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September 29, 2015

Ms. Luly Massaro, Clerk  
Division of Public Utilities and Carriers  
89 Jefferson Boulevard  
Warwick, RI 02888

**Re: Pawtucket Water Supply Board, General Rate Filing  
Docket No. 4550**

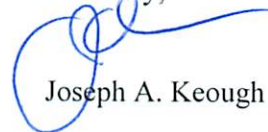
Dear Ms. Massaro:

Enclosed please find a copy of a Revised Settlement Agreement between the Pawtucket Water Supply Board ("PWSB"), the Rhode Island Division of Public Utilities and Carriers ("Division") and the Town of Cumberland ("Cumberland") in the above captioned Docket. This Revised Settlement Agreement replaces the original Settlement Agreement entered into between the PWSB and Division, which was filed with the Commission on September 28, 2015. This Revised Settlement Agreement does not materially alter the terms of the original Settlement Agreement and it does not change the Settlement Schedules submitted with the original Settlement Agreement. Rather, the terms of this Revised Settlement Agreement merely reflect Cumberland's agreement with the settlement reached in this Docket.

Please note that this Revised Settlement Agreement is signed only by counsel for the PWB and Cumberland. Counsel for the Division is unavailable for signature at this time. The parties will submit a fully executed copy of the Revised Settlement Agreement to the Commission on Thursday October 1, 2015, prior to the start of the hearing. Also, please note that an electronic copy of this Agreement has been sent to the service list.

Thank you for your attention to this matter.

Sincerely,



Joseph A. Keough Jr.

JAK/kf

Enclosure

cc: Karen Lyons, Esquire



2. In its Application, the PWSB sought to implement a multi-year rate plan through a three step increase.
3. In the first step of the increase, the PWSB sought to collect additional operating revenue in the amount of \$2,288,131 to support total operating revenues of \$20,577,182.
4. The impact of this request would have resulted in a 12.5% increase in total revenues, and the impact on customers would vary by customer class.
5. In the second step of the requested rate increase, which the PWSB proposed to become effective on July 1, 2016, the PWSB sought to collect additional operating revenue in the amount of \$1,736,208, for a total revenue requirement of \$22,313,390.
6. The impact of this second step increase would have resulted in an 8.4% increase in total revenues, and the increase would have applied uniformly to each customer class as an “across the board” increase.
7. In the third step of the requested rate increase, which the PWSB proposed to become effective on July 1, 2017, the PWSB sought to collect additional operating revenue in the amount of \$674,498, for a total revenue requirement of \$22,987,888.
8. The impact of this third step increase would have resulted in a 3.0% increase in total revenues, and the increase would have applied uniformly to each customer class as an “across the board” increase.

9. The Application also contained a Cost of Service Study and Rate Design to determine the level of costs properly recoverable from each of the various classes of the PWSB's customers.
10. In support of its Application, the PWSB filed the direct testimony and schedules of David Bebyn, C.P.A. of B& E Consulting, LLC; Christopher P.N. Woodcock of Woodcock & Associates, Inc.; Robert E. Benson, Chief Financial Officer of the Pawtucket Water Supply Board; and, James L. DeCelles, P.E., Chief Engineer of the Pawtucket Water Supply Board.
11. The PWSB also submitted supplemental direct testimony from Robert E. Benson that included a request for an additional \$179,096 for retiree costs that were inadvertently omitted in the PWSB's original filing. Thus, the PWSB's revised request sought to collect additional operating revenue in the first step of the increase in the amount of \$2,467,227 to support total operating revenues of \$20,756,278.
12. On March 4, 2015, the Town of Cumberland filed a Motion to Intervene as a party in this Docket, which the Commission granted after receiving no objections.
13. Cumberland subsequently conducted an investigation and review of the Application, and issued data requests to assist in its investigation and review.
14. In response to the PWSB's filing, the Division conducted an investigation and review of the Application with the assistance of its staff and two outside expert consultants. The Division also issued data requests to assist in its investigation and review.
15. On June 18, 2015, the Division submitted direct testimony from its consultants Lafayette K. Morgan, Jr. and Jerome D. Mierzwa of Exeter Associates, Inc.

16. The Division, through Mr. Morgan's testimony, sought to reduce the PWSB's revenue increase in the first step to \$2,101,250 (a difference of \$369,529 from the PWSB's position), for an overall revenue requirement of \$20,438,300.
17. In the second step, Mr. Morgan suggested an increase of \$1,258,251 (a difference of \$155,103 from the PWSB's position).
18. In the third step, Mr. Morgan suggested an increase of \$696,900 (a difference of \$199,838 from the PWSB's position).
19. Mr. Morgan reduced the PWSB's original rate request in the following categories:
  - a) Other Operating Revenues
  - b) Regulatory Commission Expense
  - c) Rate Case Expenses
  - d) Property Taxes
  - e) Rate Year Inflation Escalation
  - f) Electric Power Expense
  - g) Water Treatment Plant Annual Operating Costs
  - h) Maintenance of Miscellaneous Plant
  - i) Step Increases
  - j) Debt Service Costs
  - k) Property Taxes for Step Increases
  - l) Step Period Inflation Escalation
  - m) Revenue Stabilization
20. Mr. Mierzwa made suggestions regarding the PWSB's cost allocation study, specifically updating maximum-day and maximum-hour demand extra capacity factors and the factor used to allocate transmission and distribution operations and maintenance expenses. Mr. Mierzwa suggested the PWSB make these changes in its next full rate filing.
21. On June 18, 2015, the Town of Cumberland submitted direct testimony from David F. Russell of Russell Consulting, LLC.

22. Mr. Russell also suggested reductions to the PWSB’s revenues. Many of the categories of Mr. Russell’s recommendations mirrored the Division’s as set forth in paragraph 18 above. In addition, Mr. Russell suggested changes in the PWSB’s anticipated consumption, power costs, capital funding and reserves funding. Mr. Russell also suggested changes to the PWSB’s cost allocation and rate design.
23. On July 23, 2015, the PWSB filed rebuttal testimony and schedules from its witnesses, Christopher P.N. Woodcock, Robert E. Benson and James L. DeCelles.
24. In its rebuttal testimony and schedules the PWSB amended its original revenue request. The revised request sought to collect additional operating revenues in each of the three steps as follows:

<u>Step</u>	<u>Revised Increase</u>	<u>Revised Total Revenues</u>	<u>Percentage</u>
Step 1	\$1,667,535	\$20,500,744	8.9%
Step 2	\$1,394,200	\$21,894,943	6.8%
Step 3	\$873,007	\$22,767,950	4.0%

25. In revising its revenue request, the PWSB accepted many of the revisions suggested by the Division, but still disagreed on the following topics:
- a) Rate Case Expense;
  - b) Inflation Adjustments;
  - c) Step Adjustments for Inflation and Worker’s Compensation Expense; and,
  - d) Property Taxes.
26. The PWSB also continued to disagree with Cumberland on issues related to consumption, inflation, power costs, capital funding, cost allocation and rate design.
27. The PWSB also sought to immediately implement Mr. Mierzwa’s suggested revisions to the customer demand factors in this Docket since it already had the monthly

billing data Mr. Mierzwa referenced in his testimony, rather than waiting for its next full rate filing, which may be three years away in light of the multi-year rate increase requested in this Docket.

28. In particular, Mr. Woodcock suggested an update to Cumberland's maximum-day and maximum-hour demand extra capacity factors.

29. On August 28, 2015, the Division submitted surrebuttal testimony from Mr. Morgan and Mr. Mierzwa.

30. The Division revised its position as follows:

- a) Step 1 – Revenue increase of \$1,561,228 (\$106,307 less than the PWSB's Rebuttal Position).
- b) Step 2 – Revenue Increase of \$1,327,887 (\$66,313 less than the PWSB's Rebuttal Position).
- c) Step 3 – Revenue Increase of \$770,164 (\$102,843 less than the PWSB's Rebuttal Position).

31. The differences between the Division and the PWSB remained in the following categories:

- a) Rate Case Expense
- b) Inflation Adjustments
- c) Water Treatment Plant Contract
- d) Step Adjustments for Inflation and Worker's Compensation Expense
- e) Property Taxes

32. Mr. Mierzwa agreed that Cumberland's maximum-day and maximum-hour demand extra capacity factor should be increased, but reduced the 4.8 maximum day factor proposed in the PWSB's rebuttal to 3.5 to mitigate Cumberland's increase. Mr. Mierzwa also proposed a reduction to the maximum hour factor for Cumberland to mitigate the increase to Cumberland.

33. On August 27, 2015, Cumberland also submitted surrebuttal testimony, and Mr. Russell suggested changes to the PWSB's rebuttal position in the areas of consumption, inflation, power costs, capital funding, cost allocation and rate design.
34. Following the surrebuttal testimony filings by the Division and Cumberland, the Parties engaged in extensive settlement discussions and negotiations.
35. During these discussions and negotiations, the Parties narrowed their areas of disagreement on the PWSB's revenue request to four specific expense items:
- a) Rate Case Expense – The Parties agreed to a three-year normalization of \$230,000 for rate case expense as a placeholder for an actual amount to be reflected in the initial rate increase. The Parties have agreed to update this expense to reflect actual expenses as near as possible. For the step increases, the Parties have agreed to a placeholder amount of \$20,000, which would be subject to adjustment during the step increase compliance filings.
  - b) Inflation Adjustments – the Parties agreed to the Division's revised inflation calculation, which resulted in a compounded 3% inflation rate.
  - c) Step Adjustments for Inflation and Worker's Compensation Expense – the agreed upon rate of inflation will apply to the step adjustments and worker's compensation expense.
  - d) Property Taxes – the Parties agreed to use the PWSB's property tax adjustment as set forth in the PWSB's rebuttal testimony.
36. As a result of these settlement discussions and after due consideration of the testimony, exhibits, schedules, data requests, data responses, and other documentation included in the filings of the Parties in this Docket, the Parties have agreed to a settlement which resolves all issues relating to the PWSB's Application to Change Rate Schedules.



37. The Parties, by and through their respective representatives, believe that this settlement, as a whole, constitutes a just and reasonable resolution of the issues in this proceeding, and jointly request its approval by the Commission.

### **III. TERMS OF SETTLEMENT**

38. Incorporated herein and attached hereto as Exhibit 1 are Joint Settlement Schedules 1.0 through 12.0, which memorialize the settlement, and the Parties agree with these schedules as presented.

39. As set forth in these schedules, in the first step of the increase, the PWSB's rates are designed to allow for the collection of additional operating revenue in the amount of \$1,598,016 to support total cost of service of \$20,458,598. The impact of this request will result in an 8.5% increase in total rate revenues. For a typical residential customer who uses 800 CU FT of water per month, the impact of this request will result in an increase of \$19.80 per year, from \$494.40 per year to \$514.20 per year, or 4%. The impact on other retail customers' bills will vary based on classification and consumption level.

40. As set forth in these schedules, in the second step of the increase, the PWSB's rates are designed to allow for the collection of additional operating revenue in the amount of \$1,352,419 to support total cost of service of \$21,811,579. The impact of this request will result in a 6.6% increase in total revenues. The increase will apply uniformly to each customer class as an "across the board" increase.

41. As set forth in these schedules, in the third step of the increase, the PWSB's rates are designed to allow for the collection of additional operating revenue in the

amount of \$826,561 to support total cost of service of \$22,638,140. The impact of this request will result in a 3.8% increase in total revenues. The increase will apply uniformly to each customer class as an “across the board” increase.

42. The PWSB agrees to use the maximum-day and maximum-hour demand extra capacity factor of 3.5 suggested by Mr. Mierzwa to mitigate the increase to Cumberland. However, and as set forth in paragraphs 44-47 infra, the Parties reserve the right to advocate for a different capacity factor in future rate filings and in the compliance filings for Steps 2 and 3 of the proposed rate filing.

43. The Parties also reserve the right to advocate for different consumption numbers based on updated consumption numbers provided by the PWSB in its compliance filings for Steps 2 and 3 of the proposed rate filing.

#### **IV. EFFECT OF SETTLEMENT**

44. This Settlement Agreement is the result of a negotiated settlement. The discussions which have produced this Settlement Agreement have been conducted with the explicit understanding that all offers of settlement and discussion relating thereto are and shall be privileged, shall be without prejudice to the position of any party or participant presenting such offer or participating in any such discussion, and are not to be used in any manner in connection with these or other proceedings.

