

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION**

IN RE: Providence Water Supply Board :
General Rate Filing : Docket No. 4618

**COMMISSION'S FIRST SET OF DATA REQUESTS DIRECTED TO
THE DIVISION OF PUBLIC UTILITIES AND CARRIERS**

(Issued January 13, 2017)

(Please respond on or before January 18, 2017)

- 1-1. Please provide schedules to support the Division's recommended adjustments consistent with Mr. Smith's Surrebuttal Testimony (please include all of the schedules provided with his direct, but updated for the surrebuttal testimony).

RESPONSE:

Please see the attached Excel file which includes all of the schedules provided with Mr. Smith's direct, updated for the surrebuttal testimony.

Providence Water Supply Board
Docket No. 4618
Revenue Requirement and Adjustment Schedules
Revised to Correspond with the Surrebuttal Testimony of Ralph Smith

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Summary of Revenues and Expenses at Present and Proposed Rates
 Rate Year Ended December 31, 2017

Line No.	Description	Rate Year Amount Per Providence (A)	Division Adjustments (B)	Rate year at Present Rates (C)	Proposed Rate Increase (D)	Rate Year at Proposed Rates (E)
1	Revenue					
2	Service Charge	\$ 7,603,522		\$ 7,603,522		
3	Retail Sales	39,204,882		\$ 39,204,882		
4	Wholesale Sales	16,502,082		\$ 16,502,082		
5	Private Fire Protection	2,576,961		\$ 2,576,961		
6	Retail FPSC (see note)	1,252,391		\$ 1,252,391		
7	Public Fire Protection	1,124,390		\$ 1,124,390		
8	Miscellaneous	1,089,482	52,429	\$ 1,141,911		
9	Total Revenue	\$ 69,353,710	\$ 52,429	\$ 69,406,139	\$ 6,331,528	\$ 75,737,667
10	Expenses					
11	Operation & Maintenance	33,753,883	(1,257,632)	\$ 32,496,251		32,496,251
12	Insurance	2,473,237	-	\$ 2,473,237		2,473,237
13	Chemicals & Sludge	3,000,000	(200,000)	\$ 2,800,000		2,800,000
14	City Services	957,400		\$ 957,400		957,400
15	Property Taxes	6,957,183	(175,000)	\$ 6,782,183		6,782,183
16	Payment in Lieu of Taxes	326,000	(326,000)	\$ -		-
17	Capital Reimbursement	(2,143,087)		\$ (2,143,087)		(2,143,087)
18	Net Operations	\$ 45,324,616	\$ (1,958,632)	\$ 43,365,984	\$ -	\$ 43,365,984
19	Capital Fund	2,127,000		\$ 2,127,000		2,127,000
20	Western Cranston	62,069	(22,069)	\$ 40,000		40,000
21	Infrastructure Replacement Fund	27,600,000		\$ 27,600,000		27,600,000
22	Cash Funded AMR/Meter Replacement	500,000		\$ 500,000		500,000
23	Equipment Replacement Fund	600,000		\$ 600,000		600,000
24	Property Tax Refund Fund			\$ -		-
25	Revenue Reserve Fund	375,621	550	\$ 376,171		376,171
26	Less: reserve Funded from Monthly Billing			\$ -		-
27	Total Capital	\$ 31,264,690	\$ (21,519)	\$ 31,243,171	\$ -	\$ 31,243,171
28	Total Expenses	\$ 76,589,306	\$ (1,980,151)	\$ 74,609,155	\$ -	\$ 74,609,155
29	Operating Reserve	1,126,863	1,649	\$ 1,128,512		\$ 1,128,512
30	Total Cost of Service	\$ 77,716,169	\$ (1,978,502)	\$ 75,737,667	\$ -	\$ 75,737,667
31	Revenue Surplus/(Deficiency)	\$ (8,362,459)	\$ 2,030,931	\$ (6,331,528)		\$ -
32	Company Proposed Increase	\$ 8,328,042		\$ 8,328,042		
33	Division Adjustment to Company's Request			\$ 1,996,514		

Notes and Source

Column A: Company Schedule HJS-1, "Pro-Form Old Rates" column

Line 6: Reflects Providence Water's Updated Cost of Service Study Model
 As filed \$ 1,299,110
 Company Correction \$ 46,719 Note A
 Company Corrected Amount (Adjusted Test Year) \$ 1,252,391

[A] The Company's original model incorrectly assumed that East Smithfield customers, who will become retail customers of Providence Water, would be assessed the Providence Only Fire Protection Charge. This resulted in the generation of the additional revenue from this charge. However, since the East Smithfield customers will not be assessed the Retail FPSC, the Company's revised model does not show this revenue.

