0946 | \$ 0.0946 | \$ 0.0946 |
| cost of Supply   | \$ 12,397      | \$ 10,592 | \$ 10,592 | \$ 11,533 | \$ 11,533 |
| taxes            | \$ 517         | \$ 259    | \$ 259    | \$ 289    | \$ 289    |
| fixed charge     | \$ 1,620       | \$ 1,485  | \$ 1,485  | \$ 1,485  | \$ 1,485  |
| delivery charge  | \$ 5,041       | \$ 5,010  | \$ 5,010  | \$ 5,455  | \$ 5,455  |
| total cost       | \$ 19,600      | \$ 17,346 | \$ 17,346 | \$ 18,800 | \$ 18,762 |

50260 Heavy Equipment Rental

|                                  |    |       |    |     |        |        |       |       |
|----------------------------------|----|-------|----|-----|--------|--------|-------|-------|
| Backhoe w/oper 32 hrs @ 100/hr   | \$ | 2,700 |    | \$  | 12,700 | \$     | 3,200 |       |
| Excavator w/oper 16 hrs @ 160/hr | \$ | 1,600 |    | \$  | -      | \$     | 2,560 |       |
| Dump truck 32 hrs @ 65/hr        | \$ | 1,950 |    | \$  | -      | \$     | 2,050 |       |
| Gas cylinders                    |    |       | \$ | 18  | \$     | 20     | \$    | 20    |
| Waste Management                 | \$ | 380   |    | \$  | 376    | \$     | 380   |       |
| Propane                          |    |       | \$ | 54  | \$     | 50     | \$    | 50    |
| Paving Eq. 24 hrs @ \$95/hr.     | \$ | 2,280 |    | \$  | -      | \$     | -     |       |
| Total                            | \$ | 8,900 | \$ | 447 | \$     | 13,150 | \$    | 8,260 |

Docket No. 4243

Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Distribution  
 15-500-2241

CW Surrebuttal Sch. B-8

|                               |             |           |    |           |            |            |
|-------------------------------|-------------|-----------|----|-----------|------------|------------|
| 50271 Gas/Vehicle Maintenance | 10 vehicles |           |    |           |            |            |
| diesel gallons                |             | 1,924     |    | 1,961     | 2,000      | 2,000      |
| cost/gallon                   |             | \$ 3.0325 | \$ | 2.4943    | \$ 3.2500  | \$ 3.2500  |
| diesel cost                   |             | \$ 5,835  | \$ | 4,891     | \$ 6,501   | \$ 6,501   |
| gasoline gallons              |             | 7,727     |    | 10,867    | 11,000     | 11,000     |
| cost/gallon                   |             | \$ 2.3850 | \$ | 2.1413    | \$ 2.7000  | \$ 2.7000  |
| gasoline cost                 |             | \$ 18,429 | \$ | 23,269    | \$ 29,700  | \$ 29,700  |
| total fuel cost               |             | \$ 24,263 | \$ | 28,160    | \$ 36,201  | \$ 36,201  |
| parts/labor                   |             | \$ 64,767 | \$ | 74,104    | \$ 74,104  | \$ 74,104  |
| insurance                     |             | \$ 10,367 | \$ | -         | \$ -       | \$ -       |
| total                         |             | \$ 99,400 | \$ | 102,264   | \$ 110,400 | \$ 110,305 |
| 50275 Repairs & Maintenance   |             |           |    |           |            |            |
| Roof                          |             | \$ 15,000 |    | \$ 20,000 |            |            |
| Air conditioning              |             | \$ 4,000  | \$ | 1,090     | \$ -       |            |
| Transformer forest ave        |             |           | \$ | 1,082     |            |            |
| overhead doors                |             | \$ 3,000  | \$ | 372       | \$ 3,000   | \$ -       |
| Miscellaneous                 |             | \$ 3,000  | \$ | 5,180     | \$ 3,000   | \$ 4,000   |
| Raw Material Storage Area     |             |           |    |           | \$         | 16,000     |
| equipment racks               |             | \$ 7,000  |    | \$ -      | \$ -       | \$ 6,000   |
| total                         |             | \$ 32,000 | \$ | 7,724     | \$ 26,000  | \$ 26,000  |