45. This settlement agreement is the product of negotiation and compromise. The making of this agreement establishes no principle or precedent. This agreement shall not be deemed to foreclose any party from making any contention in any future proceeding or investigation.

46. The agreement by any party to the terms of this Settlement Agreement shall not be construed as an agreement as to any matter of fact or law beyond the terms thereof. By entering into this Settlement Agreement, matters or issues other than those explicitly identified in this agreement have not been settled upon or conceded by any party to this Settlement Agreement, and nothing in this agreement shall preclude any party from taking any position in any future proceeding regarding such unsettled matters.

47. In the event that the Commission rejects this Settlement Agreement, or modifies this agreement or any provision therein, then this agreement shall be deemed withdrawn and shall be null and void in all respects.

IN WITNESS WHEREOF, the Pawtucket Water Supply Board, the Rhode Island Division of Public Utilities And Carriers and the Town of Cumberland agree that this Settlement Agreement is reasonable, in the public interest and in accordance with law and regulatory policy, and have caused this agreement to be executed by their respective representatives, each being authorized to do so.

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Dated this 29<sup>th</sup> day of September, 2015.

PAWTUCKET WATER  
SUPPLY BOARD  
By its Attorney,



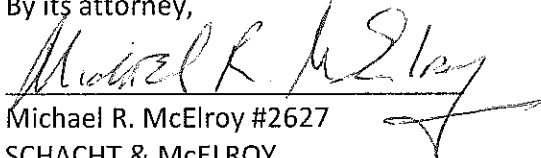
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THE TOWN OF CUMBERLAND  
By its attorney,



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**TEST YEAR & RATE YEAR EXPENSES**

Expense Item	Test Year FY 2014	Summary of Adjustments	Rate Year * FY 2016	<----- Adjustments Detail ----->		
				Labor & Related Items	Other Adjustments	Supporting Schedule
<b>ADMINISTRATION</b>						
Salaries & Wages - (601)	\$656,397	\$9,152	\$665,549	\$9,152	\$0	R. Benson
Salaries & Wages - Payroll Taxes	\$46,352	\$69	\$46,421	\$69	\$0	R. Benson
Employee Pensions & Benefits (604)	\$428,079	-\$10,513	\$417,566	-\$189,609	\$179,096	Joint Settlement Sch. 1.1 (
Workers Comp	\$13,792	\$16,875	\$30,667	\$0	\$16,875	LKM-12S
Materials and Supplies (Account 620)	\$53,171	\$1,595	\$54,766	\$0	\$1,595	Joint Settlement Sch. 1.1 (
Contractual Services - Legal (Account 633)	\$188,115	\$5,643	\$193,758	\$0	\$5,643	Joint Settlement Sch. 1.1 (
Contractual Services - Mgt. Fees (634) City Chg	\$275,788	\$0	\$275,788	\$0	\$0	
Contractual Services - Other (Account 635)	\$11,188	\$336	\$11,523	\$0	\$336	Joint Settlement Sch. 1.1 (
Rental of Equipment (Account 642)	\$3,455	\$104	\$3,559	\$0	\$104	Joint Settlement Sch. 1.1 (
Transportation Expenses (Account 650)	\$7,043	\$211	\$7,254	\$0	\$211	Joint Settlement Sch. 1.1 (
Insurance - General Liability (Account 657)	\$151,690	\$0	\$151,690	\$0	\$0	
Insurance - Other (Account 659)	\$0	\$0	\$0	\$0	\$0	
Regulatory Com Expense - Other (667)	\$94,971	-\$8,182	\$86,789	\$0	-\$8,182	LKM-4
Reg Com Exp - Amort of Rate Case Exp (666)	\$0	\$76,667	\$76,667	\$0	\$76,667	Joint Settlement Sch. 1.1
Miscellaneous Expense (Account 675)	\$28,117	\$843	\$28,960	\$0	\$843	Joint Settlement Sch. 1.1 (
Credit Card Fees	\$22,812	\$684	\$23,496	\$0	\$684	Joint Settlement Sch. 1.1 (
Education Training	\$4,250	\$128	\$4,378	\$0	\$128	Joint Settlement Sch. 1.1 (
Maint of Misc Plant	\$48,584	\$1,458	\$50,042	\$0	\$1,458	Joint Settlement Sch. 1.1 (
Purchased Power	\$40,489	\$6,813	\$47,302	\$0	\$6,813	Joint Settlement Sch. 1.1
Other Utilities	\$98,864	\$2,966	\$101,829	\$0	\$2,966	Joint Settlement Sch. 1.1 (
Printing	\$0	\$0	\$0	\$0	\$0	Joint Settlement Sch. 1.1 (
Postage	\$78	\$2	\$80	\$0	\$2	Joint Settlement Sch. 1.1 (
Subtotal - Admin	\$2,173,233	\$104,852	\$2,278,085	-\$180,389	\$285,240	
<b>CUSTOMER ACCOUNTS</b>						
Salary & Wages - Cust Ser	\$192,753	\$6,255	\$199,008	\$6,255	\$0	R. Benson
Salary & Wages - Meter	\$252,127	\$76,413	\$328,541	\$76,413	\$0	R. Benson
Salary & Wages Payroll Tx (CS)	\$14,856	\$123	\$14,979	\$123	\$0	R. Benson
Salary & Wages Payroll Tx (Meters)	\$23,110	\$1,289	\$24,399	\$1,289	\$0	R. Benson
Empl Pensions & Benefits (Cust Ser)	\$68,892	\$7,929	\$76,821	\$7,929	\$0	R. Benson
Empl Pensions & Benefits (Meters)	\$156,109	\$15,327	\$171,436	\$15,327	\$0	R. Benson
Matls & Supp (Cust Serv)	\$980	\$29	\$1,009	\$0	\$29	Joint Settlement Sch. 1.1 (
Matls & Supp (Meters)	\$3,360	\$101	\$3,461	\$0	\$101	Joint Settlement Sch. 1.1 (
Contractual Services - Other - [Cust. Svc.] (Account 63	\$34,898	\$1,047	\$35,945	\$0	\$1,047	Joint Settlement Sch. 1.1 (
Rental of Equipment (Account 642)	\$1,931	\$58	\$1,989	\$0	\$58	Joint Settlement Sch. 1.1 (
Workers Comp - Cust Serv	\$12,517	-\$9,954	\$2,563	\$0	-\$9,954	LKM-12S
Workers Comp - Meters	\$0	\$13,191	\$13,191	\$0	\$13,191	LKM-12S
Transportation Expenses - [Cust svc.] (Account 650)	\$763	\$23	\$786	\$0	\$23	Joint Settlement Sch. 1.1 (
Transportation Expenses - [Meter] (Account 650)	\$11,117	\$334	\$11,451	\$0	\$334	Joint Settlement Sch. 1.1 (
Bad Debt Expense (Account 670)	\$1,710	\$51	\$1,762	\$0	\$51	Joint Settlement Sch. 1.1 (
Miscellaneous Expense - [Cust. Svc.] (Account 675)	\$238	\$7	\$245	\$0	\$7	Joint Settlement Sch. 1.1 (
Miscellaneous Expense - [Meter] (Account 675)	\$686	\$21	\$707	\$0	\$21	Joint Settlement Sch. 1.1 (
Education Training - [Cust. Svc.]	\$0	\$0	\$0	\$0	\$0	Joint Settlement Sch. 1.1 (
Education Training - [Meter]	\$732	\$22	\$754	\$0	\$22	Joint Settlement Sch. 1.1 (
Repairs & Maintenance - general	\$0	\$0	\$0	\$0	\$0	Joint Settlement Sch. 1.1 (
Repairs & Maintenance - meters	\$0	\$0	\$0	\$0	\$0	Joint Settlement Sch. 1.1 (
Other Utilities - [Cust. Svc.]	\$2,586	\$78	\$2,664	\$0	\$78	Joint Settlement Sch. 1.1 (
Other Utilities - [Meter]	\$3,028	\$91	\$3,119	\$0	\$91	Joint Settlement Sch. 1.1 (
Printing - [Cust. Svc.]	\$39,768	\$1,193	\$40,961	\$0	\$1,193	Joint Settlement Sch. 1.1 (
Printing - [Meter]	\$902	\$27	\$929	\$0	\$27	Joint Settlement Sch. 1.1 (
Postage--[Cust. Svc.]	\$110,011	\$3,300	\$113,311	\$0	\$3,300	Joint Settlement Sch. 1.1 (
Subtotal - Customer Accts	\$933,072	\$116,955	\$1,050,027	\$107,336	\$9,619	

**TEST YEAR & RATE YEAR EXPENSES**

<b><u>Expense Item</u></b>	<b><u>Test Year FY 2014</u></b>	<b><u>Summary of Adjustments</u></b>	<b><u>Rate Year FY 2016</u></b>	<b>&lt;----- Adjustments Detail -----&gt;</b>		
				<b><u>Labor Increase</u></b>	<b><u>Other Adjustments</u></b>	<b><u>Supporting Schedule</u></b>
<b><u>SOURCE OF SUPPLY</u></b>						
Salaries & Wages - (601)	\$126,626	-\$1,117	\$125,509	-\$1,117	\$0	R. Benson
Salaries & Wages - Payroll Taxes	\$9,327	\$91	\$9,418	\$91	\$0	R. Benson
Employee Pensions & Benefits (604)	\$45,138	\$4,772	\$49,910	\$4,772	\$0	R. Benson
Workers Comp	\$3,959	\$1,338	\$5,297	\$0	\$1,338	LKM-12S
Purchased Power (Account 615)	\$92,006	\$21,802	\$113,809	\$0	\$21,802	Joint Settlement Sch. 1.1
Materials and Supplies (Account 620) & Rental	\$1,988	\$60	\$2,048	\$0	\$60	Joint Settlement Sch. 1.1 (
Transportation Expenses (Account 650)	\$3,661	\$110	\$3,771	\$0	\$110	Joint Settlement Sch. 1.1 (
Miscellaneous Expense (Account 675)	\$49	\$1	\$50	\$0	\$1	Joint Settlement Sch. 1.1 (
Security Service	\$74,733	\$2,242	\$76,975	\$0	\$2,242	Joint Settlement Sch. 1.1 (
Education Training	\$628	\$19	\$647	\$0	\$19	Joint Settlement Sch. 1.1 (
Maint of Misc Plant	\$76,766	-\$17,761	\$59,005	\$0	-\$17,761	LKM-7S
Other Utilities	<u>\$3,990</u>	<u>\$120</u>	<u>\$4,110</u>	<u>\$0</u>	\$120	Joint Settlement Sch. 1.1 (
Subtotal - Supply	\$438,872	\$11,677	\$450,549	\$3,746	\$7,931	
<b><u>PURIFICATION</u></b>						
DBO O&M Contract	\$1,851,761	\$37,331	\$1,889,092	\$0	\$37,331	Joint Settlement Sch. 1.1
Purchased Power (Account 615)	\$776,713	\$176,744	\$953,457	\$0	\$176,744	Joint Settlement Sch. 1.1
Other Utilities	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
Subtotal - Purification	\$2,628,473	\$214,075	\$2,842,548	\$0	\$214,075	

