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**RHODE ISLAND PUBLIC UTILITIES COMMISSION**

**DOCKET NO. 4243**

**CITY OF NEWPORT WATER DIVISION**

**PREFILED TESTIMONY OF**

**CHRISTOPHER P.N. WOODCOCK**

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

5 **Q: Please state your name and business address?**

6 A: My name is Christopher P.N. Woodcock and my business address is 18 Increase  
7 Ward Drive, Northborough, Massachusetts 01532.

8 **Q: By whom are you employed and in what capacity?**

9 A: I am the President of Woodcock & Associates, Inc. a consulting firm specializing in  
10 water and wastewater rate and financial studies.

11 **Prior Experience**

12 **Q: Please describe your qualifications and experience.**

13 A: I have undergraduate degrees in Economics and in Civil Engineering from Tufts  
14 University in Medford, Massachusetts. After graduating in 1974, I was employed by  
15 the environmental consulting firm of Camp, Dresser, and McKee Inc. (CDM). For  
16 approximately 18 months I worked in the firm's environmental engineering group  
17 performing such tasks as designing water distribution and transmission pipes,  
18 sewer collection and interception systems, pumping facilities and portions of a  
19 wastewater treatment facility. From approximately January 1976, I worked in the  
20 firm's management and financial consulting services group, gaining increasing re-  
21 sponsibility. At the time of my resignation, I was a corporate Vice President and  
22 appointed the leader of the group overseeing all rate and financial studies. In my  
23 career, I have worked on more than 400 water and wastewater rate and financial  
24 studies, primarily in the United States, but also for government agencies overseas.  
25 I also have worked on a number of engineering and financial feasibility studies in  
26 support of revenue bond issues, I have helped draft and review revenue bond in-  
27 dentures, and I worked on several valuation studies, capital improvement financing  
28 analyses, and management audits of public works agencies. In addition to my pro-  
29 fessional experience I have held elected and appointed positions on municipal  
30 boards overseeing public works functions.

1 **Q: Have you previously testified before state regulatory commissions or courts**  
2 **on rate related matters?**

3 A: Yes, I have provided testimony on rate related matters before utility commissions in  
4 Rhode Island, Maine, Massachusetts, Connecticut, New York, New Hampshire,  
5 Texas, and Alberta, Canada. I have been retained as an expert witness on utility  
6 rate related matters in proceedings in state courts in Arkansas, Florida, Massachu-  
7 setts, Michigan, New Jersey, Maryland, Ohio, Virginia, and Pennsylvania, as well as  
8 the Federal Court in Michigan. I have been selected to several arbitration panels  
9 related to disputes over water rates and charges; I have provided testimony on rate  
10 related matters to the Michigan and Massachusetts legislatures, and I have pro-  
11 vided testimony at administrative hearings on a number of occasions.

12 **Q: Do you belong to any professional organizations or committees?**

13 A: Yes, I am a member of the Water Environment Federation, the Rhode Island Water  
14 Works Association, the Massachusetts Water Works Association, the New England  
15 Water Works Association, and the American Water Works Association. For the Wa-  
16 ter Environment Federation, I was a member of the committee that prepared the  
17 manual on Wastewater Rates and Financing. I am past chairman and a current  
18 member of the New England Water Works Association's Financial Management  
19 Committee. In my capacity as Past President of the New England Water Works As-  
20 sociation I also sit on the Board of Directors as well as chairing and sitting on a  
21 number of other administrative committees. For the American Water Works Asso-  
22 ciation, I am past chairman of the Financial Management Committee and the Rates  
23 and Charges Committee that has prepared the manuals on Revenue Requirements,  
24 Water Rates, Alternative Rate Structures, and Water Rates and Related Charges. I  
25 have been reappointed to and am currently a member of the Rates & Charges  
26 Committee.

1 **Summary**

2 **Q: What is your role in this proceeding?**

3 A: I have been retained by the Portsmouth Water & Fire District (PWFD) to review  
4 Newport Water's ("NWD") rate filing in Docket 4243. I have been involved in a simi-  
5 lar capacity in NWD's rate and cost of service filings before the Commission since  
6 2001 (Docket No. 2985).

7 **Q: Will you summarize your findings and conclusions?**

8 A: Over the past decade a number of the larger issues regarding NWD's water rates,  
9 its claimed revenue requirements, and rate design have been resolved or consid-  
10 erably narrowed. This Docket does not involve rate design issues; it involves only  
11 an overall or across-the-board increase in revenues.

12

13 NWD requests an increase in revenues of \$3,915,001 to support an overall revenue  
14 requirement of \$15,038,048 for the fiscal year 2012. This is an overall increase of  
15 37.7%. Based on my review of the filing and NWD's responses to data requests, an  
16 increase of no more than \$1,572,559 or 15.1% is supported for the rate year.

17

18 NWD also asks for step or multiyear increases under R.I.G.L. 39-15.1-4 to cover  
19 new debt service as follows:

- 20 • July 1, 2012: an additional \$3,045,221 increase (21.3%)
- 21 • July 1, 2013: an additional \$2,434,531 increase (14%)
- 22 • July 1, 2014: an additional \$530,997 increase (2.7%)

23 These additional step increases need to be modified based on the Commission's  
24 decision regarding the base rate year. The overall revenue requirements and in-  
25 creases for these years are shown on the attached schedules I prepared.

26

27 **Q: Do you support the across the board increase proposed by Newport in this**  
28 **docket?**

1 A: Yes. The results of Newport's demand study over the summer of 2010 did not meet  
2 the requirements established by all the parties in Docket 4128 and had to be re-  
3 jected. Consequently, I agree with the proposal for an across the board increase in  
4 this docket.

5 **Q: Please describe the major differences between your recommendations and**  
6 **NWD's filing.**

7 A: In general, PWFD supports the projects that are proposed by NWD in this docket.  
8 Despite some questions about the timing and speed of the schedule presented by  
9 NWD, particularly as it relates to the proposed bond issues, PWFD believes it is es-  
10 sential to move forward with the upgrades of the water treatment facilities.

11

12 The primary point of contention is NWD's assumptions regarding the cost and tim-  
13 ing of its proposed debt service to support these projects. In addition, my recom-  
14 mendations differ from NWD's request on the following issues:

- 15 • The amount claimed by NWD for the City Services charge is overstated and  
16 does not comply with prior Commission orders.
- 17 • Discovery revealed revisions to costs related to benefits, chemicals and powers.  
18 Those revisions are incorporated in the attached exhibits.
- 19 • My recommendation reduces NWD's request for \$2,750,000 per year of rate  
20 funded capital improvements to \$2,500,000 per year.
- 21 • My recommendation modifies the billing costs shared with NWD's Water Pollu-  
22 tion Control Division and Middletown.
- 23 • NWD's request includes duplication of claimed consultant fees (costs included  
24 as revenue requirements that are part of the bond issues) and a failure to amor-  
25 tize these expenses. My recommendation corrects these errors.
- 26 • My recommendation rounds calculations to the nearest dollar (instead of the  
27 nearest \$100 or \$1,000), which trims approximately \$9,000 off NWD's proposal.
- 28 • In Docket 3578, the Commission previously denied NWD's proposed transfers  
29 of funds from the restricted debt service account to the restricted capital spend-

1 ing account, and NWD indicated in response to PWFD 2-10 that it does not plan  
2 to make the transfers. Accordingly, my recommendation removes these trans-  
3 fers from the rate model.

- 4 • PWFD does not support NWD's request to relieve it from filing monthly and  
5 quarterly reports.

## 6 **Debt Service**

7 **Q: Can you describe the errors regarding the cost and timing of NWD's proposed**  
8 **debt service to support the water treatment projects?**

9 A: This is the primary concern because of the revenue impact. PWFD does not op-  
10 pose NWD's capital plan as it relates to the upgrades of the treatment facilities.  
11 However, the assumptions regarding the debt terms and how soon repayment on  
12 the various loans may start are unreasonable and unsupported.

13 **Q: Are the amounts provided by NWD for debt service restricted?**

14 A: Yes.

15 **Q: What would be the harm if they are overstated?**

16 A: Although the timing of future bond issues is somewhat speculative at this time and  
17 any amounts allowed for debt service would be restricted for use as debt service,  
18 overstating those amounts is likely to harm all ratepayers including PWFD. In the  
19 past, (a) NWD has demonstrated a history of changing its capital plans and not us-  
20 ing allowed funds for the purposes claimed (see Docket 4025), (b) NWD has pre-  
21 sented debt service plans that have changed after revenues were approved (see  
22 response to PWFD 1-6 for example), and (c) in Docket 3578 Newport proposed to  
23 use restricted debt service funds to repay the City of Newport.

24  
25 The record is full of examples where Newport has presented plans seeking to divert  
26 restricted revenues to other uses. To date, the Commission has not allowed those  
27 transfers or diversions. The considerable size of Newport's proposed capital im-

1       provement and construction program amplifies the importance of ensuring that  
2       funds are set aside only as needed and used and spent as planned.

3       **Q: Please explain the issues you have identified regarding NWD's claimed debt**  
4       **service needs.**

5       A: NWD expects to borrow significant amounts of money over the next few years and  
6       wants to appear financially strong. While it may be prudent to be somewhat con-  
7       servative in projecting debt service needs, Newport's assumptions are far too con-  
8       servative. NWD has assumed (1) very high interest rates with no RICWFA subsi-  
9       dized borrowings, (2) repayments that begin immediately, and (3) issuance costs  
10      that exceed those incurred in the past. These unreasonable assumptions com-  
11      pound each other and result in estimated annual payments that are excessive and  
12      premature.

13  
14      Specifically, NWD erred when it assumed that a full year's principal and interest is  
15      required in the year of the bond issue. NWD also erred in the assumptions it made  
16      about interest rates and issuance costs for the debt.

17  
18      Based on my revised calculations NWD will have more than \$2 million in its re-  
19      stricted debt service account each year (CW Sch.11). Not since January of 2010  
20      has the balance in Newport's restricted debt service fund dropped below \$1 million.  
21      Since June of 2009 (the date of NWD's last rate increase), the average balance in  
22      NWD's restricted debt service fund has nearly doubled. NWD does not need to  
23      maintain such significant amounts in its restricted debt service account.

24      **Q: Can you explain the difference between the amounts in CW Sch. 11 for both**  
25      **the Debt Service and Capital Spending restricted accounts and those pre-**  
26      **sented by Mr. Smith?**

27      A: I suspect that the values shown by NWD for FY 2011 were the best estimates at the  
28      time the case was filed. FY 2011 is now complete and the actual values are known

1 from NWD's data responses (Div 1-15) and the quarterly report for June 2011 that  
2 NWD submitted August 2, 2011. Based on these two sources, I replaced NWD's  
3 estimates for 2011 with actual values. As a result, the Debt Service Account should  
4 have had an additional \$1.4 million above the NWD estimates and the Capital  
5 Spending account should have had \$923,744 less than NWD indicated. A major  
6 contributor to these differences is the removal of the \$1.5 million transfer from the  
7 Debt Service to the Capital Spending account.

8 **Q: Why do you believe that NWD's assumption that a full year's principal and interest is required**  
9 **to be paid in the year of the bond issue is incorrect?**

10 A: RFC Schedule 5 shows a proposed 2012 bond issue for \$18.6 million with full prin-  
11 cipal and interest payments due within the period from July 1, 2011 to June 30,  
12 2012. Based on the response to PWFD 1-1, NWD has yet to make a filing with the  
13 Division for this loan. In response to PWFD 1-4, NWD states that cost drawdown  
14 schedules will not be finalized until early 2012 – more than half way into the fiscal  
15 year that NWD assumed a need for a full year's principal and interest payment.

16  
17 Based on the response to PWFD 4-2, the principal payments on the State Revolv-  
18 ing Fund ("SRF") loans are due in September each year and the interest payments  
19 are due in March and September. Moreover, the full principal payments are not due  
20 until the September following completion of the project or use of the funds. Full  
21 payments of a year's principal and interest in the July 1, 2011 – June 30, 2012 fiscal  
22 year would be required only if the bonds already were sold and the proceeds spent.  
23 That is not the case here.

24 **Q: What is the earliest date you believe the next set of bonds will be sold?**

25 A: Based on the response to Div 2-7, the design build contract will not be awarded until  
26 the end of calendar year 2011. This suggests that the first borrowing may be in the  
27 spring (May) of 2012. That is at the very end of the rate year. It is evident that  
28 there will be no new debt service payments due in the rate year.



1 **Q: What do you recommend for the timing of debt service payments?**

2 A: My recommendation is that full principal and interest payments be allowed one year  
3 after the proposed year of issue. The RICWFA bonds typically are issued with prin-  
4 cipal payments due around September 1 and interest payments due around March  
5 1 and September 1. This assumption of a one year lag is conservative and consis-  
6 tent with past bond issues through the RICWFA.

7 **Q: Does the possibility that NWD may not borrow through the RICWFA change**  
8 **your recommendations?**

9 A: No it does not. NWD admits (Div 1-18) that they have had several meetings with  
10 the RICWFA on funding these projects. NWD also states that RICWFA is “in the  
11 process of reviewing its lending capacity over the next five years.” At worst, NWD  
12 may have to look at funding some costs through other alternatives.

13

14 RICWFA funding seems likely at this point because:

- 15 • The treatment projects are on the RI DWSRF Revised Project Priority List for FY  
16 2011, and therefore are eligible for SRF funding.
- 17 • The decision in Division Docket No. D-09-76 indicates that Julia Forgue, on be-  
18 half of NWD, testified that NWD would roll the “short-term borrowing into long-  
19 term subsidized loans through the DWSRF.”
- 20 • That decision also notes that Maureen Gurghigian (of First Southwest Company  
21 – advisors to the RI DWSRF and the City of Newport) testified that “DWSRF is  
22 providing a significant portion of the funding for Newport Water’s capital pro-  
23 gram.”
- 24 • Ms. Gurghigian also agreed with Ms. Forgue that the Bond Anticipation Note  
25 (“BAN”) for the treatment plant “will eventually be rolled over into a subsidized  
26 DWSRF loan.”