Column B: Schedule RCS-2

Lines 25 and 29: See Schedule RCS-13

Providence Water Supply Board
Summary of Adjustments

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Schedule RCS-2
Page 1 of 1
Revised

Rate Year Ended December 31, 2017

Line No.	Description	Reference	Revised	Total Amount (A)	Operation & Maintenance (B)	Insurance (C)	Property Taxes (D)	Payment in Lieu of Taxes (E)	Restricted Funds (F)	Misc. Revenues (G)	Operating & Revenue Reserves (H)
1	Rate Year Salaries and Wages	Schedule RCS-3	Yes	\$ (736,726)	\$ (736,726)						
2	Payroll Clearing	Schedule RCS-4	No	\$ (49,842)	\$ (49,842)						
3	Overhead Clearing Expense	Schedule RCS-5	Yes	\$ (68,885)	\$ (68,885)						
4	Employee Benefits Expense	Schedule RCS-6	No	\$ (345,819)	\$ (345,819)						
5	Payroll Tax Expense	Schedule RCS-7	Yes	\$ (56,360)	\$ (56,360)						
6	Insurance Expense	Schedule RCS-8	No	\$ (136,455)		\$ (136,455)					
7	Foster Property Tax Refund	Schedule RCS-9	No	\$ (175,000)			\$ (175,000)				
8	PILOT	Schedule RCS-10	No	\$ (326,000)				\$ (326,000)			
9	Miscellaneous Revenues	Schedule RCS-11	No	\$ (52,429)						\$ (52,429)	
10	Restricted Funds	Schedule RCS-12	Yes	\$ (85,614)					\$ (85,614)		
11	Revenue and Operating Reserves	Schedule RCS-13	Yes	\$ 2,199							\$ 2,199
12	Total Division Adjustments			<u>\$ (2,030,931)</u>	<u>\$ (1,257,632)</u>	<u>\$ (136,455)</u>	<u>\$ (175,000)</u>	<u>\$ (326,000)</u>	<u>\$ (85,614)</u>	<u>\$ (52,429)</u>	<u>\$ 2,199</u>

Notes

Col.F: Restricted Funds

13	Western Cranston Fund			\$ (22,069)					\$ (22,069)		
14	Insurance Fund			\$ 136,455		\$ 136,455					
15	Chemicals & Sludge Fund			\$ (200,000)					\$ (200,000)		
16	Total Division Adjustments			<u>\$ (85,614)</u>		<u>\$ 136,455</u>			<u>\$ (222,069)</u>		
17	Total Adjustment to Insurance, Schedule RCS-1,					<u>\$ -</u>		Line 12 and Line 16			

Col.H Revenue and Operating Reserves

18	Revenue Reserve			\$ 550							
19	Operating Reserve			\$ 1,649							
20	Total			<u>\$ 2,199</u>							

Providence Water Supply Board
Adjustment to Payroll Expense

Docket No. 4618
Schedule RCS-3
Page 1 of 2
Revised

Rate Year Ended December 31, 2017

Line No.	Description	Company Adjusted (A)	Division Adjusted (B)	Division Adjustment (C)
1	Total FY 2015 Salaries	\$ 14,713,727	\$ 14,713,727	\$ -
2	Less: Wages for Engineers Paid Directly from IFR	\$ (357,294)	\$ (357,294)	\$ -
3	Actual Payroll Expense FY 2015	\$ 14,356,433	\$ 14,356,433	\$ -
4	Plus: Normalizing Adjustments (Workers Compensation)	\$ 131,968	\$ 131,968	\$ -
5	Adjusted Test Year	\$ 14,488,400	\$ 14,488,400	\$ -
Pro-Forma Adjustments				
6	Plus: Step Increases	\$ 262,858	\$ 262,858	\$ -
7	Plus: Promotions	\$ 41,843	\$ 41,843	\$ -
8	14 New Employees	\$ 643,020	\$ -	\$ (643,020)
9	Employee Turnover	\$ -	\$ (76,014)	\$ (76,014)
10	Overtime - Revised	\$ -	\$ 6,533	\$ 6,533
11	Sub-Total Step Increases/New Positions	\$ 947,721	\$ 235,220	\$ (712,501)
12	Adjusted FY 2017 Salaries	\$ 15,436,121	\$ 14,723,620	\$ (712,501)
13	Contractual Increase *	1,034	1,034	
14	Adjusted FY 2017 Salaries with Contract Raise	\$ 15,960,949	\$ 15,224,223	\$ (736,726)

Notes and Source

Col. A: Amounts from Company Schedule NEP-2

Col. B: Amounts per the recommendations of Division witness Ralph C. Smith
Lines 9-10: See page 2

* Union Contract Article VI, Section 1. Effective 7/1/2015-6/30/2018

2% Increase on July 1, 2016 and 2.75% on July 1, 2017

Line 10, Overtime - based on three year average through 6/30/2015 - see page 2 for details

