Rebuttal Testimony

Docket 4364

April 24, 2013

One Service Road
Providence, Rhode Island 02905
401-461-8848 • FAX 401-461-6540

Vincent J. Mesolella
Chairman

Raymond J. Marshall, P.E.
Executive Director

KEOUGH & SWEENEY, LTD.

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

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

SEAN P. KEOUGH*
STACI L. KOLB

JEROME V. SWEENEY II
OF COUNSEL

*ADMITTED TO PRACTICE IN
RHODE ISLAND & MASSACHUSETTS

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

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

April 24, 2013

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

Re: Docket 4364 - Narragansett Bay Commission

Dear Ms. Massaro:

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

1. Rebuttal Testimony of Walter E. Edge., Jr. MBA CPA for the Narragansett Bay Commission.

Please note that an electronic copy of this filing has been sent to the service list.

Thank you for your attention to this matter.

Sincerely,

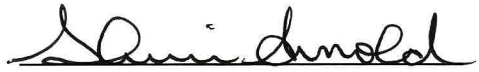
Joseph A. Keough Jr.

JAK/kf
Enclosures

CERTIFICATION

I hereby certify that on April 24, 2013, a copy of the within was sent to all parties set forth on the attached Service List by electronic mail and copies to Luly Massaro, Commission Clerk, by electronic mail and hand delivery.

Parties/Address	E-mail Distribution	Phone
Joseph A. Keough, Jr., Esq. Keough & Sweeney 41 Mendon Ave. Pawtucket, RI 02861	jkeoughjr@keoughsweeney.com	401-724-3600
Karen L. Giebink, Director of A&F Narragansett Bay Commission One Service Road Providence, RI 02905	Kgiebink@narrabay.com Sherri.arnold@narrabay.com wedge@beconsulting.biz	401-461-8848
Christy Hetherington, Esq. Karen Lyons, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	Chetherington@riag.ri.gov Klyons@riag.ri.gov Sscialabba@ripuc.state.ri.us dmacrae@riag.ri.gov jmunoz@riag.ri.gov psmith@ripuc.state.ri.us amancini@ripuc.state.ri.us	401-222-2424
Thomas S. Catlin Exeter Associates, Inc. 10480 Little Patuxent Parkway Suite 300 Columbia, MD 21044	tcatlin@exeterassociates.com	410-992-7500
Frank O. Bragantin, CAM, VP Ferland Property Management	Frankb@ferlandmgt.com	401-728-4000 Ext. 255
Paul Eno, RI Builder Magazine	builder@newriverpress.com	
File an original and nine (9) copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	lmassaro@puc.state.ri.us plucarelli@puc.state.ri.us sccamara@puc.state.ri.us	401-780-2107



REBUTTAL TESTIMONY OF

WALTER E. EDGE Jr. MBA CPA

PRESIDENT

B&E CONSULTING LLC

for

THE NARRAGANSETT BAY COMMISSION

DOCKET No. 4364

April 24, 2013

Q. Would you please give your name and business address for the record?

A. Certainly, my name is Walter Edward Edge Jr. MBA, CPA. I work for the accounting/consulting firm of B&E Consulting LLC (B&E) at 21 Dryden Lane, Providence, RI 02904.

Q. What is B&E?

A. B&E is a certified public accounting firm that specializes in providing accounting and consulting services to small businesses, municipalities, utilities and individuals.

Q. Have you previously submitted pre-filed testimony at the request of the Narragansett Bay Commission as part of Docket (4364)?

A. Yes, I submitted pre-filed testimony as part of Docket 4364 on October 5, 2012.

Q. What is the purpose of this pre-filed testimony?

A. This testimony is offered as rebuttal to the testimony of Thomas S. Catlin of March 22, 2013 on behalf of the Division of Public Utilities and Carriers as well as to provide updates on cost information and other items relevant to this Docket that have come to NBC's attention since the original application for rate relief was filed on October 5, 2012.

Q. How would you like to proceed with your testimony?

A. I would like to begin by pointing out that I have included a summary cost of service schedule that includes all of my rebuttal adjustments and my rebuttal rate year as Schedule WEE-R1. In terms of addressing the individual items, I would like to begin with the expense items and address them in the same order as Mr. Catlin presented his adjustments in his Schedule TSC-2 attached to his testimony.

Q. Do you agree with Mr. Catlin's adjustment that removes $4,247 of grant related expenses?

A. Yes and I have made this adjustment in schedule WEE-R2.

Q. Do you agree with the adjustments proposed to the health and dental expense line items included in the testimony of Mr. Catlin?

A. I agree with and appreciate the adjustment that Mr. Catlin made to the health insurance rate that corrects the composite health insurance rates used by NBC in the original filing schedules for health insurance. The schedules in NBC's original filing did not link to the correct rate in the spreadsheet.

That being said, the health and dental insurance expense line items do require additional adjustments to reflect the actual renewal rates. These rates were not final until April 12, 2013, after the due date of the Division's testimony and therefore Mr. Catlin based his rate year costs on projected renewal rates. The actual renewal rate for health insurance is 8.25% and dental insurance is 6.0%. This results in rate year expense of $3,432,963 for health insurance and $253,195 for dental insurance as is shown in schedule WEE-R3.

