

**BEFORE THE
PUBLIC UTILITIES COMMISSION
OF RHODE ISLAND**

**PROVIDENCE WATER)
SUPPLY BOARD) DOCKET NO. 4406**

**DIRECT TESTIMONY
OF
JEROME D. MIERZWA**

**ON BEHALF OF THE
DIVISION OF PUBLIC UTILITIES AND CARRIERS**

AUGUST 23, 2013

EXETER

ASSOCIATES, INC.
10480 Little Patuxent Parkway
Suite 300
Columbia, Maryland 21044

1 Corporation's ("NFG Supply") rate department where my responsibilities
2 included utility cost of service and rate design analysis, expense and revenue
3 requirement forecasting and activities related to federal regulation. I was also
4 responsible for preparing NFG Supply's Purchase Gas Adjustment ("PGA")
5 filings and developing interstate pipeline and spot market supply gas price
6 projections. These forecasts were utilized for internal planning purposes as
7 well as in NFG Distribution's purchased gas cost proceedings.

8 In April 1990, I accepted a position as a Utility Analyst with Exeter
9 Associates, Inc. In December 1992, I was promoted to Senior Regulatory
10 Analyst. Effective April 1, 1996, I became a principal of Exeter Associates.
11 Since joining Exeter Associates, my assignments have included water utility
12 class cost of service and rate design analysis, evaluating the gas purchasing
13 practices and policies of natural gas utilities, sales and rate forecasting,
14 performance-based incentive regulation, revenue requirement analysis, the
15 unbundling of utility services and the evaluation of customer choice natural
16 gas transportation programs.

17 Q. HAVE YOU PREVIOUSLY TESTIFIED IN REGULATORY
18 PROCEEDINGS ON UTILITY RATES?

19 A. Yes. I have provided testimony on more than 100 occasions in proceedings
20 before the Federal Energy Regulatory Commission ("FERC"), utility regulatory
21 commissions in Delaware, Georgia, Illinois, Indiana, Louisiana, Maine,
22 Maryland, Montana, Nevada, New Jersey, Ohio, Pennsylvania, Texas and
23 Virginia, as well as before this Commission.

24 Q. HAVE YOU PREVIOUSLY TESTIFIED ON WATER UTILITY ISSUES
25 BEFORE THIS COMMISSION?

1 A. Yes. I was asked by the Division of Public Utilities and Carriers (“the
2 Division”) to testify on water utility cost allocation and rate design issues in
3 Providence Water Supply Board (“PWSB”) Docket Nos. 2048, 3163, and
4 3832. I was also asked by the Division to testify on cost allocation and rate
5 design issues in Pawtucket Water Supply Board Docket Nos. 2674 and 3945,
6 Kent County Water Authority Docket Nos. 2555 and 3311, and City of
7 Newport - Water Division Docket Nos. 2985 and 4355.

8 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

9 A. My testimony addresses the class cost of service study and rate design
10 proposals presented by PWSB in this proceeding.

11 Q. HOW IS THE REMAINDER OF YOUR TESTIMONY ORGANIZED?

12 A. Following this introductory section, my testimony is divided into four additional
13 sections. The first section provides an overview of water utility cost of service
14 methodologies. In the next section, I discuss changes to the initial cost of
15 service study filed by PWSB in its application which have been agreed to and
16 adopted by PWSB. The third section addresses additional changes to
17 PWSB’s cost of service study. The final section of my testimony addresses
18 the adoption of the Conservation Rate proposal prepared by PWSB’s cost
19 allocation and rate design consultant, Harold Smith of Raffelis Financial
20 Consultants.

21

22 **II. Overview of Cost of Service Methodologies**

23 Q. WHAT IS THE OBJECTIVE OF A COST OF SERVICE STUDY?

24 A. A cost of service study is conducted to assist a utility or commission in
25 determining the level of costs properly recoverable from each of the various

1 classes to which the utility provides service. Allocation of recoverable costs
2 to each class of service is generally based on cost causation principles.

3 Q. WHAT ARE THE PRIMARY COST OF SERVICE STUDY
4 METHODOLOGIES UTILIZED FOR WATER UTILITIES?

5 A. The two most commonly used and widely recognized methods of allocating
6 costs to customer classes for water utilities are the base-extra capacity
7 method and the commodity-demand method. Both of these methods are set
8 forth in the American Water Works Association's ("AWWA") *Principles of*
9 *Water Rates, Fees and Charges* ("AWWA M1 Manual").

10 Q. PLEASE SUMMARIZE EACH OF THESE METHODS.

11 A. Under the base-extra capacity method, investment and costs are first
12 classified into four primary functional cost categories: base or average
13 capacity, extra capacity, customer, and direct fire protection. Customer costs
14 are commonly further divided between meter and service related and account
15 or bill related costs. Extra capacity costs may also be divided between
16 maximum day and maximum hour costs. Once investment and costs are
17 classified to these functional categories, they are then allocated to customer
18 classes. Base costs are allocated according to average water use, and extra
19 capacity costs are allocated on the basis of the excess of peak demands over
20 average demands. Meter and service related customer costs are allocated
21 on the basis of relative meter and service investment or a proxy thereof.
22 Account related customer costs are allocated in proportion to the number of
23 customers or the number of bills.

24 The commodity-demand method follows the same general procedures.
25 However, usage related costs are classified as commodity and demand

1 related rather than as base and extra capacity related. Commodity related
2 costs are allocated to customer classes on the basis of total water use (which
3 is equivalent to average demand), and demand related costs are allocated on
4 the basis of each class' contribution to peak demand rather than on the basis
5 of class demands in excess of average use.

6 Q. WHAT COST OF SERVICE METHODOLOGY HAS PWSB UTILIZED
7 IN ITS FILING?

8 A. The cost of service study presented by PWSB in this proceeding utilizes the
9 base extra-capacity methodology similar to that utilized in Docket No. 3832,
10 which is the last proceeding in which PWSB presented a cost of service
11 study. In its study, wholesale service is identified as a separate functional
12 cost category.

13 Q. BEFORE PROCEEDING, PLEASE PROVIDE A BRIEF HISTORY OF
14 THE VARIOUS COST OF SERVICE STUDIES PREPARED BY PWSB
15 IN THIS PROCEEDING.

16 A. On March 29, 2013, PWSB filed its application to increase rates in this
17 proceeding. Included in that application was a cost of service study ("initial
18 study"). On April 17, 2013, PWSB filed a cost of service study correcting the
19 allocation of certain costs to public fire protection ("correct initial study").

20 During the course of the discovery process in this proceeding, PWSB
21 witness Harold Smith acknowledged that a number of additional corrections,
22 adjustments, and modifications to the corrected initial cost study filed by
23 PWSB were appropriate. In the response to DIV 3-1, PWSB provided a
24 revised cost of service study reflecting these changes ("revised study"). The
25 modifications to PWSB's study subsequently discussed in my testimony will

1 refer to changes that are appropriate to the revised study provided in the
2 response to DIV 3-1.
3

4 **III. Modifications to PWSB's Corrected Initial Study**

5 Q. PLEASE IDENTIFY THE CHANGES TO THE CORRECTED INITIAL
6 STUDY WHICH HAVE BEEN REFLECTED IN THE REVISED STUDY
7 PROVIDED IN THE RESPONSE TO DIV 3-1.

8 A. The following changes were made to the corrected initial cost of service study
9 filed by PWSB:

- 10 • The allocation legend description for factors K1 and K2 on Schedule
11 HJS-14 were changed to indicate that the factors were based on “net
12 plant investment” rather than “original plant investment” (per the
13 response to DIV 2-4);
- 14 • The allocation factor for Source of Supply & Pumping – Supply Mains
15 investment and Other Power Production Equipment investment was
16 changed from Factor N to Factor A. Factor A allocates costs based on
17 the consumption of all customers and Factor N is an allocation which is
18 applicable to pumping investment. Factors A and N are used to
19 develop Factors K1 and K2 which are used to assign certain capital
20 costs to the functional cost categories (per the response to DIV 2-9);
- 21 • The net investment and accumulated depreciation for certain plant
22 accounts used to develop allocation Factors K1 and K2 in the
23 corrected initial study were improperly determined and were modified
24 in the revised study (per the response to KCWA 1-4 and 1-5);
- 25 • Administrative & General Employee Pensions and Benefits on
26 Schedule HJS-11 were initially allocated based on Factor Z (Total
27 operation and maintenance expenses) and the revised study allocates
28 these costs based on Factor Y (Labor related O&M expense) (per the
29 responses to KCWA 1-18);
- 30 • PWSB's corrected initial study included certain Source of Supply &
31 Pumping and Water Treatment Plant land accounts in developing
32 allocation Factors K1 and K2. In the revised study, PWSB claims that
33 these land accounts should have been excluded (per the responses to
34 KCWA 1-19 and 1-20). As I discuss later in my testimony, I believe
35 that these and all other land accounts should be included in developing
36 Factors K1 and K2;

- 1 • A number of operation and maintenance expenses are allocated on
2 allocation Factors HM, HOC and HMC in the revised study. I discuss
3 allocation Factors HM, HOC and HMC and PWSB’s proposed changes
4 to those factors in the next section of my testimony; and
- 5 • PWSB changed the allocation factor for Transmission & Distribution
6 (“T&D) Contract Service – Engineering in the revised study. I also
7 discuss this change in the next section of my testimony.

8 Q. DO YOU AGREE WITH ALL OF THE CHANGES JUST DESCRIBED?

9 A. Yes, with the exception of the last three changes related to: (1) including land
10 accounts in developing Factors K1 and K2; (2) Factors HM, HOC, and HMC;
11 and (3) and the allocation of T&D Contract Service - Engineering.

12

13 **IV. Modifications to PWSB’s Revised Study**

14 Q. PLEASE IDENTIFY THE CHANGES TO THE REVISED COST OF
15 SERVICE STUDY YOU ARE PROPOSING.

16 A. I am proposing changes to the allocation and/or development of the following
17 items in PWSB’s revised cost of service study:

- 18 • Lost and unaccounted-for water (“LUFW”);
19 • Bad debt expense;
20 • Including land accounts in developing Factors K1 and K2;
21 • Factors HM, HOC and HMC;
22 • T&D Contract Service – Engineering; and
23 • State Surcharge Revenues.

24 **Lost and Unaccounted-for Water**

25 Q. WHY HAVE THE COSTS ASSOCIATED WITH LUFW BEEN
26 SEPARATELY ACCOUNTED FOR IN PWSB’S COST OF SERVICE
27 STUDY?

28 A. PWSB’s system consists of distribution mains (mains sized 10-inches or less)
29 and transmission mains (mains sized 12-inches and greater). LUFW occurs

1 on both transmission and distribution mains. PWSB serves a number of
2 wholesale customers which are generally served by PWSB's transmission
3 mains. These wholesale customers operate their own distribution systems
4 which experience LUFW. PWSB's retail customers are served by both
5 transmission and distribution mains. PWSB has separately allocated the
6 costs associated with LUFW to recognize that a proportionately greater share
7 of LUFW is incurred in conjunction with service to retail customers.

