

**RHODE ISLAND PUBLIC UTILITIES COMMISSION
DOCKET NO. 4406**

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

**REGARDING RATE RELIEF REQUEST
FROM PROVIDENCE WATER**

ON BEHALF OF

KENT COUNTY WATER AUTHORITY

RIPUC DOCKET NO. 4406

October 25, 2013

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1 **PREFILED TESTIMONY OF**
2 **CHRISTOPHER P.N. WOODCOCK**
3

4 **Q:Are you the same Christopher Woodcock that offered prefiled direct testimony**
5 **in this docket on behalf of the Kent County Water Authority?**

6 A: Yes I am.

7 **Introduction**

8 **Q:What additional testimony have you reviewed since you filed your direct testi-**
9 **mony in this docket?**

10 A: My direct testimony was filed on August 20, 2013. In addition to a number of new
11 data responses since that date, the direct testimonies of Messrs. Catlin and
12 Mierzwa on behalf of the Division of Public Utilities & Carriers, the direct testimonies
13 of Mr. Russell and Ms. Marchand on behalf of the Bristol County Water Authority,
14 and the rebuttal testimonies of Ms. Jeanne Bondarevskis and Messrs. Smith and
15 Gadoury on behalf of Providence Water have been filed.

16 **Q: Were there matters in these testimonies that you would like to address?**

17 A: Yes. In general the matters I would like to respond to include:

- 18 • Cost allocation matters
- 19 ○ Treatment of lost water (particularly the inclusion of service connections)
- 20 ○ Assets – inclusion of bond proceeds
- 21 ○ Inclusion of land costs in capital allocators (symbol K2)
- 22 ○ Definition of transmission vs. distribution pipes

- 1 ○ New unidirectional flushing costs
- 2 ○ Transmission & Distribution allocation factors (HM, HOC, HMC)
- 3 ○ Pumping costs allocations (N, NO, NP)
- 4 ○ Allocation of new distribution operations center
- 5 ○ Allocation of IFR Costs
- 6 • Sales, meters, and fire services and peaking factors
- 7 • Revenue Requirements
- 8 ○ New distribution operations center
- 9 ○ Increase funding of infrastructure replacement fund (IFR)
- 10 ○ Various proposed adjustments by the Division
- 11 ○ Additional revenues from monthly billing/ operating reserve
- 12 Each of these matters has been addressed in the direct or rebuttal testimony that
- 13 has been submitted since I filed my direct testimony.

14 **Cost Allocations**

15 **Q:Do you still believe that the cost allocation matters are of primary importance**
16 **to the Kent County Water Authority in this docket?**

17 A: While I do still believe that, the proposed massive increase in IFR funding and the
18 last minute, unsubstantiated claims for new facilities are also of major importance to
19 KCWA.

1 Lost and Unaccounted for Water

2 **Q:The first allocation issue you listed was the treatment of lost or unaccounted**
3 **for water. What are the outstanding issues with this matter?**

4 A: In my direct testimony I proposed a different allocation of unaccounted for or lost
5 water than that proposed by Providence Water. Providence had proposed assign-
6 ing nearly 25% of the lost water to the wholesale customers. I offered a calculation
7 that divided the responsibility more fairly using a method that had been approved by
8 the Commission in a prior docket (Docket No. 3945).

9
10 At this time, it seems that Providence Water, the Division, and the Bristol County
11 Water Authority (BCWA) have all accepted the Commission's ruling in Docket 3945.
12 Providence Water appeared to be surprised to learn of the Commission's ruling in
13 that matter. This surprise was unexpected as Providence Water was well aware of
14 the issue in its prior docket (Docket 3832), and was specifically directed to consider
15 other methodologies by the Commission. In its Report and Order in Docket 3832
16 the Commission said: "However, in the next case, Providence Water is directed to
17 also consider whether there is another methodology that would more accurately al-
18 locate lost and unaccounted for water. KCWA is also reminded to present its posi-
19 tion in its Direct Testimony and not wait for the Surrebuttal stage." (pg. 78, empha-
20 sis added) Providence Water's claim of ignorance is even more curious since Provi-
21 dence says it retained the law firm of Partridge, Snow & Hahn to, among other mat-
22 ters, review PUC decisions at a cost of \$125,000. This would certainly seem to be

1 a matter that should have been recognized as worth mentioning from their review of
2 PUC decisions.

3 **Q: Have the parties agreed to use miles of pipe plus service pipe rather than the**
4 **old inch-feet of just pipe as ordered by the Commission in Docket 3945?**

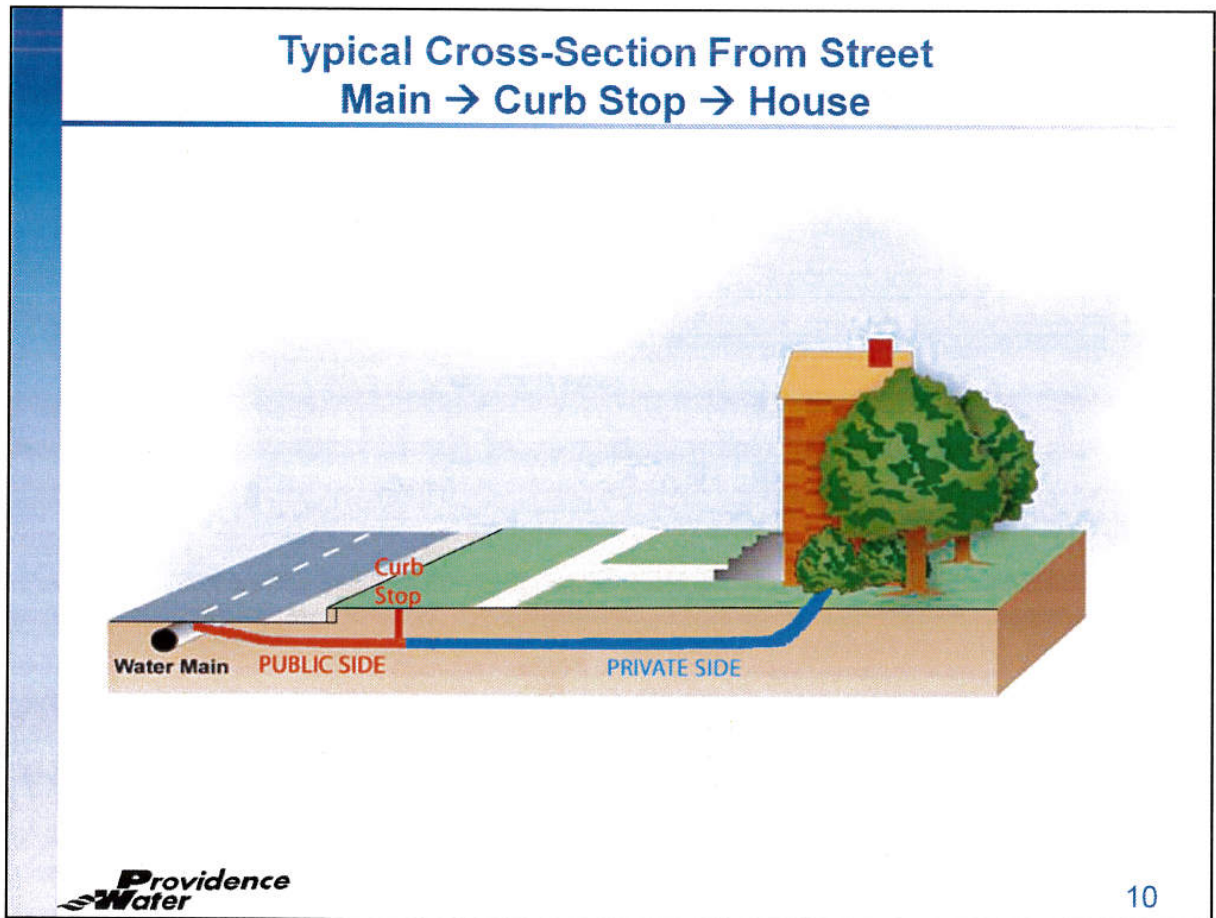
5 A: Yes they have.

6 **Q: What is now unresolved on the matter of lost and unaccounted for water?**

7 A: As part of its order in Docket 3945, the Commission expressly considered the signif-
8 icant water losses that occur in the service pipe between the pipe in the street and
9 the customer's water meter. Both the Division and Providence Water are still unwill-
10 ing to accept *any* reasonable estimate of the length of service pipe between the
11 customer's property line and the customer's building where the meter is located.
12 They both have proposed that only the pipe between the main and property line or
13 curb stop be considered and that no pipe between the property line and building be
14 figured into the calculations.

15
16 In general, a curb stop is installed on the service pipe between the pipe in the street
17 and the customer's meter. The meter is typically installed just inside the customer's
18 building. The curb stop is typically installed at the property line so service can be
19 shut-off without entering private property. This is all shown on page 10 in Provi-
20 dence Water Exhibit 1 (the slide show presentation given at the October 8, 2013

1 Technical Session at the PUC's offices). I have copied the slide they presented that
2 illustrates this matter.



3
4 In effect, the Division and Providence Water are asking the Commission to simply
5 ignore any leaks that occur on the customer's (private) side of the curb stop, as
6 shown in blue above. This portion of the service pipe is significant. As Mr. Spinelli
7 noted at the October 8 technical session, Providence has spent tens of millions of
8 dollars over the past decade replacing the portion of lead services on the street side
9 of the curb stop (the red or public piece), but less than 2% of the customers have
10 replaced the portion of the service pipe on the customer's side (the blue or private

1 piece). It only stands to reason that the portion that was recently replaced by Provi-
2 dence Water is newer and hopefully less subject to leaks than the old portion that
3 was not replaced. Yet Providence Water and the Division are asking the Commis-
4 sion to ignore all the old leaky service pipes on the customer's side of the curb stop
5 (the blue portion) – that makes no sense.

6
7 KCWA specifically asked Providence Water for an estimate of the length of service
8 pipe “including the full length from the tapped main all the way to the customer's
9 building, not just to the property line” (KCWA – PW: 4-2), and KCWA asked that if
10 Providence Water did not have an estimate to suggest a method. Providence Wa-
11 ter only provided an estimate from the main to the property line and declined to pro-
12 vide an estimate of the length of pipe between the property line and the building.
13 When the Division questioned how I derived the 25 foot total length estimate in
14 DIV:KCWA-7, I provided a detailed rationale for the basis of my estimate. I suggest-
15 ed that, on average, 15 feet of the length of each service connection was in the road
16 right-of-way and that my 210 mile estimate for this portion happened to correlate
17 quite well to the 225 mile estimate provided by Providence Water in its response to
18 KCWA 4-2. I then noted that I had estimated an additional 10 feet per connection
19 between the property line and the building. No other party to this docket has pro-
20 vided any other estimate or basis for the total length of service pipe. I believe that
21 my minimal estimate of a mere 10 additional feet of service pipe past the curb stop
22 is certainly reasonable.

1 The total length of service pipe I have estimated (350.6 miles) is at least based on
2 some quantifiable measure that on its face, is far more rationale and supportable
3 than the mere 225 miles proposed by the Division and Providence Water that totally
4 ignores any leakage on the private side before the customer's meter.

5 **Q: Why do you believe your estimate is more rationale and supportable?**

6 A: There are several reasons:

- 7 1. First, Providence Water admits in its response to KCWA 4-2 that its 225 mile ser-
8 vice pipe estimate only covers a portion of the service pipe between the property
9 line and the building. In response to KCWA:DIV 1-9, the Division
 - 10 a. acknowledges that the length of service pipe between the curb stop (prop-
11 erty line) and building is subject to leaks,
 - 12 b. accepted that the pipe between the property line and building is subject to
13 the same volume of leakage per foot as the 225 miles of pipe between the
14 main and the property line, and
 - 15 c. admits it has no basis to dispute my estimate of the ten foot average
16 length of pipe between the property line and the building.

17 In an apparent attempt to rescue their failed position that there is little or no ser-
18 vice pipe between the property line and building, the Division asked Providence
19 Water (DIV 6-2) how many meters were actually at the curb stop (property line);
20 Providence Water responded that the overwhelming majority of meters are inside
21 the customer's building and not at the property line/curb stop (this was reiterated

1 by Providence Water at the October 8 Technical Session). Based on the forego-
2 ing it is undisputed that:

- 3 • the overwhelming majority of retail customers have service pipes that run
4 between the property line/curb stop and the customer's building,
- 5 • the service lines between the curb stop and building are subject to leak-
6 age and likely leak at the same rate or more (gallons/foot) as the service
7 line between the water main and the curb stop, and
- 8 • no other witness has provided an estimate of the length of pipe between
9 the curb stop and building and no other witness has any evidence to dis-
10 pute the 10 foot estimated length I have provided.

11 2. Next, the AWWA M26 Manual on Water Loss that was the basis for the Commis-
12 sion's decision in Docket 3945 states that: "the majority of leakage volume losses
13 occur on customer service connection piping, not on the water main piping of the
14 distribution system." (page 100, emphasis added) The AWWA manual states
15 that more than 50% of the losses come from the service pipes. With the as-
16 sumption of an overall average length of 25 feet per service pipe that I have
17 made, the losses from service pipes are closer 25% of the total; and not the ma-
18 jority. This suggests that my estimates of service pipe length are low, not high.
19 Certainly the Division's and Providence Water's truncated length that excludes all
20 pipe between the curb stop and building will result in an even lower estimate than
21 my 25%; and they will result in a retail loss from service pipes that is far less than
22 the "majority of leakage" discussed in the AWWA Manual. The Division's and

1 Providence's unsupported and unfounded estimate is clearly less rationale and
2 less reasonable than the estimate that I have provided in this case.

3 The Commission should reject the proposals (225 miles) put forth by Providence
4 Water and the Division that excludes the entire service pipe between the curb stop
5 and building and accept the estimate I have provided of 350 miles that includes all
6 the pipe.

7 Asset Listing

8 **Q: In your direct testimony you raised the issue of the incorrect asset data that**
9 **had been used by Providence Water in its initial and supplemental filings. Has**
10 **this been addressed?**

11 A: In its initial and supplemental filings Providence Water had included a listing of its
12 assets. The assets are used as the basis for the allocation of capital costs which
13 comprise about 40% of the revenue requirements. Based on a number of data re-
14 quests we learned that the assets that Providence Water had provided were incor-
15 rect and they were subsequently updated. While there are still some more minor is-
16 sues, for the most part I believe the more recent asset listing provided by Provi-
17 dence Water is far better than that which was proposed in Providence Water's initial
18 and supplemental filings.

19 **Q: What issues remain regarding the assets?**

20 A: As noted by Mr. Smith, in my direct testimony I had excluded approximately \$60 mil-
21 lion of the assets that were claimed by Providence Water as Construction Work in

1 Progress, or CWIP. I agree with Mr. Smith that the construction that is in progress
2 could be included; however, I do not believe the full amount that was claimed as
3 construction work in progress as of 6/30/12 (KCWA 1-2) is actually “work in pro-
4 gress”. The listing of items included in the response to KCWA 1-2 includes a num-
5 ber of entries generally labeled as “RI DWSRF ARRA \$XX Million Bond Total”, and
6 these line items add up to \$14,651,570. These are apparently bond proceeds that
7 are not associated with any plant account, and I do not believe they are properly in-
8 cluded as CWIP. Accordingly, I have revised my initial calculation of the plant asset
9 listing to include all the items that are specifically identified with a project that is in
10 progress, but I have excluded the \$14,651,570 that is just listed as bond funds.

11
12 I would note that the information provided in response to KCWA 1-2 was dated
13 6/30/2012. Under section 1.18 (d) of the Commission’s Rules of Practice and Pro-
14 cedure, Providence Water was obligated to amend this data request if more recent
15 information became available. Because Providence Water did not amend or sup-
16 plement this response, I do not believe the Commission should accept any last mi-
17 nute change proposed by Providence Water at this point in the proceedings. There
18 is certainly insufficient time for meaningful discovery on an item that was (a) so very
19 incorrect in both its initial and supplemental filings, and (b) was the subject of sev-
20 eral questions.

1 **Q:Are there additional questions or matters related to the asset listing provided**
2 **by Providence Water?**

3 A: It is unclear at this time. Various responses and statements that have been made
4 by Providence Water representatives have raised new issues about the validity of
5 the updated assets provided in response to KCWA 1-4, in particular the value of
6 service pipes. The Providence Water assets are the basis for nearly half the total
7 revenue requirements and are a critical element in the cost allocation study. We
8 have followed up with a clarifying request (KCWA 9-1), however, that is not due until
9 after this testimony is due. Depending on the response to that data request, we
10 may offer supplemental testimony.

11 **Q: Are there any other outstanding issues regarding the asset listings provided**
12 **by Providence Water?**

13 A: As to the amounts listed, there is still a significant issue regarding the classification
14 of 12" pipes as transmission (allocable to both retail and wholesale customers) or as
15 distribution (related to retail service only). I will address this matter in more detail
16 later.

17
18 Further, there is still disagreement among the parties on how land assets should be
19 treated.

1 Treatment of Land

2 **Q: Please explain the issue with the treatment of land assets.**

3 A: Going back to Docket 2304 (1995), the parties have excluded the value of land from
4 the asset based allocators. This timing coincides with the State's (then) new Clean
5 Water Infrastructure Act that required funding of infrastructure replacement (IFR)
6 costs. With the IFR funding requirements, water utilities began to fund very large
7 amounts of infrastructure replacement; this was funding to replace infrastructure
8 and NOT to purchase new land (land does not need "replacing").

9

10 In Docket 2304 I advocated for the removal of land costs from assets because (1)
11 land does not require replacing so should not be used for IFR costs, (2) land is for
12 expansions and not replacements, and (3) land can be purchased with State Water
13 Protection Charge funds. Both the Division and Providence Water agreed to re-
14 move the land costs. As noted on page 135 of the Report and Order in Docket
15 2304, the Division's witness "Mr. Catlin allocated the IFR Program costs on the ba-
16 sis of plant in service, excluding land and land rights." In every docket since then,
17 *all* the parties have agreed that the cost of land and land rights should be excluded
18 from the allocators for IFR capital costs because land is not an IFR cost.

19

20 Providence Water (Mr. Smith) continued to exclude land from allocation factors K1
21 and K2 in his initial and supplemental filings in this Docket. In KCWA's data request
22 1-19, Providence Water was asked "Does Mr. Smith agree that treatment plant land

1 should also be deducted from total plant costs for the allocation of symbol K2? If
2 not, explain why not". He responded "Yes. This will be revised in my rebuttal testi-
3 mony for allocation symbol K1 as well." As we have now seen, Mr. Smith did not do
4 what he said in this response, he has not revised this data response, and he has
5 still not responded to the second part of the question: ("If not, explain why not.")
6

7 In KCWA's data request 1-20, noting that another asset item appeared to be land,
8 Providence Water was asked "Does Mr. Smith agree that the value of Source of
9 Supply Lakes Rivers & Other Intakes should also be deducted from total plant allo-
10 cations for allocation symbol K2?" Providence Water responded: "It is a land item. I
11 agree that it should be deducted from total plant costs for allocation symbols K2 and
12 K1. This will be revised in my rebuttal testimony." Again, Providence Water has not
13 updated there earlier response to our data request and has yet to explain why it has
14 changed its position after all these years.
15

16 Two months later, the Division asked for an update to Mr. Smith's spreadsheet in
17 Division 3-1. In that response, Mr. Smith once again excluded all land items from
18 the calculation of symbols K1 and K2, including the removal of the two items he had
19 agreed to remove in his responses to KCWA 1-19 and KCWA 1-20.
20

21 Finally, in response to KCWA 4-4 after more than another month had passed, Mr.
22 Smith once again provided an update to his spreadsheet to incorporate all the

1 changes he agreed to and once again he excluded all land items from allocators K1
2 and K2.

3
4 Until the Division filed its direct testimony changing its long held position on the ex-
5 clusion of land from allocation symbols K1 and K2, Mr. Smith consistently has ex-
6 cluded the value of land from these two allocation symbols. There were no further
7 data request or discovery related to this issue prior to the submission of Mr.

8 Mierzwa's direct testimony on August 23 – all subsequent questions came as a re-
9 sult of KCWA's questioning of Mr. Mierzwa's changed position. The only reasons
10 Mr. Smith has offered for this abrupt about-face in his rebuttal testimony is that land
11 is purchased for watershed protection and land "will, in all likelihood" be purchased
12 for the proposed office and distribution facilities.

13
14 In neither case has any land purchase been identified in this filing that would be
15 paid from rate payer capital funds that have been requested.

16 **Q: Might not land be purchased in the future by Providence Water?**

17 A: Yes, that is certainly a possibility. However, the Commission should consider the
18 capital items that are allocated under symbols K1 and K2 in this docket – they are
19 presented on Schedule 12 of each witness. Looking at Mr. Smith's HJS – S12 re-
20 buttal schedule:

- 21 • By far the largest capital item is Infrastructure Replacement (IFR). This consti-
22 tutes 89% of the items allocated using K1 or K2. Land is not an item that is re-

1 placed and is therefore not an item that should ever be included in the IFR pro-
2 gram. It is not part of Providence Water's IFR program.

- 3 • The next biggest item is the Capital Fund (9%). As shown on Exhibit PG-5 of Mr.
4 Gadoury's direct testimony – there are no land purchases proposed by Provi-
5 dence Water other than the nebulous \$2,400,000 for a new facility. Certainly the
6 record is now clear that no land purchase has been identified.
- 7 • The last item allocated using symbols K1 or K2 is the Equipment Replacement
8 Fund (2%). This fund was established in Docket 3163 at Providence Water's re-
9 quest as the Vehicle and Equipment Replacement Fund for the sole purchase of
10 vehicles and ancillary equipment (see PUC Report & Order, Docket 3163, page
11 5). It should have nothing to do with land purchases.
- 12 • The Meter Replacement/AMR Fund and Western Cranston Funds are not allo-
13 cated using K1 or K2 in any case.

14 **Q:You indicated that land purchases are a possibility, where will the funding for**
15 **that come from?**

16 A: We know that the funding will not come from the IFR or the Capital Equipment
17 Funds. In a data request to the Division (KCWA:DIV 1-10), KCWA asked the Divi-
18 sion to identify all land items that were proposed to be funded from these two funds.
19 The Division's response was that their review "revealed no expenditures associated
20 with the purchase of land" from either of these two funds. Apparently surprised by
21 KCWA's request, the very next day after KCWA's request to the Division, the Divi-

1 sion had to ask Providence Water about historic land purchases and from where the
2 funding came.

3
4 The only possible land purchase that might require funding at some future date
5 would be for the operations and distribution facility. The lack of information from
6 Providence Water on this item is startling; however it can be said that no land has
7 been identified and it is not even certain that land would be purchased; it may be
8 leased. As I will discuss later, even if funds were needed for such land at some fu-
9 ture date, these funds could come from the sale of the existing Academy Avenue
10 facility.

11
12 Perhaps it is most important in this discussion to recognize that the State of Rhode
13 Island has a program to fund land purchases from the Water Quality Protection
14 Charges. This is a program that Providence Water was instrumental in establishing.
15 As shown in the response to DIV 6-1 to Providence Water, over the past decade
16 every land purchase by Providence Water has been from funds obtained through
17 the Water Quality Protection Charge ("penny per 100 gallon surcharge") and the
18 Scituate Tax settlement. No IFR or any other rate payer funds have been used.
19 Based on this information (which the Division was apparently unaware of when it
20 suggested the change in the way the K1 and K2 allocators are derived), there is no
21 reasonable basis to change the decades long method of excluding land costs from
22 the development of allocation symbols K1 and K2.

1 **Q: As part of your support for excluding land costs in the derivation of allocation**
2 **symbols K1 and K2 you have mentioned that the parties have agreed to exclude**
3 **land costs from these allocators for nearly twenty years. Can't things change?**

4 A: I absolutely agree that circumstances can change or new information can be
5 brought to light that should be considered and may indeed change historic practice.
6 The revision to the manner in which unaccounted for water is assigned is a perfect
7 example. However, if a long standing practice is to change, there should be a good
8 reason for such a change. There has not been a good reason offered by either
9 Providence Water or the Division.

- 10 • Mr. Mierzwa was the first to propose the change (on pages 10-11 of his direct
11 testimony), so I will discuss his reasoning first.
 - 12 ○ Mr. Mierzwa claims that "PWSB capital costs have and can be expected to
13 be used to purchase land related assets in the future"; however, when
14 asked to identify these in KCWA:DIV 1-10 he could not identify a single
15 such purchase. The sole land purchase related item he could identify as
16 support for his claim was the proposed office and distribution maintenance
17 building, and as support for this land purchase he relied on Providence
18 Water's response to KCWA 2-5. In that response, the only suggestion of
19 using money for land is the statement: "*Depending* on the site selected,
20 Providence Water *could* use the accumulated funds for the purchase of
21 land." (emphasis added) Providence never said it "would" or even that it
22 "expected" to use funds for a land purchase; they only said they "could".

1 This is hardly a compelling reason to suggest a decades old convention
2 that is rooted in strong historical precedence and sound reasoning.

- 3 ○ The only other support that Mr. Mierzwa has offered for his proposed
4 change in methodology is the suggestion that if Providence Water were an
5 investor owned utility it would earn a return on the value of its land assets.
6 Well, Providence Water is NOT an investor owned water utility, and unlike
7 an investor owned water utility, Providence Water does not earn a return
8 on its investments. The bulk (nearly 90%) of Providence Water's capital
9 revenue requirement is associated with its IFR funding requirement. This
10 is unique to Rhode Island, and Rhode Island's only investor owned Water
11 Company does not have a requirement for IFR. In addition, an investor
12 owned Water Company does not receive any depreciation on land.

13 Mr. Mierzwa has not provided a good reason to change the long standing prac-
14 tice of excluding land values from allocators K1 and K2. In the absence of some
15 compelling reason or new information, the Commission should reject this unsup-
16 ported revision.

- 17 • As discussed earlier, Mr. Smith had continued to support his long held position
18 that land should be excluded from the calculation of the K1 and K2 factor appar-
19 ently until he saw the Division's proposal to suggest this change. After repeated-
20 ly agreeing that land should be excluded in numerous models and data requests
21 month after month in this docket, he abruptly changed his position in his rebuttal
22 testimony. Mr. Smith's basis for change is provided in a scant paragraph where
23 he appears to simply mimic the reasons offered by Mr. Mierzwa. He acknowl-

edges “that land will be purchased less frequently than other assets are replaced, this does not mean that no land will be purchased.” He is correct that it does not mean that, nor does it mean that land *will* be purchased! Like Mr. Mierzwa, Mr. Smith could not identify any such planned purchase, and even if he had, the record is clear that the purchases over the past decade are from the “penny per 100 gallon” surcharge or the Scituate tax settlement – not from rate revenues. As far as a land purchase for new office buildings, Mr. Smith’s characterization is a bit stronger than the “could” response in KCWA 2-5 that the Division relied upon. Mr. Smith has now characterized it as “in all likelihood”. Again, these weak pronouncements and unsubstantiated claims are no basis for a change of the magnitude proposed for the allocation of land.

Q: If Providence does purchase land for the office and distribution center, would that change your position?

A: No it would not. First, the Bristol County Water Authority has noted in its direct testimony that the proposed office and distribution facility is really of benefit to the retail customers and not the wholesale customers that don’t use the distribution system, the meter shop, or the customer service representatives. Perhaps more importantly, even if the land purchase is deemed to benefit all customers, this land purchase would be considered of a general or administrative nature, and as such it would be allocated based on all other directly allocable items and thus have little to no impact.

1 **Q: Mr. Woodcock, have you calculated the impact of the change that has been**
2 **proposed by Providence and the Division?**

3 A: Yes, using Mr. Smith's rebuttal schedules and his initial K1 and K2 values provided
4 in Div 3-1, the proposed change would shift some \$80,000 from the retail customers
5 to the wholesale customers. While this may not seem substantial, over a decade it
6 would start to approach \$1 million.

7 Transmission vs. Distribution Pipe

8 **Q:The next matter you listed was the definition of transmission and distribution**
9 **mains. Please explain this issue.**

10 A: This issue has to do with the use and thus responsibility for costs associated with
11 12" pipes. Historically, 12" and larger pipes have been considered to provide ser-
12 vice to both retail and wholesale customers. As Providence Water has discussed in
13 both its prefiled testimony and at the October 8 Technical Session, it has embarked
14 on an aggressive new program to deal with lead and copper issues within the retail
15 distribution system. This has caused a new emphasis on the retail piping system.
16 Providence Water's IFR and capital program will be replacing 550 miles of pipe and
17 it has begun an annual unidirectional flushing program of its distribution mains. The
18 annual expenditure of more than \$10 million per year on the retail distribution sys-
19 tem has caused the wholesale customers to take a closer look at how these costs
20 are being assigned.

1 As both Mr. Mierzwa and I explained in our direct testimony, it is common practice
2 to allocate water utility capital costs based on asset values. This helps reduce large
3 shifts in cost responsibility when capital costs shift from one program to another
4 each year. In this case, it is not a switch from meters one year to treatment the
5 next. It is apparent that the capital work on Providence's retail system may involve
6 upwards of \$0.5 billion (550 miles at \$1 million per mile according to the presenta-
7 tion at the October 8 Technical Session). With this magnitude of looming expenses
8 that are primarily (if not exclusively) benefiting the retail customers, and a practice
9 of allocating costs based on past investment (and not current costs), it is entirely
10 appropriate to examine the basis that underlie the allocation of assets.

11 **Q: Why do you believe that 12" pipes should be assigned to retail customers only,**
12 **and no longer assigned to the wholesale customers?**

13 A: There are several reasons:

- 14 • As I explained in my direct testimony, Providence Water has termed 12" pipes
15 and less as distribution and 16" pipes and larger as transmission in its official IFR
16 plan that is filed with various state agencies. In his rebuttal testimony, Mr. Ga-
17 doury tries to explain this away as something that really doesn't matter for pur-
18 poses of the IFR plan and that it all has to do with "record keeping and reporting
19 convenience". If it had to do with record keeping, then why can't Providence pro-
20 vide an asset listing that separates distribution pipe from transmission pipe? In-
21 stead, the parties have had to guess at this breakdown based on inch-miles of
22 pipe. If it really doesn't matter, why break them down at all in the IFR plan? The

1 fact is that Providence Water has termed pipes that are 12" and less as distribu-
2 tion pipe, and it is only for the purposes of assigning costs to wholesale custom-
3 ers that they change this definition.

- 4 • Mr. Smith claims that the change that has been proposed by KCWA (and the
5 Bristol County Water Authority) would result in an inappropriate subsidy of the
6 wholesale users. This is hogwash. It is quite clear that the hundreds of millions
7 of expenditures on the retail distribution system over the next few decades will
8 benefit the retail customers and that the wholesale customers will be subsidizing
9 these expenditures because of the method we use to allocate capital costs based
10 on past asset values. This will be true even if the Commission decides that 12"
11 mains are distribution, or 16" mains are distribution, or 24" mains are distribution.
12 The money is being spent on the retail distribution system over the next few dec-
13 ades and the wholesale customers will be making a substantial contribution to
14 this effort.

15 Allocation of Unidirectional Flow Costs

16 **Q:The next allocation issue you summarized earlier had to do with Providence**
17 **Water's new unidirectional flushing (UDF) program. Please expand on this.**

18 A: KCWA maintains that the cost of the new unidirectional flushing program should on-
19 ly apply to the retail customers. As Providence Water has explained, this program
20 is intended to flush the smaller distribution pipes that only serve the retail custom-
21 ers. In its response to Div 3-1, Providence Water said, "Providence Water is pro-

1 posing ... that line 63150 (in HJS-11) be allocated on Factor TD.” (Note that line
2 63150 is where the cost of unidirectional flushing is included.)

3
4 On page 25 of his rebuttal testimony, Mr. Smith acknowledges that “much of this
5 line item is associated with the UDF program.” He goes on to discuss the annual
6 variations in the expense line item and concludes that it is appropriate to assign part
7 of this costs to wholesaler customers based on a three year average. This reason-
8 ing is absurd – based on the response to Div 6-3 there were NO costs for the UDF
9 in this line item prior to this docket. Providence Water’s proposal is to increase this
10 line item from a \$40,000 a year line item to more than \$300,000 per year all be-
11 cause of the UDF program.

12
13 In addition, the other (non-UDF) costs in this line item all appear to be related to
14 street excavation fees. As Mr. Gadoury has explained, the work by Providence Wa-
15 ter crews is all on smaller distribution pipe. It is not just the UDF costs, but the street
16 excavation (non-UDF) costs in this line item that are related to retail service only.