Rate Year Ended December 31, 2017

Line No.	Description	Total Payroll Amount (A)	Capitalized Payroll Amount (B)	Capitalized Percentage (C)	Reference
Part I. Determine Average Capitalized Payroll Allocator					
1	Total Fiscal Year 2015	\$ 14,713,727	\$ 894,665	6.08%	
2	Total Fiscal Year 2014	\$ 14,545,224	\$ 956,558	6.58%	
3	Total Fiscal Year 2013	\$ 13,636,847	\$ 698,322	5.12%	
4	Total	<u>\$ 42,895,797</u>	<u>\$ 2,549,546</u>	<u>5.94%</u>	
5	Average	\$ 14,298,599	\$ 849,849	<u>5.94%</u>	
Part II. Employee Turnover					
6	Savings Between Old and New Salaries			\$ 80,817	DIV 1-26
7	Capitalized Portion of Savings Between Old and New Salaries			\$ (4,803)	L5 x L6
8	Adjustment to O&M Payroll Expense Related to Employee Turnover			<u>\$ 76,014</u>	L6 + L7
Part III. Overtime (Revised)					
9					
10					
11	Average Overtime for Three Fiscal Years through 6/30/2015 - see below			\$ 918,547	See line 21 below
12	Total Test Year Overtime Payroll Expense			<u>\$ 911,601</u>	DIV 1-27
13	Adjustment to Total Fiscal Year 2016 Overtime Payroll Expense			\$ 6,946	L11 - L12
14	Capitalized Portion of Adjustment to Fiscal Year 2016 Overtime Payroll Expense			<u>\$ 413</u>	L13 x L5 (Col. C)
15	O&M Adjustment to Total Fiscal Year 2016 Overtime Payroll Expense			<u>\$ 6,533</u>	L13 - L14

Notes and Source

Cols. A&B (Lines 1-3): Amounts from the response to DIV 1-27

Reasonableness Check of Capitalization Percentage Using Amounts from DIV 1-27 Supp Response

Description	Date	Total Payroll Amount	Capitalized Payroll Amount	Capitalized As Percent of Total
16	Fiscal Year 2016	\$ 14,116,400	\$ 791,195	
17	Total	<u>\$ 14,116,400</u>	<u>\$ 791,195</u>	<u>5.60%</u>
Normal Amount of Overtime Based on Three-Year Average:				
18	07/01/2012-6/30/2013	Reference		
		NEP-REB-1	\$ 892,933	
19	07/01/2013-6/30/2014	NEP-REB-1	\$ 951,106	
20	07/01/2014-6/30/2015	NEP-REB-1	\$ 911,601	
21	Three-Year Average		<u>\$ 918,547</u>	
22	Compare: Division Direct Testimony Overtime Expense	RCS-3, p.2,L 11	<u>\$ 687,126</u>	
23	Compare: PWSB projected Rate Year (1/1/2017-12/31/2017) amount	NEP-REB-1	<u>\$ 949,989</u>	
Divison Revised Recommended Overtime Expense - Comparison to Other Amounts				
24	Compared to Test Year Recorded	L21 - L20	<u>\$ 6,946</u>	
25	Compared to PWSB Projected Rate Year	L21 - L23	<u>\$ (31,442)</u>	
26	Compared with Division Direct Testimony Filing	L21 - L22	<u>\$ 231,421</u>	

Line No.	Description	Amount	Reference
1	Payroll Clearing in Test Year	\$ (899,680)	Note A
2	Adjustment to Reflect Wage Increases	<u>1.0554</u>	Note B
3	Rate Year Payroll Clearing	\$ (949,522)	
4	Test Year Payroll Clearing	<u>\$ (899,680)</u>	
5	Adjustment for Payroll Clearing Expense	<u><u>\$ (49,842)</u></u>	

Notes and Source

[A] Providence Water Schedule NEP-1, details reproduced on Schedule RCS-3, page 2

[B] Reflects:

6	2.07% Pro Forma Increase after June 30, 2015	Note C	1.0207
7	2% Increase on July 1, 2016	Note D	1.02
8	One-half annual effect of a 2.75% increase on July 1, 2017	Note D	<u>1.01375</u>
9	Cumulative wage increase adjustment		<u><u>1.0554</u></u>

[C] Per Company Pro Forma Increase after June 30, 2015:

10	Step Increases	\$ 262,858	Note D
11	Promotions	<u>\$ 41,843</u>	Note D
12	Pro Forma Step Increases and Promotions	<u>\$ 304,701</u>	
13	Total FY2015 Salaries	<u>\$ 14,713,727</u>	Note D
14	Percent Increase over FY2015 Salaries	<u><u>0.0207</u></u>	Line 12 / Line 13

[D] Per Providence Water Schedule NEP-2

LINE NO.	ACCOUNT	TITLE	FISCAL YEAR 06/30/13	FISCAL YEAR 06/30/14	FISCAL YEAR 06/30/15	Test Year Adjustments	Adjusted Test Year
1		Source of Supply					
2	60220	Payroll Clearing -Emp	(2,467)	(6,115)	(1,112)	1,112	-
3							
4		Water Treatment Expenses					
5		Payroll Clearing -Emp	(1,559)			-	
6		Payroll Clearing -Emp	(2,734)			-	-
7							
8		Transmission + Dist. Expense:					
9	60250	Payroll Clearing -Emp	-	-	-	-	-
10	60260	Payroll Clearing -Emp	(229,438)	(261,573)	(299,504)	299,504	-
11							
12		Customer Accounts Expense:					
13	60270	Payroll Clearing -Emp	(93,825)	(54,629)	(27,576)	27,576	-
14							
15		Administrative and General					
16	60280	Payroll Clearing -Emp	(430,794)	(640,931)	(571,488)	571,488	-
17							
18		Total Payroll Clearing Expense	<u>(760,817)</u>	<u>(963,248)</u>	<u>(899,680)</u>	<u>899,680</u>	<u>-</u>