8 Q. HOW HAS PWSB ALLOCATED THE COSTS ASSOCIATED WITH
9 LUFW?

10 A. PWSB has used the same inch-miles calculation approved in Docket No.
11 3832 to allocate the costs associated with LUFW between retail and
12 wholesale customers. Under this approach, each pipe size diameter is
13 multiplied by the length of that size pipe in miles to arrive at inch-miles. The
14 inch-miles for all pipe sizes were then summed and the percentages of inch-
15 miles for transmission mains and distribution mains were calculated to
16 separately determine transmission and distribution LUFW. Transmission
17 LUFW was allocated between wholesale and retail customers based on
18 projected sales volumes, and distribution LUFW was allocated to retail
19 customers. Under PWSB's inch-mile allocation of LUFW, 75.7 percent of
20 LUFW is allocated to retail customers, and 24.3 percent of LUFW is allocated
21 to wholesale customers.

22 Q. SINCE PWSB'S PROCEEDING IN DOCKET NO. 3832, HAS THE
23 COMMISSION APPROVED AN ALTERNATIVE APPROACH FOR
24 ALLOCATING LUFW?

1 A. Yes. In Pawtucket Water Supply Board Docket No. 3945, the Commission
2 approved an alternative approach for the allocation of LUFW. Under this
3 alternative approach, only the length of pipe, including service pipes, are used
4 to allocate LUFW. Pipe diameter is not a consideration.

5 Q. HAVE YOU ADJUSTED PWSB'S REVISED COST STUDY TO
6 REFLECT THIS ALTERNATIVE APPROACH?

7 A. Yes. I have adjusted PWSB's allocation of LUFW to exclude pipe diameter,
8 and per the response to KCWA 4-2, I have included 225 miles of service pipe.
9 This calculation is shown on Schedule JDM-25 which is attached to my
10 testimony.

11 **Bad Debt Expense**

12 Q. HOW HAS BAD DEBT EXPENSE BEEN ASSIGNED IN PWSB'S
13 COST OF SERVICE STUDY?

14 A. Bad debt expense has been assigned 50 percent to the meters and services
15 cost function and 50 percent to the billing and collection cost function.

16 Q. IS PWSB'S ASSIGNMENT OF BAD DEBT EXPENSE
17 REASONABLE?

18 A. No. Bad debt expense relates to the failure to recover all of PWSB's
19 functional costs, including base, maximum day, and maximum hour functional
20 costs, not just meter and services and billing and collection costs. As such,
21 bad debt expense should be assigned to all retail functional costs, and this
22 would be consistent with the assignment of bad debt expense in the AWWA
23 M1 Manual, which PWSB is using as a guide for its cost of service study
24 (page 67, 6th Edition). This assignment of bad debt expense also provides for
25 the collection of revenues in proportion to costs. I am not recommending an

1 assignment of bad debt expense to wholesale customers because they
2 experience their own bad debt expense from their retail customers. To
3 implement my recommendation, I have created Factor BD which is developed
4 on Schedule JDM-15.

5 **Land Accounts**

6 Q. PLEASE DISCUSS THE LAND RELATED ACCOUNT CHANGES
7 MADE TO FACTORS K1 AND K2 IN PWSB'S REVISED STUDY.

8 A. Factors K1 and K2 are used to assign Infrastructure Replacement Fund,
9 Capital Fund, and Equipment Replacement Fund capital costs to the
10 functional cost categories. Factor K2 assigns costs to the functional category
11 based on the net asset value of PWSB's total plant investment. Factor K1
12 does the same, but those costs assigned to the meter/services,
13 billing/collecting, and direct fire functional categories are reallocated to the
14 other functional cost categories. In the initial and corrected initial studies,
15 land related accounts, with the exception of: (1) Source of Supply Lakes,
16 Rivers, and Other Intakes; and (2) Water Treatment Plant Land and Land
17 Rights, were excluded in developing Factors K1 and K2. In the responses to
18 KCWA 1-19 and 1-20, PWSB agreed to also exclude these two land related
19 accounts in developing Factors K1 and K2. This change was reflected in
20 PWSB's revised study. No basis for this change was provided by PWSB.

21 Q. DO YOU AGREE WITH THE EXCLUSION OF THESE TWO LAND
22 ACCOUNTS IN DEVELOPING FACTORS K1 AND K2?

23 A. No, and I don't agree that PWSB's other land related accounts should be
24 excluded in developing Factors K1 and K2. It is common practice to allocate
25 water utility capital costs, which for PWSB are largely debt service costs,

1 based on net asset values. This avoids the significant changes in rates that
2 could occur if current capital costs were assigned based solely on assets to
3 be purchased. For example, in one year, capital costs could primarily be
4 meter related and the next year they could primarily be related to treatment
5 plant. This could cause a significant increase in service charges in the first
6 year and a significant decline the next. These significant fluctuations in rates
7 can be avoided by allocating capital costs based on net asset values, and
8 over time, this will provide for a matching of cost allocation and revenue
9 recovery.

10 PWSB capital costs have and can be expected to be used to purchase
11 land related assets in the future. For example, PWSB's Capital Fund costs in
12 this proceeding include the costs associated with purchasing land for a new
13 office building (per the response to KCWA 2-5). Therefore, all land related
14 asset accounts should be used in developing Factors K1 and K2. The
15 development of Factors K1 and K2 are presented on Schedule JDM-24.

16 Q. IF PWSB WERE AN INVESTOR-OWNED UTILITY, WOULD LAND
17 RELATED ACCOUNTS BE INCLUDED IN DETERMINING PWSB'S
18 REVENUE REQUIREMENT?

19 A. Yes. An investor-owned utility would earn a return on the net value of its net
20 assets which would include land, and that return would be included in the
21 utility's revenue requirement. While PWSB does not earn a return on the
22 value of its assets, it incurs debt service costs to fund its assets.

23 **Factors HM, HOC and HMC**

24 Q. PLEASE DESCRIBE ALLOCATION FACTORS HM, HOC AND HMC.

1 A. Factor HM is utilized in PWSB's cost of service study to allocate transmission
2 and distribution ("T&D") salaries and wages to functional cost categories. In
3 PWSB's revised study, Factor HM was developed based on a detailed
4 analysis of T&D salaries and wages for the period 2007 through 2012. That
5 is, PWSB has used a six-year average of costs to develop Factor HM. In
6 Docket No. 3163, a three-year average of T&D salaries and wages for the
7 period 2004 through 2006, was used to develop Factor HM. In the initial and
8 corrected initial studies filed by PWSB in this proceeding, Factor HM from
9 Docket No. 3163 was utilized.

10 Factors HOC and HMC are utilized for the allocation of T&D
11 Contractual Operations Services - Other and T&D Contractual Maintenance
12 Services - Other to functional cost categories. In PWSB's revised study,
13 Factors HOC and HMC were developed based on a detailed analysis of other
14 contract service costs for the period 2007 through 2012. Like Factor HM, in
15 Docket No. 3163, Factors HOC and HMC were developed based on a three-
16 year average of other contract service costs for the period 2004 through
17 2006. In the initial and corrected initial studies filed by PWSB in this
18 proceeding, Factors HOC and HMC were developed based on an analysis of
19 other contract service costs in 2012.

20 Q. SHOULD PWSB'S PROPOSAL TO DEVELOP FACTORS HM, HOC
21 AND HMC BASED ON A SIX-YEAR AVERAGE OF COSTS FROM
22 THE PERIOD 2007 THROUGH 2012 BE ADOPTED?

23 A. Not at this time. The type of costs utilized to develop Factors HM, HOC and
24 HMC can change from year to year and, therefore, it is appropriate to use a
25 multi-year average to assure that the results are not skewed by unusual

1 activity during any single year. PWSB has presented no basis to deviate from
2 the three-year average approach adopted in Docket No. 3163 and this
3 approach should be continued unless PWSB can justify a change.

4 **Transmission & Distribution Contract Service – Engineering**

5 Q. HOW WERE TRANSMISSION & DISTRIBUTION CONTRACT
6 SERVICES – ENGINEERING COSTS ASSIGNED TO FUNCTIONAL
7 COST CATEGORIES IN PWSB’S INITIAL AND CORRECTED INITIAL
8 COST-OF-SERVICE STUDIES?

9 A. T&D Contract Services–Engineering costs were assigned to functional cost
10 categories based on Factor HM in PWSB’s initial and corrected initial studies.

11 Q. DID PWSB CHANGE THE ALLOCATION OF T&D CONTRACT
12 SERVICES – ENGINEERING COSTS IN ITS REVISED STUDY?

13 A. Yes. In its revised study, PWSB has used Factor TD to assign T&D Contract
14 Services-Engineering costs to function cost categories. Factor TD assigns
15 costs to the base, maximum day and maximum hour functional cost
16 categories of retail customers. As such, wholesale customers are excluded
17 from an allocation of these costs.

18 Q. SHOULD PWSB’S PROPOSAL TO ALLOCATE T&D CONTRACT
19 SERVICE – ENGINEERING COSTS BE BASED ON FACTOR TD?

20 A. No. T&D Contract Services-Engineering costs were allocated based on
21 Factor HM in Docket No. 3163 because these types of costs can change from
22 year to year and, therefore, it is appropriate to use a multi-year average for
23 the allocation of these costs. PWSB has presented no basis to change the
24 allocation of T&D Contract Services-Engineering.

1 **State Surcharge Revenues**

2 Q. HOW HAS PWSB ACCOUNTED FOR THE REVENUES FROM THE
3 STATE SURCHARGE IN ITS REVISED STUDY?

4 A. Revenues from the State Surcharge have been reflected in miscellaneous
5 revenues, and have been credited to retail and wholesale customers based
6 on consumption (Factor A).

7 Q. IS PWSB'S CREDITING OF STATE SURCHARGE REVENUES
8 REASONABLE?

9 A. No. State Surcharge revenues are only paid for by retail customers and
10 should be credited strictly to retail customers (Factor RR).

11 **Division Cost-of-Service Study**

12 Q. HAVE YOU PREPARED A COST-OF-SERVICE STUDY
13 REFLECTING THE DIVISION'S CHANGES TO THE REVISED
14 STUDY FILED BY PWSB?

15 A. Yes. The Division's study reflecting the changes I have discussed is attached
16 to my direct testimony. For consistency, the Division's study uses the same
17 numbering sequencing used by PWSB, and begins with Schedule JDM-10.
18 Schedules HJS-1 through HJS-9 attached to witness Smith's study identify
19 revenue requirement adjustments which are addressed by Division witness
20 Thomas S. Catlin. In addition to the Schedules filed in PWSB's study, I have
21 also included Schedules JDM-24 and JDM-25 which were discussed earlier in
22 my testimony.

23 **V. CONSERVATION RATE PROPOSAL**

24 Q. WHY DID PWSB INCLUDE A CONSERVATION RATE PROPOSAL IN
25 ITS APPLICATION?

1 A. PWSB included a Conservation Rate proposal in its application in response to
2 the Commission's Report and Order in Docket No. 3832.