**TEST YEAR & RATE YEAR EXPENSES**

<b><u>Expense Item</u></b>	<b>Test Year FY 2014</b>	<b>Summary of Adjustments</b>	<b>Rate Year FY 2016</b>	<b>&lt;----- Adjustments Detail -----&gt;</b>		
				<b>Labor Increase</b>	<b>Other Adjustments</b>	<b>Supporting Schedule</b>
<b><u>TRANSMISSION &amp; DISTRIBUTION</u></b>						
Salaries & Wages - (601)	\$927,786	\$80,121	\$1,007,907	\$80,121	\$0	R. Benson
Salaries & Wages -[Engineering] (601)	\$373,160	\$4,937	\$378,097	\$4,937	\$0	R. Benson
Salaries & Wages - Payroll Taxes -	\$71,111	\$4,035	\$75,146	\$4,035	\$0	R. Benson
Salaries & Wages - Payroll Taxes - [Engineering]	\$27,444	\$929	\$28,374	\$929	\$0	R. Benson
Salaries & Wages - Police Details	\$86,272	\$0	\$86,272	\$0	\$0	
Employee Pensions & Benefits - (604)	\$399,728	\$70,721	\$470,449	\$70,721	\$0	R. Benson
Employee Pensions & Benefits - [Engineering] (604)	\$122,039	\$27,683	\$149,723	\$27,683	\$0	R. Benson
Materials and Supplies - (Account 620)	\$55,068	\$1,652	\$56,720	\$0	\$1,652	Joint Settlement Sch. 1.1 (
Materials and Supplies - [Engineering] (Account 620)	\$11,225	\$337	\$11,562	\$0	\$337	Joint Settlement Sch. 1.1 (
Rental of Equipment (Account 642)	\$11,734	\$352	\$12,086	\$0	\$352	Joint Settlement Sch. 1.1 (
Rental of Equipment - [Engineering] (Account 642)	\$2,959	\$89	\$3,048	\$0	\$89	Joint Settlement Sch. 1.1 (
Transportation Expenses - (Account 650)	\$79,571	\$2,387	\$81,958	\$0	\$2,387	Joint Settlement Sch. 1.1 (
Transportation Expenses - [Engineering](Account 650)	\$8,826	\$265	\$9,091	\$0	\$265	Joint Settlement Sch. 1.1 (
Workers Comp T&D	\$74,692	-\$29,928	\$44,764	\$0	-\$29,928	LKM-12S
Workers Comp - Engineering	\$16,100	\$1,513	\$17,613	\$0	\$1,513	LKM-12S
Miscellaneous Expense - (Account 675)	\$3,377	\$101	\$3,479	\$0	\$101	Joint Settlement Sch. 1.1 (
Miscellaneous Expense - [Engineering] (Account 675)	\$495	\$15	\$510	\$0	\$15	Joint Settlement Sch. 1.1 (
Education Training	\$4,444	\$133	\$4,577	\$0	\$133	Joint Settlement Sch. 1.1 (
Education Training - [Engineering]	\$667	\$20	\$687	\$0	\$20	Joint Settlement Sch. 1.1 (
Repairs & Maintenance - general	\$1,432	\$43	\$1,475	\$0	\$43	Joint Settlement Sch. 1.1 (
Repairs & Maintenance - T&D	\$0	\$0	\$0	\$0	\$0	Joint Settlement Sch. 1.1 (
Repairs & Maintenance - fire services	\$0	\$0	\$0	\$0	\$0	Joint Settlement Sch. 1.1 (
Repairs & Maintenance - services	\$4,268	\$128	\$4,396	\$0	\$128	Joint Settlement Sch. 1.1 (
Repairs & Maintenance - Hydrants	\$0	\$0	\$0	\$0	\$0	Joint Settlement Sch. 1.1 (
Road surface restoration	\$0	\$0	\$0	\$0	\$0	Joint Settlement Sch. 1.1 (
Repairs & Maintenance - general	\$0	\$0	\$0	\$0	\$0	Joint Settlement Sch. 1.1 (
Purchased Power	\$14,744	\$2,181	\$16,925	\$0	\$2,181	Joint Settlement Sch. 1.1
Other Utilities	\$22,105	\$663	\$22,768	\$0	\$663	Joint Settlement Sch. 1.1 (
Other Utilities - [Engineering]	\$3,525	\$106	\$3,631	\$0	\$106	Joint Settlement Sch. 1.1 (
Printing	\$0	\$0	\$0	\$0	\$0	Joint Settlement Sch. 1.1 (
Postage--[Engineering]	\$0	\$0	\$0	\$0	\$0	Joint Settlement Sch. 1.1 (
Subtotal - T&D	\$2,322,774	\$168,484	\$2,491,258	\$188,427	-\$19,943	

**TEST YEAR & RATE YEAR EXPENSES**

<b><u>Expense Item</u></b>	Test Year <b><u>FY 2014</u></b>	Summary of <b><u>Adjustments</u></b>	Rate Year <b><u>FY 2016</u></b>	<----- Adjustments Detail ----->		
				<b><u>Labor Increase</u></b>	<b><u>Other Adjustments</u></b>	<b><u>Supporting Schedule</u></b>
<b><u>CAPITAL EXPENSE</u></b>						
Property Taxes						
Source of Supply	\$750,533	-\$133,300	\$617,233	\$0	-\$133,300	Joint Settlement Sch. 1.1
Treatment-Pumping	\$0	\$0	\$0	\$0	\$0	Joint Settlement Sch. 1.1
Treatment-Purification	\$0	\$0	\$0	\$0	\$0	Joint Settlement Sch. 1.1
Trans & Distrib	\$162,078	-\$28,977	\$133,101	\$0	-\$28,977	Joint Settlement Sch. 1.1
Rental Property	\$9,217	\$68	\$9,285	\$0	\$67.57	Joint Settlement Sch. 1.1
Restrict. Bond Principal, Interest & RICWFA Fees *	\$7,764,193	\$0	\$7,764,193	\$0	\$0	Joint Settlement Sch. 1.1
Leases	\$0	\$0	\$0	\$0	\$0	
IFR	\$2,500,000	\$0	\$2,500,000	\$0	\$0	Joint Settlement Sch. 1.1
Trustee Fees	\$26,879	\$4,121	\$31,000	\$0	\$4,121	Joint Settlement Sch. 1.1
O&M Reserve Deposit	\$0	\$0	\$0	\$0	\$0	Joint Settlement Sch. 1.1
Subtotal - Capital	<u>\$11,212,900</u>	<u>-\$158,089</u>	<u>\$11,054,811</u>	<u>\$0</u>	<u>-\$158,089</u>	
TOTAL EXPENSES	\$19,709,324	\$457,954	\$20,167,278	\$119,120	\$338,834	
PLUS: Rev. Stabiliz./Oper. Rev. Allowance	\$0	\$291,882	\$291,882			Joint Settlement Sch. 1.1
LESS: Service Instal Revenue	-\$78,239	\$14,068	-\$64,171		\$14,068	LKM-3
LESS: State Surcharge Revenue	-\$48,282	-\$539	-\$48,821		-\$539	Joint Settlement Sch. 1.1
LESS: Penalties	-\$284,343	-\$39,897	-\$324,240		-\$39,897	LKM-3
LESS: Non-Operating Rental	-\$27,850	\$0	-\$27,850			see DGB-1
LESS: Interest Income	-\$813	\$0	-\$813			see DGB-1
LESS: Misc Non-Operating	<u>-\$219,519</u>	<u>-\$23,036</u>	<u>-\$242,555</u>		<u>-\$23,036</u>	LKM-3
REQUIRED FROM RATES	\$19,050,279	\$700,432	\$19,750,710	\$119,120	\$289,429	

\* TY Debt & RICWFA Fees = Restricted amount from Docket #4171 less Trustee Fees Below



**DETAILS OF ADJUSTMENTS TO TEST YEAR EXPENSES**

**Capital Requirements**

**Property Taxes**

Property taxes for future years based on following projections:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Source of Supply	\$627,484	\$617,233	\$569,464	\$571,807
Trans & Distrib	\$135,573	\$133,101	\$132,487	\$131,972
Rental Property	<u>\$9,222</u>	<u>\$9,285</u>	<u>\$9,299</u>	<u>\$9,315</u>
Totals	\$772,279	\$759,618	\$711,251	\$713,094

After FY 2015, non-Cumberland amounts increased 1.3%/year based on updated response to Div. 1-12

**Debt Service**

Projected Debt is as follows:

	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
<i>Existing Revenue Bonds</i>					
Principal (& sinking fund)	\$4,067,074	\$4,182,000	\$4,650,000	\$4,782,000	\$4,924,000
Interest	<u>\$3,397,676</u>	<u>\$3,452,974</u>	<u>\$3,386,756</u>	<u>\$3,275,044</u>	<u>\$3,154,900</u>
Total	\$7,464,750	\$7,634,974	\$8,036,756	\$8,057,044	\$8,078,900
<i>Projected Revenue Bonds (2015 &amp; 2016)</i>					
Principal	\$0	\$0	\$1,000	\$252,000	\$447,000
Interest	\$0	\$0	<u>\$49,549</u>	<u>\$191,530</u>	<u>\$248,081</u>
Total	\$0	\$0	\$50,549	\$443,530	\$695,081
<i>Existing General Obligation Bonds</i>					
Principal	\$84,527	\$59,600	\$58,266	\$59,562	\$60,374
Interest	<u>\$16,212</u>	<u>\$18,850</u>	<u>\$10,708</u>	<u>\$8,456</u>	<u>\$6,164</u>
Total	\$100,739	\$78,449	\$68,974	\$68,018	\$66,538
<i>Total All Bonds</i>	\$7,565,489	\$7,713,423	\$8,156,278	\$8,568,592	\$8,840,519
<i>RICWFA Fees</i>	<u>\$352,914</u>	<u>\$366,140</u>	<u>\$363,683</u>	<u>\$370,018</u>	<u>\$355,989</u>
Total RICWFA	\$7,918,403	\$8,079,564	\$8,519,961	\$8,938,610	\$9,196,508

\* Although costs are shown to increase, no change over the restricted amounts from Docket 4171 is requested for the rate year. Full recovery in a second step increase is requested for FY 2017 amounts.

**Trustee Fees**

		<u>Test Yr</u>	<u>Estim RY</u>
Bank of New York	Trustees Fees	\$18,500	\$22,250
US Bank	Admin Fess	\$3,250	\$3,250
Partridge, Hahn & Snow	Legal Fees - Annual Disclosure filing	\$2,729	\$3,100
Amtec	Annual Arbitrage Services	<u>\$2,400</u>	<u>\$2,400</u>
Total Fees		\$26,879	\$31,000

**IFR - PAYGO**

Rate Year  
\$2,500,000

**O&M Reserve Requirement**

Rate Year O&M =	\$9,872,085 (Operating Costs plus Property Taxes)	
Required Level (25%)	\$2,468,021	
Balance 6/30/14	\$2,708,181	\$240,160
Estimated Additions	\$0	
Estimated Balance 6/30/15	\$2,708,181	
Rate Year Addition =	\$0	

**Operating Costs**

**DBO Contract**

	<u>New WTP</u>
Annual Contract Test Year	\$1,851,761
Rate Year Estimate	\$1,889,092
Increase over Test Year	\$37,331

**DETAILS OF ADJUSTMENTS TO TEST YEAR EXPENSES**

**Inflation Adjustments**

Based on the rebuttal testimony, we use a two year, compounded rate of inflation of 3.0% (annual rate of) 1.50%

**Power Costs**

		<u>Test Year</u>	<u>Adjustment *</u>	<u>Rate Year</u>
<u>Administration</u>				
Delivery	\$	24,976	\$ 749	\$ 25,725
Supply	\$	15,513	\$ 6,064	\$ 21,577
Total	\$	40,489	\$ 6,813	\$ 47,302
<u>Source of Supply</u>				
Delivery	\$	39,245	\$ 1,177	\$ 40,422
Supply	\$	52,761	\$ 20,625	\$ 73,386
Total	\$	92,006	\$ 21,802	\$ 113,809
<u>Purification</u>				
Delivery	\$	351,556	\$ 10,547	\$ 362,103
Supply	\$	425,157	\$ 166,198	\$ 591,354
Total	\$	776,713	\$ 176,744	\$ 953,457
<u>T&amp;D</u>				
Delivery	\$	9,926	\$ 298	\$ 10,224
Supply	\$	4,818	\$ 1,883	\$ 6,701
Total	\$	14,744	\$ 2,181	\$ 16,925

\* Delivery costs increased annually (2 yrs) by 1.50% per year for two years. Supply costs were increased based on an increase in the contract effective January 1, 2015 from 6.49 cents to 9.027 cents or 39.09%

**Regulatory Expenses**

*1. Rate Case Estimated Rate Year*

Rate Case Costs (estim)	\$230,000
Step Increases (estim)	\$0
Total	\$230,000
Spread over 3 yrs	\$76,667
Test Year	\$0
Adjustment	\$76,667

*2. PUC Fee - Admin*

FY 2014 Fee	\$94,971
Increase (2 yr inflation)	\$0
Total Rate Year	\$94,971
Test Year	\$94,971
Adjustment	\$0

**State Surcharge Revenues**

	<u>Hcf/yr</u>	<u>Rate/hcf</u>	<u>Revenue</u>
Resid. Sales (92.7%)	2,432,801	\$0.015	\$36,492
Non-Resid. Sales	821,930	\$0.015	\$12,329
Totals			\$48,821

**Revenue Stabilization / Operating Revenue Allowance**

See testimony of C. Woodcock. An operating reserve allowance of 1.5% on total revenues is requested in this case.