Docket No. 4243

Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Distribution  
 15-500-2241

CW Surrebuttal Sch. B-8

50276 Main Maintenance

|  |    |        |    |        |       |        |       |        |
|--|----|--------|----|--------|-------|--------|-------|--------|
| Demolition saw and blades  | \$ | 2,000  |    | \$     | 1,000 | \$     | 1,000 |        |
| Permits  | \$ | 1,500  |    | \$     | 1,000 | \$     | 1,000 |        |
| Detail officers, approx. 8 days @ \$400/per day  | \$ | 4,000  | \$ | 252    | \$    | 3,200  | \$    | 2,000  |
| Materials for replacement/repairs of water mains<br>including ductile iron piping/fittings/tapping sleeves | \$ | 25,800 | \$ | 16,582 | \$    | 19,000 | \$    | 10,000 |
| Gravel   | \$ | 29,700 | \$ | 10,841 | \$    | 15,000 | \$    | 11,000 |
| Stone  | \$ | 9,750  | \$ | 8,622  | \$    | 9,750  | \$    | 9,000  |
| Cold patch   | \$ | 10,050 | \$ | 11,648 | \$    | 10,050 | \$    | 12,000 |
| Vacuum trailer for valve box maintenance   |    |        |    |        |       |        | \$    | 15,000 |
| Leak Detection Survey  |    |        |    |        | \$    | 5,000  | \$    | 5,000  |
| Gate Valves  | \$ | 2,000  |    | \$     | 2,000 | \$     | 4,000 |        |
| total  | \$ | 84,800 | \$ | 47,945 | \$    | 66,000 | \$    | 70,000 |

50296 Service Maintenance

|   |    |        |    |        |       |        |       |        |
|---|----|--------|----|--------|-------|--------|-------|--------|
| Tap machine for 3/4" - 1" taps  | \$ | 750    |    | \$     | 750   |        |       |        |
| Service boxes   | \$ | 3,400  | \$ | 2,238  | \$    | 3,400  | \$    | 4,000  |
| Service Keys  | \$ | 440    |    | \$     | 450   | \$     | 400   |        |
| Tools, tapping/crimping/cutting/drilling etc.   | \$ | 1,200  |    | \$     | 1,200 | \$     | 1,200 |        |
| Service Barricades  | \$ | 880    |    | \$     | 900   | \$     | 900   |        |
| Safety Cones  | \$ | 1,500  |    | \$     | 800   | \$     | 800   |        |
| New Services copper tubing  | \$ | 11,000 | \$ | 5,006  | \$    | 6,000  | \$    | 6,000  |
| Excavation Permits  | \$ | 1,500  | \$ | 5,556  | \$    | 1,500  | \$    | 1,500  |
| Curb stops, corporations, service<br>saddles, unions, repair couplings,<br>brass fittings | \$ | 8,830  | \$ | 6,850  | \$    | 7,000  | \$    | 7,000  |
| Customer repairs  |    |        | \$ | 1,763  |       |        |       |        |
| Leak Detection Survey   |    |        |    |        | \$    | 5,000  | \$    | 5,000  |
| Detail officers approximately 8 days @ \$400/day  | \$ | 4,000  | \$ | 6,801  | \$    | 4,000  | \$    | 3,200  |
|   | \$ | 33,500 | \$ | 28,213 | \$    | 31,000 | \$    | 30,000 |