1 **Q: You indicated a concern with the assumed interest rates and issuance costs.**  
2 **What do you propose for this case?**

3 A: NWD assumed a 6% average interest cost; I propose 4%. The current average in-  
4 terest rate for unsubsidized, 20 year bonds is less than 5%. NWD has indicated in  
5 the past that they expect to borrow most of the money for the new treatment plants  
6 through the SRF at subsidized interest rates. The 4% assumption is fair consider-  
7 ing the balances available in NWD's restricted debt service fund. If actual borrow-  
8 ing costs are greater than 4%, NWD will have sufficient time for an expedited rate  
9 filing to make up any deficiency.

10  
11 NWD assumed 13% as the cost of issuance. This "cost of issuance" is for addi-  
12 tional bond proceeds to establish the debt service reserve funds as well as to pay  
13 legal and consultant costs related to various documents required for the bond issue.  
14 NWD's 13% assumption is inconsistent with similar past issuance cost expenses. In  
15 my experience, issuance costs for RICWFA bond issues are typically less than  
16 10%. NWD's previous filings with the Division support the position that issuance  
17 costs should be less than 10%:

- 18 ○ In the Report and Order in Docket D-09-76 Ms. Gurghigian was quoted as  
19 saying the \$3.6 million SRF loan included \$212,000 for the debt service  
20 reserve and \$88,000 for issuance costs and the RICWFA origination fee.  
21 These issuance costs are just more than 8% of the issue amount.
- 22 ○ In the Report and Order in Docket D-08-03 Ms. Gurghigian was quoted as  
23 saying the \$3.1 million loan included \$200,000 for the debt service reserve  
24 fund and \$100,000 for costs of issuance including rating agency fees,  
25 bond counsel, financial advisor, trustee fees, and the RICWFA origination  
26 fee. These costs are 9.6% of the issue.

27 Based on the responses to PWFD 4-1, NWD's previous debt service reserve and  
28 issuance costs have been 8.8% (2007A SRF bonds), 8.8% (2008A SRF Bonds),  
29 and 7.4% (2009A SRF Bonds).

1 Considering the foregoing, my estimate of 10% for issuance costs is more appropri-  
2 ate than the 13% estimate proposed by NWD.

3 **Q: Has NWD accounted for the legal and financial consultant costs related to the**  
4 **issuance of new bonds elsewhere?**

5 A: Yes, these costs appear to be included in several areas. First these costs typically  
6 are included within the bond proceeds as noted by Ms. Gurghigian in several of  
7 NWD's prior SRF loans. Next NWD included these costs as part of the capital pro-  
8 gram in RFC Sch. 4. (While NWD's response to PWFD 3-3 says that no legal or fi-  
9 nancial consultant fees were included in the CIP (RFC Sch 4), nearly \$1,000,000 for  
10 "Legal and Financial" costs appears on that schedule.) Lastly, the response to  
11 PWFD 1-13 indicates that the \$333,200 of Consultant Fees included within the Ad-  
12 ministration operating expenses includes services related to "financing and bonding  
13 issues, and preparation of financial coverage certificates."  
14

15 **Q: What do you recommend for future debt service costs?**

16 A: I recommend three changes in Schedule C:

- 17 1. The repayment of principal and interest begins in the fiscal year following the ex-  
18 penditures on a project(s). While the initial payments on past SRF loans typically  
19 have been far less than the average annual amounts (see PWFD 4-1), my rec-  
20 ommendation includes full annual principal and interest payments that year.
- 21 2. I have projected the debt service payments using a 4% average annual interest  
22 rate rather than the 6% suggested by NWD. This rate is closer to what the actual  
23 rate likely will be considering both the current interest rates and the likelihood  
24 that the loans will be subsidized by the RICWFA.
- 25 3. I have used an estimate of issuance costs of 10% rather than the 13% proposed  
26 by NWD. The projection of 10% for these costs is slightly higher than both the  
27 typical bond issues through the RICWFA and the actual costs NWD has incurred  
28 in the past.

1 **City Services**

2 **Q: Please discuss your concern with the increase in the transfer of revenues to**  
3 **the City of Newport’s General Fund for “Legal and Administrative Expenses.”**

4 A: This item has been the subject of considerable discussion before the Commission in  
5 prior dockets. I have two concerns in this docket. First, a number of City services  
6 are allocated to NWD based on the ratio of the water budget compared to the over-  
7 all City budget. In Docket 4025 the water budget that was used in this calculation  
8 was the Commission-approved, overall revenue requirement less the operating  
9 revenue allowance.

10

11 In this case, it appears that NWD has used the total operating budget plus debt ser-  
12 vice plus over \$7.6 million of “capital outlays” from the City’s FY 2010-11 Budget, for  
13 a total water budget of \$19,543,071. It is unclear what the \$7.6 million of capital  
14 outlays consist of; they are more than the combination of rate funded capital and  
15 debt funded capital presented in RFC Schedule 4. In any case, the \$19,543,071  
16 used to derive the water portion of the City budget is not consistent with the meth-  
17 odology used in Docket 4025.

18

19 To be consistent with the method used in Docket 4025, the water budget used in  
20 RFC Schedule D should be \$14,767,828.

21 **Q: You mentioned two concerns; what is your second concern?**

22 A: In light of the huge capital program (more than \$100 million between 2010 and  
23 2017) and the increase in the proportion of NWD’s revenue requirements related to  
24 capital, the Commission should reconsider the allocation of items based on the wa-  
25 ter budget to total budget.

26

27 In Docket 4025, the capital requirements (\$3,157,741) were 28% of the overall  
28 revenue requirement (\$11,284,853). Looking at NWD’s Schedule RFC-1, the capi-  
29 tal portion of the revenue requirement (\$5,760,483) has grown to 39%. Based on

1 Mr. Smith's RFC Schedule E, by 2015 the capital portion will grow to almost 57% of  
2 NWD's overall revenue requirement. That is more than twice the portion from  
3 Docket 4025 that formed the basis for the City Services allocations.

4 **Q: What is the relevance of the doubling of the capital portion of NWD's revenue**  
5 **requirement?**

6 A: In Docket 4025 the overall approved revenue requirement, including rate funded  
7 capital and debt service, was used to determine the share of various City Offices al-  
8 located to the water budget. These include the City Manager, City Solicitor, 80% of  
9 the Finance Administration, and MIS Department. In total, these offices have budg-  
10 ets of more than \$1.6 million that are allocated, in part, to the Water Division. The  
11 services provided by these departments are impacted quite minimally, if at all, by  
12 the increase in NWD's annual debt service and rate funded capital. However, if the  
13 Commission continues to allow the allocation of these departments based on the  
14 approved revenue requirements, including a debt service and rate funded capital  
15 component that doubles in size, the costs passed on to ratepayers soar and be-  
16 come grossly disproportionate to the services rendered. For example, the services  
17 provided to NWD by the MIS department should not be impacted by the amount of  
18 debt that NWD has or the amount of rate funded capital improvements. Under the  
19 current method, the size of the NWD's capital program has a major impact on the  
20 allocated MIS costs.

21 **Q: How do you propose to determine the budget percentages?**

22 A: I propose to use the operation and maintenance costs of all the various depart-  
23 ments to allocate costs to the NWD. These costs are found in the City of Newport's  
24 recommended budget for FY 2011-2012, excluding the line items for depreciation,  
25 capital outlays, interest, and principal expenditures of various departments. The use  
26 of FY 2011-12 budget numbers coincides with the rate year proposed in the docket.  
27 Using these values reduces the water department share from the 19.07% proposed

1 by NWD to 13.06%. This revised percentage is in line with the 13.21% used in  
2 Docket 4025.

3 **Q: Are there any other modifications that should be made to the calculation of**  
4 **City Service charges?**

5 A: Yes. I expected that the process presented in NWD's Cost Allocation Manual that  
6 the Commission ordered in Docket 3818 and subsequently revised in Docket 4025  
7 would be used by NWD to derive City Service charges in all dockets going forward.  
8 It appears that NWD has simply used the exact same percentages as were used in  
9 Docket 4025 for most departments. The only revision made by NWD was the  
10 change from 10.06% to 10.09% for Human Resources. Because it appears that the  
11 percentages have not been revised or updated by NWD, I have changed the Hu-  
12 man Resources allocation back to 10.06%.

### 13 **Operating Expenses**

14 **Q: What adjustments for operating expenses did you make based on NWD's re-**  
15 **sponses to discovery requests?**

16 A: In response to Div 1-9, NWD provided updates to the benefits it had presented  
17 on RFC Sch B-1 through B-9.

- 18 • In response to Comm 1-10 NWD indicated that the Fire and Liability premium in-  
19 crease in 2011 was only 5.25%. I corrected that adjustment for 2011 and then  
20 increased the 2011 amount by 2% as indicated in NWD's response to Comm 1-  
21 10. Rather than rounding the rate year amount up to the nearest \$1,000, I simply  
22 rounded it to the nearest hundred dollars.
- 23 • Based on the response to PWFD 2-12 (regarding the FY 2012 sewer rate), I ad-  
24 justed the sewer charges in a number of areas. Within Administration, NWD had  
25 assumed a sewer rate of \$0.01019/gallon rather than the \$0.01127 sewer rate  
26 that was adopted effective July 1, 2011. Newport had assumed a rate of  
27 \$0.01175 for sewage treatment at Station One and Lawton Valley; I revised  
28 these to the actual rate as well.

- 1 • NWD provided the actual FY 2012 chemical pricing in response to Div 1-27. I  
2 substituted these actual costs for the estimates used in NWD's filing. Also, for  
3 some chemicals there seemed to be no basis for the estimated use. Based on  
4 NWD's responses to Div. 1-26 on chemical uses, I calculated averages as a ba-  
5 sis for use. Because NWD used the average sales for FY2008 - FY2010, I used  
6 these periods to estimate the chemical uses as well.

7 **Q: Did you make any other adjustments to NWD's proposed operating ex-**  
8 **penses?**

9 A: Yes. A review of the spreadsheet NWD provided showed that NWD used the  
10 "roundup" function in Excel to round many of the projected costs up to the nearest  
11 \$100 or \$1,000 dollars. The rounding up was done both in projecting expenses for  
12 the rate year and in summing costs within categories. Rather than rounding every-  
13 thing up, I changed the calculations to simply round the estimates, either up or  
14 down.

### 15 **Capital Spending from Revenues**

16 **Q: Why do you propose reducing the amount of rate revenues that NWD uses to**  
17 **fund its capital improvement plans from \$2,750,000 to \$2,500,000?**

18 A: Based on the numbers contained in RFC Sch 4, \$2,750,000 is excessive. Looking  
19 at the base of RFC Sch 4, the average annual amount to be funded from rates for  
20 2010 – 2017 is \$2,493,637. For 2012 through 2017 it is approximately \$2,457,000.  
21 Based on these averages, an amount of \$2,500,000 appears more appropriate.

22  
23 Additionally, NWD double counts the provision for Legal & Financial Services. This  
24 expense can be included either in the bond issuance costs or through the nearly  
25 \$5.8 million provided for the City Agent costs, but not in both.

26  
27 Lastly, NWD historically has not spent the amounts it presents for capital improve-  
28 ments. A review of the amounts spent in 2010 and 2011 (Div 2-4) compared to the

1 projections for these same years on RFC Sch 4 demonstrates this. Further evi-  
2 dence of the delay in spending these monies is shown in NWD's response to PWFD  
3 1-17, which identifies numerous projects scheduled for FY 2010 or FY 2011 that  
4 have not yet been started or are have begun only recently.

5 **Q: Have you compared what NWD is seeking in this case for rate funded capital**  
6 **with what was requested in Docket 4025?**

7 A: Yes I have. The comparison is shown below:

<u>Docket</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
4025	\$1,652,019	\$1,501,817	\$1,167,610	\$516,634	\$4,838,080
4243	3,719,292	1,487,862	1,357,610	6,654,634	\$13,219,398

11 As shown above, the differences are significant. Two years ago, the total to be  
12 spent on capital improvements from rates was about \$4.84 million. With this filing  
13 two years later, the spending is proposed at \$13.22 million.

14 **Q: Why do you believe some of the legal and finance costs can be provided**  
15 **within the \$5.8 million for the City Agent costs?**

16 A: In its response to PWFD 1-7 NWD provided a description of these services. Phase  
17 2 includes "a range of financial; consulting services" to assist with the DB selection  
18 "and to obtain the financing necessary for design and construction services" from  
19 the RFP phase through "the final financing transactions." Phase 4 includes support  
20 to legal counsel.

21 **Q: What do you recommend for an amount to include for rate funded capital im-**  
22 **provements?**

23 A: I recommend a slight reduction from the \$2,750,000 proposed by Newport to  
24 \$2,500,000. \$2,500,000 is more consistent with annual average projections.  
25 Moreover, NWD's response to Div 1-15 shows more than \$1.8 million in the capital  
26 spending account at the end of FY 2010 and more than \$2 million in that account  
27 through April 30, 2011. Based on the monthly reports for May and June, the bal-



1       ance on June 30, 2011 was \$2,141,183. With the large balance in this fund, the  
2       \$2.5 million per year I have recommended is sufficient.