Q. What is your opinion about Mr. Catlin's adjustment to the Workers Compensation – Old Claims expense?

A. Mr. Catlin is correct to adjust the rate year expense for the claim that has since expired as long as the costs associated with the other claims do not increase. This is reflected in Schedule WEE-R4.

Q. Have you reviewed Mr. Catlin's adjustments to Biosolids Disposal Costs?

A. Yes. I agree with Mr. Catlin's adjustment to the biosolids disposal rate in the rate year. My concern, however, is that NBC will not have enough funds in this line item in the rate year due to the increase in biosolids production that has occurred in the last 24 months. I have updated the biosolids production based upon the last 24 months, a method both accepted and used by the Division in prior filings. This results in dry ton production per month figures of 176 at Bucklin Point and 661 at Field's Point. Using the disposal rates as calculated by Mr. Catlin, the rate year expense is $4,316,660 as is shown in schedule WEE-R5.

Q. Do you agree with Mr. Catlin's adjustment to the rate year Maintenance and Service Agreement Costs?

A. No. NBC has numerous maintenance and service agreements and unfortunately cannot easily generate detailed reports on each one through its financial system. Based upon a review of NBC's records as part of the budget process, however, I have determined that NBC

will have maintenance and service agreements that will cost a minimum of $1,007,802 in the rate year. A detailed schedule of the vendors and actual/estimated costs in the rate year is included as backup to schedule WEE-R6. Basing rate year costs on these detailed projections, I have revised the rate year cost to $1,007,802 although actual rate year costs may be higher.

Q. Have you reviewed Mr. Catlin's adjustment to the Natural Gas line item based upon a projected decline in the gas supply cost?

A. Yes and I do not think that it's reasonable to project a continued decline in the price of natural gas supply. NBC has spoken with the outside consultant and others in the energy supply business and they have informed NBC that although the price of natural gas has declined it is not anticipated to decline further and may actually increase because of limitations of the transmission system. In addition, National Grid has increased the customer charge. Accordingly, I have adjusted the line item for natural gas based on the current price for gas supply and the new customer charges which results in a reduction from the rate year as filed of $82,526. Please see schedule WEE-R7.

Q. Do you agree with all of Mr. Catlin's adjustment to the Electricity line item?

A. Mr. Catlin made several adjustments to this line item which is NBC's second largest operating supply and expense line item and represents 27% of these costs. I would like to address his adjustments separately as follows:

1. Supply Rate Adjustment – Mr. Catlin used a projected electricity supply rate based upon the average National Grid Standard Offer rates over the last 12 months. A review of these rates over the last 18 months shows that they are highly variable, ranging from $0.08704 per kWh to $0.05590 per kWh. Given the significance of this line item in NBC's cost of service, this magnitude of variance in the rate is not something that NBC can accommodate through adjustments in other line items or the $159,000 operating reserve proposed by the Division. In fact, using these rates, the difference in the cost of electricity could swing from $418,000 to $312,000 per month or more than $1.2 million/year.

To eliminate this uncertainty and take advantage of a competitive supply market, the NBC went through a competitive bidding process and entered into a 3 year contract for electricity supply at a rate of $.0641 per kWh. I have made this adjustment to the supply rate and it is reflected in schedule WEE-R8.

2. Adjustment to Wind Turbine Electricity Production – Mr. Catlin increased the estimated electricity that would be produced by the wind turbines in the rate year. The wind turbines have been in operation for only a few months and NBC is still gathering data to determine how much electricity they will generate. Further, the instantaneous production of electricity by each turbine is capped at 900 kWh until infrastructure is in place that will allow NBC to increase electricity production above these levels. As a result an adjustment of this magnitude does not appear to meet the "known and measurable" standard however for the purposes of this Docket I will accept Mr. Catlin's adjustment.

3. Adjustment for the Sale of RECs – Mr. Catlin further reduced the Electricity line item based upon the Division Docket D-12-7 filing by NBC that reflected projected revenues from the sale of Renewable Energy Credits or RECs. NBC has filed applications in both Massachusetts and Rhode Island to be able to sell the RECs but does not yet have the required approvals. Given that the rate year in this docket begins on July 1, 2013 the Division is perhaps overly optimistic that NBC will realize revenues from the sale of the RECs for the entire rate year. One could argue that this adjustment does not meet the "known and measurable" standard; however, for the purposes of this Docket, I am willing to accept Mr. Catlin's adjustment for these revenues provided they are treated in a manner consistent with Generally Accepted Accounting Principles and are reflected as a source of revenue not as a reduction in the electricity expense line item. Please refer to schedule WEE-R13 for the revenue adjustment.

Q. Did you review Mr. Catlin's adjustment to Field's Point Chemicals?

A. Yes. Mr. Catlin's adjustment to the Bisulfite line item is consistent with the corrected usage that was determined by me while preparing the responses to the first set of data

requests. I agree with Mr. Catlin's adjustment and the adjustment is reflected in Schedule WEE-R9.

