

The Narragansett Bay Commission
One Service Road
Providence, RI 02905

(401) 461-8848
(401) 461-6540 FAX



Vincent J. Mesolella
Chairman

Raymond J. Marshall, P.E.
Executive Director

May 20, 2015

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

Reference: Docket 4562 – Narragansett Bay Commission

Dear Ms. Massaro:

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

1. Response to Division's Data Request (First Set), which was dated April 30, 2015.

Please note that an electronic copy of this filing has been sent to the service list. Thank you for your attention to this matter.

Sincerely,



Karen L. Giebink
Director of Administration and Finance

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
DOCKET NO. 4562
Response Of The Narragansett Bay Commission
To The Rhode Island Division of
Public Utilities and Carriers
Data Requests
Set 1

DIV. 1-1: Please state whether the RICWFA Board approved the \$41.75 million loan to NBC at its April 20, 2015 meeting. If not, please explain what actions were taken and what steps will be taken next.

Response: No. The RICWFA Board did not meet on April 20, 2015. The loan was approved at the meeting held on May 11, 2015.

Prepared by: WEE

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

DOCKET NO. 4562

Response Of The Narragansett Bay Commission

To The Rhode Island Division of

Public Utilities and Carriers

Data Requests

Set 1

DIV. 1-2: Please explain the basis for and any supporting documentation for the 0.5% included for admin fees on Schedule WEE-9. Also indicate:

- a. Are these fees new and if not, whether they have been included previously in debt service costs, but not stated separately?
- b. Could these fees be paid at the time of issuance from bond proceeds or from restricted or capital funds? If yes, please identify the amount that would be paid at the time of issuance.

Response: The NBC has always paid these fees on loans through the Rhode Island Clean Water Finance Agency (RICWFA). The RICWFA charges a loan servicing fee in the amount of one-half of one percent of the outstanding principal balance. The fee is paid on each interest payment date. The attached (Exhibit A) illustrates how the interest rate for each loan is calculated. The NBC is required to repay the total borrower billing rate which includes the loan serving fee of .50%.

- a. No the fee is not new. This loan servicing fee has been included in prior loans with the Agency and has been included in the total borrower billing rate.
- b. No. As previously stated, the fee is paid over time on each interest payment date not upon issuance.

Prepared by: Walter Edge

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
DOCKET NO. 4562
Response Of The Narragansett Bay Commission
To The Rhode Island Division of
Public Utilities and Carriers
Data Requests
Set 1

Div. 1-3: Please provide a copy of Schedule WEE-9 in Excel format. If not available, please show the detailed calculations of the amount of principal and interest to be paid each year.

Response: Attached (Exhibit B) is the proposed debt service schedule in excel.

Prepared by: Walter Edge

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

DOCKET NO. 4562

Response Of The Narragansett Bay Commission

To The Rhode Island Division of

Public Utilities and Carriers

Data Requests

Set 1

DIV. 1-4: If the 0.5% admin fees included on Schedule WEE-9 could be paid at issuance, please provide the debt service schedule with interest at 2.49% and no admin fees.

Response: As previously stated, the loan servicing fee cannot be paid at issuance; it is paid over time on each interest payment date not upon issuance. The attached (Exhibit B) excel file includes the original debt service schedule as well as a schedule which separates the annual interest expense and annual loan servicing fee.

Prepared by: Walter Edge

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
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Response Of The Narragansett Bay Commission
To The Rhode Island Division of
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Set 1

Div. 1-5: Please state whether the NBC Board approved a Phase III alternative at its meeting on April 28, 2015. If yes, please provide a summary of the alternative chosen and the costs and timing of that alternative.

Response: Yes. At the April 28, 2015 Board meeting, Phase III Alternative 2 was selected. This alternative is expected to cost approximately \$815 million. See the attached schedule (Exhibit C) for the timing of such costs. This schedule is preliminary as the project has yet to commence design and will likely change. Additional information concerning the Phase III alternatives is available on the NBC website, or copy the link below into your web browser:

<http://www.narrabay.com/~media/Files/PR%20Documents/CSO%20Phase%20III/04272015%20Board%20Presentation%20Finalpdf%20%20Adobe%20Acrobat%20Pro.ashx>

Prepared by: Walter Edge

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
DOCKET NO. 4562
Response Of The Narragansett Bay Commission
To The Rhode Island Division of
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Data Requests
Set 1

CERTIFICATION

I hereby certify that on May 20, 2015, I sent a copy of the within to all parties set forth on the attached Service List by electronic mail and copies to Luly Massaro, Commission Clerk, by electronic mail and regular mail.