3       **Q: Does the negative balance in the Capital Spending Account FY 2013 reflected**  
4       **in your CW Sch.11 concern you?**

5       A: I am not concerned for two reasons. First, NWD has a history of not spending the  
6       amounts it presented to the Commission. For example, in docket 4025, completed  
7       two years ago, NWD indicated it would spend \$4.8 million between 2010 and 2013.  
8       In this docket, for the exact same period they have presented spending of nearly  
9       \$13.3 million. For fiscal year 2010 in Docket 4025 NWD presented proposed  
10      spending of \$1,652,019. Based on the response to Div 1-15, NWD spent only  
11      \$495,788 in that year. This history alleviates any concern that NWD will have insuf-  
12      ficient funds for actual capital work. Second, even if NWD's spending accelerates  
13      and NWD is ready to spend more than \$6.6 million in FY 2013, NWD has adequate  
14      time to file with the Commission to demonstrate the need for additional capital  
15      funds. The most likely scenario, however, is that NWD will delay spending, as it has  
16      done in the past, and there will be sufficient funds.

17  
18      Estimates of fund balances are difficult. NWD filed this case in April, three quarters  
19      of the way through FY 2011. NWD's estimate of the ending balance for the capital  
20      fund just three months later was significantly off. Even accounting for no transfer  
21      from the Debt to the Capital account, the estimated capital fund balance still was far  
22      off. Some of this is due to a repayment from the RICWFA, but even without this  
23      second adjustment, the estimated balance still was off by several hundred thousand  
24      dollars.

1 **Billing Costs/Miscellaneous Revenues**

2 **Q: Can you explain your disagreement with NWD regarding the billing and meter-**  
3 **ing costs assigned to the Water Pollution Control Division in Newport and to**  
4 **Middletown?**

5 A: Based on prior dockets, NWD assigns some of its metering and billing costs to the  
6 City of Newport’s Water Pollution Control Division and to the Town of Middletown  
7 because they use the Water Division’s metering and billing data to assess wastewa-  
8 ter charges. RFC Sch. 6 presents the derivation of these costs. Two corrections  
9 need to be made that increase the amounts that will be received for these services  
10 in the rate year.

11 1. The amount shown for the debt service on the “Loan for Radio Read” is incorrect;  
12 it was derived from the wrong bond issue. The funds for the radio reads came  
13 from a portion of the 2008 SRF bond issue (47.5% or \$2.8 out of the \$5.9 mil-  
14 lion).

15 2. In addition to the rate funded meter replacement costs, the cost of the remote  
16 meter reading laptops also should be included. NWD verified this in the response  
17 to PWFD 2-5.

18 Correcting these two items increases the amounts charged to WPC and to Middle-  
19 town by \$7,975 and decreases the amount that must be recovered through rates  
20 and charges by that same amount.

21 **Consultant Costs**

22 **Q: Please explain your disagreement with the amounts NWD has claimed for**  
23 **Consultant Fees.**

24 A: NWD includes an annual amount of \$333,200 for “Consultant Fees” within the Ad-  
25 ministration category. These fees are broken down (and in some cases revised) in  
26 response to PWFD 1-13 as follows:

27	Legal Fees	\$125,000	
28	Financial Consultant	\$128,400	(changed from \$128,380 in filing)

1	Other Fees (DPUC)	\$66,800
2	Bond Advisor	\$10,000
3	Code Red	\$3,000 (changed from \$8,200 in filing)

4 NWD's response to PWFD 1-13 indicated that these fees were related to the current  
5 rate case, other rate filings, the design build services, and financing and bond is-  
6 sues, among other things.

7 **Q: Has NWD already included an allowance for "Legal and Financial" services as**  
8 **part of the CIP in RFC Sch. 4?**

9 A: Yes. In RFC Sch 4, NWD included nearly \$500,000 for the next three years as  
10 costs of "Legal and Financial" services. Further, consultant and legal fees related to  
11 bond issues are typically recovered as a cost of issuance and included in the bond  
12 proceeds.

13 **Q: Does that mean that NWD is counting the same costs more than once?**

14 A: Yes, NWD is double or, in some cases, triple counting these costs. In PWFD 3-3,  
15 PWFD sought to determine the basis for the \$330,200 of estimated annual legal  
16 and consultant fees included on RFC Sch. 3 under Administration. NWD provided  
17 an estimate of the current rate case costs of \$70,200 for legal, \$28,800 for the Fi-  
18 nancial Consultant, and \$24,500 for the DPUC. This totals \$123,500 of the claimed  
19 \$333,200. The Bond Advisor and Code Red costs account for an additional  
20 \$13,000, leaving \$196,700 unaccounted for.

21 **Q: What is the remaining \$196,700 of consultant fees to be used for?**

22 A: Based on NWD's response to PWFD 3-3, \$88,300 of this is related to the demand  
23 study: \$56,000 for the financial consultant and \$32,300 for the DPUC. This still  
24 leaves \$108,400 that is presumably for miscellaneous filings with the DPUC for  
25 bond issues, bond certificates, and various other documents related to bond issues.  
26 NWD already has made an allowance for these types of costs in its CIP (RFC Sch.

1 4), with \$185,000 in the rate year. Further, the bond issue costs already include the  
2 costs associated with bond issues, certificates, and other documents.

3 **Q: Considering all this, what is your recommendation regarding the claimed**  
4 **consultant fees?**

5 A: As part of the filing, NWD provided its estimate of rate cases as Item 2.9(m) in the  
6 appendix to the filing. That document indicates estimated rate case costs of  
7 \$285,583. The rate case costs presented in response to PWFD 3-3 for the rate  
8 year are \$123,500. This seems reasonable as it amortizes the costs roughly over  
9 two years. As a result, I have included the amounts indicated in the response to  
10 PWFD 3-3 as associated with this docket in the consultant fees.

11  
12 The settlement in Docket 4128 called for the demand study costs to be amortized  
13 over “a reasonable number of years”. NWD proposed to expense them in the year  
14 incurred (see response to PWFD 2-11); this proposal is not consistent with the lan-  
15 guage in the settlement agreement. NWD estimated the cost of the demand study  
16 to be \$158,613 in Item 2.9(g) of the filing. These costs are over a four year period  
17 (2009 – 2012). I propose a four year amortization, or \$40,000 per year, including  
18 the rate year.

19  
20 In total the legal and consultant fees (including DPUC) that I recommend be allowed  
21 are \$163,500. These are split equally between legal and financial on my CW Sch B  
22 for illustration purposes only.

23 **Q: What do you propose regarding the other fees for bonds, the design build, the**  
24 **bond advisor and code red?**

25 A: I have included the full \$3000 for Code Red that was indicated in NWD’s response  
26 to PWFD 1-13.

1 For the Bond Advisor, NWD proposed \$10,000 for Wells Fargo, the Trustee for the  
2 bond issues. This was based on four SRF loans at \$2500 each. I do not believe  
3 the fourth SRF bond will have a trustee payment in the rate year because it has not  
4 been issued yet and no issue date is even proposed. Accordingly I recommend an  
5 allowance of \$7500 for the Bond Trustee.

6  
7 Finally, I recommend the removal of all other consultant and legal costs related to  
8 the bond issues, certificates, and design build services. These costs are typically  
9 recovered as part of the issuance costs of the bond issues. They are accounted for  
10 in the issuance costs. As shown on RFC Sch 4, nearly \$6 million is provided for the  
11 City Agent related to Station One and Lawton Valley. This amount is sufficient to  
12 cover any consultant costs related to these projects. Any other costs for legal and  
13 financial consulting related to the financing should be part of the bond issue costs,  
14 and accordingly I removed these costs from the CIP costs shown on CW Sch 4.

#### 15 **Transfers within Restricted Accounts**

16 **Q: Do you agree with the transfers within the restricted debt service and capital**  
17 **funds contained in NWD's RFC Sch 11?**

18 A: No, I do not agree. This issue was brought before the Commission in Docket 3578  
19 when NWD sought to combine the restricted debt service and capital funding ac-  
20 counts. The Commission denied the combining of restricted accounts in its ruling  
21 on September 12, 2005. The proposed transfers were raised in PWFD 2-10. In its  
22 response, NWD now says they do not plan to make the transfers. I only raise this  
23 matter because it was an issue that had been raised before and ruled on by the  
24 Commission. PWFD believes that the accounts should not be combined and  
25 wished to be on the record supporting the Commission's earlier ruling on this mat-  
26 ter.

1 **Monthly Reporting**

2 **Q: Why does PWFD not support NWD's request that it be relieved from the**  
3 **monthly and quarterly reports that NWD now files with the Commission?**

4 A: NWD contends that the reasons or bases for the Commission's reporting require-  
5 ments are resolved and NWD can better spend the time required to prepare these  
6 reports on other matters.

7

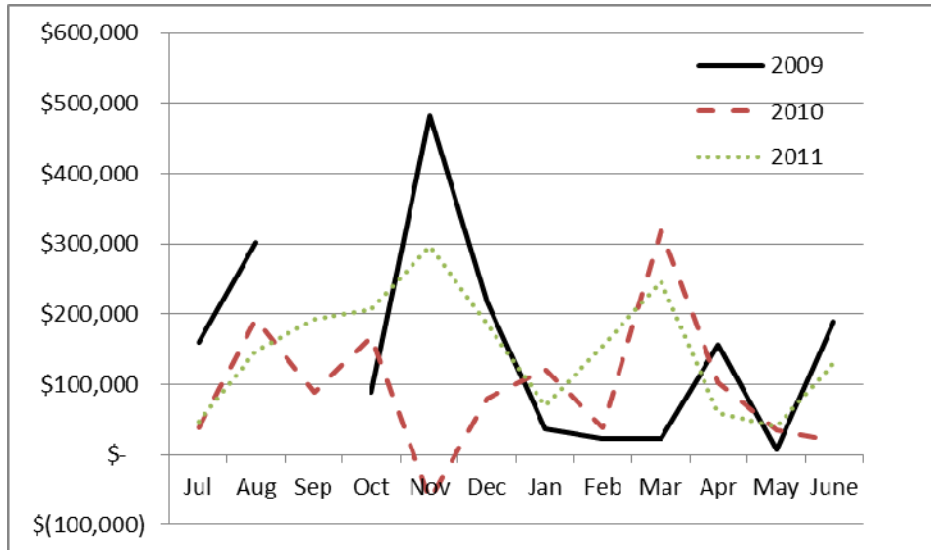
8 Only some of the problems that plagued NWD in Docket 3578 have been ad-  
9 dressed; the need for most of these reports continues. The Commission required  
10 Newport to prepare monthly and quarterly reports so the parties could monitor the  
11 financial condition of NWD. NWD was behind in its payments and owed consider-  
12 able sums to the City of Newport that could not be accounted for. The most recent  
13 monthly report from June 2011 shows that NWD's financial troubles persist. That  
14 June 2011 report shows:

- 15 • NWD is still four payrolls in arrears, going back to May of 2011
- 16 • 3<sup>rd</sup> quarter overhead charges (through March 2011) had not been paid to the City
- 17 • The 3<sup>rd</sup> quarter and 2<sup>nd</sup> quarter sludge disposal payments to the City had not  
18 been made. The second quarter charges would be for October – December of  
19 2010, some 6 to 8 months in arrears.
- 20 • Equipment charges for April had not been paid.
- 21 • \$100,000 of vendor invoices is more than 60 days overdue.

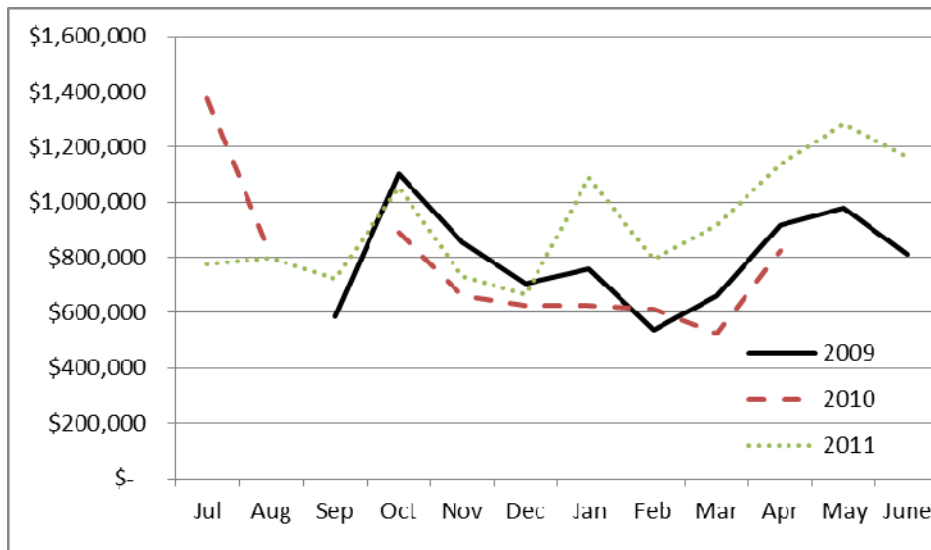
22 **Q: Do the monthly reports show any trend to indicate improvements in NWD's**  
23 **cash position over the past few years?**

24 A: No they do not. The following chart shows the beginning balances in NWD's cash  
25 account for each month from June 2008 through June 2011 (in some cases months  
26 are missing resulting in gaps). As shown on this chart, there has not been any ma-  
27 jor change in the cash position over these three years. The cash position at the end

1 of May has essentially remained the same each year, with ups and downs for the  
2 end of the fiscal year.



3  
4 The next chart shows the NWD payables due at the end of each month (again,  
5 some months are missing). It is clear from this chart that the payables are not  
6 being reduced.



7  
8

1 **Q: Do you agree with NWD's position, as stated by Ms. Forgue, that the consid-**  
2 **erable staff time required to prepare these reports can be better spent else-**  
3 **where?**

4 A: The information contained in these reports is information that should be provided in-  
5 ternally even in the absence of the reporting requirement. Accordingly, it is unlikely  
6 that any time savings would occur if the reports were no longer required to be pro-  
7 vided.