Q. Do you agree with Mr. Catlin's adjustment to Bad Debt Expense?

A. Yes. I think that his adjustment is reasonable and therefore I have made this adjustment and it is reflected in Schedule WEE-R10.

Q. Did you review Mr. Catlin's adjustment to Debt Service and Debt Service Coverage?

A. Yes. Mr. Catlin proposes to reduce these line items because NBC's updated borrowing needs in FY 2014 are less than what NBC had originally requested in this Docket. In his testimony he discusses how this is the result of two factors. First, NBC was able to issue more debt in FY 2013 than was projected within the revenue requirements set forth in Docket 4352 and second, NBC's capital needs over FY 2013 and FY 2014 were reduced by approximately $17.5 million. He points out that as a result, NBC's borrowing needs in the rate year are considerably lower than the $111 million included in NBC's filing.

Q. Do you agree with Mr. Catlin's adjustments to the debt service and debt service coverage line items?

A. If the PUC extends NBC's authorization to continue with the current debt service compliance filing mechanism provided for in Docket 3483 I can readily support Mr. Catlin's adjustment to these two items. I would like to note that the actual proceeds available for projects from NBC's March 7, 2013 open market issue were $75.1 million. Even so, I have reviewed NBC's updated borrowing needs and I agree with the figures prepared by Mr. Catlin.

Assuming that the PUC continues the debt service compliance filing mechanism, NBC will have the flexibility to address any significant changes in interest rates, project costs, debt service structure or the need to fund a debt service reserve fund that may occur during the rate year. Making the reduction recommended by Mr. Catlin will significantly reduce the burden on NBC's ratepayers. I have made the adjustments to debt service and debt service coverage in schedule WEE-R11.

Q. Do you agree with Mr. Catlin's adjustment to the Operating Reserve?

A. No. Mr. Catlin's adjustment is based on a PUC position adopted more than five years ago and is not consistent with the way that the PUC has more recently funded the operating reserves of other utilities that have significant expenses that vary with factors out of their control such as utilities and chemicals. A number of new processes related to nutrient removal will be coming on-line in the rate year and the anticipated savings from the wind turbines have yet to be proven. NBC has demonstrated that it operates in an efficient and effective manner but is bound to bondholders through the Trust Indenture to ensure the proper operation, maintenance, repair and replacement of its facilities. An operating reserve of 1.5% is very conservative and results in an annual amount of approximately $570,000 which is less than 20% of one month's operating expenses. Please see schedule WEE-R12 for the adjustment to this account that results from the other rebuttal adjustments that I have made to NBC's operating costs.

Q. Mr. Edge, do you have any other adjustments?

A. Yes, I have made two adjustments to revenue line items. First, I have eliminated rate year revenues of $93,462 related to the tariff advice filed by NBC with the PUC for the elimination of the BOD/TSS surcharges. Second, I have increased Miscellaneous Income by $355,650 to reflect the revenues that were projected by Mr. Catlin to be realized from the sale of RECs. Please see Schedule WEE-R13 for these adjustments.