**Retiree Health Care.**

This item includes the cost of the health care plans for retirees. See Rebuttal Testimony of R. Benson

**UNITS OF SERVICE**

**METERS**

<u>Meter Size</u>	<u>Test Year</u> <u>Monthly</u>	<u>Avg. Annual</u> <u>Chng 2009-14</u>	<u>Rate Year</u> <u>Monthly</u>	<u>Equiv Factor</u>	<u># of Equivs</u>
5/8	21,551	100.02%	21,561	1.00	21,561
3/4	266	100.53%	269	1.39	373
1	510	100.48%	515	2.00	1,030
1 1/2	219	99.29%	216	4.07	879
2	310	95.08%	280	5.29	1,481
3	18	94.41%	16	6.00	96
4	9	94.41%	8	14.00	112
6	3	87.06%	2	21.00	48
8	0		0	30.00	0
	=====		=====		=====
Totals	22,886		22,867		25,579

**PUBLIC FIRE HYDRANTS**

	<u>Test Year</u>	<u>Adjustments</u>	<u>Rate Year</u>
Pawtucket	1,515	0	1,515
Central Falls	202	0	202
Cumberland	198	0	198
Attleborough	<u>2</u>	<u>0</u>	<u>2</u>
Totals	1,917	0	1,917

**PRIVATE FIRE SERVICE**

<u>Size</u>	<u>Test Year</u>	<u>Adjustments</u>	<u>Rate Year</u>	<u>Equiv Factor **</u>	<u># of Equivs</u>
2	33	5	38	4.07	155
4	67	11	78	6.00	468
6	405	0	405	14.00	5,670
8	91	2	93	21.00	1,953
10	3	0	3	21.00	63
12	<u>0</u>	<u>0</u>	<u>0</u>	21.00	<u>0</u>
Total	599	18	617		8,309

\* Adjusted based on annual average change from 2009-2014

\* one size down to equate to meter equivalent

**UNITS OF SERVICE**

**METERED WATER USE (ccf/year)**

<u>Class</u>	<u>FY 2014</u>	<u>Adjustments</u>	<u>Rate Year *</u>
Small (5/8 - 1")	2,565,972	58,409	2,624,381
Large (>1")	<u>816,657</u>	<u>5,273</u>	<u>821,930</u>
Total	3,382,629	63,682	3,446,311
Wholesale			
Cumberland	235,483	38,581	274,064
Seekonk	<u>0</u>	<u>0</u>	<u>0</u>
Total	235,483	38,581	274,064

\* See Page 2

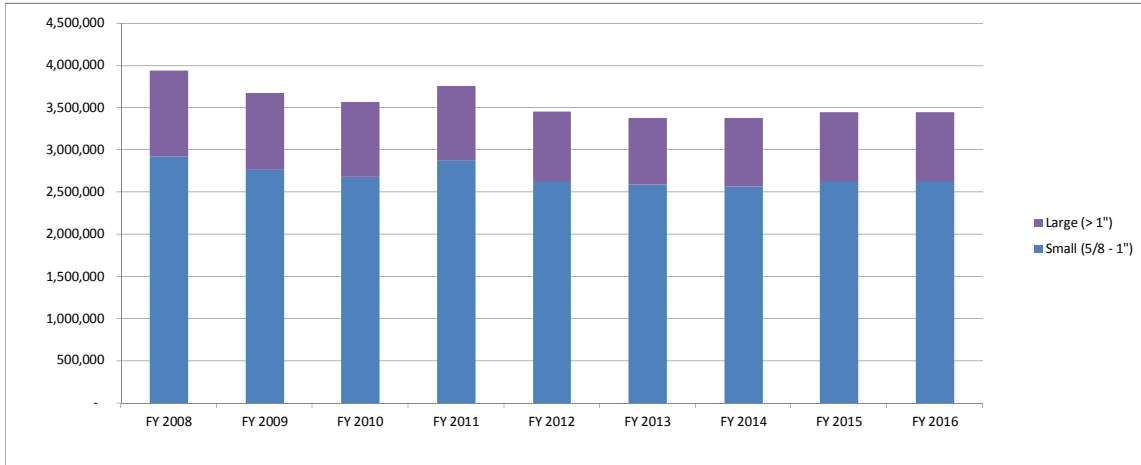
**Miles of Mains**

<u>Size</u>	<u>Miles</u>	<u>Inch-Miles</u>	
Service Pipes	203.549		
1	0.040	0.0	
2	0.672	1.3	
4	1.120	4.5	
6	92.335	554.0	
8	112.146	897.2	
10	1.638	16.4	
12	49.531	594.4	82.3%
14	0.008	0.1	
16	4.316	69.0	
20	8.576	171.5	
24	7.446	178.7	
30	0.009	0.3	
36	0.654	23.5	
48	<u>0.015</u>	<u>0.7</u>	17.7%
Totals	482.05	2,512	

**Historic and Projected Water Sales (hcf/year)**

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>Actual</u>				<u>Projected*</u>	<u>Avg Change</u>
					<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>12-15</u>
<b>RETAIL</b>										
Small (5/8 - 1")	2,927,770	2,773,813	2,681,579	2,883,337	2,622,322	2,589,759	2,565,972	2,624,381	2,624,381	100.0%
Large (> 1")	1,018,442	906,763	887,657	880,645	833,152	791,480	816,657	821,930	821,930	99.5%
Subtotal Retail	3,946,212	3,680,576	3,569,236	3,763,982	3,455,474	3,381,239	3,382,629	3,446,311	3,446,311	
<b>RESALE</b>										<u>12-15</u>
Cumberland	822,591	578,899	547,806	445,099	218,558	204,308	235,483	302,739	274,064	111.5%

\* Note: Projections for FY 2016 based on FY 2015 actuals for retail customrs and value for Cumberland based on Cumberland testimony and data responses



**UNITS OF SERVICE - DEMAND FACTORS**

	BASE		MAXIMUM DAY			PEAK HOUR			Equivalent Meters & Services	Bills
	Annual Use ccf/year	Average Day ccf/day	Demand Factor	Maximum Day ccf/day	Extra Capacity ccf/day	Demand Factor	Maximum Hour ccf/day	Extra Capacity ccf/day		
<u>Inside - Retail</u>										
Small (5/8 - 1")	2,624,381	7,190	2.62	18,859	11,669	3.53	25,409	6,550	22,963	268,132
Large (>1")	821,930	2,252	2.28	5,144	2,892	3.08	6,931	1,787	2,616	6,269
Fire Protection	6,000 gal/min for 6 hours per Docket		3193	2,888	2,888		11,551	8,663		7,404
<u>Wholesale</u>										
Cumberland	274,064	751	3.50	2,628	1,877	3.85	2,891	263		
Seekonk	0	0	3.50	0	0	3.85	0	0		
Totals	3,720,375	10,193		29,519	19,327		46,782	17,262	25,579	281,805

**Unbilled Water (ccf/yr)**

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	3 Yr Avg 2013-15
Plant Production	5,296,280	5,213,904	4,726,665	4,413,094	4,497,146	3,860,951	3,989,537	4,136,470	4,438,485	4,287,478
Less: Retail Sales	3,884,773	3,949,963	3,611,646	3,593,567	3,779,526	3,426,499	3,373,788	3,410,888	3,455,075	3,432,982
Wholesale Sales	729,063	612,607	535,345	559,455	429,555	196,038	196,479	264,579	295,333	279,956
Semi-Annual Flush	70,194	113,493	100,936	123,462	78,587	109,780	91,937	40,080	49,728	44,904
Estimated Fire	<u>26,481</u>	<u>26,070</u>	<u>23,633</u>	<u>22,065</u>	<u>19,056</u>	<u>20,210</u>	<u>19,050</u>	<u>18,100</u>	<u>5,500</u>	11,800
Unbilled Water	585,769	511,771	455,105	114,545	190,422	108,424	308,283	402,823	632,849	517,836
% Unaccounted	11.1%	9.8%	9.6%	2.6%	4.2%	2.8%	7.7%	9.7%	14.3%	12.1%

Note: These differ from the values in Joint Settlement Sch. 2.1 as these are sales in the fiscal year, where Joint Settlement Sch. 2.1 is billings in 8.48 9.10

**DERIVATION OF CLASS PEAKING FACTORS**

Average Day Use in Maximum Month to Average Day Annual Use Ratio (Based on Data from July 2012 - June 2015)

	<u>Avg Day in Max Month</u>	<u>Average Day Annual</u>	<u>System Max Day Ratio - Avg in Max Mo *</u>	<u>Adj. Factor **</u>	<u>Calc. Max Day Ratio ***</u>	<u>Max Hr:Day Ratio ****</u>	<u>Calc. Max Hour Ratio</u>
Small (5/8 - 1")	9,367	7,108	1.32	1.49	1.34	1.35	3.53
Combined Large/Medium (> 1")	2,936	2,233	1.31	1.49	1.17	1.35	3.08
Wholesale			2.76	1.49	1.17	1.10	3.85

\* System Max Day = 19,679 System Avg Day in Max Mo = 13,249 Ratio = 1.49

\*\* Based on example in AWWA Manual.

\*\*\* Wholesale from Div 1-6 = 4.9 in FY12, 4.8 in FY13, and 4.5 in FY14.

\*\*\*\* See Sch 3.4

Gallons/Day	<u>Avg day</u>	<u>Max Day</u>	<u>Max Hour</u>
Calculated	10,019	26,119	34,602
System	10,019	19,679	24,947
Factor		1.33	1.39