50311 Operating Supplies

Docket No. 4243

Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Distribution  
 15-500-2241

|                                      |           |                  |                   | CW Surrebuttal Sch. | B-8                 |
|--------------------------------------|-----------|------------------|-------------------|---------------------|---------------------|
| machine & tool lubricant             | \$        | 3,000            |                   | \$ 2,800            | \$ 2,800            |
| Marking Paint                        |           |                  | \$ 703            | \$ 700              | \$ 700              |
| grease guns                          | \$        | 500              |                   | \$ -                | \$ -                |
| Replacement blades/cutting wheels    | \$        | 5,000            | \$ 1,394          | \$ 4,000            | \$ 4,000            |
| chains, bars, tapping tools          | \$        | 2,500            | \$ 2,512          | \$ 2,500            | \$ 2,500            |
| Total                                | \$        | 11,000           | \$ 4,608          | \$ 10,000           | \$ 10,000           |
| <br>50320 Uniforms & protective Gear | \$        | 1,500            | \$ 872            | \$ 1,300            | \$ 1,300            |
| <br><b>total</b>                     | <b>\$</b> | <b>1,018,696</b> | <b>\$ 944,099</b> | <b>\$ 1,064,682</b> | <b>\$ 1,052,872</b> |

Docket No. 4243

Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Fire Protection  
 15-500-2245

CW Surrebuttal Sch. B-9

| Account | Description                      | Docket<br>4025   | Actual FY<br>2010 | Projected<br>FY 2011 | Proposed<br>FY 2012 |
|---------|----------------------------------|------------------|-------------------|----------------------|---------------------|
| 50275   | Repair & Maintenance - Equipment |                  |                   |                      |                     |
|         | Permits                          | \$ 200           | \$ 1,282          | \$ 200               | \$ 200              |
|         | Hydrant parts                    | \$ 5,000         | \$ 4,055          | \$ 5,000             | \$ 5,000            |
|         | Hydrant Paint                    | \$ 1,000         |                   | \$ 1,000             | \$ 1,000            |
|         | misc other materials as needed   | \$ 1,600         | \$ 34             | \$ 600               | \$ 600              |
|         | Welding of hydrant base          | \$ 200           |                   | \$ 200               | \$ 200              |
|         | Police Details                   | \$ -             | \$ 112            | \$ -                 | \$ -                |
|         | Hydrant Inserts (5@\$1,300)      | \$ 6,500         |                   | \$ 6,500             | \$ 6,500            |
|         | <b>total</b>                     | <b>\$ 14,500</b> | <b>\$ 5,482</b>   | <b>\$ 13,500</b>     | <b>\$ 13,500</b>    |

City of Newport, Rhode Island  
 FY 2012 Rate Filing  
 Development of Legal & Administrative and Data Processing Charge

CW Surrebuttal Sch. D

**Determination of Budget Percentages**

|   | <b>FY2012 City Budget (less Capital/Depr)</b> | <b>Percentage</b> |            |                      |
|---|---|-------------------|------------|----------------------|
| Total General Fund Budget (Adopted)             | 78,311,955                                    |                   |            | 77145697 (1,166,258) |
| Add: Equipment Operations Fund                  | 1,561,660                                     |                   |            |                      |
| Less:   |   |                   |            |                      |
| 80 % of School Appropriation                    | (18,051,326)                                  |                   |            |                      |
| 96% of Library Appropriation                    | (1,604,850)                                   |                   |            |                      |
| Debt Service                                    | (2,525,388)                                   |                   |            |                      |
| Civic Support Requests                          | (83,150)                                      |                   |            |                      |
| <b>Total General Fund Budget For Allocation</b> | <b>57,608,901</b>                             | <b>75.14%</b>     |            |                      |
| Water Fund                                      | 10,012,212                                    | 13.06%            | 19,543,071 | \$ 12,539,956        |
| WPC Fund  | 6,145,059                                     | 8.02%             | 19,687,499 |                      |
| Maritime Fund                                   | 632,833                                       | 0.83%             |            |                      |
| Beach Fund                                      | 827,832                                       | 1.08%             |            |                      |
| Parking Fund                                    | 1,438,810                                     | 1.88%             |            |                      |
| <b>Combined Budgets</b>                         | <b>76,665,647</b>                             | <b>100.00%</b>    |            |                      |