Q. Does this conclude your testimony?

A. Yes.

Acct Number	Account Name	Test Year FY 2012	Test Year Adjustments	Adjusted Test Year	Rate Year Adjustments	Rate Year FY 2014	Rebuttal Adjustments	NBC Rebuttal Rate Year
Revenue								
41000	FLAT FEES RESIDENTIAL	$ 19,852,377	$ 1,938,659	$ 21,791,036	$ -	$ 21,791,036	$ -	$21,791,036
41100	CONSUMPTION FEE - RESIDENTIAL	23,413,926	2,286,458	25,700,384	-	25,700,384	-	25,700,384
41501, 41502	FLAT FEES COMMERCIAL & INDUSTRIA	12,019,228	1,173,723	13,192,951	-	13,192,951	-	13,192,951
41510	CONSUMPTION FEE - COMMERCIAL	19,529,666	1,907,145	21,436,811	-	21,436,811	-	21,436,811
41511	CONSUMPTION FEE - INDUSTRIAL	1,106,556	108,059	1,214,615	-	1,214,615	-	1,214,615
42000	PRETREATMENT FEES	1,087,140	-	1,087,140	-	1,087,140	-	1,087,140
42500	CONNECTION PERMIT FEES	85,487	-	85,487	-	85,487	-	85,487
43000	BOD/TSS SURCHARGE	93,462	-	93,462	-	93,462	(93,462)	-
43500	SEPTAGE INCOME	304,157	-	304,157	-	304,157	-	304,157
45100, 45200	INVESTMENT INCOME	10,868	(6,360)	4,508	-	4,508	-	4,508
45500	LATE CHARGE PENALTY	918,943	-	918,943	-	918,943	-	918,943
46500	ENVIRONMENTAL ENFORCEMENT	1,000	(1,000)	-	-	-	-	-
47502	GRANT	129,327	(129,327)	-	-	-	-	-
42600	ABATEMENT FEE	2,160	-	2,160	-	2,160	-	2,160
	CONTRIBUTED CAPITAL	1,550,547	(1,550,547)	-	-	-	-	-
49002	MISCELLANEOUS INCOME	120,414	-	120,414	-	120,414	355,650	476,064
49003	RENTAL REVENUE	132,415	-	132,415	-	132,415	-	132,415
TOTAL REVENUE		80,357,673	5,726,810	86,084,483	-	86,084,483	262,188	86,346,671
PERSONNEL SERVICES								
52100	UNION - REGULAR	5,589,017	-	5,589,017	460,460	6,049,477	-	6,049,477
52150	UNION OVERTIME	422,694	-	422,694	34,824	457,518	-	457,518
52300	NON-UNION REGULAR	8,102,630	-	8,102,630	493,450	8,596,080	-	8,596,080
52350	NON-UNION OVERTIME	66,499	-	66,499	4,050	70,549	-	70,549
52400	NON-UNION LIMITED	21,324	-	21,324	1,299	22,623	-	22,623
52800	UNION PENSION	1,234,841	-	1,234,841	220,058	1,454,899	-	1,454,899
52810	FICA	1,032,696	-	1,032,696	122,786	1,155,482	-	1,155,482
52820	UNEMPLOYMENT	29,912	-	29,912	-	29,912	-	29,912
52920	NON UNION PENSION	795,779	-	795,779	70,884	866,663	-	866,663
52940	UNION RETIREMENT HEALTH	362,175	-	362,175	109,684	471,859	-	471,859
52950	HEALTH INSURANCE	3,163,226	-	3,163,226	96,740	3,259,966	172,997	3,432,963
52970	DENTAL INSURANCE	224,574	-	224,574	26,099	250,673	2,522	253,195
52980	VISION INSURANCE	39,441	-	39,441	-	39,441	-	39,441
52990	DISABILITY INSURANCE	39,401	-	39,401	-	39,401	-	39,401
53690	WORK. COMP. - OLD CLAIMS	62,620	-	62,620	-	62,620	(20,374)	42,246
TOTAL PERSONNEL SERVICES		21,186,829	-	21,186,829	1,640,334	22,827,163	-	22,827,163
59000	SALARY REIMBURSEMENT	(1,106,720)		(1,106,720)	(67,399)	(1,174,119)	-	(1,174,119)
59001	FRINGE REIMBURSEMENT	(604,725)		(604,725)	(36,828)	(641,553)	-	(641,553)
NET PERSONNEL SERVICES		19,475,384	-	19,475,384	1,536,107	21,011,491	155,145	21,166,636
								-
OPERATING SUPPLIES/EXPENSES								-
52610	MEDICAL SVCS.	8,055	-	8,055	-	8,055	-	8,055
53210	POSTAGE	347,745	-	347,745	-	347,745	-	347,745
53240	DUES & SUBSCRIPTIONS	50,942	-	50,942	-	50,942	-	50,942
53250	FREIGHT	39,639	-	39,639	-	39,639	-	39,639
53310	PRINTING & BINDING	122,615	(133)	122,482	-	122,482	-	122,482
53320	ADVERTISING	8,254	(1,321)	6,933	-	6,933	-	6,933
53330	RENTAL- EQUIPMENT	14,805	-	14,805	-	14,805	-	14,805
53340	RENTAL- CLOTHING	30,305	-	30,305	-	30,305	-	30,305
53350	RENTAL-OUTSIDE PROPERTY	5,841	(400)	5,441	-	5,441	-	5,441
53370	PUBLIC OUTREACH ED.	23,412	(10,300)	13,112	-	13,112	-	13,112
53410	LOCAL TRAVEL	1,742	-	1,742	-	1,742	-	1,742
53420	LONG DISTANCE TRAVEL	37,258	-	37,258	-	37,258	-	37,258
53470	BLDG. & GRND. MAINT.	121,298	-	121,298	-	121,298	-	121,298
53480	BIOSOLIDS DISPOSAL	4,097,569	-	4,097,569	202,525	4,300,094	16,566	4,316,660
53490	SCREENING & GRIT DISPOSAL	163,809	-	163,809	-	163,809	-	163,809
53510	VEHICLE FUEL & MAINTENANCE	233,892	-	233,892	-	233,892	-	233,892
53610	REPAIRS BLDG, STRUCT,EQUIP.	486,470	-	486,470	-	486,470	-	486,470
53620	REPAIR-HIGHWAY & WALKS	3,149	-	3,149	-	3,149	-	3,149
53630	MAINTENANCE/SERVICE AGREE.	735,174	-	735,174	325,378	1,060,552	(52,750)	1,007,802
53650	HIGHWAY & LANDSCAPE	728	-	728	-	728	-	728
53660	INSURANCE	412,515	-	412,515	63,995	476,510	-	476,510
53680	WORK. COMP. INSURANCE	346,788	12,354	359,142	-	359,142	-	359,142