17
18 The Division’s response to KCWA:Div 1-12 shows the proposed rate year costs for
19 this line item that they considered as \$418,423 (the actual cost is closer to
20 \$328,000), yet the Division is asking that the costs be allocated based on prior
21 years when the costs were only \$20,043 in FY 2011 and \$36,120 in FY 2012.

1 Neither the Division nor Providence Water has offered a good reason why the costs
2 of the UDF program and the other expenses in line item 63150 should be allocated
3 to the wholesale customers.

4 Allocators HM, HOC and HMC

5 **Q: In his rebuttal testimony (page 15) Mr. Smith proposes to change the basis of**
6 **the HM, HOC, and HMC allocators to six years rather than three. Do you agree?**

7 A: No I do not. As discussed above, the emphasis of Providence Water's Transmis-
8 sion and Distribution Division expenses has changed dramatically. Given this major
9 change, it would not be proper to switch the basis for these allocation symbols from
10 three to six years. Providence Water's proposed switch would give far too much
11 emphasis to past years when operations and maintenance had a much different
12 emphasis.

13
14 Mr. Smith expressed concern that using three years would allocate more to the re-
15 tail fire protection function and cause rate shock. He acknowledges that much of
16 the recent work was related to fire protection and that an increase to the fire protec-
17 tion charge is warranted.

18 **Q: How do you respond to Mr. Smith's concerns about fire protection?**

19 A: Mr. Smith is correct that an increase to fire protection is warranted. In past cases,
20 Providence Water has expressed concern about insufficient fixed charge revenues
21 and variations in annual receipts due to the large portion of costs associated with

1 volume based charges. Here is an opportunity to properly assign more costs to the
2 fixed fire charges and help address that revenue stability problem. I am not sure
3 why Providence Water is so opposed to the three year average when it would better
4 address their revenue stability issues. Mr. Smith admits that the recent efforts have
5 been more related to fire protection; the costs should be assigned there.

6 **Q: Are there any other matters associated with the Transmission and Distribution**
7 **allocators?**

8 A: Yes. Mr. Gadoury has said that the Providence Water Distribution crews work ex-
9 clusively on smaller pipes and that work on the larger pipes in the system (that
10 serve wholesale customers) is performed by outside contractors. Looking at the de-
11 tailed costs provided by Providence Water in response to KCWA 1-13, all the costs
12 have to do with smaller retail pipes, services and fire connections. While I don't be-
13 lieve that 12" pipes should be allocated to wholesale customers, the very few items
14 that have anything to do with 12" pipes (a) are irrelevant, (b) associated with IFR
15 and presumably reimbursed, and (c) appear to be for retail service pipes and not
16 mains that would serve wholesale customers. Over the three year period provided
17 in response to KCWA 1-13, there only four entries associated with 12" pipe¹
18 amounting to just \$4,994 out of \$5,915,416.

¹ And NO entries for anything larger. The 12" entries are for valves and customer service pipes, not mains

1 There is no reason why any of the costs allocated using HM, HOC, or HMC should
2 be allocated to any wholesale customer. Accordingly, I propose to revise each of
3 these factors and assign any wholesale allocation to the retail only, Base cost cate-
4 gories. This is shown on my surrebuttal schedules CW Sur - S14C.

5 Allocators N, NO and NP

6 **Q: Your summary included an issue with allocation factors N, NO, and NP. Can**
7 **you discuss these please?**

8 A: It is unclear what the Division is proposing for these allocations because they did
9 not provide an updated cost of service based on their proposed revenue require-
10 ments. Based on my review of the schedules that Mr. Mierzwa provided, it appears
11 that he has not allocated any pumping costs to the fire protection category.

12
13 As I discussed in my pre-filed direct testimony, there should be an allocation of
14 pumping costs to fire protection. Mr. Smith has agreed to this on behalf of Provi-
15 dence Water in his rebuttal testimony. It appears that the Division may have also
16 accepted this based on their response to KCWA:DIV 1-15, but there is no testimony
17 to that effect yet.

1 Allocation of New Facility(s) Costs

2 **Q: The last cost allocation issue you included in your summary had to do with the**
3 **allocation of the costs associated with the new facility. Please discuss this mat-**
4 **ter.**

5 A: As discussed in detail later in my testimony. I continue to propose no allowance for
6 this facility or facilities (it is unclear). If the Commission does provide any funding, I
7 propose that the costs be allocated entirely to the retail customers. Based on the
8 tour of Providence Water's facilities, we saw that the Academy Avenue facility is
9 used almost exclusively for the benefit of the retail customers. The office space is
10 predominated by customer service representatives that are for retail customers.
11 The garage portion is for meter repairs, hydrants, service line and retail distribution
12 repairs and equipment. There is very little at that facility that has anything to do with
13 the wholesale customers. This was verified by the Providence Water staff that reit-
14 erated they were looking for a facility that was central to the retail operations and
15 customers. There was no mention of wholesale customers.

16
17 If any costs are allowed for this facility by the Commission, I believe they should be
18 reflected in a separate restricted account, and the costs for those facilities should be
19 allocated only to the retail customers. For simplicity, I have shown the allocation
20 (\$0) based on allocation symbol D – retail customers service meters and services.

Q: The last allocation item you summarized was related to the allocation of IFR costs. Please explain this matter.

A: As I discussed in my direct testimony, the RI law regarding the recovery of IFR costs has changed. It is no longer a requirement that such costs be recovered solely on water sales. Unrelated costs associated with fire hydrants can be recovered through fire protection charges and costs associated with meters can be recovered through meter charges. I also explained how this revision is something that the Commission and the Division had identified years ago. Considering the broad acceptance of this, I proposed to revise the allocation of IFR costs (allocation symbol K1) to properly allocate these IFR costs. Surprisingly, neither Providence Water nor the Division even commented on this. Given the past position of the Division supporting this type of change, I was quite curious why they never even mention this. Belatedly, the Division asked Providence Water what its position was in Div 7-1. Providence Water responded that they rejected it because of the impact. Despite agreeing that it was a proper recovery of the costs, they said “now is not the time.” This certainly raises many questions: “When is the time?” “Why is this not the time?”

The Commission has implemented this change for other RI water utilities, I believe the Commission should order it in this case or at least order Providence Water to start phasing it in either in this case or its next filing. The fire protection charges in Providence are among the lowest in Rhode Island, it's about time they start to reflect the true costs.

1 **Sales, Meters & Fire Services**

2 **Q: What issues remain outstanding with regards to the metered sales, numbers**
3 **of accounts and fire protection?**

4 A: In my pre-filed direct testimony I had raised an issue regarding the use of different
5 time periods for the “use” data. In some cases a three year average was used, in
6 others a four year average. In some case updated numbers of accounts or services
7 were used and in others they were not. I proposed that consistency was needed in
8 this regard.

9
10 Based on my review of the schedules attached to Mr. Mierzwa’s pre-filed direct tes-
11 timony, he has not made any changes to what Providence Water initially proposed
12 with the use of mixed periods. I am uncertain as to the Division’s position at this
13 time.

14
15 Mr. Smith proposed to update the sales and unaccounted for water data based on
16 data through 2013. He has used the same time periods in all cases, so I have ac-
17 cepted those changes. Mr. Smith has also updated the numbers of meters and fire
18 service accounts. I also have used the most recent data from KCWA 3-2 and 3-3.

1 **Revenue Requirements**

2 **Operations and Distribution Maintenance Facility**

3 **Q: You raised four outstanding issues related to the revenue requirements in**
4 **your summary. The proposed distribution/operations facility appears to one of**
5 **the more contentious matters. Can you address this item first?**

6 A: There are quite a few problems with Providence's claims for the new facilities.

- 7 1. Providence has the burden of proof on its revenue requirements; it did not
8 demonstrate the need in its initial and supplemental filings and has raised more
9 questions than answers with its last minute efforts.
- 10 2. Perhaps because of the lack of information in its initial filings, the Division has
11 appeared to accept the claims without any meaningful investigation.
- 12 3. The Division and Providence appear to be claiming that proof of the need for
13 funds is not needed since the money could be restricted.
- 14 4. It is unclear if the facilities are to be built or owned, funded with rate revenues or
15 bonds.
- 16 5. No site has been identified and the costs for the alternatives vary considerably.
- 17 6. It seems to be up in the air if one or two sites are needed.
- 18 7. It is unclear why the Cranston site can't be used for some of the operations now
19 at Academy Avenue.
- 20 8. Providence has not reflected the proceeds from the sale of the Academy Avenue
21 site in its analysis.

1 **Q: Please expand on your first point: Providence Water's burden of proof.**

2 A: In my direct testimony I raised the point that the burden of proof on demonstrating
3 revenue needs falls upon the applicant, Providence Water. I noted how the Kent
4 County Water Authority had provided a full report and a witness from the engineers²
5 that had prepared the report in Docket 3311, and I compared this to the near total
6 lack of information provided in Providence Water's direct testimony in this case.
7 The only support for the claimed \$2,450,000 of funding for the new facilities in Prov-
8 idence Water's direct and supplemental filing was a single entry on the last page of
9 the last schedule in Mr. Gadoury's testimony.

10 **Q: Hasn't Providence Water provided more information since their initial and**
11 **supplemental filing?**

12 A: Yes they have; however it has been the intervenors that have had to pull out what
13 information we do have, and it is not their responsibility. Providence Water filed this
14 case and requested nearly \$2.5 million of new funding for a new facility or facilities.
15 From the Board minutes provided in the response to KCWA 2-15, it certainly ap-
16 pears that Providence planned to just use the funds authorized by the Commission
17 for the Fruit Hill projects but no longer needed after FY 2010 without having to raise
18 the rates to anyone.

19
20 In Docket 3945 the Commission did not allow Kent County Water's evidence re-
21 garding lost water because it was not introduced in direct testimony. Providence

1 should likewise not be allowed to hide information and then only let it out piecemeal
2 as the parties raise questions. It is not up to the Division or the intervenors to prove
3 Providence's case for them.

4
5 This is not a new matter to Providence, they have known about it for half a decade.
6 Based on the report contained in response to BCWA 4-3 to Providence Water (pro-
7 vided to the parties on October 4, 2012 – more than six months after the case was
8 filed), Providence had the Phase 1 report from CDM Smith in 2008. The Phase 2
9 report was dated August 2009.

10
11 Providence Water filed another rate case with the Commission since the completion
12 of the second phase, in April 30, 2009. That was four months after the Phase 2 re-
13 port was submitted to Providence. It's been nearly five years since Providence Wa-
14 ter received the Phase 2 report and we are only hearing about this facility because
15 of intervenor and division questions.

16
17 At this point in the proceedings, there are more questions than answers. Provi-
18 dence has not been forthcoming with information to support its request.

19 **Q: Did Providence Water at least provide support in their rebuttal testimony?**

20 A: Hardly. Consider what Providence Water has said in its rebuttal testimony about
21 this matter:

² The same engineering firm that prepared Providence's phase 1 and 2 studies.

- 1 • Rather than take the opportunity to finally provide some basis for the new facility
2 or facilities (we still don't know which it is), Mr. Gadoury simply quotes the Divi-
3 sion, suggesting the funding is restricted so what's the harm? The Division only
4 said money "could be used" for assessments and "possible" site preparation and
5 the amounts "could reduce costs". Relying on someone else's "coulds" and
6 "possibles" is very weak support after this was raised as a major issue.
- 7 • Ms. Bondarevskis provided a single paragraph on the facility in her rebuttal tes-
8 timony. Rather than rely on the Division for support, she seems to rely on BCWA
9 for support with nothing new from all the engineer's reports that Providence paid
10 to complete. She suggests that long term financing will be used, yet Providence
11 has not suggested a bond amount or any terms – just \$2.5 million per year from
12 rate revenues. She says that funds will be used for land purchases, but it is still
13 not clear if a facility will be purchased or leased or built.
- 14 • Mr. Smith provides two paragraphs in his testimony. The first (and larger) para-
15 graph simply rehashes the testimony from KCWA and BCWA. The second para-
16 graph just says (1) Providence doesn't agree, (2) Providence believes its neces-
17 sary, and (3) others provide more detail. I am still looking for that detail.

18 **Q: Mr. Gadoury has suggested the requested funding will be restricted, so what**
19 **is the problem with authorizing and additional \$2.5 million expense?**

20 A: Providence Water (and apparently, the Division) seems to think that because the
21 money is restricted it doesn't have to demonstrate or prove the need. That is not
22 true. We have seen cases where restricted funds were later used for other things

1 and not for what they were intended. In this very docket we can see where Provi-
2 dence Water was provided funds for the Fruit Hill facilities in prior cases, yet when
3 the need was up or no longer there, they just turned around and decided to spend it
4 on something else without ever telling anyone. Restricting funds should not be
5 used as a substitute for substantiating the need of a project or program.

6 **Q: What's wrong with Mr. Gadoury's reliance on the Division's findings and ac-**
7 **ceptance of the funding?**

8 A: The Division has not spent any real effort investigating this matter. This is rather
9 odd considering their extensive investigation when the Kent County Water Authority
10 requested similar funding.

11
12 KCWA asked the Division what it had examined regarding the proposed facility prior
13 to filing its direct testimony. The Division replied that it looked at three semi-annual
14 reports and provided the relevant sections of each report:

- 15 • The September 2008 report contains one sentence: "A study is in progress to
16 evaluate the physical condition and space adequacy of our current office and
17 maintenance facilities to assess their continuing suitability for PW operations."
- 18 • The March 2011 report contained a nearly identical statement: "A study was
19 completed that evaluated the physical condition and space adequacy of our cur-
20 rent office and administration facilities to assess their continuing suitability for PW
21 operations. A commercial real estate company had been contacted to search for

1 suitable site options for the relocation of our facilities.” (This report was more
2 than two years after the CDM Smith Phase 2 report was finished!)

- 3 • The March 2013 report announces that the study is done: “A study was complet-
4 ed that evaluated the physical condition and space adequacy of our current office
5 and maintenance facilities to assess their continuing suitability for PW opera-
6 tions. Suitable site options for the relocation of our facilities and several potential
7 sites are being evaluated.”

8 In every one of those reports, a table was included that showed cost estimates for
9 the Infrastructure and CIP projects. In every one those reports all it showed was
10 “Project in Study” and N/A for cost estimates. This can hardly be considered an in-
11 depth investigation, yet this scant investigation is all they did to decide that they fully
12 supported the expenditure of nearly \$2,500,000 per year for who knows how many
13 years.

14 **Q: Hasn’t Providence already decided if they are buying or leasing the new facili-**
15 **ty?**

16 A: No, they apparently have not. As indicated in their response to BCWA 4-6, they
17 have not decided on a lease or purchase because they don’t have a site yet. Be-
18 cause they have not decided on a site or sites, they don’t know what costs or even
19 types of costs will be involved.

1 **Q: You mentioned the Cranston site in your summary. Can you expand on that?**

2 A: The parties were given a tour of various facilities owned by Providence Water. The
3 Cranston facility appears to be fairly new and have ample space for expansion. I
4 understand that this may not be ideal for distribution and other retail operations that
5 should be centrally located within the retail system, but it is unclear why the admin-
6 istrative, IT, SCADA, and other non-retail specific operations can't be there. Having
7 a payment center with a distribution garage and yard is all that is needed to be cen-
8 trally located for the retail customers.

9 **Q: You also suggested that Providence has not reflected any proceeds from the**
10 **sale of the Academy Avenue facility in their funding. A representative from Prov-**
11 **idence Water said that the City owned the building, not Providence Water. Can**
12 **you explain your comment about reflecting the use of proceeds from the sale of**
13 **Academy Avenue?**

14 A: I was somewhat surprised when the representative made this claim considering the
15 very extensive record on this matter that has been developed over prior Commis-
16 sion proceedings.

- 17 • Docket 1900: The Commission found that Providence Water's inside City/outside
18 City rate differential was developed based on a risk premium. The Commission
19 determined that the differential was not justified because both the Division and
20 PWSB surmised that PWSB's total assets were probably derived from ratepayer
21 revenues and grants and from contributed capital. (see pg. 131 of Docket 2304
22 for a reference to this matter)

- 1 • Docket 2048: Providence Water requested a payment in lieu of taxes to the City
2 of Providence for Academy Ave. The Commission said “Before this Commission
3 could consider this expense (either a rent payment or PILOT) an appropriate
4 one, the PWSB must produce evidence of title and lease agreements based on
5 fair market values. We would additionally expect the PWSB to demonstrate that
6 PWSB ratepayers have not previously paid for these properties through rates.”
7 (Order no. 14096, p. 59, issued 12/30/92)
- 8 • Division Exhibit 14 in Doc 2048 showed that all of Providence Water’s “land and
9 buildings in Providence, as well as its motor vehicles, are all considered PWSB
10 assets which are recorded on the PWSB’s books.” (pg. 59 Order Doc 2048)
- 11 • Docket 2304: (pg. 109) The Commission notes that in Docket 2048 that it reject-
12 ed Providence Water’s request for rent because “the City had failed to prove the
13 City of Providence actually owned the properties in issue”. The Commission went
14 on to state: “To date, the PWSB has not produced any real evidence of title or
15 written lease agreements based on fair market values.”
- 16 • Docket 2304: The Division (Witness Randy M. Allen) rejected Providence Wa-
17 ter’s claimed rental cost because “PWSB has been using the properties in ques-
18 tion since their purchases in 1949 and 1927. He related that during the interven-
19 ing years the PWSB has borne all costs of repairs and improvements, costs
20 which he noted are usually the responsibility of the landlord. He added that if the
21 Commission accepts this expense (rent), it should also require the City of Provi-
22 dence to be responsible for O&M, improvements, replacements, upgrades, etc.
23 (see pg 69 of Docket 2304 order)

- Docket 3163: Providence Water requested payment of rent previously denied by Commission (pg. 6 of the order). When both the Division and the Kent County Water Authority objected, Finance Director, Mr. Prignano asked for permission to pay property taxes. (pg. 27 of the order) To pay property taxes, Providence Water would need to be the owner. Renters aren't responsible for property taxes.

As shown in the above recitations, there is a long and extensive record establishing that the rate payers have paid for the Academy Avenue facility and all the upgrades and improvements since it has been occupied by Providence Water. It is disappointing that the Division, an active participant in these determinations over the past few decades, has now chosen to remain silent in this docket for some reason.

Q: Aside from the long Commission record, are there any other reasons you believe that Academy Avenue is owned by Providence Water and was paid for with rate payer funds?

A: Yes there are. In Providence Water's response to KCWA 1-4 (the corrected asset listing) there are many Academy Avenue items that are listed. There are over \$25 million of BUILDING assets in that report. The asset listing is that of Providence Water, not the City of Providence. How could there be in excess of \$25 million of Providence Water assets included in Providence Water's books if they don't own Academy Avenue? A renter or tenant doesn't claim rental property as his own asset.

1 In addition, KCWA requested copies of Providence Water's commercial insurance
2 policies for the past three year. Each if these policies list the "PROVIDENCE
3 WATER SUPPLY BOARD" as the name of the insured. This is not a renter's insur-
4 ance policy, but an owner's policy. If an insurance claim is made, the payment is to
5 the party insured – Providence Water, and not to the City of Providence. I forwarded
6 copies of these policies to my insurance agent and he responded that "The Provi-
7 dence Water Supply Board is listed as the named insured, not the City of Provi-
8 dence. The policy type is a business package policy, which includes both business
9 personal property and business liability coverage." If the City of Providence owned
10 the property, it would be the insured party.

11 **Q: Why is the ownership of Academy Avenue relevant to this case?**

12 A: As the owner of the property, Providence Water should receive the proceeds of the
13 sale of the property if it is to be disposed of for a new facility or facilities. The pro-
14 ceeds of the sale of this property should go to reduce the cost of any new purchase.
15 This is not even mentioned in Providence Water's ideas for a new facility. At the
16 time this testimony was prepared I had not yet been able to view the property ap-
17 praisal that Mr. Sansoucy completed. That appraisal may provide an idea of the
18 amount that Providence Water could expect from a sale.

1 **Q: Can you summarize why you believe the Commission should not allow any**
2 **funds for the proposed administrative and distribution facilities?**

3 A: Yes. There are quite a few reasons and each one should be sufficient to disallow
4 any further funding. Providence Water has the burden of proof in this matter and
5 they did not even attempt to meet that burden in their filing. Based on the Board
6 minutes provided in the response to KCWA 2-15 and the complete lack of any men-
7 tion in their direct filing, it seems like they hoped to slip it on by without anyone no-
8 ticing. To date, the General Manager, Mr. Spinelli has yet to offer one word of tes-
9 timony on this matter.

10
11 Providence has not indicated if they need one or two buildings. They have not de-
12 cided if they are leasing or buying. They have not identified a site or sites. They
13 have not decided if they are funding a purchase from some \$2.5 million of annual
14 revenues that were earmarked for something completely different or bond funding
15 the costs. They have not included the proceeds from the disposition of the Acade-
16 my Avenue facility in their analysis. By any measure, this request is not only un-
17 founded, but far too premature.

18
19 Providence Water's suggestion that "the funds are restricted, so what's the harm"
20 (apparently echoed by the Division) is hardly a reason to continue providing \$2.5
21 million of rate payer funds when there are so many other pressing needs for the
22 system. If the Commission were to simple accept this position, there would be no
23 way for the parties to review and comment on any new proposal they may formu-

1 late. In effect, Providence Water is asking the commission to give them a blank
2 check. Simply providing the Commission with periodic written updates is hardly the
3 kind of review standard that the Commission has held other such requests to.

4 IFR Funding

5 **Q: Can you address your concerns with the IFR funding that Providence Water**
6 **has requested?**

7 A: Providence Water has requested an \$8 million (50%) increase in its IFR funding al-
8 lowance; seeking an increase from an annual allowance of \$16 million to \$24 mil-
9 lion. This is a huge increase by any measure.

10
11 As I explicitly stated in my direct testimony, KCWA does NOT oppose any of the
12 programs that Providence Water is proposing to fund from the IFR. While I have
13 some trepidation regarding their ability to actually spend at this increased level, I am
14 not opposing any part of the spending plan. My concern is the significant build-up in
15 the restricted IFR account that I do not believe is needed. My only suggested
16 change is to lower the annual increase and reduce the balances in the restricted
17 IFR funds; I believe the balances that are proposed by Providence Water are ex-
18 cessive. While I suggested a \$4 million per year increase in my direct testimony I
19 have increased this to \$5 million based on the discovery and additional testimony
20 that has been provided since then.

1 I understand that Providence Water is suggesting they will be back to the Commis-
2 sion in about two years with another rate case. If they are able to fully spend the
3 IFR allowance and if the fund balances are declining too fast, I believe another
4 bump up in the IFR allowance would be appropriate at that time.

5 **Q: What was Providence Water's response to your direct testimony on this mat-**
6 **ter?**

7 A: Mr. Gadoury did not address IFR in his rebuttal testimony; instead, Providence Wa-
8 ter offered testimony from a new witness, Ms. Jeanne Bondarevskis, the Senior Di-
9 rector of Administration. Ms. Bondarevskis disagreed that the IFR fund balance was
10 excessive, pointing the Providence Water's response to KCWA 2-8. The attach-
11 ment to KCWA 2-8 showed a fund balance at the end of FY 2016 of about \$2.6 mil-
12 lion but slight deficits at the end of FY 2017 (\$282,000) and FY 2018 (\$225,000)
13 under the funding levels proposed by Providence Water. She also noted that the
14 Division's proposal to reimburse operations from the capital overhead applied ac-
15 count would further adversely impact the fund balance.

16 **Q: Do you agree with Ms. Bondarevskis analysis and conclusions?**

17 A: I agree that the reimbursement of the Overhead Applied from the IFR fund will ad-
18 versely impact the fund balance, and I have not made that adjustment. I disagree
19 with the conclusions she draws from the attachment to KCWA 2-8 however.

Ms. Bondarevskis schedule 2-8 expands on that included in Mr. Smith's schedules and shows the fund activity through 2030. I think we can all agree that the projections for 2020 – 2030 are too far removed and much too speculative. My concern is with what Ms. Bondarevskis presents for 2016-2020. Ms. Bondarevskis only shows IFR bond proceeds coming in to the fund starting with a very small issue in 2018, then two larger issues of \$12 million in FY 2019 and \$15 million in 2020.

Providence Water's IFR plan shows \$30 million of bonds in phase 2 (FY 2016 – FY 2020). Ms. Bondarevskis fund balance projections doesn't show those bonds issued until the final years. My Schedule 9C spread the \$30 million of bonds equally, and showed \$6 million in bond proceeds each year. The table below compares the fund balances with Ms. Bondarevskis three bond issues compared to my balances assuming \$6 million each of the five years. This table reflects the increased IFR funding I have proposed of \$5 million per year.

<u>Projected Fund Balances (\$1000)</u>		
<u>Fiscal Year</u>	<u>Prov Water</u>	<u>KCWA</u>
2016	\$2,579	\$2,203
2017	(282)	983
2018	(225)	N/A
2019	(648)	N/A
2020	31	N/A

As shown on this table, Providence Water shows the fund just about breaking even at the end of FY 2020 without any further rate adjustment. Even with no bond issues in FY 2021 and FY 2022, Providence Water's response to KCWA 2-8 shows positive fund balances of \$1.5 million in FY 2021 and \$2.1 million in FY 2022. I did not

1 carry out projections beyond FY 2017 because I understand that Providence Water
2 will be back before the Commission for additional rate adjustments prior to FY 2018.

3 **Q: What conclusions can you draw from these two analyses?**

4 A: If no new bonds are sold by Providence Water in Phase 2 until FY 2018, then the \$8
5 million increase proposed by Providence Water will likely be sufficient far past the
6 rate year in this docket and be sufficient through Phase 2 and into Phase 3 (FY
7 2023). I don't recall the Commission ever providing sufficient funding for nearly 8
8 years past the rate year!

9
10 With the massive increase in IFR expenditures that Providence Water is proposing
11 in this docket, I believe a more gradual phase-in of the IFR increase is in order. If
12 the Commission allows a \$5 million increase (\$21 million per year total for IFR) for
13 IFR, then Providence Water will have more than \$2 million at the of FY 2016 and
14 nearly \$1 million at the end of FY 2017. That time period is much more closely
15 aligned with the periods normally allowed by the Commission.

16
17 Because they are looking to file another rate increase in two years, Providence Wa-
18 ter can look for a ramp up in the IFR allowance prior to 2017 to provide sufficient
19 funds through FY 2020.

1 **Q: Is there any advantage to phasing in the IFR increase as you propose?**

2 A: I believe there is. The \$8 million increase proposed by Providence Water will carry
3 them for the next decade. This is quite a long time period. The program that Provi-
4 dence Water has put forth is quite aggressive, and it remains to be seen if they can
5 make this abrupt change from their past program to this new one and ramp up
6 spending by 50%.

7
8 I have proposed to fund exactly the same amounts and programs; however, I am
9 proposing a slower, phased-in approach that calls for a 31% increase in the IFR al-
10 lowance now, with a check after several years to see how spending is going and a
11 second phase increase starting in FY 2018 as needed.

12
13 Again, I am not looking to slow down or stop the IFR program that Providence Wa-
14 ter has laid out; rather I am suggesting a plan that involves more frequent bond
15 support in the early years and a phase-in of the increase.

16 **Q: Do you see any other advantages to your proposal?**

17 A: In addition to the reduced rate increase impact on customers, I think the use of
18 more frequent SRF bonds could be beneficial. The SRF loans actually involve
19 short-term lending during the course of the projects, with the bonds become perma-
20 nent once the funded projects are completed. The more even access to the SRF
21 funds that I am proposing should more closely coincide with the spending proposed
22 by Providence Water.

1 **Q: Are you concerned about the reaction from the Health Department of the**
2 **change you are proposing?**

3 A: Based on the presentation by Providence Water at the Commission's offices on Oc-
4 tober 8, I understood that the Health Department would be receptive to the funding
5 allowance provided by the Commission. Since I am not proposing any reduction or
6 delay in Providence Water's spending plan, it should not concern them.

7 **Q: Is the IFR Fund balance at the end of 2017 of just under \$1 million is cutting it**
8 **too close?**

9 A: Normally I might be somewhat concerned about that. However, Providence Water
10 does have the \$5 million IFR line of credit that rate payers are funding. This pro-
11 vides an extra \$5 million for cash flow in an emergency. With that line of credit they
12 effectively will have a \$6 million balance. That is far more than the balances pre-
13 sented in their IFR plan.

14 Division's Proposed Expense Adjustments

15 **Q: Have you reviewed the adjustments to the revenue requirements that were**
16 **proposed by the Division?**

17 A: Yes I have. As I indicated in my direct testimony, I had not spend much time on the
18 proposed operating costs, leaving that to the Division. I have reviewed the adjust-
19 ments proposed by Mr. Catlin and agree with most of the revisions to the operating
20 costs that he proposed. I see that Mr. Smith agreed with many of these as well.

1 **Q: Were there adjustments that Mr. Catlin proposed that you did not agree with?**

2 A: Yes there were a few. I believe it will be most expedient if I discuss the few adjust-
3 ments where I did not agree with the Division. These included:

- 4 • The Overhead Applied Account
- 5 • Chemicals and sludge
- 6 • Regulatory
- 7 • Miscellaneous Expenses
- 8 • Operating Reserves

9 Perhaps the biggest difference with the Division's position relates to the two biggest
10 expenses proposed by Providence Water: the \$8 million increase to annual IFR
11 funding and the \$2.5 million for the new office facilities. Given the Division's con-
12 sideration of similar claims in other rates cases, I fully expected that the Division
13 would have something to say about more than \$10 million in new expenses. I was
14 quite surprised at the Division's lack of any comment on either of these two items.

15 **Q: Please address the Overhead Applied.**

16 A: I generally agree with Mr. Catlin that these costs should be paid from IFR revenues.
17 However, Providence Water has made it clear that it did not include these costs for
18 funding in their IFR plan and therefore did not include the revenues to cover those
19 costs. Where I have already proposed an adjustment to the proposed IFR funding,
20 I left these expenses as proposed by Providence Water. I would suggest that the
21 Commission direct Providence Water to include them in their IFR funding plan the
22 next time they file for a rate increase.

1 **Q: What is your position on the Chemicals and Sludge costs?**

2 A: After seeing the testimony of Ms. Bondarevskis on this matter I have proposed us-
3 ing the revised amounts that Providence Water has proposed.

4 **Q:Has the testimony from Providence Water and the Division caused you to**
5 **change your position on the rate case or regulatory expense revisions you had**
6 **proposed?**

7 A: There were two general areas that I had addressed in my direct testimony: the
8 amortization period of rate case expenses and the amounts included for some of
9 the proposed costs. I had suggested a three year amortization period of the current
10 rate case costs. After reviewing the testimony from Mr. Smith I understand that
11 Providence Water will likely file a new case in approximately two years. Accord-
12 ingly, I have revised the three year period I had proposed to the two years proposed by
13 Providence Water.

14
15 The recovery of rate case expenses is seemingly a bit contentious in many water
16 rate cases before the Commission. As government utilities, they are often operated
17 on a cash basis. The costs of rate cases are actually incurred before the costs can
18 be recovered. I think it would be helpful if the Commission had each municipal wa-
19 ter utility it regulates establish a restricted rate case reserve fund. This fund could
20 be funded with amounts deemed appropriate by the Commission. Utilities could
21 then draw down on these funds during the course of the rate cases; they would
22 have the money available to pay the bills as they are incurred. Reporting on the ac-

count would be similar to that of other restricted accounts. The utility would need to show past expenses with each new filing and perhaps establish a new restricted rate case fund level with each case. This process would provide the utility with the funds to pay its costs as they are incurred and provide the Commission with the oversight it should exercise.

Q: What is your position regarding the amounts to be allowed for regulatory expenses?

A: In my direct testimony I had identified five areas or items that Providence Water had included as ongoing or annual expenses that should be removed and I recommended a reduction in the legal expenses.

For the legal expenses, I had recommended about an \$8000 reduction based on past rate case legal costs. This case has been somewhat more complicated due to a number of legal motions. I am fairly certain that Mr. Mcelroy has had to spend more time than normal, and consequently I believe that the full amount that was proposed by Providence should be provided.

Q:What were the other regulatory costs that you had proposed adjusting?

A: The other costs I proposed to eliminate were:

Docket 4061/Conservation Rate Filing	\$	8,593
Bond Filing/Bond Refunding		10,596
Regional Water District		9,609
Hydrant Fees		9,033
New Headquarters		2,171

1 Both the Division and Providence have agreed that the Conservation Rate Filing
2 and Hydrant Fee items should be eliminated.