3 Q. IS PWSB PROPOSING TO ADOPT THE CONSERVATION RATE
4 PROPOSAL?

5 A. No. PWSB is proposing to switch from quarterly to monthly billing. PWSB
6 believes that conservation rates would be more effective if introduced after
7 the switch to monthly billing, and their effectiveness could be more easily
8 evaluated after the transition to monthly billing. PWSB also believes that the
9 conversion from quarterly to monthly billing itself could have a conservation
10 effect. Therefore, PWSB is not proposing to adopt the Conservation Rate
11 proposal at this time.

12 Q. DO YOU AGREE WITH PWSB'S DECISION NOT TO ADOPT THE
13 CONSERVATION RATE PROPOSAL AT THIS TIME?

14 A. Yes, I do. Consideration of conservation rates should be deferred until the
15 conversion to monthly billing is complete. In addition, the significant rate
16 increases which are likely to result in this proceeding could have a
17 conservation effect.

18 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

19 A. Yes, it does.

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**BEFORE THE
PUBLIC UTILITIES COMMISSION
OF RHODE ISLAND**

**PROVIDENCE WATER)
SUPPLY BOARD) DOCKET NO. 4406**

**SCHEDULES ACCOMPANYING THE
DIRECT TESTIMONY OF
JEROME D. MIERZWA**

**ON BEHALF OF THE
DIVISION OF PUBLIC UTILITIES AND CARRIERS**

AUGUST 23, 2013

EXETER

ASSOCIATES, INC.
10480 Little Patuxent Parkway
Suite 300
Columbia, Maryland 21044

Schedule JDM-10
Revenue Under Existing Rates

Test Year Revenue Under Existing Rates
Rate Year Ending December 31, 2014

Retail Consumption Charges

Residential (HCF)	8,574,863	\$	2.488	\$	21,334,260
Commercial (HCF)	4,381,008	\$	2.390	\$	10,470,609
Industrial (HCF)	191,315	\$	2.346	\$	448,825
Total	13,147,187			\$	32,253,695

Wholesale Consumption Charges

Consumption (HCF)	13,090,687	\$	1.269514		
Gallons (Million)	9,792	\$	1,697.21	\$	16,618,799

Billing Unit	Units of Service	Current Rates	Service Charge Revenue
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Quarterly Service Charges

5/8"	52,943	\$	18.34	\$	3,883,898.48
3/4"	10,570	\$	19.47	\$	823,191.60
1"	5,059	\$	22.85	\$	462,392.60
1.5"	1,496	\$	27.39	\$	163,901.76
2"	1,492	\$	39.77	\$	237,347.36
3"	81	\$	131.15	\$	42,492.60
4"	18	\$	164.98	\$	11,878.56
6"	20	\$	243.95	\$	19,516.00
8"	22	\$	334.19	\$	29,408.72
10"	1	\$	415.97	\$	1,663.88
12"	-	\$	497.76	\$	-
Total	71,702			\$	5,675,691.56

Monthly Service Charges

5/8"	1	\$	10.82	\$	129.84
3/4"	0	\$	11.19	\$	-
1"	0	\$	12.32	\$	-
1.5"	2	\$	13.83	\$	331.92
2"	34	\$	17.97	\$	7,331.76
3"	13	\$	48.42	\$	7,553.52
4"	7	\$	59.70	\$	5,014.80
6"	17	\$	86.02	\$	17,548.08
8"	8	\$	116.11	\$	11,146.56
10"	0	\$	143.37	\$	-
12"	1	\$	170.63	\$	2,047.56
Total	83			\$	51,104.04

Total Service Charge Revenue

\$ 5,726,795.60

Quarterly Fire Protection Service Charge (Providence Only)

	Units of Service (Providence Only)	Current Rates	Fire Protection Revenue
5/8"	25,266	\$ 3.08	\$ 311,277.12
3/4"	4,207	\$ 4.62	\$ 77,745.36
1"	1,998	\$ 11.54	\$ 92,227.68
1.5"	896	\$ 30.77	\$ 110,279.68
2"	874	\$ 73.86	\$ 258,214.56
3"	58	\$ 200.04	\$ 46,409.28
4"	14	\$ 338.52	\$ 18,957.12
6"	18	\$ 692.43	\$ 49,854.96
8"	8	\$ 1,046.34	\$ 33,482.88
10"	1	\$ 1,600.29	\$ 6,401.16
12"	-	\$ -	\$ -
Total	33,340		\$ 1,004,849.80

Monthly Fire Protection Service Charge (Providence Only)

5/8"	1	\$ 1.03	\$ 12.36
3/4"	-	\$ 1.54	\$ -
1"	-	\$ 3.85	\$ -
1.5"	-	\$ 10.26	\$ -
2"	27	\$ 24.62	\$ 7,976.88
3"	11	\$ 66.68	\$ 8,801.76
4"	5	\$ 112.84	\$ 6,770.40
6"	12	\$ 230.81	\$ 33,236.64
8"	8	\$ 348.78	\$ 33,482.88
10"	-	\$ 533.43	\$ -
12"	-	\$ 882.21	\$ -
Total	64		\$ 90,280.92

Total Retail FPSC (Providence Only)

\$ 1,095,130.72

Total Service Charge

\$ 6,821,926

Private Fire Service Charges

3/4"	3	\$ 19.67	\$ 236
1"	9	\$ 23.31	\$ 839
1.5"	3	\$ 28.70	\$ 344
2"	45	\$ 42.63	\$ 7,673
4"	344	\$ 182.72	\$ 251,423
6"	1,244	\$ 295.45	\$ 1,470,159
8"	250	\$ 443.93	\$ 443,930
10"	4	\$ 613.33	\$ 9,813
12"	18	\$ 816.53	\$ 58,790
16"	2	\$ 1,340.64	\$ 10,725
Total	1,922		\$ 2,253,933

Public Fire Service Charges

Hydrants (Excluding Providence) 2829 \$ 339.33 \$ 959,965

Total Rate Revenues

\$ 58,908,318

Schedule JDM-11
O&M Cost Allocation

Allocation of Operating and Maintenance and City Services Expense
Rate Year Ending December 31, 2014

		Allocation		Maximum	Maximum	Meters &	Billing &	Public Fire		
TITLE		Factor	Total	Base	Day	Hour	Services	Collection	Protection	Wholesale
601 Operating Fund										
<u>Source of Supply</u>										
60110	Salaries + Wages - Emp	A	\$ 647,474	\$ 352,088	\$ -	\$ -	\$ -	\$ -	\$ 6,475	\$ 288,912
60120	Salaries + Wages - Emp	A	\$ 468,652	\$ 254,846	\$ -	\$ -	\$ -	\$ -	\$ 4,687	\$ 209,119
60320	Sal. + Wages - Officers, Dir	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60410	Employee Pension + Ben	A	\$ 171,529	\$ 93,275	\$ -	\$ -	\$ -	\$ -	\$ 1,715	\$ 76,539
60420	Employee Pension + Ben	A	\$ 191,864	\$ 104,333	\$ -	\$ -	\$ -	\$ -	\$ 1,919	\$ 85,612
61510	Purchase Power	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61610	Fuel for Power Purch	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62010	Material + Supplies	A	\$ 20,167	\$ 10,966	\$ -	\$ -	\$ -	\$ -	\$ 202	\$ 8,999
62020	Material + Supplies	A	\$ 77,959	\$ 42,393	\$ -	\$ -	\$ -	\$ -	\$ 780	\$ 34,786
63110	Contractual Services - Engineer	A	\$ 2,617	\$ 1,423	\$ -	\$ -	\$ -	\$ -	\$ 26	\$ 1,168
63120	Contractual Services - Engineer	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63310	Contract Services -Legal	A	\$ 19,401	\$ 10,550	\$ -	\$ -	\$ -	\$ -	\$ 194	\$ 8,657
63420	Contractual Services - Mgt. Fees	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63510	Contractual Services - Other	A	\$ 446,687	\$ 242,902	\$ -	\$ -	\$ -	\$ -	\$ 4,467	\$ 199,318
63520	Contractual Services - Other	A	\$ 33,797	\$ 18,378	\$ -	\$ -	\$ -	\$ -	\$ 338	\$ 15,081
64210	Rental of Equipment	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64220	Rental of Equipment	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65010	Transportation Exp.	A	\$ 155	\$ 84	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 69
65020	Transportation Exp.	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67510	Misc. Expenses	A	\$ 73,540	\$ 39,990	\$ -	\$ -	\$ -	\$ -	\$ 735	\$ 32,814
67520	Misc. Expenses	A	\$ 4,840	\$ 2,632	\$ -	\$ -	\$ -	\$ -	\$ 48	\$ 2,160
Total Source of Supply Expense			\$ 2,158,681	\$ 1,173,861	\$ -	\$ -	\$ -	\$ -	\$ 21,587	\$ 963,233
Check			\$ -							
<u>Pumping Expenses</u>										
60123	Salaries + Wages - Emp	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60126	Salaries + Wages - Emp	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60423	Employee Pension + Ben	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60426	Employee Pension + Ben	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61523	Purchased Power	NP	\$ 828,331	\$ 463,597	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 364,734
61623	Fuel for Power Purch	NP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62023	Material + Supplies	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62026	Material + Supplies	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63123	Contractual Services - Engineer	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63126	Contractual Services - Engineer	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63523	Contractual Services - Other	NO	\$ 12,370	\$ 5,313	\$ 2,117	\$ -	\$ -	\$ -	\$ -	\$ 4,940
63526	Contractual Services - Other	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64223	Rental of Equipment	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64226	Rental of Equipment	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65023	Transportation Exp.	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67523	Misc. Expenses	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67526	Misc. Expenses	NO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Pumping Expenses			\$ 840,701	\$ 468,910	\$ 2,117	\$ -	\$ -	\$ -	\$ -	\$ 369,674
Check			\$ -							
<u>Water Treatment Expenses</u>										
60130	Salaries + Wages - Emp	AA	\$ 2,155,079	\$ 612,939	\$ 456,122	\$ -	\$ -	\$ -	\$ 21,551	\$ 1,064,467
60140	Salaries + Wages - Emp	AA	\$ 351,502	\$ 99,973	\$ 74,395	\$ -	\$ -	\$ -	\$ 3,515	\$ 173,619
60430	Employee Pension + Ben	AA	\$ 616,830	\$ 175,436	\$ 130,552	\$ -	\$ -	\$ -	\$ 6,168	\$ 304,673
60440	Employee Pension + Ben	AA	\$ 137,253	\$ 39,037	\$ 29,050	\$ -	\$ -	\$ -	\$ 1,373	\$ 67,794
61530	Purchase Power	P	\$ 240,861	\$ 107,534	\$ 24,086	\$ -	\$ -	\$ -	\$ 2,168	\$ 107,072
61630	Fuel for Power Purch	AA	\$ 245,547	\$ 69,837	\$ 51,970	\$ -	\$ -	\$ -	\$ 2,455	\$ 121,284
61830	Chemicals	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62030	Material + Supplies	AA	\$ 132,792	\$ 37,768	\$ 28,105	\$ -	\$ -	\$ -	\$ 1,328	\$ 65,591
62040	Material + Supplies	AA	\$ 71,336	\$ 20,289	\$ 15,098	\$ -	\$ -	\$ -	\$ 713	\$ 35,235
63130	Contractual Services - Engineer	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63240	Contract Services - Acctg	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63430	Contractual Services - Mgt. Fees	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63530	Contractual Services - Other	AA	\$ 150,838	\$ 42,901	\$ 31,925	\$ -	\$ -	\$ -	\$ 1,508	\$ 74,504
63540	Contractual Services - Other	AA	\$ 91,143	\$ 25,923	\$ 19,290	\$ -	\$ -	\$ -	\$ 911	\$ 45,019
64140	Rental Buildg/Real Prop	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64230	Rental of Equipment	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64240	Rental of Equipment	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65030	Transportation Exp.	AA	\$ 6,176	\$ 1,757	\$ 1,307	\$ -	\$ -	\$ -	\$ 62	\$ 3,051
65640	Insurance Vehicle	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65830	Insurance - W/C	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