Notes and Source

Providence Water Schedule NEP-1

Line No.	Description	Amount	Reference
1	Overhead Clearing in Test Year	\$ (1,243,408)	Note A
2	Adjustment to Reflect Wage Increases	<u>1.0554</u>	Note B
3	Rate Year Overhead Clearing	\$ (1,312,293)	
4	Amount per Providence Water	<u>\$ (1,243,408)</u>	Page 2 Note E
5	Adjustment for Overhead Clearing Expense	<u><u>\$ (68,885)</u></u>	

Notes and Source

[A]	Providence Water Schedule NEP-1, details reproduced on Schedule RCS-4, page 2		
[B]	Reflects:		
6	2.07% Pro Forma Increase after June 30, 2015	Note C	1.0207
7	2% Increase on July 1, 2016	Note D	1.02
8	One-half annual effect of a 2.75% increase on July 1, 2017	Note D	<u>1.01375</u>
9	Cumulative wage increase adjustment		<u><u>1.0554</u></u>
[C]	Per Company Pro Forma Increase after June 30, 2015:		
10	Step Increases	\$ 262,858	Note D
11	Promotions	<u>\$ 41,843</u>	Note D
12	Pro Forma Step Increases and Promotions	<u>\$ 304,701</u>	
13	Total FY2015 Salaries	<u>\$ 14,713,727</u>	Note D
14	Percent Increase over FY2015 Salaries	<u><u>0.0207</u></u>	Line 12 / Line 13
[D]	Per Providence Water Schedule NEP-2		
[E]	Revised to reflect PSWB amount		

PER PROVIDENCE WATER AMOUNTS

LINE NO.	ACCOUNT	TITLE	FISCAL YEAR 06/30/13	FISCAL YEAR 06/30/14	FISCAL YEAR 06/30/15	Test Year Adjustments	Adjusted Test Year
1	Source of Supply						
2		Overhead Rate Applied	(1,946)	(4,881)	(1,903)	1,903	-
3							
4	Water Treatment Expenses						
5		Overhead Rate Applied	(119)	-	-	-	
6		Overhead Rate Applied	(209)	-	-	-	
7							
8	Transmission + Dist. Expense:						
9	60550	Overhead Rate Applied	-	-	-		-
10	60560	Overhead Rate Applied	(685,387)	(735,243)	(831,840)	831,840	-
11							
12	Customer Accounts Expense:						
13	60570	Overhead Rate Applied	(393,700)	(200,554)	(101,176)	101,176	-
14							
15	Administrative and General						
16	60580	Overhead Rate Applied	(224,917)	(363,417)	(308,489)	308,489	-
17							
18	Total Overhead Clearing		(1,306,278)	(1,304,095)	(1,243,408)	1,243,408	-

Notes and Source

Providence Water Schedule NEP-1

Providence Water Supply Board
Adjustment to Employee Benefits Expense

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Schedule RCS-6
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Rate Year Ended December 31, 2017

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Amount</u> (A)	<u>Reference</u>
1	Total Proforma Employee Benefits Expense Per Company	\$ 10,650,639	A
2	Adjustment to Remove Projected Benefits for New Positions	\$ (345,819)	A & B
3	Division Adjusted Proforma Employee Benefits Expense	<u>\$ 10,304,820</u>	

Notes and Source

A: Amount from Company Schedule NEP-3 from Company filing

B: See Direct Testimony of Division witness Ralph C. Smith

Rate Year Ended December 31, 2017

<u>Line No.</u>	<u>Description</u>	<u>Amount</u> (A)	<u>Reference</u>
1	Division Adjustment to Payroll Expense	\$ (736,726)	A
2	OASHA Rate	6.20%	
3		<u>\$ (45,677)</u>	L1 x L2
4	Division Adjustment to Payroll Expense	\$ (736,726)	
5	Medicare Rate	1.45%	
6		<u>\$ (10,683)</u>	L4 x L5
7	Total Adjustment to Payroll Tax Expense	<u>\$ (56,360)</u>	L3 + L6