**ALLOCATION OF RATE YEAR EXPENSES TO COST COMPONENTS**

<u>EXPENSE ITEM</u>	<u>PRO FORMA</u> <u>EXPENSE</u>	<u>ALLOC.</u> <u>SYMBOL (1)</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
<b>ADMINISTRATION</b>								
Salaries & Wages - (601)	\$665,549	L-M	\$600,156	\$21,245	\$12,481	\$0	\$0	\$31,667
Salaries & Wages - Payroll Taxes	\$46,421	L-M	\$41,860	\$1,482	\$870	\$0	\$0	\$2,209
Employee Pensions & Benefits (604)	\$417,566	L-M	\$376,538	\$13,329	\$7,830	\$0	\$0	\$19,868
Workers Comp	\$30,667	L-M	\$27,654	\$979	\$575	\$0	\$0	\$1,459
Materials and Supplies (Account 620)	\$54,766	E-M	\$44,944	\$7,877	\$550	\$0	\$0	\$1,395
Contractual Services - Legal (Account 630)	\$193,758	E-M	\$159,009	\$27,869	\$1,945	\$0	\$0	\$4,935
Contractual Services - Mgt. Fees (634)	\$275,788	E-M	\$226,327	\$39,668	\$2,769	\$0	\$0	\$7,025
Contractual Services - Other (Account 635)	\$11,523	E-M	\$9,457	\$1,657	\$116	\$0	\$0	\$294
Rental of Equipment (Account 642)	\$3,559	E-M	\$2,920	\$512	\$36	\$0	\$0	\$91
Transportation Expenses (Account 650)	\$7,254	E-M	\$5,953	\$1,043	\$73	\$0	\$0	\$185
Insurance - General Liability (Account 650)	\$151,690	E-M	\$124,485	\$21,818	\$1,523	\$0	\$0	\$3,864
Insurance - Other (Account 659)	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
Regulatory Com Expense - Other (667)	\$86,789	E-M	\$71,224	\$12,483	\$871	\$0	\$0	\$2,211
Reg Com Exp - Amort of Rate Case Exp	\$76,667	E-M	\$62,917	\$11,027	\$770	\$0	\$0	\$1,953
Miscellaneous Expense (Account 675)	\$28,960	E-M	\$23,766	\$4,165	\$291	\$0	\$0	\$738
Credit Card Fees	\$23,496	B	\$0	\$0	\$0	\$0	\$23,496	\$0
Education Training	\$4,378	E-M	\$3,593	\$630	\$44	\$0	\$0	\$112
Maint of Misc Plant	\$50,042	E-M	\$41,067	\$7,198	\$502	\$0	\$0	\$1,275
Purchased Power	\$47,302	E-M	\$38,819	\$6,804	\$475	\$0	\$0	\$1,205
Other Utilities	\$101,829	E-M	\$83,567	\$14,647	\$1,022	\$0	\$0	\$2,594
Printing	\$0	E-M	\$0	\$0	\$0	\$0	\$0	\$0
Postage	\$80	E-M	\$66	\$12	\$1	\$0	\$0	\$2
Subtotal - Admin	\$2,278,085		\$1,944,322	\$194,445	\$32,742	\$0	\$23,496	\$83,079
<b>CUSTOMER ACCOUNTS</b>								
Salary & Wages - Cust Ser	\$199,008	B	\$0	\$0	\$0	\$0	\$199,008	\$0
Salary & Wages - Meter	\$328,541	M	\$0	\$0	\$0	\$262,832	\$65,708	\$0
Salary & Wages Payroll Tx(CS)	\$14,979	B	\$0	\$0	\$0	\$0	\$14,979	\$0
Salary & Wages Payroll Tx (Meters)	\$24,399	M	\$0	\$0	\$0	\$19,519	\$4,880	\$0
Empl Pensions & Benefits (Cust Ser)	\$76,821	B	\$0	\$0	\$0	\$0	\$76,821	\$0
Empl Pensions & Benefits (Meters)	\$171,436	M	\$0	\$0	\$0	\$137,149	\$34,287	\$0
Matls & Supp (Cust Serv)	\$1,009	B	\$0	\$0	\$0	\$0	\$1,009	\$0
Matls & Supp (Meters)	\$3,461	M	\$0	\$0	\$0	\$2,768	\$692	\$0
Contractual Services - Other - [Cust. Sr]	\$35,945	B	\$0	\$0	\$0	\$0	\$35,945	\$0
Rental of Equipment (Account 642)	\$1,989	B	\$0	\$0	\$0	\$0	\$1,989	\$0
Workers Comp - Cust Serv	\$2,563	B	\$0	\$0	\$0	\$0	\$2,563	\$0
Workers Comp - Meters	\$13,191	B	\$0	\$0	\$0	\$0	\$13,191	\$0
Transportation Expenses - [Cust srvc.]	\$786	B	\$0	\$0	\$0	\$0	\$786	\$0
Transportation Expenses - [Meter] (Acc	\$11,451	M	\$0	\$0	\$0	\$9,160	\$2,290	\$0
Bad Debt Expense (Account 670)	\$1,762	B	\$0	\$0	\$0	\$0	\$1,762	\$0
Miscellaneous Expense - [Cust. Srvc.]	\$245	B	\$0	\$0	\$0	\$0	\$245	\$0
Miscellaneous Expense - [Meter] (Acc	\$707	M	\$0	\$0	\$0	\$565	\$141	\$0
Education Training - [Cust. Srvc.]	\$0	B	\$0	\$0	\$0	\$0	\$0	\$0
Education Training - [Meter]	\$754	M	\$0	\$0	\$0	\$603	\$151	\$0
Repairs & Maintenance - general	\$0	B	\$0	\$0	\$0	\$0	\$0	\$0
Repairs & Maintenance - meters	\$0	M	\$0	\$0	\$0	\$0	\$0	\$0
Other Utilities - [Cust. Srvc.]	\$2,664	B	\$0	\$0	\$0	\$0	\$2,664	\$0
Other Utilities - [Meter]	\$3,119	M	\$0	\$0	\$0	\$2,495	\$624	\$0
Printing - [Cust. Srvc.]	\$40,961	B	\$0	\$0	\$0	\$0	\$40,961	\$0
Printing - [Meter]	\$929	M	\$0	\$0	\$0	\$743	\$186	\$0
Postage--[Cust. Srvc.]	\$113,311	B	\$0	\$0	\$0	\$0	\$113,311	\$0
Subtotal - Customer Accts	\$1,050,027		\$0	\$0	\$0	\$435,836	\$614,191	\$0



**ALLOCATION OF RATE YEAR EXPENSES TO COST COMPONENTS**

<u>EXPENSE ITEM</u>	<u>PRO FORMA</u> <u>EXPENSE</u>	<u>ALLOC.</u> <u>SYMBOL (1)</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT</u>	<u>FIRE</u>
<b><u>SOURCE OF SUPPLY</u></b>									
Salaries & Wages - (601)	\$125,509	A	\$125,509	\$0	\$0	\$0	\$0	\$0	\$0
Salaries & Wages - Payroll Taxes	\$9,418	A	\$9,418	\$0	\$0	\$0	\$0	\$0	\$0
Employee Pensions & Benefits (604)	\$49,910	A	\$49,910	\$0	\$0	\$0	\$0	\$0	\$0
Workers Comp	\$5,297	A	\$5,297	\$0	\$0	\$0	\$0	\$0	\$0
Purchased Power (Account 615)	\$113,809	A	\$113,809	\$0	\$0	\$0	\$0	\$0	\$0
Materials and Supplies (Account 620) †	\$2,048	A	\$2,048	\$0	\$0	\$0	\$0	\$0	\$0
Transportation Expenses (Account 650	\$3,771	A	\$3,771	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous Expense (Account 675)	\$50	A	\$50	\$0	\$0	\$0	\$0	\$0	\$0
Security Service	\$76,975	A	\$76,975	\$0	\$0	\$0	\$0	\$0	\$0
Education Training	\$647	A	\$647	\$0	\$0	\$0	\$0	\$0	\$0
Maint of Misc Plant	\$59,005	A	\$59,005	\$0	\$0	\$0	\$0	\$0	\$0
Other Utilities	<u>\$4,110</u>	A	<u>\$4,110</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal - Supply	\$450,549		\$450,549	\$0	\$0	\$0	\$0	\$0	\$0
<b><u>PURIFICATION</u></b>									
DBO O&M Contract	\$1,889,092	D	\$1,022,852	\$866,239	\$0	\$0	\$0	\$0	\$0
Purchased Power (Account 615)	\$953,457	A	\$953,457	\$0	\$0	\$0	\$0	\$0	\$0
Other Utilities	<u>\$0</u>	A	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal - Purification	\$2,842,548		\$1,976,309	\$866,239	\$0	\$0	\$0	\$0	\$0

**ALLOCATION OF RATE YEAR EXPENSES TO COST COMPONENTS**

<b>EXPENSE ITEM</b>	<b>PRO FORMA EXPENSE</b>	<b>ALLOC. SYMBOL (1)</b>	<b>BASE</b>	<b>MAX. DAY</b>	<b>PEAK HOUR</b>	<b>METERING</b>	<b>BILLING</b>	<b>DIRECT FIRE</b>
<b>TRANSMISSION &amp; DISTRIBUTION</b>								
Salaries & Wages - (601)	\$1,007,907	O	\$55,890	\$47,332	\$27,806	\$806,326	\$0	\$70,553
Salaries & Wages -[Engineering] (601)	\$378,097	O	\$20,966	\$17,756	\$10,431	\$302,477	\$0	\$26,467
Salaries & Wages - Payroll Taxes -	\$75,146	O	\$4,167	\$3,529	\$2,073	\$60,117	\$0	\$5,260
Salaries & Wages - Payroll Taxes - [En	\$28,374	O	\$1,573	\$1,332	\$783	\$22,699	\$0	\$1,986
Salaries & Wages - Police Details	\$86,272	O-A	\$73,801	\$4,051	\$2,380	\$0	\$0	\$6,039
Employee Pensions & Benefits - (604)	\$470,449	O	\$26,087	\$22,093	\$12,979	\$376,359	\$0	\$32,931
Employee Pensions & Benefits - [Engir	\$149,723	O	\$8,302	\$7,031	\$4,131	\$119,778	\$0	\$10,481
Materials and Supplies - (Account 620)	\$56,720	O	\$3,145	\$2,664	\$1,565	\$45,376	\$0	\$3,970
Materials and Supplies - [Engineering]	\$11,562	O	\$641	\$543	\$319	\$9,250	\$0	\$809
Rental of Equipment (Account 642)	\$12,086	O	\$670	\$568	\$333	\$9,669	\$0	\$846
Rental of Equipment - [Engineering] (A	\$3,048	O	\$169	\$143	\$84	\$2,439	\$0	\$213
Transportation Expenses - (Account 65	\$81,958	O	\$4,545	\$3,849	\$2,261	\$65,566	\$0	\$5,737
Transportation Expenses - [Engineering]	\$9,091	O	\$504	\$427	\$251	\$7,273	\$0	\$636
Workers Comp T&D	\$44,764	O	\$2,482	\$2,102	\$1,235	\$35,811	\$0	\$3,133
Workers Comp - Engineering	\$17,613	O	\$977	\$827	\$486	\$14,090	\$0	\$1,233
Miscellaneous Expense - (Account 675	\$3,479	O	\$193	\$163	\$96	\$2,783	\$0	\$244
Miscellaneous Expense - [Engineering]	\$510	O	\$28	\$24	\$14	\$408	\$0	\$36
Education Training	\$4,577	O	\$254	\$215	\$126	\$3,662	\$0	\$320
Education Training - [Engineering]	\$687	O	\$38	\$32	\$19	\$549	\$0	\$48
Repairs & Maintenance - general	\$1,475	O	\$82	\$69	\$41	\$1,180	\$0	\$103
Repairs & Maintenance - T&D	\$0	T	\$0	\$0	\$0	\$0	\$0	\$0
Repairs & Maintenance - fire services	\$0	F	\$0	\$0	\$0	\$0	\$0	\$0
Repairs & Maintenance - services	\$4,396	S	\$0	\$0	\$0	\$4,396	\$0	\$0
Repairs & Maintenance - Hydrants	\$0	F	\$0	\$0	\$0	\$0	\$0	\$0
Road surface restoration	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Repairs & Maintenance - general	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Purchased Power	\$16,925	O	\$939	\$795	\$467	\$13,540	\$0	\$1,185
Other Utilities	\$22,768	O	\$1,263	\$1,069	\$628	\$18,215	\$0	\$1,594
Other Utilities - [Engineering]	\$3,631	O	\$201	\$170	\$100	\$2,905	\$0	\$254
Printing	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Postage--[Engineering]	\$0	O	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - T&D	<u>\$2,491,258</u>		<u>\$206,917</u>	<u>\$116,785</u>	<u>\$68,607</u>	<u>\$1,924,868</u>	<u>\$0</u>	<u>\$174,080</u>
TOTAL O&M	\$9,112,467	I	\$4,578,096	\$1,177,470	\$101,350	\$2,360,704	\$637,687	\$257,159

**ALLOCATION OF RATE YEAR EXPENSES TO COST COMPONENTS**

<u>EXPENSE ITEM</u>	<u>PRO FORMA</u>	<u>ALLOC.</u>							
<u>CAPITAL EXPENSE</u>	<u>EXPENSE</u>	<u>SYMBOL (1)</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT</u>	<u>FIRE</u>
Property Taxes									
Source of Supply	\$617,233	A	\$617,233	\$0	\$0	\$0	\$0	\$0	\$0
Treatment-Pumping	\$0	D	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Treatment-Purification	\$0	D	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trans & Distrib	\$133,101	T-C	\$46,588	\$39,455	\$23,233	\$20,147	\$0	\$3,678	
Rental Property	\$9,285	A	\$9,285	\$0	\$0	\$0	\$0	\$0	\$0
Restrict. Bond Principal, Interest & RIC	\$7,764,193	P-M	\$4,146,115	\$2,391,524	\$736,174	\$357,966	\$10,481	\$121,933	
Leases	\$0	P-M	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IFR	\$2,500,000	P	\$1,216,375	\$770,049	\$237,041	\$230,524	\$6,750	\$39,261	
Trustee Fees	\$31,000	P-M	\$16,554	\$9,549	\$2,939	\$1,429	\$42	\$487	
O&M Reserve Deposit	\$0	E	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - Capital	<u>\$11,054,811</u>		<u>\$6,052,148</u>	<u>\$3,210,576</u>	<u>\$999,388</u>	<u>\$610,067</u>	<u>\$17,273</u>	<u>\$165,359</u>	
TOTAL EXPENSES	\$20,167,278		\$10,630,245	\$4,388,046	\$1,100,738	\$2,970,771	\$654,960	\$422,518	
PLUS: Rev. Stabiliz./Oper. Rev. Allowa	\$291,882	I	\$146,641	\$37,716	\$3,246	\$75,616	\$20,426	\$8,237	
LESS: Service Instal Revenue	-\$64,171	S	\$0	\$0	\$0	-\$64,171	\$0	\$0	
LESS: State Surcharge Revenue	-\$48,821	I	-\$24,528	-\$6,308	-\$543	-\$12,648	-\$3,416	-\$1,378	
LESS: Penalties	-\$324,240	I	-\$162,898	-\$41,897	-\$3,606	-\$83,999	-\$22,690	-\$9,150	
LESS: Non-Operating Rental	-\$27,850	A	-\$27,850	\$0	\$0	\$0	\$0	\$0	
LESS: Interest Income	-\$813	I	-\$409	-\$105	-\$9	-\$211	-\$57	-\$23	
LESS: Misc Non-Operating	-\$242,555	I	-\$121,859	-\$31,342	-\$2,698	-\$62,837	-\$16,974	-\$6,845	
REQUIRED FROM RATES	\$19,750,710		\$10,439,342	\$4,346,110	\$1,097,128	\$2,822,522	\$632,249	\$413,360	