8  
9 Moreover, NWD has 60% of a Deputy Director of Finance and a full time Financial  
10 Analyst. NWD also pays in excess of \$150,000 per year to the City of Newport for  
11 Accounting, Collection and Finance Department Assistance. Those resources  
12 should be sufficient to provide management (and the Commission and large rate-  
13 payers) with a monthly report on activities and a quarterly summary.

14  
15 Ms. Forgue certainly has better first-hand knowledge of the goings on at NWD than  
16 I do. That said, the information in most of these reports is critically important. The  
17 manager of a department that is habitually several weeks behind in payroll and one  
18 or more quarters behind in payments to the City needs to see these reports on a  
19 monthly basis. NWD should not be suggesting that it is not important to gather this  
20 type of financial information. Passing it on to the other parties 12 times a year  
21 should not be that difficult. To relieve some of its burden, NWD could pass these  
22 reports on directly, rather than through Mr. Keough, as do Pawtucket and Kent  
23 County Water.

24 **Q: Have these reports been useful during your review of this and other cases?**

25 A: Yes they have. In the review of NWD's recent petition to release restricted funds  
26 from the Operating Revenue account (Docket 4025A), both the Division and PWFD  
27 referred back to the quarterly and monthly reports when the initial petition did not  
28 reconcile. In this docket we used the monthly reports to verify or better understand



1 NWD's requests; a number of data requests from PWFD and the Division have re-  
2 ferred to these reports.

3 **Q: Are there any monthly and quarterly reports that can be discontinued?**

4 A: Yes. The quarterly report on Conferences and Training does not appear to be  
5 needed any longer. With the major new capital program, the Report on NWD's IFR  
6 program should be modified to include the full capital program. The Kent County  
7 Water Authority provides a quarterly report to the Commission on its capital pro-  
8 gram and restricted funds.

9

10 PWFD would be amenable to different report formats if that would ease NWD's bur-  
11 den in preparing the reports. These reports are not only beneficial to the Commis-  
12 sion and ratepayers; they contain information that should be helpful to NWD's man-  
13 agers as well.

#### 14 **Other Matters**

15 **Q: Are there any other matters you would like to raise?**

16 A: Yes. In its filing in this case, NWD combined its pumping costs with the Station One  
17 and Lawton Valley treatment costs. PWFD has asked that the costs associated  
18 with pumping continue to be separated and presented separately. The pumping  
19 costs are allocated differently than the treatment costs in the approved cost alloca-  
20 tion model. It is critical to PWFD that these costs continue to be presented separate  
21 from treatment.

22

23 In the response to PWFD 2-3, NWD indicated it has been recording separate costs  
24 for "the 6MG finished water pumps at Lawton Valley and the booster pump at Sta-  
25 tion 1 in accordance with the settlement agreement in Docket 4128". PWFD asks  
26 that NWD present these costs broken out from treatment if it submits any rebuttal  
27 schedules in this case. The tracking of historic costs for pumping needs to be main-

1       tained in NWD's filings with the Commission, not just in separate ledgers that only  
2       appear when needed.

3       **Q: Have you prepared an exhibit that summarizes the adjustments to the revenue**  
4       **requirements you discussed?**

5       A: Yes I have. I used the spreadsheet submitted by Harold Smith for ease of compari-  
6       son. I have relabeled the Schedules as "CW Schedule XX" to distinguish them from  
7       Mr. Smith's. The numbering is the same however. The items I have changed are  
8       highlighted with a dark background.

9       **Q: What do you recommend?**

10      A: I have yet to see the final analysis from the Division. Often the Division concen-  
11      trates on other items and may have suggested revisions that I would also agree  
12      with. Based on my review and analysis I recommend an increase in revenues for  
13      the rate year of \$1,572,559 as shown on CW Sch. 1

14      **Q: Do you have any recommendations for the step increases?**

15      A: CW Sch. 10 presents the estimated new bond issues and payments through FY  
16      2015. Because the principal and interest repayments are delayed one year from  
17      those presented by NWD and use different interest rates and issuance costs, the  
18      amounts differ from what NWD filed. While the projected bond costs are not known  
19      and measurable at this time, the Commission should provide preliminary approval of  
20      the step increases, subject to further Commission, Division and intervener review, if  
21      necessary. This approval will assist NWD with future bond sales.

22

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

**Exhibits for the Testimony of Christopher Woodcock**



**Adjusted from Model Initially  
Developed By  
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**Main Schedules**

- CW Schedule 1
- CW Schedule 2
- CW Schedule 3
- CW Schedule 4
- CW Schedule 5
- CW Schedule 6
- CW Schedule 7
- CW Schedule 8
- CW Schedule 9
- CW Schedule 10
- CW Schedule 11

**Support Schedules**

- CW Schedule A
  
- CW Schedule B
- CW Schedule B-1
- CW Schedule B-2
- CW Schedule B-3
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- CW Schedule C
- CW Schedule D
  
- CW Schedule E

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Account	Test Year					
	Docket 4025	FY 2010 Test Year	Normalizing Adjustments	Normalized Test Year	Rate Year Adjustments	FY 2012 Rate Year
<b>Operating Revenue Requirements</b>						
Administration	\$ 2,130,300	\$ 2,025,955	\$ (17,136)	\$ 2,008,819	\$ 283,557	\$ 2,292,376
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	\$ 79,726	\$ 704,042
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	\$ 125,636	\$ 1,842,554
Treatment - Lawton Valley	\$ 1,601,750	\$ 1,320,333	\$ 173,250	\$ 1,493,583	\$ 105,932	\$ 1,599,515
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	\$ 80,992	\$ 1,101,293
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>\$ 717,411</b>	<b>\$ 8,557,802</b>
<b>Capital Revenue Requirements</b>						
Contribution to Debt Service Account (3)	\$ 2,010,823	\$ 1,282,604	\$ (52,604)	\$ 1,230,000	\$ 159,045	\$ 1,389,045
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>\$ 1,361,863</b>	<b>\$ 3,889,045</b>
Subtotal Revenue Requirements	\$ 11,284,853	\$ 9,704,004	\$ 1,810,487	\$ 10,367,573	\$ 2,079,275	\$ 12,446,848
Additional Rev Requirements (Operating Revenue) (4)	\$ 243,813	\$ 243,813		\$ 155,514	\$ 101,220	\$ 256,734
<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>\$ 2,180,495</b>	<b>\$ 12,703,582</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>\$ 2,080,477</b>	<b>\$ 11,968,721</b>
				current rates		\$ 10,396,162
				increase needed		\$ 1,572,559
						15.1%

- (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 Schedule 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	\$ 87,696	\$ 2,302,689
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	\$ 189,767	\$ 1,370,315
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	\$ 3,826	\$ 71,000
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	\$ (30,905)	\$ 174,000
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	\$ 6,320	\$ 101,900
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	\$ 239,471	\$ 666,914
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	\$ 11,158	\$ 218,693
50 266	Legal & Administrative	\$ 301,400	\$ 301,400	\$ -	\$ 301,400	\$ 3,151	\$ 304,551
50 267	Data Processing	\$ 137,000	\$ 137,000	\$ -	\$ 137,000	\$ 54,200	\$ 191,200
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	\$ (94,577)	\$ 587,938
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>\$ 717,411</b>	<b>\$ 8,557,802</b>
<b>Contribution to Capital Restricted Accounts</b>							
DSA	Debt Service Account	\$ 2,010,823	\$ 1,282,604	\$ (52,604)	\$ 1,230,000	\$ 159,045	\$ 1,389,045
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>\$ 1,361,863</b>	<b>\$ 3,889,045</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>\$ 2,079,274</b>	<b>\$ 12,446,848</b>
Additional Rev. Reqts. (4)		\$ 243,813	\$ 243,813	\$ -	\$ 155,514	\$ 101,220	\$ 256,734
<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>\$ 2,180,495</b>	<b>\$ 12,703,582</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>\$ 2,080,477</b>	<b>\$ 11,968,721</b>

Account Detail

Administration

		Test Year					FY 2012 Rate
		Docket 4025	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>							
<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	\$ 3,826	\$ 71,000
	Subtotal	\$ 1,010,200	\$ 934,468	\$ 11,090	\$ 945,558	\$ 229,034	\$ 1,174,592
<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	\$ (30,905)	\$ 174,000
50 238	Postage & Delivery	\$ 1,000	\$ 254	\$ 746	\$ 1,000	\$ (0)	\$ 1,000
50 239	Fire & Liability Insurance	\$ 86,000	\$ 71,862	\$ -	\$ 71,862	\$ 5,238	\$ 77,100
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	\$ 11,158	\$ 218,693
50 266	Legal & Administrative	\$ 301,400	\$ 301,400	\$ -	\$ 301,400	\$ 3,151	\$ 304,551
50 267	Data Processing	\$ 137,000	\$ 137,000	\$ -	\$ 137,000	\$ 54,200	\$ 191,200
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	\$ 54,523	\$ 1,117,784
	Total Administration Operating Requirements	\$ 2,130,300	\$ 2,025,955	\$ (17,136)	\$ 2,008,819	\$ 283,557	\$ 2,292,376
	Total Administration Revenue Requirements	\$ 2,130,300	\$ 2,025,955	\$ (17,136)	\$ 2,008,819	\$ 283,557	\$ 2,292,376

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 Year (1)	Test Year Normalizing Adjustments	Normalized Test Year	Rate Year Adjustments	FY 2012 Rate Year (2)
<u>Account No. 15-500-2212</u>							
<u>Personnel</u>							
50 001	Salaries & Wages	\$ 216,900	\$ 257,841	\$ -	\$ 257,841	\$ 40,126	\$ 297,967
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	\$ 33,296	\$ 160,314
50 175	Annual Leave Buyback	\$ 6,300	\$ 5,894	\$ 406	\$ 6,300	\$ 0	\$ 6,300
	Subtotal	\$ 372,696	\$ 408,375	\$ 20,984	\$ 429,359	\$ 74,125	\$ 503,484
<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	\$ 79,726	\$ 704,042
	Total Source of Supply - Island Revenue Requirements	\$ 546,896	\$ 562,091	\$ 62,226	\$ 624,317	\$ 79,726	\$ 704,042



Source of Supply - Mainland

		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. 15-500-2213</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	\$ 504	\$ 11,000
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	\$ 120,290	\$ 304,290
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	\$ (53,253)	\$ 356,696
	Subtotal	\$ 945,250	\$ 922,273	\$ 37,467	\$ 959,740	\$ 69,048	\$ 1,028,789
	Treatment - Newport Plant Operating Requirements	\$ 1,705,900	\$ 1,626,249	\$ 90,669	\$ 1,716,918	\$ 125,636	\$ 1,842,554
	Treatment - Newport Plant Revenue Requirements	\$ 1,705,900	\$ 1,626,249	\$ 90,669	\$ 1,716,918	\$ 125,636	\$ 1,842,554

Treatment - Lawton Valley

		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. 15-500-2223</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	\$ 461	\$	11,700
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	\$ (35,186)	\$	162,890
	Subtotal	\$ 759,900	\$ 675,570	\$ 31,704	\$ 707,274	\$ 83,887	\$	791,161
Treatment - Lawton Valley Operating Requirements		\$ 1,601,750	\$ 1,320,333	\$ 173,250	\$ 1,493,583	\$ 105,932	\$	1,599,515
Treatment - LV Revenue Requirements		\$ 1,601,750	\$ 1,320,333	\$ 173,250	\$ 1,493,583	\$ 105,932	\$	1,599,515

Water Laboratory

		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. 15-500-2235</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					
		Docket 4025	FY 2010 Test Year (1)	Normalizing Adjustments	Normalized Test Year	Rate Year Adjustments	FY 2012 Rate Year (2)
<u>Account No. 15-500-2241</u>							
<u>Personnel</u>							
50 001	Salaries & Wages	\$ 416,200	\$ 428,500	\$ -	\$ 428,500	\$ 28,731	\$ 457,231
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	\$ 40,646	\$ 277,541
50 175	Annual Leave Buy Back	\$ 5,900	\$ 10,624	\$ 376	\$ 11,000	\$ -	\$ 11,000
	Subtotal	\$ 709,096	\$ 723,435	\$ 14,960	\$ 738,395	\$ 69,741	\$ 808,136
<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	\$ 117	\$ 2,100
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	\$ 11,251	\$ 293,157
	Transmission & Distribution Operating Requirements	\$ 1,018,696	\$ 944,099	\$ 76,202	\$ 1,020,301	\$ 80,992	\$ 1,101,293
	Total Transmission & Distribution Revenue Requirements	\$ 1,018,696	\$ 944,099	\$ 76,202	\$ 1,020,301	\$ 80,992	\$ 1,101,293

Fire Protection

		Docket 4025	FY 2010 Test Year (1)	Test Year Normalizing Adjustments	Normalized Test Year	Rate Year Adjustments	FY 2012 Rate Year (2)
<b>Account No. 15-500-2245</b>							
<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 Schedule 4

Funding Source	2010	2011	2012 Rate Year	2013	2014	2015
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
<b>Avg. Annual Rate Funded Capital</b>	\$ 2,456,991					
<b>Proposed Rate Funded Capital</b>	\$ 2,500,000					
	\$ 5,802,252	\$ 3,150,652	\$ 17,630,810	\$ 39,229,634	\$ 29,660,900	\$ 8,842,400
<b>Totals</b>						
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 Schedule 5

