



PROVIDENCE WATER

Tap Water Delivers

February 16, 2017

The Hon. Jorge O. Elorza
Mayor

Ricky Caruolo
General Manager

Mrs. Luly Massaro, Commission Clerk
RI Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

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RE: DK 4618-Providence Water Compliance Tariffs and Schedules

Dear Mrs. Massaro:

We apologize for any confusion that may have been caused by our original compliance filing. As requested by the Commission, we are providing a revised compliance filing that does not adjust the Capital Reimbursement amount on our cost of service schedule (HJS-1 Compliance). See Attachment E.

We would also like to take this opportunity to explain our position in our original compliance filing. The adjustment came up in the open meeting, therefore we did not have an opportunity to explain how we view the entries that we feel represent a fair and equitable treatment of the matter.

On our Cost of Service schedule (HJS-1), we have a Capital Reimbursement line in our Operating Expenses. The Capital Reimbursement amount, \$2,143,087, is in parentheses and represents a reduction to our Operating Expenses, and hence, a reduction to revenues supporting Operating Expenses. The Capital Reimbursement that reduces our funding for Operating Expenses is recovered through our capital funds in the IFR account. See attachments A and B which show this funding in our direct filing. Attachment A is our original cost of service schedule and it reflects \$2,143,087 as the Capital Reimbursement amount. Attachment B, on the 'Labor & Overhead' line has the same amount of \$2,143,087. This shows that the Capital Reimbursement funding is provided by IFR funds.

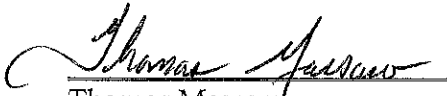
When the IFR funding for Labor and Overheads is reduced by \$300,000, and a similar adjustment is not made to the Capital Reimbursement amount, we will not have a complete funding source for the \$2,143,087 of Capital Reimbursement (less the \$300,000 Commission adjustment). Without making a corresponding \$300,000 adjustment to Capital Reimbursement so that the IFR funding matches that amount, our revenue requirements are under-funded by \$300,000.

In our last rate filing, Docket 4406, adding the overheads to the capitalized

labor already being allocated to IFR was a proposal made by the Division. Providence Water accepted that proposal in Settlement. In our current filing, we reflect that settlement proposal by providing the funding in the IFR for Labor and Overhead amounts 'capitalized' (i.e. charged to projects). We note that Division witness Ralph Smith questioned the proper recovery of the 'overhead rate applied'. Nancy Parrillo explained the accounting at pages 3-5 of her rebuttal testimony. (See Attachment C). Ralph Smith concurs with Providence Water's recovery of our Capital Reimbursement as represented in his surrebuttal testimony at pages 5-6. (See Attachment D).

We hope that after reviewing this explanation, the Commission will approve our original compliance filing. However, in response to the Commission's request, we have provided a revised compliance filing.

Sincerely,

A handwritten signature in cursive script, appearing to read "Thomas Massaro", written over a horizontal line.

Thomas Massaro
Senior Manager, Finance

cc: Dk 4618 Service List
File

Schedule HJS-1
 Cost of Service Summary
 Rate Year Ending December 31, 2017

Attachment A

	Adjusted Test Year	Combined Adjustments	Pro-Forma Old Rates	Additional Revenue Generated	Pro-Forma New Rates
Revenue					
Service Charge	\$ 7,367,470	\$ 236,052	\$ 7,603,522	\$ 42,811	\$ 7,646,333
East Smithfield Debt Surcharge	-	-	-	85,217	85,217
Retail Sales	38,173,132	1,031,751	39,204,882	6,209,514	45,414,396
Wholesale Sales	17,732,706	(1,230,624)	16,502,082	1,240,488	17,742,569
Private Fire Protection	2,576,961	-	2,576,961	386,544	2,963,505
Retail FPSC	1,252,391	46,719	1,299,110	194,866	1,493,976
Public Fire Protection	1,124,390	-	1,124,390	168,602	1,292,992
Miscellaneous Revenue	1,083,232	6,250	1,089,482	-	1,089,482
Other	-	-	-	-	-
TOTAL REVENUE	\$ 69,310,282	\$ 90,148	\$ 69,400,429	\$ 8,328,042	\$ 77,728,472
Total Rate Revenues	\$ 68,227,050	\$ 83,898	\$ 68,310,947		\$ 76,638,990
Expenses					
Operations					
Operations and Maintenance	\$ 30,843,233	\$ 2,910,650	\$ 33,753,883		\$ 33,753,883
Insurance	1,802,547	670,690	2,473,237		2,473,237
Chemical & Sludge	4,500,000	(1,500,000)	3,000,000		3,000,000
City Service	839,167	118,233	957,400		957,400
Property Taxes	6,540,728	416,455	6,957,183		6,957,183
Payment in Lieu of Taxes	-	326,000	326,000		326,000
Capital Reimbursement	(2,143,087)	-	(2,143,087)		(2,143,087)
Net Operations	\$42,382,588	\$2,942,028	\$ 45,324,616		\$ 45,324,616
Capital					
Capital Fund	\$ 2,127,000	\$ -	\$ 2,127,000		\$ 2,127,000
Western Cranston	62,069	-	62,069		62,069
Infrastructure Replacement Fund	24,000,000	3,600,000	27,600,000		27,600,000
Cash-Funded AMR/Meter Repl. Fund	1,000,000	(500,000)	500,000		500,000
Equipment Replacement Fund	600,000	-	600,000		600,000
Revenue Reserve Fund (Restricted)	335,611	40,010	375,621		375,621
Capital	\$28,124,680	\$3,140,010	\$ 31,264,690		\$31,264,690
TOTAL EXPENSES	\$70,507,268	\$6,082,037.87	\$ 76,589,306		\$76,589,306
Operating Reserve (Unrestricted)	\$1,046,032		\$1,126,863		\$1,126,863
Total Revenue Requirements Including Reserve Funding	\$71,553,300		\$77,716,169		\$77,716,169
Revenues Over (Under) Expenses	(\$2,243,018.47)		(\$8,315,739)		\$12,303.08
Total Increase to Break-Even					11.98%
Rate Revenue Increase to Break-Even				\$ 8,328,042	12.17%

Notes:

Operating Reserve is ((A-B+C)-(D+E))*0.01
 Revenue surplus results from rounding

Providence Water
5 Year IFR Expenditure Plan
 Fiscal Years 2016 through 2020

Attachment B.

as of 9/30/15

Beginning Balance		13,197,215	(1,911,257)	1,579,341	5,220,098	913,310
Cash on Hand	10,020,983					
Due to / Due From	3,176,252					
Budget Carry-over						
Bond 1 - \$15.0 Million - Water Mains			7,000,000	8,000,000		
Bond 2 - \$45 Million - Clarification						35,000,000
Est. new Funding from RIPUC			1,100,000	2,200,000	2,200,000	2,200,000
Estimated new Funding from RIPUC - Debt Service			700,000	1,400,000	1,400,000	5,200,000
Contributions from Rates		24,000,000	24,000,000	24,000,000	24,000,000	24,000,000
	13,197,215.03	37,197,215.03	30,888,743.02	37,179,340.83	32,820,096.09	67,313,309.82