**Allocation of Legal and Administrative Costs to Enterprise Funds**

| Allocated Item                             | Cost To Be Allocated | Beach   |            |        |          |       |          |        |         |        |         |
|--|----------------------|---------|------------|--------|----------|-------|----------|--------|---------|--------|---------|
|  |                      | Water % | Water Fund | WPC %  | WPC Fund | Mar % | Maritime | %      | Beach   | Park % | Parking |
| Audit Fees                                 | \$ 69,200            | 6.18%   | 4,277      | 6.00%  | 4,152    | 2.00% | 1,384    | 2.00%  | 1,384   | 2.00%  | 1,384   |
| OPEB Contribution (1)                      | \$ 2,178,568         | 0.00%   | -          | 0.00%  | -        | 0.07% | 1,525    | 0.09%  | 1,961   | 0.00%  | -       |
| City Council                               | \$ 79,521            | 5.75%   | 4,572      | 1.97%  | 1,567    | 2.96% | 2,354    | 2.13%  | 1,694   | 2.79%  | 2,219   |
| Citizen Survey                             | \$ -                 | 8.30%   | -          | 0.00%  | -        | 0.00% | -        | 0.00%  | -       | 0.00%  | -       |
| City Clerk                                 | \$ 332,461           | 1.00%   | 3,325      | 1.97%  | 6,549    | 2.96% | 9,841    | 2.13%  | 7,081   | 2.79%  | 9,276   |
| City Manager                               | \$ 407,653           | 13.06%  | 53,238     | 14.12% | 57,561   | 1.66% | 6,767    | 0.97%  | 3,954   | 1.51%  | 6,156   |
| Human Resources                            | \$ 294,475           | 10.06%  | 29,624     | 0.44%  | 1,296    | 0.47% | 1,384    | 0.74%  | 2,179   | 0.18%  | 530     |
| City Solicitor(only 50% allowed by puc)    | \$ 154,082           | 13.06%  | 20,122     | 14.12% | 21,756   | 1.66% | 2,558    | 0.97%  | 1,495   | 1.51%  | 2,327   |
| Finance Admin 80%(only 50% allowed by puc) | \$ 149,278           | 13.06%  | 19,495     | 14.12% | 21,078   | 1.66% | 2,478    | 0.97%  | 1,448   | 1.51%  | 2,254   |
| Finance Admin 5%                           | \$ 18,660            | 37.00%  | 6,904      | 8.00%  | 1,493    | 0.00% | -        | 0.00%  | -       | 2.50%  | 466     |
| Purchasing                                 | \$ 96,838            | 18.60%  | 18,012     | 1.20%  | 1,162    | 3.10% | 3,002    | 5.90%  | 5,713   | 3.50%  | 3,389   |
| Assessment                                 | \$ 117,494           | 5.00%   | 5,875      |        |          |       |          |        |         |        |         |
| Collections                                | \$ 302,778           | 15.26%  | 46,204     | 15.26% | 46,204   | 0.00% | -        | 0.00%  | -       | 18.70% | 56,619  |
| Accounting - 5%                            | \$ 10,503            | 100.00% | 10,503     | 0.00%  | -        |       |          |        |         | 0.00%  | -       |
| Accounting                                 | \$ 410,372           | 16.90%  | 69,353     | 0.97%  | 3,981    | 2.60% | 10,670   | 3.90%  | 16,005  | 2.70%  | 11,080  |
| Public Safety                              | \$ 30,876,692        | 0.00%   | -          | 0.17%  | 52,490   | 0.04% | 12,351   | 0.05%  | 15,438  | 0.25%  | 77,192  |
| Facilities Maintenance                     | \$ 887,556           | 1.47%   | 13,047     | 4.00%  | 35,502   |       |          | 18.60% | 165,085 |        |         |