65840	Insurance - W/C	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
66730	Regularoty Com Exp. -Other	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67530	Misc. Expenses	AA	\$ 102,885	\$ 29,262	\$ 21,776	\$ -	\$ -	\$ -	\$ 1,029	\$ 50,819	
67540	Misc. Expenses	AA	\$ 2,156	\$ 613	\$ 456	\$ -	\$ -	\$ -	\$ 22	\$ 1,065	
Total Treatment Expense			\$ 4,304,397	\$ 1,263,269	\$ 884,134	\$ -	\$ -	\$ -	\$ 42,803	\$ 2,114,192	
			Check	\$ -							

Transmission + Dist. Expense:

60150	Salaries + Wages - Emp	HM	\$ 1,118,479	\$ 475,211	\$ 120,900	\$ 85,002	\$ 295,421	\$ -	\$ 75,830	\$ 66,114	
60160	Salaries + Wages - Emp	HM	\$ 2,348,330	\$ 997,742	\$ 253,839	\$ 178,468	\$ 620,260	\$ -	\$ 159,211	\$ 138,811	
60250	Payroll Clearing -Emp	HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
60260	Payroll Clearing -Emp	HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
60450	Employee Pension + Ben	HM	\$ 288,037	\$ 198,457	\$ 31,135	\$ 21,890	\$ -	\$ -	\$ 19,528	\$ 17,026	
60460	Employee Pension + Ben	HM	\$ 861,385	\$ 593,495	\$ 93,110	\$ 65,463	\$ -	\$ -	\$ 58,400	\$ 50,917	
60550	Overhead Rate Applied	HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
60560	Overhead Rate Applied	HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
61550	Purchase Power	P	\$ 12,785	\$ 5,708	\$ 1,279	\$ -	\$ -	\$ -	\$ 115	\$ 5,684	
62050	Material + Supplies	F	\$ 287,025	\$ 99,946	\$ 66,341	\$ 46,642	\$ -	\$ -	\$ 5,740	\$ 68,355	
62060	Material + Supplies	F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
62560	Inventory Clearing	HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
63150	Contractual Services - Engineer	HM	\$ 418,423	\$ 177,777	\$ 45,229	\$ 31,799	\$ 110,517	\$ -	\$ 28,368	\$ 24,733	
63350	Contractual Services - Legal T&D0	HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
63460	Contractual Services - Mgt. Fees	C	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
63550	Contractual Services - Other	HOC	\$ 482,656	\$ 282,004	\$ 73,178	\$ 51,497	\$ 1,132	\$ -	\$ 5,822	\$ 69,024	
63560	Contractual Services - Other	HMC	\$ 69,164	\$ -	\$ -	\$ -	\$ 69,164	\$ -	\$ -	\$ -	
64150	Rental Buildg/Real Prop	F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
64160	Rental Buildg/Real Prop	F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
64250	Rental of Equipment	F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
64260	Rental of Equipment	F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
65050	Transportation Exp. T&D	F	\$ 2,923	\$ 1,018	\$ 676	\$ 475	\$ -	\$ -	\$ 58	\$ 696	
65850	Insurance W/C	HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
65860	Insurance W/C	HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
65950	Insurance Other	F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
66750	Regulatory Com Exp - Other T & D	F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
66760	Regulatory Com Exp - Other T & D	F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
67550	Misc. Expenses	F	\$ 40,416	\$ 14,073	\$ 9,342	\$ 6,568	\$ -	\$ -	\$ 808	\$ 9,625	
67560	Misc. Expenses	F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Transmission & Distribution			\$ 5,929,623	\$ 2,845,431	\$ 695,027	\$ 487,804	\$ 1,096,493	\$ -	\$ 353,881	\$ 450,986	
			Check	\$ -							

Customer Accounts Expense:

60170	Salaries + Wages - Emp	D	\$ 2,046,384	\$ -	\$ -	\$ -	\$ 1,023,192	\$ 1,023,192	\$ -	\$ -	
60270	Payroll Clearing -Emp	D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
60470	Employee Pension + Ben	DY	\$ 755,496	\$ 755,496	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
60570	Overhead Rate Applied	D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
61670	Fuel for Power Purch	D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
62070	Material + Supplies	D	\$ 2,624	\$ -	\$ -	\$ -	\$ 1,312	\$ 1,312	\$ -	\$ -	
63370	Contractual Services - Legal	D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
63570	Contractual Services - Other	D	\$ 11,679	\$ -	\$ -	\$ -	\$ 5,840	\$ 5,840	\$ -	\$ -	
65070	Transportation Exp. -CAO	D	\$ 1,077	\$ -	\$ -	\$ -	\$ 538	\$ 538	\$ -	\$ -	
65870	Insurance - Other	D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
65970	Insurance Other	D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
67070	Bad Debt Expense - CAO	BD	\$ 473,727	\$ 280,110	\$ 73,494	\$ 28,962	\$ 55,894	\$ 24,911	\$ 10,355	\$ -	
67570	Misc. Expenses	D	\$ 525,576	\$ -	\$ -	\$ -	\$ 262,788	\$ 262,788	\$ -	\$ -	
Total Customer Accounts			\$ 3,816,563	\$ 1,035,606	\$ 73,494	\$ 28,962	\$ 1,349,564	\$ 1,318,581	\$ 10,355	\$ -	
			Check	\$ -							

Administrative and General

60180	Salaries + Wages - Emp	Y	\$ 5,749,306	\$ 1,757,534	\$ 569,687	\$ 165,804	\$ 1,220,151	\$ 643,904	\$ 170,712	\$ 1,221,516	
60280	Payroll Clearing -Emp	Y	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
60380	Salaries + wages - Officers, Dir.	YY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
60480	Employee Pension + Ben	Y	\$ 4,685,879	\$ 1,432,450	\$ 464,314	\$ 135,136	\$ 994,464	\$ 524,804	\$ 139,136	\$ 995,577	
60580	Overhead Rate Applied	Z	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
61580	Purchase Power	Z	\$ 121,238	\$ 48,261	\$ 11,767	\$ 3,675	\$ 17,393	\$ 9,376	\$ 3,048	\$ 27,718	
61680	Fuel for Power Purch	Z	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
62080	Material + Supplies	Z	\$ 548,550	\$ 218,361	\$ 53,239	\$ 16,626	\$ 78,697	\$ 42,423	\$ 13,790	\$ 125,413	
63180	Contractual Services - Engineer	Y	\$ 48,148	\$ 14,719	\$ 4,771	\$ 1,389	\$ 10,218	\$ 5,392	\$ 1,430	\$ 10,230	
63280	Contract Services - Acctg	Y	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
63380	Contractual Services - Legal	Y	\$ 54,083	\$ 16,533	\$ 5,359	\$ 1,560	\$ 11,478	\$ 6,057	\$ 1,606	\$ 11,491	
63480	Contractual Services - Mgt. Fees	Y	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
63580	Contractual Services - Other	Y	\$ 1,094,263	\$ 334,511	\$ 108,428	\$ 31,557	\$ 232,231	\$ 122,554	\$ 32,491	\$ 232,491	
64180	Rental Buildg/Real Prop	Z	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
64280	Rental of Equipment	Z	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
65080	Transportation Exp.	Z	\$ 6,797	\$ 2,706	\$ 660	\$ 206	\$ 975	\$ 526	\$ 171	\$ 1,554	
65780	Ins. Gen. Liability	Y	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

65880	Insurance - W/C	Y	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65980	Insurance Other	Y	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
66080	Advertising Expense	Z	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
66680	Reg Com Exp - Amort of Rate Case	Com Z	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
66780	Regulatory Com Exp. -Other	Com Z	\$ 387,692	\$ 219,181	\$ 53,439	\$ 16,688	\$ -	\$ -	\$ 9,746	\$ 88,637	\$ -
67580	Misc. Expenses	Z	\$ 381,270	\$ 151,772	\$ 37,004	\$ 11,556	\$ 54,699	\$ 29,486	\$ 9,585	\$ 87,169	\$ -

Total Administration + General \$ 13,077,227 \$ 4,196,027 \$ 1,308,667 \$ 384,196 \$ 2,620,306 \$ 1,384,522 \$ 381,714 \$ 2,801,795
Check \$ -

Total Operation & Maintenance \$ 30,127,193 \$ 10,983,105 \$ 2,963,438 \$ 900,962 \$ 5,066,363 \$ 2,703,103 \$ 810,341 \$ 6,699,881
Check \$ -

857 Insurance Fund

65840	Insurance W/C - WTM	YY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65870	Insurance W/C - CAO	YY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62080	Materials + Supplies - A&GO	Z	\$ 18,724	\$ 7,453	\$ 1,817	\$ 567	\$ 2,686	\$ 1,448	\$ 471	\$ 4,281	\$ -
63180	Contractual Services-Engineer	Y	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63380	Contract Services - Legal A&GO	Com Z	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63580	Contract Services - Other A&GO	Com Y	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Injuries and Damages	YY	\$ 58,005	\$ 36,538	\$ 5,748	\$ 1,673	\$ -	\$ -	\$ 1,722	\$ 12,324	\$ -
65780	Ins. Gen. Liability	Com Z	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65980	Insurance-Other A&GO	Z	\$ 1,070,516	\$ 426,140	\$ 103,898	\$ 32,446	\$ 153,581	\$ 82,790	\$ 26,912	\$ 244,749	\$ -
65880	Insurance - W/C	YY	\$ 929,740	\$ 585,660	\$ 92,126	\$ 26,813	\$ -	\$ -	\$ 27,606	\$ 197,536	\$ -
67070	Bad Debt Expense-CAO	Com Z	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67580	Misc. Expense	Z	\$ 7,606	\$ 3,028	\$ 738	\$ 231	\$ 1,091	\$ 588	\$ 191	\$ 1,739	\$ -
	Funding Requirement	Com Z	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Total Insurance Fund \$ 2,084,590 \$ 1,058,819 \$ 204,327 \$ 61,730 \$ 157,358 \$ 84,826 \$ 56,903 \$ 460,628
Check \$ -