		Total Amount	Budget 2016	Budget 2017	Budget 2018	Budget 2019	Budget 2020
RAW WATER SUPPLY							
RWS		0					
RWS		0					
RWS	1 Various Large dam Improvements	80,000		20,000	20,000	20,000	20,000
RWS		0					
RWS	2 Watershed fencing, fire lanes, property rehabilitation	50,000	10,000	10,000	10,000	10,000	10,000
RWS	3 Raw Water B. P. S. - generator upgrades	310,000			310,000		
RWS	4 Coomer dam rehabilitation	580,000				550,000	
RWS	5 80" influent conduits - inspection	15,000		15,000			
RWS	6 90" Influent conduit inspection / rehabilitation	100,000	100,000				
	Raw Water Supply Total	1,105,000	110,000	45,000	340,000	580,000	30,000

		Total Amount	Budget 2016	Budget 2017	Budget 2018	Budget 2019	Budget 2020
TREATMENT PLANT							
TP	7 Plant Influent and Aerator, and Conduits	2,400,000	2,000,000	400,000			
TP	8 Ferric system upgrades	65,000	65,000				
TP	9 Lime feed system upgrades	650,000	250,000	400,000			
TP	10 Lime transfer system upgrades	25,500	11,200				14,300
TP	11 Chlorine loading dock rehabilitation	10,000	10,000				
TP	12 Chlorine room monorail and scales replacement	171,000		171,000			
TP	13 Fluoride feed system Improvements	8,800					8,800
TP	14 Filtration system Improvements	8,700,000	8,700,000				
TP	15 Pilot of sedimentation / clarification processes	1,700,000	1,000,000	700,000			
TP	16 Sedimentation / Clarification system Improvements	40,000,000			2,000,000	3,000,000	35,000,000
TP	17 Washwater tank Inspection	10,000					10,000
TP	18 Service Water tank Inspection	10,000					10,000
TP	19 Clearwell tank Inspection	10,000					10,000
TP	20 Treatment process & water quality studies	1,495,000	520,000	375,000	600,000		
TP	21 Treatment plant building rehabilitation	100,000	20,000	20,000	20,000	20,000	20,000
TP	22 PW lab / equipment Improvements	90,000	50,000	10,000	10,000	10,000	10,000
TP	23 SCADA / Control system upgrades	100,000	20,000	20,000	20,000	20,000	20,000
TP	24 Sludge removal and disposal	1,000,000	1,000,000				
	Treatment Plant Total	56,545,300	13,646,200	2,098,000	2,650,000	3,050,000	35,103,100

		Total Amount	Budget 2016	Budget 2017	Budget 2018	Budget 2019	Budget 2020
PUMPING AND STORAGE							
P&S	25 Neutaconkanut reservoir inspection	50,000		50,000			
P&S	26 Longview reservoir Inspection	50,000		50,000			
P&S	27 Lawton Hill reservoir inspection	25,000			25,000		
P&S	28 Ridge road tank reservoir inspection and rehabilitation	278,000			278,000		
P&S	29 Neutaconkanut reservoir WQ modifications	795,000			795,000		
P&S	30 Aqueduct reservoir WQ modifications	2,098,000					2,098,000
P&S	31 Neutaconkanut P.S. - VFD drives	116,000				115,000	
P&S	32 Bath St. P.S. - VFD drives	101,000				101,000	
P&S	33 Aqueduct P.S. - VFD drives	65,000		65,000			
P&S	34 Cranston Commons - VFD drive pumps	26,000		26,000			
P&S	35 Fruit Hill pump station - VFD drives, replace motors and generator	311,000		92,000			219,000
P&S	36 Atwood Ave pump station upgrades	263,000		263,000			
P&S	37 Neutaconkanut PS, Aqueduct GH - rehabilitate roofs	67,000		67,000			
P&S	38 Various pump station improvements	80,000	10,000	20,000	20,000	20,000	20,000
	Pumping and Storage Total	4,334,000	10,000	633,000	1,118,000	236,000	2,337,000

		Total Amount	Budget 2016	Budget 2017	Budget 2018	Budget 2019	Budget 2020
TRANSMISSION SYSTEM							
TS	39 102" aqueduct inspection / rehabilitation	1,970,000	1,970,000				
TS	40 102" aqueduct fiber optic monitoring	550,000	110,000	110,000	110,000	110,000	110,000
TS	41 78" aqueduct inspection / rehabilitation	1,784,000		1,784,000			
TS	42 Feasibility assessment of 102" / 78" aqueducts	750,000			750,000		
TS	43 90" aqueduct inspection / rehabilitation	900,000				900,000	
TS	44 Condition assessment transmission mains	500,000		125,000	125,000	125,000	125,000
TS	45 16" and larger valves replacements	1,000,000	200,000	200,000	200,000	200,000	200,000
	Transmission System Total	7,454,000	2,280,000	2,219,000	1,185,000	1,336,000	435,000

Providence Water
5 Year IFR Expenditure Plan

Fiscal Years 2016 through 2020

as of 6/30/15

Beginning Balance		13,197,215	(1,911,257)	1,579,341	5,220,096	913,310
Cash on Hand	10,020,963					
Due to / Due From	3,176,252					
Budget Carry-over						
Bond 1 - \$16.0 Million - Water Mains			7,000,000	8,000,000		
Bond 2 - \$45 Million - Clarification						35,000,000
Est. new Funding from RIPUC			1,100,000	2,200,000	2,200,000	2,200,000
Estimated new Funding from RIPUC - Debt Service			700,000	1,400,000	1,400,000	5,200,000
Contributions from Rates		24,000,000	24,000,000	24,000,000	24,000,000	24,000,000
	13,197,215.03	37,197,215.03	30,888,743.02	37,179,340.83	32,820,096.09	67,313,309.92

Total Amount	Budget 2016	Budget 2017	Budget 2018	Budget 2019	Budget 2020
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DISTRIBUTION SYSTEM

		82,600,000	14,800,000	15,800,000	17,000,000	17,000,000	18,000,000
DS 46	Replace / Upgrade water mains						
DS 47	Replace Distribution Valves	1,000,000	200,000	200,000	200,000	200,000	200,000
DS 48	Replace lead services	2,500,000	500,000	500,000	500,000	500,000	500,000
DS 49	Replace fire hydrants	1,500,000	300,000	300,000	300,000	300,000	300,000
DS 50	Replace blowoffs	500,000	100,000	100,000	100,000	100,000	100,000
	Distribution System Total	88,100,000	15,900,000	16,900,000	18,100,000	18,100,000	19,100,000