3
4 Aside from the elimination of Conservation Rate Filing and Hydrant Fee items, Prov-
5 idence Water did not even address my testimony on the other matters (the Regional
6 Water District, Headquarters, and Bonding). I offered considerable testimony on
7 why each of those should be eliminated that is not refuted by any party. I think the
8 Commission should conclude that there is no reason as to why the costs associated
9 should be allowed.

10
11 The Division was similarly silent; the only other evidence related to these three
12 items is the result of our data request to the Division on KCWA:DIV 1-4. In their an-
13 swer, the Division agreed that the Bond Filing/Refunding costs should be eliminated
14 if those costs are included as part of the bond issuance costs, however, they did not
15 make any adjustment or any further inquiry into this matter. I have worked on doz-
16 ens of such bond issues in the State of Rhode Island and in every case, any con-
17 sultant, legal, or other regulatory costs associated with those bonds and submitted
18 for payment were paid from the issuance costs of the bond proceeds. My costs are
19 typically paid directly by a check from Clean Water Finance. The Division has of-
20 fered no explanation as to what costs may be excluded or how much they might be.

21
22 For the record, I would reiterate that there is no evidence in this case regarding the
23 proposed legislation and there is certainly no testimony as to how it will benefit the

1 rate payers. I would also note that no suggestion has been made Providence Water
2 or the Division that Providence needs any additional regulatory approval of the
3 “New Headquarters”. On the contrary, Providence has taken the position that the
4 restricted Capital Fund has sufficient funds for the facility(s) and they can spend it
5 on whatever they want whenever they want and the Division has no opinion on the
6 matter at all.

7 **Q: Can you summarize your recommendation in regards to the regulatory ex-**
8 **penses?**

9 A: I recommend that the rate case costs in this docket be amortized over two years.
10 For purposes of my schedules, I have accepted the current estimate from Provi-
11 dence Water for the “Full Rate Filing” (consultant and legal expenses) and for Divi-
12 sion expenses. I further recommend that the following amounts where both Provi-
13 dence Water and the Division have remained silent be eliminated. I have provided
14 testimony on all of these, with no rebuttal from any party.

Bond Filing/Bond Refunding	10,596
Regional Water District	9,609
New Headquarters	2,171

15
16 Lastly I recommend that the Commission order the establishment of a restricted
17 rate case fund that can be used by Providence Water to pay for any future regulato-
18 ry/rate case expenses, and that this be funded from an annual revenue allowance of
19 \$347,690 as shown on my schedules CW Sur-2 and Sur-7.

1 **Q: The Division has recommended several revisions to the Miscellaneous Ex-**
2 **pense Accounts. Please comment on these.**

3 A: Mr. Catlin's Schedule TSC-14 presented a number of miscellaneous adjustments.

4 In making these adjustments he acknowledged that he did not have sufficient time
5 for discovery and might make further adjustments. Mr. Smith commented on each
6 of these on page 9 of his prefiled rebuttal testimony. I have reviewed Mr. Smith's
7 explanations and agree with his claims regarding Hazardous Waste Disposal, the
8 \$400 permit fee for the Air Quality Violation, and Billing Software/Oracle Support. I
9 have made no adjustments for each of those. I continue to agree with the Division's
10 adjustments as follows:

- 11 • Software Conversion/Zander: Mr. Smith agrees that these will not recur; he has
12 not provided any explanation for the "other IT services". While the response to
13 KCWA 7-4 discusses generic needs, there is no explanation why those generic
14 needs were not already present in the test year amounts that have already been
15 included.
- 16 • Appraisal Services Sancoucy: This too is a one-time expense. The response to
17 KCWA 7-4 only says that the appraisal will need to be updated "over time".
18 There is no explanation on why it will need an immediate update again in the rate
19 year. Providence Water admits it does not even know the nature of an update or
20 its timing, suggesting that it "could be approximately the same". The purpose of
21 this appraisal is so secretive that I still don't know what is in it, what it says, or
22 what it is for. It is unclear why the value of the Providence Water system is not

1 public information. In any case, water utilities do not need annual appraisals or
2 even bi-annual appraisals.

- 3 • Legal Services: PS&H: This item is still quite curious. For \$125,000 there is no
4 documentation of anything that was done. It is claimed to be for a “strategic
5 plan”, but there is no such plan. It is claimed to be for the review of PUC deci-
6 sions on water, although we know they never reported on the Docket 3945 deci-
7 sion (I would presume that in looking at decisions that impact Providence Water
8 that they would have seen the Commission’s last decision directing Providence
9 Water to look at the lost water issue and been aware of the impact of the later
10 Pawtucket decision on their client). It seems that these services are much more
11 related to lobbying efforts regarding Ocean State Water as the response to
12 KCWA 7-3 suggests. In any case, this should not be an ongoing expense and
13 should be disallowed as lobbying³. In previous dockets, KCWA has raised ques-
14 tions about the City Services expenses charged by the City, including the legal
15 expenses. We have noted that Providence Water has its other legal representa-
16 tion as well. This seems to be beyond what is needed, and at best, is not par-
17 ticularly well defined. The Division was correct on this matter, the expense
18 should be denied.

³ As was done to Kent County Water with similar lobbying costs

1 **Q: You had suggested a reduction in the amount allowed for the operating re-**
2 **serve allowance. Where does this issue stand?**

3 A: I had proposed that the \$2.5 million⁴ of one-time revenues that Providence Water
4 will realize as a result of the conversion to monthly billing be spread over three
5 years and used to reduce the operating allowance. The operating revenue allow-
6 ance granted in this case will depend on the final revenue allowance, but will be ap-
7 proximately \$2 million.

8
9 I recommended that the 3% overall operating revenue allowance (approximately \$2
10 million) be adjusted to 2% (approximately \$1.3 million) for this Docket. I made this
11 recommendation based on using the one-time billing conversion revenue to make
12 up the difference of about \$700,000, thereby providing Providence Water with the
13 full 3%.

14
15 I suggested that the billing conversion revenue (\$2.2 - \$2.5 million approx.) be
16 amortized over three years consistent with the amortization period I had recom-
17 mended for regulatory expenses. As discussed earlier, it now appears that Provi-
18 dence Water will file a new case in two years. That being the case, the one-time
19 billing conversion should be spread over two years as well. This results in an annu-
20 al amount of \$1.2 million (approx.) that can be added to the operating reserve. That
21 is far more than the 3% allowance suggested.

⁴ Approximately, the exact amount will depend on the final revenue allowance granted

1 **Q: What do you now propose?**

2 A: I still propose that a 2% operating revenue allowance be provided in the revenue
3 requirements and that the Commission order that that an additional 1% be derived
4 from the one-time billing conversion providing an overall 3% reserve.
5

6 In my direct testimony I had also recommended that the operating reserve be split
7 (consistent with Providence Water's request) with 1% unrestricted and 2% restricted
8 in the Revenue Reserve (Stabilization) Account. This split is not the normal split al-
9 lowed recently by the Commission. I therefore propose that, consistent with past
10 Commission orders, 1.5% of the operating revenue allowance be unrestricted and
11 that 1.5% be deposited to the restricted Revenue Reserve (Stabilization) portion.

12 **Q: Have the Division and Providence Water taken a position on this matter?**

13 A: Yes. Mr. Catlin, on behalf of the Division, was generally in agreement with this
14 based on his testimony (page 24-25). In essence, I believe he agreed that the over-
15 all revenue allowance be reduced by \$1,100,000 per year for two years based on a
16 one-time revenue increase of \$2,200,000 from the billing conversion. Mr. Catlin dif-
17 fered in that he (like I did in my direct testimony) followed Mr. Smith's request to re-
18 strict half to the Rate Stabilization Fund.
19

20 Providence Water did not agree. Ms. Bondarevskis testified that she would contin-
21 ue to restrict 2% and have 1% unrestricted. I have discussed my new proposal for
22 1.5% restricted and 1.5% unrestricted with her and I believe she supports this

1 change. Ms. Bondarevskis does not support the position that Mr. Catlin and I have
2 taken to use a portion of the one-time cash flow increase to reduce the overall reve-
3 nue allowance. She has testified that Providence Water has cash flow issues and
4 wants to use the increased revenue to deal with those issues.

5 **Q: Do you agree with Ms. Bondarevskis testimony on using the \$2 plus million**
6 **from the billing conversion to fund a cash flow problem?**

7 A: No I do not. In effect, Ms. Bondarevskis has created a new “expense” that she is
8 looking to use the one-time revenues for. I believe the proposal I have put forward
9 will resolve the cash flow problem she has discussed without artificially increasing
10 rates by some \$1 million per year.

11
12 The one-time increase in revenues will all occur within the first few months of
13 monthly billing. Providence Water will see extra revenues of about \$2.2 to \$2.5 mil-
14 lion early in the rate year. Under my proposal, Providence would only have to use
15 about \$640,000 of this to fund the restricted Revenue Reserve Fund. The balance
16 would be available to resolve the cash flow issue Ms. Bondarevskis described.

17 **Q:How would thus work?**

18 A: With a 3% overall allowance Providence Water would have an operating reserve
19 amount of \$1,910,000 under the overall revenues I have proposed (3% of the total
20 revenue requirements less misc. income). I am proposing that 2% of this come
21 from rates allowed by the Commission and 1% come from the one-time cash flow.

In the second year, 2% would also come from rates and 1% would come from the remainder of the one-time billing conversion revenue. At the end of the second year, this would still leave Providence Water with almost half of the \$2.5 million realized from the billing conversion. The table below demonstrates this.

One Time Billing Revenue	\$2,200,000	(\$2.2-\$2.5 million)
Operating Reserve Allowance at 3% Amt Restricted	\$1,910,000 \$955,000	(rounded)
	<u>Year 1</u>	<u>Year 2</u>
<u>Restricted Revenue Allowance</u>		
Beginning Balance	\$5,000,000 ⁵	\$6,910,000
From Rates	\$1,273,333	\$1,273,333
From Billing Conversion	\$636,667	\$636,667
Ending Balance	\$6,910,000	\$8,820,000
<u>One-Time Cash Flow \$</u>		
Beginning Balance	\$2,200,000	\$1,563,333
to Rev Reserve	-\$636,667	-\$636,667
Ending Balance	\$1,563,333	\$926,667

The end result is that Providence Water gets nearly \$1 million of extra revenue to deal with any cash flow issues plus it gets 1.5% of the operating revenue allowance unrestricted to use on whatever it needs.

Conclusion

Q: Have you prepared any schedules that present your position?

A: Yes I have. They are attached to my testimony. I have labeled them as CW Sur-xx. The numbering conforms to that which has been used by Mr. Smith.

⁵ Based on amounts provided by Providence in Schedule 9J

**Schedule CW Sur-S1
Cost of Service Summary**

	Adjusted Test Year	Combined Adjustments	Pro-Forma Old Rates	Additional Revenue Generated	Pro-Forma New Rates
Revenue					
Service Charge	\$ 5,779,434	\$ -	\$ 5,779,434	\$ 1,172,756	\$ 6,952,190
Retail Sales	\$ 32,217,079	\$ 36,616	\$ 32,253,695	\$ 5,311,525	\$ 37,565,219
Wholesale Sales	\$ 16,375,291		\$ 16,375,291	\$ (1,695,749)	\$ 14,679,541
Private Fire Protection	\$ 2,290,098		\$ 2,290,098	\$ 228,102	\$ 2,518,200
Retail FPSC	\$ 1,095,131	\$ -	\$ 1,095,131	\$ 628,778	\$ 1,723,909
Public Fire Protection	\$ 960,983		\$ 960,983	\$ 549,436	\$ 1,510,419
Miscellaneous Revenue	\$ 1,179,169	\$ -	\$ 1,179,169	\$ -	\$ 1,179,169
Other	\$ -		\$ -	\$ -	\$ -
TOTAL REVENUE	\$ 59,897,185	\$ 36,616	\$ 59,933,800	\$ 6,194,847	\$ 66,128,648
Total Rate Revenues	\$ 58,718,016	\$ 36,616	\$ 58,754,631	\$ 6,194,847	\$ 64,949,479
Expenses					
Operations and Maintenance	\$ 27,871,725	\$ 1,459,490	\$ 29,331,215		\$ 29,331,215
Insurance	\$ 1,959,648	\$ (157,101)	\$ 1,802,547		\$ 1,802,547
Chemical & Sludge	\$ 3,124,965	\$ 1,375,035	\$ 4,500,000		\$ 4,500,000
City Service	\$ 839,167	\$ -	\$ 839,167		\$ 839,167
Property Taxes	\$ 5,945,492	\$ 542,024	\$ 6,487,516		\$ 6,487,516
Capital Reimbursement	\$ (834,389)	\$ -	\$ (834,389)	\$ 36,274	\$ (798,115)
Net Operations	\$ 38,906,608	\$ 3,219,448	\$ 42,126,056		\$ 42,162,330
Capital Fund	\$ 2,450,000	\$ (2,450,000)	\$ -		\$ -
Western Cranston	\$ 62,069	\$ -	\$ 62,069		\$ 62,069
Infrastructure Replacement Fund	\$ 16,000,000	\$ 5,000,000	\$ 21,000,000		\$ 21,000,000
Cash-Funded AMR/Meter Repl. Fund	\$ 1,000,000	\$ -	\$ 1,000,000		\$ 1,000,000
Equipment Replacment Fund	\$ 600,000	\$ -	\$ 600,000		\$ 600,000
Property Tax Refund Fund	\$ -	\$ -	\$ -		\$ -
Stabilization Fund (Restricted)	\$ -	\$ 636,705	\$ 636,705		\$ 636,705
Capital	\$ 20,112,069	\$ 3,186,705	\$ 23,298,774		\$ 23,298,774
TOTAL EXPENSES	\$ 59,018,677	\$ 6,406,152	\$ 65,424,829		\$ 65,461,103
Operating Reserve (Unrestricted)	\$ 578,395		\$ 636,705		\$ 636,705
Revenues Over (Under) Expenses	\$ 300,112		\$ (6,127,734)		\$ 30,840
Total Increase to Break-Even			\$ 67,114		10.28%
Rate Revenue Increase to Break-Even					10.49%

Schedule CW Sur-S2
Raw Revenue Requirements

Raw Revenue Requirements
Rate Year Ending December 31, 2014

ACCOUNT	TITLE	Adjusted Test Year	Note	Rate Year Adjustments	Additional Adjustments	Proforma Rate Year
Source of Supply						
60110	Salaries + Wages - Emp	\$ 619,326	A	\$ 28,148	\$ (20,736)	\$ 626,738
60120	Salaries + Wages - Emp	448,278	A	20,374	(15,010)	453,642
60320	Sal. + Wages - Officers, Dir	-		-	-	-
60410	Employee Pension + Ben	168,591	D	15,952	-	184,543
60420	Employee Pension + Ben	188,577	D	17,843	-	206,420
61510	Purchase Power	-		-	-	-
61610	Fuel for Power Purch	-		-	-	-
62010	Material + Supplies	18,958	I	890	-	19,848
62020	Material + Supplies	73,286	I	3,441	-	76,727
63110	Contractual Services - Engineer	2,460	I	115	-	2,576
63120	Contractual Services - Engineer	-		-	-	-
63310	Contract Services -Legal	18,238	I	856	-	19,094
63420	Contractual Services - Mgt. Fees	-		-	-	-
63510	Contractual Services - Other	419,915	I	19,715	-	439,630
63520	Contractual Services - Other	31,771	I	1,492	-	33,263
64210	Rental of Equipment	-		-	-	-
64220	Rental of Equipment	-		-	-	-
65010	Transportation Exp.	146	I	7	-	152
65020	Transportation Exp.	-		-	-	-
67510	Misc. Expenses	69,132	I	3,246	-	72,378
67520	Misc. Expenses	4,550	I	214	-	4,764
	<i>Total Source of Supply Expense</i>	<u>\$ 2,063,227</u>		<u>\$ 112,293</u>	<u>\$ (35,746)</u>	<u>\$ 2,139,774</u>
	Check	\$ -				

Schedule CW Sur-S2
Raw Revenue Requirements

Raw Revenue Requirements
Rate Year Ending December 31, 2014

ACCOUNT	TITLE	Adjusted Test Year	Note	Rate Year Adjustments	Additional Adjustments	Proforma Rate Year
Pumping Expenses						
60123	Salaries + Wages - Emp	\$ -		\$ -	\$ -	\$ -
60126	Salaries + Wages - Emp	-		-	-	-
60423	Employee Pension + Ben	-		-	-	-
60426	Employee Pension + Ben	-		-	-	-
61523	Purchase Power	778,684	I	-	-	778,684
61623	Fuel for Power Purch	-		-	-	-
62023	Material + Supplies	-		-	-	-
62026	Material + Supplies	-		-	-	-
63123	Contractual Services - Engineer	-		-	-	-
63126	Contractual Services - Engineer	-		-	-	-
63523	Contractual Services - Other	11,629	I	546	-	12,175
63526	Contractual Services - Other	-		-	-	-
64223	Rental of Equipment	-		-	-	-
64226	Rental of Equipment	-		-	-	-
65023	Transportation Exp.	-		-	-	-
67523	Misc. Expenses	-		-	-	-
67526	Misc. Expenses	-		-	-	-
	<i>Total Pumping Expenses</i>	<u>\$ 790,313</u>		<u>\$ 546</u>	<u>\$ -</u>	<u>\$ 790,858</u>
	Check	-				

Schedule CW Sur-S2
Raw Revenue Requirements

Raw Revenue Requirements
Rate Year Ending December 31, 2014

ACCOUNT	TITLE	Adjusted Test Year	Note	Rate Year Adjustments	Additional Adjustments	Proforma Rate Year
Water Treatment Expenses						
60130	Salaries + Wages - Emp	\$ 2,061,389	A	\$ 93,690	\$ (69,021)	\$ 2,086,058
60140	Salaries + Wages - Emp	336,221	A	15,281	(11,257)	340,245
60430	Employee Pension + Ben	606,264	D	57,364	-	663,628
60440	Employee Pension + Ben	134,901	D	12,764	-	147,666
61530	Purchase Power	226,424	I	-	-	226,424
61630	Fuel for Power Purch	230,829	I	-	-	230,829
61830	Chemicals	-		-	-	-
62030	Material + Supplies	124,833	I	5,861	-	130,694
62040	Material + Supplies	67,060	I	3,148	-	70,209
63130	Contractual Services - Engineer	-		-	-	-
63240	Contract Services - Acctg	-		-	-	-
63430	Contractual Services - Mgt. Fees	-		-	-	-
63530	Contractual Services - Other	141,797	I	6,657	-	148,455
63540	Contractual Services - Other	85,680	I	4,023	-	89,703
64140	Rental Buildg/Real Prop	-		-	-	-
64230	Rental of Equipment	-		-	-	-
64240	Rental of Equipment	-		-	-	-
65030	Transportation Exp.	5,806	I	273	-	6,078
65640	Insurance Vehicle	-		-	-	-
65830	Insurance - W/C	-		-	-	-
65840	Insurance - W/C	-		-	-	-
66730	Regularoty Com Exp. -Other	-		-	-	-
67530	Misc. Expenses	96,719	I	4,541	-	101,260
67540	Misc. Expenses	2,027	I	95	-	2,122
	<i>Total Treatment Expense</i>	<u>\$ 4,119,951</u>		<u>\$ 203,698</u>	<u>\$ (80,278)</u>	<u>\$ 4,243,371</u>
	Check	-				

Schedule CW Sur-S2
Raw Revenue Requirements

Raw Revenue Requirements
Rate Year Ending December 31, 2014

ACCOUNT	TITLE	Adjusted Test Year	Note	Rate Year Adjustments	Additional Adjustments	Proforma Rate Year
Transmission + Dist. Expense:						
60150	Salaries + Wages - Emp	\$ 988,520	A,U	\$ 44,928	\$ 51,931	\$ 1,085,380
60160	Salaries + Wages - Emp	2,246,239	A	102,092	(75,211)	2,273,119
60250	Payroll Clearing -Emp	-	A	-	-	-
60260	Payroll Clearing -Emp	-		-	-	-
60450	Employee Pension + Ben	241,316	D, U	22,833	42,515	306,664
60460	Employee Pension + Ben	846,629	D	80,108	-	926,737
60550	Overhead Rate Applied	-		-	-	-
60560	Overhead Rate Applied	-		-	-	-
61550	Purchase Power	12,019	I	-	-	12,019
62050	Material + Supplies	269,822	I	12,668	-	282,490
62060	Material + Supplies	-		-	-	-
62560	Inventory Clearing	-		-	-	-
63150	Contractual Services - Engineer	36,120	I, U	1,696	290,000	327,816
63350	Contractual Services - Legal T&D0	-		-	-	-
63460	Contractual Services - Mgt. Fees	-		-	-	-
63550	Contractual Services - Other	453,727	I	21,302	-	475,030
63560	Contractual Services - Other	65,018	I	3,053	-	68,071
64150	Rental Buildg/Real Prop	-		-	-	-
64160	Rental Buildg/Real Prop	-		-	-	-
64250	Rental of Equipment	-		-	-	-
64260	Rental of Equipment	-		-	-	-
65050	Transportation Exp. T&D	2,748	I	129	-	2,877
66750	Regulatory Com Exp - Other T & D	-		-	-	-
66760	Regulatory Com Exp - Other T & D	-		-	-	-
67550	Misc. Expenses	37,994	I	1,784	-	39,778
67560	Misc. Expenses	-		-	-	-
<i>Total Transmission & Distribution</i>		\$ 5,200,152		\$ 290,593	\$ 309,235	\$ 5,799,980
Check		-				

Schedule CW Sur-S2
Raw Revenue Requirements

Raw Revenue Requirements
Rate Year Ending December 31, 2014

ACCOUNT	TITLE	Adjusted Test Year	Note	Rate Year Adjustments	Additional Adjustments	Proforma Rate Year
Customer Accounts Expense:						
60170	Salaries + Wages - Emp	\$ 1,916,813	A,M	\$ 87,119	-21,729	\$ 1,982,203
60270	Payroll Clearing -Emp	-		-	0	-
60470	Employee Pension + Ben	721,692	D,M	68,286	21,226	811,204
60570	Overhead Rate Applied	-		-	0	-
61670	Fuel for Power Purch	-		-	-	-
62070	Material + Supplies	2,467	I	116	-	2,583
63370	Contractual Services - Legal	-		-	-	-
63570	Contractual Services - Other	10,979	I	515	-	11,495
65070	Transportation Exp. -CAO	1,012	I	48	-	1,060
65870	Insurance - Other	-		-	-	-
65970	Insurance Other	-		-	-	-
67070	Bad Debt Expense - CAO	445,333	I	20,908	(466,242)	(0)
67570	Misc. Expenses	194,180	I, M	9,117	319,015	522,312
	<i>Total Customer Accounts</i>	<u>\$ 3,292,477</u>		<u>\$ 186,109</u>	<u>\$ (147,730)</u>	<u>\$ 3,330,856</u>
	Check	-				

Schedule CW Sur-S2
Raw Revenue Requirements

Raw Revenue Requirements
Rate Year Ending December 31, 2014

ACCOUNT	TITLE	Adjusted Test Year	Note	Rate Year Adjustments	Additional Adjustments	Proforma Rate Year
Administrative and General						
60180	Salaries + Wages - Emp	\$ 5,499,360	A	\$ 249,946	\$ (186,635)	\$ 5,562,671
60280	Payroll Clearing -Emp	-		-	-	-
60380	Salaries + wages - Officers, Dir.	-	A	-	-	-
60480	Employee Pension + Ben	4,605,608	D	435,780	-	5,041,388
60580	Overhead Rate Applied	-	I	-	-	-
61580	Purchase Power	113,972	I	-	-	113,972
61680	Fuel for Power Purch	-	I	-	-	-
62080	Material + Supplies	515,672	I	24,211	-	539,883
63180	Contractual Services - Engineer	45,262	I	2,125	-	47,387
63280	Contract Services - Acctg	-	I	-	-	-
63380	Contractual Services - Legal	50,841	I	2,387	-	53,228
63480	Contractual Services - Mgt. Fees	-	I	-	-	-
63580	Contractual Services - Other	982,614	I, M	46,134	49,000	1,077,748
64180	Rental Bldg/Real Prop	-	I	-	-	-
64280	Rental of Equipment	-	I	-	-	-
65080	Transportation Exp.	6,390	I	300	-	6,690
65780	Ins. Gen. Liability	-	I	-	-	-
65880	Insurance - W/C	-	I	-	-	-
65980	Insurance Other	-	I	-	-	-
66080	Advertising Expense	-	I	-	-	-
66680	Reg Com Exp - Amort of Rate Case	-	I	-	-	-
66780	Regulatory Com Exp. -Other	227,469	E	120,221		347,690
67580	Misc. Expenses	358,418	I	16,828	(139,527)	235,719
<i>Total Administration + General</i>		\$ 12,405,606		\$ 897,932	\$ (277,162)	\$ 13,026,376
Check		\$ -				

Schedule CW Sur-S2
Raw Revenue Requirements

Raw Revenue Requirements
Rate Year Ending December 31, 2014

ACCOUNT	TITLE	Adjusted Test Year	Note	Rate Year Adjustments	Additional Adjustments	Proforma Rate Year
	Total Operation & Maintenance	\$ 27,871,725		\$ 1,691,171	\$ (231,681)	\$ 29,331,215
Source of Supply		\$ 2,063,227		\$ 112,293	\$ (35,746)	\$ 2,139,774
Pumping		790,313		546	-	790,858
Treatment		4,119,951		203,698	(80,278)	4,243,371
Transmission & Distrib.		5,200,152		290,593	309,235	5,799,980
Customer Accounts		3,292,477		186,109	(147,730)	3,330,856
Administration & General		12,405,606		897,932	(277,162)	13,026,376
<i>Total Operation & Maintenance</i>		<u>\$ 27,871,725</u>		<u>\$ 1,691,171</u>	<u>\$ (231,681)</u>	<u>\$ 29,331,215</u>
Full O&M		\$ 27,871,725		\$ 1,691,171	\$ (231,681)	\$ 29,331,215
857 Insurance Fund						
65840 Insurance W/C - WTM		\$ -		\$ -	\$ -	\$ -
65870 Insurance W/C - CAO		-		-	-	-
62080 Materials + Supplies - A&GO		17,602	C	826	-	18,428
63180 Contractual Services-Engineer		-		-	-	-
63380 Contract Services - Legal A&GO		-	C	-	-	-
63580 Contract Services - Other A&GO		-		-	-	-
Injuries and Damages		54,528	C	9,820	-	64,348
65780 Ins. Gen. Liability		-		-	-	-
65980 Insurance-Other A&GO		1,006,353	C	12,400	-	1,018,753
65880 Insurance - W/C		874,015	C	(180,483)	-	693,532
67070 Bad Debt Expense-CAO		-		-	-	-
67580 Misc. Expense		7,150	C	336	-	7,486
Funding Requirement		-		-	-	-
<i>Total Insurance Fund</i>		<u>\$ 1,959,648</u>		<u>\$ (157,101)</u>	<u>\$ -</u>	<u>\$ 1,802,547</u>
	Check	-				

Schedule CW Sur-S2
Raw Revenue Requirements

Raw Revenue Requirements
Rate Year Ending December 31, 2014

ACCOUNT	TITLE	Adjusted Test Year	Note	Rate Year Adjustments	Additional Adjustments	Proforma Rate Year
878 Chemical and Sludge Maintenance Fund						
61830	Chemicals - WTO	\$ 2,572,273	F	\$ 501,607	\$ (574,559)	\$ 2,499,322
62030	Materials + Supplies WTO	-		-	-	-
62050	Materials + Supplies T&DO	-		-	-	-
63540	Contract Services - Other WTM	552,692	F	1,147,308	(91,082)	1,608,918
	Funding Requirement		F	685,061	(293,301)	391,760
<i>Total Chemical and Sludge Maintenance Fund</i>		<u>\$ 3,124,965</u>		<u>\$ 2,333,977</u>	<u>\$ (958,942)</u>	<u>\$ 4,500,000</u>
	Check	\$ -				
Total O&M		\$ 32,956,338		\$ 3,868,047	\$ (1,190,623)	\$ 35,633,762
Property Taxes- Other Local Govern.						
40820	Town of North Providence	\$ 266,581	B	\$ 6,919	\$ (2,681)	\$ 270,819
40821	Town of Glocester	51,478	B	\$ 5,315	-	56,793
40822	Town of West. Glocester	3,708	B	\$ 75	(37)	3,745
40823	Town Harmony	164	B	\$ 10	-	174
40824	Town Chepachet	131	B	\$ 10	-	141
40825	Town Scituate	5,087,357	B	\$ 590,090	(55,661)	5,621,785
40826	Town Warwick	-	B	\$ -	-	-
40827	Town of Johnston	90,117	B	\$ 6,688	-	96,805
40828	Town of Foster	331,673	B	\$ (17,614)	(3,079)	310,980
40829	City of Cranston	110,523	B	\$ 12,032	-	122,555
40830	City of West. Warwick	3,761	B	\$ (5)	(37)	3,719
	Total Property Taxes	<u>\$ 5,945,492</u>		<u>\$ 603,519</u>	<u>\$ (61,495)</u>	<u>\$ 6,487,516</u>

Schedule CW Sur-S2
Raw Revenue Requirements

Raw Revenue Requirements
Rate Year Ending December 31, 2014

ACCOUNT	TITLE	Adjusted Test Year	Note	Rate Year Adjustments	Additional Adjustments	Proforma Rate Year
	<i>Other Expenditures</i>					
	City Services	\$ 839,167		\$ -	\$ -	\$ 839,167
	Total Property Taxes	5,945,492		603,519	(61,495)	6,487,516
	Capital Reimbursement	(798,115)			-	(834,389)
	<i>Total Other Expenditures</i>	<u>\$ 5,986,544</u>		<u>\$ 603,519</u>	<u>\$ (61,495)</u>	<u>\$ 6,492,294</u>
	Capital Fund	\$ 2,450,000	G	\$ (2,450,000)	\$ -	\$ -
	Western Cranston Fund (WCWDS Fund)	62,069	G	-	-	62,069
	Infrastructure Replacement Fund	16,000,000	G	5,000,000	-	21,000,000
	AMR/Meter Replacement Fund	1,000,000	G	-	-	1,000,000
	Equipment/Vehicle Replacement Fund	600,000	G	-	-	600,000
	Stabiliz. Fund (Rest. Operat. Reserve)	-	G	\$636,705		636,705
	<i>Total Restricted Expenditures</i>	<u>\$ 20,112,069</u>		<u>\$ 3,186,705</u>	<u>\$ -</u>	<u>\$ 23,298,774</u>
Total Other & Rest. Expenditures		<u>\$ 26,098,613</u>		<u>\$ 3,790,223</u>	<u>\$ (61,495)</u>	<u>\$ 29,791,067</u>
Total		<u>\$ 59,054,951</u>		<u>\$ 7,658,270</u>	<u>\$ (1,252,118)</u>	<u>\$ 65,424,829</u>
	Unrestricted Operating Reserve		R			<u>\$636,705</u>
Grand Total						<u>\$ 66,061,534</u>

Schedule CW Sur-S2
Raw Revenue Requirements

Raw Revenue Requirements
Rate Year Ending December 31, 2014

ACCOUNT	TITLE	Adjusted Test Year	Note	Rate Year Adjustments	Additional Adjustments	Proforma Rate Year
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Explanation of Notes:

A	Schedule CW Sur-S3	Payroll Expense Adjustment				
B	Schedule CW Sur-S4	Property Tax Analysis				
C	Schedule CW Sur-S5	Insurance Expense Adjustment				
D	Schedule CW Sur-S6	Pension and Other Benefits				
E	Schedule CW Sur-S7	Regulatory Commission and Rate Case Expense				
F	Schedule CW Sur-S8	Chemical and Sludge Maintenance Expense				
G	Schedule CW Sur-S9	Restricted Fund Adjustments				
U	Additional costs associated with Uni-directional flushing Project					
M	Adjustments associated with switching to monthly billing					
R	Does not include additional \$800,000/yr (estim) from increased cash flow with conversion to monthly billing					
I	Annual Inflation Adjustment			2.50%		
	Total Test Year to Rate Year Inflation Adjustment			4.695% (Per TSC-7)		

Schedule CW Sur-S3
Payroll Expense Adjustment

PROVIDENCE WATER
Salaries & Wages

Actual Payroll Expense FY 2012	\$ 13,314,287
Normalizing adjustments	801,859
Adjusted Test Year	<u>\$ 14,116,146</u>
Contractual Increase *	<u>1.04545</u>
Pro-forma amount	\$ 14,757,724
Adjustment	<u>\$ 641,579</u>
%	<u>4.55%</u>

* Source: Union Contract Article VI

3% Increase on July 1, 2013 Per Union Contract

3% Increase on July 1, 2014 Per Union Contract

*2014 Increase occurs six months into CY 14 and is therefore an effective increase of 1.5% for the 2014 Rate Year.