**ALLOCATION OF PLANT IN SERVICE TO COST COMPONENTS**

<u>EXPENSE ITEM</u>	<u>PLANT VALUE</u>	<u>ALLOC.</u> <u>SYMBOL (1)</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
<u>SOURCE OF SUPPLY</u>								
Land & Land Rights	\$5,738,631	A	\$5,738,631	\$0	\$0	\$0	\$0	\$0
Structures & Improvements	\$14,532,046	A	\$14,532,046	\$0	\$0	\$0	\$0	\$0
Wells & Springs	\$449,365	A	\$449,365	\$0	\$0	\$0	\$0	\$0
<u>PUMPING</u>								
Land & Land Rights	\$30,133	D	\$16,315	\$13,817	\$0	\$0	\$0	\$0
Structures & Improvements	\$937,301	D	\$507,504	\$429,798	\$0	\$0	\$0	\$0
Pumping Equipment	\$1,566,482	D	\$848,174	\$718,307	\$0	\$0	\$0	\$0
<u>PURIFICATION</u>								
Land & Land Rights	\$26,046	D	\$14,103	\$11,943	\$0	\$0	\$0	\$0
Structures & Improvements	\$52,659,920	D	\$28,512,813	\$24,147,107	\$0	\$0	\$0	\$0
Water Treatment Equipment	\$635,768	D	\$344,238	\$291,530	\$0	\$0	\$0	\$0
<u>TRANSM &amp; DISTRIBUTION</u>								
Land & Land Rights	\$1,590	H	\$639	\$541	\$410	\$0	\$0	\$0
Distribution Reservoirs	\$693,080	H	\$278,536	\$235,888	\$178,656	\$0	\$0	\$0
Transmission Mains	\$13,902,718	D	\$7,527,653	\$6,375,065	\$0	\$0	\$0	\$0
Distribution mains	\$64,762,267	H	\$26,026,730	\$22,041,677	\$16,693,860	\$0	\$0	\$0
Services	\$9,654,037	S	\$0	\$0	\$0	\$9,654,037	\$0	\$0
Meters	\$4,977,190	S	\$0	\$0	\$0	\$4,977,190	\$0	\$0
Hydrants	\$2,671,081	F	\$0	\$0	\$0	\$0	\$0	\$2,671,081
Other Misc Equip	\$100,595	H	\$40,427	\$34,237	\$25,930	\$0	\$0	\$0
<u>GENERAL</u>								
Structures & Improvements	\$2,337,900	E	\$900,959	\$336,272	\$23,469	\$807,548	\$210,102	\$59,549
Office furniture & equipment	\$846,750	E	\$326,313	\$121,792	\$8,500	\$292,481	\$76,096	\$21,568
Transportation equipment	\$1,778,868	E	\$685,525	\$255,864	\$17,857	\$614,449	\$159,863	\$45,310
Stores equipment	\$7,525	E	\$2,900	\$1,082	\$76	\$2,599	\$676	\$192
Tools, shop & garage equipment	\$41,651	E	\$16,051	\$5,991	\$418	\$14,387	\$3,743	\$1,061
Laboratory equipment	\$85,723	A	\$85,723	\$0	\$0	\$0	\$0	\$0
Power equipment	\$55,968	E	\$21,568	\$8,050	\$562	\$19,332	\$5,030	\$1,426
Communication equipment	\$103,470	E	\$39,874	\$14,883	\$1,039	\$35,740	\$9,299	\$2,636
Miscellaneous equipment	\$199,453	E	\$76,863	\$28,688	\$2,002	\$68,894	\$17,924	\$5,080
TOTAL PLANT	\$178,795,557		\$86,992,951	\$55,072,534	\$16,952,780	\$16,486,657	\$482,733	\$2,807,902
PERCENT		P	48.65%	30.80%	9.48%	9.22%	0.27%	1.57%

**ALLOCATION OF NON-ADMINISTRATIVE LABOR COSTS TO COST COMPONENTS**

<u>EXPENSE ITEM</u>	<u>PRO FORMA</u> <u>AMOUNT</u>	<u>ALLOC.</u> <u>SYMBOL (1)</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
<u>CUSTOMER ACCOUNTS</u>								
Salary & Wages - Cust Ser	\$199,008	B	\$0	\$0	\$0	\$0	\$199,008	\$0
Salary & Wages - Meter	\$328,541	M	\$0	\$0	\$0	\$262,832	\$65,708	\$0
<u>SOURCE OF SUPPLY</u>								
Salaries & Wages - (601)	\$125,509	A	\$125,509	\$0	\$0	\$0	\$0	\$0
<u>TRANSMISSION &amp; DISTRIBUTION</u>								
Salaries & Wages - (601)	\$1,007,907	O	\$55,890	\$47,332	\$27,806	\$806,326	\$0	\$70,553
Salaries & Wages -[Engineering] (601)	<u>\$378,097</u>	O	<u>\$20,966</u>	<u>\$17,756</u>	<u>\$10,431</u>	<u>\$302,477</u>	<u>\$0</u>	<u>\$26,467</u>
TOTALS	\$2,039,061		\$202,365	\$65,088	\$38,237	\$1,371,635	\$264,716	\$97,020
PERCENT		L	9.9%	3.2%	1.9%	67.3%	13.0%	4.8%

**ALLOCATION TO FIRE, WHOLESALE & RETAIL SERVICE**

<u>UNITS OF SERVICE</u>	<u>TOTAL</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING DIRECT FIRE</u>	
Number Units		3,720,375 ccf/yr	19,327 ccf/day	17,262 ccf/day	25,579 equiv meters	281,805 bills	1,917 hydrants
Revenue Requirements	\$19,750,710	\$10,439,342	\$4,346,110	\$1,097,128	\$2,822,522	\$632,249	\$413,360
Allocation to Fire Protection	\$1,644,650	\$31,318	\$649,376	\$550,596	included in calculation		\$413,360
Allocation to Wholesale *	\$906,215	\$677,272	\$228,592	\$350			
Net To Retail Metered Rates	\$17,199,846	\$9,730,752 6.5%	\$3,468,142 5.3%	\$546,182 0.0%	\$2,822,522	\$632,249	\$0

\* Allocation to wholesale based on:

BASE

Metered Sales (ccf/yr)	3,720,375	
Retail Sales (ccf/yr)	3,446,311	
Retail Unacctd For (ccf/yr)	<u>527,972</u>	Based on miles of pipe: 100% of distribution/service costs plus 92.6% of transmission plus estim fire
Total Retail (ccf/yr)	3,974,283	
Wholesale Sales (ccf/yr)	274,064	
Wholesale Unacctd For (ccf/yr)	<u>1,664</u>	
Total Wholesale (ccf/yr)	<u>275,728</u>	
Grand Total (ccf/yr)	4,250,011	
Wholesale Percent of Grand Total	6.5%	
Total Base Allocation	\$10,439,342	
Wholesale Allocation	<b>\$677,272</b>	

MAX DAY

Total Max Day Allocation	\$4,346,110	
Less: Distribution Costs		
82.3% of T&D O&M	-\$96,145	
Admin O&M Share	-\$15,877	16.5%
Distribution Capital Items	<u>-\$1,880,565</u>	58.57% (Less Distribution Mains & Gen'l Items allocated to Max Day)
Total Net of Distribution	\$2,353,521	
Wholesale Max Day %	9.71%	Joint Settlement Sch. 2.2
Wholesale Allocation	<b>\$228,592</b>	

PEAK HOUR

Total Peak Hour Allocation	\$1,097,128	
Less: Distribution Costs		
82.3% of T&D O&M	-\$56,482	
Admin O&M Share	-\$18,247	32.3%
Capital Items	<u>-\$999,388</u>	100.00% (All Capital Peak Hour costs = distribution)
Total Net of Distribution	\$23,011	
Wholesale Peak Hr %	1.52%	Joint Settlement Sch. 2.2
Wholesale Allocation	<b>\$350</b>	

**ALLOCATION SYMBOLS**

ALLOCATION		<u>SYMBOL</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>	
100.00%	A	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Supply, IFR, Power & Chemical
100.00%	B	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	Billing
100.00%	D	54.15%	45.85%	0.00%	0.00%	0.00%	0.00%	0.00%	Max Day Demand
100.00%	E	38.54%	14.38%	1.00%	34.54%	8.99%	2.55%	0.00%	O&M less A&G
100.00%	E-M	82.07%	14.38%	1.00%	0.00%	0.00%	2.55%	0.00%	O&M less A&G - No Meter Alloc
100.00%	F	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	Fire Service
100.00%	H	40.19%	34.03%	25.78%	0.00%	0.00%	0.00%	0.00%	Max Hour Demand
100.00%	I	50.24%	12.92%	1.11%	25.91%	7.00%	2.82%	0.00%	Total O&M
100.00%	L	9.92%	3.19%	1.88%	67.27%	12.98%	4.76%	0.00%	Labor
100.00%	L-M	90.17%	3.19%	1.88%	0.00%	0.00%	4.76%	0.00%	Labor-No Meter Allocation
100.00%	M	0.00%	0.00%	0.00%	80.0%	20.0%	0.00%	0.00%	Cust Serv - "Meter"
100.00%	O	5.55%	4.70%	2.76%	80.00%	0.00%	7.00%	0.00%	O&M Mains, Hydrants & Service
100.00%	O-A	85.55%	4.70%	2.76%	0.00%	0.00%	7.00%	0.00%	T&D Police Details
100.00%	P	48.65%	30.80%	9.48%	9.22%	0.27%	1.57%	0.00%	Plant
100.00%	P-M	53.40%	30.80%	9.48%	4.61%	0.13%	1.57%	0.00%	Meter & Service Capital
100.00%	S	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	Services and Meters
100.00%	T	42.65%	36.12%	21.22%	0.00%	0.00%	0.00%	0.00%	T&D Mains
100.00%	T-C	35.00%	29.64%	17.46%	15.14%	0.00%	2.76%	0.00%	T&D Capital

*Symbol D*

	<u>MGD</u>	<u>%</u>
Avg Day	8.403	54.15%
Max Day Inc	<u>7.117</u>	<u>45.85%</u>
Total Max Day	15.520	100.00%

*Symbol E*

	<u>TOTAL</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
Amount	\$6,834,382	\$2,633,775	\$983,025	\$68,607	\$2,360,704	\$614,191	\$174,080
Percent	E	38.5%	14.4%	1.0%	34.5%	9.0%	2.5%

*Symbol H*

	<u>MGD</u>	<u>%</u>
Avg Day	8.403	40.19%
Max Day Inc	7.117	34.03%
Peak Hour Inc	<u>5.390</u>	<u>25.78%</u>
Total Peak Hour	20.910	100.00%

	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>FY 15</u>	<u>Avg or Max *</u>
Avg Day mgd)	8.53	8.38	7.11	7.56	8.55	9.10	8.40
Max Day (mgd)	13.72	14.90	13.48	12.34	14.72	15.52	15.52
Max Hour (mgd)	19.95	19.84	18.64	18.66	18.55	20.91	20.91