SUPPORT SYSTEM FACILITIES

		200,000	75,000	50,000	25,000	25,000	25,000
SSF 51	Building and facilities rehabilitation						
SSF 52	Forestry garage, Old transformer building - Rehabilitate roofs	211,000		211,000			
SSF 53	Records Management (GIS) upgrades	60,000			20,000	20,000	20,000
SSF 54	Facilities fencing and roads rehabilitation	80,000		20,000	20,000	20,000	20,000
	Support System Facilities Total	551,000	76,000	281,000	65,000	65,000	66,000

TOTAL PROJECTS	158,089,300	32,021,200	22,174,000	23,468,000	23,366,000	57,070,100
Debt Service Payments	24,884,444	4,944,185	4,990,402	4,986,834	4,982,617	4,980,405
Debt Service 1 - \$15.0 Million - Water Mains	3,979,633			1,326,511	1,326,511	1,326,511
Debt Service 2 - \$45 Million - Clarification						
Labor & Overhead	10,983,936	2,143,087	2,145,000	2,187,900	2,231,658	2,276,291
TOTAL Administrative	39,847,913	7,087,272	7,135,402	6,501,245	8,540,786	8,583,208
TOTAL EXPENDITURES - IFR FUND	197,937,213	39,108,472	29,309,402	31,969,245	31,906,786	65,653,308
Surplus / (Deficit)		(\$1,911,257)	\$1,579,341	\$5,220,096	\$913,310	\$1,660,002

Bond issue amounts reflect construction fund deposits.

Debt Service is based on bond issue amount that is calculated on the construction fund deposit then grossed up for the 1% RIIB origination fee, \$75,000 for

Cost of Issuance expense and a 8% Debt Service Reserve Fund deposit

Construction fund of \$10 million = bond issue of	\$ 16,750,000
Construction fund of \$45 million = bond issue of	\$ 49,750,000
Construction fund of \$30 million = bond issue of	\$ 33,500,000

Rebuttal Testimony
of
NANCY E. PARRILLO
before the
PUBLIC UTILITIES COMMISSION

for

PROVIDENCE WATER

DOCKET# 4618

December 9, 2016

1 **Q. Please state your full name and title?**

2 A. Nancy E. Parrillo, Senior Manager – Finance for the Providence Water Supply Board
3 (Providence Water, PW).

4 **Q. How long have you been employed by Providence Water?**

5 A. I have been employed since April of 2015 or 1.5 years.

6 **Q. Would you please state your education, background, and professional associations?**

7 A. I have a Master's Degree in Business Administration with a concentration in Finance
8 from Bryant University. I graduated from Wheaton College in Norton, Massachusetts
9 with a Bachelor of Arts degree with a major in Economics.

10 I participated in Providence Water's last filing, Docket 4571 in the summer of 2015.

11 Prior to joining Providence Water, I was the CFO for the RI Turnpike & Bridge Authority.

12 I have also spent 12 years in the water and wastewater sectors as CFO for the MA Water
13 Pollution Abatement Trust, which is the name of the Massachusetts State Revolving
14 Fund agency, and as CFO for the South Essex Sewerage District, Massachusetts's second
15 largest wastewater treatment facility.

16 I currently am the Treasurer for the RI Maritime Trades Association.

17 **Q. Please explain your duties and responsibilities.**

18 A. I am responsible for the Finance Department which includes Accounting, Financial
19 Planning, Budgeting, Accounts Payable, Payroll, and Regulatory. I am also responsible

1 for oversight of the Customer Service area which includes Billing, Collections, and the
2 Meter Department.

3 **Q. What is the purpose of your testimony?**

4 A. To provide rebuttal testimony for Providence Water in our current rate case.

5 **Q. What issues will you address in your rebuttal testimony?**

6 A. I will be addressing issues raised by the Division and the Wholesaler interveners in their direct
7 testimony. The following are the issues that I will be addressing:

8 Payroll : 14 positions & related fringe costs, overtime, payroll tax

9 Overhead rate applied Payment In Lieu Of Taxes (PILOT)

10 Workers Compensation Plant Asset Review

11 Restricted Insurance Fund Regulatory and Rate Case Expense

12 Property Tax Refund Western Cranston Restricted Fund

13 Miscellaneous Revenue Chemical Fund

14 **Payroll**

15 **Q. Do you agree with the Division's proposal to remove the expenses related to the proposed 14**
16 **new positions and the related fringe expense (\$961,793)?**

17 A. No, I do not. Providence Water has not been able to address its personnel needs adequately as
18 we have been spending more than the expected personnel expenses allowed through Docket
19 4406. Total personnel expenses - salaries, fringe benefits, city retirement, and other fringe
20 benefits - allowed in Docket 4406 was \$22,507,320. Salaries with overtime was \$14,282,574.

1 Fringe benefits including retirement expenses totaled \$8,224,746. An analysis of actual costs
2 shows that while salaries and overtime were less in 3 of the last 4 years as compared to the
3 amount allowed through Docket 4406, fringe benefits continued to rise. This forced us to
4 reallocate salary dollars to fringe dollars, particularly to the retirement and other fringe benefit
5 costs. This reallocation of dollars has not allowed us to fill the requested levels of positions.

6 The payroll tax adjustment that the Division is proposing is directly related to the incremental
7 payroll associated with the new positions and anticipated overtime.

8 We also disagree with the Division's proposed overtime expense adjustment of \$211,133. We
9 based our proposed overtime expense on the test year amount of \$911,601 which is historically
10 in line with the previous 3 years. See Schedule of Number of Employees and Overtime (pursuant
11 to 2.9(j) of Commission Rules of Practice and Procedure) in Tab 9 of pre-filed testimony. See NEP
12 – REB - 1. The fiscal year 2016 overtime expense was less than expected due to the warm
13 weather patterns experienced in the winter months which resulted in very few emergency
14 repairs requiring overtime. Also, the budget constraints noted above as related to overall
15 allowable personnel expense caused management to review any potential other planned work
16 and reduce any overtime related to these types of projects.

17 **Overhead Rate Applied**

18 **Q. Do you agree with Mr. Smith's statement that Providence Water has not treated the overhead**
19 **rate applied as being reimbursed from the IFR fund or another capital fund?**

20 **A.** No, I do not. Providence Water did treat the overhead rate applied in the same manner as
21 payroll clearing. The cost of service schedule, HJS-1, at the Capital Reimbursement line under
22 Expenses, shows total payroll (\$899,680) and capitalized overheads (\$1,243,407) amounting to

1 \$2,143,087 being deducted from our expenditure total as they are being recovered from IFR
2 funding.