Notes and Source

A: See Schedule RCS-2 Revised

Rate Year Ended December 31, 2017

Line No.	Description	Test Year (A)	Company Adjustments (B)	PWSB Notes	Company Requested Pro-Forma	Division	Division
					Amount (C)	Adjustments (D)	Adjusted (E)
1	Worker's Compensation	\$ 591,015	\$ 554,198	1,4	\$ 1,145,213	\$ (136,455) [A]	\$ 1,008,758
2	Contract Services - Legal A&GO*	\$ -			\$ -		
3	Injuries and Damages	117,059	2,721	2	119,780		\$ 119,780
4	Property and Casualty	1,089,797	78,186	1,3	1,167,983		\$ 1,167,983
5	Program Expense	34,928	812	1	35,740		\$ 35,740
6	Safety Supplies & Other	4,418	103	2	4,521		\$ 4,521
7							
8	Total Expenses	\$ 1,837,216	\$ 636,021		\$ 2,473,237	\$ (136,455)	\$ 2,336,782
9							
10	Test Year Funding				\$ 1,802,547		
11	Pro-Forma Adjustment				\$ 670,690		

Notes and Source

Company amounts and notes are from Providence Water Schedule NEP-6

Company notes:

- Inflation Adjustment: Based on 3 year average for the period of January 2013 through December 2015 of 0.93% multiplied by 2.5 which is the period from the end of the test year (June 2015) through the end of the rate year (December 2017).
- Adjustments: The adjustments for Injuries and Damages, Program Expense, and Safety Supplies % other are based solely on the Inflation Adjustment.
- Property & Casualty: The adjustment for the Property & Casualty expense is based on the Inflation adjustment 2.325% plus an additional \$30,000 for additional premium for the new Central Operating Facility plus \$22,849 on the vehicles and property for East Smithfield Water District.
- Workers' Comp: This adjustment is a combination of increased premium due to an increase in the Providence Water experience modification number that drives the premium. The experience modification number is expected to jump considerably due to the significant increase in the number of claims and the expected magnitude of the claims expense. The anticipated claims expense is calculated by the actuaries at The Hartford-the company that holds Providence Water Workers' Comp policy. The estimated premium based on this is \$425,000 plus the estimated claims amount of \$720,213.

Division Adjustment Notes:

[A] Workers' Compensation paid as salary should not be treated as workers' compensation expense unless the salary is credited to the insurance reserve

Workers' Compensation in Payroll	\$ 131,968	Schedule RCS-3 (also Schedule NEP-2)
Payroll escalation	1,034	Schedule RCS-3 (also Schedule NEP-2)
Adjustment to remove Workers' Compensation paid as salary	<u>\$ 136,455</u>	

[B] Providence Water proposed funding for insurance per above
 Providence Water insurance fund annual funding
 Unidentified difference

\$ 2,473,237	Above, Col.C, \line 8
\$ 2,438,568	Company Schedule NEP-12F
<u>\$ 34,669</u>	

Providence Water Supply Board
Adjustment for Town of Foster Property Tax Expense Refund

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Schedule RCS-9
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Rate Year Ended December 31, 2017

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Amount</u> (A)	<u>Reference</u>
1	Division Adjustment to Property Tax Expense	<u>\$ (175,000)</u>	A

Notes and Source

Property tax refund amounts to be paid to Providence Water from Foster RI annually for 7/15/2015 through 7/15/2023 (with a final payment of \$298,983 due on 7/15/2024) per the Company's response to DIV 3-1 and 3-2

Credit annually for nine years, total credits \$ 1,575,000

Rate Year Ended December 31, 2017

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Amount</u> (A)	<u>Reference</u>
1	Remove Company-Proposed PILOT	<u>\$ (326,000)</u>	A

Notes and Source

[A] This adjustment remove the Company's proposed PILOT for the reasons stated in the Division's testimony.
Amount is Company Schedule HJS-1, as reproduced on Schedule RCS-1, column A.

Rate Year Ended December 31, 2017

Line No.	Category	FY2011 (A)	FY2012 (B)	FY2013 (C)	FY2014 (D)	FY2015 (E)	FY2016 (F)
I. Amounts Recorded							
1	Admin Fee-NBC	\$ 36,924	\$ 25,000	\$ 25,000	\$ 25,000	\$ 18,750	\$ 31,250
2	Forest Product Sales	\$ 32,455	\$ 28,809	\$ 14,847	\$ 34,805	\$ 31,450	\$ 92,450
3	Interest Delinquent Accts.	\$ 389,249	\$ 472,048	\$ 430,557	\$ 304,119	\$ 407,331	\$ 413,947
4	Miscellaneous State Revenue	\$ 191,699	\$ 189,348	\$ 160,980	\$ 179,132	\$ 185,857	\$ 185,255
5	Other Miscellaneous	\$ 178,719	\$ 210,795	\$ 562,982	\$ 298,927	\$ 202,149	\$ 364,729
6	New Water Meter	\$ 41,707	\$ 38,443	\$ 54,787	\$ 57,205	\$ 48,957	\$ 42,789
7	Shut off/on Revenue	\$ 121,968	\$ 214,726	\$ 129,445	\$ 102,959	\$ 188,738	\$ 209,933
8	Total Miscellaneous Revenue	<u>\$ 992,721</u>	<u>\$ 1,179,169</u>	<u>\$ 1,378,598</u>	<u>\$ 1,002,147</u>	<u>\$ 1,083,232</u>	<u>\$ 1,340,353</u>
II. Year-Over-Year Change							
9	Admin Fee-NBC		\$ (11,924)	\$ -	\$ -	\$ (6,250)	\$ 12,500
10	Forest Product Sales		\$ (3,646)	\$ (13,962)	\$ 19,958	\$ (3,355)	\$ 61,000
11	Interest Delinquent Accts.		\$ 82,799	\$ (41,491)	\$ (126,438)	\$ 103,212	\$ 6,616
12	Miscellaneous State Revenue		\$ (2,351)	\$ (28,368)	\$ 18,152	\$ 6,725	\$ (602)
13	Other Miscellaneous		\$ 32,076	\$ 352,187	\$ (264,055)	\$ (96,778)	\$ 162,580
14	New Water Meter		\$ (3,264)	\$ 16,344	\$ 2,418	\$ (8,248)	\$ (6,168)
15	Shut off/on Revenue		\$ 92,758	\$ (85,281)	\$ (26,486)	\$ 85,779	\$ 21,195
16	Total Miscellaneous Revenue		<u>\$ 186,448</u>	<u>\$ 199,429</u>	<u>\$ (376,451)</u>	<u>\$ 81,085</u>	<u>\$ 257,121</u>
17	Percentage Change		18.8%	16.9%	-27.3%	8.1%	23.7%