\* FY 13 - 15

*Symbol M* These accounts include activities associated with meter reading, meter testing, backflow testing, etc. Costs have been split based on the following personnel associated with these activities:

	<u># Employees</u>	<u>Meter Read</u>	<u>Meters</u>
Meter Reader	1.0	1.0	
Technician	3.0		3.0
Backflow	<u>1.0</u>		<u>1.0</u>
Subtotal	5.0	1.0	4.0
Percent		20%	80%
Agent	1.0	0.20	0.80
Supervisor	<u>1.0</u>	<u>0.20</u>	<u>0.80</u>
Total	7.0	1.4	5.6
Percent		20%	80%

**ALLOCATION SYMBOLS**

*Symbol O*

	<u>% of Time</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
Mains	13.00%	5.55%	4.70%	2.76%	0.00%	0.00%	0.00%
Hydrants	7.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.00%
Services	<u>80.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>80.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total	100.0%	5.5%	4.7%	2.8%	80.0%	0.0%	7.0%

Note: Based on prior docket analysis of time

*Symbol T*

	<u>Plant Amt.</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
Transmission	\$13,902,718	\$7,527,653	\$6,375,065	\$0	\$0	\$0	\$0
Distribution	<u>\$64,762,267</u>	<u>\$26,026,730</u>	<u>\$22,041,677</u>	<u>\$16,693,860</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$78,664,985	\$33,554,383	\$28,416,742	\$16,693,860	\$0	\$0	\$0
		42.65%	36.12%	21.22%	0.00%	0.00%	0.00%

*Symbol T-C*

	<u>Plant Amt.</u>	<u>BASE</u>	<u>MAX. DAY</u>	<u>PEAK HOUR</u>	<u>METERING</u>	<u>BILLING</u>	<u>DIRECT FIRE</u>
Distribution Reservoirs	\$693,080	\$278,536	\$235,888	\$178,656	\$0	\$0	\$0
Transmission Mains	\$13,902,718	\$7,527,653	\$6,375,065	\$0	\$0	\$0	\$0
Distribution mains	\$64,762,267	\$26,026,730	\$22,041,677	\$16,693,860	\$0	\$0	\$0
Services	\$9,654,037	\$0	\$0	\$0	\$9,654,037	\$0	\$0
Meters	\$4,977,190	\$0	\$0	\$0	\$4,977,190	\$0	\$0
Hydrants	<u>\$2,671,081</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,671,081</u>
Total	\$96,660,373	\$33,832,919	\$28,652,630	\$16,872,517	#####	\$0	\$2,671,081
		35.00%	29.64%	17.46%	15.14%	0.00%	2.76%



**FIRE SERVICE CHARGES**

**PUBLIC FIRE SERVICE**

Annual Charge/Hydrant = \$663.43  
Charge per meter/month (Pawtucket) = \$4.81

**PRIVATE FIRE SERVICE**

<u>SERVICE SIZE</u> <u>(inches)</u>	<u>ANNUAL</u> <u>CHARGE</u>
2	\$16.93
4	\$36.55
6	\$91.78
8	\$167.02
10	\$249.15
12	\$362.98

**ALLOCATION OF FIRE SERVICE EXPENSES  
TO PUBLIC AND PRIVATE FIRE SERVICE**

	<u>NUMBER</u>	<u>DEMAND FACTOR (1)</u>	<u>NO. OF EQUIVS.</u>	<u>PERCENT OF DEMAND</u>	<u>NON-HYDR. REQUIRED</u>	<u>DIRECT HYDRANT</u>	<u>TOTAL</u>
PUBLIC FIRE SERVICE							
Hydrants	1,917	111.31	213,383.0	74.86%	\$1,110,514	\$161,272	\$1,271,786
PRIVATE FIRE SERVICE							
SIZE (IN)							
2	38	6.19	235.2				
4	78	38.32	2,988.9				
6	405	111.31	45,080.9				
8	93	237.21	22,060.2				
10	3	426.58	1,279.7				
12	<u>0</u>	<u>689.04</u>	<u>0.0</u>				
TOTAL-PRIV.	617		71,645.0	25.14%	\$372,864	\$0	\$372,864
GRAND TOTALS	2,534		285,028.0	100.00%	\$1,483,378	\$161,272	\$1,644,650
Total Fire Allocation							\$1,644,650
Less O&M for T&D Fire							\$3,970
Hydrant Capital							\$157,302
Net Non-Hydrant							\$1,483,378

(1) Based on size to the 2.63 power.

**DETERMINATION OF FIRE SERVICE CHARGES**

<u>PUBLIC FIRE PROTECTION</u>		<u>CALCULATED CHARGE</u>	
PUBLIC FIRE ALLOCATION	\$1,271,786		
----- =	----- =	\$663.43 per year =	\$55.29 per month
NUMBER OF PUBLIC HYDRANTS	1,917		

PRIVATE FIRE PROTECTION

PRIVATE FIRE ALLOCATION (1)	\$372,864	
----- =	----- =	\$5.20 /EQUIV.
NO. OF EQUIV. UNITS	71,645.01	

<u>SIZE (IN)</u>	<u>DEMAND FACTOR</u>	<u>ANNUAL AMOUNTS</u>			<u>MONTHLY TOTAL</u>	<u>+ BILLING CALCULATED</u>	
		<u>DEMAND CHARGE</u>	<u>SERVICE EQUIVS (2)</u>	<u>SERVICE LINE CHRG</u>		<u>CHARGE</u>	<u>MON. CHRG</u>
2	6.19	\$32.22	4.07	\$144.01	\$14.69	\$2.24	\$16.93
4	38.32	\$199.43	6.00	\$212.22	\$34.30	\$2.24	\$36.55
6	111.31	\$579.30	14.00	\$495.18	\$89.54	\$2.24	\$91.78
8	237.21	\$1,234.50	21.00	\$742.77	\$164.77	\$2.24	\$167.02
10	426.58	\$2,220.06	21.00	\$742.77	\$246.90	\$2.24	\$249.15
12	689.04	\$3,586.00	21.00	\$742.77	\$360.73	\$2.24	\$362.98

(1) Private Fire includes allocated service maintenance costs as detailed below:

(2) See Schedule 2.0

Service Line Maintenance Cost =	\$962,434	(Half of total "Metering" O&M )
Service Line Debt Costs =	\$236,195	
Addnl Allocation to Fire Service =	\$293,881	(24.52%)
Cost per Equiv/year =	\$ 35.37	

**CITY OF PAWTUCKET FIRE CHARGES**

Because the City of Pawtucket has passed an Ordinance to stop paying hydrant rental fees under R.I.G.L. § 45-39-4 it is necessary to reallocate the allocated costs directly to the customers in Pawtucket. This was approved by the RI PUC in Docket 4300.

Fire Hydrants in Pawtucket =	1,515
Proposed Hydrant Charge (per month)	\$55.29
Annual Hydrant Charge to Pawtucket :	\$1,005,172
Number of Meters *	208,932
Fire Charge per meter =	\$4.81

\* Pawtucket Water Proposed to recover these costs through an additional charge per meter in Docket 4300.  
This was approved by the RI PUC.

**DETERMINATION OF SERVICE CHARGES**

**BILLING CHARGE**

CUST. BILLING ALLOC.		\$632,249	
-----	=	-----	=
NUMBER OF BILLINGS (Include Priv Fir		281,805	\$2.24 PER BILLING

**METER CHARGE**

CUST. METER ALLOC. (1)		\$2,528,641	
-----	=	-----	=
NO. EQUIV. METERS		25,579	\$98.85 / EQ. METER/YR

**TOTAL SERVICE CHARGES**

<u>METER SIZE (IN)</u>	<u>MONTHLY ACCOUNTS</u>		
	<u>METER CHARGE</u>	<u>BILLING CHARGE</u>	<u>TOTAL CHARGE</u>
5/8	\$8.24	\$2.24	\$10.48
3/4	\$11.42	\$2.24	\$13.66
1	\$16.48	\$2.24	\$18.72
1 1/2	\$33.54	\$2.24	\$35.78
2	\$43.54	\$2.24	\$45.79
3	\$49.43	\$2.24	\$51.67
4	\$115.33	\$2.24	\$117.57
6	\$173.00	\$2.24	\$175.24
8	\$247.14	\$2.24	\$249.38

(1) Less allocation of Service Maintenance Costs to Private Fire Service - see Joint Settlement Sch. 4

**ALLOCATION OF GENERAL WATER EXPENSES  
TO CUSTOMER CLASSES**

**Class Demands**

CUSTOMER CLASS	AVERAGE DEMANDS		FACTOR	MAX DAY EXTRA CAPACITY		
	(CCF/DAY)	PERCENT		(CCF/DAY)	XTRA CCF/DAY	PERCENT
<i>Retail</i>						
Small (5/8 - 1")	7,190	70.54%	2.62	18,859	11,669	70.99%
Large (>1")	2,252	22.09%	2.28	5,144	2,892	17.60%
<i>Wholesale</i>						
Cumberland	751	7.37%	3.50	2,628	1,877	11.42%
Seekonk	<u>0</u>	<u>0.00%</u>	3.50	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total	10,193	100.00%		26,632	16,439	100.00%

CUSTOMER CLASS	AVERAGE DEMANDS		FACTOR	PEAK HOUR EXTRA CAPACITY		
	(CCF/DAY)	PERCENT		(CCF/DAY)	XTRA CCF/DAY	PERCENT
<i>Retail</i>						
Small (5/8 - 1")	7,190	70.54%	3.53	25,409	6,550	76.17%
Large (>1")	2,252	22.09%	3.08	6,931	1,787	20.78%
<i>Wholesale</i>						
Cumberland	751	7.37%	3.85	2,891	263	3.06%
Seekonk	<u>0</u>	<u>0.00%</u>	3.85	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total	10,193	100.00%		35,231	8,599	100.00%

**Allocation of Retail Metered Sales Costs to Classes (see Joint Settlement Sch. 3.3)**

CUSTOMER CLASS	BASE COSTS		MAX. DAY XTRA CAPACITY		PEAK HR. XTRA CAPACITY		TOTAL AMOUNT
	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	
<i>Retail</i>							
Small (5/8 - 1")	76.15%	\$7,410,010	80.14%	\$2,779,247	78.57%	\$429,127	\$10,618,384
Large (>1")	<u>23.85%</u>	<u>\$2,320,741</u>	<u>19.86%</u>	<u>\$688,895</u>	<u>21.43%</u>	<u>\$117,055</u>	<u>\$3,126,691</u>
Total	100.00%	\$9,730,752	100.00%	\$3,468,142	100.00%	\$546,182	\$13,745,075
		70.8%		25.2%		4.0%	

**METERED WATER RATES**

Small (5/8 - 1")

Total Expense (2)	\$10,618,384	=	\$ 4.046 per ccf
<hr/>			
Metered Sales (HCF) (1)	2,624,381		

Large (>1")

Total Expense (2)	\$3,126,691	=	\$ 3.804 per ccf
<hr/>			
Metered Sales (HCF) (1)	821,930		

Wholesale

Total Expense (3)	\$906,215	=	\$3.307 per ccf
<hr/>			
Metered Sales (HCF) (1)	274,064		

- (1) See Joint Settlement Sch. 2.0
- (2) See Joint Settlement Sch. 6.0
- (3) See Joint Settlement Sch. 3.3