Parties/Address	E-mail Distribution	Phone
Joseph A. Keough, Jr., Esq. Keough & Sweeney 41 Mendon Ave. Pawtucket, RI 02861	jkeoughjr@keoughsweeney.com ;	401-724-3600
;Karen L. Giebink, Director of A&F Narragansett Bay Commission One Service Road Providence, RI 02905	Kgiebink@narrabay.com ;	401-461-8848
	Michael.Stuard@narrabay.com ;	
	Sherri.arnold@narrabay.com ;	
	wedge@beconsulting.biz ;	
Christy Hetherington, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	chetherington@riag.ri.gov ;	401-222-2424
	Steve.scialabba@dpuc.ri.gov ;	
	dmacrae@riag.ri.gov ;	
	jmunoz@riag.ri.gov ;	
	pat.smith@dpuc.ri.gov ;	
	al.mancini@dpuc.ri.gov ;	
Thomas S. Catlin Exeter Associates, Inc. 10480 Little Patuxent Parkway Suite 300 Columbia, MD 21044	tcatlin@exeterassociates.com ;	410-992-7500
File original and 9 copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov ;	401-780-2107
	Patricia.lucarelli@puc.ri.gov ;	
	Sharon.ColbyCamara@puc.ri.gov ;	

**Rhode Island Clean Water Finance Agency
 Clean Water SRF Program - Series 2015A
 Rates as of 3/25/2015 Plus 25 BP - Preliminary Subject to Change**

Calculation of Borrower Rate

NBC- \$41.754M CWSRF Multiple Sources (AA Rated, Revenue Pledge)

Borrower:	NBC	Highest Rating:	AA
Rate Lock Date:	3.25/2015	MMD Scale:	Revenue-AA
Closing Date:	05/20/15	Zero% Subsidy:	-
Pledge:	Revenue	DSR Required:	No

Maturity	Market Rate	Less 33% Subsidy	Subsidized Rate	Loan Rate	Plus Admin. Fee	Total Borrower Billing Rate
2015	0.550%	-0.180%	0.370%	0.370%	0.500%	0.870%
2016	0.770%	-0.260%	0.510%	0.510%	0.500%	1.010%
2017	1.160%	-0.390%	0.770%	0.770%	0.500%	1.270%
2018	1.480%	-0.490%	0.990%	0.990%	0.500%	1.490%
2019	1.750%	-0.580%	1.170%	1.170%	0.500%	1.670%
2020	1.970%	-0.660%	1.310%	1.310%	0.500%	1.810%
2021	2.190%	-0.730%	1.460%	1.460%	0.500%	1.960%
2022	2.400%	-0.800%	1.600%	1.600%	0.500%	2.100%
2023	2.570%	-0.860%	1.710%	1.710%	0.500%	2.210%
2024	2.810%	-0.940%	1.870%	1.870%	0.500%	2.370%
2025	3.100%	-1.030%	2.070%	2.070%	0.500%	2.570%
2026	3.340%	-1.110%	2.230%	2.230%	0.500%	2.730%
2027	3.500%	-1.170%	2.330%	2.330%	0.500%	2.830%
2028	3.610%	-1.200%	2.410%	2.410%	0.500%	2.910%
2029	3.670%	-1.220%	2.450%	2.450%	0.500%	2.950%
2030	3.720%	-1.240%	2.480%	2.480%	0.500%	2.980%
2031	3.770%	-1.260%	2.510%	2.510%	0.500%	3.010%
2032	3.800%	-1.270%	2.530%	2.530%	0.500%	3.030%
2033	3.830%	-1.280%	2.550%	2.550%	0.500%	3.050%
2034	3.850%	-1.280%	2.570%	2.570%	0.500%	3.070%
2035	3.870%	-1.290%	2.580%	2.580%	0.500%	3.080%
2036	3.880%	-1.290%	2.590%	2.590%	0.500%	3.090%
2037	4.210%	-1.400%	2.810%	2.810%	0.500%	3.310%
2038	4.220%	-1.410%	2.810%	2.810%	0.500%	3.310%
2039	4.240%	-1.410%	2.830%	2.830%	0.500%	3.330%
2040	4.260%	-1.420%	2.840%	2.840%	0.500%	3.340%
2041	4.290%	-1.430%	2.860%	2.860%	0.500%	3.360%
2042	4.300%	-1.430%	2.870%	2.870%	0.500%	3.370%
2043	4.310%	-1.440%	2.870%	2.870%	0.500%	3.370%
2044	4.330%	-1.440%	2.890%	2.890%	0.500%	3.390%