Narragansett Bay Commission
Test Year, Rate Year and Rebuttal Rate Year

Acct Number	Account Name	Test Year FY 2012	Test Year Adjustments	Adjusted Test Year	Rate Year Adjustments	Rate Year FY 2014	Rebuttal Adjustments	NBC Rebuttal Rate Year
Revenue								
53900	CENTRAL PHONE SVCS.	5,653	-	5,653	-	5,653	-	5,653
54000	TELEPHONE	138,079	-	138,079	-	138,079	-	138,079
54020	FUEL OIL #2 - DIESEL	37,168	-	37,168	-	37,168	-	37,168
54060	FUEL-GAS	314,800	-	314,800	139,809	454,609	(82,526)	372,083
54090	ELECTRICITY	3,755,779	-	3,755,779	196,353	3,952,132	(95,879)	3,856,253
54110	WATER	33,557	-	33,557	-	33,557	-	33,557
54200	CLOTHING	23,057	-	23,057	-	23,057	-	23,057
54330	CHEM, HOUSE, LAUND SUPP.	39,056	-	39,056	-	39,056	-	39,056
54332	CHLORINE/HYPOCHLORITE	239,759	-	239,759	129,788	369,547	-	369,547
54333	CARBON FEED	-	-	-	172,800	172,800	-	172,800
54336	SODIUM HYDROXIDE	-	-	-	196,468	196,468	-	196,468
54337	SODIUM BISULFITE	239,366	-	239,366	140,099	379,465	(68,136)	311,329
54340	LAB SUPPLIES	264,201	-	264,201	-	264,201	-	264,201
54370	SUPPLIES BUILDING & MAINT.	209,244	(43,459)	165,785	-	165,785	(4,247)	161,538
54410	EDUCATIONAL SUPP. & EXP.	41,702	-	41,702	-	41,702	-	41,702
54420	COMPUTER SUPPLIES	73,034	-	73,034	-	73,034	-	73,034
54430	OTHER OP. SUPPLIES & EXP.	14,216	(3,041)	11,175	-	11,175	-	11,175
54440	SAFETY EQUIPMENT	29,529	-	29,529	-	29,529	-	29,529
54500	OFFICE EXPENSE	69,772	(90)	69,682	-	69,682	-	69,682
57913	LEASE EXPENSE	8,799	-	8,799	-	8,799	-	8,799
53200	BAD DEBT EXPENSE	170,457	-	170,457	-	170,457	(85,228)	85,229
57800	BOND AND NOTE ISSUANCE COST	60,883	(60,883)	-	-	-	-	-
TOTAL OPERATING SUPP. & EXP.		13,060,116	(107,274)	12,952,842	1,567,215	14,520,057	(372,200)	14,147,857
PROFESSIONAL SERVICES								
52600	REGULATORY EXPENSE	233,849	-	233,849	-	233,849	-	233,849
52650	SECURITY SERVICES	38,143	-	38,143	-	38,143	-	38,143
52660	LEGAL SERVICES	136,128	-	136,128	-	136,128	-	136,128
52670	MGMT/AUDIT SERVICES	1,885,592	-	1,885,592	243,164	2,128,756	-	2,128,756
52680	CLERICAL SERVICES	68,146	-	68,146	-	68,146	-	68,146
52690	OTHER SERVICES	149,244	(38,733)	110,511	-	110,511	-	110,511
TOTAL PROFESSIONAL SERVICES		2,511,102	(38,733)	2,472,369	243,164	2,715,533	-	2,715,533
TOTAL OPERATIONS & MAINTENANCE		35,046,602	(146,006)	34,900,596	3,346,486	38,247,082	(217,055)	38,030,026
CAPITAL OUTLAYS								
57500	DEPRECIATION	10,173,415	(10,173,415)	-	-	-	-	-
57010	AMORTIZATION	396,210	(386,520)	9,690	-	9,690	-	9,690
16510	AUTOMOTIVE EQUIP.	-	-	-	-	-	-	-
16520	BLDG. & PLANT EQUIP.	-	287,946	287,946	(287,946)	-	-	-
16580	OFFICE FURN&EQUIP.	-	-	-	-	-	-	-
16583	COMPUTER SOFTWARE	-	709,761	709,761	(709,761)	-	-	-
16585	COMPUTER HARDWARE	-	312,693	312,693	(312,693)	-	-	-
16590	OTHER EQUIPMENT	-	3,155	3,155	(3,155)	-	-	-
16600	REPLACEMENT RESERVE	-	715,429	715,429	(715,429)	-	-	-
16610	BUILDING & OTHER STRUCT.	-	166,770	166,770	(166,770)	-	-	-
16630	IMP.-NOT BLDG OR STRUCT.	-	75,843	75,843	(75,843)	-	-	-
TOTAL CAPITAL OUTLAYS		10,569,625	(8,288,338)	2,281,287	(2,271,597)	9,690	-	9,690
DEBT SERVICE								-
	PRINCIPAL	-	25,354,064	25,354,064	22,435,986	47,790,051	(2,895,721)	44,894,330
	INTEREST	11,776,754	4,887,365	16,664,119	(16,664,119)	-	-	-
	DEBT SERVICE COVERAGE	-	10,504,546	10,504,546	1,442,967	11,947,513	(723,930)	11,223,583
TOTAL DEBT SERVICE		11,776,754	40,745,975	52,522,729	7,214,835	59,737,564	(3,619,651)	56,117,913
Operating Reserve		-	154,349	154,349	419,503	573,852	(3,402)	570,450
	TOTAL EXPENSES	57,392,981	32,465,980	89,858,961	8,709,227	98,568,187	(3,840,108)	94,728,079
	NET INCOME	$ 22,964,692	$(26,739,169)	$ (3,774,477)	$(8,709,227)	$(12,483,703)	$ 4,102,296	$ (8,381,408)