Schedule CW Sur-S3A
Detail Payroll Expense

PROVIDENCE WATER SUPPLY BOARD
Detail Payroll Expense

<u>ACCOUNT DESCRIPTION</u>	<u>Test Year</u>	<u>Normalize Test Year</u>	<u>Adjusted Test Year</u>	<u>Actual x 1.0455*</u>	<u>Pro-Forma Adjustment</u>
SOURCE OF SUPPLY					
60110 Salaries & Wages - Emp	\$ 581,072	\$ 38,254	\$ 619,326	\$ 647,474	\$ 28,148
60120 Salaries & Wages - Emp	\$ 420,589	27,689	448,278	468,652	20,374
60320 Sal & Wages - Officers, Dir	-	-	-	-	-
TOTAL SOURCE OF SUPPLY	1,001,661	65,943	1,067,604	1,116,126	48,523
PUMPING					
60123 Salaries & Wages - Emp	-	-	-	-	-
60126 Salaries & Wages - Emp	-	-	-	-	-
TOTAL PUMPING	-	-	-	-	-
WATER TREATMENT					
60130 Salaries & Wages - Emp	1,934,063	127,326	2,061,389	2,155,079	93,690
60140 Salaries & Wages - Emp	315,454	20,767	336,221	351,502	15,281
TOTAL WATER TREATMENT	2,249,517	148,093	2,397,610	2,506,581	108,971
TRANSMISSION & DISTRIBUTION					
60150 Salaries & Wages - Emp	927,462	\$ 61,058	988,520	1,033,449	44,928
60160 Salaries & Wages - Emp	2,107,495	138,744	2,246,239	2,348,330	102,092
60250 Payroll Clearing	-	-	-	-	-
60260 Payroll Clearing	-	-	-	-	-
TOTAL TRANSMISSION & DISTRIBUTION	3,034,957	199,802	3,234,759	3,381,779	147,020
CUSTOMER ACCOUNT EXPENSE					
60170 Salaries & Wages - Emp	1,798,417	\$ 118,396	1,916,813	2,003,932	87,119
60270 Payroll Clearing	-	-	-	-	-
TOTAL CUSTOMER ACCTS EXPENSE	1,798,417	118,396	1,916,813	2,003,932	87,119
ADMINISTRATION					
60180 Salaries & Wages - Emp	5,229,735	269,625	5,499,360	5,749,306	249,946
60280 Payroll Clearing	-	-	-	-	-
60380 Sal & Wages - Officers, Dir	-	-	-	-	-
TOTAL ADMINISTRATION EXPENSE	5,229,735	269,625	5,499,360	5,749,306	249,946
O/M LABOR SUMMARY					
SOURCE OF SUPPLY	1,001,661	65,943	1,067,604	1,116,126	48,523
PUMPING	-	-	-	-	-
WATER TREATMENT	2,249,517	148,093	2,397,610	2,506,581	108,971
TRANSMISSION & DISTRIBUTION	3,034,957	199,802	3,234,759	3,381,779	147,020
CUSTOMER ACCOUNTS	1,798,417	118,396	1,916,813	2,003,932	87,119
ADMINISTRATION	5,229,735	269,625	5,499,360	5,749,306	249,946
TOTAL	\$ 13,314,287	\$ 801,859	\$ 14,116,146	\$ 14,757,724	641,579
RECAP:					
Test Year					\$ 13,314,287
Normalizing Adjustments					\$ 801,859
Adjusted Test Year					\$ 14,116,146
Contractual increases					\$ 641,579
Pro-forma CY 2014					\$ 14,757,724

3% Increase on July 1, 2013 Per Union Contract
3% Increase on July 1, 2014 Per Union Contract
2014 Increase occurs six months into CY 14 and is therefore an effective increase
of 1.5% for the 2014 Rate Year.

**Schedule CW Sur-S4
Property Tax Analysis**

**PROVIDENCE WATER
Analysis of Property Taxes**

<u>Municipality</u>	<u>FYE 6/30/2012 Test Year</u>	<u>Adjustments</u>	<u>Note</u>	<u>Pro-forma Amount *</u>
North Providence	\$ 266,581	\$ 6,919	\$	273,500
*Gloicester	\$ 51,478	\$ 5,315	\$	56,793
West Gloicester Fire	\$ 3,708	\$ 75	\$	3,782
Harmony Fire District	\$ 164	\$ 10	\$	174
Chepachet Fire District	\$ 131	\$ 10	\$	141
*Scituate	\$ 5,087,357	\$ 590,090	\$	5,677,446
Warwick	\$ -	\$ -	\$	-
Johnston	\$ 90,117	\$ 6,688	\$	96,805
Foster	\$ 331,673	\$ (17,614)	\$	314,059
Cranston	\$ 110,523	\$ 12,032	\$	122,555
West Warwick	\$ 3,761	\$ (5)	\$	3,756
Total Expense	\$ 5,945,492	\$ 591,191	\$	6,549,011
Test Year			\$	5,945,492
Total Adjustment %			\$	603,519 10.15%

Adjustments reflect bills for FY 2014 (per Div 4-7) with additional 2% for 1/2 year

All other amounts are increased by the 4% statutory maximum and averaged to obtain CY 2014 pro forma expense

*Gloicester amount per tax treaty, Scituate amount calculated per Tax Treaty. To be adjusted to actual

Schedule CW Sur-S4A
Property Tax Detail

PROVIDENCE WATER
COMPARATIVE SCHEDULE OF PROPERTY TAXES

Municipality	FISCAL YEAR 2010	FISCAL YEAR 2011	FISCAL YEAR 2012	FISCAL YEAR 2013	FISCAL YEAR 2014	FISCAL YEAR 2015	CY 2014 Average
North Providence	\$ 238,053	\$ 239,090	\$ 266,581	\$ 266,581	\$ 277,244	\$ 288,334	\$ 282,789
*Glocester	\$ 53,363	\$ 49,380	\$ 51,478	\$ 53,537	\$ 55,679	\$ 57,906	\$ 56,793
West Glocester Fire	\$ 3,932	\$ 3,932	\$ 3,708	\$ 3,708	\$ 3,856	\$ 4,010	\$ 3,933
Harmony Fire District	\$ 155	\$ 155	\$ 164	\$ 164	\$ 171	\$ 177	\$ 174
Chepachet Fire District	\$ 120	\$ 120	\$ 131	\$ 133	\$ 138	\$ 144	\$ 141
*Scituate	\$ 5,572,995	\$ 4,974,437	\$ 5,087,357	\$ 5,087,357	\$ 5,731,246	\$ 5,960,495	\$ 5,845,871
Warwick	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Johnston	\$ 88,777	\$ 86,695	\$ 90,117	\$ 90,117	\$ 93,722	\$ 97,471	\$ 95,596
Foster	\$ 322,994	\$ 331,673	\$ 331,673	\$ 306,694	\$ 318,962	\$ 331,720	\$ 325,341
Cranston	\$ 105,624	\$ 107,568	\$ 110,523	\$ 118,597	\$ 123,341	\$ 128,274	\$ 125,807
West Warwick	\$ 4,714	\$ 3,761	\$ 3,761	\$ 3,761	\$ 3,912	\$ 4,068	\$ 3,990
Total	\$ 6,390,727	\$ 5,796,811	\$ 5,945,492	\$ 5,930,648	\$ 6,608,270	\$ 6,872,599	\$ 6,740,435
% Change		-9.29%	2.56%	-0.25%	11.43%	4.00%	-1.92%
% Change (No Scituate or Glocester)		1.13%	4.35%	-2.10%	4.00%	4.00%	-1.92%

All other amounts are increased by the 4% statutory maximum and averaged to obtain CY 2014 pro forma expense

*Glocester amount per tax treaty, Scituate amount calculated per Tax Treaty

Schedule CW Sur-S5
Insurance Expense Adjustment

	Test Year	Adjustments	Pro-Forma Amount *
Worker's Compensation	\$ 874,015	\$ (180,483)	\$ 693,532
Contract Services - Legal A&GO	\$ -	\$ -	\$ -
Injuries and Damages	\$ 54,528	\$ 9,820	\$ 64,348
Property and Casualty	\$ 1,006,353	\$ 12,400	\$ 1,018,753
Program Expense	\$ 7,150	\$ 336	\$ 7,486
Safety Supplies & Other	\$ 17,602	\$ 826	\$ 18,428
Total Expenses	\$ 1,959,648	\$ (157,101)	\$ 1,802,547
Test Year			\$ 1,959,648
Pro-Forma			\$ 1,802,547
Adjustment			\$ (157,101)

* See TSC-9

Schedule CW Sur-S6
Pension and Other Benefits

PROVIDENCE WATER
Pension and Other Benefits

FRINGE BENEFIT	Notes	Test Year FY 2012	Adjustment	Pro-Forma Amount	% Increase	Reference
1 1033 Union Combined Benefits	3)	\$ 586,821	\$ 24,845	\$ 611,666	4.23%	Per Union Contract
2 Union Pension	4)	331,312	136,542	467,854	41.21%	Per Union Contract
3 Death Benefit Insurance	2)	1,943	91	2,034	4.70%	Adjusted By Inflation
4 Educational Classes/Certification	2)	2,649	124	2,773	4.70%	Adjusted By Inflation
4 FICA	1)	1,014,048	46,139	1,060,187	4.55%	Salary Increase Used
5 State Unemployment Compensation	1)	14,716	670	15,386	4.55%	Salary Increase Used
6 Healthcare EE Cash Payment	2)	9,500	446	9,946	4.70%	Adjusted By Inflation
7 1/2% Wage Assignment	1)	35,820.00	1,630	37,450	4.55%	Salary Increase Used
8 Blue Cross		2,072,201	207,220	2,279,421	10.00%	Estimate
Less Employee Co-Share		(355,216)	(35,522)	(390,738)	10.00%	Estimate
9 Delta Dental		254,556	25,456	280,012	10.00%	Estimate
10 GASB 43/45 Reserve Required		1,230,000	(750,000)	480,000		OPEB Report
11 City Retirement		2,315,228	473,076	2,788,304		Buck Report
Total		\$ 7,513,577.79	\$ 130,717	\$ 7,644,295		
			Plus Div. Adjustment (TSC-6)	\$ 580,214		
				\$ 8,224,509		
Adjustment				\$ 710,931		

Notes:

- | | |
|---|--------|
| 1) Compounded salary increase used 4.55% | 4.55% |
| 2) Adjusted by inflation rate of: | 4.70% |
| 3) 1033 Benefits, per union contracts
compounded increase used | 4.23% |
| 4) Union Pension, per Union Contracts
compounded increase used | 41.21% |

Schedule CW Sur-S6A

Fringe Allocation to NARUC Accounts

PROVIDENCE WATER
Fringe Allocation to Naruc Accounts

Naruc Account	Test Year FY 2012	Allocation	Pro-forma Adjustment
60410	\$ 168,591	2.24%	\$ 15,952
60420	188,577	2.51%	17,843
60423	-	0.00%	-
60426	-	0.00%	-
60430	606,264	8.07%	57,364
60440	134,901	1.80%	12,764
60450	241,316	3.21%	22,833
60460	846,629	11.27%	80,108
60470	721,692	9.61%	68,286
60480	4,605,608	61.30%	435,780
	<hr/>	<hr/>	<hr/>
	\$ 7,513,578	100.00%	\$ 710,931

7,513,577.00

Schedule CW Sur-S7
Regulatory Commission and Rate Case Expense

PROVIDENCE WATER
Regulatory Commission and Rate Case Expense

	Test Year	Pro-Forma
Regulatory Commission Expense:		
Docket 4061/Conservation Rate Filing	\$ 8,527	\$ -
Bond Filing/Bond Refunding	10,091	-
Bond Filing \$33 Million	-	6,500
Regional Water District	9,151	-
Hydrant Fees	8,603	-
New Headquarters	2,068	-
Miscellaneous Legal Matters	9,204	9,665
Miscellaneous PUC Matters	11,834	12,426
Proportionate Share PUC Expenses*	167,992	202,289
		-
Sub-total	\$ 227,470	\$ 230,880
<u>This Filing:</u>		
Full Rate Filing		\$ 101,415
Legal		73,632
Division of Public Utilities estimated		58,575
Rate Case this filing		\$ 233,622
2 Year Amortization		\$ 116,811
Total Estimated R&R Expenses		\$ 347,691
Test Year		\$ 227,470
Adjustment		\$ 120,221
%		52.85%
*Pro-Forma is actual amount of FY 13 Expense		

Schedule CW Sur-S8**Chemical and Sludge Maintenance Expense****PROVIDENCE WATER****Chemical & Sludge Maintenance Expense**

	FY 2012 Test Year	Rate Year Adjustments	Pro-Forma Amount
Chemicals:			
Ferric Sulfate	\$ 1,580,879	\$ 463,121	\$ 2,044,000
Quicklime	\$ 621,118	\$ 45,763	666,881
Chlorine	\$ 139,822	\$ 20,178	160,000
Flouride	\$ 171,663	\$ 31,337	203,000
CO2	\$ 58,792	\$ (58,792)	-
Sub-total Chemicals	\$ 2,572,273	\$ 501,607	\$ 3,073,881
Calgon	-	-	-
Sludge Maintenance	<u>552,692</u>	<u>1,147,308</u>	<u>1,700,000</u>
Total Expenses	<u>3,124,965</u>	<u>1,648,915</u>	<u>4,773,881</u>
Test Year			3,124,965
Restricted Fund Balancing			<u>(666,023)</u>
Current Funding Requirement			<u>2,458,942</u>
Additional Funding Requirement			3,000,000
Rate Year Adjustments Above			1,648,915
Restricted Fund Balancing			<u>(666,023)</u>
Funding Requirement			<u>685,061</u>
Total Rate Year Adjustment			2,333,977
Pro-Forma C&S			5,458,942

Schedule CW Sur-S8A
Adjustment to Chemical Expense

PROVIDENCE WATER
Adjustment to Chemical Expense
to Reflect Estimated Quantities and Prices

Chemical		Quantity Used FY 2011	Quantity Used FY 2012	Quantity Used Projected FY 2013	Unit Price	CY 14 Projected Expense	TY 12 Expense	Adjustment
Ferric Sulfate	Gallons	830,283.00	1,113,678.69	1,460,000.00	\$ 1.40	\$ 2,044,000	\$ 1,580,879	\$ 463,121
Quicklime	Tons	1,997.91	2,838.65	3,139.00	\$ 212.45	\$ 666,881	\$ 621,118	\$ 45,763
Chlorine	Tons	161.63	173.30	200.00	\$ 800.00	\$ 160,000	\$139,821.62	\$ 20,178
Flouride	Gallons	77,499.00	56,902.83	70,000.00	\$ 2.90	\$ 203,000	\$ 171,663	\$ 31,337
CO2	Tons	74.91	506	1,000	\$ 109.00	\$ -	\$58,792	\$ (58,792)
Total Projected Costs						\$ 3,073,881	\$ 2,572,273	\$ 501,607
FY 2012						\$ 2,572,273		
Adjustment to Rate Year Expense						\$ 501,607		

<u>Prices</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>CY14 Projected Price</u>
Ferric Sulfate (gallons)	\$ 1.17	\$ 1.40	\$ 1.40	\$1.40
Lime (tons)	\$ 208.45	\$ 212.45	\$ 212.45	\$212.45
Chlorine (tons)	\$ 840.00	\$ 800.00	\$ 800.00	\$800.00
Flouride liquid (gallons)	\$ 2.89	\$ 2.87	\$ 2.90	\$2.90
CO2	\$ 106.40	\$ 106.40	\$ 109.00	\$109.00

Schedule CW Sur-S9
Restricted Fund Adjustments

PROVIDENCE WATER
Debt Service / Capital Funding Requirements

	<u>Test Year</u> <u>FYE 2012</u>	<u>Test Year</u> <u>Adjustments</u>	<u>Adjusted</u> <u>TY 2012</u>	<u>Rate Year</u> <u>Adjustments</u>	<u>Notes</u>	<u>Pro-Forma</u> <u>Amount</u> <u>CY 2014</u>
Capital Fund	\$ 2,450,000	\$ -	\$ 2,450,000	\$ (2,450,000) 1)		\$ -
Western Cranston Fund (WCWDS Fund)	\$ 62,069	\$ -	\$ 62,069	\$ -		\$ 62,069
Infrastructure Replacement Fund	\$ 16,000,000	\$ -	\$ 16,000,000	\$ 5,000,000 1)		\$ 21,000,000
AMR/Meter Replacement Fund	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -		\$ 1,000,000
Equipment/Vehicle Replacement Fund	\$ 600,000	\$ -	\$ 600,000	\$ -		\$ 600,000
Sub-total Capital Funds	\$ 20,112,069	\$ -	\$ 20,112,069	\$ 2,550,000		\$ 22,662,069
Insurance Fund	\$ 1,948,485	\$ 11,163	\$ 1,959,648	\$ (157,101)		\$ 1,802,547
Chemicals/Sludge Maintenance Fund	\$ 3,124,965	\$ -	\$ 3,124,965	\$ 2,333,977 2)		\$ 5,458,942
Property Tax Refund Fund	\$ -	\$ -	\$ -	\$ -		\$ -
Revenue Reserve Fund	\$ 1,113,852	\$ -	\$ 1,113,852	\$ 636,705 1)		\$ 1,750,557
Scituate Watershed Protection Fund	\$ -	\$ -	\$ -	\$ -		\$ -
Sub-total Operational Funds	\$ 6,187,302	\$ 11,163	\$ 6,198,465	\$ 2,813,581		\$ 9,012,046
Total Restricted Funds	\$ 26,299,371	\$ 11,163	\$ 26,310,534	\$ 5,363,581		\$ 31,674,115
Adjusted Test Year						\$ 26,310,534
Total Adjustment						\$ 5,363,581

1) See Woodcock testimony

2) Amount from comparative schedule, adjusted to match restricted funding level from Docket 4061, plus 3 Million additional request

Providence Water
Restricted Account Sources and Uses of Funds
Projected FY 2013 - FY 2015

Schedule CW Sur-S9A
Capital Fund

Source of Funds	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
D4061 (effective 4/27/10)	2,450,000	1,225,000	-
Add'l funding from new docket effective 1/1/14	-	-	-
Carryover funds from prior year estimated	<u>7,871,212</u>	<u>5,900,050</u>	<u>5,028,242</u>
Total Sources	10,321,212	7,125,050	5,028,242
Less obligated uses of funds:			
RICWFA Debt (ARRA 2009) (P)	233,452	236,234	238,476
RICWFA (ARRA 2009) (I)	<u>7,710</u>	<u>5,574</u>	<u>2,536</u>
Sub-total Debt Service	241,162	241,808	241,012
Cash Funded Projects	<u>4,180,000</u>	<u>1,855,000</u>	<u>255,000</u>
Total Uses	4,421,162	2,096,808	496,012
End of Year Balance	<u>5,900,050</u>	<u>5,028,242</u>	<u>4,532,230</u>

Providence Water
Restricted Account Sources and Uses of Funds
Projected FY 2013 - FY 2015

Schedule CW Sur-S9B

Western Cranston Fund (WCWDS Fund)

Source of Funds	FY 2013	FY 2014	FY 2015
D4061 (effective 4/27/10)	62,069	62,069	62,069
Add'l funding from new docket effective 1/1/14	-	-	-
Impact Fees estimated	20,000	20,000	20,000
Carryover funds from prior year estimated	<u>1,657,857</u>	<u>1,568,692</u>	<u>229,602</u>
Total Sources	\$ 1,739,926	\$ 1,650,761	\$ 311,671
Less obligated uses of funds			
RICWFA 2002B (P)	123,252	127,530	131,956
RICWFA 2002 (Pippin Main & WilburPS) (I)	<u>47,981</u>	<u>43,629</u>	<u>39,126</u>
Sub-total Debt Service	\$ 171,233	\$ 171,159	\$ 171,082
Cash Funded Projects	-	1,250,000	-
Total Uses	<u>171,233</u>	<u>1,421,159</u>	<u>171,082</u>
End of Year Balance	<u>\$1,568,692</u>	<u>\$229,602</u>	<u>\$140,589</u>

Providence Water
Restricted Account Sources and Uses of Funds
Projected FY 2013 - FY 2015

Schedule CW Sur-S9C
Infrastructure Replacement Fund

Source of Funds	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
D4061 (effective 4/27/10)	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
Add'l funding from new docket effective 1/1/14	-	2,500,000	5,000,000	5,000,000	5,000,000
New Bond 2013 Est(33 million)	10,000,000	10,000,000	10,000,000	6,000,000	6,000,000
Carryover funds from prior year estimated	3,818,000	2,154,436	1,614,457	3,061,603	2,022,203
Total Sources	29,818,000	30,654,436	32,614,457	30,061,603	29,022,203
Less obligated uses of funds:					
RICWFA Debt (1994 \$12M) Refi 2005 (P)	861,000	887,000	915,000		
RICWFA (various projects) (I)	69,869	43,117	14,640		
RICWFA Debt (Arra) (P)	359,079	390,773	393,485		
RICWFA ARRA) (I)	105,828	103,164	99,970		
RICWFA \$35M 2008 (P)	1,361,000	1,397,000	1,436,000		
RICWFA \$35M 2008 (I)	1,091,787	1,053,926	1,013,759		
RICWFA \$33M 2013 (P)	-	1,000	1,000		
RICWFA \$33M 2013 (I)	22,864	299,676	491,944		
Interest on Line of Credit Century	37,620	-	-		
Sub-total Debt Service	3,848,564	3,874,979	3,872,854		
Cash Funded Projects **	23,815,000	25,165,000	25,680,000		
Total Uses	27,663,564	29,039,979	29,552,854	28,039,400	28,039,400
End of Year Balance	<u>2,154,436</u>	<u>1,614,457</u>	<u>3,061,603</u>	<u>2,022,203</u>	<u>982,803</u>

Providence Water
Restricted Account Sources and Uses of Funds
Projected FY 2013 - FY 2015

Schedule CW Sur-S9D
AMR/Meter Replacement Fund

Source of Funds	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
D4061 (effective 4/27/10)	1,000,000	1,000,000	1,000,000
Add'l funding from new docket effective 1/1/14	-	-	-
Carryover funds from prior year estimated	2,273,119	2,492,746	1,898,217
Total Sources	\$ 3,273,119	\$ 3,492,746	\$ 2,898,217
Less obligated uses of funds			
RICWFA Debt (ARRA 2009) (P)	380,895	385,435	389,092
RICWFA (ARRA 2009) (I)	12,580	9,094	4,914
Meter Replacement, Test & Repair	386,898	1,200,000	1,200,000
Payment on Line of Credit	-	-	-
Total Uses	\$ 780,373	\$ 1,594,529	\$ 1,594,006
End of Year Balance	<u>\$2,492,746</u>	<u>\$1,898,217</u>	<u>\$1,304,211</u>

Providence Water
Restricted Account Sources and Uses of Funds
Projected FY 2013 - FY 2015

Schedule CW Sur-S9E
Equipment/Vehicle Replacement Fund

Source of Funds	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
D4061 (effective 4/27/10)	600,000	600,000	600,000
Add'l funding from new docket effective 1/1/14	-	-	-
Carryover funds from prior year estimated	<u>1,388,272</u>	<u>939,272</u>	<u>604,272</u>
Total Sources	1,988,272	1,539,272	1,204,272
Less obligated uses of funds			
Vehicle and Equipment purchases	540,000	580,000	560,000
Computer Equipment purchases	156,000	150,000	150,000
Office Furniture purchases	25,000	25,000	25,000
Security Equipment	30,000	30,000	30,000
Shop & Plant Equipment	<u>298,000</u>	<u>150,000</u>	<u>200,000</u>
Total Uses	1,049,000	935,000	965,000
End of Year Balance	\$ <u>939,272</u>	\$ <u>604,272</u>	\$ <u>239,272</u>

Providence Water
Restricted Account Sources and Uses of Funds
Projected FY 2013 - FY 2015

Schedule CW Sur-S9F
Insurance Fund

Source of Funds	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
D4061 (effective 4/27/10)	1,777,062	1,777,062	1,777,062
Add'l funding from new docket effective 1/1/14	-	12,743	25,485
Carryover funds from prior year estimated	<u>3,273,421</u>	<u>3,041,333</u>	<u>2,769,005</u>
Total Sources	5,050,483	4,831,138	4,571,552
Less obligated uses of funds			
Property & Casualty	1,031,150	1,056,929	1,070,558
Workers Compensation	900,000	922,500	930,000
Injuries & Damages	50,000	54,004	58,007
Safety Supplies & Other	18,000	18,450	18,911
Program Expense	<u>10,000</u>	<u>10,250</u>	<u>10,506</u>
Total Uses	2,009,150	2,062,133	2,087,982
End of Year Balance	<u>\$3,041,333</u>	<u>\$2,769,005</u>	<u>2,483,570</u>

Providence Water
Restricted Account Sources and Uses of Funds
Projected FY 2013 - FY 2015

Schedule CW Sur-S9G
Chemicals/Sludge Maintenance Fund

Source of Funds	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
D4061 (effective 4/27/10)	2,458,942	2,458,942	2,458,942
Add'l funding from new docket effective 1/1/14	-	1,500,000	3,000,000
Add'l funding from IFR deferral	1,113,852	556,926	-
Carryover funds from prior year estimated	224,188	(1,092,018)	(1,356,150)
Total Sources	3,796,982	3,423,850	4,102,792
Less obligated uses of funds			
Chemicals	3,189,000	3,080,000	3,080,000
Sludge Maintenance	1,700,000	1,700,000	1,700,000
Total Uses	4,889,000	4,780,000	4,780,000
End of Year Balance	(1,092,018)	(\$1,356,150)	(\$677,208)

Providence Water
Restricted Account Sources and Uses of Funds
Projected FY 2013 - FY 2015

Schedule CW Sur-S9H
Property Tax Refund Fund

Source of Funds	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
D4061 (effective 4/27/10)			
Add'l funding from new docket effective 1/1/14			
Interest			
Carryover funds from prior year estimated	464,220	439,220	0
Total Sources	464,220	439,220	0
Less obligated uses of funds			
Transfer to Operations	-	439,220	-
Transfer to Operations-Est Legal/Tax fees	25,000	-	-
Total Uses	25,000	439,220	-
End of Year Balance	<u>\$439,220</u>	<u>\$0</u>	<u>\$0</u>

Providence Water
Restricted Account Sources and Uses of Funds
Projected FY 2013 - FY 2015

Schedule CW Sur-S9I
Revenue Reserve Fund

Source of Funds	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
D4061 (effective 4/27/10)	1,113,852	556,926	
Funding from new docket effective 1/1/14	-		318,352
Cash Flow Revenues		636,705	636,705
Carryover funds from prior year estimated	<u>3,060,554</u>	<u>4,174,406</u>	<u>5,368,037</u>
Total Sources	4,174,406	5,368,037	6,323,093
Less obligated uses of funds			
Total Uses			
End of Year Balance	<u>\$4,174,406</u>	<u>\$5,368,037</u>	<u>\$6,323,093</u>

Providence Water
Restricted Account Sources and Uses of Funds
Projected FY 2013 - FY 2015

Schedule CW Sur-S9J

Scituate Watershed Protection Fund

Source of Funds	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
D4061 (effective 4/27/10)		-	-
Add'l funding from new docket effective 1/1/14	-	-	-
Carryover funds from prior year estimated	<u>187,572</u>	<u>-</u>	<u>-</u>
Total Sources	\$ 187,572	\$ -	\$ -
Less obligated uses of funds			
Land deposits & appraisal fees	<u>187,572</u>		
Total Uses	\$ 187,572	\$ -	\$ -
End of Year Balance	\$ -	\$ -	\$ -

Schedule CW Sur-S10
Revenue Under Existing Rates

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

Retail Consumption Charges

Residential (HCF)	8,517,528	\$	2.488	\$	21,191,609
Commercial (HCF)	4,427,015	\$	2.390	\$	10,580,565
Industrial (HCF)	189,644	\$	2.346	\$	444,905
Total	13,134,186			\$	32,217,079

Wholesale Consumption Charges

Consumption (HCF)	12,898,866	\$	1.269514		
Gallons (Million)	9,648	\$	1,697.21	\$	16,375,291

Billing Unit	Units of Service	Current Rates	Service Charge Revenue
--------------	------------------	---------------	------------------------

Quarterly Service Charges

5/8"	53,150	\$	18.34	\$	3,899,084.00
3/4"	10,645	\$	19.47	\$	829,032.60
1"	5,067	\$	22.85	\$	463,123.80
1.5"	1,491	\$	27.39	\$	163,353.96
2"	1,468	\$	39.77	\$	233,529.44
3"	80	\$	131.15	\$	41,968.00
4"	25	\$	164.98	\$	16,498.00
6"	42	\$	243.95	\$	40,983.60
8"	28	\$	334.19	\$	37,429.28
10"	2	\$	415.97	\$	3,327.76
12"	-	\$	497.76	\$	-
Total	71,998			\$	5,728,330.44

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	72,081			\$	5,779,434.48

Schedule CW Sur-S10
Revenue Under Existing Rates
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"	-	\$ 2,646.63	\$ -
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

\$ 6,874,565

Schedule CW Sur-S10
Revenue Under Existing Rates

Private Fire Service Charges

3/4"	3	\$	19.67	\$	236
1"	10	\$	23.31	\$	932
1.5"	3	\$	28.70	\$	344
2"	50	\$	42.63	\$	8,526
4"	349	\$	182.72	\$	255,077
6"	1,272	\$	295.45	\$	1,503,250
8"	254	\$	443.93	\$	451,033
10"	4	\$	613.33	\$	9,813
12"	17	\$	816.53	\$	55,524
16"	1	\$	1,340.64	\$	5,363
Total	1,963			\$	2,290,098

Public Fire Service Charges

Total Hydrants	6,057		339.33		
Hydrants (Excluding Providence)	2,832	\$	339.33	\$	960,983
Total Rate Revenues				\$	58,718,016

Schedule CW Sur-S11
O&M Cost Allocation

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

TITLE		Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
601 Operating Fund										
<u>Source of Supply</u>										
60110	Salaries + Wages - Emp	A	\$ 626,738	\$ 348,253	\$ -	\$ -	\$ -	\$ -	\$ 6,267	\$ 272,218
60120	Salaries + Wages - Emp	A	\$ 453,642	\$ 252,070	\$ -	\$ -	\$ -	\$ -	\$ 4,536	\$ 197,035
60320	Sal. + Wages - Officers, Dir	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60410	Employee Pension + Ben	A	\$ 184,543	\$ 102,543	\$ -	\$ -	\$ -	\$ -	\$ 1,845	\$ 80,155
60420	Employee Pension + Ben	A	\$ 206,420	\$ 114,699	\$ -	\$ -	\$ -	\$ -	\$ 2,064	\$ 89,657
61510	Purchase Power	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61610	Fuel for Power Purch	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62010	Material + Supplies	A	\$ 19,848	\$ 11,029	\$ -	\$ -	\$ -	\$ -	\$ 198	\$ 8,621
62020	Material + Supplies	A	\$ 76,727	\$ 42,634	\$ -	\$ -	\$ -	\$ -	\$ 767	\$ 33,326
63110	Contractual Services - Engineer	A	\$ 2,576	\$ 1,431	\$ -	\$ -	\$ -	\$ -	\$ 26	\$ 1,119
63120	Contractual Services - Engineer	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63310	Contract Services -Legal	A	\$ 19,094	\$ 10,610	\$ -	\$ -	\$ -	\$ -	\$ 191	\$ 8,293
63420	Contractual Services - Mgt. Fees	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63510	Contractual Services - Other	A	\$ 439,630	\$ 244,284	\$ -	\$ -	\$ -	\$ -	\$ 4,396	\$ 190,949
63520	Contractual Services - Other	A	\$ 33,263	\$ 18,483	\$ -	\$ -	\$ -	\$ -	\$ 333	\$ 14,448
64210	Rental of Equipment	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64220	Rental of Equipment	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65010	Transportation Exp.	A	\$ 152	\$ 85	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 66
65020	Transportation Exp.	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67510	Misc. Expenses	A	\$ 72,378	\$ 40,217	\$ -	\$ -	\$ -	\$ -	\$ 724	\$ 31,437
67520	Misc. Expenses	A	\$ 4,764	\$ 2,647	\$ -	\$ -	\$ -	\$ -	\$ 48	\$ 2,069
Total Source of Supply Expense			\$ 2,139,774	\$ 1,188,985	\$ -	\$ -	\$ -	\$ -	\$ 21,398	\$ 929,391
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	\$ 778,684	\$ 261,918	\$ 191,379	\$ 20,024	\$ -	\$ -	\$ 6,872	\$ 298,491
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	\$ 12,175	\$ 4,246	\$ 3,067	\$ 532	\$ -	\$ -	\$ 97	\$ 4,233
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			\$ 790,858	\$ 266,164	\$ 194,445	\$ 20,556	\$ -	\$ -	\$ 6,970	\$ 302,723
Check			\$ -							