3 **Q. Do you agree with Mr. Smith’s statement that the IFR fund should not include the amount of**
4 **overhead being recovered through the IFR fund?**

5 A. No, I do not. The Overhead Rate Applied had not been included in the IFR plan funding that
6 Providence Water submitted in its rate filing with the Commission in Docket 4406. However, in
7 Docket 4406, the Division proposed to include the overhead rate reimbursement from the IFR
8 fund. Ms. Jeanne Bondarevskis, Senior Director – Administration at Providence Water at the
9 time of that docket, did not agree to that proposal in her rebuttal testimony (Docket 4406
10 rebuttal testimony dated September 27, 2013, page 2, lines 17-21). Ms. Bondarevskis also
11 stated that should this adjustment be made, an increase to the IFR would be included in the
12 next docket to cover the funding for the overhead rate applied expense. The Division’s proposal
13 was accepted in the Settlement in Docket 4406, and this filing addresses the need to include the
14 overhead rate reimbursement from the IFR fund. Therefore we are deducting the overhead
15 rate applied amount from the cost of service expenses and including the amount as an expense
16 to be recovered in the IFR funding. See the 5 year IFR Expenditure Plan (SS NEP – 12c – 1, Page
17 2, under the ‘budget 2016’ column.).

18 **Q, Do you agree with any part of Mr. Smith’s adjustments relating to the payroll clearing and**
19 **overhead rate applied amounts?**

20 A. Yes I do. Mr. Smith has increased the test year amount of payroll clearing to reflect projected
21 wage increases through the rate year. This amounts to \$49,842 (see RCS-4, page 1). He has
22 likewise increased the payroll clearing (overhead rate applied) amount in a similar manner; this
23 increases the payroll clearing amount by \$68,885 (see RCS-5, page 1). We increase the

1 Capital Reimbursement amount by a total of \$118,727. This reduces our cost of service and
2 revenue request by \$118,727.
3

4 Workers Compensation Insurance

5 **Q. Do you agree with the Division's proposal to reduce the Workers Compensation expense by**
6 **\$136,455?**

7 A. Yes, I do. We now recognize that because the salaries for the employees that were being
8 compensated by workers compensation were included in the salary expense at what would be
9 their normal payroll expense had they **not** been on workers comp., we should not include this
10 amount in the claims expense in the Insurance Fund (restricted) as this would be an
11 overstatement of expense.

12 Restricted – Insurance Fund

13 **Q. What is Providence Water's position on the proposed reduction of funding to the Restricted**
14 **Insurance Fund?**

15 A. Our position on the proposed reduction of the Restricted Insurance Fund by \$102,113 is that we
16 do not agree with this adjustment. In a data response in Docket 4406 to data request Division 1-
17 34, Deputy General Manager Joseph Spremulli explained in great length the necessity and
18 appropriateness of maintaining a balance in the Insurance Fund in excess of \$2 million. I have
19 included his response as an exhibit to this rebuttal testimony (see Exhibit NEP – REB – 2). Mr.
20 Spremulli outlines the complexity of the insurance program for Providence Water. He details
21 that the Workers Compensation program has a deductible of \$350,000 per claim with a
22 maximum annual deductible of \$3.5 million. There was a \$25,000 deductible on general liability
23 claims. That deductible is now \$50,000 per claim. Providence Water has many insurance

*Attachment
D.*

**SURREBUTTAL TESTIMONY OF
RALPH SMITH, CPA
BEFORE THE
RHODE ISLAND PUBLIC UTILITIES COMMISSION

PROVIDENCE WATER SUPPLY BOARD

RATE CASE

DOCKET NO. 4618

ON BEHALF OF

THE DIVISION OF PUBLIC UTILITIES AND CARRIERS**

January 10, 2017

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1 appear to be one way of assuring that a normal level is reflected. Exhibit NEP-REB-
2 1 filed with Ms. Parrillo's rebuttal testimony has overtime cost information for fiscal
3 years 2013, 2014 and 2015 as well as a projected amount for rate year calendar 2017.
4 I would not object to allowing overtime expense based on the average of the amounts
5 listed on Exhibit NEP-REB-1 for fiscal years 2013, 2014 and 2015.

6 Overhead Rate Applied

7 **Q. Did Ms. Parrillo agree with your adjustment for the Overhead Rate Applied?**

8 A. Only partially. She agreed with my increase to the test year amount to reflect the
9 projected wage increases expected to occur through the rate year, which decreases
10 the Company's revenue request by \$118,727, as she notes on page 5 of her Rebuttal
11 Testimony.

12 She disagrees, however, with my assessment that Providence Water has not
13 treated Overhead Rate Applied as being reimbursed from the IFR. At page 4 of her
14 Rebuttal Testimony she explains that Providence in the current rate case has reflected
15 reimbursement of the overhead rate applied amount from the IFR fund. She indicates
16 that Providence Water has deducted the overhead rate applied amount from the cost
17 of service expenses and has included the amount as an expense to be recovered via
18 the IFR funding.

19 **Q. Have you revised your position on the IFR funding-related portion of the**
20 **adjustment?**

21 A. Yes. Upon further review, the treatment described by Ms. Parrillo in her Rebuttal
22 Testimony appears to be consistent with the way the Overhead Rate Applied issue

1 was resolved in Docket 4406. As a result, I am accepting that part of the Providence
2 Water proposal.

3 **Q. Does that resolve the issues that were in dispute about the Overhead Rate**
4 **Applied treatment in the current Providence Water rate case?**

5 A. Yes, I believe it does. With Providence Water's acceptance of the \$118,727
6 adjustment noted by Ms. Parrillo on pages 4-5 of her Rebuttal Testimony, and my
7 acceptance of the Providence Water proposed IFR funding-related portion of the
8 adjustment, this would appear to resolve the disputed issue concerning the Overhead
9 Rate Applied for purposes of the current rate case.

10

11 Employee Benefits and Payroll Tax Expense

12 **Q. Are the adjustments for Employee Benefits and Payroll Tax Expense dependent**
13 **upon the level of staffing and payroll expense allowed?**

14 A. Yes. The Division's adjustments for Employee Benefits and Payroll Tax Expense.
15 The removal of the employee benefits cost that Providence Water requested for
16 vacant positions is consistent with the recommendation in my direct testimony to
17 remove the 14 new positions for full time, permanent employees. Similarly the
18 payroll expense adjustment includes a component to remove the payroll expense for
19 14 new positions to reflect recent actual employee levels, and to adjust for the effects
20 of employee turnover by reflecting known differences for positions that were
21 replaced during the 12 months after the test year. As noted above, the portion of the
22 payroll tax adjustment that relates to the level of overtime payroll expense, is being
23 conceded, based on the agreement that the Providence Water cost of service should

Attachment
E.