III. Averages for Periods Ending with FY2016 and Comparison with Company Proposed Amount

	Average (G)	Company Proposed Amount (H)	Average vx Company Proposed (I)
18 Six Years	\$ 1,162,703	\$ 1,089,482 Note A	\$ 73,221
19 Five Years	\$ 1,196,700	\$ 1,089,482 Note A	\$ 107,218
20 Four Years	\$ 1,201,083	\$ 1,089,482 Note A	\$ 111,601
21 Three Years	\$ 1,141,911	\$ 1,089,482 Note A	\$ 52,429
22 Two Years	\$ 1,211,793	\$ 1,089,482 Note A	\$ 122,311

IV. Adjustment to Company-Proposed Amount

	Amount	
23 Division Adjusted Amount	\$ 1,141,911	Based on three-year average
24 Company Proposed Amount	1,089,482	Note A
25 Division Adjustment	<u>\$ 52,429</u>	

Notes and Source:

Providence Water response to DIV 1-21
 FY2016 - Providence Water supplemental response to DIV 1-21
 Note A: Company Schedule HJS-1. Also see, Schedule RCS-1, column A, line 8

26 FY 2015 Amount		\$ 1,083,232	Column E, line 8
27 Company adjustment for Admin Fee:			
28 Normalized Admin Fee	\$ 25,000		
29 FY 2015 Admin Fee	\$ 18,750		Column E, line 1
30 Company adjustment for Admin Fee		\$ 6,250	
31 Company proposed Miscellaneous Revenue		<u>\$ 1,089,482</u>	

Providence Water Supply Board
 Adjustment for Restricted Account Funding

Docket No. 4618
 Schedule RCS-12
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 Revised

Rate Year Ended December 31, 2017

Line, No.	Restricted Account Fund	PWSB Proposed Funding Level (A)	Division Recommendation (B)	Differenece Division Adjustment (C)	Less Other Division Adjustments (D)	Division Net Funding Adjustment (E)
1	Western Cranston Fund	\$ 62,069	\$ 40,000	\$ (22,069)		\$ (22,069)
2	Insurance Fund	2,438,568	2,438,568 [1]	\$ -	\$ (136,455)	\$ 136,455
3	Chemicals & Sludge Fund	3,000,000	2,800,000	\$ (200,000)		\$ (200,000)
4	Sum of Differences			\$ (222,069)	\$ (136,455)	\$ (85,614)
5	Total Division Adjustment for Annual Funding					\$ (85,614)

Notes and Source

- Col.A Providence Water Schedules NEP-12B, Schedule NEP-12F and Schedule NEP-12G, respectively.
 Col.B See Division testimony
 Col.C Col. B - Col. A
 Col.D Division Adjustment for Insurance Expense from Schedule RCS-8
 [1] Revised per Surrebuttal Testimony

Rate Year Ended December 31, 2017

Line No.	Description	FY 2016 (A)	FY 2017 (B)	FY 2018 (C)	FY 2019 (D)
I. Per Company (updated per NEP-REB-7)					
Source of Funds					
1	D4571 (effective 9/1/2015)		\$ 62,069	\$ 62,069	\$ 62,069
2	Impact Fees estimated		\$ 15,819	\$ 15,819	\$ 15,819
3	Carryover funds from prior year estimated		\$ 523,341	\$ 407,722	\$ 314,775
4	Total Sources		\$ 601,229	\$ 485,611	\$ 392,663
Less obligated uses of funds					
5	RICWFA 2002B (P)		\$ 141,276	\$ 146,180	\$ 151,253
6	RICWFA 2002 (Pippin Main & WilburPS) (I)		\$ 29,645	\$ 24,656	\$ 19,494
7	Sub-total Debt Service		\$ 170,921	\$ 170,836	\$ 170,656
8	Cash Funded Projects		\$ 22,586	\$ -	\$ -
9	Total Uses		\$ 193,507	\$ 170,836	\$ 170,656
10	End of Year Balance		\$ 407,722	\$ 314,775	\$ 222,007