Schedule CW Sur-S11
O&M Cost Allocation

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

TITLE		Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
<u>Water Treatment Expenses</u>										
60130	Salaries + Wages - Emp	AA	\$ 2,086,058	\$ 664,690	\$ 494,447	\$ -	\$ -	\$ -	\$ 20,861	\$ 906,060
60140	Salaries + Wages - Emp	AA	\$ 340,245	\$ 108,414	\$ 80,646	\$ -	\$ -	\$ -	\$ 3,402	\$ 147,782
60430	Employee Pension + Ben	AA	\$ 663,628	\$ 211,455	\$ 157,296	\$ -	\$ -	\$ -	\$ 6,636	\$ 288,241
60440	Employee Pension + Ben	AA	\$ 147,666	\$ 47,051	\$ 35,000	\$ -	\$ -	\$ -	\$ 1,477	\$ 64,137
61530	Purchase Power	P	\$ 226,424	\$ 113,233	\$ 22,642	\$ -	\$ -	\$ -	\$ 2,038	\$ 88,511
61630	Fuel for Power Purch	AA	\$ 230,829	\$ 73,550	\$ 54,712	\$ -	\$ -	\$ -	\$ 2,308	\$ 100,259
61830	Chemicals	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62030	Material + Supplies	AA	\$ 130,694	\$ 41,644	\$ 30,978	\$ -	\$ -	\$ -	\$ 1,307	\$ 56,766
62040	Material + Supplies	AA	\$ 70,209	\$ 22,371	\$ 16,641	\$ -	\$ -	\$ -	\$ 702	\$ 30,495
63130	Contractual Services - Engineer	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63240	Contract Services - Acctg	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63430	Contractual Services - Mgt. Fees	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63530	Contractual Services - Other	AA	\$ 148,455	\$ 47,303	\$ 35,187	\$ -	\$ -	\$ -	\$ 1,485	\$ 64,480
63540	Contractual Services - Other	AA	\$ 89,703	\$ 28,583	\$ 21,262	\$ -	\$ -	\$ -	\$ 897	\$ 38,962
64140	Rental Bldg/Real Prop	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64230	Rental of Equipment	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64240	Rental of Equipment	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65030	Transportation Exp.	AA	\$ 6,078	\$ 1,937	\$ 1,441	\$ -	\$ -	\$ -	\$ 61	\$ 2,640
66730	Regularoty Com Exp. -Other	AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67530	Misc. Expenses	AA	\$ 101,260	\$ 32,265	\$ 24,001	\$ -	\$ -	\$ -	\$ 1,013	\$ 43,981
67540	Misc. Expenses	AA	\$ 2,122	\$ 676	\$ 503	\$ -	\$ -	\$ -	\$ 21	\$ 922
Total Treatment Expense			\$ 4,243,371	\$ 1,393,172	\$ 974,757	\$ -	\$ -	\$ -	\$ 42,207	\$ 1,833,235
		Check	\$ -							
<u>Transmission + Dist. Expense:</u>										
60150	Salaries + Wages - Emp	HM	\$ 1,085,380	\$ 359,480	\$ 185,267	\$ 130,220	\$ 288,871	\$ -	\$ 121,542	\$ -
60160	Salaries + Wages - Emp	HM	\$ 2,273,119	\$ 752,861	\$ 388,006	\$ 272,721	\$ 604,984	\$ -	\$ 254,546	\$ -
60250	Payroll Clearing -Emp	HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60260	Payroll Clearing -Emp	HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60450	Employee Pension + Ben	HM	\$ 306,664	\$ 101,568	\$ 52,345	\$ 36,793	\$ 81,618	\$ -	\$ 34,341	\$ -
60460	Employee Pension + Ben	HM	\$ 926,737	\$ 306,937	\$ 158,188	\$ 111,187	\$ 246,648	\$ -	\$ 103,777	\$ -
60550	Overhead Rate Applied	HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60560	Overhead Rate Applied	HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61550	Purchase Power	P	\$ 12,019	\$ 6,011	\$ 1,202	\$ -	\$ -	\$ -	\$ 108	\$ 4,698
62050	Material + Supplies	F	\$ 282,490	\$ 105,720	\$ 70,135	\$ 49,297	\$ -	\$ -	\$ 5,650	\$ 51,688
62060	Material + Supplies	F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62560	Inventory Clearing	HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63150	Contractual Services - Engineer	TD	\$ 327,816	\$ 153,926	\$ 102,115	\$ 71,775	\$ -	\$ -	\$ -	\$ -
63350	Contractual Services - Legal T&DO	HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63460	Contractual Services - Mgt. Fees	C	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63550	Contractual Services - Other	HOC	\$ 475,030	\$ 266,651	\$ 116,304	\$ 81,805	\$ 1,184	\$ -	\$ 9,085	\$ -
63560	Contractual Services - Other	HMC	\$ 68,071	\$ 22,545	\$ 11,619	\$ 8,167	\$ 18,117	\$ -	\$ 7,623	\$ -
64150	Rental Bldg/Real Prop	F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64160	Rental Bldg/Real Prop	F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64250	Rental of Equipment	F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64260	Rental of Equipment	F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65050	Transportation Exp. T&D	F	\$ 2,877	\$ 1,077	\$ 714	\$ 502	\$ -	\$ -	\$ 58	\$ 526
65850	Insurance W/C	HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65860	Insurance W/C	HM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67550	Misc. Expenses	F	\$ 39,778	\$ 14,887	\$ 9,876	\$ 6,942	\$ -	\$ -	\$ 796	\$ 7,278
67560	Misc. Expenses	F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Transmission & Distribution			\$ 5,799,980	\$ 2,091,662	\$ 1,095,773	\$ 769,408	\$ 1,241,422	\$ -	\$ 537,524	\$ 64,191
		Check	\$ -							

Schedule CW Sur-S11
O&M Cost Allocation

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

TITLE		Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
<u>Customer Accounts Expense:</u>										
60170	Salaries + Wages - Emp	D	\$ 1,982,203	\$ -	\$ -	\$ -	\$ 991,102	\$ 991,102	\$ -	\$ -
60270	Payroll Clearing -Emp	D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60470	Employee Pension + Ben	DY	\$ 811,204	\$ 811,204	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60570	Overhead Rate Applied	D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61670	Fuel for Power Purch	D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62070	Material + Supplies	D	\$ 2,583	\$ -	\$ -	\$ -	\$ 1,291	\$ 1,291	\$ -	\$ -
63370	Contractual Services - Legal	D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63570	Contractual Services - Other	D	\$ 11,495	\$ -	\$ -	\$ -	\$ 5,747	\$ 5,747	\$ -	\$ -
65070	Transportation Exp. -CAO	D	\$ 1,060	\$ -	\$ -	\$ -	\$ 530	\$ 530	\$ -	\$ -
65870	Insurance - Other	D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65970	Insurance Other	D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67070	Bad Debt Expense - CAO	D	\$ (0)	\$ -	\$ -	\$ -	\$ (0)	\$ (0)	\$ -	\$ -
67570	Misc. Expenses	D	\$ 522,312	\$ -	\$ -	\$ -	\$ 261,156	\$ 261,156	\$ -	\$ -
Total Customer Accounts			\$ 3,330,856	\$ 811,204	\$ -	\$ -	\$ 1,259,826	\$ 1,259,826	\$ -	\$ -
		Check	\$ -							
<u>Administrative and General</u>										
60180	Salaries + Wages - Emp	Y	\$ 5,562,671	\$ 1,562,892	\$ 722,020	\$ 253,344	\$ 1,185,140	\$ 623,141	\$ 258,508	\$ 957,625
60280	Payroll Clearing -Emp	Y	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60380	Salaries + wages - Officers, Dir.	YY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60480	Employee Pension + Ben	Y	\$ 5,041,388	\$ 1,416,432	\$ 654,359	\$ 229,603	\$ 1,074,080	\$ 564,746	\$ 234,283	\$ 867,886
60580	Overhead Rate Applied	Z	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61580	Purchase Power	Z	\$ 113,972	\$ 40,201	\$ 15,832	\$ 5,522	\$ 17,484	\$ 8,806	\$ 4,251	\$ 21,876
61680	Fuel for Power Purch	Z	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62080	Material + Supplies	Z	\$ 539,883	\$ 190,432	\$ 74,997	\$ 26,157	\$ 82,821	\$ 41,715	\$ 20,135	\$ 103,625
63180	Contractual Services - Engineer	Y	\$ 47,387	\$ 13,314	\$ 6,151	\$ 2,158	\$ 10,096	\$ 5,308	\$ 2,202	\$ 8,158
63280	Contract Services - Acctg	Y	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63380	Contractual Services - Legal	Y	\$ 53,228	\$ 14,955	\$ 6,909	\$ 2,424	\$ 11,340	\$ 5,963	\$ 2,474	\$ 9,163
63480	Contractual Services - Mgt. Fees	Y	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63580	Contractual Services - Other	Y	\$ 1,077,748	\$ 302,805	\$ 139,889	\$ 49,084	\$ 229,617	\$ 120,731	\$ 50,085	\$ 185,537
64180	Rental Buildg/Real Prop	Z	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64280	Rental of Equipment	Z	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65080	Transportation Exp.	Z	\$ 6,690	\$ 2,360	\$ 929	\$ 324	\$ 1,026	\$ 517	\$ 250	\$ 1,284
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	\$ 347,690	\$ 175,020	\$ 68,928	\$ 24,040	\$ -	\$ -	\$ 12,967	\$ 66,735
67580	Misc. Expenses	Z	\$ 235,719	\$ 83,145	\$ 32,745	\$ 11,421	\$ 36,160	\$ 18,213	\$ 8,791	\$ 45,244
Total Administration + General			\$ 13,026,376	\$ 3,801,556	\$ 1,722,758	\$ 604,077	\$ 2,647,765	\$ 1,389,142	\$ 593,946	\$ 2,267,132
		Check	\$ -							
Total Operation & Maintenance			\$ 29,331,215	\$ 9,552,742	\$ 3,987,734	\$ 1,394,042	\$ 5,149,013	\$ 2,648,968	\$ 1,202,045	\$ 5,396,672
		Check	\$ -							

Schedule CW Sur-S11
O&M Cost Allocation

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

TITLE	Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
857 Insurance Fund									
65840 Insurance W/C - WTM	YY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65870 Insurance W/C - CAO	YY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62080 Materials + Supplies - A&GO	Z	\$ 18,428	\$ 6,500	\$ 2,560	\$ 893	\$ 2,827	\$ 1,424	\$ 687	\$ 3,537
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	\$ 64,348	\$ 38,997	\$ 8,352	\$ 2,931	\$ -	\$ -	\$ 2,990	\$ 11,078
65780 Ins. Gen. Liability	Com Z	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65980 Insurance-Other A&GO	Z	\$ 1,018,753	\$ 359,343	\$ 141,519	\$ 49,358	\$ 156,282	\$ 78,716	\$ 37,995	\$ 195,539
65880 Insurance - W/C	YY	\$ 693,532	\$ 420,305	\$ 90,019	\$ 31,586	\$ -	\$ -	\$ 32,230	\$ 119,393
67070 Bad Debt Expense-CAO	Com Z	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67580 Misc. Expense	Z	\$ 7,486	\$ 2,641	\$ 1,040	\$ 363	\$ 1,148	\$ 578	\$ 279	\$ 1,437
Funding Requirement	Com Z	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Insurance Fund		\$ 1,802,547	\$ 827,786	\$ 243,490	\$ 85,130	\$ 160,257	\$ 80,718	\$ 74,182	\$ 330,983
Check		\$ -							
878 Chemical and Sludge Maintenance Fund									
61830 Chemicals - WTO	A	\$ 2,499,322	\$ 1,388,771	\$ -	\$ -	\$ -	\$ -	\$ 24,993	\$ 1,085,557
62030 Materials + Supplies WTO	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62050 Materials + Supplies T&DO	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63540 Contract Services - Other WTM	A	\$ 1,608,918	\$ 894,010	\$ -	\$ -	\$ -	\$ -	\$ 16,089	\$ 698,819
Funding Requirement	A	\$ 391,760	\$ 217,685	\$ -	\$ -	\$ -	\$ -	\$ 3,918	\$ 170,158
Total Chemical and Sludge Maintenance Fund		\$ 4,500,000	\$ 2,500,466	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ 1,954,534
Check									
Total Operating and Maintenance Expense		\$ 35,633,762	\$ 12,880,994	\$ 4,231,224	\$ 1,479,172	\$ 5,309,270	\$ 2,729,686	\$ 1,321,226	\$ 7,682,189
Check		\$ -							
Less Capital Reimbursement	X4	\$ (834,389)	\$ (520,117)	\$ (74,314)	\$ (21,498)	\$ (46,305)	\$ -	\$ (26,972)	\$ (145,183)
Net Operating and Maintenance Expense		\$ 34,799,373	\$ 12,360,878	\$ 4,156,910	\$ 1,457,674	\$ 5,262,966	\$ 2,729,686	\$ 1,294,254	\$ 7,537,006

Schedule CW Sur-S11
O&M Cost Allocation

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

<u>TITLE</u>	<u>Allocation Factor</u>	<u>Total</u>	<u>Base</u>	<u>Maximum Day</u>	<u>Maximum Hour</u>	<u>Meters & Services</u>	<u>Billing & Collection</u>	<u>Public Fire Protection</u>	<u>Wholesale</u>
City Services Cost	Z	\$ 839,167	\$ 295,998	\$ 116,572	\$ 40,657	\$ 128,733	\$ 64,840	\$ 31,297	\$ 161,069
New Meters	C	\$ 38,443	\$ -	\$ -	\$ -	\$ 38,443	\$ -	\$ -	\$ -
Lost or Stolen Meters	C	\$ 41,676	\$ -	\$ -	\$ -	\$ 41,676	\$ -	\$ -	\$ -
Abandonment	A	\$ 225	\$ 125	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 98
Admin Fee from NBC	D	\$ 25,000	\$ -	\$ -	\$ -	\$ 12,500	\$ 12,500	\$ -	\$ -
Misc. Accounts	A	\$ 15,594	\$ 8,665	\$ -	\$ -	\$ -	\$ -	\$ 156	\$ 6,773
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	\$ 14,824	\$ 9,835	\$ 6,913	\$ -	\$ -	\$ -	\$ -
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	\$ 155	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ 121
Turn On Meter	C	\$ 86,086	\$ -	\$ -	\$ -	\$ 86,086	\$ -	\$ -	\$ -
Scrap Meter Fees Garbage Pick-Up	C	\$ 42,330	\$ -	\$ -	\$ -	\$ 42,330	\$ -	\$ -	\$ -
Other Misc.	A	\$ 4,633	\$ 2,574	\$ -	\$ -	\$ -	\$ -	\$ 46	\$ 2,012
Rental Income	Z	\$ 1,200	\$ 423	\$ 167	\$ 58	\$ 184	\$ 93	\$ 45	\$ 230
Interest on Delinquent Accounts	RR	\$ 472,048	\$ 296,801	\$ 62,147	\$ 20,814	\$ 64,977	\$ 27,308	\$ -	\$ -
Forest Product Sales	A	\$ 28,809	\$ 16,008	\$ -	\$ -	\$ -	\$ -	\$ 288	\$ 12,513
Bad Checks	A	\$ 6,180	\$ 3,434	\$ -	\$ -	\$ -	\$ -	\$ 62	\$ 2,684
Federal Grants	A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Loss Disposal Fixed Assets	A	\$ 1,145	\$ 636	\$ -	\$ -	\$ -	\$ -	\$ 11	\$ 497
Misc. Revenue Water Lien	A	\$ 867	\$ 482	\$ -	\$ -	\$ -	\$ -	\$ 9	\$ 377
State 1 Surcharge	A	\$ 189,348	\$ 189,348	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Miscellaneous Revenues		\$ 1,179,169	\$ 533,483	\$ 72,149	\$ 27,785	\$ 383,058	\$ 136,762	\$ 622	\$ 25,310

Schedule CW Sur-S12
Capital Cost Allocation

Allocation of Capital Costs

Rate Year Ending December 31, 2014

	Allocation Factor	Adjusted Test Year	Rate Year Adjustments	Pro Forma Rate Year	Base	Maximum Day	Maximum Hour	Meters	Billing & Collection	Fire Protection	Wholesale
Capital Fund	D			\$ -	-	-	-	-	-	-	-
Western Cranston Fund (WCWDS Fund)	TD			\$ 62,069	29,144	19,335	13,590	-	-	-	-
Infrastructure Replacement Fund	K1			\$ 21,000,000	13,956,152	1,943,499	554,467	-	-	712,221	3,833,661
AMR/Meter Replacement Fund	C			\$ 1,000,000	-	-	-	1,000,000	-	-	-
Equipment Replacement	K2			\$ 600,000	141,112	55,529	15,842	257,635	-	20,349	109,533
				\$ 22,662,069	\$ 14,126,408	\$ 2,018,362	\$ 583,899	\$ 1,257,635	\$ -	\$ 732,570	\$ 3,943,194
				\$ -							

Schedule CW Sur-S13
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	\$ 5,677,446	3,154,725	-	-	-	-	56,774	2,465,947
Foster	A	\$ 314,059	174,510	-	-	-	-	3,141	136,409
North Providence	F	\$ 273,500	102,356	67,903	47,728	-	-	5,470	50,043
Johnston	A	\$ 96,805	53,791	-	-	-	-	968	42,046
Cranston	A	\$ 122,555	68,099	-	-	-	-	1,226	53,231
*Glocester	A	\$ 56,793	31,557	-	-	-	-	568	24,667
West Warwick	A	\$ 3,756	2,087	-	-	-	-	38	1,631
West Glocester Fire	A	\$ 3,782	2,102	-	-	-	-	38	1,643
Harmony Fire District	A	\$ 174	97	-	-	-	-	2	76
Chepachet Fire District	A	\$ 141	78	-	-	-	-	1	61
Warwick	A	\$ -	-	-	-	-	-	-	-
		\$ 6,549,011	\$ 3,589,401	\$ 67,903	\$ 47,728	\$ -	\$ -	\$ 68,225	\$ 2,775,754

Schedule CW Sur-S14
Allocations Legend

3 4 5 6 7 8 9

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	55.57%	0.00%	0.00%	0.00%	0.00%	1.00%	43.43%
AA	1% allocated to fire protection, remainder allocated to base, maximum day, and wholesale based on consumption	31.86%	23.70%	0.00%	0.00%	0.00%	1.00%	43.43%
C	100% to Meters & Services				100.00%			
Com Y	Allocated Based on Methodology in Docket # 2048, Y - Labor Reallocated from Meters and Billing	48.11%	22.23%	7.80%	0.00%	0.00%	4.65%	17.22%
Com Z	Allocated Based on Methodology in Docket # 2048, Z - O&M Reallocated from Meters and Billing	50.34%	19.82%	6.91%	0.00%	0.00%	3.73%	19.19%
Cran	Cranston Taxes, 16% Allocator F, 84% Allocator A	52.66%	3.97%	2.79%	0.00%	0.00%	1.16%	39.41%
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	37.42%	24.83%	17.45%	0.00%	0.00%	2.00%	18.30%
FP	100% Fire Protection						100.00%	0.00%
HM	T&D Maintenance Based on FY 2004 - FY 2006 Activities	33.12%	17.07%	12.00%	26.61%	0.00%	11.20%	0.00%
HMY	Reallocation from Billing and Collections and Meters and Services to Base of HM	59.73%	17.07%	12.00%	0.00%	0.00%	11.20%	0.00%
HMC	T&D Contract Maintenance Based on FY 2012 Activities	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%
HOC	T&D Contract Operations based on FY 2012 activities	56.13%	24.48%	17.22%	0.25%	0.00%	1.91%	0.00%
K1	Allocated Based on Net Plant Investment less Land, Meters to Retail (left Fire Service)	66.46%	9.25%	2.64%	0.00%	0.00%	3.39%	18.26%
K2	Allocated Based on Net Plant Investment less Land	23.52%	9.25%	2.64%	42.94%	0.00%	3.39%	18.26%
L	Based on Allocation of other Transmission & Distribution Plant except Services & Meters	35.71%	24.55%	11.65%	0.00%	0.00%	13.47%	14.62%
N	Allocation of Pumping Investment and Expenses	47.67%	9.61%	1.67%			0.92%	40.13%
NO	Allocation of Pumping and Investment Expenses Excluding Raw Water	34.88%	25.19%	4.37%			0.80%	34.77%
NP	Allocation Factor NO with Maximum Day and Maximum Hour reallocated to base	33.64%	24.58%	2.57%			0.88%	38.33%
P	10% allocated to maximum day, 90% allocated based on A	50.01%	10.00%	0.00%	0.00%	0.00%	0.90%	39.09%
RR	Retail Revenue	62.88%	13.17%	4.41%	13.76%	5.79%	0.00%	0.00%
T	Allocation of all Non-General Plant	26.47%	8.45%	2.42%	38.91%	0.00%	3.20%	20.54%
TD	Allocation of Base, Max Day and Max Hour of Retail only	46.95%	31.15%	21.89%	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	33.12%	17.07%	12.00%	26.61%	0.00%	11.20%	0.00%
X2	Allocation within a Particular Group Based on the Relationship between all Other Items in the Group	56.13%	24.48%	17.22%	0.25%	0.00%	1.91%	0.00%
X4	Allocation within a Particular Group Based on the Relationship between all Other Items in the Group	62.34%	8.91%	2.58%	5.55%	0.00%	3.23%	17.40%
Y	Based on Labor related O&M Expenses.	28.10%	12.98%	4.55%	21.31%	11.20%	4.65%	17.22%
YY	Reallocation from Billing and Collections and Meters and Services to base of YY	60.60%	12.98%	4.55%			4.65%	17.22%
Z	Based on Total O&M expenses, except for Administrative & General	35.27%	13.89%	4.84%	15.34%	7.73%	3.73%	19.19%
DY	Allocation Factor D with Meters and Services, Billing and Collection Reallocated to Base	100.00%						

Schedule CW Sur-S14A
Development of Allocation Factor N

3 4 5 8 9

Station	Retail	Capacity (MGD)	Percent of Capacity	Allocation	Base	Maximum Day	Maximum Hour	Fire Protection	Wholesale	
Raw Water	Average Day	160	61.83%	A	34.36%	0.00%	0.00%	0.62%	26.86%	
Neutaconkanut	75%	38.59	14.91%	AA	4.75%	3.53%	0.00%	0.15%	6.48%	
Bath Street	75%	28.94	11.18%	AA	3.56%	2.65%	0.00%	0.11%	4.86%	
Aqueduct	67%	11.52	4.45%	AA	1.42%	1.06%	0.00%	0.04%	1.93%	
Fruit Hill	100%	4.32	1.67%	TD	0.78%	0.52%	0.37%		0.00%	
Alpine Estates	100%	1.74	0.67%	TD	0.32%	0.21%	0.15%		0.00%	
Cranston	100%	3.83	1.48%	TD	0.69%	0.46%	0.32%		0.00%	
Garden Hills	0%	0	0.00%	TD	0.00%	0.00%	0.00%		0.00%	Taken Out of Service
Dean Estates	100%	4.32	1.67%	TD	0.78%	0.52%	0.37%		0.00%	
Greenville	100%	2.46	0.95%	TD	0.45%	0.30%	0.21%		0.00%	
Ashby Street	100%	1.44	0.56%	TD	0.26%	0.17%	0.12%		0.00%	
Atwood Avenue		1.6	0.62%	TD	0.29%	0.19%	0.14%		0.00%	Added
Totals		258.76	100.00%		47.67%	9.61%	1.67%	0.92%	40.13%	
Excluding Raw Water (Allocation Factor NO)					34.88%	25.19%	4.37%	0.80%	34.77%	100.00% ok

Development of Allocation Factor NP

Station	Retail	Capacity (MGD)	Power Cost	Allocation	Base	Maximum Day	Maximum Hour	Fire Protection	Wholesale	
Neutaconkanut	75%	38.59	\$ 210,781	AA	\$67,162.06	\$49,960.21	\$0.00	\$2,107.81	\$91,550.69	43.43%
Bath Street	75%	28.94	\$ 329,874	AA	\$105,109.19	\$78,188.15	\$0.00	\$3,298.74	\$143,277.60	43.43%
Aqueduct	67%	11.52	\$ 140,622	AA	\$44,806.98	\$33,330.81	\$0.00	\$1,406.22	\$61,077.79	43.43%
Fruit Hill	100%	4.32	\$ 35,137	TD	\$16,498.36	\$10,945.11	\$7,693.09		\$0.00	0.00%
Alpine Estates	100%	1.74	\$ 2,256	TD	\$1,059.10	\$702.61	\$493.85		\$0.00	0.00%
Cranston	100%	3.83	\$ 13,035	TD	\$6,120.60	\$4,060.44	\$2,854.00		\$0.00	0.00%
Dean Estates	100%	1.44	\$ 18,908	TD	\$8,878.40	\$5,889.99	\$4,139.95		\$0.00	0.00%
Greenville	100%	2.46	\$ 12,328	TD	\$5,788.46	\$3,840.10	\$2,699.13		\$0.00	0.00%
Ashby Street	100%	0	\$ -	TD	\$0.00	\$0.00	\$0.00		\$0.00	#DIV/0!
Atwood Avenue	100%	1.6	\$ 9,002	TD	\$4,226.87	\$2,804.13	\$1,970.96		\$0.00	0.00%
Totals		94.44	\$ 771,941		\$259,650.03	\$189,721.56	\$19,850.97	\$6,812.76	\$295,906.08	
Excluding Raw Water with no Maximum Day or Maximum Hour (Allocation Factor NP)					33.64%	24.58%	2.57%	0.88%	38.33%	
					60.78%				38.33%	

Schedule CW Sur-S14B
Allocations Factor Detail/Comparison

Factor	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale		Check
A	54.65%					1.00%	44.35%	Current	0.00%
A	55.57%					1.00%	43.43%	Proposed	0.00%

Methodology: Allocate 1% to fire and split the remaining 99% between base and wholesale according to pro-forma consumption

	Proposed	Current
Fire Protection	1.00%	1.00%
Remainder to be Split	99.00%	99.00%
Wholesale Pro-Forma Consumption	13,059,587	14,836,697
Retail Pro-Forma Consumption	16,707,339	18,279,662
Total	29,766,926	33,116,360
Wholesale Proportion	43.87%	44.80%
Retail Proportion	56.13%	55.20%
Total	100.00%	100.00%
Wholesale Allocation	43.43%	44.35%
Base Allocation	55.57%	54.65%

Factor	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale		Check
AA	31.47%	20.77%				1.00%	46.76%	Current	0.00%
AA	31.86%	23.70%				1.00%	43.43%	Proposed	0.00%

Methodology: 1% allocated to fire protection, remainder allocated to base, maximum day, and wholesale based on consumption

	Proposed	Current		
Fire Protection	1.00%	1.00%		
Remainder to be Split	99.00%	99.00%		
Wholesale Pro-Forma Consumption	13,059,587	14,064,345	43.9%	47.2%
Retail Pro-Forma Consumption	16,707,339	15,712,061	56.1%	52.8%
Total	29,766,926	29,776,406		
Wholesale Proportion	43.87%	47.23%		
Retail Proportion	56.13%	52.77%		
Total	100.00%	100.00%		
Wholesale Allocation	43.43%	46.76%		
Remainder to be allocated to Base and Max Day	55.57%	52.24%		
Base Units of Service	35,886	43,047		
Max Day Units of Service	26,695	28,420		
Total	62,580.29	71,466.78		
Base Proportion	57.34%	60.23%		
Max Day Proportion	42.66%	39.77%		
Base Allocation	31.86%	31.47%		
Max Day Allocation	23.70%	20.77%		

Schedule CW Sur-S14B
Allocations Factor Detail/Comparison

Factor	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale		Check
P	47.08%	10.00%	0.00%	0.00%	0.00%	0.90%	42.02%	Current	0.00%
P	50.01%	10.00%				0.90%	39.09%	Proposed	0.00%

Methodology: 10% allocated to maximum day, 90% allocated based on A

	Proposed	Current
Allocation to Max Day	10.00%	10.00%
Remainder to be Allocated based on A	90.00%	90.00%
1% Allocated to Public Fire	0.90%	0.90%
Reminder to be Allocated to Base and Wholesale	89.10%	89.10%
Wholesale Pro-Forma Consumption	13,059,587	13,876,406
Retail Pro-Forma Consumption	16,707,339	15,545,910
Total	29,766,926	29,422,315
Wholesale Proportion	43.87%	47.16%
Retail Proportion	56.13%	52.84%
Total	100.00%	100.00%
Wholesale Allocation	39.09%	42.02%
Base Allocation	50.01%	47.08%

Factor	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale		Check
TD	46.50%	31.10%	22.40%					Current	0.00%
TD	46.95%	31.15%	21.89%					Proposed	0.00%

Methodology: Allocation of Base, Max Day and Max Hour of Retail only

	Proposed	Current
Base Demand (Retail Only)	35,886	42,592
Maximum Day (Retail Only)	23,807	28,482
Maximum Hour (Retail Only)	16,733	20,514
Base Allocation (Retail Only)	46.95%	46.50%
Maximum Day Allocation (Retail Only)	31.15%	31.10%
Maximum Hour Allocation (Retail Only)	21.89%	22.40%

Factor	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale		Check
X4	40.23%	16.71%	7.06%	8.12%	0.00%	0.06%	27.83%	Current	0.00%
X4	62.34%	8.91%	2.58%	5.55%	0.00%	3.23%	17.40%	Proposed	0.00%

Schedule CW Sur-S14B**Allocations Factor Detail/Comparison****Methodology: Allocation within a Particular Goup Based on the Relationship between all Other Items in the Group**

	Proposed	Current
Base, Capital Fund	-	846,739
Sum of Remaining Capital Fund Categories	14,126,408	6,398,767
Total for Capital Fund	\$ -	\$ 2,450,000
Total of All Other Capital	22,662,069	15562069
Base Allocation	62.34%	40.23%
Max Day, Capital Fund	-	\$ 2,569,207
Sum of Remaining Capital Fund Categories	2,018,362	2655709.509
Total for Capital Fund	\$ -	\$ 2,450,000
Total of All Other Capital	22,662,069	15,562,069
Max Day Allocation	8.91%	29.01%
Max Hour, Capital Fund	-	149203.8591
Sum of Remaining Capital Fund Categories	583,899	1,121,806
Total for Capital Fund	\$ -	\$ 2,450,000
Total of All Other Capital	22,662,069	15,562,069
Max Hour Allocation	2.58%	7.06%
Meters and Services, Capital Fund	-	371,971
Sum of Remaining Capital Fund Categories	1,257,635	1,091,095
Total for Capital Fund	\$ -	\$ 2,450,000
Total of All Other Capital	22,662,069	15,562,069
Meters and Services Allocation	5.55%	8.12%
Billing and Collection, Capital Fund	-	-
Sum of Remaining Capital Fund Categories	-	-
Total for Capital Fund	\$ -	\$ 2,450,000
Total of All Other Capital	22,662,069	15562069
Billing and Collection Allocation	0.00%	0.00%
Public Fire Protection, Capital Fund	-	8,570
Sum of Remaining Capital Fund Categories	732,570	2,720
Total for Capital Fund	\$ -	\$ 2,450,000
Total of All Other Capital	22,662,069	15562069
Public Fire Protection, Allocation	3.23%	0.06%
Wholesale, Capital Fund	-	720298.4594
Sum of Remaining Capital Fund Categories	3,943,194	\$ 4,291,972
Total for Capital Fund	\$ -	\$ 2,450,000
Total of All Other Capital	22,662,069	15562069
Wholesale, Allocation	17.40%	27.83%

Schedule CW Sur-S14B
Allocations Factor Detail/Comparison

Factor	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale		Check
Y	24.15%	13.40%	4.04%	20.98%	12.76%	1.67%	22.99%	Current	0.00%
Y	28.10%	12.98%	4.55%	21.31%	11.20%	4.65%	17.22%	Proposed	0.00%

Methodology: Based on Labor related O&M Expenses.