878 Chemical and Sludge Maintenance Fund

61830	Chemicals - WTO	A	\$ 3,073,881	\$ 1,671,534	\$ -	\$ -	\$ -	\$ -	\$ 30,739	\$ 1,371,608	\$ -
62030	Materials + Supplies WTO	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62050	Materials + Supplies T&DO	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63540	Contract Services - Other WTM	A	\$ 1,700,000	\$ 924,437	\$ -	\$ -	\$ -	\$ -	\$ 17,000	\$ 758,563	\$ -
	Funding Requirement	A	\$ 685,061	\$ 372,527	\$ -	\$ -	\$ -	\$ -	\$ 6,851	\$ 305,684	\$ -

Total Chemical and Sludge Maintenance Fund \$ 5,458,942 \$ 2,968,497 \$ - \$ - \$ - \$ - \$ 54,589 \$ 2,435,855
Check

Total Operating and Maintenance Expense \$ 37,670,725 \$ 15,010,421 \$ 3,167,765 \$ 962,691 \$ 5,223,721 \$ 2,787,929 \$ 921,833 \$ 9,596,364
Check \$ -

Less Capital Reimbursement X4 \$ (834,389) \$ (364,748) \$ (146,365) \$ (66,096) \$ (34,575) \$ - \$ (3,445) \$ (219,160)

Net Operating and Maintenance Expense \$ 36,836,336 \$ 14,645,673 \$ 3,021,400 \$ 896,596 \$ 5,189,146 \$ 2,787,929 \$ 918,388 \$ 9,377,204

City Services Cost Z \$ 839,167 \$ 334,047 \$ 81,445 \$ 25,434 \$ 120,390 \$ 64,898 \$ 21,096 \$ 191,856

New Meters	C	\$ 38,443	\$ -	\$ -	\$ -	\$ 38,443	\$ -	\$ -	\$ -	\$ -
Lost or Stolen Meters	C	\$ 41,676	\$ -	\$ -	\$ -	\$ 41,676	\$ -	\$ -	\$ -	\$ -
Abandonment	A	\$ 225	\$ 122	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 100	\$ -
Admin Fee from NBC	D	\$ 25,000	\$ -	\$ -	\$ -	\$ 12,500	\$ 12,500	\$ -	\$ -	\$ -
Misc. Accounts	A	\$ 15,594	\$ 8,480	\$ -	\$ -	\$ -	\$ -	\$ 156	\$ 6,958	\$ -
Narraganset Shut-Off	D	\$ 6,634	\$ -	\$ -	\$ -	\$ 3,317	\$ 3,317	\$ -	\$ -	\$ -
Narraganset Shut-Off	D	\$ 37,911	\$ -	\$ -	\$ -	\$ 18,956	\$ 18,956	\$ -	\$ -	\$ -
Road Restoration	TD	\$ 31,572	\$ 14,819	\$ 9,837	\$ 6,916	\$ -	\$ -	\$ -	\$ -	\$ -
Shut Off Service Charge	D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Shut Off For Seasonal	D	\$ 1,408	\$ -	\$ -	\$ -	\$ 704	\$ 704	\$ -	\$ -	\$ -
Shut Off Service Charge	D	\$ 127,232	\$ -	\$ -	\$ -	\$ 63,616	\$ 63,616	\$ -	\$ -	\$ -
Subpoena	A	\$ 11	\$ 6	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ 5	\$ -
Title Search Charge	D	\$ 20,538	\$ -	\$ -	\$ -	\$ 10,269	\$ 10,269	\$ -	\$ -	\$ -
\$ Transaction at Closing	A	\$ 279	\$ 152	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ 125	\$ -
Turn On Meter	C	\$ 86,086	\$ -	\$ -	\$ -	\$ 86,086	\$ -	\$ -	\$ -	\$ -
Scrap Meter Fees Garbage Pick-Up	C	\$ 42,330	\$ -	\$ -	\$ -	\$ 42,330	\$ -	\$ -	\$ -	\$ -
Other Misc.	A	\$ 4,633	\$ 2,519	\$ -	\$ -	\$ -	\$ -	\$ 46	\$ 2,067	\$ -
Rental Income	Z	\$ 1,200	\$ 478	\$ 116	\$ 36	\$ 172	\$ 93	\$ 30	\$ 274	\$ -
Interest on Delinquent Accounts	RR	\$ 472,048	\$ 283,032	\$ 74,239	\$ 29,284	\$ 59,344	\$ 26,149	\$ -	\$ -	\$ -
Forest Product Sales	A	\$ 28,809	\$ 15,666	\$ -	\$ -	\$ -	\$ -	\$ 288	\$ 12,855	\$ -
Bad Checks	A	\$ 6,180	\$ 3,361	\$ -	\$ -	\$ -	\$ -	\$ 62	\$ 2,758	\$ -
Federal Grants	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Loss Disposal Fixed Assets	A	\$ 1,145	\$ 622	\$ -	\$ -	\$ -	\$ -	\$ 11	\$ 511	\$ -
Misc. Revenue Water Lien	A	\$ 867	\$ 471	\$ -	\$ -	\$ -	\$ -	\$ 9	\$ 387	\$ -

State 1 Surcharge	RR	\$ 189,348	\$ 113,530	\$ 29,779	\$ 11,746	\$ 23,804	\$ 10,489	\$ -	\$ -
Less: Miscellaneous Revenues		\$ 1,179,169	\$ 443,259	\$ 113,971	\$ 47,982	\$ 401,217	\$ 146,092	\$ 608	\$ 26,040

**Schedule JDM-12
Capital Cost Allocation**

Allocation of Capital Costs
Rate Year Ending December 31, 2014

	Allocation Factor	Pro Forma Rate Year	Base	Maximum Day	Maximum Hour	Meters	Billing & Collection	Fire Protection	Wholesale
Capital Fund	K2	\$ 2,450,000	983,776	394,154	177,602	132,454	-	93,232	668,782
Western Cranston Fund (WCWDS Fund)	TD	\$ 62,069	29,134	19,338	13,596	-	-	-	-
Infrastructure Replacement Fund	K1	\$ 24,000,000	11,035,183	4,421,289	1,992,195	-	-	-	6,551,333
AMR/Meter Replacement Fund	C	\$ 1,000,000	-	-	-	1,000,000	-	-	-
Equipment Replacement	K2	\$ 600,000	240,925	96,527	43,494	32,438	-	22,832	163,783
		\$ 28,112,069	\$ 12,289,018	\$ 4,931,309	\$ 2,226,889	\$ 1,164,892	\$ -	\$ 116,064	\$ 7,383,898
		\$ -							

**Schedule JDM-13
Property Tax Allocation**

Allocation of Property Taxes
Rate Year Ending December 31, 2014

	Allocation Factor	Pro Forma Rate Year	Base	Maximum Day	Maximum Hour	Meters	Billing & Collection	Fire Protection	Wholesale
*Scituate	A	\$ 5,845,871	3,178,904	-	-	-	-	58,459	2,608,508
Foster	A	\$ 325,341	176,916	-	-	-	-	3,253	145,172
North Providence	F	\$ 282,789	98,471	65,362	45,954	-	-	5,656	67,347
Johnston	A	\$ 95,596	51,984	-	-	-	-	956	42,656
Cranston	A	\$ 125,807	68,412	-	-	-	-	1,258	56,137
*Glocester	A	\$ 56,793	30,883	-	-	-	-	568	25,342
West Warwick	A	\$ 3,990	2,170	-	-	-	-	40	1,780
West Glocester Fire	A	\$ 3,933	2,139	-	-	-	-	39	1,755
Harmony Fire District	A	\$ 174	95	-	-	-	-	2	78
Chepachet Fire District	A	\$ 141	77	-	-	-	-	1	63
Warwick	A	\$ -	-	-	-	-	-	-	-
		\$ 6,740,435	\$ 3,610,049	\$ 65,362	\$ 45,954	\$ -	\$ -	\$ 70,232	\$ 2,948,837

Schedule JDM-14
Allocations Legend

Allocation Factor Legend

Allocation	Description	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
A	1% allocated to fire protection, remainder allocated to base and wholesale based on consumption	54.38%	0.00%	0.00%	0.00%	0.00%	1.00%	44.62%
AA	1% allocated to fire protection, remainder allocated to base, maximum day, and wholesale based on consumption	28.44%	21.16%	0.00%	0.00%	0.00%	1.00%	49.39%
BD	Allocation of Bad Debt Expense based on Total Retail Functional Costs	59.13%	15.51%	6.11%	11.80%	5.26%	2.19%	0.00%
C	100% to Meters & Services				100.00%			
Com Y	Allocated Based on Methodology in Docket # 2048, Y - Labor Reallocated from Meters and Billing	53.43%	17.32%	5.04%	0.00%	0.00%	2.97%	21.25%
Com Z	Allocated Based on Methodology in Docket # 2048, Z - O&M Reallocated from Meters and Billing	56.53%	13.78%	4.30%	0.00%	0.00%	2.51%	22.86%
Cran	Cranston Taxes, 16% Allocator F, 84% Allocator A	51.25%	3.70%	2.60%	0.00%	0.00%	1.16%	41.29%
D	50% to Billing and Collections, 50% to Meters and Services				50.00%	50.00%		
F	2% to Fire, Allocated to Base & Wholesale by Proportion of T&D Pipe in Inch Miles, Retail to Base, Max Day	34.82%	23.11%	16.25%	0.00%	0.00%		23.82%
FP	100% Fire Protection						100.00%	0.00%
HM	T&D Maintenance Based on FY 2010 - FY 2012 Activities	42.49%	10.81%	7.60%	26.41%	0.00%	6.78%	5.91%
HMY	Reallocation from Billing and Collections and Meters and Services to Base of HM	68.90%	10.81%	7.60%			6.78%	5.91%
HMC	T&D Contract Maintenance Based on FY 2010-2012 Activities	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%
HOC	T&D Contract Operations based on FY 2010-2012 Activities	58.43%	15.16%	10.67%	0.23%	0.00%	1.21%	14.30%
K1	Allocated Based on Net Plant Investment, Meters and Fire Reallocated to Retail	45.98%	18.42%	8.30%	0.00%	0.00%	0.00%	27.30%
K2	Allocated Based on Net Plant Investment	40.15%	16.09%	7.25%	5.41%	0.00%	3.81%	27.30%
L	Based on Allocation of other Transmission & Distribution Plant except Services & Meters	32.81%	22.76%	9.59%	0.00%	0.00%	13.56%	21.28%
N	Allocation of Pumping Investment and Expenses	50.36%	6.53%	0.00%				43.11%
NO	Allocation of Pumping and Investment Expenses Excluding Raw Water	42.95%	17.11%	0.00%				39.94%
NP	Allocation Factor NO with Maximum Day and Maximum Hour reallocated to base	55.97%	0.00%	0.00%				44.03%
P	10% allocated to maximum day, 90% allocated based on A	44.65%	10.00%	0.00%	0.00%	0.00%	0.90%	44.45%
RR	Retail Revenue	59.96%	15.73%	6.20%	12.57%	5.54%	0.00%	0.00%
T	Allocation of all Non-General Plant	40.15%	16.09%	7.25%	5.41%	0.00%	3.81%	27.30%
TD	Allocation of Base, Max Day and Max Hour of Retail only	46.94%	31.16%	21.91%	0.00%	0.00%	0.00%	0.00%
X1	Allocation within a Particular Group Based on the Relationship between all Other Items in the Group	74.63%	0.00%	0.00%	25.37%	0.00%	0.00%	0.00%
X2	Allocation within a Particular Group Based on the Relationship between all Other Items in the Group	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
X4	Allocation within a Particular Group Based on the Relationship between all Other Items in the Group	43.71%	17.54%	7.92%	4.14%	0.00%	0.41%	26.27%
Y	Based on Labor related O&M Expenses.	30.57%	9.91%	2.88%	21.22%	11.20%	2.97%	21.25%
YY	Reallocation from Billing and Collections and Meters and Services to base of YY	62.99%	9.91%	2.88%			2.97%	21.25%
Z	Based on Total O&M expenses, except for Administrative & General	39.81%	9.71%	3.03%	14.35%	7.73%	2.51%	22.86%
DY	Allocation Factor D with Meters and Services, Billing and Collection Reallocated to Base	100.00%						