Fiscal Year	Existing(1)						Proposed (2)					Total Existing and Proposed Debt Service
	Revenue Bonds	2007 SRF A \$3.0M (3)	2008 SRF B \$5.9 M Fed Dir. Loan	2009 SRF A \$3.3 M	Total Existing SRF Debt Service	Total Existing	2012 SRF A (Dam Repair, City Agent, Sta 1) Improvements and New Plant) \$18.6 M	2013 SRF A (Sta 1) Improvements and New Plant) \$37.0 M	2014 SRF A (Sta 1) Improvement s and New Plant) \$32.3 M	2015 SRF A (Sta 1) Improve ments and New Plant) \$5.7 M	Total Proposed Debt Service	
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	-	-	-	-	-	\$1,389,045
2013	388,755	211,034	424,365	181,966	817,365	1,206,120	1,321,643	-	-	-	1,321,643	\$2,527,763
2014	-	210,828	424,365	181,518	816,710	816,710	1,326,314	2,642,900	-	-	3,969,214	\$4,785,924
2015	-	211,441	424,945	181,416	817,802	817,802	1,331,172	2,649,433	2,304,502	-	6,285,107	\$7,102,910
2016	-	210,861	424,070	181,648	816,579	816,579	1,336,224	2,656,228	2,312,647	413,308	6,718,407	\$7,534,986
2017	-	184,069	423,727	181,504	789,301	789,301	1,341,478	2,663,295	2,321,117	414,769	6,740,659	\$7,529,959
2018	-	184,052	422,898	181,058	788,008	788,008	1,346,943	2,670,644	2,329,926	416,288	6,763,801	\$7,551,808
2019	-	210,815	422,537	181,105	814,457	814,457	1,352,626	2,678,287	2,339,088	417,868	6,787,868	\$7,602,325
2020	-	210,360	422,607	180,896	813,863	813,863	1,358,536	2,686,236	2,348,616	419,511	6,812,899	\$7,626,762
2021	-	210,677	423,085	180,444	814,205	814,205	1,364,683	2,694,502	2,358,526	421,220	6,838,931	\$7,653,136
2022	-	210,752	421,968	180,521	813,240	813,240	1,371,076	2,703,100	2,368,831	422,997	6,866,004	\$7,679,244
2023	-	210,583	421,274	180,357	812,213	812,213	1,377,724	2,712,041	2,379,549	424,845	6,894,159	\$7,706,373
2024	-	210,169	421,946	180,701	812,815	812,815	1,384,638	2,721,340	2,390,696	426,767	6,923,442	\$7,736,257
2025	-	210,489	420,969	180,056	811,515	811,515	1,391,829	2,731,011	2,402,288	428,767	6,953,895	\$7,765,409
2026	-	209,543	420,366	179,832	809,740	809,740	1,399,307	2,741,069	2,414,344	430,846	6,985,566	\$7,795,306
2027	-	209,336	421,064	180,151	810,551	810,551	1,407,085	2,751,529	2,426,883	433,008	7,018,505	\$7,829,056
2028	-	209,832	420,053	180,205	810,089	810,089	1,415,174	2,762,408	2,439,923	435,257	7,052,761	\$7,862,850
2029	-	-	419,321	179,974	599,295	599,295	1,423,586	2,773,721	2,453,484	437,595	7,088,387	\$7,687,682
2030	-	-	426,632	179,449	606,081	606,081	1,432,335	2,785,487	2,467,588	440,028	7,125,438	\$7,731,519
2031	-	-	-	178,652	178,652	178,652	1,441,434	2,797,724	2,482,256	442,557	7,163,971	\$7,342,623
2032	-	-	-	-	-	-	-	2,810,451	2,497,511	445,188	5,753,150	\$5,753,150
2033	-	-	-	-	-	-	-	-	2,513,376	447,924	2,961,300	\$2,961,300
2034	-	-	-	-	-	-	-	-	-	450,769	450,769	\$450,769
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	\$ 26,123,807	\$ 51,631,407	\$ 45,551,153		\$ 131,475,875	

(1) Debt service on existing debt based on debt service schedules provided by City of Newport Finance Dept.  
 (2) Debt service on proposed SRF debt assumes full principal and interest payments begin year after the loan is secured  
 (3) Loan amounts are inclusive of borrowing costs. For proposed loans, borrowing costs are assumed to be 10% of total project costs  
 (4) Interest on SRF loans is assumed to be 4%.



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

CW Schedule 6

	Docket 4025	FY 2009 Actual	FY 2010 Actual	FY 2012 Rate Year
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
Total Offsets to Revenue Requirements	\$ 740,379	\$ 644,451	\$ 634,843	\$ 734,861

Customer Service Expenses

		FY 2012	FY 2013	FY 2014	FY 2015
	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
	TOTAL	\$ 897,274	\$ 899,819	\$ 889,750	\$ 893,026
Customer Service Expenses 50%		\$ 448,637	\$ 449,910	\$ 444,875	\$ 446,513
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 Schedule 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	64,505	\$ 987,572	\$ 1,137,223	\$ 1,244,947	\$ 1,458,458
Total Revenues From Billing Charge Under Existing Rates			\$ 987,572	\$ 1,137,223	\$ 1,244,947	\$ 1,458,458

**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	1,199,001	\$ 6,294,757	\$ 7,253,958	\$ 7,949,378	\$ 9,316,240
Navy	\$ 3.2280	215,637	\$ 696,075	\$ 801,306	\$ 876,994	\$ 1,027,077
Portsmouth	\$ 2.573	443,480	\$ 1,141,073	\$ 1,313,587	\$ 1,437,761	\$ 1,683,892
Total Revenues From Commodity Charge Under Existing Rates			\$ 8,131,905	\$ 9,368,850	\$ 10,264,133	\$ 12,027,209

**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	1034	\$ 898,546	\$ 1,035,034	\$ 1,133,264	\$ 1,327,656
Total Revenues From Public Fire Protection Charge Under Existing Rates			\$ 898,546	\$ 1,035,034	\$ 1,133,264	\$ 1,327,656
Fire Protection Charges (Private)						
less than 2"	\$ 17.05	0	\$ -	\$ -	\$ -	\$ -
2"	\$ 72.00	3	\$ 216	\$ 249	\$ 273	\$ 321
4"	\$ 442.00	57	\$ 25,194	\$ 29,013	\$ 31,806	\$ 37,278
6"	\$ 884.00	245	\$ 216,580	\$ 249,410	\$ 273,175	\$ 319,970
8"	\$ 2,023.00	62	\$ 125,426	\$ 144,460	\$ 158,162	\$ 185,256
10"	\$ 3,340.00	0	\$ -	\$ -	\$ -	\$ -
12"	\$ 5,362.00	2	\$ 10,724	\$ 12,348	\$ 13,514	\$ 15,828
Total Revenues from Private Fire Protection Charge Under Existing Charges			\$ 378,140	\$ 435,480	\$ 476,930	\$ 558,653
Total Revenues from Existing Rates and Charges			\$ 10,396,162	\$ 11,976,587	\$ 13,119,274	\$ 15,371,976
Net Revenue Requirements			\$ 11,968,754	\$ 13,107,471	\$ 15,365,633	\$ 17,682,618
Additional Revenue Needed			\$ 1,572,592	\$ 1,130,884	\$ 2,246,359	\$ 2,310,642
% Revenue Increase Required			15.13%	9.44%	17.12%	15.03%

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

**CW Schedule 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	15.1%	\$ 17.63	9.4%	\$ 19.30	17.1%	\$ 22.61	15.0%	\$ 26.01
Monthly	\$ 15.31	15.1%	\$ 17.63	9.4%	\$ 19.30	17.1%	\$ 22.61	15.0%	\$ 26.01
Commodity Charge (per 1,000 gallons)									
Retail									
Residential	\$ 5.25	15.1%	\$ 6.05	9.4%	\$ 6.63	17.1%	\$ 7.77	15.0%	\$ 8.94
Commercial	\$ 5.25	15.1%	\$ 6.05	9.4%	\$ 6.63	17.1%	\$ 7.77	15.0%	\$ 8.94
Governmental	\$ 5.25	15.1%	\$ 6.05	9.4%	\$ 6.63	17.1%	\$ 7.77	15.0%	\$ 8.94
Wholesale									
Navy	\$ 3.2280	15.1%	\$ 3.7160	9.4%	\$ 4.0670	17.1%	\$ 4.7630	15.0%	\$ 5.4790
Portsmouth Water & Fire District	\$ 2.5730	15.1%	\$ 2.962	9.4%	\$ 3.242	17.1%	\$ 3.797	15.0%	\$ 4.368
Fire Protection									
Public (per hydrant)	\$ 869.00	15.1%	\$ 1,001	9.4%	\$ 1,096	17.1%	\$ 1,284	15.0%	\$ 1,478
Private (Connection Size)									
Less than 2"	\$ 17.05	15.1%	\$ 20	9.4%	\$ 21.49	17.1%	\$ 25.17	15.0%	\$ 28.96
2"	\$ 72.00	15.1%	\$ 83	9.4%	\$ 91.00	17.1%	\$ 107.00	15.0%	\$ 124.00
4"	\$ 442.00	15.1%	\$ 509	9.4%	\$ 558.00	17.1%	\$ 654.00	15.0%	\$ 753.00
6"	\$ 884.00	15.1%	\$ 1,018	9.4%	\$1,115.00	17.1%	\$ 1,306.00	15.0%	\$ 1,503.00
8"	\$ 2,023.00	15.1%	\$ 2,330	9.4%	\$2,551.00	17.1%	\$ 2,988.00	15.0%	\$ 3,438.00
10"	\$ 3,340.00	15.1%	\$ 3,846	9.4%	\$4,210.00	17.1%	\$ 4,931.00	15.0%	\$ 5,673.00
12"	\$ 5,362.00	15.1%	\$ 6,174	9.4%	\$6,757.00	17.1%	\$ 7,914.00	15.0%	\$ 9,104.00

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	\$23.68	\$3.12	15.2%	\$25.93	\$2.25	9.5%	\$30.38	\$4.45	17.2%	\$34.95	\$4.57	15.0%
	2,000	\$25.81	\$29.73	\$3.92	15.2%	\$32.56	\$2.83	9.5%	\$38.15	\$5.59	17.2%	\$43.89	\$5.74	15.0%
	4,000	\$36.31	\$41.83	\$5.52	15.2%	\$45.82	\$3.99	9.5%	\$53.69	\$7.87	17.2%	\$61.77	\$8.08	15.0%
Avg. Monthly Bill	5,000	\$41.56	\$47.88	\$6.32	15.2%	\$52.45	\$4.57	9.5%	\$61.46	\$9.01	17.2%	\$70.71	\$9.25	15.1%
	7,500	\$54.69	\$63.01	\$8.32	15.2%	\$69.03	\$6.02	9.6%	\$80.89	\$11.86	17.2%	\$93.06	\$12.18	15.1%
	10,000	\$67.81	\$78.13	\$10.32	15.2%	\$85.60	\$7.47	9.6%	\$100.31	\$14.71	17.2%	\$115.41	\$15.10	15.1%
	15,000	\$94.06	\$108.38	\$14.32	15.2%	\$118.75	\$10.37	9.6%	\$139.16	\$20.41	17.2%	\$160.11	\$20.95	15.1%
	20,000	\$120.31	\$138.63	\$18.32	15.2%	\$151.90	\$13.27	9.6%	\$178.01	\$26.11	17.2%	\$204.81	\$26.80	15.1%
	25,000	\$146.56	\$168.88	\$22.32	15.2%	\$185.05	\$16.17	9.6%	\$216.86	\$31.81	17.2%	\$249.51	\$32.65	15.1%
	30,000	\$172.81	\$199.13	\$26.32	15.2%	\$218.20	\$19.07	9.6%	\$255.71	\$37.51	17.2%	\$294.21	\$38.50	15.1%
<b>Residential(Quarterly)</b>														
	4,000	\$36.31	\$41.83	\$5.52	15.2%	\$45.82	\$3.99	9.5%	\$53.69	\$7.87	17.2%	\$61.77	\$8.08	15.0%
	8,000	\$57.31	\$66.03	\$8.72	15.2%	\$72.34	\$6.31	9.6%	\$84.77	\$12.43	17.2%	\$97.53	\$12.76	15.1%
Avg. Quarterly Bill	14,800	\$93.01	\$107.17	\$14.16	15.2%	\$117.42	\$10.25	9.6%	\$137.61	\$20.18	17.2%	\$158.32	\$20.72	15.1%
	20,000	\$120.31	\$138.63	\$18.32	15.2%	\$151.90	\$13.27	9.6%	\$178.01	\$26.11	17.2%	\$204.81	\$26.80	15.1%
	30,000	\$172.81	\$199.13	\$26.32	15.2%	\$218.20	\$19.07	9.6%	\$255.71	\$37.51	17.2%	\$294.21	\$38.50	15.1%
	40,000	\$225.31	\$259.63	\$34.32	15.2%	\$284.50	\$24.87	9.6%	\$333.41	\$48.91	17.2%	\$383.61	\$50.20	15.1%
	60,000	\$330.31	\$380.63	\$50.32	15.2%	\$417.10	\$36.47	9.6%	\$488.81	\$71.71	17.2%	\$562.41	\$73.60	15.1%
	80,000	\$435.31	\$501.63	\$66.32	15.2%	\$549.70	\$48.07	9.6%	\$644.21	\$94.51	17.2%	\$741.21	\$97.00	15.1%
	100,000	\$540.31	\$622.63	\$82.32	15.2%	\$682.30	\$59.67	9.6%	\$799.61	\$117.31	17.2%	\$920.01	\$120.40	15.1%
	120,000	\$645.31	\$743.63	\$98.32	15.2%	\$814.90	\$71.27	9.6%	\$955.01	\$140.11	17.2%	\$1,098.81	\$143.80	15.1%