Schedule HJS-1 Compliance
Cost of Service Summary
Rate Year Ending December 31, 2017

Revenue	Adjusted Test Year	Combined Adjustments	Pro-Forma Old Rates	Additional Revenue Generated	Pro-Forma New Rates
Service Charge	\$ 7,367,470	\$ 236,052	\$ 7,603,522	(219,304)	\$ 7,384,218
East Smithfield Debt Surcharge	-	-	-	84,650	84,650
Retail Sales	38,173,132	646,338	38,819,469	4,492,167	43,311,637
Wholesale Sales	17,732,706	(1,039,313)	16,693,393	721,337	17,414,729
Private Fire Protection	2,576,961	-	2,576,961	386,495	2,963,456
Retail FPSC	1,252,391	-	1,252,391	187,859	1,440,250
Public Fire Protection	1,124,390	-	1,124,390	168,659	1,293,049
Miscellaneous Revenue	1,083,232	350,379	1,433,611	-	1,433,611
Other	-	-	-	-	-
TOTAL REVENUE	\$ 69,310,282	\$ 193,456	\$ 69,503,738	\$ 5,821,862	\$ 75,325,600
Total Rate Revenues	\$ 68,227,050	(156,923)	68,070,127	\$	73,891,989
Expenses					
Operations					
Operations and Maintenance	\$ 30,843,233	1,810,473	32,653,706	\$	32,653,706
Insurance	1,802,547	499,566	2,302,113		2,302,113
Chemical & Sludge	4,500,000	(1,700,000)	2,800,000		2,800,000
City Service	839,167	-	839,167		839,167
Property Taxes	6,540,728	416,455	6,957,183		6,957,183
Payment in Lieu of Taxes	-	-	-		-
Capital Reimbursement	(2,143,087)	(118,727)	(2,261,814)		(2,261,814)
Net Operations	\$42,382,588	\$907,766	43,290,354	\$	43,290,354
Capital					
Capital Fund	\$ 2,127,000	-	2,127,000	\$	2,127,000
Western Cranston	62,069	(22,069)	40,000		40,000
Infrastructure Replacement Fund	24,000,000	3,300,000	27,300,000		27,300,000
Cash-Funded AMR/Meter Repl. Fund	1,000,000	(500,000)	500,000		500,000
Equipment Replacement Fund	600,000	-	600,000		600,000
Revenue Reserve Fund (Restricted)	335,611	26,508	362,119		362,119
Capital	\$28,124,680	\$2,804,439	30,929,119		\$30,929,119
TOTAL EXPENSES	\$70,507,268	\$3,712,205.18	\$74,219,473		\$74,219,473
Operating Reserve (Unrestricted)	\$1,039,150		\$1,086,356		\$1,086,356
Total Revenue Requirements Including Reserve Funding	\$71,546,418		\$75,305,829		\$75,305,829
Revenues Over (Under) Expenses	(\$2,236,135.89)		(\$5,802,091)		\$19,770.94
Total Increase to Break-Even			\$	5,821,862	8.35%
Rate Revenue Increase to Break-Even					8.52%

Notes:
Operating Reserve is ((A-B+C)-(D+E))*01
Revenue surplus results from rounding

Schedule HJS-1A Compliance
 Summary of Compliance Adjustments
 Rate Year Ending December 31, 2017

<u>Revenue</u>	Revenues Under Rebuttal Rates	Compliance Adjustments	Revenues Under Compliance Rates
Service Charge	\$ 7,629,003	\$ (244,785)	\$ 7,384,218
East Smithfield Debt Surcharge	85,217	(568)	84,650
Retail Sales	45,165,779	(1,854,143)	43,311,637
Wholesale Sales	17,459,645	(44,915)	17,414,729
Private Fire Protection	2,963,505	(49)	2,963,456
Retail FPSC	1,440,250	-	1,440,250
Public Fire Protection	1,292,992	57	1,293,049
Miscellaneous Revenue	1,141,911	291,700	1,433,611
Other	-	-	-
TOTAL REVENUE	\$ 77,178,302	\$ (1,852,702)	\$ 75,325,600

Total Rate Revenues

\$ 76,036,391 \$ (2,144,402) \$ 73,891,989

Expenses

	Rebuttal Expenses	Compliance Adjustments	Compliance Expenses
Operations			
Operations and Maintenance	\$ 33,676,332	\$ (1,022,626)	\$ 32,653,706
Insurance	2,336,782	(34,669)	2,302,113
Chemical & Sludge	2,800,000	-	2,800,000
City Service	957,400	(118,233)	839,167
Property Taxes	6,957,183	-	6,957,183
Payment in Lieu of Taxes	326,000	(326,000)	-
Capital Reimbursement	(2,261,814)	-	(2,261,814)
Net Operations	\$ 44,791,882	\$ (1,501,528)	\$ 43,290,354
Capital			
Capital Fund	\$ 2,127,000	-	\$ 2,127,000
Western Cranston	62,069	(22,069)	40,000
Infrastructure Replacement Fund	27,600,000	(300,000)	27,300,000
Cash-Funded AMR/Meter Repl. Fund	500,000	-	500,000
Equipment Replacement Fund	600,000	-	600,000
Revenue Reserve Fund (Restricted)	372,695	(10,576)	362,119
Capital	31,261,764	(332,645)	30,929,119
TOTAL EXPENSES	\$ 76,053,646	\$ (1,834,173)	\$ 74,219,473

Schedule HJS-11 Compliance
Proposed Rates and Impacts

Proposed Rates and Impacts
Rate Year Ending December 31, 2017

Billing Unit	Pro-Forma Units of Service	Proposed Consumption Charge	Consumption Charge Revenues	Current Rates	% Change
Retail Consumption Charges					
Residential (HCF)	8,634,613	\$ 3.403	\$ 29,383,587	\$ 3.044	11.79%
Commercial (HCF)	4,135,153	\$ 3.223	\$ 13,327,598	\$ 2.901	11.10%
Industrial (HCF)	189,477	\$ 3.169	\$ 600,452	\$ 2.848	11.27%
Total	12,959,242		\$ 43,311,637	\$ 38,819,469	11.57%

Wholesale Charges					
Consumption (HCF)	12,891,606	\$ 1.350858	\$ 17,414,729	\$1.294904	4.32%
	12,891,606		\$ 17,414,729	\$ 16,693,393	4.32%

Total Consumption Charge Revenue **60,726,366** **55,512,862** **9.39%**

Billing Unit	Pro-Forma Units of Service	Proposed Retail Service Charge	Retail Service Charge Revenues	Current Rates	% Change
Service Charges					
5/8"	55,532	\$ 7.56	\$ 5,037,863	\$ 7.89	-4.18%
3/4"	10,843	\$ 8.04	\$ 1,046,133	\$ 8.32	-3.37%
1"	5,167	\$ 9.50	\$ 589,038	\$ 9.58	-0.84%
1.5"	1,511	\$ 11.43	\$ 207,249	\$ 11.27	1.42%
2"	1,428	\$ 16.76	\$ 287,199	\$ 15.91	5.34%
3"	88	\$ 56.01	\$ 59,147	\$ 50.10	11.80%
4"	28	\$ 70.55	\$ 23,705	\$ 62.77	12.39%
6"	89	\$ 104.47	\$ 111,574	\$ 92.31	13.17%
8"	8	\$ 143.23	\$ 13,750	\$ 126.08	13.60%
10"	4	\$ 178.36	\$ 8,561	\$ 156.68	13.84%
12"	-	\$ 213.49	\$ -	\$ 187.28	14.00%
Total Service Charge	74,698		\$ 7,384,218	\$7,603,522	-2.88%