Narragansett Bay Commission
Account 54370 - Supplies Building and Maintenance

Schedule WEE - R2

Rebuttal Rate Year	$161,538
Rate Year as Filed	165,785
Rebuttal Adjustment	$ (4,247)

Account 52940 - Health Insurance

	FTEs	Weighted Average Premium	Rate Year
Insurance Premium	249	$ 16,937	$ 4,217,399
Less 18.6 % Copays*			(784,436)
		Rebuttal Rate Year	3,432,963
		Rate Year as Filed	3,259,966
		Rebuttal Adjustment	$ 172,997

*20% Contracted Copay

Account 52970 - Dental Insurance

	FTEs	Weighted Average Premium	Rate Year
Insurance Premium	249	$ 1,017	$ 253,195
		Rebuttal Rate Year	253,195
		Rate Year as Filed	250,673
		Rebuttal Adjustment	$ 2,522

Annul Health Premium	FY 2013	% Increase	Projected FY 2014	FTEs	Weighted Average
Family	$20,057	8.25%	$ 21,712	172	14,938
Single	7,340	8.25%	7,945	56	1,780
Waivers			2,500	22	220
				250	16,937

Annual Dental Premium	FY 2013	Average % Increase	Projected FY 2014	FTEs	Weighted Average
Family	$ 1,159	6.00%	$ 1,228	187	919
Single	399	6.00%	423	56	95
Waivers			110	7	3
				250	1,017

	FY 2013	FY 2014
Co Pays	16%	20%
actual avg based on salary	14.9%	18.6%

Avg FY 2012 FTEs 249

Narragansett Bay Commission
Account 53690 -Workers Compensation - Old Claims

Schedule WEE - R4

Rebuttal Rate Year	$	42,246
Rate Year as Filed		62,620
Rebuttal Adjustment	$	(20,374)

Narragansett Bay Commission
Account 53480 - Biosolids Disposal

	7/1/13 to 12/31/13	1/1/14 to 6/30/14	Total
Field's Point DT	3,966	3,966	
Bucklin Point DT	1,056	1,056	
Total DT	5,022	5,022	
Rate Per Ton	$ 425.72	$ 433.83	
Rebuttal Rate Year	$ 2,137,966	$ 2,178,694	$ 4,316,660
		Rate Year as Filed	4,300,094
		Rebuttal Adjustment	$ 16,566

Narragansett Bay Commission
Account 53630 - Maintenance and Service Agreements

Rebuttal Rate Year	$	1,007,802
Rate Year as Filed		1,060,552
Rebuttal Adjustment	$	(52,750)

Agreement	FY 2014
Typewriter	$ 100
RICOH	1,700
Applied Bio-Systems	300
Typewriter	75
Typewriter	100
Typewriter	75
Advizex Technologies LLC	1,800
APEX Technology Group Inc	22,628
CDW Government LLC	8,983
Custom Computer Specialists Inc	2,493
Hansen Information Technologies	60,705
Hewlett-Packard Co	35,000
KBACE Technologies	15,750
Oracle Amercia Inc	113,199
SMS Systems Maintenance Services Inc	31,500
Telerik Inc	5,875
Vertex Inc	3,550
Environmental Systems Research Institute	17,535
Quest Software Inc	2,219
DLT Solutions LLC	12,404
Avepoint	8,364
Asure Software Inc	9,608
MTS Integratrak Inc	2,116
Fluke Electronics	2,570
Custom Computer Specialists Inc	6,275
Perkin Elmer	38,000
Copy/Fax Machines	3,000
CS Phone Message Board	3,000
Typewriter	100
Avaya	20,000
Fire System	2,000
ADI	1,300
Elevator	3,600
Copy/Fax Machines	12,000
Postage Machine	2,000
Other	4,100
EST	50,000
American Alarm	1,716
Prime Systems	2,296
RICOH	1,416
Overhead doors	3,533
Nat'l Watermain	6,000
Ocean State Cesspool	2,000
Win-Can Tech Support	1,000
ABB	55,000
Citiworks	2,520
E.W. Audet	10,000
DLL Solutions	25,000
Expertune	4,000
IKON	756
IKON	288
IKON	575
IKON	200
Lightship Group	12,000
OSI	22,000
Overhead doors	4,500
Prime Systems	30,000
Q-Mation Inc	11,000
R.E. Erickson	13,000
Stratus Technologies	6,500
Thyssen Krupp Elevator	22,000
Design Maintenance	2,000
Control Point	2,000