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	\$29.73	\$3.92	15.2%	\$32.56	\$2.83	9.5%	\$38.15	\$5.59	17.2%	\$43.89	\$5.74	15.0%
	5,000	\$41.56	\$47.88	\$6.32	15.2%	\$52.45	\$4.57	9.5%	\$61.46	\$9.01	17.2%	\$70.71	\$9.25	15.1%
	10,000	\$67.81	\$78.13	\$10.32	15.2%	\$85.60	\$7.47	9.6%	\$100.31	\$14.71	17.2%	\$115.41	\$15.10	15.1%
Avg. Monthly Bill	20,000	\$120.31	\$138.63	\$18.32	15.2%	\$151.90	\$13.27	9.6%	\$178.01	\$26.11	17.2%	\$204.81	\$26.80	15.1%
	30,000	\$172.81	\$199.13	\$26.32	15.2%	\$218.20	\$19.07	9.6%	\$255.71	\$37.51	17.2%	\$294.21	\$38.50	15.1%
	40,000	\$225.31	\$259.63	\$34.32	15.2%	\$284.50	\$24.87	9.6%	\$333.41	\$48.91	17.2%	\$383.61	\$50.20	15.1%
	50,000	\$277.81	\$320.13	\$42.32	15.2%	\$350.80	\$30.67	9.6%	\$411.11	\$60.31	17.2%	\$473.01	\$61.90	15.1%
	75,000	\$409.06	\$471.38	\$62.32	15.2%	\$516.55	\$45.17	9.6%	\$605.36	\$88.81	17.2%	\$696.51	\$91.15	15.1%
	100,000	\$540.31	\$622.63	\$82.32	15.2%	\$682.30	\$59.67	9.6%	\$799.61	\$117.31	17.2%	\$920.01	\$120.40	15.1%
<b>Governmental (Monthly)</b>														
	2,000	\$25.81	\$29.73	\$3.92	15.2%	\$32.56	\$2.83	9.5%	\$38.15	\$5.59	17.2%	\$43.89	\$5.74	15.0%
	5,000	\$41.56	\$47.88	\$6.32	15.2%	\$52.45	\$4.57	9.5%	\$61.46	\$9.01	17.2%	\$70.71	\$9.25	15.1%
	10,000	\$67.81	\$78.13	\$10.32	15.2%	\$85.60	\$7.47	9.6%	\$100.31	\$14.71	17.2%	\$115.41	\$15.10	15.1%
Avg. Monthly Bill	20,000	\$120.31	\$138.63	\$18.32	15.2%	\$151.90	\$13.27	9.6%	\$178.01	\$26.11	17.2%	\$204.81	\$26.80	15.1%
	22,000	\$130.81	\$150.73	\$19.92	15.2%	\$165.16	\$14.43	9.6%	\$193.55	\$28.39	17.2%	\$222.69	\$29.14	15.1%
	35,000	\$199.06	\$229.38	\$30.32	15.2%	\$251.35	\$21.97	9.6%	\$294.56	\$43.21	17.2%	\$338.91	\$44.35	15.1%
	50,000	\$277.81	\$320.13	\$42.32	15.2%	\$350.80	\$30.67	9.6%	\$411.11	\$60.31	17.2%	\$473.01	\$61.90	15.1%
	75,000	\$409.06	\$471.38	\$62.32	15.2%	\$516.55	\$45.17	9.6%	\$605.36	\$88.81	17.2%	\$696.51	\$91.15	15.1%
	100,000	\$540.31	\$622.63	\$82.32	15.2%	\$682.30	\$59.67	9.6%	\$799.61	\$117.31	17.2%	\$920.01	\$120.40	15.1%

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	\$29,637.63	\$3,892.32	15.1%	\$32,439.30	\$2,801.67	9.5%	\$37,992.61	\$5,553.31	17.1%	\$43,706.01	\$5,713.40	15.0%
	20,000,000	\$51,475.31	\$59,257.63	\$7,782.32	15.1%	\$64,859.30	\$5,601.67	9.5%	\$75,962.61	\$11,103.31	17.1%	\$87,386.01	\$11,423.40	15.0%
Avg. Monthly Bill	38,000,000	\$97,789.31	\$112,573.63	\$14,784.32	15.1%	\$123,215.30	\$10,641.67	9.5%	\$144,308.61	\$21,093.31	17.1%	\$166,010.01	\$21,701.40	15.0%
	50,000,000	\$128,665.31	\$148,117.63	\$19,452.32	15.1%	\$162,119.30	\$14,001.67	9.5%	\$189,872.61	\$27,753.31	17.1%	\$218,426.01	\$28,553.40	15.0%
	75,000,000	\$192,990.31	\$222,167.63	\$29,177.32	15.1%	\$243,169.30	\$21,001.67	9.5%	\$284,797.61	\$41,628.31	17.1%	\$327,626.01	\$42,828.40	15.0%
	100,000,000	\$257,315.31	\$296,217.63	\$38,902.32	15.1%	\$324,219.30	\$28,001.67	9.5%	\$379,722.61	\$55,503.31	17.1%	\$436,826.01	\$57,103.40	15.0%
	150,000,000	\$385,965.31	\$444,317.63	\$58,352.32	15.1%	\$486,319.30	\$42,001.67	9.5%	\$569,572.61	\$83,253.31	17.1%	\$655,226.01	\$85,653.40	15.0%
<b>Navy (Monthly)</b>														
	500,000	\$1,629.31	\$1,875.63	\$246.32	15.1%	\$2,052.80	\$177.17	9.4%	\$2,404.11	\$351.31	17.1%	\$2,765.51	\$361.40	15.0%
	750,000	\$2,436.31	\$2,804.63	\$368.32	15.1%	\$3,069.55	\$264.92	9.4%	\$3,594.86	\$525.31	17.1%	\$4,135.26	\$540.40	15.0%
Avg. Monthly Bill	2,800,000	\$9,053.71	\$10,422.43	\$1,368.72	15.1%	\$11,406.90	\$984.47	9.4%	\$13,359.01	\$1,952.11	17.1%	\$15,367.21	\$2,008.20	15.0%
	5,000,000	\$16,155.31	\$18,597.63	\$2,442.32	15.1%	\$20,354.30	\$1,756.67	9.4%	\$23,837.61	\$3,483.31	17.1%	\$27,421.01	\$3,583.40	15.0%
	7,500,000	\$24,225.31	\$27,887.63	\$3,662.32	15.1%	\$30,521.80	\$2,634.17	9.4%	\$35,745.11	\$5,223.31	17.1%	\$41,118.51	\$5,373.40	15.0%
	10,000,000	\$32,295.31	\$37,177.63	\$4,882.32	15.1%	\$40,689.30	\$3,511.67	9.4%	\$47,652.61	\$6,963.31	17.1%	\$54,816.01	\$7,163.40	15.0%

Docket No. 4243

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

CW Schedule 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
<b>Revenues</b>					
Billing Charge	\$ 987,572	\$ 1,137,223	\$ 1,244,947	\$ 1,458,458	\$ 1,677,775
Water Commodity Charge					
Retail					
Residential	\$ 3,705,602	\$ 4,270,266	\$ 4,679,646	\$ 5,484,292	\$ 6,310,111
Commercial	\$ 2,463,644	\$ 2,839,056	\$ 3,111,230	\$ 3,646,193	\$ 4,195,233
Governmental	\$ 125,510	\$ 144,636	\$ 158,502	\$ 185,756	\$ 213,726
Subtotal Retail Commodity Revenue	\$ 6,294,757	\$ 7,253,958	\$ 7,949,378	\$ 9,316,240	\$ 10,719,071
Wholesale					
Navy	\$ 696,075	\$ 801,306	\$ 876,994	\$ 1,027,077	\$ 1,181,473
Portsmouth	\$ 1,141,073	\$ 1,313,587	\$ 1,437,761	\$ 1,683,892	\$ 1,937,119
Subtotal Wholesale Commodity Revenue	\$ 1,837,148	\$ 2,114,892	\$ 2,314,755	\$ 2,710,969	\$ 3,118,592
Total Commodity Charge Revenues	\$ 8,131,905	\$ 9,368,850	\$ 10,264,133	\$ 12,027,209	\$ 13,837,663
From Fire Protection					
Public Fire Protection Revenue	\$ 898,546	\$ 1,035,034	\$ 1,133,264	\$ 1,327,656	\$ 1,528,252
Private Fire Protection Revenue	\$ 378,140	\$ 435,480	\$ 476,930	\$ 558,653	\$ 642,892
Total Fire Protection Revenues	\$ 1,276,686	\$ 1,470,514	\$ 1,610,194	\$ 1,886,309	\$ 2,171,144
Other Revenue	\$ 734,861	\$ 734,861	\$ 734,861	\$ 734,861	\$ 734,861
<b>Total Revenues</b>	<b>\$ 11,131,023</b>	<b>\$ 12,711,448</b>	<b>\$ 13,854,134</b>	<b>\$ 16,106,837</b>	<b>\$ 18,421,443</b>
<b>Total Revenue Requirements</b>					
Operating	\$ 8,557,802	\$ 8,557,802	\$ 8,557,802	\$ 8,557,802	\$ 8,557,802
Capital	\$ 3,889,045	\$ 3,889,045	\$ 5,027,763	\$ 7,285,924	\$ 9,602,910
Less: Water Quality Protection Funds					
Subtotal Revenue Requirements	\$ 12,446,848	\$ 12,446,848	\$ 13,585,565	\$ 15,843,726	\$ 18,160,712
Additional Rev Req.	\$ 256,734	\$ 256,734	\$ 256,734	\$ 256,734	\$ 256,734
<b>Total Revenue Requirements</b>	<b>\$ 12,703,582</b>	<b>\$ 12,703,582</b>	<b>\$ 13,842,299</b>	<b>\$ 16,100,461</b>	<b>\$ 18,417,446</b>
<b>Surplus/(Deficit) of Revenues to be Recovered from All Charges</b>					
Total Revenue Requirements	\$ 12,703,582	\$ 12,703,582	\$ 13,842,299	\$ 16,100,461	\$ 18,417,446
Other Revenue	\$ (734,861)	\$ (734,861)	\$ (734,861)	\$ (734,861)	\$ (734,861)
Net Revenue Requirements	\$ 11,968,721	\$ 11,968,721	\$ 13,107,438	\$ 15,365,600	\$ 17,682,585
Total Revenue from Rates and Charges	\$ 10,396,162	\$ 11,976,587	\$ 13,119,274	\$ 15,371,976	\$ 17,686,582
<b>Revenue Surplus/(Deficit)</b>	<b>\$ (1,572,559)</b>	<b>\$ 7,866</b>	<b>\$ 11,836</b>	<b>\$ 6,376</b>	<b>\$ 3,997</b>

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

CW Schedule 11

	Rate Year		2013	2014	2015
	2011	2012			
<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	\$1,389,045	\$2,527,763	\$4,785,924	\$7,102,910
From Capital Restricted Acct.	-	-	-	-	-
Interest Income	164	23,691	28,025	28,387	28,782
<b>Total Additions</b>	\$ 2,010,987	\$ 1,412,736	\$ 2,555,788	\$ 4,814,312	\$ 7,131,692
<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	-	-	1,321,643	3,969,214	6,285,107
<b>Total Deductions</b>	\$ 1,415,501	\$ 1,389,045	\$ 2,527,763	\$ 4,785,924	\$ 7,102,910
<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	587,938	587,938	587,938	587,938
Interest Income	193	99	7	8	8
<b>Total Additions</b>	\$ 669,193	\$ 588,038	\$ 587,945	\$ 587,946	\$ 587,946
<b>Interest Rate</b>	1.4%	1.4%	1.4%	1.4%	1.4%
<u>Deductions</u>					
335 Chemicals	682,515	587,938	587,938	587,938	587,938
<b>Total Deductions</b>	\$ 682,515	\$ 587,938	\$ 587,938	\$ 587,938	\$ 587,938
<b>Ending Cash Balance</b>	\$ 442	\$ 541	\$ 548	\$ 555	\$ 563



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

## CW Schedule 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 Schedule 11

	Rate Year				
	2011	2012	2013	2014	2015
<b>Salary and Wage Increase Account</b>					
<b>Beginning Cash Balance</b>	<b>\$ 91,328</b>	<b>\$ 184,840</b>	<b>\$ 187,446</b>	<b>\$ 190,088</b>	<b>\$ 192,768</b>
<u>Additions</u>					
From Water Rates					
Contribution to Salary and Wage Increase Account	91,579	-	-	-	-
Interest Income	1,933	2,606	2,643	2,680	2,718
<b>Total Additions</b>	<b>\$ 93,512</b>	<b>\$ 2,606</b>	<b>\$ 2,643</b>	<b>\$ 2,680</b>	<b>\$ 2,718</b>
<b>Interest Rate</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>
<u>Deductions</u>					
Withdrawals to Cover Salary and Wage Increases					
<b>Total Deductions</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Cash Balance</b>	<b>\$ 184,840</b>	<b>\$ 187,446</b>	<b>\$ 190,088</b>	<b>\$ 192,768</b>	<b>\$ 195,486</b>
<b>Operating Revenue Allowance</b>					
<b>Beginning Cash Balance</b>	<b>\$ 122,032</b>	<b>\$ 366,699</b>	<b>\$ 626,000</b>	<b>\$ 887,116</b>	<b>\$ 1,150,060</b>
<u>Additions</u>					
From Water Rates					
Contribution to Operating Revenue Allowance Account	243,813	256,734	256,734	256,734	256,734
Interest Income	854	2,567	4,382	6,210	8,050
<b>Total Additions</b>	<b>\$ 244,667</b>	<b>\$ 259,301</b>	<b>\$ 261,116</b>	<b>\$ 262,944</b>	<b>\$ 264,784</b>
<b>Interest Rate</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.4%</b>
<u>Deductions</u>					
Approved Withdrawals					
<b>Total Deductions</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Cash Balance</b>	<b>\$ 366,699</b>	<b>\$ 626,000</b>	<b>\$ 887,116</b>	<b>\$ 1,150,060</b>	<b>\$ 1,414,845</b>