Schedule HJS-11 Compliance
Proposed Rates and Impacts

Proposed Rates and Impacts
Rate Year Ending December 31, 2017

Billing Unit	Pro-Forma Units of Service	Proposed Fire Service Charge	Fire Service Charge Revenues	Current Rates	% Change
Retail Fire Protection Service Charges (Providence Only)					
5/8"	25,513 \$	1.38 \$	422,495 \$	1.20	15.00%
3/4"	4,353 \$	2.07 \$	108,129 \$	1.80	15.00%
1"	2,008 \$	5.15 \$	124,143 \$	4.48	15.00%
1.5"	893 \$	13.74 \$	147,265 \$	11.95	15.00%
2"	851 \$	32.96 \$	336,577 \$	28.66	15.00%
3"	62 \$	89.26 \$	66,412 \$	77.62	15.00%
4"	19 \$	151.05 \$	34,440 \$	131.35	15.00%
6"	45 \$	308.97 \$	166,844 \$	268.67	15.00%
8"	3 \$	466.89 \$	16,808 \$	405.99	15.00%
10"	2 \$	714.07 \$	17,138 \$	620.93	15.00%
12"	- \$	1,180.95 \$	- \$	1,026.91	15.00%
Total Retail FPSC	33,749		\$ 1,440,250	\$1,252,391	15.00%
Total Service Charge Revenue			\$ 8,824,468	\$ 8,855,913	-0.36%

Billing Unit	Pro-Forma Units of Service	Proposed Debt Surcharge	Debt Surcharge Revenues	Current Rates	% Change
East Smithfield Debt Surcharge					
All E. Smithfield Customers (HCF)	241,856	\$0.35 \$	84,650	N/A	N/A
Total East Smithfield Debt Surcharge	241,856		\$ 84,650	\$0	N/A

Schedule HJS-11 Compliance
Proposed Rates and Impacts

Proposed Rates and Impacts
Rate Year Ending December 31, 2017

Billing Unit	Pro-Forma Units of Service	Proposed Monthly Pvt. Fire Charge	Private Fire Charge Revenues	Current Pvt. Fire Charge	% Change
Private Fire Service Charges					
3/4"	3 \$	8.64 \$	311 \$	7.51	15.05%
1"	9 \$	10.21 \$	1,103 \$	8.88	14.98%
1-1/2"	3 \$	12.57 \$	453 \$	10.93	15.00%
2"	58 \$	18.64 \$	12,973 \$	16.21	14.99%
4"	361 \$	79.67 \$	345,130 \$	69.28	15.00%
6"	1,231 \$	129.89 \$	1,918,735 \$	112.95	15.00%
8"	244 \$	196.73 \$	576,025 \$	171.07	15.00%
10"	4 \$	274.06 \$	13,155 \$	238.31	15.00%
12"	20 \$	367.64 \$	88,234 \$	319.69	15.00%
16"	1 \$	611.43 \$	7,337 \$	531.68	15.00%
Total			\$ 2,963,456	\$ 2,576,961	15.00%

Billing Unit	Pro-Forma Units of Service	Proposed Annual Hydrant Charge	Hydrant Charge Revenues	Current Pvt. Fire Charge	% Change
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Public Fire Service Charges

Hydrants	2,848 \$	454.02	\$1,293,049	\$ 394.80	15.00%
			\$1,293,049	\$ 1,124,390	15.00%

Total Fire Protection Charge Revenue			\$4,256,505.24	\$3,701,351.40	15.00%
Total Rate Revenues			73,891,989	68,070,127	8.55%
Miscellaneous Revenues			\$ (1,433,611)	(1,433,611)	
Total Revenues			75,325,600	69,503,738	8.38%

Schedule HJS-11A Compliance
 Summary of Rates
 Rate Year Ending December 31, 2017

Consumption Charges

Monthly	Current Consumption Charge	Revised Consumption Charge (1)	\$ Increase	Originally Filed Consumption Charge	Delta
Retail Charges					
Residential (HCF)	\$ 3,044	\$ 3,403	\$ 0.36	\$ 3,531	\$ (0.128)
Commercial (HCF)	\$ 2,901	\$ 3,223	\$ 0.32	\$ 3,349	\$ (0.126)
Industrial (HCF)	\$ 2,848	\$ 3,169	\$ 0.32	\$ 3,299	\$ (0.130)
Wholesale Charges					
Consumption (HCF)	\$ 1,294.90	\$ 1,350.858	\$ 0.06	\$ 1,392.244	\$ (0.041)
Consumption (MG)	\$ 1,731.16	\$ 1,805.97	\$ 74.81	\$ 1,861.29	\$ (55.329)

Service Charges

Monthly	Current Retail Service Charge	Revised Retail Service Charge (1)	\$ Increase	Originally Filed Retail Service Charge	
5/8"	\$ 7.89	\$ 7.56	\$ (0.33)	\$ 7.83	\$ (0.270)
3/4"	\$ 8.32	\$ 8.04	\$ (0.28)	\$ 8.33	\$ (0.290)
1"	\$ 9.58	\$ 9.50	\$ (0.08)	\$ 9.83	\$ (0.330)
1.5"	\$ 11.27	\$ 11.43	\$ 0.16	\$ 11.83	\$ (0.400)
2"	\$ 15.91	\$ 16.76	\$ 0.85	\$ 17.33	\$ (0.570)
3"	\$ 50.10	\$ 58.01	\$ 5.91	\$ 57.83	\$ (1.820)
4"	\$ 62.77	\$ 70.55	\$ 7.78	\$ 72.82	\$ (2.270)
6"	\$ 92.31	\$ 104.47	\$ 12.16	\$ 107.82	\$ (3.350)
8"	\$ 126.08	\$ 143.23	\$ 17.15	\$ 147.81	\$ (4.580)
10"	\$ 156.68	\$ 178.36	\$ 21.68	\$ 184.06	\$ (5.700)
12"	\$ 187.28	\$ 213.49	\$ 26.21	\$ 220.31	\$ (6.820)

Retail Fire Protection Service Charges (Providence Only)