II. Per Division (updated per NEP-REB-7)					
11	D4571 (effective 9/1/2015)		\$ 62,069	\$ 62,069	\$ 62,069
12	Division Recommended Adjustment to PWSB Proposed Funding Level		\$ (11,035)	\$ (22,069)	\$ (22,069)
13	Division Recommended Funding Level		\$ 51,035	\$ 40,000	\$ 40,000
14	Impact Fees estimated		\$ 15,819	\$ 15,819	\$ 15,819
15	Carryover funds from prior year estimated		\$ 523,341	\$ 396,687	\$ 281,670
16	Total Sources		\$ 590,195	\$ 452,506	\$ 337,489
Less obligated uses of funds					
17	RICWFA 2002B (P)		\$ 141,276	\$ 146,180	\$ 151,253
18	RICWFA 2002 (Pippin Main & WilburPS) (I)		\$ 29,645	\$ 24,656	\$ 19,494
19	Sub-total Debt Service		\$ 170,921	\$ 170,836	\$ 170,656
20	Cash Funded Projects		\$ 22,586	\$ -	\$ -
21	Total Uses		\$ 193,507	\$ 170,836	\$ 170,656
22	End of Year Balance		\$ 396,687	\$ 281,670	\$ 166,832

Notes and Source

Lines 1-10: Amounts from Schedule NEP-12B from PWSB filing

As updated by PSWB in NEP-REB-7

Line 12: See page 1

Differences (Division Adjustment, line 11)

Annual	\$	(11,035)	\$	(22,069)	\$	(22,069)
Cumulative	\$	(11,035)	\$	(33,104)	\$	(55,173)

Line 22 - Line 10

\$	(11,036)	\$	(33,105)	\$	(55,175)
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Rate Year Ended December 31, 2017

Line No.	Description	FY 2016 (A)	FY 2017 (B)	FY 2018 (C)	FY 2019 (D)
I. Per Company					
Source of Funds					
1	D4571 (effective 9/1/2015)	\$ 1,802,547	\$ 1,802,547	\$ 1,802,547	\$ 1,802,547
2	Adjustments to funding from new docket effective 1/1/17	\$ -	\$ 318,010	\$ 636,021	\$ 636,021
3	Carryover funds from prior year estimated	\$ 2,655,031	\$ 2,212,398	\$ 1,997,969	\$ 2,008,150
4	Total Sources	\$ 4,457,578	\$ 4,332,955	\$ 4,436,536	\$ 4,446,717
Less obligated uses of funds					
5	Property & Casualty	\$ 1,054,593	\$ 1,096,777	\$ 1,140,648	\$ 1,186,274
6	Workers Compensation	\$ 1,026,940	\$ 1,068,017	\$ 1,110,738	\$ 1,155,167
7	Injuries & Damages	\$ 122,479	\$ 127,378	\$ 132,473	\$ 137,772
8	Safety Supplies & Other	\$ 4,623	\$ 4,808	\$ 5,000	\$ 5,200
9	Program Expense	\$ 36,545	\$ 38,007	\$ 39,527	\$ 41,108
10	Total Uses	\$ 2,245,180	\$ 2,334,987	\$ 2,428,386	\$ 2,525,522
11	End of Year Balance	\$ 2,212,398	\$ 1,997,969	\$ 2,008,150	\$ 1,921,196
II. Per Division					
12	D4571 (effective 9/1/2015)	\$ 1,802,547	\$ 1,802,547	\$ 1,802,547	\$ 1,802,547
13	Adjustments to funding from new docket effective 1/1/17	\$ -	\$ 318,010	\$ 636,021	\$ 636,021
14	Company Adjusted Funding Level Per Filing	\$ 1,802,547	\$ 2,120,557	\$ 2,438,568	\$ 2,438,568
15	Division Recommended Adjustment to PWSB Proposed Funding Level	\$ -			
16	Division Recommended Funding Level	\$ 1,802,547	\$ 2,120,557	\$ 2,438,568	\$ 2,438,568
17	Carryover funds from prior year estimated	\$ 2,655,031	\$ 2,212,398	\$ 1,997,969	\$ 2,008,150
18	Total Sources	\$ 4,457,578	\$ 4,332,955	\$ 4,436,536	\$ 4,446,717
Less obligated uses of funds					
19	Property & Casualty	\$ 1,054,593	\$ 1,096,777	\$ 1,140,648	\$ 1,186,274
20	Workers Compensation	\$ 1,026,940	\$ 1,068,017	\$ 1,110,738	\$ 1,155,167
21	Injuries & Damages	\$ 122,479	\$ 127,378	\$ 132,473	\$ 137,772
22	Safety Supplies & Other	\$ 4,623	\$ 4,808	\$ 5,000	\$ 5,200
23	Program Expense	\$ 36,545	\$ 38,007	\$ 39,527	\$ 41,108
24	Total Uses	\$ 2,245,180	\$ 2,334,987	\$ 2,428,386	\$ 2,525,522
25	End of Year Balance	\$ 2,212,398	\$ 1,997,969	\$ 2,008,150	\$ 1,921,196