Agreement	FY 2014
NexGen	4,000
Electronic Alarm	10,000
IFAS Analyzers, transmitters, meters, etc.	65,354
Plant Computer servers	1,500
TPS Pump RTU unit	1,210
Precision	625
Central Nursery - maintenance on grounds of Admin. Bldg	2,000
Power Resources - maintenance of Admin. Control Room UPS	2,634
A&F Engineering	53,760
OSI Soft	17,599
Siemens	38,190
Stratus	23,788
Q-Mation	10,679
Precision	500
Typewriter	50
RICOH	1,000
OI Analytical	6,286
Latchat	4,274
Desco	4,830
Hach	1,362
BioScience	7,918
Metrohm	4,620
RICOH	300
Total Maintenance & Service	**$ 1,007,802**

Narragansett Bay Commission
Account 54060 - Natural Gas

Schedule WEE - R7

	Therms					
	FY 2011	**FY 2012**	**2 Year Average**	**Rate Year**	**Rate per Therm***	**Rate Year**
Field's Point	167,298	124,178	145,738	-	$ 1.0782	$ 157,139
Bucklin Point	119,238	90,440	104,839	-	1.1006	115,391
IM	15,128	11,453	13,291	-	1.7068	22,685
COB	18,745	21,209	19,977	-	1.0247	20,471
LAB	17,050	15,177	16,113	-	1.0642	17,148
FP New Facilities	-	-	-	36,658	1.0707	39,249

Rebuttal Rate Year	$ 372,083
Rate Year as Filed	(454,609)
Rebuttal Adjustment	**$ (82,526)**

* Rate per Therm includes Rhode Island Gross Earnings Tax (RIGET)

	COB	*BP*	*FP*	*New Ops Bldg*	*IM*	*Lab*	*Proj. Total*
FY 2014 Projected Therms	19,977	104,839	145,738	36,658	13,291	16,113	336,616
FY 2014 Projected Cost	$ 20,471	$115,391	$ 157,139	$ 39,249	$ 22,685	$ 17,148	$ 372,084
			182,396 therms	$ 196,388 $			

DETAIL

	COB	*BP Admin*	*BP Plant*	*BP Exch*	*BP*	*FP*	*TPS*	*ESPS*	*FP*	*IM*	*Lab*	*New Ops Bldg*	*Proj. Total*
FY 2014 Projected Therms	19,977.00	6,350.00	33,226.00	65,263.00	104,839.00	79,208.00	38,449.00	28,081.00	145,738.00	13,291.00	16,113.00	36,658.00	336,616
FY 2014 Projected Cost	$ 20,471	$ 7,414	$ 36,575	$ 71,402	$ 115,391	$ 86,981	$ 39,499	$ 30,659	$ 157,139	$ 22,685	$ 17,148	$ 39,249	$372,084

Rates:	*COB*	*BP Admin*	*BP Plant*	*BP Exch*	*BP*	*FP*	*TPS*	*ESPS*	*FP*	*IM*	*Lab*	*New Ops Bldg*
Customer Chg.	$ 71	$ 71	$ 176	$ 176		$ 176	$ 176	$ 71		$ 162	$ 71	
Avg. Delivery / Therm*	0.2790	0.3262	0.3318	0.3564		0.3661	0.3176	0.3563		0.8368	0.3070	0.3661
Supply	0.6725	0.6725	0.6725	0.6725		0.6725	0.6240	0.6725		0.6725	0.6725	0.6725
Customer Chg.	$ 850	$ 850	$ 2,110	$ 2,110	$ 5,070	$ 2,110	$ 2,110	$ 850	$ 5,070	$ 1,946	$ 850	$ -
Delivery	5,574	2,071	11,024	23,261	36,355	28,994	12,212	10,004	51,211	11,121	4,947	13,419
Supply	13,435	4,270	22,344	43,889	70,504	53,267	23,992	18,884	96,144	8,938	10,836	24,653
Subtotal	$ 19,858	$ 7,191	$ 35,478	$ 69,260	$ 111,930	$ 84,372	$ 38,314	$ 29,739	$ 152,425	$ 22,005	$ 16,633	$ 38,071
Gross Earnings Tax	$ 614	$ 222	$ 1,097	$ 2,142	$ 3,462	$ 2,609	$ 1,185	$ 920	$ 4,714	$ 681	$ 514	$ 1,177
Total	**$ 20,471**	**$ 7,414**	**$ 36,575**	**$ 71,402**	**$ 115,391**	**$ 86,981**	**$ 39,499**	**$ 30,659**	**$ 157,139**	**$ 22,685**	**$ 17,148**	**$ 39,249**
Without RIGET	0.994	1.133	1.068	1.061	1.068	1.065	0.997	1.059	1.046	1.656	1.032	1.039
With RIGET	1.0247	1.1676	1.1008	1.0941	1.1006	1.0981	1.0273	1.0918	1.0782	1.7068	1.0642	1.0707

Narragansett Bay Commission
Account 54090 - Electricity

Schedule WEE - R8

	Rate Year Usage	Rebuttal Rate Year Usage	Rebuttal Rate per kWh	Rebuttal	Rate Year
Field's Point	17,747,600		$ 0.1043	$	1,850,632
Bucklin Point	11,221,000		0.1030		1,155,276
IM	1,029,847		0.1281		131,948
COB	1,395,500		0.1084		151,301
FP New Facilities	12,181,159		0.0997		1,213,980
FP Wind Turbines	(5,334,750)	(7,113,000)	0.0997		(708,885)
					3,794,253
			Maintenance Agreement		62,000
			Rebuttal Rate Year	$	3,856,253
			Rate Year as Filed		3,952,132
			Rebuttal Adjustment	$	(95,879)