Schedule JDM-15
Summary of Cost Allocations

Summary of Costs to be Recovered Through Rates
Rate Year Ending December 31, 2014

	Total	Base	Maximum Day	Maximum Hour	Meters	Billing & Collection	Fire Protection	Wholesale
Net Operations and Maintenance Expense	36,836,336	14,645,673	3,021,400	896,596	5,189,146	2,787,929	918,388	9,377,204
Capital Expense	\$ 28,112,069	\$ 12,289,018	\$ 4,931,309	\$ 2,226,889	\$ 1,164,892	\$ -	\$ 116,064	\$ 7,383,898
City Services Expense	\$ 839,167	\$ 334,047	\$ 81,445	\$ 25,434	\$ 120,390	\$ 64,898	\$ 21,096	\$ 191,856
Property Taxes Expense	\$ 6,740,435	\$ 3,610,049	\$ 65,362	\$ 45,954	\$ -	\$ -	\$ 70,232	\$ 2,948,837
Total Expenses Allocated	72,528,006	30,878,787	8,099,515	3,194,872	6,474,428	2,852,827	1,125,781	19,901,796
Less: Miscellaneous Revenues	\$ (1,179,169.01)	\$ (443,258.67)	\$ (113,971.29)	\$ (47,982.44)	\$ (401,217.01)	\$ (146,091.90)	\$ (607.60)	\$ (26,040.10)
Plus: Net Operating Revenue Allowance	\$2,140,465.12	\$913,065.85	\$239,566.31	\$94,406.70	\$182,196.34	\$81,202.06	\$33,755.19	\$596,272.67
Net Revenue Requirement	73,489,302	31,348,594	8,225,110	3,241,297	6,255,408	2,787,937	1,158,928	20,472,028
Factor BD		59.13%	15.51%	6.11%	11.80%	5.26%	2.19%	

Schedule JDM-16
Units of Service

Units of Service
Rate Year Ending December 31, 2014

	Base		Maximum Day			Maximum Hour			Equivalent	
	Annual Use (HCF)	Average Rate (HCF/Day)	Demand Factor	Total Capacity (HCF/Day)	Extra Capacity (HCF/Day)	Demand Factor	Total Capacity (HCF/Day)	Extra Capacity (HCF/Day)	Meters & Services (Equivalentents)	Bills
Retail		366								
Residential	8,574,863	23,429	1.7	39,829	16,400	2.2	51,543	11,714.29		
Commercial	4,381,008	11,970	1.6	19,152	7,182	2	23,940	4,787.99		
Industrial	191,315	523	1.5	784	261	2	1,045	261.36		
Fire Protection				2888	2888		11551	8663		
Total Retail	13,147,187	35,921		62,652	26,731		88,079	25,427	121,271.95	295,492
Wholesale										
Wholesale	13,090,687	35,766.91	1.7	60,804	25,037	2.15	76898.85	16,095		
Total	26,237,874	71,688.18		123,456.07	51,767.89		164,977.92	41,521.85	121,271.95	295,492.00

**Schedule JDM-17
Unit Cost of Service**

		Unit Costs					
		Rate Year Ending December 31, 2014					
	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection
Retail Units of Service							
Number		13,147,187	26,731	25,427	121,272	295,492	6,048
Units		Ccf	Ccf/Day	Ccf/Day	Equiv. Meters	Bills	Hydrants
O&M Expense							
Retail	27,095,183	14,628,487	2,994,651	874,071	4,931,567	2,721,092	945,314
Retail Unit Cost (\$/Unit)		\$1.11	\$112.03	\$34.38	\$40.67	\$9.21	\$156.30
Wholesale O&M Expense	9,631,699	9,631,699					
Capital Expense							
Retail Capital Expense	\$ 21,350,016	\$ 12,657,688	\$ 5,079,248	\$ 2,293,695	\$ 1,199,839	\$ -	\$ 119,546
Retail Cost (\$/Unit)		\$0.96	\$190.01	\$90.21	\$9.89	\$0.00	\$19.77
Wholesale Capital Expense	\$ 7,605,415	\$ 7,605,415					
City Services Expense							
Retail City Services Expense	\$ 666,730	\$ 344,069	\$ 83,888	\$ 26,197	\$ 124,002	\$ 66,845	\$ 21,729
Retail Cost (\$/Unit)		\$0.03	\$3.14	\$1.03	\$1.02	\$0.23	\$3.59
Wholesale City Services Expense	\$ 197,612	\$ 197,612					
Property Tax Expense							
Retail Property Tax Expense	\$ 3,905,345	\$ 3,718,351	\$ 67,323	\$ 47,333	\$ -	\$ -	\$ 72,339
Retail Cost (\$/Unit)		\$0.28	\$2.52	\$1.86	\$0.00	\$0.00	\$11.96
Wholesale Property Tax Expense	\$ 3,037,302	\$ 3,037,302					
Total Unit Cost of Service							
Retail Cost of Service	\$ 53,017,274.23	\$ 31,348,594.25	\$ 8,225,109.91	\$ 3,241,296.68	\$ 6,255,407.78	\$ 2,787,937.42	\$ 1,158,928.19
Retail Total Unit Cost (\$/Unit)		\$2.38	\$307.70	\$127.48	\$51.58	\$9.43	\$191.62
Wholesale Cost of Service	\$ 20,472,028.19	\$ 20,472,028.19	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cost of Service	\$ 73,489,302.43						

**Schedule JDM-18
Cost Distribution to Customer Class**

Allocated Costs by Customer Class
Rate Year Ending December 31, 2014

	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection
Total Retail Units of Service	13,622,156	13,147,187	26,731	25,427	121,272	295,492	6,048
Total Retail Cost of Service	53,017,274	31,348,594	8,225,110	3,241,297	6,255,408	2,787,937	1,158,928
Retail							
Unit Cost of Service (\$/Unit)		\$2.38	\$307.70	\$127.48	\$51.58	\$9.43	\$191.62
Retail Service:							
Residential Volume Charge							
Units of Service - HCF		8,574,863	16400.01205	11,714.29			
Allocation Cost of Service - \$	26,985,746	20,446,193	5,046,262	1,493,290			
Consumption Rate - \$/HCF	\$3.147						
Commercial Volume Charge							
Units of Service - HCF		4,381,008	7181.980557	4,787.99			
Allocation Cost of Service - \$	13,266,462	10,446,223	2,209,886	610,353			
Consumption Rate - \$/HCF	\$3.028						
Industrial Volume Charge							
Units of Service - HCF		191,315	261.3592577	261.36			
Allocation Cost of Service - \$	569,915	456,178	80,420	33,317			
Consumption Rate - \$/HCF	\$2.979						
Retail Service Charge							
Units of Service					81,886.15	287,804	
Allocation Cost of Service	\$6,939,225				\$4,223,823.06	\$2,715,401.91	
Fire Protection Service							
Units of Service			2,888	8,663	39,386	7,688	6,048
Allocation Cost of Service	\$5,255,927		\$888,541.68	\$1,104,336.62	\$2,031,584.71	\$72,535.51	\$1,158,928.19
Total Retail Allocated Cost of Service	53,017,274	31,348,594.25	8,225,109.91	3,241,296.68	6,255,407.78	2,787,937.42	1,158,928.19
Sumcheck	-	-	-	-	-	-	-
Wholesale							
Wholesale:							
Units of Service		13,090,687					
Allocation Cost of Service	\$ 20,472,028	\$ 20,472,028					
Consumption Rate		1.563862					
Total System Allocated Cost of Service	73,489,302						

**Schedule JDM-19
Proposed Rates and Impacts**

Proposed Rates and Impacts
Rate Year Ending December 31, 2014

Billing Unit	Current Units of Service	Proposed Units of Service	Proposed Retail Service Charge	Retail Service Charge Revenues	Current Rates	% Change
Quarterly Service Charges						
5/8"	52,943	-	\$ -	-	\$ 18.34	
3/4"	10,570	-	\$ -	-	\$ 19.47	
1"	5,059	-	\$ -	-	\$ 22.85	
1.5"	1,496	-	\$ -	-	\$ 27.39	
2"	1,492	-	\$ -	-	\$ 39.77	
3"	81	-	\$ -	-	\$ 131.15	
4"	18	-	\$ -	-	\$ 164.98	
6"	20	-	\$ -	-	\$ 243.95	
8"	22	-	\$ -	-	\$ 334.19	
10"	1	-	\$ -	-	\$ 415.97	
12"	-	-	\$ -	-	\$ 497.76	
Total	71,702	-	\$ -	-		

Monthly Service Charges						
5/8"	1	52,944	\$ 7.46	4,739,546.88	\$ 10.82	-31.05%
3/4"	-	10,570	\$ 7.89	1,000,767.60	\$ 11.19	-29.49%
1"	-	5,059	\$ 9.18	557,299.44	\$ 12.32	-25.49%
1.5"	2	1,498	\$ 10.89	195,758.64	\$ 13.83	-21.26%
2"	34	1,526	\$ 15.62	286,033.44	\$ 17.97	-13.08%
3"	13	94	\$ 50.44	56,896.32	\$ 48.42	4.17%
4"	7	25	\$ 63.34	19,002.00	\$ 59.70	6.10%
6"	17	37	\$ 93.43	41,482.92	\$ 86.02	8.61%
8"	8	30	\$ 127.81	46,011.60	\$ 116.11	10.08%
10"	-	1	\$ 158.98	1,907.76	\$ 143.37	10.89%
12"	1	1	\$ 190.14	2,281.68	\$ 170.63	11.43%
Total	83	71,785		6,946,988.28		