Monthly	Current Providence Only Fire Protection Charge	Revised Providence Only Fire Protection Charge (1)	\$ Increase	Originally Filed Providence Only Fire Protection Charge	
5/8"	\$ 1.20	\$ 1.38	\$ 0.18	\$ 1.38	\$ -
3/4"	\$ 1.80	\$ 2.07	\$ 0.27	\$ 2.07	\$ -
1"	\$ 4.48	\$ 5.15	\$ 0.67	\$ 5.15	\$ -
1.5"	\$ 11.95	\$ 13.74	\$ 1.79	\$ 13.74	\$ -
2"	\$ 28.66	\$ 32.96	\$ 4.30	\$ 32.96	\$ -
3"	\$ 77.62	\$ 89.26	\$ 11.64	\$ 89.26	\$ -
4"	\$ 131.35	\$ 151.05	\$ 19.70	\$ 151.05	\$ -
6"	\$ 268.67	\$ 308.97	\$ 40.30	\$ 308.97	\$ -
8"	\$ 405.99	\$ 466.89	\$ 60.90	\$ 466.89	\$ -
10"	\$ 620.93	\$ 714.07	\$ 93.14	\$ 714.07	\$ -
12"	\$ 1,026.91	\$ 1,180.95	\$ 154.04	\$ 1,180.95	\$ -

Private Fire Service Charges

Monthly	Current Private Fire Service Charge	Revised Fire Service Charge (1)	\$ Increase	Originally Filed Fire Service Charge	
3/4"	\$ 7.51	\$ 8.64	\$ 1.13	\$ 8.64	\$ 0.004
1"	\$ 8.88	\$ 10.21	\$ 1.33	\$ 10.21	\$ (0.002)
1-1/2"	\$ 10.93	\$ 12.57	\$ 1.64	\$ 12.57	\$ 0.001
2"	\$ 16.21	\$ 18.64	\$ 2.43	\$ 18.64	\$ (0.002)
4"	\$ 69.28	\$ 79.67	\$ 10.39	\$ 79.67	\$ (0.002)
6"	\$ 112.95	\$ 129.89	\$ 16.94	\$ 129.89	\$ (0.002)
8"	\$ 171.07	\$ 196.73	\$ 25.66	\$ 196.73	\$ (0.000)
10"	\$ 238.31	\$ 274.06	\$ 35.75	\$ 274.06	\$ 0.004
12"	\$ 319.69	\$ 367.64	\$ 47.95	\$ 367.64	\$ (0.003)
16"	\$ 531.68	\$ 611.43	\$ 79.75	\$ 611.43	\$ (0.002)

Public Fire Service Charges

Annual Hydrant	Current Public Fire Service Charge	Revised Public Fire Service Charge (1)	\$ Increase	Originally Filed Fire Service Charge	
	\$ 394.80	\$ 454.02	\$ 59.22	\$ 454.00	\$ 0.020

East Smithfield Debt Surcharge

Monthly	Current Surcharge	Proposed Surcharge (1)	\$ Increase	Originally Filed Surcharge	
All E. Smithfield Customers (HC)	\$ -	\$ 0.35	\$ 0.35	\$ 0.36	\$ (0.010)

1) Includes:

- Updated revenue requirements per rebuttal testimony of Nancy Parillo
- Corrected ES Units
- Corrected T&D Plant Split Per KCWA 1
- Gross plant values used to allocate capital costs
- Used Allocator TD to allocate gross plant investment in Distribution Reservoirs & Standpipes
- Corrected KCWA water sales projection
- Included additional miscellaneous revenue to reflect use of \$175,000 tax refund to offset revenue requirements

**Schedule HJS-13 Compliance
Typical Bill Comparison**

**Comparison of Typical Annual Charges
Rate Year Ending December 31, 2017**

	Proposed Rates	Existing Rates	% Change
Residential - (5/8" Meter, 100 HCF)			
Service Charge	\$ 90.72	\$ 94.68	-4.2%
Volume Charge	\$ 340.30	\$ 304.40	11.8%
Total	\$ 431.02	\$ 399.08	8.0%
Commercial - (2" Meter, 2,000 HCF)			
Service Charge*	\$ 201.12	\$ 190.92	5.3%
Volume Charge	6,446.00	5,802.00	11.1%
Total	\$ 6,647.12	\$ 5,992.92	10.9%
Industrial - (6" Meter, 10,000 HCF)			
Service Charge *	\$ 1,253.64	\$ 1,107.72	13.2%
Volume Charge	\$ 31,690.00	\$ 28,480.00	11.3%
Total	\$ 32,943.64	\$ 29,587.72	11.3%

**Schedule HJS-14 Compliance
Revenue Proof**

**Revenue Proof
Rate Year Ending December 31, 2017**

Net Operations & Maintenance Expense	\$	35,494,004
Capital Expense	\$	30,567,000
City Services Expense	\$	839,167
Property Taxes Expense	\$	6,957,183
Payment in Lieu of Taxes (PILOT)	\$	-
		<hr/>
Total Expenses Allocated	\$	73,857,354
plus: Net Operating Revenue		\$1,448,474.86
		<hr/>
Net Revenue Requirement	\$	75,305,829
Retail		
Monthly Service Charge	\$	7,384,218
East Smithfield Debt Surcharge	\$	84,650
Retail FPSC	\$	1,440,250
Volume Charge		
Residential	\$	29,383,587
Commercial	\$	13,327,598
Industrial	\$	600,452
		<hr/>
Total Retail	\$	52,220,754
Wholesale		
East Providence	\$	2,738,780
East Smithfield	\$	-
Greenville	\$	609,257
Kent County	\$	3,216,902
Smithfield	\$	631,327
Warwick	\$	6,043,709
Lincoln	\$	1,452,865
Johnston	\$	537,093
Bristol County	\$	2,184,797
		<hr/>
Total Wholesale	\$	17,414,729
Fire Protection		
Private Fire Protection	\$	2,963,456
Public Fire Protection	\$	1,293,049
		<hr/>
Total Fire Protection	\$	4,256,505
		<hr/>
Total Rate Revenues	\$	73,891,989
Miscellaneous Revenues	\$	1,433,611
		<hr/>
Total Revenues	\$	75,325,600
Total Surplus / (Deficit)	\$	19,771

Note: Surplus due to rounding

PROVIDENCE WATER SUPPLY BOARD TARIFF

Effective: February 17, 2017

RI Public Utilities Commission Docket No. 4618

TARIFF SCHEDULES

Schedule

- | | |
|---|---|
| A | Service Charges – Retail |
| B | Metered Sales – Retail |
| C | Bulk Sales to Public Authorities for Resale |
| D | Public Fire Protection |
| E | Private Fire Service |
| F | Miscellaneous Charges |

SCHEDULE A

**Providence Water Supply Board
Service Charges
Retail**

Rhode Island Public Utilities Commission Docket No. 4618

Effective: February 17, 2017

Applicability

Applicable to all metered customers for industrial, commercial and residential use, exclusive of fire service connection, in the Providence Water Supply Board service area.