Legal & Administrative rounded **\$ 304,551**

**Allocation of Data Processing Costs to Enterprise Funds**

| Allocated Item            | Cost To Be Allocated | Beach   |            |        |          |       |          |       |       |        |         |
|---------------------------|----------------------|---------|------------|--------|----------|-------|----------|-------|-------|--------|---------|
|                           |                      | Water % | Water Fund | WPC %  | WPC Fund | Mar % | Maritime | %     | Beach | Park % | Parking |
| MIS - Communications Cost | \$ 261,576           | 7.90%   | 20,665     | 3.30%  | 8,632    | 1.26% | 3,296    | 1.67% | 4,368 | 0.84%  | 2,197   |
| MIS - Other Costs         | \$ 894,364           | 13.06%  | 116,800    | 14.12% | 126,284  | 1.66% | 14,846   | 0.97% | 8,675 | 1.51%  | 13,505  |

Data Processing (1) rounded **\$ 137,465**

Newport Water Division  
 Cost Of Service Analysis  
 Debt Service Detail

Interest Rate = 4.00% 6%  
 Borrowing cost = 1.1 1.13

CW Surrebuttal Sch. C

| Fiscal Year | EXISTING (1)  |                                |                                  |                    | PROPOSED (2)            |         |          |             |                        |           |           |             |   |           |           |             |   |         |          |             | Total Annual Debt Service |   |          |              |              |
|-------------|---------------|--------------------------------|----------------------------------|--------------------|-------------------------|---------|----------|-------------|------------------------|-----------|-----------|-------------|---|-----------|-----------|-------------|---|---------|----------|-------------|---------------------------|---|----------|--------------|--------------|
|             | Revenue Bonds | 2007 SRF A \$3.0 M Agency Loan | 2008 SRF B \$5.9 M Fed Dir. Loan | 2009 SRF A \$3.3 M | 2012 SRF A (Dam Repair) |         |          |             | 2012 SRF B (New Plant) |           |           |             | 2013 SRF A (Sta 1 Improvements and New Plant) |           |           |             | 2014 SRF A (Sta 1 Improvements and New Plant) |         |          |             |                           | 2015 SRF A (Sta 1 Improvements and New Plant) |          |              |              |
|             |               | Rate                           | 3.40%                            | Loan Amount        | \$ 6,676,610            | Rate    | 4.00%    | Loan Amount | \$ 48,337,184          | Rate      | 4.00%     | Loan Amount | 31,920,000                                    | Rate      | 4.00%     | Loan Amount | 5,699,680                                     | Rate    | 4.00%    | Loan Amount |                           | -   |          |              |              |
| Total       | Total         | Total                          | Total                            | Interest           | Principal               | Total   | Drawdown | 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            | 200,323                 |         | 200,323  | 6,676,610   | 0                      | 0         | 0         | 0           | 0   | 0         | 0         | 0           | 0   | 0       | 0        | 0           | 0                         | 0   | 0        | \$ 1,389,045 |              |
| 2013        | 388,755       | 211,034                        | 424,365                          | 181,966            | 228,862                 | 314,900 | 543,762  | 6,676,610   | 1,880,686              | 1,688,177 | 3,568,863 | 48,337,184  | 0   | 0         | 0         | 0           | 0   | 0       | 0        | 0           | 0                         | 0   | 0        | 0            | \$ 4,774,982 |
| 2014        |               | 210,828                        | 424,365                          | 181,518            | 217,563                 | 326,200 | 543,763  | 6,676,610   | 1,825,772              | 1,755,704 | 3,581,476 | 48,337,184  | 1,239,519                                     | 1,114,807 | 2,354,326 | 31,920,000  | 0   | 0       | 0        | 0           | 0                         | 0   | 0        | 0            | \$ 6,752,512 |
| 2015        |               | 211,441                        | 424,945                          | 181,416            | 205,858                 | 337,900 | 543,758  | 6,676,610   | 1,768,662              | 1,825,932 | 3,594,594 | 48,337,184  | 1,200,747                                     | 1,159,399 | 2,360,146 | 31,920,000  | 221,761                                       | 199,061 | 420,823  | 5,699,680   | 0                         | 0   | 0        | 0            | \$ 7,193,364 |