Total Retail Service Charge Revenue 6,946,988.28 \$ 5,726,796 21.31%

Billing Unit	Current Units of Service	Proposed Units of Service	Proposed Fire Service Charge	Fire Service Charge Revenues	Current Rates	% Change
Quarterly Service Charges						
5/8"	25,266	-	\$ -	-	\$ 3.08	
3/4"	4,207	-	\$ -	-	\$ 4.62	
1"	1,998	-	\$ -	-	\$ 11.54	
1.5"	896	-	\$ -	-	\$ 30.77	
2"	874	-	\$ -	-	\$ 73.86	
3"	58	-	\$ -	-	\$ 200.04	
4"	14	-	\$ -	-	\$ 338.52	
6"	18	-	\$ -	-	\$ 692.43	
8"	8	-	\$ -	-	\$ 1,046.34	
10"	1	-	\$ -	-	\$ 1,600.29	
12"	-	-	\$ -	-	\$ 2,646.63	
Total	33,340	-	\$ -	-		

Monthly Service Charges						
5/8"	1	25,267	\$ 1.33	403,261.32	\$ 1.03	29.13%
3/4"	-	4,207	\$ 1.99	100,463.16	\$ 1.54	29.22%
1"	-	1,998	\$ 4.96	118,920.96	\$ 3.85	28.83%
1.5"	-	896	\$ 13.21	142,033.92	\$ 10.26	28.75%
2"	27	901	\$ 31.69	342,632.28	\$ 24.62	28.72%
3"	11	69	\$ 85.81	71,050.68	\$ 66.68	28.69%
4"	5	19	\$ 145.22	33,110.16	\$ 112.84	28.70%
6"	12	30	\$ 297.03	106,930.80	\$ 230.81	28.69%
8"	8	16	\$ 448.85	86,179.20	\$ 348.78	28.69%
10"	-	1	\$ 686.47	8,237.64	\$ 533.43	28.69%
12"	-	-	\$ 1,135.31	-	\$ 882.21	28.69%
Total	64	33,404		\$ 1,412,820.12		

Total Retail Fire Protection Service Charge Revenue \$ 1,412,820.12 \$ 1,095,130.72 29%

Total Retail Service Charge Revenue **\$ 8,359,808.40** **\$ 6,821,926.32** **22.54%**

Retail Consumption Charges

Residential (HCF)	8,574,863	\$	3.147	\$	26,985,095.26	\$	2.488	26.49%
Commercial (HCF)	4,381,008	\$	3.028	\$	13,265,692.65	\$	2.390	26.69%
Industrial (HCF)	191,315	\$	2.979	\$	569,927.32	\$	2.346	26.98%
Total	13,147,187				\$ 40,820,715.22		\$ 32,253,695	26.56%

Wholesale Charges

Volume Charge

Consumption (HCF)	13,090,687	\$	1.563862		20,472,028.42	\$	16,618,799	23.19%
Consumption (MGD)	9,792							

Total Consumption Charge Revenue

61,292,743.64 **48,872,493.39** **25.41%**

Private Fire Service Charges	Current Units of Service	Proposed Units of Service	Proposed Monthly Pvt. Fire Charge	Private Fire Charge Revenues	Current Quarterly Pvt. Fire Charge	
3/4"	3	3	\$7.96	286.56	\$ 19.67	
1"	9	9	\$9.35	1,009.80	\$ 23.31	
1-1/2"	3	3	\$11.42	411.12	\$ 28.70	
2"	45	45	\$16.76	9,050.40	\$ 42.63	
4"	344	344	\$70.39	290,569.92	\$ 182.72	
6"	1,244	1,244	\$113.92	1,700,597.76	\$ 295.45	
8"	250	250	\$171.50	514,500.00	\$ 443.93	
10"	4	4	\$237.55	11,402.40	\$ 613.33	
12"	18	18	\$317.07	68,487.12	\$ 816.53	
16"	2	2	\$522.96	12,551.04	\$ 1,340.64	
Total	1,922	1,922		2,608,866.12	\$ 2,253,933	15.75%

Public Fire Service Charges

Hydrants	2,829	Proposed Rate	\$437.69	Revenue	\$1,238,225.01	Cu Revenue Rate	\$ 959,965	% Change	28.99%
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Total Fire Protection Charge Revenue

\$3,847,091.13 **\$3,213,898.05** **19.70%**

Miscellaneous Revenues

\$ (1,179,169.01) \$ (1,179,169.01)

Total Revenues

73,499,643.17 58,908,317.76 24.77%

\$ 74,678,812.18 \$ 60,087,486.77 24.28%

Schedule JDM-20
Comparison of Revenues by Customer Class

Comparison of Revenues by Customer Class
Rate Year Ending December 31, 2014

	Existing Rates	Proposed Rates	% Change
Retail			
Monthly Service Charge	\$ 5,726,796	\$ 6,946,988	21.3%
Periodic FPSC	\$ 1,095,131	\$ 1,412,820	29.0%
Volume Charge			
Residential	\$ 21,334,260	\$ 26,985,095	26.5%
Commercial	\$ 10,470,609	\$ 13,265,693	26.7%
Industrial	\$ 448,825	\$ 569,927	27.0%
Total Retail	\$ 39,075,621	\$ 49,180,524	25.9%
Wholesale			
East Providence	\$ 2,631,630	\$ 3,241,797	23.2%
East Smithfield	\$ 383,983	\$ 473,013	23.2%
Greenville	\$ 564,058	\$ 694,840	23.2%
Kent County	\$ 3,422,781	\$ 4,216,383	23.2%
Smithfield	\$ 539,873	\$ 665,048	23.2%
Warwick	\$ 5,607,683	\$ 6,907,873	23.2%
Lincoln	\$ 1,309,845	\$ 1,613,544	23.2%
Johnston	\$ 356,311	\$ 438,925	23.2%
Bristol County	\$ 1,802,646	\$ 2,220,606	23.2%
Total Wholesale	\$ 16,618,811	\$ 20,472,028	23.2%
Fire Protection			
Private Fire Protection	\$ 2,253,933	\$ 2,608,866	15.7%
Public Fire Protection	\$ 959,965	\$1,238,225.01	29.0%
Total Fire Protection	\$ 3,213,898	\$ 3,847,091	19.7%
Total Rate Revenues	\$ 58,908,330	\$ 73,499,643	24.8%
Miscellaneous Revenues	\$ (1,179,169)	\$ (1,179,169)	
Total Revenues	\$ 60,087,499	\$ 74,678,812	24.28%

**Schedule JDM-21
Typical Bill Comparison**

Comparison of Typical Annual Charges
Rate Year Ending December 31, 2014

	Proposed Rates	Existing Rates	% Change
Residential - (5/8" Meter, 100 HCF)			
Service Charge*	\$ 89.52	\$ 73.36	22.0%
Volume Charge	\$ 314.70	\$ 248.80	26.5%
Total	\$ 404.22	\$ 322.16	25.5%
Commercial - (2" Meter, 2,000 HCF)			
Service Charge*	\$ 187.44	\$ 159.08	17.8%
Volume Charge	6,056.00	4,780.00	26.7%
Total	\$ 6,243.44	\$ 4,939.08	26.4%
Industrial - (6" Meter, 10,000 HCF)			
Service Charge *	\$ 1,121.16	\$ 975.80	14.9%
Volume Charge	\$ 29,790.00	\$ 23,460.00	27.0%
Total	\$ 30,911.16	\$ 24,435.80	26.5%

*Existing rates based on Quarterly billing, proposed based on Monthly Billing, for Wholesale Impacts see HJS-20

Schedule JDM-22
Revenue Proof

Revenue Proof
Rate Year Ending December 31, 2014

Net Operations & Maintenance Expense	\$	36,836,336
Capital Expense	\$	28,112,069
City Services Expense	\$	839,167
Property Taxes Expense	\$	6,740,435
Total Expenses Allocated	\$	72,528,006
plus: Net Operating Revenue		\$2,140,465.12
Net Revenue Requirement	\$	74,668,471
Retail		
Monthly Service Charge	\$	6,946,988
Retail FPSC	\$	1,412,820
Volume Charge		
Residential	\$	26,985,095
Commercial	\$	13,265,693
Industrial	\$	569,927
Total Retail	\$	49,180,524
Wholesale		
East Providence	\$	3,241,797
East Smithfield	\$	473,013
Greenville	\$	694,840
Kent County	\$	4,216,383
Smithfield	\$	665,048
Warwick	\$	6,907,873
Lincoln	\$	1,613,544
Johnston	\$	438,925
Bristol County	\$	2,220,606
Total Wholesale	\$	20,472,028
Fire Protection		
Private Fire Protection	\$	2,608,866
Public Fire Protection	\$	1,238,225
Total Fire Protection	\$	3,847,091
Total Rate Revenues	\$	73,499,643
Miscellaneous Revenues	\$	1,179,169
Total Revenues	\$	74,678,812
Total Surplus / (Deficit)	\$	10,340.75

Note: Surplus due rounding

**Schedule JDM-23
Projected Volumes**

Calculation of Rate Year Sales Volumes
Rate Year Ending December 31, 2014
(Volumes in HCF)

	FY 2009	FY 2010	FY 2011	FY 2012	Four Year Average	Adjustments	Pro Forma Rate Year
Retail							
Residential	9,201,454	8,482,954	8,754,316	8,487,320	8,731,511	(156,648)	8,574,863
% Change from previous			-14.11%	-3.05%			
Commercial	4,636,996	4,465,417	4,284,895	4,392,712	4,445,005	(63,997)	4,381,008
Industrial	198,132	190,880	181,838	201,227	193,019	(1,704)	191,315
Sub-total Retail	14,036,582	13,139,251	13,221,050	13,081,259	13,369,535		13,147,187
Wholesale							
East Providence	2,034,591	2,024,316	2,217,299	2,015,566	2,072,943	-	2,072,943
East Smithfield	318,002	300,103	311,937	279,817	302,465	-	302,465
Greenville	459,960	423,935	450,932	442,414	444,310	-	444,310
Kent County	2,663,178	2,602,627	2,717,984	2,800,752	2,696,135	-	2,696,135
Smithfield	454,602	394,162	413,570	438,706	425,260	-	425,260
Warwick	4,674,254	4,195,038	4,526,769	4,272,694	4,417,189	-	4,417,189
Lincoln	1,016,655	1,016,536	1,075,944	1,017,940	1,031,769	-	1,031,769
Johnston (1)	302,765	248,060	309,030	262,814	280,667	-	280,667
Bristol County (2)	1,283,706	1,210,901	1,502,205	1,682,988	1,419,950	-	1,419,950
Narr. Bay Comm (3)							
Sub-total Wholesale	13,207,713	12,415,678	13,525,669	13,213,689	13,090,687	-	13,090,687
Grand Total	27,244,295	25,554,929	26,746,719	26,294,948	26,460,223	-	26,237,874
Unaccounted for Water							
Volume	3,114,862	3,572,170	3,380,059	3,825,119	3,473,053		3,473,053