	COB	*FP Total*	*BP*	*IM*	*Proj. Total*
FY 2014 Projected kWh	1,395,500	22,815,759	11,221,000	1,029,847	36,462,106
FY 2014 Projected Cost	$ 151,301	$ 2,355,727	$ 1,155,276	$ 131,948	$ 3,794,253

DETAIL

	COB	*FP*	*TPS*	*New Ops*	*BNR*	*turbines*	*FP Total*	*BP*	*IM*	*Proj. Total*
FY 2014 Projected kWh	1,395,500	11,336,000	6,411,600	726,280	11,454,879	(7,113,000)	22,815,759	11,221,000	1,029,847	36,462,106
FY 2014 Projected Cost	$ 151,301	$ 1,140,063	$ 710,568	$ 72,381	$ 1,141,598	$ (708,885)	$ 2,355,727	$ 1,155,276	$ 131,948	$ 3,794,253
Average/kwh	0.108	0.101	0.111	0.100	0.100	0.100	0.103	0.103	0.128	

Rates:	*COB*	*FP*	*TPS*	*New Ops*	*BNR*	*turbines*	*FP & TPS*	*BP*	*IM*
Customer Chg.	$ 825	$ 825	$ 825					$ 825	$ 1,245
Supply - April 2013-April 2016	0.06410	0.06410	0.06410	0.06410	0.06410	0.06410		0.06410	0.06410
Avg. Delivery per kwh	0.02955	0.02823	0.03741	0.02823	0.02823	0.02823		0.03051	0.04105
Capacity Chg	$ 0.00334	$ 0.00334	$ 0.00334	$ 0.00334	$ 0.00334	$ 0.00334		$ 0.00334	$ 0.00334
Customer Chg.	$ 9,900	$ 9,900	$ 9,900	$ -	$ -	$ -	$ 19,800	$ 9,900	$ 14,940
Supply	89,452	726,638	410,984	46,555	734,258	(455,943)	1,462,490	719,266	66,013
Avg. Delivery per kwh	41,235	320,048	239,840	20,505	323,404	(200,820)	702,976	342,408	42,276
Capacity Charge	4,663	37,876	21,423	2,427	38,273	(23,766)	76,233	37,492	3,441
Subtotal	$ 145,249	$ 1,094,462	$ 682,146	$ 69,486	$ 1,095,935	$ (680,530)	$ 2,261,499	$ 1,109,066	$ 126,670
Gross Earnings Tax	$ 6,052	$ 45,602	$ 28,422	$ 2,895	$ 45,663	$ (28,355)	$ 94,228	$ 46,210	$ 5,278
Total	$ 151,301	$ 1,140,063	$ 710,568	$ 72,381	$ 1,141,598	$ (708,885)	$ 2,355,727	$ 1,155,276	$ 131,948
with RIGET	0.10842	0.10057	0.11083	0.09966	0.09966	0.09966	0.10325	0.10296	0.12812
		0.10428							

	COB	*FP*	*BP*	*IM*
FY 2014 Projected kWh	1,395,500	22,815,759	11,221,000	11
FY 2014 Projected Cost	$ 151,301	$ 2,355,727	$ 1,155,276	$ 131,948

FP	*TPS*	*New Ops*	*BNR*
11,336,000	6,411,600	726,280	11,454,879
$ 1,140,063	$ 710,568	$ 72,381	$ 1,141,598

Narragansett Bay Commission
Account 54337 - Bisulfite

Rebuttal Rate Year (see revised WEE-11)	$	311,329
Rate Year as Filed		379,465
Rebuttal Adjustment	$	(68,136)

Narragansett Bay Commission
Bad Debt

Schedule WEE - R10

Rebuttal Rate Year	$	85,229
Rate Year as Filed		170,457
Rebuttal Adjustment	$	(85,228)

Narragansett Bay Commission
Debt Service and Debt Service Coverage

Debt Service	
Rebuttal Rate Year	$ 44,894,330
Rate Year as Filed	47,790,051
Rebuttal Adjustment	$ (2,895,721)
Debt Service Coverage	
Rebuttal Rate Year	$ 11,223,583
Rate Year as Filed	11,947,513
Rebuttal Adjustment	$ (723,930)

Narragansett Bay Commission
Operating Reserve

Operating Reserve		
Rebuttal Rate Year	$	570,450
Rate Year as Filed		573,852
Rebuttal Adjustment	$	(3,402)

Account 43000 -BOD/TSS Surcharge

Rebuttal Rate Year	$	-
Rate Year as Filed		93,462
Rebuttal Adjustment	$	(93,462)

Account 49002 - Miscellaneous Income

Rebuttal Rate Year	$	476,064
Rate Year as Filed		120,414
Rebuttal Adjustment	$	355,650