| 2016        |               | 210,861                        | 424,070                          | 181,648            | 193,734                 | 350,000 | 543,734  | 6,676,610   | 1,709,267              | 1,898,970 | 3,608,236 | 48,337,184  | 1,160,423                                     | 1,205,775 | 2,366,198 | 31,920,000  | 215,286                                       | 207,024 | 422,310  | 5,699,680   | 0                         | 0   | 0        | 0            | \$ 7,213,324 |
| 2017        |               | 184,069                        | 423,727                          | 181,504            | 181,174                 | 362,600 | 543,774  | 6,676,610   | 1,647,496              | 1,974,928 | 3,622,425 | 48,337,184  | 1,118,487                                     | 1,254,006 | 2,372,493 | 31,920,000  | 208,552                                       | 215,305 | 423,857  | 5,699,680   | 0                         | 0   | 0        | 0            | \$ 7,208,075 |
| 2018        |               | 184,052                        | 422,898                          | 181,058            | 168,164                 | 375,600 | 543,764  | 6,676,610   | 1,583,255              | 2,053,926 | 3,637,180 | 48,337,184  | 1,074,874                                     | 1,304,166 | 2,379,040 | 31,920,000  | 201,548                                       | 223,917 | 425,465  | 5,699,680   | 0                         | 0   | 0        | 0            | \$ 7,229,693 |
| 2019        |               | 210,815                        | 422,537                          | 181,105            | 154,686                 | 389,100 | 543,786  | 6,676,610   | 1,516,444              | 2,136,083 | 3,652,526 | 48,337,184  | 1,029,516                                     | 1,356,333 | 2,385,849 | 31,920,000  | 194,265                                       | 232,874 | 427,138  | 5,699,680   | 0                         | 0   | 0        | 0            | \$ 7,279,970 |
| 2020        |               | 210,360                        | 422,607                          | 180,896            | 140,725                 | 403,000 | 543,725  | 6,676,610   | 1,446,960              | 2,221,526 | 3,668,486 | 48,337,184  | 982,343                                       | 1,410,586 | 2,392,929 | 31,920,000  | 186,690                                       | 242,189 | 428,878  | 5,699,680   | 0                         | 0   | 0        | 0            | \$ 7,304,157 |
| 2021        |               | 210,677                        | 423,085                          | 180,444            | 126,264                 | 417,500 | 543,764  | 6,676,610   | 1,374,698              | 2,310,387 | 3,685,085 | 48,337,184  | 933,284                                       | 1,467,009 | 2,400,294 | 31,920,000  | 178,812                                       | 251,876 | 430,688  | 5,699,680   | 0                         | 0   | 0        | 0            | \$ 7,330,271 |
| 2022        |               | 210,752                        | 421,968                          | 180,521            | 111,282                 | 432,500 | 543,782  | 6,676,610   | 1,299,544              | 2,402,802 | 3,702,347 | 48,337,184  | 882,262                                       | 1,525,690 | 2,407,952 | 31,920,000  | 170,618                                       | 261,951 | 432,570  | 5,699,680   | 0                         | 0   | 0        | 0            | \$ 7,356,109 |
| 2023        |               | 210,583                        | 421,274                          | 180,357            | 95,764                  | 448,000 | 543,764  | 6,676,610   | 1,221,385              | 2,498,915 | 3,720,299 | 48,337,184  | 829,200                                       | 1,586,717 | 2,415,917 | 31,920,000  | 162,097                                       | 272,429 | 434,527  | 5,699,680   | 0                         | 0   | 0        | 0            | \$ 7,382,957 |
| 2024        |               | 210,169                        | 421,946                          | 180,701            | 79,690                  | 464,000 | 543,690  | 6,676,610   | 1,140,099              | 2,598,871 | 3,738,970 | 48,337,184  | 774,015                                       | 1,650,186 | 2,424,201 | 31,920,000  | 153,236                                       | 283,326 | 436,562  | 5,699,680   | 0                         | 0   | 0        | 0            | \$ 7,412,549 |
| 2025        |               | 210,489                        | 420,969                          | 180,056            | 63,039                  | 480,700 | 543,739  | 6,676,610   | 1,055,562              | 2,702,826 | 3,758,388 | 48,337,184  | 716,622                                       | 1,716,194 | 2,432,816 | 31,920,000  | 144,020                                       | 294,660 | 438,679  | 5,699,680   | 0                         | 0   | 0        | 0            | \$ 7,441,397 |