City of Newport, Rhode Island  
 FY 2012 Rate Filing  
 Water Bills and Consumption

CW Schedule A

	FY 2008	FY 2009	FY 2010	FY 2012 Rate Year (1)	Docket No. 4025
<b>Annual Consumption, by Class</b>					
Residential	780,264	690,544	646,679	<b>705,829</b>	753,416
Commercial	481,398	494,616	431,782	<b>469,265</b>	462,927
Governmental	23,616	24,905	23,199	<b>23,907</b>	24,057
Navy	247,728	225,392	173,790	<b>215,637</b>	278,289
PWFD	473,338	444,777	412,324	<b>443,480</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>1,858,117</b>	<b>1,970,329</b>

Connection 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	781
Billed Quarterly	13691
Billed Annually	369

**Total Bills 64505**

	Connection History						Rate Year FY 2012
	Connection Size	June 30 2005	June 30 2006	June 30 2007	June 30 2008	Feb 28 2011	Number of Connections
<b>Public Hydrants</b>							
Newport	6	580	580	588	583	617	617
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>1034</b>	<b>1034</b>
<b>Private Fire Connections</b>							
<2		0	0	0	0		0
2		0	0	1	1	3	3
4		55	55	55	57	57	57
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>369</b>	<b>369</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>1,403</b>	<b>1,403</b>

(1) Projected rate year consumption for the Navy is based on information provided in the Navy response to NWD DR 1-5.  
 Projected rate year consumption for PWFD is based on information provided by William McGlenn in email dated 11/10/08 and information provided in PWFD's response to NWD DR 2-17

Docket No. 4243

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

CW Schedule 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
	<b>Total</b>	<b>\$ 265,000</b>	<b>\$ 253,913</b>	<b>\$ 254,345</b>	<b>\$ 273,889</b>
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
	<b>Total</b>	<b>\$ 96,500</b>	<b>\$ 101,052</b>	<b>\$ 108,801</b>	<b>\$ 128,203</b>
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	\$ 71,000
	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

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Newport Water Division  
 Budget for Rate Filing  
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CW Schedule 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	\$ -	
RIPUC		\$ 61,333			
Bond Advisor		\$ 7,500	\$ 10,000	\$ 7,500	
Code Red				\$ 3,000	
Total	\$ 201,500	\$ 204,905	\$ 303,380	\$ 174,000	
50238 Postage	\$ 1,000	\$ 254	\$ 1,000	\$ 1,000	
50239 Fire & Liability Insurance	\$ 86,000	\$ 71,862	\$ 75,635	\$ 77,100	
2% increase per year					
50251 Telephone & Communication					
Arch Wireless	\$ 300	\$ 381	\$ 408	\$ 500	
Cell Phones	\$ 8,000	\$ 4,262	\$ 4,653	\$ 5,000	
Total	\$ 8,300	\$ 4,644	\$ 5,100	\$ 5,500	

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 50305 Water

CW Schedule 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	\$ 83,763
Tiverton	3 parcels	\$ 24,313	\$ 29,390	\$ 31,438	\$ 32,381
Little Compton	3 parcels	\$ 11,012	\$ 10,851	\$ 12,530	\$ 12,906
Middletown	21 parcels	\$ 79,338	\$ 86,230	\$ 87,031	\$ 89,643
Total		\$ 229,000	\$ 207,535	\$ 213,761	\$ 218,693

50266 Legal & Administrative

\$ 301,400	\$ 301,400	\$ 301,400	\$ 304,551
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50267 Data Processing

\$ 137,000	\$ 137,000	\$ 137,000	\$ 191,200
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				CW Schedule	B-1	
50268 Mileage Allowance	\$ 2,000	\$ 287	\$ 2,000	\$ 2,000		
50271 Gasoline & Vehicle Allowance		1 vehicle				
Fuel - Gallons	448	169	170	170		
Fuel \$/Gallon	\$ 2,385	\$ 2,140	\$ 2,700	\$ 2,700		
Fuel Cost	\$ 1,068	\$ 362	\$ 459	\$ 459		
Parts/Labor	\$ 6,375	\$ 6,775	\$ 6,910	\$ 7,049		
Insurance * included in parts/labor FY 2010 and after	\$ 1,037	\$ -	\$ -	\$ -		
Total	\$ 8,480	\$ 7,137	\$ 7,369	\$ 7,508		
50275 Repairs & Maintenance						
Halsey St smoke Detector Service	\$ 800	\$ 440	\$ 450	\$ 450		
Other	\$ 300	\$ 135	\$ 200	\$ 400		
Heater Maintenance	\$ 100	\$ 3,015	\$ 350	\$ 350		
total	\$ 1,200	\$ 3,590	\$ 1,000	\$ 1,200		
50280 Regulatory Expense (Printing and mailing CCR and notices to customers)	\$ 10,000	\$ 14,696	\$ 10,000	\$ 10,000		
50281 Regulatory Assessment						
RIWWA - Assessment	\$ 630	\$ 630	\$ 630	\$ 630		
RI Div of PUC - Assessment	\$ 29,138	\$ 22,185	\$ 25,059	\$ 25,059		
RI Dept of Health - License	\$ 16,302	\$ 21,707	\$ 21,707	\$ 21,707		
General Treasurer State of RI RIPDES Permit 00217	\$ 700	\$ 700	\$ 700	\$ 700		
Total	\$ 46,770	\$ 45,221	\$ 49,000	\$ 48,096		
50361 Office Supplies	\$ 30,000	\$ 15,756	\$ 20,000	\$ 20,000		
50505 Self Insurance	\$ 10,000	\$ -	\$ 10,000	\$ 10,000		
50515 Unemployment Claims	\$ 12,000	\$ -	\$ 12,000	\$ 12,000		
<b>Total</b>	<b>\$ 2,130,300</b>	<b>\$ 2,025,955</b>	<b>\$ 2,199,823</b>	<b>\$ 2,292,376</b>		

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

CW Schedule B-2

Account	Description	Docket 4025	Actual FY 2010	Projected FY 2011	Proposed 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
	<b>Total</b>	<b>\$326,100</b>	<b>\$263,978</b>	<b>\$250,088</b>	<b>\$256,335</b>
	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
	<b>Total</b>	<b>\$175,200</b>	<b>\$136,661</b>	<b>\$154,946</b>	<b>\$168,793</b>



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 Budget for Rate Filing  
 FY 2012  
 Customer Service  
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CW Schedule 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

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 Budget for Rate Filing  
 FY 2012  
 Customer Service  
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		CW Schedule 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>

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

CW Schedule B-3

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
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)			
	Total		\$ 216,900	\$ 257,841	\$ 281,010	\$ 297,967
	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 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 Schedule 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)			
Total	\$ 111,296	\$ 127,018	\$ 150,210	\$ 160,314

50175 Annual Leave Buyback	4 employees	\$ 6,300	\$ 5,894	\$ 6,300	\$ 6,300
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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	\$ 0.0986
cost of Supply (incl GRT)		\$ 22,522	\$ 10,199	\$ 24,438	\$ 24,438
taxes		\$ 939	\$ 329	\$ 707	\$ 707
fixed charge		\$ 1,313	\$ 1,399	\$ 1,596	\$ 1,596
delivery charge		\$ 9,270	\$ 6,681	\$ 15,368	\$ 15,368
total cost		\$ 34,100	\$ 18,608	\$ 42,108	\$ 42,108

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

CW Schedule 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 Schedule 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
<b>Total</b>	<b>\$ 3,750</b>	<b>\$ 4,699</b>	<b>\$ 3,750</b>	<b>\$ 7,750</b>

50320 Uniforms & protective Gear

	\$ 750	\$ 106	\$ 750	\$ 700
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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>\$ 546,896</b>	<b>\$ 562,091</b>	<b>\$ 653,598</b>	<b>\$ 704,042</b>
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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	\$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

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CW Schec 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
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<b>total</b>	<b>\$ 143,300</b>	<b>\$ 84,181</b>	<b>\$166,480</b>	<b>\$167,795</b>
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Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Station One  
 15-500-2222

CW Schedule 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

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Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Station One  
 15-500-2222  
 50100 Employee Benefits

CW Schedule B-5

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	\$	11,000

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

CW Schedule 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	27,000,000
\$/Gal		\$ 0.0065	\$ 0.0068	\$ 0.0102	\$ 0.01127
Cost		\$ 184,000	\$ 175,564	\$ 275,000	\$ 304,290

2008	28255900
2009	26044000
2010	25818000

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Newport Water Division  
 Budget for Rate Filing  
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CW Schedule B-5

	1 vehicle				
50271 Gas/Vehicle Maintenance					
gasoline gallons		274		257	257
cost/gallon	\$	2,3850	\$	2,1314	\$ 2,1314
gasoline cost	\$	653	\$	548	\$ 548
parts/labor	\$	6,375	\$	6,776	\$ 6,776
insurance	\$	1,037	\$	-	\$ -
total	\$	8,100	\$	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  
 50311 Operating Supplies

CW Schedule B-5

Machine, pump supplies, bearings, pump packing, seals, drill bits, sandpaper, fasteners, miscellaneous tools, V belts, 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
 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 Schedule B-5

Alum quantity		412,431		365,625		372,614		373,395
Unit Cost	\$	0.2100	\$	0.2100	\$	0.1840	\$	0.1745
Alum Total Cost	\$	86,611	\$	76,781	\$	68,561	\$	65,157
Chlorine quantity		57,380		52,210		51,800		51,920
Unit Cost	\$	0.4750	\$	0.4750	\$	0.4250	\$	0.4250
Chlorine Total Cost	\$	27,256	\$	24,800	\$	22,015	\$	22,066
Flouride quantity		18,195		20,204		19,183		19,153
Unit cost	\$	0.4190	\$	0.4187	\$	0.4574	\$	0.4200
Flouride Total Cost	\$	7,624	\$	8,459	\$	8,774	\$	8,044
Sodium chlorite quantity		99,725		146,691		170,000		119,862
Unit Cost	\$	0.9860	\$	0.9860	\$	0.7800	\$	0.9860
Sodium chlorite total Cost	\$	98,329	\$	144,637	\$	132,600	\$	118,184
Polymer		1,320		1,375		1,228		1,228
Unit Cost	\$	7.2160	\$	7.2160	\$	7.6500	\$	7.6500
Polymer Total Cost	\$	9,525	\$	9,922	\$	9,394	\$	9,397
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	\$	356,696
rounded	\$	399,000	\$	409,949	\$	371,000	\$	356,696
<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>1,842,554</b>

Newport Water Division  
Budget for Rate Filing  
FY 2012  
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CW Schedule 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	

Docket No. 4243

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

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

CW Schedule B-6

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	\$	11,700

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

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

CW Schedule B-6

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, 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 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

CW Schedule B-6

50311 Operating Supplies

Machine, pump supplies, bearings, pump packing, seals, drill bits, sandpaper, fasteners, miscellaneous tools, V belts, 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
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

CW Schedule B-6

Alum quantity		382,540		311,809		327,173		327,648
Unit Cost	\$	0.2100	\$	0.2100	\$	0.1840	\$	0.1745
Alum Total Cost	\$	80,333	\$	65,480	\$	60,200	\$	57,175
Chlorine quantity		39,130		34,462		35,200		34,731
Unit Cost	\$	0.4750	\$	0.4750	\$	0.4250	\$	0.4250
Chlorine Total Cost	\$	18,587	\$	16,369	\$	14,960	\$	14,761
Flouride quantity		16,329		5,755		9,184		9,067
Unit cost	\$	0.4190	\$	0.4187	\$	0.4574	\$	0.4200
Flouride Total Cost	\$	6,842	\$	2,410	\$	4,201	\$	3,808
Sodium chlorite quantity		57,553		58,544		59,139		52,518
Unit Cost	\$	0.9860	\$	0.9860	\$	0.7800	\$	0.7800
Sodium chlorite total Cost	\$	56,747	\$	57,724	\$	46,128	\$	40,964
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	\$	162,890
rounded	\$	216,000	\$	198,076	\$	168,000	\$	162,890
<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>1,599,515</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

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

CW Schedule 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

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

CW Schedule 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 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 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>

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

CW Schedule 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 Control 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)			
	Total	\$ 416,200	\$ 428,500	\$ 432,534	\$ 457,231
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	\$ -	\$ -	\$ -	\$ -



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Newport Water Division  
 Budget for Rate Filing  
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CW Schedule B-8

50100 Employee Benefits

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

Total \$ 224,996 \$ 236,895 \$ 266,852 \$ 277,541

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
Weather 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

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Newport Water Division  
 Budget for Rate Filing  
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				CW Schedule	B-8
RI Interlocal 2% increase per year	\$	2,400	\$	1,983	\$ 2,023 \$ 2,100

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
cost of Supply	\$	12,397	\$ 10,592	\$ 11,533	\$ 11,533
taxes	\$	517	\$ 259	\$ 289	\$ 289
fixed charge	\$	1,620	\$ 1,485	\$ 1,485	\$ 1,485
delivery charge	\$	5,041	\$ 5,010	\$ 5,455	\$ 5,455
total cost	\$	19,600	\$ 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	\$ 380
Propane			\$ 54	\$ 50	\$ 50
Paving Eq. 24 hrs @ \$95/hr.	\$	2,280		\$ -	
Total	\$	8,900	\$ 447	\$ 13,150	\$ 8,260