**COMPARISON OF CURRENT & PROPOSED RATES**

		<u>Current</u>	<u>Proposed</u>	<u>% Change</u>	
<u>Metered Rates (\$/ccf)</u>					
Small (5/8 - 1")		\$3.900	\$4.046	3.7%	\$4.048
Medium (1.5 - 2" & By pass)		\$3.489	\$3.804	9.0%	\$3.806
Large (3" and up)		\$3.286	\$3.804	15.8%	\$3.806
Large (>1")			\$3.804		\$3.806
Wholesale		\$2.726	\$3.307	21.3%	\$3.308
<u>Service Charges (Monthly)</u>					
	5/8	\$10.00	\$10.48	4.8%	\$10.50
	3/4	\$12.96	\$13.66	5.4%	\$13.68
	1	\$17.68	\$18.72	5.9%	\$18.74
	1 1/2	\$33.60	\$35.78	6.5%	\$35.82
	2	\$42.93	\$45.79	6.7%	\$45.84
	3	\$48.42	\$51.67	6.7%	\$51.73
	4	\$109.89	\$117.57	7.0%	\$117.69
	6	\$163.68	\$175.24	7.1%	\$175.40
	8	\$232.83	\$249.38	7.1%	\$249.61
<u>Fire Service (Monthly)</u>					
Public	/hydrant/month	\$29.51	\$55.29	87.4%	\$55.30
Pawtucket	\$/billing	\$2.57	\$4.81	87.2%	\$4.81
Private					
	2	\$16.76	\$16.93	1.0%	\$16.95
	4	\$35.67	\$36.55	2.4%	\$36.58
	6	\$89.21	\$91.78	2.9%	\$91.84
	8	\$161.72	\$167.02	3.3%	\$167.10
	10	\$240.07	\$249.15	3.8%	\$249.24
	12	\$348.65	\$362.98	4.1%	\$363.09



**IMPACT OF PROPOSED RATES**

METER SIZE	MONTHLY USE - CU FT	CURRENT RATES	<----- PROPOSED ----->			
			NEW BILL	\$ INCREASE	% INCREASE	
<u>Metered Service (Monthly Bills/Includes Pawtucket Fire)</u>						
Small						
5/8	600	\$33.40	\$34.76	\$1.36	4.1%	
<b>5/8</b>	<b>800</b>	<b>\$41.20</b>	<b>\$42.85</b>	<b>\$1.65</b>	<b>4.0%</b>	
5/8	1,200	\$56.80	\$59.03	\$2.23	3.9%	
5/8	1,700	\$76.30	\$79.26	\$2.96	3.9%	
5/8	2,500	\$107.50	\$111.63	\$4.13	3.8%	
5/8	3,000	\$127.00	\$131.86	\$4.86	3.8%	
5/8	5,000	\$205.00	\$212.78	\$7.78	3.8%	
5/8	7,500	\$302.50	\$313.93	\$11.43	3.8%	
5/8	9,000	\$361.00	\$374.62	\$13.62	3.8%	
1	1,000	\$56.68	\$59.18	\$2.50	4.4%	
1	12,000	\$485.68	\$504.24	\$18.56	3.8%	
1	25,000	\$992.68	\$1,030.22	\$37.54	3.8%	
Large						
1 1/2	25,000	\$905.85	\$986.78	\$80.93	8.9%	
1 1/2	50,000	\$1,778.10	\$1,937.78	\$159.68	9.0%	
2	75,000	\$2,659.68	\$2,898.79	\$239.11	9.0%	
2	100,000	\$3,531.93	\$3,849.79	\$317.86	9.0%	
3	75,000	\$2,512.92	\$2,904.67	\$391.75	15.6%	
3	100,000	\$3,334.42	\$3,855.67	\$521.25	15.6%	
4	250,000	\$8,324.89	\$9,627.57	\$1,302.68	15.6%	
6	300,000	\$10,021.68	\$11,587.24	\$1,565.56	15.6%	
Wholesale						
6	1,000,000	\$27,423.68	\$33,245.24	\$5,821.56	21.2%	
<u>Fire Service (Monthly Bill)</u>						
Municipal Fire Service	200 hydrants	\$491.82	\$921.50	\$429.68	87.4%	
Pawtucket Public Fire Protection	per bill	\$2.57	\$4.81	\$2.24	87.2%	
Private Fire Service	4 Inch Service	\$2.97	\$3.05	\$0.07	2.4%	
	6 Inch Service	\$7.43	\$7.65	\$0.21	2.9%	
	8 Inch Service	\$13.48	\$13.92	\$0.44	3.3%	

**REVENUE RECONCILIATION**

<b>Service Charge: (Monthly)</b>		<----- Current ----->		<----- Proposed ----->	
5/8	21,561	\$10.00	\$2,587,273	\$10.48	\$2,711,462
3/4	269	\$12.96	\$41,812	\$13.66	\$44,070
1	515	\$17.68	\$109,237	\$18.72	\$115,663
1 1/2	216	\$33.60	\$87,043	\$35.78	\$92,690
2	280	\$42.93	\$144,364	\$45.79	\$153,982
3	16	\$48.42	\$9,322	\$51.67	\$9,948
4	8	\$109.89	\$10,578	\$117.57	\$11,317
6	2	\$163.68	\$4,466	\$175.24	\$4,781
8	0	\$232.83	\$0	\$249.38	\$0
<b>Consumption Charge:</b>					
Small (5/8 - 1")	2,624,381	\$3.900	\$10,235,086	\$4.046	\$10,618,246
Medium (1.5 - 2" & By pass)	650,060	\$3.489	\$2,268,059		
Large (3" and up)	171,870	\$3.286	\$564,765		
Large (>1")	821,930			\$3.804	\$3,126,622
Wholesale	274,064	\$2.726	\$747,098	\$3.307	\$906,330
<b>Fire Protection:</b>					
Public Hydrants (non Pawtucket)	402	\$29.51	\$142,352	\$55.29	\$266,719
Pawtucket Billings	208,932	\$2.57	\$536,955	\$4.81	\$1,004,963
Private Fire Protection					
2	38	\$16.76	\$7,640	\$16.93	\$7,720
4	78	\$35.67	\$33,391	\$36.55	\$34,208
6	405	\$89.21	\$433,569	\$91.78	\$446,068
8	93	\$161.72	\$180,479	\$167.02	\$186,390
10	3	\$240.07	\$8,642	\$249.15	\$8,969
12	0	\$348.65	\$0	\$362.98	\$0
Total			\$18,152,131		\$19,750,147
Plus: Misc Revenues			<u>\$708,450</u>		<u>\$708,450</u>
Pro Forma Revenue			\$18,860,582		\$20,458,598
Required Revenue			\$20,459,161		\$20,459,161
Difference			-\$1,598,579		(\$563)
Increase in Revenues					\$1,598,016
Percent Increase in Total Revenues					8.5%
Percent Increase in Rate Revenues (non-misc)					8.8%

**SUMMARY OF COST OF SERVICE**

	<u>Test Year</u>	<u>Adjustments</u>	<u>Rate Year</u>
<b>Revenues</b>			
Service Charges	\$2,994,094	\$149,818	\$3,143,913
Metered Rates	\$13,815,009	\$836,188	\$14,651,197
Fire Protection	\$1,343,028	\$612,009	\$1,955,038
Miscellaneous	<u>\$659,046</u>	<u>\$49,405</u>	<u>\$708,450</u>
<i>Total Revenue</i>	\$18,811,177	\$1,647,421	\$20,458,598
<b>Expenses</b>			
<u>O&amp;M</u>			
Admin	\$2,173,233	\$104,852	\$2,278,085
Customer Serv	\$933,072	\$116,955	\$1,050,027
Supply	\$438,872	\$11,677	\$450,549
Purification	\$2,628,473	\$214,075	\$2,842,548
Trans & Distrib	<u>\$2,322,774</u>	<u>\$168,484</u>	<u>\$2,491,258</u>
Total O&M	\$8,496,424	\$616,043	\$9,112,467
<u>Capital</u>			
Property Taxes	\$921,828	-\$162,210	\$759,618
Principal, Interest & RICWFA Fees *	\$7,764,193	\$0	\$7,764,193
Leases	\$0	\$0	\$0
IFR	\$2,500,000	\$0	\$2,500,000
Trustee Fees	\$26,879	\$4,121	\$31,000
O&M Reserve Deposit	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Capital	\$11,212,900	-\$158,089	\$11,054,811
<u>Operating Revenue Allowance</u>	<u>\$0</u>	<u>\$291,882</u>	<u>\$291,882</u>
<i>Total Expenses</i>	\$19,709,324	\$749,836	\$20,459,161
	\$19,709,324		\$20,459,161

**PROPOSED STEP INCREASES**

**YEAR 2 - FY 2017**

Rate Year (FY 2016) Revenue Requirements = \$20,459,161  
 Step Increases for 2017

New Debt	\$	1,174,417
Property Tax Reduct.	\$	(48,368)
Inflation: Labor @2%	\$	54,092
Inflation: Non-labor @ 2.00%	\$	88,842
DBO O&M Contract @2.3%	\$	43,449
Rate Case Expense	\$	20,000
Rev. Stabiliz @ 1.5%	\$	19,986
	\$	<u>1,352,419</u>

FY 2017 Revenue Requirements = \$ 21,811,579  
 Proposed Step Increase for FY 2017 6.6%

<u>Metered Rates</u>	<u>Current</u>	<u>Proposed (FY2016)</u>	<u>Step Increase (FY 2017)</u>
Small (5/8 - 1")	\$3.900	\$4.046	\$4.313
Medium (1.5 - 2" & By pass)	\$3.489	\$3.804	\$4.055
Large (3" and up)	\$3.286	\$3.804	\$4.055
Wholesale	\$2.726	\$3.307	\$3.526
<u>Service Charges</u>			
Monthly	5/8	\$10.00	\$10.48
	3/4	\$12.96	\$13.66
	1	\$17.68	\$18.72
	1 1/2	\$33.60	\$35.78
	2	\$42.93	\$45.79
	3	\$48.42	\$51.67
	4	\$109.89	\$117.57
	6	\$163.68	\$175.24
	8	\$232.83	\$249.38
<u>Fire Service</u>			
Public	/hydrant/qurt	\$29.51	\$55.29
Pawtucket	\$/bill	\$2.57	\$4.81
Private			
	2	\$16.76	\$16.93
	4	\$35.67	\$36.55
	6	\$89.21	\$91.78
	8	\$161.72	\$167.02
	10	\$240.07	\$249.15
	12	\$348.65	\$362.98

**PROPOSED STEP INCREASES**

**YEAR 3 - FY 2018**

Rate Year (FY 2017) Revenue Requirements = \$21,811,579  
 Step Increases for 2018

New Debt	\$	257,898
Property Tax Increase	\$	1,843
Inflation: Labor @2%	\$	55,174
Inflation: Non-labor @ 2.00%	\$	90,619
DBO O&M Contract @2.3%	\$	44,448
Rate Case Expense	\$	20,000
Rev. Stabiliz @ 3%	\$	<u>356,578</u>
	\$	826,561

FY 2018 Revenue Requirements = \$ 22,638,140  
 Proposed Step Increase for FY 2018 3.8%

	<u>Current</u>	<u>Proposed (FY2016)</u>	<u>Step Increase (FY2017)</u>	<u>Step Increase (FY 2018)</u>	
<u>Metered Rates</u>					
Small (5/8 - 1")	\$3.900	\$4.046	\$4.313	\$4.477	
Medium (1.5 - 2" & By pass)	\$3.489	\$3.804	\$4.055	\$4.209	
Large (3" and up)	\$3.286	\$3.804	\$4.055	\$4.209	
Wholesale	\$2.726	\$3.307	\$3.526	\$3.659	
<u>Service Charges</u>					
Monthly					
	5/8	\$10.000	\$10.48	\$11.17	\$11.60
	3/4	\$12.960	\$13.66	\$14.56	\$15.11
	1	\$17.680	\$18.72	\$19.96	\$20.71
	1 1/2	\$33.600	\$35.78	\$38.15	\$39.59
	2	\$42.930	\$45.79	\$48.82	\$50.67
	3	\$48.420	\$51.67	\$55.09	\$57.17
	4	\$109.890	\$117.57	\$125.34	\$130.09
	6	\$163.680	\$175.24	\$186.82	\$193.90
	8	\$232.830	\$249.38	\$265.86	\$275.94
<u>Fire Service</u>					
Public	/hydrant/qurt	\$29.509	\$55.29	\$58.94	\$61.18
Fire Service (Monthly Bill)	\$/bill	\$2.570	\$4.81	\$5.13	\$5.32
Private					
	2	\$16.755	\$16.93	\$18.05	\$18.73
	4	\$35.674	\$36.55	\$38.96	\$40.44
	6	\$89.212	\$91.78	\$97.85	\$101.56
	8	\$161.719	\$167.02	\$178.06	\$184.80
	10	\$240.067	\$249.15	\$265.62	\$275.68
	12	\$348.654	\$362.98	\$386.97	\$401.63