Proposed	Total	Base	MD	MH	M&S	B&C	PFP	Wholesale
Source of Supply Labor	1,080,380.27	600,323.21	0.00	0.00	0.00	0.00	0.00	10,803.80
Pumping Labor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Water Treatment Plant Labor	2,426,303.27	773,104.35	575,093.33	0.00	0.00	0.00	0.00	24,263.03
T&D Labor	3,358,498.72	1,112,340.55	573,273.39	402,941.57	893,855.11	0.00	0.00	376,088.11
Customer Accounts Labor	1,982,203.02	0.00	0.00	0.00	991,101.51	991,101.51	0.00	0.00
Administration Labor	5,562,671.12	1,562,892.32	722,019.69	253,343.94	1,185,140.40	623,141.37	258,507.98	957,625.42

Proposed	Base	MD	MH	M&S	B&C	PFP	Wholesale
Allocation	28.10%	12.98%	4.55%	21.31%	11.20%	4.65%	17.22%

Current	Total	Base	MD	MH	M&S	B&C	PFP	Wholesale
Source of Supply Labor	\$ 750,591	\$ 392,625	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,506
Pumping Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Treatment Plant Labor	\$ 2,358,221	\$ 739,223	\$ 494,333	\$ -	\$ -	\$ -	\$ -	\$ 23,582
T&D Labor	\$ 3,298,881	\$ 891,328	\$ 627,678	\$ 338,806	\$ 772,875	\$ 84,571	\$ 109,207	\$ 474,416
Customer Accounts Labor	\$ 1,968,504	\$ -	\$ -	\$ -	\$ 984,252	\$ 984,252	\$ -	\$ -
Administration Labor	\$ 5,120,545	\$ 1,236,810	\$ 685,909	\$ 207,119	\$ 1,074,169	\$ 653,394	\$ 85,765	\$ 1,177,379

Current	Base	MD	MH	M&S	B&C	PFP	Wholesale
Allocation	24.15%	13.40%	4.04%	20.98%	12.76%	1.67%	22.99%

Factor	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale		Check
Z	33.52%	16.91%	5.26%	10.87%	6.70%	1.51%	25.23%	Current	0.00%
Z	35.27%	13.89%	4.84%	15.34%	7.73%	3.73%	19.19%	Proposed	0.00%

Methodology: Based on Total O&M expenses, except for Adminstrative & General

Proposed	Total	Base	MD	MH	M&S	B&C	PFP	Wholesale
Source of Supply	2,139,774	1,188,985	0	0	0	0	0	21,398
Pumping	790,858	266,164	194,445	20,556	0	0	0	6,970
Water Treatment Plant	4,243,371	1,393,172	974,757	0	0	0	0	42,207
T&D	5,799,980	2,091,662	1,095,773	769,408	1,241,422	0	537,524	64,191
Customer Accounts	3,330,856	811,204	0	0	1,259,826	1,259,826	0	0

Proposed	Base	MD	MH	M&S	B&C	PFP	Wholesale
Allocation	35.27%	13.89%	4.84%	15.34%	7.73%	3.73%	19.19%

Current	Total	Base	MD	MH	M&S	B&C	PFP	Wholesale
Source of Supply	\$ 1,403,154	\$ 733,972	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,032
Pumping	\$ 1,110,085	\$ 518,927	\$ 113,571	\$ -	\$ -	\$ -	\$ -	\$ 10,014
Water Treatment Plant	\$ 4,705,839	\$ 1,692,591	\$ 1,004,092	\$ 103,819	\$ -	\$ -	\$ -	\$ 56,358
T&D	\$ 6,671,221	\$ 2,304,123	\$ 1,503,997	\$ 714,401	\$ 803,492	\$ 84,571	\$ 159,636	\$ 1,101,000
Customer Accounts	\$ 3,372,372	\$ 536,948	\$ 297,780	\$ 89,919	\$ 1,072,471	\$ 1,072,471	\$ 20,559	\$ 282,226

Current	Base	MD	MH	M&S	B&C	PFP	Wholesale
Allocation	33.52%	16.91%	5.26%	10.87%	6.70%	1.51%	25.23%

Schedule CW Sur-S14B
Allocations Factor Detail/Comparison

Methodology: 2% to Fire, Allocated to Base & Wholesale by Proportion of T&D Pipe in Inch Miles, Retail to Base, Max Day and Hour

Factor	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale	Check
F	37.42%	24.83%	17.45%	0.00%	0.00%	2.00%	18.30%	0.00%
Proposed								
2% Allocated to Fire	2.00%							
Remainder to Be Allocated to Base and Wholesale	98.00%							
Wholesale Share of Unaccounted for Water	4.30%	On Inch-Miles		18.67%				
Wholesale Allocation	4.22%			18.30%				
Remainder to be Allocated to Retail	93.78%			79.70%				
Base	46.95%			46.95%				
Max Day	31.15%			31.15%				
Max Hour	21.89%			21.89%				
Base Allocation	44.04%			37.42%				
Max Day Allocation	29.21%			24.83%				
Max Hour Allocation	20.53%			17.45%				

Schedule CW Sur-S14C
PWSB Response to KCWA 1-13b
Update of Factors HM, HOC and HMC

Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
Transmission & Distribution - Salaries & Wages T&D (M) - HM								
FY 2010 Allocation		26.18%	17.25%	12.13%	29.68%	0.00%	8.60%	6.16%
FY 2011 Allocation		26.38%	17.36%	12.20%	24.25%	0.00%	12.34%	7.46%
FY 2012 Allocation		25.17%	16.60%	11.67%	25.91%	0.00%	12.66%	8.00%
Average Allocation		25.91%	17.07%	12.00%	26.61%	0.00%	11.20%	7.21%
Adjust - No Wholesale		33.12%	17.07%	12.00%	26.61%	0.00%	11.20%	0.00%
Transmission & Distribution - Contract Services Other T&D (O) - HOC								
FY 2010 Allocation		39.07%	25.06%	17.61%	0.02%	0.00%	1.91%	16.33%
FY 2011 Allocation		35.59%	23.60%	16.62%	0.70%	0.00%	1.83%	21.65%
FY 2012 Allocation		39.48%	24.79%	17.43%	0.03%	0.00%	1.99%	16.28%
Average Allocation		38.05%	24.48%	17.22%	0.25%	0.00%	1.91%	18.09%
Adjust - No Wholesale		56.13%	24.48%	17.22%	0.25%	0.00%	1.91%	0.00%
Transmission & Distribution - Contract Services Other T&D (M) - HMC								
FY 2010 Allocation		0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%
FY 2011 Allocation		0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%
FY 2012 Allocation		0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%
Average Allocation		0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%
Adjust - No Wholesale		0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%

Schedule CW Sur-S14C
PWSB Response to KCWA 1-13b
Update of Factors HM, HOC and HMC

Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
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**PWSB Response to KCWA 1-13b
Update of Factors HM, HOC and HMC
FY 2012**

Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
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Transmission & Distribution - Salaries & Wages T&D (M)

(Labor Costs)								
TD HYDRANT-REMOVAL T&D OPER	FP	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TD MAIN-REMOVAL T&D OPER	F	1,227	\$ 459	\$ 305	\$ 214	\$ -	\$ 25	\$ 225
TD SERVICE-REMOVAL T&D OPER	C	15,752	\$ -	\$ -	\$ -	\$ 15,752	\$ -	\$ -
TD VALVE-REMOVAL T&D OPER	F	389	\$ 146	\$ 97	\$ 68	\$ -	\$ 8	\$ 71
TD BLOWOFF-INSTALL IFR	F	2,303	\$ 862	\$ 572	\$ 402	\$ -	\$ 46	\$ 421
TD HYDRANT-INSTALL IFR	FP	41,398	\$ -	\$ -	\$ -	\$ -	\$ 41,398	\$ -
TD MAIN-INSTALL SECTION IFR	F	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TD BLOWOFF-REMOVAL IFR	F	519	\$ 194	\$ 129	\$ 91	\$ -	\$ 10	\$ 95
TD HYDRANT-REMOVAL IFR	FP	37,882	\$ -	\$ -	\$ -	\$ -	\$ 37,882	\$ -
TD MAIN-REMOVAL SECTION IFR	F	1,122	\$ 420	\$ 279	\$ 196	\$ -	\$ 22	\$ 205
TD SERVICE-REMOVAL IFR	C	38,340	\$ -	\$ -	\$ -	\$ 38,340	\$ -	\$ -
TD VALVE-REMOVAL IFR	F	19,722	\$ 7,381	\$ 4,896	\$ 3,442	\$ -	\$ 394	\$ 3,609
TD SERVICE-INSTALL 1" IFR	C	34,074	\$ -	\$ -	\$ -	\$ 34,074	\$ -	\$ -
TD SERVICE-INSTALL 1.5" IFR	C	1,130	\$ -	\$ -	\$ -	\$ 1,130	\$ -	\$ -
TD SERVICE-INSTALL 0.75" IFR	C	450	\$ -	\$ -	\$ -	\$ 450	\$ -	\$ -
TD VALVE-INSTALL 12" IFR	F	2,011	\$ 753	\$ 499	\$ 351	\$ -	\$ 40	\$ 368
TD VALVE-INSTALL 6" IFR	F	9,574	\$ 3,583	\$ 2,377	\$ 1,671	\$ -	\$ 191	\$ 1,752
TD VALVE-INSTALL 8" IFR	F	4,618	\$ 1,728	\$ 1,146	\$ 806	\$ -	\$ 92	\$ 845
TD BLOWOFF/BYPASS-INSTALL NEW	F	1,739	\$ 651	\$ 432	\$ 303	\$ -	\$ 35	\$ 318
TD VALVE-INSTALL 6" NEW	F	1,167	\$ 437	\$ 290	\$ 204	\$ -	\$ 23	\$ 213
TD SERVICE-INSTALL 1" DOM/FIRE	C	22,931	\$ -	\$ -	\$ -	\$ 22,931	\$ -	\$ -
TD SERVICE-INSTALL 1.5"	C	7,263	\$ -	\$ -	\$ -	\$ 7,263	\$ -	\$ -
TD SERVICE-INSTALL 2" DOM/FIRE	C	11,747	\$ -	\$ -	\$ -	\$ 11,747	\$ -	\$ -
TD SERVICE-INSTALL 4" DOM/FIRE	C	9,148	\$ -	\$ -	\$ -	\$ 9,148	\$ -	\$ -
TD SERVICE-INSTALL 6" DOM/FIRE	C	8,867	\$ -	\$ -	\$ -	\$ 8,867	\$ -	\$ -
TD HYDRANT-INSTALL CUSTODIAN	FP	10,424	\$ -	\$ -	\$ -	\$ -	\$ 10,424	\$ -
TD HYDRANT-INSTALL NEW	FP	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TD HYDRANT-RELOCATE EXISTING	FP	937	\$ -	\$ -	\$ -	\$ -	\$ 937	\$ -
TD VALVE-EXERCISE (SCHEDULED)	F	45	\$ 17	\$ 11	\$ 8	\$ -	\$ 1	\$ 8
TD VALVE-LOCATE	F	298	\$ 112	\$ 74	\$ 52	\$ -	\$ 6	\$ 55
TD VALVE-ADJUST GATE BOX	F	26,284	\$ 9,836	\$ 6,526	\$ 4,587	\$ -	\$ 526	\$ 4,809
TD VALVE-REPAIR/REPACK	F	30,577	\$ 11,443	\$ 7,592	\$ 5,336	\$ -	\$ 612	\$ 5,595
TD MAIN-REPAIR LEAK ON A MAIN	F	47,270	\$ 17,690	\$ 11,736	\$ 8,249	\$ -	\$ 945	\$ 8,649
TD BLOWOFF-REPAIR/LOCATE	F	1,450	\$ 543	\$ 360	\$ 253	\$ -	\$ 29	\$ 265
TD SERVICE-CLOSE FOR REPAIR	C	721	\$ -	\$ -	\$ -	\$ 721	\$ -	\$ -
TD SERVICE-ADJUST BOX TO GRADE	C	8,182	\$ -	\$ -	\$ -	\$ 8,182	\$ -	\$ -
TD SERVICE-DIG UP CURBBOX	C	36,027	\$ -	\$ -	\$ -	\$ 36,027	\$ -	\$ -

Schedule CW Sur-S14C
PWSB Response to KCWA 1-13b
Update of Factors HM, HOC and HMC

	Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
TD SERVICE-DIG UP FOR METER	C	1,797	\$ -	\$ -	\$ -	\$ 1,797	\$ -	\$ -	\$ -
TD SERVICE-LOCATE STOP	C	726	\$ -	\$ -	\$ -	\$ 726	\$ -	\$ -	\$ -
TD MAIN-BLOW OFF	F	3,403	\$ 1,273	\$ 845	\$ 594	\$ -	\$ -	\$ 68	\$ 623
TD SERVICE-REPAIR LEAK	C	57,001	\$ -	\$ -	\$ -	\$ 57,001	\$ -	\$ -	\$ -
TD SERVICE-REPLACE/REPAIR STOP	C	8,303	\$ -	\$ -	\$ -	\$ 8,303	\$ -	\$ -	\$ -
TD HYDRANT-MAINTENANCE	FP	2,730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,730	\$ -
TD HYDRANT-REPAIR	FP	13,779	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,779	\$ -
TD COVER-REPLACE SERVICE/VALVE	C	2,574	\$ -	\$ -	\$ -	\$ 2,574	\$ -	\$ -	\$ -
TD LEAK-CHECK ON VL,WS,WM,HY	F	649	\$ 243	\$ 161	\$ 113	\$ -	\$ -	\$ 13	\$ 119
TD T&D-MISCELLANEOUS MAINT.	F	3,332	\$ 1,247	\$ 827	\$ 581	\$ -	\$ -	\$ 67	\$ 610
TD DIG SAFE PROGRAM	F	303,330	\$ 113,519	\$ 75,309	\$ 52,933	\$ -	\$ -	\$ 6,067	\$ 55,501
105 CT CHECK TRENCH	F	5,090	\$ 1,905	\$ 1,264	\$ 888	\$ -	\$ -	\$ 102	\$ 931
105RT REPAIR TRENCH	F	9,142	\$ 3,421	\$ 2,270	\$ 1,595	\$ -	\$ -	\$ 183	\$ 1,673
WATER QUALITY ISSUES	TD	11,777	\$ 5,530	\$ 3,668	\$ 2,578	\$ -	\$ -	\$ -	\$ -
LOCATE VALVE	F	15,149	\$ 5,669	\$ 3,761	\$ 2,644	\$ -	\$ -	\$ 303	\$ 2,772
EXERCISE VALVE	F	12,503	\$ 4,679	\$ 3,104	\$ 2,182	\$ -	\$ -	\$ 250	\$ 2,288
CHECK CONDITION OF VALVE	F	28,037	\$ 10,493	\$ 6,961	\$ 4,893	\$ -	\$ -	\$ 561	\$ 5,130
CHECK CONDITION OF GATE BOX	F	3,392	\$ 1,270	\$ 842	\$ 592	\$ -	\$ -	\$ 68	\$ 621
CHECK FOR NO RUSTY WATER	TD	8,872	\$ 4,166	\$ 2,764	\$ 1,942	\$ -	\$ -	\$ -	\$ -
CLOSE STOP-NO PMT	C	115	\$ -	\$ -	\$ -	\$ 115	\$ -	\$ -	\$ -
CLOSE STOP-NON USE	C	1,478	\$ -	\$ -	\$ -	\$ 1,478	\$ -	\$ -	\$ -
CLOSE STOP-REPAIR	C	39,060	\$ -	\$ -	\$ -	\$ 39,060	\$ -	\$ -	\$ -
OPEN STOP CLOSED-NON USE	C	681	\$ -	\$ -	\$ -	\$ 681	\$ -	\$ -	\$ -
OPEN STOP CLOSED-REPAIR	C	29,774	\$ -	\$ -	\$ -	\$ 29,774	\$ -	\$ -	\$ -
OPEN STOP-NON PAYMENTS	C	10,175	\$ -	\$ -	\$ -	\$ 10,175	\$ -	\$ -	\$ -
MARK OUT	F	22,655	\$ 8,479	\$ 5,625	\$ 3,953	\$ -	\$ -	\$ 453	\$ 4,145
CLOSE STOP-DEMOLITION	C	1,063	\$ -	\$ -	\$ -	\$ 1,063	\$ -	\$ -	\$ -
CHECK POSITION AND CONDITION OF STOP	C	13,417	\$ -	\$ -	\$ -	\$ 13,417	\$ -	\$ -	\$ -
CHECK CONDITION-CURB BOX	C	1,812	\$ -	\$ -	\$ -	\$ 1,812	\$ -	\$ -	\$ -
CHECK WATER QUALITY ISSUES	TD	27,117	\$ 12,733	\$ 8,447	\$ 5,937	\$ -	\$ -	\$ -	\$ -
METER MAINTENANCE	C	65	\$ -	\$ -	\$ -	\$ 65	\$ -	\$ -	\$ -
METER WORK-SET JUMP PIPE	C	229	\$ -	\$ -	\$ -	\$ 229	\$ -	\$ -	\$ -
CHECK CONDITION OF HYDRANT	FP	36,198	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,198	\$ -
OPEN/CLOSE/FLUSH HYDRANT	FP	23,025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,025	\$ -
ASSIST A TRUCK	X1	5,393	\$ 1,786	\$ 920	\$ 647	\$ 1,435	\$ -	\$ 604	\$ -
REPLACE COVERS	F	2,963	\$ 1,109	\$ 736	\$ 517	\$ -	\$ -	\$ 59	\$ 542
YARD WORK	TD	869	\$ 408	\$ 271	\$ 190	\$ -	\$ -	\$ -	\$ -
CHECK LEAK	F	36,186	\$ 13,542	\$ 8,984	\$ 6,315	\$ -	\$ -	\$ 724	\$ 6,621
T&D MISC.	X1	23,092	\$ 7,648	\$ 3,942	\$ 2,770	\$ 6,146	\$ -	\$ 2,586	\$ -
SHUT DOWN NOTIFICATIONS	C	2,283	\$ -	\$ -	\$ -	\$ 2,283	\$ -	\$ -	\$ -
LEAK DETECTION	F	3,825	\$ 1,431	\$ 950	\$ 667	\$ -	\$ -	\$ 76	\$ 700
TRANSPORTATION AND DELIVERY	X1	290	\$ 96	\$ 50	\$ 35	\$ 77	\$ -	\$ 33	\$ -
LAG TIME	TD	200,553	\$ 94,170	\$ 62,473	\$ 43,911	\$ -	\$ -	\$ -	\$ -
EQUIPMENT MAINTENANCE	X1	399	\$ 132	\$ 68	\$ 48	\$ 106	\$ -	\$ 45	\$ -

Schedule CW Sur-S14C
PWSB Response to KCWA 1-13b
Update of Factors HM, HOC and HMC

TRENCH REPAIR
CHECK TRENCH
EXERCISE VALVE

Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
F	17,672	\$ 6,614	\$ 4,388	\$ 3,084	\$ -	\$ -	\$ 353	\$ 3,234
F	11,742	\$ 4,394	\$ 2,915	\$ 2,049	\$ -	\$ -	\$ 235	\$ 2,148
F	289	\$ 108	\$ 72	\$ 51	\$ -	\$ -	\$ 6	\$ 53
	\$ 1,439,592	\$ 362,319	\$ 238,934	\$ 167,942	\$ 372,951	\$ -	\$ 182,233	\$ 115,213
HM		25.17%	16.60%	11.67%	25.91%	0.00%	12.66%	8.00%

Schedule CW Sur-S14C
PWSB Response to KCWA 1-13b
Update of Factors HM, HOC and HMC

	Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
Transmission & Distribution - Contract Services Other T&D (O)									
Unspecified	X2	\$ 6,929	\$ 3,889	\$ 1,696	\$ 1,193	\$ 17	\$ -	\$ 133	\$ -
New Service Applications	C		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uniforms	X2	\$ 43,372	\$ 24,346	\$ 10,619	\$ 7,469	\$ 108	\$ -	\$ 829	\$ -
Equipment	X2	\$ 5,858	\$ 3,288	\$ 1,434	\$ 1,009	\$ 15	\$ -	\$ 112	\$ -
Repair Leak on Service	C		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Road Restoration - Contractor	F	\$ 365,283	\$ 136,705	\$ 90,691	\$ 63,745	\$ -	\$ -	\$ 7,306	\$ 66,837
Road Restoration - Force Work	F		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Markouts/Dig Safe	F	\$ 33,813	\$ 12,654	\$ 8,395	\$ 5,901	\$ -	\$ -	\$ 676	\$ 6,187
Contractor Repair Leak Distribution Main	TD		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Switchboard Monitoring	X2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Police Details	F	\$ 98,779	\$ 36,967	\$ 24,524	\$ 17,238	\$ -	\$ -	\$ 1,976	\$ 18,074
Pages, cell phones	X2	\$ 5,454	\$ 3,062	\$ 1,335	\$ 939	\$ 14	\$ -	\$ 104	\$ -
Total (used for Allocation factor HOC)		\$ 559,487	\$ 220,912	\$ 138,695	\$ 97,493	\$ 154	\$ -	\$ 11,136	\$ 91,097
Calculated Factor HOC		HOC	39.48%	24.79%	17.43%	0.03%	0.00%	1.99%	16.28%
Transmission & Distribution - Contract Services Other T&D (M)									
Repair Leak on Service	C	\$ 36,120	\$ -	\$ -	\$ -	\$ 36,120	\$ -	\$ -	\$ -
Plumbing Maintenance	X2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total (used for Allocation factor HMC)		\$ 36,120	\$ -	\$ -	\$ -	\$ 36,120	\$ -	\$ -	\$ -
Calculated Factor HMC		HMC	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%

Schedule CW Sur-S14C
PWSB Response to KCWA 1-13b
Update of Factors HM, HOC and HMC

	Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
PWSB Response to KCWA 1-13b Update of Factors HM, HOC and HMC FY 2011									
	Allocation Factor	Total	3	4	5	6	7	8	9
	Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
Transmission & Distribution - Salaries & Wages T&D (M)									
TD COVER-REPLACE SERVICE/VALVE	C	255	\$0	\$0	\$0	\$255	\$0	\$0	\$0
TD HYDRANT-INSTALL CUSTODIAN	FP	1,325	\$0	\$0	\$0	\$0	\$0	\$1,325	\$0
TD HYDRANT-INSTALL IFR	FP	38,351	\$0	\$0	\$0	\$0	\$0	\$38,351	\$0
TD HYDRANT-MAINTENANCE	FP	1,904	\$0	\$0	\$0	\$0	\$0	\$1,904	\$0
TD HYDRANT-REMOVAL IFR	FP	38,626	\$0	\$0	\$0	\$0	\$0	\$38,626	\$0
TD HYDRANT-REPAIR	FP	16,838	\$0	\$0	\$0	\$0	\$0	\$16,838	\$0
TD MAIN-BLOW OFF	F	2,905	\$1,087	\$721	\$507	\$0	\$0	\$58	\$531
TD MAIN-REMOVAL T&D OPER	F		\$0	\$0	\$0	\$0	\$0	\$0	\$0
TD MAIN-REPAIR LEAK ON A MAIN	F	66,712	\$24,967	\$16,563	\$11,642	\$0	\$0	\$1,334	\$12,206
TD SERVICE-ADJUST BOX TO GRADE	C	5,824	\$0	\$0	\$0	\$5,824	\$0	\$0	\$0
TD SERVICE-DIG UP CURBBOX	C	30,590	\$0	\$0	\$0	\$30,590	\$0	\$0	\$0
TD SERVICE-DIG UP FOR METER	C	2,207	\$0	\$0	\$0	\$2,207	\$0	\$0	\$0
TD SERVICE-INSTALL 1" DOM/FIRE	C	25,691	\$0	\$0	\$0	\$25,691	\$0	\$0	\$0
TD SERVICE-INSTALL 1" IFR	C	23,100	\$0	\$0	\$0	\$23,100	\$0	\$0	\$0
TD SERVICE-INSTALL 1.5"	C	3,830	\$0	\$0	\$0	\$3,830	\$0	\$0	\$0
TD SERVICE-INSTALL 1.5" IFR	C	1,013	\$0	\$0	\$0	\$1,013	\$0	\$0	\$0
TD SERVICE-INSTALL 12"	C	1,899	\$0	\$0	\$0	\$1,899	\$0	\$0	\$0
TD SERVICE-INSTALL 2" DOM/FIRE	C	12,084	\$0	\$0	\$0	\$12,084	\$0	\$0	\$0
TD SERVICE-INSTALL 2" IFR	C	1,684	\$0	\$0	\$0	\$1,684	\$0	\$0	\$0
TD SERVICE-INSTALL 4" DOM/FIRE	C	13,991	\$0	\$0	\$0	\$13,991	\$0	\$0	\$0
TD SERVICE-INSTALL 6" DOM/FIRE	C	11,955	\$0	\$0	\$0	\$11,955	\$0	\$0	\$0
TD SERVICE-INSTALL 8" DOM/FIRE	C	8,398	\$0	\$0	\$0	\$8,398	\$0	\$0	\$0
TD SERVICE-LOCATE STOP	C	84	\$0	\$0	\$0	\$84	\$0	\$0	\$0
TD SERVICE-REMOVAL FIRE OPER	C	1,459	\$0	\$0	\$0	\$1,459	\$0	\$0	\$0
TD SERVICE-REMOVAL IFR	F	20,853	\$7,804	\$5,177	\$3,639	\$0	\$0	\$417	\$3,816
TD SERVICE-REMOVAL T&D OPER	F	9,564	\$3,579	\$2,375	\$1,669	\$0	\$0	\$191	\$1,750
TD SERVICE-REPAIR LEAK	C	57,476	\$0	\$0	\$0	\$57,476	\$0	\$0	\$0
TD SERVICE-REPLACE/REPAIR STOP	C	7,832	\$0	\$0	\$0	\$7,832	\$0	\$0	\$0
TD T&D-MISCELLANEOUS MAINT.	F	3,679	\$1,377	\$914	\$642	\$0	\$0	\$74	\$673
TD VALVE-ADJUST GATE BOX	F	14,751	\$5,520	\$3,662	\$2,574	\$0	\$0	\$295	\$2,699
TD VALVE-INSTALL 6" IFR	F	4,901	\$1,834	\$1,217	\$855	\$0	\$0	\$98	\$897
TD VALVE-INSTALL 8" IFR	F	642	\$240	\$159	\$112	\$0	\$0	\$13	\$117
TD VALVE-LOCATE	F	288	\$108	\$71	\$50	\$0	\$0	\$6	\$53
TD VALVE-REMOVAL IFR	F	6,442	\$2,411	\$1,599	\$1,124	\$0	\$0	\$129	\$1,179
TD VALVE-REPAIR/REPACK	F	11,749	\$4,397	\$2,917	\$2,050	\$0	\$0	\$235	\$2,150
Dig Safe Program	F	228,959	\$85,686	\$56,845	\$39,955	\$0	\$0	\$4,579	\$41,893
105CT CHECK TRENCH	F	2,427	\$908	\$603	\$424	\$0	\$0	\$49	\$444
REPAIR TRENCH	F	4,102	\$1,535	\$1,019	\$716	\$0	\$0	\$82	\$751

Schedule CW Sur-S14C
PWSB Response to KCWA 1-13b
Update of Factors HM, HOC and HMC

	Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
LOCATE VALVE	F	7,523	\$2,815	\$1,868	\$1,313	\$0	\$0	\$150	\$1,377
EXERCISE VALVE	F	14,222	\$5,322	\$3,531	\$2,482	\$0	\$0	\$284	\$2,602
CHECK CONDITION OF VALVE	F	17,151	\$6,418	\$4,258	\$2,993	\$0	\$0	\$343	\$3,138
CHECK CONDITION OF GATE BOX	F	1,143	\$428	\$284	\$200	\$0	\$0	\$23	\$209
CHECK FOR NO RUSTY WATER	TD	11,063	\$5,195	\$3,446	\$2,422	\$0	\$0	\$0	\$0
CLOSE STOP-NO PAYMENT	C	324	\$0	\$0	\$0	\$324	\$0	\$0	\$0
CLOSE STOP-NONUSE	C	1,964	\$0	\$0	\$0	\$1,964	\$0	\$0	\$0
CLOSE STOP REPAIR	C	42,841	\$0	\$0	\$0	\$42,841	\$0	\$0	\$0
CLOSE STOP SEASONAL	C	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OPEN STOP WAS CLOSED NON-USE	C	125	\$0	\$0	\$0	\$125	\$0	\$0	\$0
OPEN STOP CLOSED REPAIR	C	27,088	\$0	\$0	\$0	\$27,088	\$0	\$0	\$0
OPEN STOP NON-PAYMENTS	C	6,315	\$0	\$0	\$0	\$6,315	\$0	\$0	\$0
MARK OUT	F	26,358	\$9,864	\$6,544	\$4,600	\$0	\$0	\$527	\$4,823
OPEN STOP SEASONAL	C	314	\$0	\$0	\$0	\$314	\$0	\$0	\$0
CLOSE STOP DEMOLITION	C	307	\$0	\$0	\$0	\$307	\$0	\$0	\$0
CHECK POSITION AND CONDITION OF STOP	C	9,740	\$0	\$0	\$0	\$9,740	\$0	\$0	\$0
CHECK CONDITION OF CURB BOX	C	1,624	\$0	\$0	\$0	\$1,624	\$0	\$0	\$0
CHECK WATER QUALITY ISSUES	TD	19,001	\$8,922	\$5,919	\$4,160	\$0	\$0	\$0	\$0
METER MAINTENANCE	C	102	\$0	\$0	\$0	\$102	\$0	\$0	\$0
METER WORK SET JUMP PIPE	C	163	\$0	\$0	\$0	\$163	\$0	\$0	\$0
CHECK CONDITION OF HYDRANT	FP	35,040	\$0	\$0	\$0	\$0	\$0	\$35,040	\$0
OPEN/CLOSE/FLUSH HYDRANT	FP	11,959	\$0	\$0	\$0	\$0	\$0	\$11,959	\$0
ASSIST A TRUCK	X1	3,440	\$1,139	\$587	\$413	\$916	\$0	\$385	\$0
REPLACE COVERS	F	2,793	\$1,045	\$694	\$487	\$0	\$0	\$56	\$511
YARD WORK	TD	39,704	\$18,643	\$12,368	\$8,693	\$0	\$0	\$0	\$0
CHECK LEAK	F	39,160	\$14,656	\$9,723	\$6,834	\$0	\$0	\$783	\$7,165
T&D MISCELLANEOUS	X1	33,416	\$11,068	\$5,704	\$4,009	\$8,894	\$0	\$3,742	\$0
SHUT DOWN NOTIFICATIONS	C	1,729	\$0	\$0	\$0	\$1,729	\$0	\$0	\$0
LEAK DETECTION	F	6,873	\$2,572	\$1,707	\$1,199	\$0	\$0	\$137	\$1,258
TRANSPORTATION AND DELIVERY	X1	485	\$161	\$83	\$58	\$129	\$0	\$54	\$0
LAG TIME	TD	208,282	\$97,799	\$64,880	\$45,603	\$0	\$0	\$0	\$0
TRENCH REPAIR	F	18,617	\$6,967	\$4,622	\$3,249	\$0	\$0	\$372	\$3,406
CHECK TRENCH	F	12,972	\$4,855	\$3,221	\$2,264	\$0	\$0	\$259	\$2,374
SNOW REMOVAL	X1	601	\$199	\$103	\$72	\$160	\$0	\$67	\$0
35		1,286,831	339,523.84	223,382.00	157,010.41	312,105.33	0.00	158,787.26	96,021.94
	Calculated Factor HM	HM	26.38%	17.36%	12.20%	24.25%	0.00%	12.34%	7.46%

Schedule CW Sur-S14C
PWSB Response to KCWA 1-13b
Update of Factors HM, HOC and HMC

	Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
Transmission & Distribution - Contract Services Other T&D (O)									
Unspecified	X2	1,053	\$591	\$258	\$181	\$3	\$0	\$20	\$0
New Service Applications	C		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Uniforms	X2	44,798	\$25,146	\$10,968	\$7,715	\$112	\$0	\$857	\$0
Equipment	X2	9,916	\$5,566	\$2,428	\$1,708	\$25	\$0	\$190	\$0
Repair Leak on Service	C		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Road Restoration - Contractor	F	179,156	\$67,048	\$44,480	\$31,264	\$0	\$0	\$3,583	\$32,781
Road Restoration - Force Work	F		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Markouts/Dig Safe	F	37,311	\$13,964	\$9,264	\$6,511	\$0	\$0	\$746	\$6,827
Contractor Repair Leak Distribution Main	TD	26,444	\$12,417	\$8,237	\$5,790	\$0	\$0	\$0	\$0
Switchboard Monitoring	X2		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Police Details	F	68,521	\$25,644	\$17,012	\$11,957	\$0	\$0	\$1,370	\$12,537
Pages, cell phones	X2	9,197	\$5,163	\$2,252	\$1,584	\$23	\$0	\$176	\$0
Total (used for Allocation factor HOC)		376,395	\$155,538	\$94,898	\$66,710	\$162	\$0	\$6,942	\$52,145
Calculated Factor HOC	HOC		35.59%	23.60%	16.62%	0.70%	0.00%	1.83%	21.65%
Transmission & Distribution - Contract Services Other T&D (M)									
Repair Leak on Service	C	20,043	\$0	\$0	\$0	\$20,043	\$0	\$0	\$0
Plumbing Maintenance	X2	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total (used for Allocation factor HMC)		20,043	\$ -	\$ -	\$ -	\$ 20,043	\$ -	\$ -	\$ -
Calculated Factor HMC	HMC		0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%

Schedule CW Sur-S14C
PWSB Response to KCWA 1-13b
Update of Factors HM, HOC and HMC

	Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
PWSB Response to KCWA 1-13b Update of Factors HM, HOC and HMC FY 2010									
	Allocation		3	4	5	6	7	8	9
	Total								
	Factor		Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
TD BLOWOFF/BYPASS-INSTALL NEW	F	\$905	\$339	\$225	\$158	\$0	\$0	\$18	\$166
TD COVER-REPLACE SERVICE/VALVE	C	\$229	\$0	\$0	\$0	\$229	\$0	\$0	\$0
TD HYDRANT-INSTALL CUSTODIAN	FP	\$7,178	\$0	\$0	\$0	\$0	\$0	\$7,178	\$0
TD HYDRANT-INSTALL IFR	FP	\$22,244	\$0	\$0	\$0	\$0	\$0	\$22,244	\$0
TD HYDRANT-INSTALL NEW	FP	\$3,122	\$0	\$0	\$0	\$0	\$0	\$3,122	\$0
TD HYDRANT-MAINTENANCE	FP	\$1,776	\$0	\$0	\$0	\$0	\$0	\$1,776	\$0
TD HYDRANT-REMOVAL IFR	FP	\$22,675	\$0	\$0	\$0	\$0	\$0	\$22,675	\$0
TD HYDRANT-REMOVAL T&D OPER	FP	\$412	\$0	\$0	\$0	\$0	\$0	\$412	\$0
TD HYDRANT-REPAIR	FP	\$12,249	\$0	\$0	\$0	\$0	\$0	\$12,249	\$0
TD LEAK DETECTION	F	\$40	\$15	\$10	\$7	\$0	\$0	\$1	\$7
TD LEAK-CHECK ON VL,WS,WM,HY	F	\$40	\$15	\$10	\$7	\$0	\$0	\$1	\$7
TD MAIN-BLOW OFF	F	\$3,642	\$1,363	\$904	\$636	\$0	\$0	\$73	\$666
TD MAIN-INSTALL 6" NEW	F	\$926	\$347	\$230	\$162	\$0	\$0	\$19	\$170
TD MAIN-REPAIR LEAK ON A MAIN	F	\$53,416	\$19,991	\$13,262	\$9,322	\$0	\$0	\$1,068	\$9,774
TD SERVICE- WATER QUAL'Y ISSUE	C		\$0	\$0	\$0	\$0	\$0	\$0	\$0
TD SERVICE-ADJUST BOX TO GRADE	C	\$5,846	\$0	\$0	\$0	\$5,846	\$0	\$0	\$0
TD SERVICE-CLOSE FOR REPAIR	C	\$283	\$0	\$0	\$0	\$283	\$0	\$0	\$0
TD SERVICE-DIG UP CURBBOX	C	\$76,805	\$0	\$0	\$0	\$76,805	\$0	\$0	\$0
TD SERVICE-DIG UP FOR METER	C	\$26,569	\$0	\$0	\$0	\$26,569	\$0	\$0	\$0
TD SERVICE-INSTALL 1" DOM/FIRE	C	\$21,115	\$0	\$0	\$0	\$21,115	\$0	\$0	\$0
TD SERVICE-INSTALL 1" IFR	C	\$25,254	\$0	\$0	\$0	\$25,254	\$0	\$0	\$0
TD SERVICE-INSTALL 1.5"	C	\$7,442	\$0	\$0	\$0	\$7,442	\$0	\$0	\$0
TD SERVICE-INSTALL 1.5" IFR	C	\$1,547	\$0	\$0	\$0	\$1,547	\$0	\$0	\$0
TD SERVICE-INSTALL 12"	C	\$442	\$0	\$0	\$0	\$442	\$0	\$0	\$0
TD SERVICE-INSTALL 2" DOM/FIRE	C	\$13,076	\$0	\$0	\$0	\$13,076	\$0	\$0	\$0
TD SERVICE-INSTALL 2" IFR	C	\$426	\$0	\$0	\$0	\$426	\$0	\$0	\$0
TD SERVICE-INSTALL 4" DOM/FIRE	C	\$16,825	\$0	\$0	\$0	\$16,825	\$0	\$0	\$0
TD SERVICE-INSTALL 6" DOM/FIRE	C	\$10,735	\$0	\$0	\$0	\$10,735	\$0	\$0	\$0
TD SERVICE-INSTALL 8" DOM/FIRE	C	\$2,077	\$0	\$0	\$0	\$2,077	\$0	\$0	\$0
TD SERVICE-LOCATE STOP	C	\$1,795	\$0	\$0	\$0	\$1,795	\$0	\$0	\$0
TD SERVICE-NO/RUSTY/POOR WATER	C	\$83	\$0	\$0	\$0	\$83	\$0	\$0	\$0
TD SERVICE-REMOVAL IFR	C	\$19,249	\$0	\$0	\$0	\$19,249	\$0	\$0	\$0
TD SERVICE-REMOVAL T&D OPER	C	\$9,466	\$0	\$0	\$0	\$9,466	\$0	\$0	\$0
TD SERVICE-REPAIR LEAK	C	\$51,231	\$0	\$0	\$0	\$51,231	\$0	\$0	\$0
TD SERVICE-REPLACE/REPAIR STOP	C	\$3,234	\$0	\$0	\$0	\$3,234	\$0	\$0	\$0
TD T&D-MISCELLANEOUS MAINT.	F	\$1,330	\$498	\$330	\$232	\$0	\$0	\$27	\$243
TD TRENCH-CHECK (IFR)	F	\$76	\$28	\$19	\$13	\$0	\$0	\$2	\$14
TD VALVE-ADJUST GATE BOX	F	\$11,186	\$4,186	\$2,777	\$1,952	\$0	\$0	\$224	\$2,047
TD VALVE-EXERCISE (SCHEDULED)	F	\$642	\$240	\$159	\$112	\$0	\$0	\$13	\$117

Schedule CW Sur-S14C
PWSB Response to KCWA 1-13b
Update of Factors HM, HOC and HMC

	Allocation Factor	Total	Base	Maximum Day	Maximum Hour	Meters & Services	Billing & Collection	Public Fire Protection	Wholesale
TD VALVE-INSTALL 12" IFR	F	\$1,335	\$500	\$332	\$233	\$0	\$0	\$27	\$244
TD VALVE-INSTALL 6" IFR	F	\$14,323	\$5,360	\$3,556	\$2,500	\$0	\$0	\$286	\$2,621
TD VALVE-INSTALL 6" NEW	F	\$1,802	\$674	\$447	\$314	\$0	\$0	\$36	\$330
TD VALVE-INSTALL 8" IFR	F	\$2,406	\$900	\$597	\$420	\$0	\$0	\$48	\$440
TD VALVE-REMOVAL IFR	F	\$14,991	\$5,610	\$3,722	\$2,616	\$0	\$0	\$300	\$2,743
TD VALVE-REPAIR/REPACK	F	\$1,012	\$379	\$251	\$177	\$0	\$0	\$20	\$185
105CT CHECK TRENCH	F	\$1,549	\$580	\$385	\$270	\$0	\$0	\$31	\$283
REPAIR TRENCH	F	\$2,296	\$859	\$570	\$401	\$0	\$0	\$46	\$420
LOCATE VALVE	F	\$10,390	\$3,888	\$2,580	\$1,813	\$0	\$0	\$208	\$1,901
EXERCISE VALVE	F	\$16,656	\$6,234	\$4,135	\$2,907	\$0	\$0	\$333	\$3,048
CHECK CONDITION OF VALVE	F	\$30,490	\$11,411	\$7,570	\$5,321	\$0	\$0	\$610	\$5,579
CHECK CONDITION OF GATE BOX	F	\$2,923	\$1,094	\$726	\$510	\$0	\$0	\$58	\$535
CHECK FOR NO RUSTY WATER	TD	\$7,193	\$3,377	\$2,241	\$1,575	\$0	\$0	\$0	\$0
CLOSE STOP-NO PAYMENT	C	\$231	\$0	\$0	\$0	\$231	\$0	\$0	\$0
CLOSE STOP-NONUSE	C	\$1,968	\$0	\$0	\$0	\$1,968	\$0	\$0	\$0
CLOSE STOP REPAIR	C	\$40,751	\$0	\$0	\$0	\$40,751	\$0	\$0	\$0
OPEN STOP WAS CLOSED NON-USE	C	\$290	\$0	\$0	\$0	\$290	\$0	\$0	\$0
OPEN STOP CLOSED REPAIR	C	\$28,651	\$0	\$0	\$0	\$28,651	\$0	\$0	\$0
OPEN STOP NON-PAYMENTS	C	\$11,089	\$0	\$0	\$0	\$11,089	\$0	\$0	\$0
MARK OUT	F	\$173,831	\$65,055	\$43,158	\$30,335	\$0	\$0	\$3,477	\$31,806
OPEN STOP SEASONAL	C	\$105	\$0	\$0	\$0	\$105	\$0	\$0	\$0
CLOSE STOP DEMOLITION	C	\$821	\$0	\$0	\$0	\$821	\$0	\$0	\$0
CHECK POSITION AND CONDITION OF STOP	C	\$3,422	\$0	\$0	\$0	\$3,422	\$0	\$0	\$0
CHECK CONDITION OF CURB BOX	C	\$3,246	\$0	\$0	\$0	\$3,246	\$0	\$0	\$0
CHECK WATER QUALITY ISSUES	TD	\$19,335	\$9,079	\$6,023	\$4,233	\$0	\$0	\$0	\$0
METER WORK SET JUMP PIPE	C	\$278	\$0	\$0	\$0	\$278	\$0	\$0	\$0
CHECK CONDITION OF HYDRANT	FP	\$22,257	\$0	\$0	\$0	\$0	\$0	\$22,257	\$0
OPEN/CLOSE/FLUSH HYDRANT	FP	\$10,197	\$0	\$0	\$0	\$0	\$0	\$10,197	\$0
ASSIST A TRUCK	X1	\$2,866	\$949	\$489	\$344	\$763	\$0	\$321	\$0
REPLACE COVERS	F	\$2,847	\$1,066	\$707	\$497	\$0	\$0	\$57	\$521
YARD WORK	TD	\$85,070	\$39,945	\$26,500	\$18,626	\$0	\$0	\$0	\$0
CHECK LEAK	F	\$35,821	\$13,406	\$8,893	\$6,251	\$0	\$0	\$716	\$6,554
T&D MISCELLANEOUS	X1	\$28,244	\$9,354	\$4,821	\$3,389	\$7,517	\$0	\$3,163	\$0
SHUT DOWN NOTIFICATIONS	C	\$2,859	\$0	\$0	\$0	\$2,859	\$0	\$0	\$0
LEAK DETECTION	F	\$9,765	\$3,654	\$2,424	\$1,704	\$0	\$0	\$195	\$1,787
TRANSPORTATION AND DELIVERY	X1	\$594	\$197	\$101	\$71	\$158	\$0	\$66	\$0
LAG TIME	TD	\$251,623	\$118,150	\$78,381	\$55,092	\$0	\$0	\$0	\$0
TRENCH REPAIR	F	\$30,648	\$11,470	\$7,609	\$5,348	\$0	\$0	\$613	\$5,608
CHECK TRENCH	F	\$23,892	\$8,941	\$5,932	\$4,169	\$0	\$0	\$478	\$4,372
		\$1,333,656	\$349,153.70	\$230,076.37	\$161,715.74	\$395,878.02	\$0.00	\$114,644.09	\$82,187.85
	HM		26.18%	17.25%	12.13%	29.68%	0.00%	8.60%	6.16%
Transmission & Distribution - Contract Services Other T&D (O)									
Unspecified	X2	\$5,261	\$2,953	\$1,288	\$906	\$13	\$0	\$101	\$0

Schedule CW Sur-S14C
PWSB Response to KCWA 1-13b
Update of Factors HM, HOC and HMC

[illegible]

Schedule CW Sur-S15
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	34,799,373	12,360,878	4,156,910	1,457,674	5,262,966	2,729,686	1,294,254	7,537,006
Capital Expense	\$ 22,662,069	\$ 14,126,408	\$ 2,018,362	\$ 583,899	\$ 1,257,635	\$ -	\$ 732,570	\$ 3,943,194
City Services Expense	\$ 839,167	\$ 295,998	\$ 116,572	\$ 40,657	\$ 128,733	\$ 64,840	\$ 31,297	\$ 161,069
Property Taxes Expense	\$ 6,549,011	\$ 3,589,401	\$ 67,903	\$ 47,728	\$ -	\$ -	\$ 68,225	\$ 2,775,754
Total Expenses Allocated	64,849,620	30,372,685	6,359,748	2,129,958	6,649,334	2,794,526	2,126,346	14,417,023
Less: Miscellaneous Revenues	\$ (1,179,169)	\$ (533,483)	\$ (72,149)	\$ (27,785)	\$ (383,058)	\$ (136,762)	\$ (622)	\$ (25,310)
Plus: Net Operating Revenue Allowance	\$ 1,273,409	\$ 596,784	\$ 125,752	\$ 42,043	\$ 125,326	\$ 53,155	\$ 42,514	\$ 287,834
Net Revenue Requirement	64,943,860	30,435,986	6,413,351	2,144,217	6,391,601	2,710,919	2,168,239	14,679,546
Total Revenue Reserve	\$ 1,273,409							
Restricted Revenue(Stabilization) Fund	\$636,704.51	50.00%						
Unrestricted Operating Reserve	\$636,704.51	50.00%						
Current (Restricted) Revenue Reserve Fundir	\$0.00							
Necessary (Restricted) Funding	\$636,704.51							
Rate Year Adjustment	\$636,704.51							

Schedule CW Sur-S16
Units of Service

Units of Service

	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 (Equivalent Meters)	Bills
<u>Retail</u>		366								
Residential	8,517,528	23,272	1.7	39,562	16,290	2.2	51,198	11,635.97		
Commercial	4,427,015	12,096	1.6	19,353	7,257	2	24,191	4,838.27		
Industrial	189,644	518	1.5	777	259	2	1,036	259.08		
Fire Protection				2888	2888		11551	8663		
Total Retail	13,134,186	35,886		62,580	26,695		87,977	25,396	122,941.70	296,840
<u>Wholesale</u>										
Wholesale	12,898,866	35,242.80	1.7	59,913	24,670	2.15	75772.03	15,859		
Total	26,033,052	71,128.56		122,493.05	51,364.49		163,748.73	41,255.67	122,941.70	296,840.00

Schedule CW Sur-S17
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		13,134,186	26,695	25,396	122,942	296,840	6,057
Units	Ccf	Ccf/Day	Ccf/Day	Ccf/Day	Equiv. Meters	Bills	Hydrants
O&M Expense							
Retail	26,630,679	12,063,943	4,166,456	1,458,487	4,977,506	2,644,782	1,319,504
Retail Unit Cost (\$/Unit)		\$0.92	\$156.08	\$57.43	\$40.49	\$8.91	\$217.85
Wholesale O&M Expense	7,661,929	7,661,929					
Capital Expense							
Retail Capital Expense	\$ 19,093,253	\$ 14,408,936	\$ 2,058,730	\$ 595,577	\$ 1,282,788	\$ -	\$ 747,222
Retail Cost (\$/Unit)		\$1.10	\$77.12	\$23.45	\$10.43	\$0.00	\$123.36
Wholesale Capital Expense	\$ 4,022,058	\$ 4,022,058					
City Services Expense							
Retail City Services Expense	\$ 691,660	\$ 301,918	\$ 118,904	\$ 41,471	\$ 131,307	\$ 66,137	\$ 31,923
Retail Cost (\$/Unit)		\$0.02	\$4.45	\$1.63	\$1.07	\$0.22	\$5.27
Wholesale City Services Expense	\$ 164,291	\$ 164,291					
Property Tax Expense							
Retail Property Tax Expense	\$ 3,848,722	\$ 3,661,189	\$ 69,261	\$ 48,682	\$ -	\$ -	\$ 69,590
Retail Cost (\$/Unit)		\$0.28	\$2.59	\$1.92	\$0.00	\$0.00	\$11.49
Wholesale Property Tax Expense	\$ 2,831,269	\$ 2,831,269					
Total Unit Cost of Service							
Retail Cost of Service	\$ 50,264,314	\$ 30,435,986	\$ 6,413,351	\$ 2,144,217	\$ 6,391,601	\$ 2,710,919	\$ 2,168,239
Retail Total Unit Cost (\$/Unit)		\$2.32	\$240.25	\$84.43	\$51.99	\$9.13	\$357.97
Wholesale Cost of Service	\$ 14,679,546	\$ 14,679,546	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cost of Service	\$ 64,943,860						

Schedule CW Sur-S18
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	13,612,116	13,134,186	26,695	25,396	122,942	296,840	6,057
Total Retail Cost of Service	50,264,314	\$ 30,435,986.41	\$ 6,413,351.26	\$ 2,144,216.94	\$ 6,391,601.36	\$ 2,710,918.98	\$ 2,168,238.73
Retail							
Unit Cost of Service (\$/Unit)		\$2.32	\$240.25	\$84.43	\$51.99	\$9.13	\$357.97
Retail Service:							
Residential Volume Charge							
Units of Service - HCF		8,517,528	16290.3533	11,635.97			
Allocation Cost of Service - \$	24,633,930	19,737,755	3,913,751	982,424			
Consumption Rate - \$/HCF	\$2.892						
Commercial Volume Charge							
Units of Service - HCF		4,427,015	7257.400992	4,838.27			
Allocation Cost of Service - \$	12,410,849	10,258,767	1,743,588	408,494			
Consumption Rate - \$/HCF	\$2.803						
Industrial Volume Charge							
Units of Service - HCF		189,644	259.0768204	259.08			
Allocation Cost of Service - \$	523,581	439,465	62,243	21,874			
Consumption Rate - \$/HCF	\$2.761						
Retail Service Charge							
Units of Service					82,867.50	288,988	
Allocation Cost of Service	\$6,947,398				\$4,308,188.56	\$2,639,209.86	
Fire Protection Service							
Units of Service			2,888	8,663	40,074	7,852	6,057
Allocation Cost of Service	\$5,748,555		\$693,768.97	\$731,424.93	\$2,083,412.80	\$71,709.12	\$2,168,238.73
Total Retail Allocated Cost of Service	50,264,314	30,435,986.41	6,413,351.26	2,144,216.94	6,391,601.36	2,710,918.98	2,168,238.73
Sumcheck	-	-	-	-	-	-	-
Wholesale							
Wholesale:							
Units of Service		12,898,866					
Allocation Cost of Service	\$ 14,679,546	\$ 14,679,546					
Consumption Rate		1.138049					
Total System Allocated Cost of Service	64,943,860						

Schedule CW Sur-S19
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"	53,150	-	\$ -	-	\$ 18.34	
3/4"	10,645	-	\$ -	-	\$ 19.47	
1"	5,067	-	\$ -	-	\$ 22.85	
1.5"	1,491	-	\$ -	-	\$ 27.39	
2"	1,468	-	\$ -	-	\$ 39.77	
3"	80	-	\$ -	-	\$ 131.15	
4"	25	-	\$ -	-	\$ 164.98	
6"	42	-	\$ -	-	\$ 243.95	
8"	28	-	\$ -	-	\$ 334.19	
10"	2	-	\$ -	-	\$ 415.97	
12"	-	-	\$ -	-	\$ 497.76	
Total	71,998	-		-		
Monthly Service Charges						
5/8"	1	53,151	\$ 7.39	4,713,430.68	\$ 10.82	-31.70%
3/4"	-	10,645	\$ 7.82	998,926.80	\$ 11.19	-30.12%
1"	-	5,067	\$ 9.12	554,532.48	\$ 12.32	-25.97%
1.5"	2	1,493	\$ 10.85	194,388.60	\$ 13.83	-21.55%
2"	34	1,502	\$ 15.62	281,534.88	\$ 17.97	-13.08%
3"	13	93	\$ 50.71	56,592.36	\$ 48.42	4.73%
4"	7	32	\$ 63.71	24,464.64	\$ 59.70	6.72%
6"	17	59	\$ 94.04	66,580.32	\$ 86.02	9.32%
8"	8	36	\$ 128.70	55,598.40	\$ 116.11	10.84%
10"	-	2	\$ 160.11	3,842.64	\$ 143.37	11.68%
12"	1	1	\$ 191.52	2,298.24	\$ 170.63	12.24%
Total	83	72,081		6,952,190.04		
Total Retail Service Charge Revenue				6,952,190.04	\$ 5,779,434	20.29%

Schedule CW Sur-S19
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 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	\$ 1.62	\$ 491,190.48	\$ 1.03	57.28%
3/4"	-	4,207	\$ 2.42	\$ 122,171.28	\$ 1.54	57.14%
1"	-	1,998	\$ 6.05	\$ 145,054.80	\$ 3.85	57.14%
1.5"	-	896	\$ 16.14	\$ 173,537.28	\$ 10.26	57.31%
2"	27	901	\$ 38.72	\$ 418,640.64	\$ 24.62	57.27%
3"	11	69	\$ 104.86	\$ 86,824.08	\$ 66.68	57.26%
4"	5	19	\$ 177.45	\$ 40,458.60	\$ 112.84	57.26%
6"	12	30	\$ 362.95	\$ 130,662.00	\$ 230.81	57.25%
8"	8	16	\$ 548.46	\$ 105,304.32	\$ 348.78	57.25%
10"	-	1	\$ 838.81	\$ 10,065.72	\$ 533.43	57.25%
12"	-	-	\$ 1,387.27	\$ -	\$ 882.21	57.25%
Total	64	33,404	\$ -	\$ 1,723,909.20		
Total Retail Fire Protection Service Charge Revenue				\$ 1,723,909.20	\$ 1,095,130.72	57%
Total Retail Service Charge Revenue				\$ 8,676,099.24	\$ 6,874,565.20	26.21%

Schedule CW Sur-S19
Proposed Rates and Impacts

Proposed Rates and Impacts
Rate Year Ending December 31, 2014

Retail Consumption Charges

Residential (HCF)	8,517,528	\$	2.892	\$	24,632,689.77	\$	2.488	16.24%
Commercial (HCF)	4,427,015	\$	2.803	\$	12,408,921.94	\$	2.390	17.28%
Industrial (HCF)	189,644	\$	2.761	\$	523,607.73	\$	2.346	17.69%
Total	13,134,186			\$	37,565,219.43	\$	32,217,079	16.60%

Wholesale Charges

Volume Charge

Consumption (HCF)	12,898,866	\$	1.138049		14,679,541.30	\$	16,375,291	-10.36%
Consumption (MGD)	9,648							

Total Consumption Charge Revenue

52,244,760.73 **48,592,369.59** **7.52%**

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	\$7.88	283.68	\$	19.67	
1"	10	10	\$9.25	1,110.00	\$	23.31	
1-1/2"	3	3	\$11.23	404.28	\$	28.70	
2"	50	50	\$16.43	9,858.00	\$	42.63	
4"	349	349	\$68.73	287,841.24	\$	182.72	
6"	1,272	1,272	\$108.64	1,658,280.96	\$	295.45	
8"	254	254	\$159.83	487,161.84	\$	443.93	
10"	4	4	\$216.10	10,372.80	\$	613.33	
12"	17	17	\$281.97	57,521.88	\$	816.53	
16"	1	1	\$447.10	5,365.20	\$	1,340.64	
Total	1,963	1,963		2,518,199.88	\$	2,290,098	9.96%

		Proposed	Revenue	Cu Revenue	% Change
Public Fire Service Charges		Rate		Rate	
Hydrants	2,832	\$533.34	\$1,510,418.88	\$ 960,983	57.17%

Total Fire Protection Charge Revenue

\$4,028,618.76 **\$3,251,080.88** **23.92%**

Miscellaneous Revenues		\$	(1,179,169.01)	\$	(1,179,169.01)	
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Total Revenues

64,949,478.73 58,718,015.67 10.61%

\$ 63,770,309.72 \$ 57,538,846.66 10.83%

Schedule CW Sur-S20
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	\$ 5,779,434	\$ 6,952,190	20.3%
Periodic FPSC	\$ 1,095,131	\$ 1,723,909	57.4%
Volume Charge			
Residential	\$ 21,191,609	\$ 24,632,690	16.2%
Commercial	\$ 10,580,565	\$ 12,408,922	17.3%
Industrial	\$ 444,905	\$ 523,608	17.7%
Total Retail	\$ 39,091,644	\$ 46,241,319	18.3%
Wholesale			
East Providence	\$ 2,604,138	\$ 2,334,466	-10.4%
East Smithfield	\$ 369,465	\$ 331,205	-10.4%
Greenville	\$ 550,307	\$ 493,320	-10.4%
Kent County	\$ 3,347,107	\$ 3,000,496	-10.4%
Smithfield	\$ 534,048	\$ 478,744	-10.4%
Warwick	\$ 5,409,799	\$ 4,849,585	-10.4%
Lincoln	\$ 1,307,083	\$ 1,171,728	-10.4%
Johnston	\$ 356,412	\$ 319,504	-10.4%
Bristol County	\$ 1,896,931	\$ 1,700,494	-10.4%
Total Wholesale	\$ 16,375,291	\$ 14,679,541	-10.4%
Fire Protection			
Private Fire Protection	\$ 2,290,098	\$ 2,518,200	10.0%
Public Fire Protection	\$ 960,983	\$ 1,510,419	57.2%
Total Fire Protection	\$ 3,251,081	\$ 4,028,619	23.9%
Total Rate Revenues	\$ 58,718,016	\$ 64,949,479	10.6%
Miscellaneous Revenues	\$ (1,179,169)	\$ (1,179,169)	
Total Revenues	\$ 59,897,185	\$ 66,128,648	10.40%

Schedule CW Sur-S21
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*	\$ 88.68	\$ 73.36	20.9%
Volume Charge	\$ 289.20	\$ 248.80	16.2%
Total	\$ 377.88	\$ 322.16	17.3%
Commercial - (2" Meter, 2,000 HCF)			
Service Charge*	\$ 187.44	\$ 159.08	17.8%
Volume Charge	5,606.00	\$ 4,780.00	17.3%
Total	\$ 5,793.44	\$ 4,939.08	17.3%
Industrial - (6" Meter, 10,000 HCF)			
Service Charge *	\$ 1,128.48	\$ 975.80	15.6%
Volume Charge	\$ 27,610.00	\$ 23,460.00	17.7%
Total	\$ 28,738.48	\$ 24,435.80	17.6%

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

Schedule CW Sur-S22**Revenue Proof****Revenue Proof**

Rate Year Ending December 31, 2014

Net Operations & Maintenance Expense	\$	34,799,373
Capital Expense	\$	22,662,069
City Services Expense	\$	839,167
Property Taxes Expense	\$	6,549,011
Total Expenses Allocated	\$	64,849,620
plus: Net Operating Revenue		\$1,273,409
Net Revenue Requirement	\$	66,123,029
Retail		
Monthly Service Charge	\$	6,952,190
Retail FPSC	\$	1,723,909
Volume Charge		
Residential	\$	24,632,690
Commercial	\$	12,408,922
Industrial	\$	523,608
Total Retail	\$	46,241,319
Wholesale		
East Providence	\$	2,334,466
East Smithfield	\$	331,205
Greenville	\$	493,320
Kent County	\$	3,000,496
Smithfield	\$	478,744
Warwick	\$	4,849,585
Lincoln	\$	1,171,728
Johnston	\$	319,504
Bristol County	\$	1,700,494
Total Wholesale	\$	14,679,541
Fire Protection		
Private Fire Protection	\$	2,518,200
Public Fire Protection	\$	1,510,419
Total Fire Protection	\$	4,028,619
Total Rate Revenues	\$	64,949,479
Miscellaneous Revenues	\$	1,179,169
Total Revenues	\$	66,128,648
Total Surplus / (Deficit)	\$	5,619

Note: Surplus due rounding

Schedule CW Sur-S23
Projected Volumes

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

	FY 2010	FY 2011	FY 2012	FY 2013	Four Year Average	Adjustments	Pro Forma Rate Yr 4 Yr Avg
Retail							
Residential	8,482,954	8,754,316	8,487,320	8,345,520	8,517,528	-	8,517,528
% Change from previous		-17.26%	-3.05%	-1.67%			
Commercial	4,465,417	4,284,895	4,392,712	4,565,034	4,427,015	-	4,427,015
Industrial	190,880	181,838	201,227	184,632	189,644	-	189,644
Sub-total Retail	13,139,251	13,221,050	13,081,259	13,095,186	13,134,186	-	13,134,186
Wholesale							
East Providence	2,024,316	2,217,299	2,015,566	1,947,969	2,051,288	-	2,051,288
East Smithfield	300,103	311,937	279,817	272,257	291,029	-	291,029
Greenville	423,935	450,932	442,414	416,633	433,478	-	433,478
Kent County	2,602,627	2,717,984	2,800,752	2,424,743	2,636,526	-	2,636,526
Smithfield	394,162	413,570	438,706	436,247	420,671	-	420,671
Warwick	4,195,038	4,526,769	4,272,694	4,050,760	4,261,315	-	4,261,315
Lincoln	1,016,536	1,075,944	1,017,940	1,007,955	1,029,594	-	1,029,594
Johnston (1)	248,060	309,030	262,814	303,084	280,747	-	280,747
Bristol County (2)	1,210,901	1,502,205	1,682,988	1,580,779	1,494,218	-	1,494,218
Narr. Bay Comm (3)							
Sub-total Wholesale	12,415,678	13,525,669	13,213,689	12,440,427	12,898,866	-	12,898,866
Grand Total	25,554,929	26,746,719	26,294,948	25,535,613	26,033,052	-	26,033,052
Unaccounted for Water							
Volume	3,572,170	3,380,059	3,825,119	4,158,147	3,733,874		3,733,874
Percentage	13.98%	12.64%	14.55%	16.28%	14.34%		29,766,926
Total Lost Water - Pro Forma	3,733,874						
Retail Share	95.70%						
Wholesale Share	4.30%						
Losses Allocated to Retail	3,573,153						
Losses Allocated to Wholesale	160,721						
Total Retail w/Lost Water	16,707,339	56.13%					
Total Wholesale w/Lost Water	13,059,587	43.87%					
	29,766,926						

Schedule CW Sur-S23A
Inch-Mile Calculations

	<u>Pipe Size</u> (inches)	<u>Length</u> (miles)	<u>Inch-Miles</u>	
	Service Pipes *	350.59	0.00	
	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		1,336.43	10,229.98	
Local Distribution & Service (12" or less)		1,220.33	91.31%	6,375.12 62.32%
Transmission (16" and greater)		116.10	8.69%	3,854.86 37.68%
<u>Unaccounted for Water Responsibility</u>				
<i>Retail Customers</i>				
Local Distribution		91.31%		62.32%
Transmission		4.38%		19.01%
Total Retail Share of Unaccounted for Water		95.70%		81.33%
<i>Wholesale Customers</i>				
Local Distribution		0.00%		0.00%
Transmission		4.30%		18.67%
Total Wholesale Share of Unaccounted for Water		4.30%		18.67%

* Service pipe based on # of retail accounts times assumed length (ft) per account of
and diameter = 1 "