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Newport Water Division  
 Budget for Rate Filing  
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50271 Gas/Vehicle Maintenance	10 vehicles					
diesel gallons		1,924		1,961		2,000
cost/gallon		\$ 3.0325	\$	2.4943	\$	3.2500
diesel cost		\$ 5,835	\$	4,891	\$	6,501
gasoline gallons		7,727		10,867		11,000
cost/gallon		\$ 2.3850	\$	2.1413	\$	2.7000
gasoline cost		\$ 18,429	\$	23,269	\$	29,700
total fuel cost		\$ 24,263	\$	28,160	\$	36,201
parts/labor		\$ 64,767	\$	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
Raw Material Storage Area					\$	16,000
equipment racks		\$ 7,000			\$	-
total		\$ 32,000	\$	7,724	\$	26,000

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Newport Water Division  
 Budget for Rate Filing  
 FY 2012  
 Distribution  
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CW Schedule 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 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 saddles, unions, repair couplings, 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

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

				CW Schedule	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
 50320 Uniforms & protective Gear	\$	1,500	\$ 872	\$ 1,300	\$ 1,300
 <b>total</b>	<b>\$</b>	<b>1,018,696</b>	<b>\$ 944,099</b>	<b>\$ 1,064,682</b>	<b>\$ 1,101,293</b>

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

CW Schedule B-9

Account	Description	Docket 4025	Actual FY 2010	Projected FY 2011	Proposed 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 Schedule D

Determination of Budget Percentages

	FY2012 City Budget (less Capital/Depr)	Percentage		
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)			
Total General Fund Budget For Allocation	57,608,901	75.14%		
Water Fund	10,012,212	13.06%	19,543,071	\$ 12,446,848
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%		
Combined Budgets	76,665,647	100.00%		

Allocation of Legal and Administrative Costs to Enterprise Funds

Allocated Item	Cost To Be Allocated	Water %	Water Fund	WPC %	WPC Fund	Mar %	Maritime	Beach %	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 pu	\$ 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 304,551  
 rounded \$ 304,551

Allocation of Data Processing Costs to Enterprise Funds

Allocated Item	Cost To Be Allocated	Water %	Water Fund	WPC %	WPC Fund	Mar %	Maritime	Beach %	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) 137,465  
 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 Schedule C

Fiscal Year	EXISTING (1)				PROPOSED (2)												Total Annual Debt Service				
	Revenue Bonds	2007 SRF A \$3.0 M	2008 SRF B \$5.9 M	2009 SRF A \$3.3 M	2012 SRF A (Dam Repair, City Agent, Sta 1 Improvements and New Plant)				2013 SRF A (Sta 1 Improvements and New Plant)				2014 SRF A (Sta 1 Improvements and New Plant)					2015 SRF A (Sta 1 Improvements and New Plant)			
		Agency Loan	Fed Dir. Loan		Rate	4.00%	Loan Amount	#####	Rate	4.00%	Loan Amount	35,832,500	Rate	4.00%	Loan Amount	31,212,500		Rate	4.00%	Loan Amount	5,597,900
Total	Total	Total	Total	Interest	Principal	Total	Drawdown	Interest	Principal	Total	Drawdown	Interest	Principal	Total	Drawdown	Interest	Principa	Total	Drawdown		
2008	1,009,932	72,901																			
2009	959,782	211,318	66,753	1,213																	
2010	910,552	211,749	157,915	2,388																\$ 1,239,066	
2011	642,596	211,990	411,824	61,108																\$ 1,282,604	
2012	571,079	211,081	424,858	182,028	0	0	0	0												\$ 1,327,518	
2013	388,755	211,034	424,365	181,966	696,467	625,176	1,321,643	17,900,520	0	0	0	0								\$ 1,389,045	
2014		210,828	424,365	181,518	676,131	650,183	1,326,314	17,900,520	1,391,449	1,251,451	2,642,900	35,832,500	0	0	0	0				\$ 2,527,763	
2015		211,441	424,945	181,416	654,981	676,190	1,331,172	17,900,520	1,347,925	1,301,509	2,649,433	35,832,500	1,214,405	1,090,097	2,304,502	31,212,500	0	0	0	\$ 4,785,924	
2016		210,861	424,070	181,648	632,986	703,238	1,336,224	17,900,520	1,302,659	1,353,569	2,656,228	35,832,500	1,178,945	1,133,701	2,312,647	31,212,500	217,801	195,507	413,308	\$ 7,102,910	
2017		184,069	423,727	181,504	610,111	731,368	1,341,478	17,900,520	1,255,583	1,407,712	2,663,295	35,832,500	1,142,068	1,179,049	2,321,117	31,212,500	211,442	203,327	414,769	\$ 7,534,986	
2018		184,052	422,898	181,058	586,321	760,622	1,346,943	17,900,520	1,206,623	1,464,020	2,670,644	35,832,500	1,103,715	1,226,211	2,329,926	31,212,500	204,828	211,460	416,288	\$ 7,529,959	
2019		210,815	422,537	181,105	561,579	791,047	1,352,626	17,900,520	1,155,706	1,522,581	2,678,287	35,832,500	1,063,829	1,275,260	2,339,088	31,212,500	197,949	219,919	417,868	\$ 7,551,808	
2020		210,360	422,607	180,896	535,847	822,689	1,358,536	17,900,520	1,102,751	1,583,484	2,686,236	35,832,500	1,022,346	1,326,270	2,348,616	31,212,500	190,796	228,715	419,511	\$ 7,602,325	
2021		210,677	423,085	180,444	509,086	855,597	1,364,683	17,900,520	1,047,679	1,646,824	2,694,502	35,832,500	979,205	1,379,321	2,358,526	31,212,500	183,356	237,864	421,220	\$ 7,626,762	
2022		210,752	421,968	180,521	481,255	889,820	1,371,076	17,900,520	990,403	1,712,697	2,703,100	35,832,500	934,338	1,434,494	2,368,831	31,212,500	175,618	247,378	422,997	\$ 7,653,136	
2023		210,583	421,274	180,357	452,311	925,413	1,377,724	17,900,520	930,837	1,781,205	2,712,041	35,832,500	887,676	1,491,873	2,379,549	31,212,500	167,572	257,274	424,845	\$ 7,679,244	
2024		210,169	421,946	180,701	422,208	962,430	1,384,638	17,900,520	868,887	1,852,453	2,721,340	35,832,500	839,147	1,551,548	2,390,696	31,212,500	159,203	267,565	426,767	\$ 7,706,373	
2025		210,489	420,969	180,056	390,902	1,000,927	1,391,829	17,900,520	804,460	1,926,551	2,731,011	35,832,500	788,678	1,613,610	2,402,288	31,212,500	150,499	278,267	428,767	\$ 7,736,257	
2026		209,543	420,366	179,832	358,343	1,040,964	1,399,307	17,900,520	737,456	2,003,613	2,741,069	35,832,500	736,190	1,678,155	2,414,344	31,212,500	141,448	289,398	430,846	\$ 7,765,409	
2027		209,336	421,064	180,151	324,483	1,082,603	1,407,085	17,900,520	667,772	2,083,758	2,751,529	35,832,500	681,602	1,745,281	2,426,883	31,212,500	132,034	300,974	433,008	\$ 7,795,306	
2028		209,832	420,053	180,205	289,267	1,125,907	1,415,174	17,900,520	595,300	2,167,108	2,762,408	35,832,500	624,831	1,815,092	2,439,923	31,212,500	122,244	313,013	435,257	\$ 7,829,056	
2029		419,321	179,974		252,643	1,170,943	1,423,586	17,900,520	519,929	2,253,792	2,773,721	35,832,500	565,789	1,887,696	2,453,484	31,212,500	112,062	325,533	437,595	\$ 7,862,850	
2030		426,632	179,449		214,554	1,217,781	1,432,335	17,900,520	441,544	2,343,944	2,785,487	35,832,500	504,385	1,963,203	2,467,588	31,212,500	101,473	338,554	440,028	\$ 7,887,682	
2031				178,652	174,942	1,266,492	1,441,434	17,900,520	360,023	2,437,702	2,797,724	35,832,500	440,525	2,041,732	2,482,256	31,212,500	90,460	352,097	442,557	\$ 7,919,519	
2032									275,241	2,535,210	2,810,451	35,832,500	374,110	2,123,401	2,497,511	31,212,500	79,007	366,181	445,188	\$ 7,342,623	
2033													305,040	2,208,337	2,513,376	31,212,500	67,096	380,828	447,924	\$ 5,307,962	
2034																	54,708	396,061	450,769	\$ 5,961,300	
2035																				\$ 450,769	
2036																				\$ -	

(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 issue



City of Newport, Rhode Island  
 FY 2012 Rate Filing  
 Future Year Rate Increases

CW Schedule E

**FY 2013 Increase**

FY 2012 Revenue Requirement \$ 11,968,754

Step Increases for 2013

	Net New Debt Service	<u>\$1,138,717</u>
FY 2013 Revenue Requirement		\$ 13,107,471
Revenues at FY 2012 Rates		<u>\$ 11,976,587</u>
Revenue Deficiency		\$ 1,130,884
Percent Increase		9.44%

		Proposed FY		
		<u>FY 2012 Rates</u>	<u>2013 Rates</u>	<u>Step Increase</u>
Billing Charge (per bill)				
	Quarterly	\$ 17.63	\$ 19.30	\$1.67
	Monthly	\$ 17.63	\$ 19.30	\$1.67
Commodity Rates (per 1,000 gals.)				
	Residential	\$ 6.05	\$ 6.63	\$0.58
	Commercial	\$ 6.05	\$ 6.63	\$0.58
	Governmental	\$ 6.05	\$ 6.63	\$0.58
	Navy	\$3.7160	\$4.0670	\$0.35
	Portsmouth Water & Fire District	\$2.962	\$3.242	\$0.28
Fire Protection				
	Public (per hydrant)	\$ 1,001.00	\$ 1,096.00	\$95.00
	Private (Connection Size)			
	Less than 2"	\$ 19.63	\$ 21.49	\$1.86
	2"	\$ 83.00	\$ 91.00	\$8.00
	4"	\$ 509.00	\$ 558.00	\$49.00
	6"	\$ 1,018.00	\$ 1,115.00	\$97.00
	8"	\$ 2,330.00	\$ 2,551.00	\$221.00
	10"	\$ 3,846.00	\$ 4,210.00	\$364.00
	12"	\$ 6,174.00	\$ 6,757.00	\$583.00

City of Newport, Rhode Island  
 FY 2012 Rate Filing  
 Future Year Rate Increases

CW Schedule E

**FY 2014 Increase**

FY 2013 Revenue Requirement \$ 13,107,471

Step Increases for 2014

	Net New Debt Service	<u>\$2,258,162</u>
FY 2014 Revenue Requirement	\$	15,365,633
Revenues at FY 2013 Rates	\$	<u>13,119,274</u>
Revenue Deficiency	\$	2,246,359
Percent Increase		17.12%

		Proposed FY		
		<u>FY 2012 Rates</u>	<u>2013 Rates</u>	<u>Step Increase</u>
Billing Charge (per bill)				
	Quarterly	\$ 19.30	\$ 22.61	\$3.31
	Monthly	\$ 19.30	\$ 22.61	\$3.31
Commodity Rates (per 1,000 gals.)				
	Residential	\$ 6.63	\$ 7.77	\$1.14
	Commercial	\$ 6.63	\$ 7.77	\$1.14
	Governmental	\$ 6.63	\$ 7.77	\$1.14
	Navy	\$ 4.07	\$4.7630	\$0.70
	Portsmouth Water & Fire District	\$ 3.24	\$3.797	\$0.56
Fire Protection				
	Public (per hydrant)	\$ 1,096.00	\$ 1,284.00	\$188.00
	Private (Connection Size)			
	Less than 2"	\$ 21.49	\$ 25.17	\$3.68
	2"	\$ 91.00	\$ 107.00	\$16.00
	4"	\$ 558.00	\$ 654.00	\$96.00
	6"	\$ 1,115.00	\$ 1,306.00	\$191.00
	8"	\$ 2,551.00	\$ 2,988.00	\$437.00
	10"	\$ 4,210.00	\$ 4,931.00	\$721.00
	12"	\$ 6,757.00	\$ 7,914.00	\$1,157.00

City of Newport, Rhode Island  
 FY 2012 Rate Filing  
 Future Year Rate Increases  
**FY 2015 Increase**

CW Schedule E

FY 2014 Revenue Requirement \$ 15,365,633

Step Increases for 2015

	Net New Debt Service	<u>\$2,316,985</u>
FY 2015 Revenue Requirement		\$ 17,682,618
Revenues at FY 2014 Rates		<u>\$ 15,371,976</u>
Revenue Deficiency		\$ 2,310,642
Percent Increase		15.03%

		Proposed FY		
		<u>FY 2012 Rates</u>	<u>2013 Rates</u>	<u>Step Increase</u>
Billing Charge (per bill)				
	Quarterly \$	22.61	\$ 26.01	\$3.40
	Monthly \$	22.61	\$ 26.01	\$3.40
Commodity Rates (per 1,000 gals.)				
	Residential \$	7.77	\$ 8.94	\$1.17
	Commercial \$	7.77	\$ 8.94	\$1.17
	Governmental \$	7.77	\$ 8.94	\$1.17
	Navy \$	4.76	\$5.4790	\$0.72
	Portsmouth Water & Fire District \$	3.80	\$4.368	\$0.57
Fire Protection				
	Public (per hydrant) \$	1,284.00	\$ 1,478.00	\$194.00
	Private (Connection Size)			
	Less than 2" \$	25.17	\$ 28.96	\$3.79
	2" \$	107.00	\$ 124.00	\$17.00
	4" \$	654.00	\$ 753.00	\$99.00
	6" \$	1,306.00	\$ 1,503.00	\$197.00
	8" \$	2,988.00	\$ 3,438.00	\$450.00
	10" \$	4,931.00	\$ 5,673.00	\$742.00
	12" \$	7,914.00	\$ 9,104.00	\$1,190.00