Notes and Source

Lines 1-11: Amounts from Schedule NEP-12F from PWSB filing

Line 15: See page 1

Rate Year Ended December 31, 2017

Line No.	Description	FY 2016 (A)	FY 2017 (B)	FY 2018 (C)	FY 2019 (D)
I. Per Company					
Source of Funds					
1	D4571 (effective 9/1/2015)	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000
2	Adjustments to funding from new docket effective 1/1/17		\$ (750,000)	\$ (1,500,000)	\$ (1,500,000)
3	Carryover funds from prior year estimated	\$ 1,429,677	\$ 2,232,855	\$ 2,482,404	\$ 2,074,791
4	Total Sources	\$ 5,929,677	\$ 5,982,855	\$ 5,482,404	\$ 5,074,791
Less obligated uses of funds					
5	Reimburse CIP for borrowing	\$ 600,000	\$ -	\$ -	\$ -
6	Chemicals	\$ 1,487,904	\$ 1,891,533	\$ 1,798,694	\$ 1,806,067
7	Sludge Maintenance	\$ 1,608,918	\$ 1,608,918	\$ 1,608,918	\$ 1,608,918
8	Total Uses	\$ 3,696,822	\$ 3,500,451	\$ 3,407,612	\$ 3,414,985
9	End of Year Balance	\$ 2,232,855	\$ 2,482,404	\$ 2,074,791	\$ 1,659,806
II. Per Division					
10	D4571 (effective 9/1/2015)	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000
11	Adjustments to funding from new docket effective 1/1/17		\$ (750,000)	\$ (1,500,000)	\$ (1,500,000)
12	Company Adjusted Funding Level Per Filing	\$ 4,500,000	\$ 3,750,000	\$ 3,000,000	\$ 3,000,000
13	Division Recommended Adjustment to PWSB Proposed Funding Level	\$ -	\$ (100,000)	\$ (200,000)	\$ (200,000)
14	Division Recommended Funding Level	\$ 4,500,000	\$ 3,650,000	\$ 2,800,000	\$ 2,800,000
15	Carryover funds from prior year estimated	\$ 1,429,677	\$ 2,232,855	\$ 2,382,404	\$ 1,774,791
16	Total Sources	\$ 5,929,677	\$ 5,882,855	\$ 5,182,404	\$ 4,574,791
Less obligated uses of funds					
17	Reimburse CIP for borrowing	\$ 600,000	\$ -	\$ -	\$ -
18	Chemicals	\$ 1,487,904	\$ 1,891,533	\$ 1,798,694	\$ 1,806,067
19	Sludge Maintenance	\$ 1,608,918	\$ 1,608,918	\$ 1,608,918	\$ 1,608,918
20	Total Uses	\$ 3,696,822	\$ 3,500,451	\$ 3,407,612	\$ 3,414,985
21	End of Year Balance	\$ 2,232,855	\$ 2,382,404	\$ 1,774,791	\$ 1,159,806

Notes and Source

Lines 1-9: Amounts from Schedule NEP-12G from PWSB filing

Line 13: See page 1

Providence Water Supply Board
 Operating Reserve and Revenue Reserve

Docket No. 4618
 Schedule RCS-13
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 Revised

Rate Year Ended December 31, 2017

Line No.	Description	Calculation Factors (A)	Company Adjusted (B)	Division Adjusted (C)	Division Adjustment (D) = C - B
1	Net Operations and Maintenance Expense		\$ 37,084,034	37,769,488	685,454
2	Capital Expense		\$ 30,889,069	\$ 30,867,000	(22,069)
3	City Services Expense		\$ 957,400	957,400	-
4	Property Taxes Expense		\$ 6,957,183	6,782,183	(175,000)
5	PILOT		\$ 326,000	-	(326,000)
6	Total Expenses Allocated		\$ 76,213,685	\$ 76,376,071	\$ 162,386
7	Less: Miscellaneous Revenues		\$ (1,089,482)	\$ (1,141,911)	(52,429)
8	Net Amount for Calculation of Revenues		\$ 75,124,203	\$ 75,234,160	\$ 109,957
9	.5% Revenue Reserve	0.50%	\$ 375,621	\$ 376,171	\$ 550
10	1.5% Operating Reserve	1.50%	\$ 1,126,863	\$ 1,128,512	\$ 1,649
11	Operating Reserve and Revenue Reserve		\$ 1,502,484	\$ 1,504,683	\$ 2,199

Notes and Source

Cols. A and B: Amounts from Company Schedule NEP-10

Col. C: Amounts are the Division adjusted amounts from Schedule RCS-1