Fiscal Year	Principal	Rate	Interest	Expense	Total
2016	\$ -	-	\$ 224,776.48	\$ 45,132.52	\$ 269,909.00
2017	-	-	816,021.21	163,874.79	979,896.00
2018	1,035,000.00	0.77%	993,567.00	206,180.00	2,234,747.00
2019	1,049,000.00	0.99%	985,923.00	200,970.00	2,235,893.00
2020	1,067,000.00	1.17%	972,791.00	195,680.00	2,235,471.00
2021	1,086,000.00	1.31%	957,758.50	190,297.50	2,234,056.00
2022	1,108,000.00	1.46%	940,732.50	184,812.50	2,233,545.00
2023	1,131,000.00	1.60%	921,783.00	179,215.00	2,231,998.00
2024	1,156,000.00	1.71%	901,041.50	173,497.50	2,230,539.00
2025	1,184,000.00	1.87%	878,121.50	167,647.50	2,229,769.00
2026	1,215,000.00	2.07%	852,600.00	161,650.00	2,229,250.00
2027	1,247,000.00	2.23%	824,443.00	155,495.00	2,226,938.00
2028	1,283,000.00	2.33%	793,884.00	149,170.00	2,226,054.00
2029	1,321,000.00	2.41%	761,439.00	142,660.00	2,225,099.00
2030	1,361,000.00	2.45%	727,394.00	135,955.00	2,224,349.00
2031	1,402,000.00	2.48%	691,836.50	129,047.50	2,222,884.00
2032	1,446,000.00	2.51%	654,692.50	121,927.50	2,222,620.00
2033	1,491,000.00	2.53%	616,063.00	114,585.00	2,221,648.00
2034	1,538,000.00	2.55%	576,036.50	107,012.50	2,221,049.00
2035	1,586,000.00	2.57%	534,556.50	99,202.50	2,219,759.00
2036	1,637,000.00	2.58%	527,838.00	91,145.00	2,255,983.00
2037	1,688,000.00	2.59%	483,365.50	82,832.50	2,254,198.00
2038	1,742,000.00	2.81%	435,574.50	74,257.50	2,251,832.00
2039	1,802,000.00	2.81%	384,183.50	65,397.50	2,251,581.00
2040	1,863,000.00	2.83%	330,857.00	56,235.00	2,250,092.00
2041	1,926,000.00	2.84%	275,631.50	46,762.50	2,248,394.00
2042	1,992,000.00	2.86%	218,229.50	36,967.50	2,247,197.00
2043	2,061,000.00	2.87%	158,547.00	26,835.00	2,246,382.00
2044	2,132,000.00	2.87%	96,700.50	16,352.50	2,245,053.00
2045	2,204,500.00	2.89%	32,626.75	5,511.25	2,242,638.00
	<u>\$ 41,753,500.00</u>		<u>\$ 18,569,014.44</u>	<u>\$ 3,526,308.56</u>	<u>\$ 63,848,823.00</u>