| 2026        |               | 209,543                        | 420,366                          | 179,832            | 45,792                  | 497,900 | 543,692  | 6,676,610   | 967,843                | 2,810,939 | 3,778,582 | 48,337,184  | 656,934                                       | 1,784,841 | 2,441,776 | 31,920,000  | 134,435                                       | 306,446 | 440,881  | 5,699,680   | 0                         | 0   | 0        | 0            | \$ 7,470,978 |
| 2027        |               | 209,336                        | 421,064                          | 180,151            | 27,925                  | 515,800 | 543,725  | 6,676,610   | 876,208                | 2,923,377 | 3,799,584 | 48,337,184  | 594,858                                       | 1,856,235 | 2,451,094 | 31,920,000  | 124,467                                       | 318,704 | 443,170  | 5,699,680   | 0                         | 0   | 0        | 0            | \$ 7,504,399 |
| 2028        |               | 209,832                        | 420,053                          | 180,205            | 9,417                   | 534,300 | 543,717  | 6,676,610   | 781,115                | 3,040,312 | 3,821,426 | 48,337,184  | 530,300                                       | 1,930,484 | 2,460,784 | 31,920,000  | 114,100                                       | 331,452 | 445,552  | 5,699,680   | 0                         | 0   | 0        | 0            | \$ 7,537,851 |
| 2029        |               |                                | 419,321                          | 179,974            |                         |         |          |             | 682,218                | 3,161,924 | 3,844,142 | 48,337,184  | 463,159                                       | 2,007,704 | 2,470,863 | 31,920,000  | 103,318                                       | 344,710 | 448,028  | 5,699,680   | 0                         | 0   | 0        | 0            | \$ 7,562,328 |
| 2030        |               |                                | 426,632                          | 179,449            |                         |         |          |             | 579,366                | 3,288,401 | 3,867,767 | 48,337,184  | 393,332                                       | 2,088,012 | 2,481,344 | 31,920,000  | 92,105  | 358,498 | 450,604  | 5,699,680   | 0                         | 0   | 0        | 0            | \$ 7,405,795 |
| 2031        |               |                                |                                  |                    |                         |         |          |             | 472,399                | 3,419,937 | 3,892,336 | 48,337,184  | 320,712                                       | 2,171,532 | 2,492,245 | 31,920,000  | 80,444  | 372,838 | 453,282  | 5,699,680   | 0                         | 0   | 0        | 0            | \$ 7,016,514 |
| 2032        |               |                                |                                  |                    |                         |         |          |             |                        |           |           |             | 245,188                                       | 2,258,394 | 2,503,581 | 31,920,000  | 68,316  | 387,752 | 456,068  | 5,699,680   | 0                         | 0   | 0        | 0            | \$ 2,959,649 |
| 2033        |               |                                |                                  |                    |                         |         |          |             |                        |           |           |             |   |           |           |             | 55,703  | 403,262 | 458,965  | 5,699,680   | 0                         | 0   | 0        | 0            | \$ 458,965   |
| 2034        |               |                                |                                  |                    |                         |         |          |             |                        |           |           |             |   |           |           |             | 0   | 0       | 0        | 0           | 0                         | 0   | 0        | 0            | \$ -         |
| 2035        |               |                                |                                  |                    |                         |         |          |             |                        |           |           |             |   |           |           |             | 0   | 0       | 0        | 0           | 0                         | 0   | 0        | 0            | \$ -         |
| 2036        |               |                                |                                  |                    |                         |         |          |             |                        |           |           |             |   |           |           |             | 0   | 0       | 0        | 0           | 0                         | 0   | 0        | 0            | \$ -         |

(1) Debt service on existing debt based on debt service schedules provided by the City of Newport  
 (2) Debt service on proposed loans assumes full principal and interest payments in the year following that in which debt is issued