Note: Retail set to 3 Year average due to higher than normal consumption in 2009

Schedule JDM-24
Allocation of Plant Investment

Plant Investment
Test Year Ending June 30, 2012

Allocation Factor	Plant in Service	Accumulated Depreciation	Net Book Value	Base	Maximum Day	Maximum Hour	Meters	Billing & Collection	Public Fire Protection	Wholesale
Source of Supply & Pumping										
Land and Land Rights	A	\$ 17,072,561	\$ -	\$ 17,072,561	\$ 9,283,823	\$ -	\$ -	\$ -	\$ 170,726	\$ 7,618,013
Structures and Improvements	A	\$ 12,143,397	\$ 10,352,552	\$ 1,790,845	\$ 973,837	\$ -	\$ -	\$ -	\$ 17,908	\$ 799,100
Collecting & Impounding Reservoirs	A	\$ 11,995,947	\$ 7,241,357	\$ 4,754,590	\$ 2,585,480	\$ -	\$ -	\$ -	\$ 47,546	\$ 2,121,564
Lakes Rivers and Other Intakes	A	\$ 4,176,429	\$ -	\$ 4,176,429	\$ 2,271,084	\$ -	\$ -	\$ -	\$ 41,764	\$ 1,863,580
Supply Mains	A	\$ 22,321,197	\$ 5,346,320	\$ 16,974,877	\$ 9,230,704	\$ -	\$ -	\$ -	\$ 169,749	\$ 7,574,425
Other Power Production Equipment	A	\$ 459,317	\$ 414,463	\$ 44,854	\$ 24,391	\$ -	\$ -	\$ -	\$ 449	\$ 20,014
Electric Pumping Equipment	N	\$ 929,495	\$ 696,465	\$ 233,030	\$ 117,348	\$ 15,219	\$ -	\$ -	\$ -	\$ 100,463
Hydraulic Pumping Equipment	N	\$ 107,721	\$ 48,593	\$ 59,128	\$ 29,775	\$ 3,862	\$ -	\$ -	\$ -	\$ 25,491
Other Plant & Miscellaneous Equipment	N	\$ 1,150,738	\$ 1,023,497	\$ 127,241	\$ 64,075	\$ 8,310	\$ -	\$ -	\$ -	\$ 54,855
Total Source of Supply & Pumping Plant		\$ 70,356,802	\$ 25,123,247	\$ 45,233,555	\$ 24,580,518	\$ 27,391	\$ -	\$ -	\$ 448,142	\$ 20,177,504
Water Treatment Plant										
Land and Land Rights	AA	\$ 29,994	\$ -	\$ 29,994	\$ 8,531	\$ 6,348	\$ -	\$ -	\$ 300	\$ 14,815
Structures and Improvements	AA	\$ 40,981,689	\$ 22,784,623	\$ 18,197,066	\$ 5,175,535	\$ 3,851,409	\$ -	\$ -	\$ 181,971	\$ 8,988,151
Water Treatment Equipment	AA	\$ 13,487,645	\$ 15,782,707	\$ (2,295,062)	\$ (652,752)	\$ (485,750)	\$ -	\$ -	\$ (22,951)	\$ (1,133,609)
Other Plant & Miscellaneous Equipment	AA	\$ 23,674,487	\$ 15,402,580	\$ 8,271,907	\$ 2,352,662	\$ 1,750,749	\$ -	\$ -	\$ 82,719	\$ 4,085,777
Total Water Treatment Plant		\$ 78,173,815	\$ 53,969,910	\$ 24,203,905	\$ 6,883,976	\$ 5,122,756	\$ -	\$ -	\$ 242,039	\$ 11,955,134
Transmission & Distribution Plant										
Land and Land Rights	L	\$ 614,902	\$ -	\$ 614,902	\$ 201,726	\$ 139,956	\$ 58,976	\$ -	\$ 83,386	\$ 130,858
Structures and Improvements	L	\$ 218,135	\$ 197,746	\$ 20,389	\$ 6,689	\$ 4,641	\$ 1,956	\$ -	\$ 2,765	\$ 4,339
Transmission Mains (allocated below)	AA	\$ 24,984,657	\$ 10,375,710	\$ 14,608,947	\$ 4,155,017	\$ 3,091,983	\$ -	\$ -	\$ 146,089	\$ 7,215,857
Distribution Mains (allocated below)	TD	\$ 26,308,007	\$ 10,925,275	\$ 15,382,732	\$ 7,220,435	\$ 4,792,685	\$ 3,369,612	\$ -	\$ -	\$ -
T&D Services***	TD	\$ 69,013,841	\$ 9,877,014	\$ 32,522,051	\$ 15,265,386	\$ 10,132,657	\$ 7,124,008	\$ -	\$ -	\$ -
Distribution Reservoirs & Standpipes	AA	\$ 11,468,806	\$ 10,228,091	\$ 1,240,715	\$ 352,879	\$ 262,597	\$ -	\$ -	\$ 12,407	\$ 612,831
Meters & Meter Installation	C	\$ 24,526,690	\$ 16,655,211	\$ 7,871,479	\$ -	\$ -	\$ 7,871,479	\$ -	\$ -	\$ -
Hydrants	FP	\$ 7,841,748	\$ 3,228,864	\$ 4,612,884	\$ -	\$ -	\$ -	\$ -	\$ 4,612,884	\$ -
Other Plant & Miscellaneous Equipment	AA	\$ 7,834,658	\$ 8,547,614	\$ (712,956)	\$ (202,776)	\$ (150,897)	\$ -	\$ -	\$ (7,130)	\$ (352,153)
Total Transmission & Distribution Plant		\$ 172,811,444	\$ 70,035,525	\$ 76,161,143	\$ 26,999,355	\$ 18,273,623	\$ 10,554,552	\$ 7,871,479	\$ 4,850,402	\$ 7,611,732
General Plant										
Land and Land Rights	T	\$ 23,380	\$ -	\$ 23,380	\$ 9,388	\$ 3,761	\$ 1,695	\$ 1,264	\$ 890	\$ 6,382
Structures and Improvements	T	\$ 4,900,530	\$ 4,733,312	\$ 167,218	\$ 67,145	\$ 26,902	\$ 12,122	\$ 9,040	\$ 6,363	\$ 45,646
Office Furniture & Equipment	T	\$ 496,042	\$ 454,562	\$ 41,480	\$ 16,656	\$ 6,673	\$ 3,007	\$ 2,243	\$ 1,578	\$ 11,323
Transportation Equipment	T	\$ 6,798,885	\$ 6,561,271	\$ 237,614	\$ 95,412	\$ 38,227	\$ 17,225	\$ 12,846	\$ 9,042	\$ 64,862
Computer Equipment	T	\$ 3,848,851	\$ 3,549,510	\$ 299,341	\$ 120,198	\$ 48,158	\$ 21,699	\$ 16,183	\$ 11,391	\$ 81,712
Tools, Shop & Garage Equipment	T	\$ 417,205	\$ 362,834	\$ 54,371	\$ 21,832	\$ 8,747	\$ 3,941	\$ 2,939	\$ 2,069	\$ 14,842
Laboratory Equipment	A	\$ 198,137	\$ 198,137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Power Operated Equipment	T	\$ 380,804	\$ 304,055	\$ 76,749	\$ 30,818	\$ 12,347	\$ 5,564	\$ 4,149	\$ 2,921	\$ 20,950
Communication Equipment	T	\$ 1,174,151	\$ 919,875	\$ 254,276	\$ 102,102	\$ 40,908	\$ 18,433	\$ 13,747	\$ 9,676	\$ 69,410
Miscellaneous Equipment	T	\$ 697,209	\$ 697,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Tangible Plant	T	\$ 255,664	\$ 65,461	\$ 190,203	\$ 76,374	\$ 30,600	\$ 13,788	\$ 10,283	\$ 7,238	\$ 51,920
Total General Plant		\$ 19,190,858	\$ 17,846,226	\$ 1,344,632	\$ 539,925	\$ 216,323	\$ 97,473	\$ 72,695	\$ 51,168	\$ 367,047
Total Plant		\$ 340,532,919	\$ 166,974,908	\$ 146,943,235	\$ 59,003,774	\$ 23,640,093	\$ 10,652,026	\$ 7,944,174	\$ 5,591,751	\$ 40,111,417
Construction Work in Progress	T			\$ 60,594,212	\$ 24,331,077	\$ 9,748,341	\$ 4,392,520	\$ 3,275,897	\$ 2,305,841	\$ 16,540,535
Assets under Capital Lease	T	\$ 13,846,150	\$ 3,621,839	\$ 10,224,311	\$ 4,105,483	\$ 1,644,878	\$ 741,168	\$ 552,756	\$ 389,074	\$ 2,790,953
Total Plant Investment		\$ 354,379,069	\$ 170,596,747	\$ 217,761,758	\$ 87,440,334	\$ 35,033,313	\$ 15,785,714	\$ 11,772,827	\$ 8,286,666	\$ 59,442,905
Totals used to determine Allocation Factors:										
Total Plant			K2	\$ 217,761,758	\$ 87,440,334	\$ 35,033,313	\$ 15,785,714	\$ 11,772,827	\$ 8,286,666	\$ 59,442,905
Reallocated Meters and Fire Protection				\$ 12,686,365	\$ 5,082,842	\$ 2,290,286	\$ (11,772,827)	\$ (8,286,666)		
Total Plant with Reallocated Meters and Fire Protection			K1	\$ 217,761,758	\$ 100,126,699	\$ 40,116,155	\$ 18,075,999	\$ -	\$ -	\$ 59,442,905
***Net of \$26,614,776 in Contributions in Aid of Construction Consistent with Docket 3163										

Schedule JDM-25

Inch-Mile and Lost and Unaccounted-For Water Calculation:

Inch-Mile Calculations
Year Ending June 20, 2006

Pipe Size (inches)	Length (miles)	Inch-Miles
6	482.44	2,894.64
8	290.25	2,322.00
10	3.06	30.60
12	93.99	1,127.88
16	40.97	655.52
20	5.89	117.80
24	24.09	578.16
30	16.09	482.70
36	1.93	69.48
42	4.88	204.96
48	2.42	116.16
60	4.19	251.40
66	1.60	105.60
78	4.39	342.42
90	4.47	402.30
102	5.18	528.36

Totals

985.84 10,229.98

Local Distribution (10" or less)	775.75	5,247.24	51.29%
Transmission (12" and greater)	210.09	4,982.74	48.71%
			100.00%

Unaccounted for Water Responsibility

Retail Customers

Local Distribution	51.29%	82.65%
Transmission	24.41%	8.69%
Total Retail Share of Unaccounted for Water	75.70%	91.34%

Wholesale Customers

Local Distribution	0.00%	0.00%
Transmission	24.30%	8.66%
Total Wholesale Share of Unaccounted for Water	24.30%	8.66%

Lost and Unaccounted-For Calculations
Year Ending June 20, 2006

Pipe Size (inches)	Length (miles)	Inch-Miles
0	482.44	-
0	290.25	-
0	3.06	-
0	93.99	-
0	40.97	-
0	5.89	-
0	24.09	-
0	16.09	-
0	1.93	-
0	4.88	-
0	2.42	-
0	4.19	-
0	1.60	-
0	4.39	-
0	4.47	-
0	5.18	-

Services 225.00
1,210.84 -

1,000.75	-	82.65%
210.09	-	17.35%
1,210.84	-	100.00%