Narragansett Bay Commission - Phase III Reevaluation

Scenario Evaluation

Alternative Alpha - "Fast Tunnel" Program Timeline

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	Total																	
	Concept Review	Phase III-A Design					Phase III-A Construction					Phase III-B Design					Phase III-B Construction					Phase III-C Design					Phase III-C Construction					Phase III-D Design					Phase III-D Construction					Total
Phase III-A																																										
Pawtucket Tunnel		\$7,490,796.45	\$7,490,796	\$7,490,796	\$121,517,365	\$121,517,365	\$121,517,365	\$121,517,365																		\$387,024,483																
Drop shaft 218 & conduit		\$921,791	\$921,791	\$921,791	\$14,953,499	\$14,953,499	\$14,953,499	\$14,953,499																		\$47,625,870																
Drop shaft 205 & conduit		\$462,957	\$462,957	\$462,957	\$7,510,188	\$7,510,188	\$7,510,188	\$7,510,188																		\$23,919,436																
Drop shaft 210/211 & conduit		\$528,408	\$528,408	\$528,408	\$8,571,955	\$8,571,955	\$8,571,955	\$8,571,955																		\$27,301,091																
Drop shaft 213 & conduit		\$805,532	\$805,532	\$805,532	\$13,067,521	\$13,067,521	\$13,067,521	\$13,067,521																		\$41,619,159																
Drop shaft 217 & conduit		\$911,751	\$911,751	\$911,751	\$14,790,632	\$14,790,632	\$14,790,632	\$14,790,632																		\$47,107,149																
Regulator Modifications & Floatables Controls		\$51,558	\$51,558	\$51,558	\$2,509,146	\$2,509,146	\$2,509,146	\$2,509,146																		\$2,663,820																
Phase III-B																										\$10,999,999																
GSI Project Allowance		\$333,333	\$333,333	\$333,333	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000																		\$11,000,000																
High & Cross Street Interceptor									\$458,282.58	\$916,565.15	\$7,434,362	\$7,434,362	\$7,434,362	\$7,434,362												\$23,677,933																
Middle Street Interceptor									\$595,909.34	\$893,864	\$4,634,850	\$4,634,850	\$4,634,850	\$4,634,850												\$15,394,325																
206 Hybrid GSI / Sewer Separation									\$168,900.38	\$253,350.57	\$2,150,486.59	\$2,150,487	\$2,150,487	\$2,150,487												\$4,723,224																
Phase III-C																																										
GSI Project Allowance										\$500,000	\$500,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$11,000,000																
220 Stub Tunnel Alternative										\$1,860,000.00	\$1,860,000.00	\$29,760,000	\$29,760,000	\$29,760,000	\$29,760,000	\$29,760,000	\$29,760,000	\$29,760,000	\$29,760,000	\$29,760,000	\$29,760,000	\$29,760,000	\$29,760,000	\$29,760,000	\$29,760,000	\$93,000,000																
Phase III-D																																										
GSI Project Allowance										\$500,000	\$500,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$11,000,000																	
West River Interceptor									\$742,643.11	\$1,485,286	\$12,047,321	\$12,047,321	\$12,047,321	\$12,047,321	\$12,047,321	\$12,047,321	\$12,047,321	\$12,047,321	\$12,047,321	\$12,047,321	\$12,047,321	\$12,047,321	\$12,047,321	\$12,047,321	\$12,047,321	\$38,369,894																
035 Sewer Separation									\$340,900	\$681,800	\$6,053,090	\$6,053,090	\$6,053,090	\$6,053,090	\$6,053,090	\$6,053,090	\$6,053,090	\$6,053,090	\$6,053,090	\$6,053,090	\$6,053,090	\$6,053,090	\$6,053,090	\$6,053,090	\$6,053,090	\$19,181,969																
Totals:	\$0	\$11,506,127	\$11,506,127	\$11,506,127	\$131,517,365	\$136,470,864	\$180,411,160	\$58,893,795	\$46,449,443	\$1,723,092	\$2,563,780	\$24,219,699	\$14,219,699	\$12,069,212	\$2,360,000	\$2,360,000	\$39,760,000	\$29,760,000	\$29,760,000	\$1,583,543	\$2,667,086	\$28,100,411	\$18,100,411	\$18,100,411	\$18,100,411	\$815,608,351																

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	
Alpha O&M Add																									
Alpha O&M Cumulative		\$0	\$0	\$0	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$634,000	\$634,000	\$634,000	\$634,000	\$634,000	\$634,000	\$634,000	\$834,000	\$834,000	\$849,000	\$849,000	\$849,000	\$1,049,000	\$1,049,000	\$1,049,000	\$1,089,000

- Notes:
- 1) 220 Stub Tunnel is selected based on favorable non-cost criteria. \$27M Cost savings could be realized by selecting the Morely Field Near Surface Storage option.
 - 2) Compared to Baseline, \$2M of additional work at regulators and existing interceptors has been added as a contingency.
 - 3) GSI should achieve reduction in corresponding grey infrastructure costs. However, those savings are not reflected in the costs presented here. Rather, an additional cost associated with GSI projects is added. This is a conservative contingency that assumes GSI is built but does not reduce grey costs.
 - 4) Costs are in 2018\$