Rates

For each service connected to the Providence Water Supply Board mains, the following customer service charges shall apply:

<u>Size of Meter</u>	<u>Monthly</u>
5/8"	\$ 7.56
3/4	8.05
1	9.50
1 ½	11.43
2	16.76
3	56.01
4	70.55
6	104.47
8	143.23
10	178.36
12	213.49

However, for each Providence Water service connected in the City of Providence the following additional Fire Protection service charge shall apply to Providence ratepayers:

<u>Size of Meter</u>	<u>Monthly</u>
5/8"	\$ 1.38
3/4	2.07
1	5.15
1 ½	13.74
2	32.96
3	89.26
4	151.05
6	308.97
8	466.89
10	714.07
12	1,180.95

Terms of Payment

All customer service charges are billed monthly and are due and payable when rendered. Interest at a rate of 1% per month will be charged on unpaid account balances over 30 days from due date.

SCHEDULE B

**Providence Water Supply Board
Metered Sales
Retail**

Rhode Island Public Utilities Commission Docket No. 4618

Effective: February 17, 2017

Applicability

Applicable to all general metered water service in the Providence Water Supply Board service area.

Rates

For all quantities used, except for bulk sales to public authorities for resale, the following rates per HCF shall apply:

Monthly Accounts

Residential	\$3.403
Commercial	\$3.223
Industrial	\$3.169

East Smithfield Water District

Applicable to the former customers of the East Smithfield Water District, the following Debt Service Surcharge will apply:

East Smithfield Surcharge \$0.35 per HCF

Terms of Payment

All metered sales bills are rendered in arrears monthly and are due and payable in full when rendered.

Interest at a rate of 1% per month will be charged on unpaid account balances over 30 days from due date.

SCHEDULE C

Providence Water Supply Board Bulk Sales to Public Authorities for Resale

Rhode Island Public Utilities Commission Docket No. 4618

Effective: February 17, 2017

Applicability

Applicable to all public authorities in the Providence Water Supply Board service area purchasing water for resale.

Rates-Volume Charge

\$1,805.96 per million gallons, or
\$1.350858 per HCF

Terms of Payment

All bills for bulk sales are rendered monthly in arrears and are due and payable in full when rendered.

Interest at a rate of 1% per month will be charged on unpaid account balances over 30 days from due date.

SCHEDULE D

Providence Water Supply Board Public Fire Protection

Rhode Island Public Utilities Commission Docket No. 4618

Effective: February 17, 2017

Applicability

Applicable to all service to public fire hydrants in the Providence Water Supply Board service area.

Rates

For each hydrant Annual Amount: \$454.02
For each hydrant billed Quarterly: \$113.51

For each hydrant in Providence, as allowed by statute: \$0

Terms of Payment

All bills for public fire service are rendered quarterly and are due and payable in full when rendered.

Interest at a rate of 1% per month will be charged on unpaid account balances over 30 days from due date.

SCHEDULE E

**Providence Water Supply Board
Private Fire Service**

Rhode Island Public Utilities Commission Docket No. 4618

Effective: February 17, 2017

Applicability

Applicable for service to private fire protection appliances owned and maintained by the customer in the Providence Water Supply service area.

Rates

For each fire service connection to the Providence Water Supply Board mains, the following charges shall apply:

<u>Size of Service</u>	<u>Monthly</u>
3/4"	\$ 8.64
1	10.21
1 ½	12.57
2	18.64
4	79.67
6	129.89
8	196.73
10	274.06
12	367.64
16	611.43

Terms of Payment

All bills for private fire services are rendered monthly and are due and payable in full when rendered.

Interest at a rate of 1% per month will be charged on unpaid account balances over 30 days from due date.

**SCHEDULE F
PROVIDENCE WATER
TERMS & CONDITIONS
SERVICE FEE SCHEDULE
(effective February 17, 2017)
page 1 of 2**

NOTE: All applicants must complete financial arrangements prior to services being rendered. Applicants are responsible for obtaining and paying for all permits and any additional fees.

SERVICE	FEE
PHOTOCOPYING	
Distribution Sheet	\$ 3.00/copy
Letter or Legal Size Document	\$.15/copy
LIEN CERTIFICATE	\$ 6.00
RETURNED CHECK FEE	\$ 20.00
PLAN CHECKING/WATER AVAILABILITY REVIEW	\$ 57.00/hour
EASEMENT/ABANDONMENT REQUEST	\$ 50.00/hour
FIRE HYDRANT FLOW TEST	\$ 118.00
NEW WATER SERVICE INSTALLATION - BASIC	
1" Water Service	\$1,673.00
1 ½" Water Service	2,596.00
2" Water Service	2,931.00
4" Water Service	3,700.00
6" Water Service	3,998.00

NEW WATER SERVICE INSTALLATION - SPECIAL CIRCUMSTANCES

All services greater than 6" will be installed and charged on a time and materials basis, consistent with the methodology used in computing the above service charges. **Notwithstanding the above schedule**, any sites where special circumstances may be encountered (ie. ledge, special fittings, routing around other utilities) will also be charged on a time and materials basis. The average time rate for all manpower and equipment (including overhead) averages approximately \$400/hr.

PAVEMENT/SIDEWALK RESTORATION CHARGES

Applicants are responsible for all *actual* road and/or sidewalk restoration charges, as the charge varies with the size of the excavation and the pavement thickness. For illustrative purposes, on average, the charge is approximately \$300 for pavement restoration and \$75 for sidewalk restoration.

**SCHEDULE F
PROVIDENCE WATER
TERMS & CONDITIONS
SERVICE FEE SCHEDULE
(effective February 17, 2017)
page 1 of 2**

SERVICE	FEE
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POLICE DETAILS

If the work being performed presents a safety hazard and it is necessary to employ police details for traffic control, the applicant will be responsible for such costs at the then current rate of the respective Town or City. For illustrative purposes, the hourly detail rates as of May 2, 2016 are as follows:

Cranston	\$50.66
Johnston	46.71
North Providence	56.00
Providence	59.22

NEW WATER METER INSTALLATION - INCLUDING ERT

5/8" Meter	\$ 184.00
3/4" Meter	230.00
1" Meter	266.00
1 1/2" Meter	457.00
2" Meter	545.00

All meters greater than 2" will be charged on an actual time and materials basis.

NEW ERT - ALL METER SIZES \$ 109.00

(Applies only to existing ERT's that are lost, stolen, or damaged by customers. There is no charge to retro-fit an existing meter to AMR technology.)

SERVICE SHUTOFF FEE \$ 64.00

SERVICE RESTORATION FEE \$ 43.00

SPECIAL REQUESTS FOR SERVICES NOT LISTED ABOVE THAT DO NOT BENEFIT ALL CUSTOMERS Billed at actual
Cost plus overhead
Rates in effect