Schedule CW Sur-A1
Comparative Schedule of Expenses

PROVIDENCE WATER
COMPARATIVE SCHEDULE OF EXPENSES

ACCOUNT	TITLE	FISCAL YEAR 06/30/06	FISCAL YEAR 06/30/07	FISCAL YEAR 06/30/08	FISCAL YEAR 06/30/11	FISCAL YEAR 06/30/12		Test Year Adjustments	Adjusted Test Year
Source of Supply									
60110	Salaries + Wages - Emp	332,332	378,557	366,835	608,420	581,072	A	\$38,253.94	619,326
60120	Salaries + Wages - Emp	364,716	463,317	465,527	515,865	420,589	A	\$27,688.79	448,278
60320	Sal. + Wages - Officers, Dir	-	-	-	(1,474)				-
60410	Employee Pension + Ben	180,684	201,272	210,067	184,061	168,591			168,591
60420	Employee Pension + Ben	198,291	246,141	266,316	195,337	188,577			188,577
61510	Purchase Power	-	-	-					-
61610	Fuel for Power Purch	-	-	-					-
62010	Material + Supplies	9,580	11,842	14,084	25,892	18,958			18,958
62020	Material + Supplies	45,309	53,546	73,695	75,671	73,286			73,286
63110	Contractual Services - Engineer	4,500	1,350	4,900	1,295	2,460			2,460
63120	Contractual Services - Engineer	-	-	-					-
63310	Contract Services -Legal	-	-	-		18,238			18,238
63420	Contractual Services - Mgt. Fees	-	-	-					-
63510	Contractual Services - Other	84,131	15,851	92,524	444,560	419,915			419,915
63520	Contractual Services - Other	19,754	15,561	15,011	25,714	31,771			31,771
64210	Rental of Equipment	-	-	-					-
64220	Rental of Equipment	-	-	-					-
65010	Transportation Exp.	-	-	-	2,817	146			146
65020	Transportation Exp.	-	-	-					-
67510	Misc. Expenses	19,414	3,066	3,052	99,393	69,132			69,132
67520	Misc. Expenses	3,799	2,295	13,804	7,075	4,550			4,550
Total Source of Supply Expense		1,262,510	1,392,798	1,525,813	2,184,626	1,997,284		\$65,942.73	2,063,227
Pumping Expenses									
60426	Employee Pension + Ben	-	-	-	-				-
61523	Purchased Power	701,668	734,820	862,000	852,085	778,684			778,684
61623	Fuel for Power Purch	16,651	32,088	39,980					-
62023	Material + Supplies	453	-	-					-
62026	Material + Supplies	-	518	1,816					-
63123	Contractual Services - Engineer	-	-	-					-
63126	Contractual Services - Engineer	-	-	-					-
63523	Contractual Services - Other	4,871	6,694	3,007	18,835	11,629			11,629
63526	Contractual Services - Other	-	6,915	1,931					-
64223	Rental of Equipment	-	-	-					-
64226	Rental of Equipment	-	-	-					-
65023	Transportation Exp.	-	-	-					-
67523	Misc. Expenses	-	-	4,889					-
67526	Misc. Expenses	-	-	1,164					-
Total Pumping Expenses		723,642	781,034	914,787	870,920	790,313		-	790,313

Schedule CW Sur-A1
Comparative Schedule of Expenses

PROVIDENCE WATER
COMPARATIVE SCHEDULE OF EXPENSES

ACCOUNT	TITLE	FISCAL YEAR 06/30/06	FISCAL YEAR 06/30/07	FISCAL YEAR 06/30/08	FISCAL YEAR 06/30/11	FISCAL YEAR 06/30/12		Test Year Adjustments	Adjusted Test Year
Water Treatment Expenses									
60130	Salaries + Wages - Emp	1,902,231	2,008,959	1,942,308	1,905,015	1,934,063	A	\$127,325.91	2,061,389
60140	Salaries + Wages - Emp	287,769	323,220	281,181	220,960	315,454	A	\$20,767.39	336,221
60430	Employee Pension + Ben	991,095	1,066,963	1,111,445	576,480	606,264			606,264
60440	Employee Pension + Ben	156,456	171,261	161,294	91,573	134,901			134,901
61530	Purchase Power	179,721	194,083	204,246	244,896	226,424			226,424
61630	Fuel for Power Purch	122,959	177,174	280,906	243,122	230,829			230,829
61830	Chemicals	-	-	-					-
62030	Material + Supplies	94,329	95,393	98,736	124,907	124,833			124,833
62040	Material + Supplies	92,559	69,342	106,793	58,030	67,060			67,060
63130	Contractual Services - Engineer	-	2,788	21,969					-
63240	Contract Services - Acctg	-	-	-					-
63430	Contractual Services - Mgt. Fees	14,710	8,864	9,466					-
63530	Contractual Services - Other	182,083	210,061	189,833	113,334	141,797			141,797
63540	Contractual Services - Other	55,705	42,759	57,155	49,811	85,680			85,680
64140	Rental Bldg/Real Prop	-	-	-					-
64230	Rental of Equipment	2,245	2,000	500					-
64240	Rental of Equipment	-	-	-					-
65030	Transportation Exp.	-	1,010	-		5,806			5,806
65640	Insurance Vehicle	-	-	-					-
65830	Insurance - W/C	-	-	-					-
65840	Insurance - W/C	-	-	-					-
66730	Regularoty Com Exp. -Other	-	-	-					-
67530	Misc. Expenses	60,381	27,965	2,258	72,139	96,719			96,719
67540	Misc. Expenses	171	86	85		2,027			2,027
Total Treatment Expense		4,142,413	4,401,928	4,468,176	3,700,267	3,971,857		\$148,093.29	4,119,951

Schedule CW Sur-A1
Comparative Schedule of Expenses

PROVIDENCE WATER
COMPARATIVE SCHEDULE OF EXPENSES

ACCOUNT	TITLE	FISCAL YEAR 06/30/06	FISCAL YEAR 06/30/07	FISCAL YEAR 06/30/08	FISCAL YEAR 06/30/11	FISCAL YEAR 06/30/12		Test Year Adjustments	Adjusted Test Year
Transmission + Dist. Expense:									
60150	Salaries + Wages - Emp	834,719	991,335	827,908	1,011,461	927,462	A	\$61,057.99	988,520
60160	Salaries + Wages - Emp	2,228,839	2,134,007	2,102,082	1,867,293	2,107,495	A	\$138,743.53	2,246,239
60250	Payroll Clearing -Emp	(375,518)	(461,465)	(508,181)	(279,167)	(216,355)		216,355	-
60260	Payroll Clearing -Emp	-	-	-	-	-		-	-
60450	Employee Pension + Ben	453,824	526,391	473,349	271,568	241,316			241,316
60460	Employee Pension + Ben	1,211,787	1,134,076	1,204,461	776,358	846,629			846,629
60550	Overhead Rate Applied	(1,746,342)	(1,266,377)	(456,546)	(811,616)	(604,034)		604,034	-
60560	Overhead Rate Applied	-	-	-	-	-		-	-
61550	Purchase Power	9,027	8,733	79,896	14,445	12,019			12,019
62050	Material + Supplies	138,933	102,076	681,173	341,235	269,822			269,822
62060	Material + Supplies	12,637	5,687	15,075					-
62560	Inventory Clearing	-	-	-					-
63150	Contractual Services - Engineer	-	-	1,360	20,043	36,120			36,120
63350	Contractual Services - Legal T&D0	-	-	256					-
63460	Contractual Services - Mgt. Fees	-	-	-					-
63550	Contractual Services - Other	1,028,353	927,318	1,085,202	312,640	453,727			453,727
63560	Contractual Services - Other	37,731	96,748	-	26,444	65,018			65,018
64150	Rental Buildg/Real Prop	-	-	-					-
64160	Rental Buildg/Real Prop	-	-	-					-
64250	Rental of Equipment	4,009	1,097	2,081					-
64260	Rental of Equipment	-	-	-					-
65050	Transportation Exp. T&D	-	1,145	1,290		2,748			2,748
66760	Regulatory Com Exp - Other T & D	-	-	-					-
67550	Misc. Expenses	3,625	3,784	5,326	38,106	37,994			37,994
67560	Misc. Expenses	675	529	274					-
Total Transmission & Distribution		3,842,301	4,205,083	5,515,007	3,588,810	4,179,962		\$1,020,190.28	5,200,152

Schedule CW Sur-A1
Comparative Schedule of Expenses

PROVIDENCE WATER
COMPARATIVE SCHEDULE OF EXPENSES

ACCOUNT	TITLE	FISCAL YEAR 06/30/06	FISCAL YEAR 06/30/07	FISCAL YEAR 06/30/08	FISCAL YEAR 06/30/11	FISCAL YEAR 06/30/12		Test Year Adjustments	Adjusted Test Year
Customer Accounts Expense:									
60170	Salaries + Wages - Emp	1,828,083	2,063,837	1,956,675	1,826,717	1,798,417	A	\$118,395.88	1,916,813
60270	Payroll Clearing -Emp	(13,397)	(11,090)	-	-	(93,057)		93,057	-
60470	Employee Pension + Ben	993,902	1,096,073	1,119,835	737,780	721,692			721,692
60570	Overhead Rate Applied	(52,345)	(37,458)	-	(30,666)	(377,449)		377,449	-
61670	Fuel for Power Purch	-	-	-	-	-			-
62070	Material + Supplies	10,731	15,630	6,848	(50,128)	2,467			2,467
63370	Contractual Services - Legal	-	-	-	-	-			-
63570	Contractual Services - Other	33,883	39,027	50,435	47,519	10,979			10,979
65070	Transportation Exp. -CAO	-	-	-	-	1,012			1,012
65870	Insurance - Other	-	-	-	-	-			-
65970	Insurance Other	-	-	-	-	-			-
67070	Bad Debt Expense - CAO	(740,181)	782,012	(417,668)	(524,135)	445,333			445,333
67570	Misc. Expenses	121,241	104,000	93,468	409,883	194,180			194,180
Total Customer Accounts		2,181,916	4,052,032	2,809,592	2,416,970	2,703,575		\$588,901.65	3,292,477
Administrative and General									
60180	Salaries + Wages - Emp	4,718,358	5,030,220	4,981,168	5,014,514	5,229,735	A	\$269,625.20	5,499,360
60280	Payroll Clearing -Emp	-	-	-	(568,495)	(488,703)		488,703	-
60380	Salaries + wages - Officers, Dir.	36,918	40,257	32,955	15,221	-			-
60480	Employee Pension + Ben	2,569,882	4,160,597	3,295,736	4,588,712	4,605,608			4,605,608
60580	Overhead Rate Applied	-	-	-	(306,238)	(221,236)		221,236	-
61580	Purchase Power	119,872	118,145	87,444	120,287	113,972			113,972
61680	Fuel for Power Purch	184,535	184,178	229,065	-	-			-
62080	Material + Supplies	184,160	99,500	124,798	444,812	515,672			515,672
63180	Contractual Services - Engineer	24,377	201,937	36,268	30,357	45,262			45,262
63280	Contract Services - Acctg	-	-	-	-	-			-
63380	Contractual Services - Legal	87,716	114,369	41,728	-	50,841			50,841
63480	Contractual Services - Mgt. Fees	32,000	-	-	-	-			-
63580	Contractual Services - Other	364,356	277,060	514,962	875,444	982,614			982,614
64180	Rental Bldg/Real Prop	-	-	-	-	-			-
64280	Rental of Equipment	9,646	11,045	9,184	-	-			-
65080	Transportation Exp.	104,702	114,752	107,657	-	6,390			6,390
66080	Advertising Expense	3,351	611	8,508	-	-			-
66680	Reg Com Exp - Amort of Rate Case	-	1,059	-	-	-			-
66780	Regulatory Com Exp. -Other	202,951	282,184	305,530	235,386	227,469			227,469
67580	Misc. Expenses	289,175	186,018	358,452	403,077	358,418			358,418
Total Administration + General		8,931,999	10,821,934	10,133,454	10,853,078	11,426,042		\$979,564.08	12,405,606
Total Operation & Maintenance		21,084,781	25,654,810	25,366,829	23,614,671	25,069,033			27,871,725

Schedule CW Sur-A1
Comparative Schedule of Expenses

PROVIDENCE WATER
COMPARATIVE SCHEDULE OF EXPENSES

ACCOUNT	TITLE	FISCAL YEAR 06/30/06	FISCAL YEAR 06/30/07	FISCAL YEAR 06/30/08	FISCAL YEAR 06/30/11	FISCAL YEAR 06/30/12		Test Year Adjustments	Adjusted Test Year
Source of Supply		1,262,510	1,392,798	1,525,813	2,184,626	1,997,284		\$65,942.73	2,063,227
Pumping		723,642	781,034	914,787	870,920	790,313		-	790,313
Treatment		4,142,413	4,401,928	4,468,176	3,700,267	3,971,857		148,093	4,119,951
Transmission & Distrib.		3,842,301	4,205,083	5,515,007	3,588,810	4,179,962		1,020,190	5,200,152
Customer Accounts		2,181,916	4,052,032	2,809,592	2,416,970	2,703,575		588,902	3,292,477
Administration & General		8,931,999	10,821,934	10,133,454	10,853,078	11,426,042		979,564	12,405,606
Total Operation & Maintenance		21,084,781	25,654,810	25,366,829	23,614,671	25,069,033		2,802,692	27,871,725
Capitalized Overheads					1,148,520	1,202,718			1,202,718
Full Operation & Maint. Operating Fund					24,763,190	26,271,752			26,271,752
857 Insurance Fund									
65840 Insurance W/C - WTM		-	-	-					-
65870 Insurance W/C - CAO		25,512	-	-					-
62080 Materials + Supplies - A&GO		612	21,097	763	36,627	17,602			17,602
63180 Contractual Services-Engineer		-	-	-					-
63380 Contract Services - Legal A&GO		-	-	-		(11,163) B		11,163	-
63580 Contract Services - Other A&GO		1,875	4,515	4,755					-
Injuries and Damages					28,851	54,528			54,528
65780 Ins. Gen. Liability		1,253,949	1,296,107	1,227,230					-
65980 Insurance-Other A&GO		-	-	-	753,247	1,006,353			1,006,353
65880 Insurance - W/C		533,567	(69,285)	672,370	837,689	874,015			874,015
67070 Bad Debt Expense-CAO		-	-	-					-
67580 Misc. Expense		152,140	71,527	(6,954)	1,800	7,150			7,150
Total Insurance Fund		1,967,654	1,323,960	1,898,164	1,658,214	1,948,485		11,163	1,959,648
878 Chemical and Sludge Maintenance Fund									
61830 Chemicals - WTO		1,493,366	1,574,797	1,682,829	1,801,907	2,572,273			2,572,273
62030 Materials + Supplies WTO		15,545	-	-					-
62050 Materials + Supplies T&DO		-	17,827	-					-
63540 Contract Services - Other WTM		550,000	954,125	500,000	535,644	552,692			552,692
Total Chemical and Sludge Maintenance Fund		2,058,912	2,546,749	2,182,829	2,337,551	3,124,965			3,124,965
Full Operation and Maintenance		25,111,348	29,525,519	29,447,822	28,758,956	32,143,316		2,813,855	31,356,364
City Services		729,994	729,994	784,581	839,167	839,167			839,167

Schedule CW Sur-A1
Comparative Schedule of Expenses

**PROVIDENCE WATER
COMPARATIVE SCHEDULE OF EXPENSES**

ACCOUNT	TITLE	FISCAL YEAR 06/30/06	FISCAL YEAR 06/30/07	FISCAL YEAR 06/30/08	FISCAL YEAR 06/30/11	FISCAL YEAR 06/30/12		Test Year Adjustments	Adjusted Test Year
Property Taxes- Other Local Governm.									
40820	North Providence	224,715	231,643	234,826	239,090	266,581		-	266,581
40821	Glocester	43,112	45,275	49,655	49,380	51,478		-	51,478
40822	West. Glocester	3,536	3,928	3,928	3,932	3,708		-	3,708
40823	Harmony	120	142	155	155	164		-	164
40824	Chepachet	145	115	115	-	251		(120)	131
40825	Scituate	4,857,897	5,131,469	5,468,314	4,974,437	5,087,356		0	5,087,357
40826	Warwick	21	22	101	-	-		-	-
40827	Johnston	56,424	64,195	86,135	86,695	90,117		(0)	90,117
40828	Foster	308,492	278,751	292,391	331,673	331,673		-	331,673
40829	Cranston	531,739	(1,334,393)	88,629	107,568	110,522		1	110,523
40830	West. Warwick	3,855	4,040	4,294	3,761	3,761		-	3,761
Total Property Taxes		6,030,056	4,425,185	6,228,544	5,796,691	5,945,612			5,945,492
	Full Operation & Maint.	25,111,348	29,525,519	29,447,822	28,758,956	32,143,316		2,813,855	34,957,171
	City Services	729,994	729,994	784,581	839,167	839,167		-	839,167
	Total Property Taxes	6,030,056	4,425,185	6,228,544	5,796,691	5,945,612			5,945,612
	Capitalized Labor and Overheads	2,187,603	1,776,390	964,727	1,996,182	2,000,833		(2,000,833)	-
Grand Total		34,059,000	36,457,088	37,425,673	37,390,996	40,928,928		813,022	41,741,950
					From Original File	\$36,550,443	30,981,650		
						Capital Reimbursement	(798,115)	(36,274)	(834,389)
A	Adjustment to Normalize Payroll See:			Check	840,553				
B	Adjustment to Remove Non-Recurring Expense due to Insurance reimbursement								

Schedule CW Sur-AS2
Calculation of Public Fire (Hydrant) Charge

Costs Allocated Directly to Public Fire Protection

Cost of Service Allocated to Public Fire (1)	\$2,168,238.73	
Units of Service (Public Fire Hydrants) (2)	6,057	
Cost Per Hydrant (3)	<hr/>	\$357.97 (1)/(2)

Demand Costs Allocating to Fire Protection Class

Max Day (4)	\$693,768.97	
Max Hour (5)	\$731,424.93	
Total Demand Costs (6)	<hr/>	\$1,425,193.91 (4)+(5)
Total Equivalent 6" Connections (Public and Private) (7)	8,127.14	
Cost Per Equivalent 6" Connection (8)	<hr/>	\$175.36 (6)/(7)
Hydrant Charge (per Hydrant)	<hr/> <hr/>	\$533.34 (8)+(3)

Schedule CW Sur-AS3**Calculation of Providence Only Fire Protection Service Charge****Total Cost to be Recovered from Providence Retail Customer**

Providence Hydrants	3219
Charge per Hydrant	\$533.34
Total Cost to Recovered from Retail Custo	\$1,716,821.46
Total 5/8" Equivalent Accounts	88,692
Annual Cost Per 5/8" Equivalent Account	\$19.36

Fire Protection Service Charge for Providence Retail Customer

Retail Fire Protection Service Charge (Monthly)

Meter Size	Units of Service	Equivalency Factor	Equivalent Accounts	Annual Cost	Monthly Service Charge
5/8"	25,446	1	25,446	\$19.36	\$1.62
3/4"	4,258	1.5	6,387	\$29.04	\$2.42
1"	1,996	3.75	7,485	\$72.59	\$6.05
1.5"	894	10	8,940	\$193.57	\$16.14
2"	891	24	21,384	\$464.57	\$38.72
3"	69	65	4,485	\$1,258.21	\$104.86
4"	21	110	2,310	\$2,129.28	\$177.45
6"	31	225	6,975	\$4,355.35	\$362.95
8"	14	340	4,760	\$6,581.42	\$548.46
10"	1	520	520	\$10,065.70	\$838.81
12"	0	860	0	\$16,647.12	\$1,387.27
	33621		88,692		

Schedule CW Sur-AS4
Calculation of Private Fire Service Charge

Meter Size (1)	Units of Service (2)	Factor (3)	(2) x (3) Equiv. Meters (4)	(1)^2.63 Demand (5)	6" Equivalency Factor (6)	(2) x (6) 6" Equivalents (7)
0.75	3	1.1	\$ 3	0.47	0.004	0.01
1	10	1.4	14.00	1	0.009	0.09
1.5	3	1.8	5.40	2.9	0.026	0.08
2	50	2.9	145.00	6.2	0.056	2.78
4	349	14	4,886.00	38.3	0.344	120.14
6	1,272	21	26,712.00	111.3	1.000	1272.00
8	254	29	7,366.00	237.2	2.131	541.28
10	4	36.25	145.00	426.6	3.832	15.33
12	17	43.5	739.50	689.0	6.190	105.23
16	1	58	58.00	1468.4	13.192	13.19
<hr/>			<hr/>			<hr/>
1,963			40,074			2070.14

Customer Costs

Meters and Services Cost Allocated to Fire Protection	\$2,083,412.80
Equivalent Meters	40,074
Annual Cost Per Equivalent Meter	\$51.99
Monthly Cost	\$4.33
Billing and Collection Cost Allocated to Fire Protection	\$71,709.12
Number of Monthly Bills	23,556
Cost Per Bill	\$3.04
Total Customer Costs Monthly Per Eq. Meter	\$7.38

Schedule CW Sur-AS4**Calculation of Private Fire Service Charge****Demand Costs**

Max Day	\$693,768.97
Max Hour	\$731,424.93
	<hr/>
	\$1,425,193.91

Number of 6" Equivalent Connections (Public and Private) 8,127.14

Annual Cost per 6" Equivalent Connection \$175.36

Monthly Cost **\$14.61**

Private Fire Service Charges

	Customer Costs	Demand Costs	Total Pvt. Fire Charge
0.75	\$7.81	\$0.06	\$7.88
1	\$9.11	\$0.13	\$9.25
1.5	\$10.84	\$0.38	\$11.23
2	\$15.61	\$0.81	\$16.43
4	\$63.70	\$5.03	\$68.73
6	\$94.02	\$14.61	\$108.64
8	\$128.68	\$31.14	\$159.83
10	\$160.09	\$56.00	\$216.10
12	\$191.50	\$90.46	\$281.97
16	\$254.32	\$192.78	\$447.10

Schedule CW Sur-Plant Info

Allocation of Plant Investment

Plant Investment
Test Year Ending June 30, 2012

	Allocation Factor	Plant in Service	Accumulated Depreciation	Net Book Value	30-Jun-06	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	\$ 6,246,099	\$ 9,486,525	\$ -	\$ -	\$ -	\$ -	\$ 170,726	\$ 7,415,310
Structures and Improvements	A	\$ 12,143,397	\$ 10,352,552	\$ 1,790,845	\$ 912,911	\$ 995,099	\$ -	\$ -	\$ -	\$ -	\$ 177,837	
Collecting & Impounding Reservoirs	A	\$ 11,995,947	\$ 7,241,357	\$ 4,754,590	\$ 9,087,124	\$ 2,641,932	\$ -	\$ -	\$ -	\$ -	\$ 47,546	\$ 2,065,113
Lakes Rivers and Other Intakes	A	\$ 4,176,429	\$ -	\$ 4,176,429		\$ 2,320,671	\$ -	\$ -	\$ -	\$ -	\$ 41,764	\$ 1,813,994
Supply Mains	A	\$ 22,321,197	\$ 5,346,320	\$ 16,974,877	\$ 18,196,128	\$ 9,432,246	\$ -	\$ -	\$ -	\$ -	\$ 169,749	\$ 7,372,882
Other Power Production Equipment	A	\$ 459,317	\$ 414,463	\$ 44,854	\$ 139,987	\$ 24,924	\$ -	\$ -	\$ -	\$ -	\$ 449	\$ 19,482
Electric Pumping Equipment	N	\$ 929,495	\$ 696,465	\$ 233,030	\$ 61,216	\$ 111,083	\$ 22,403	\$ 3,886	\$ -	\$ -	\$ 2,153	\$ 93,505
Hydraulic Pumping Equipment	N	\$ 107,721	\$ 48,593	\$ 59,128	\$ 322,909	\$ 28,186	\$ 5,684	\$ 986	\$ -	\$ -	\$ 546	\$ 23,726
Other Plant & Miscellaneous Equipment	N	\$ 1,150,738	\$ 1,023,497	\$ 127,241	\$ 37,423	\$ 60,655	\$ 12,233	\$ 2,122	\$ -	\$ -	\$ 1,175	\$ 51,056
Total Source of Supply & Pumping Plant		\$ 70,356,802	\$ 25,123,247	\$ 45,233,555	\$ 35,003,797	\$ 25,101,321	\$ 40,320	\$ 6,995	\$ -	\$ -	\$ 452,016	\$ 19,632,904
Water Treatment Plant												
Land and Land Rights	AA	\$ 29,994	\$ -	\$ 29,994	\$ 29,994	\$ 9,557	\$ 7,109	\$ -	\$ -	\$ -	\$ 300	\$ 13,028
Structures and Improvements	AA	\$ 40,981,689	\$ 22,784,623	\$ 18,197,066	\$ 3,644,856	\$ 5,798,216	\$ 4,313,151	\$ -	\$ -	\$ -	\$ 181,971	\$ 7,903,729
Water Treatment Equipment	AA	\$ 13,487,645	\$ 15,782,707	\$ (2,295,062)	\$ 4,767,251	\$ (731,286)	\$ (543,986)	\$ -	\$ -	\$ -	\$ (22,951)	\$ (996,839)
Other Plant & Miscellaneous Equipment	AA	\$ 23,674,487	\$ 15,402,580	\$ 8,271,907	\$ 9,938,805	\$ 2,635,716	\$ 1,960,645	\$ -	\$ -	\$ -	\$ 82,719	\$ 3,592,827
Total Water Treatment Plant		\$ 78,173,815	\$ 53,969,910	\$ 24,203,905	\$ 18,380,906	\$ 7,712,203	\$ 5,736,919	\$ -	\$ -	\$ -	\$ 242,039	\$ 10,512,744
Transmission & Distribution Plant												
Land and Land Rights	L	\$ 614,902	\$ -	\$ 614,902	\$ 614,902	\$ 219,572	\$ 150,974	\$ 71,623	\$ -	\$ -	\$ 82,807	\$ 89,926
Structures and Improvements	L	\$ 218,135	\$ 197,746	\$ 20,389	\$ 59,422	\$ 7,281	\$ 5,006	\$ 2,375	\$ -	\$ -	\$ 2,746	\$ 2,982
Distribution Reservoirs & Standpipes	AA	\$ 11,468,806	\$ 10,228,091	\$ 1,240,715	\$ 1,620,277	\$ 395,335	\$ 294,080	\$ -	\$ -	\$ -	\$ 12,407	\$ 538,893
Transmission Mains*	AA	\$ 19,328,096	\$ 8,026,635	\$ 11,301,461	\$ 24,138,430	\$ 3,601,037	\$ 2,678,723	\$ -	\$ -	\$ -	\$ 113,015	\$ 4,908,686
Distribution Mains*	TD	\$ 31,964,568	\$ 13,274,350	\$ 18,690,218	\$ 24,138,431	\$ 8,775,986	\$ 5,822,043	\$ 4,092,189	\$ -	\$ -	\$ -	\$ -
Services	C	\$ 69,013,841	\$ 9,877,014	\$ 59,136,827	\$ 24,138,432	\$ -	\$ -	\$ 59,136,827	\$ -	\$ -	\$ -	\$ -
Meters & Meter Installation	C	\$ 24,526,690	\$ 16,655,211	\$ 7,871,479	\$ 14,431,252	\$ -	\$ -	\$ 7,871,479	\$ -	\$ -	\$ -	\$ -
Hydrants	FP	\$ 7,841,748	\$ 3,228,864	\$ 4,612,884	\$ 4,259,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,612,884	\$ -
Other Plant & Miscellaneous Equipment	AA	\$ 7,834,658	\$ 8,547,614	\$ (712,956)	\$ 1,409,550	\$ (227,173)	\$ (168,988)	\$ -	\$ -	\$ -	\$ (7,130)	\$ (309,666)
Total Transmission & Distribution Plant		\$ 172,811,444	\$ 70,035,525	\$ 102,775,919	\$ 46,533,305	\$ 12,772,038	\$ 8,781,838	\$ 4,166,187	\$ 67,008,306	\$ -	\$ 4,816,729	\$ 5,230,821
General Plant												
Land and Land Rights	T	\$ 23,380	\$ -	\$ 23,380	\$ 23,380	\$ 6,189	\$ 1,977	\$ 567	\$ 9,097	\$ -	\$ 748	\$ 4,803
Structures and Improvements	T	\$ 4,900,530	\$ 4,733,312	\$ 167,218	\$ 1,814,011	\$ 44,263	\$ 14,137	\$ 4,052	\$ 65,065	\$ -	\$ 5,351	\$ 34,350
Office Furniture & Equipment	T	\$ 496,042	\$ 454,562	\$ 41,480	\$ 56,058	\$ 10,980	\$ 3,507	\$ 1,005	\$ 16,140	\$ -	\$ 1,327	\$ 8,521
Transportation Equipment	T	\$ 6,798,885	\$ 6,561,271	\$ 237,614	\$ 836,706	\$ 62,897	\$ 20,088	\$ 5,758	\$ 92,456	\$ -	\$ 7,604	\$ 48,811
Stores Equipment	T	\$ 3,848,851	\$ 3,549,510	\$ 299,341	\$ 52,463	\$ 79,237	\$ 25,307	\$ 7,254	\$ 116,474	\$ -	\$ 9,579	\$ 61,491
Tools, Shop & Garage Equipment	T	\$ 417,205	\$ 362,834	\$ 54,371	\$ 45,986	\$ 14,392	\$ 4,597	\$ 1,318	\$ 21,156	\$ -	\$ 1,740	\$ 11,169
Laboratory Equipment	A	\$ 198,137	\$ 198,137	\$ -	\$ 8,791	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Power Operated Equipment	T	\$ 380,804	\$ 304,055	\$ 76,749	\$ 4,570	\$ 20,316	\$ 6,488	\$ 1,860	\$ 29,863	\$ -	\$ 2,456	\$ 15,766
Communication Equipment	T	\$ 1,174,151	\$ 919,875	\$ 254,276	\$ 2	\$ 67,308	\$ 21,497	\$ 6,162	\$ 98,939	\$ -	\$ 8,137	\$ 52,234
Miscellaneous Equipment	T	\$ 697,209	\$ 697,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Tangible Plant	T	\$ 255,664	\$ 65,461	\$ 190,203	\$ 98,383	\$ 50,347	\$ 16,080	\$ 4,609	\$ 74,008	\$ -	\$ 6,086	\$ 39,072
Total General Plant		\$ 19,190,858	\$ 17,846,226	\$ 1,344,632	\$ 2,940,350	\$ 355,929	\$ 113,676	\$ 32,584	\$ 523,197	\$ -	\$ 43,028	\$ 276,217
Total Plant		\$ 340,532,919	\$ 166,974,908	\$ 173,558,011	\$ 102,858,358	\$ 45,941,491	\$ 14,672,753	\$ 4,205,766	\$ 67,531,503	\$ -	\$ 5,553,812	\$ 35,652,687
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Construction Work in Progress	T			\$ 45,942,642	\$ 23,150,055	\$ 12,161,199	\$ 3,884,033	\$ 1,113,311	\$ 17,876,303	\$ -	\$ 1,470,153	\$ 9,437,643
Assets under Capital Lease	T			\$ 13,846,150	\$ 14,728,150	\$ 3,665,130	\$ 1,170,566	\$ 335,529	\$ 5,387,543	\$ -	\$ 443,073	\$ 2,844,308
Total Plant Investment				\$ 233,346,803	\$ 140,736,563	\$ 61,767,820	\$ 19,727,352	\$ 5,654,605	\$ 90,795,350	\$ -	\$ 7,467,038	\$ 47,934,638
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<i>Totals used to determine Allocation Factors:</i>												
Total Plant less Land				\$ 211,429,537	\$ 49,725,306	\$ 19,567,292	\$ 5,582,415	\$ 90,786,252	\$ -	\$ 7,170,693	\$ 38,597,578	
Reallocated Meters and Fire Protection					\$ 65,054,267	\$ 25,599,357	\$ 7,303,322	\$ (90,786,252)		\$ (7,170,693)		
Total Plant less Land with Reallocated Meters and Fire Protection				\$ 211,429,537	\$ 114,779,573	\$ 45,166,649	\$ 12,885,737	\$ -	\$ -	\$ -	\$ 38,597,578	
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<i>* Allocated based on Inch Miles:</i>												
Total Transmission & Distribution Mains		\$ 51,292,664	\$ 21,300,985									
Transmission Mains	37.68%	\$ 19,328,096	\$ 8,026,635									
Distribution Mains	62.32%	\$ 31,964,568	\$ 13,274,350									