

SUEZ WATER RHODE ISLAND, INC.
Docket No. 4800
COMMISSION'S FIRST SET OF DATA REQUESTS DIRECTED TO
SUEZ WATER RHODE ISLAND, INC. (SWRI)
May 7, 2018

COM 1-19
(Arp)

COM 1-19 When did the 3% salary increase for 2017 become effective? When did/will the 3% salary increase for 2018 be effective? Are these increases included in the schedules provided in this filing? Provide the incentive compensation paid to each employee in the past 3 years, and indicate whether ratepayers or shareholders fund the incentive compensation.

Response:

- a) The salary increases are granted April 1st of each year.
- b) The Rate Case included 3% salary increases on Exhibit 3 Schedule 2A. The actual salary increase on April 1st, 2018 was 2.61%, please refer to 1-19 Attachment for the updated Exhibit 3 Schedule 2A.
- c) Please see below the incentive compensation paid.

Year	STIP	Bonus
2015	\$ 31,535	\$10,994
2016	\$ 41,434	\$ 5,029
2017	\$ 29,005	\$ 9,136

In the last rate case, Docket No. 4434, the Division Witness, Mr. Thomas Catlin recommended that the non-financial portion of STIP should be allowed and recovered from ratepayers. As such, he recommended allowing 50% of the STIP payment. See 1-19 Attachment which is a copy of the adjustment attached to the Order from the last case.

SUEZ Water Rhode Island, Inc.
Wages and Salaries Expense
Various Account Numbers
For the Rate Year

Exhibit 3 (Arp)
Schedule 2 UPDATED
Page 1 of 1

Purpose and Description: To normalize Test Year salaries and projected pay increase. See "Exhibit 3 Schedule 2A Page 3 of 3" and "Exhibit 3 Schedule 1C" for account number allocation.

Line No.	Description	Amount
1	Rate Year Payroll Expense	\$ 652,578 (a)
2		
3	Test Year Per Books	<u>511,720 (b)</u>
4		
5	Payroll Adjustment	<u>\$ 140,857</u>
6		
7		
8		

Line No.	Description	Amount
9	<u>Notes:</u>	
10		
11	(a) Total Labor	834,833
12	Labor Capitalized/Transferred Out (Exhibit 3 Sch 2A)	(192,245)
13	Labor Transferred In (Exhibit 3 Sch 2A)	<u>9,990</u>
14		<u><u>652,578</u></u>
15		
16		
17	(b) Total Labor	682,794
18	Labor Capitalized/Transferred Out	(178,651)
19	Labor Transferred In	<u>7,578</u>
20		<u><u>511,720</u></u>
21		

**SUEZ Water Rhode Island, Inc.
Wages and Salaries Expense Workpapers
Various Account Numbers
For the Rate Year**

Line No.	Hiring Date	Job Title	FLSA	09/30/2017 Hourly Rate	09/30/2017 Salary	2018 Salary	Projected 2019 Base Salary with 3.00% Increase	Incentive Compensation Target %	Incentive Compensation	Overtime	Rate Year Labor
1	9/4/2010	Mgr Rhode Island (a)	Exempt	\$							
2	7/6/1999	Foreman	Exempt								
3	7/3/2017	Supv Customer Contact&Billing	Exempt								
4	2/22/2016	Superintendent	Exempt								
5	1/1/1980	Chief Operator	Non-exempt								
6	7/5/1988	Meter Reader	Non-exempt								
7	2/7/2011	Sr Cust Serv Rep	Non-exempt								
8	7/1/2013	Sr Cust Serv Rep	Non-exempt								
9	11/2/2015	Service Person	Non-exempt								
10	12/14/2015	Service Person	Non-exempt								
11	10/1/2018	Customer service/data entry tech	Non-exempt								
12											
13		Total Labor			\$ 648,338	\$ 665,288	\$ 731,007		\$ 48,251	\$ 55,575	\$ 834,833
14											
15		Labor Capitalized/Transferred Out (See "Exhibit 3 Schedule 2B")		-23.03%							\$ (192,245)
16		Labor Transferred In (See "Exhibit 3 Schedule 2B")		1.20%							\$ 9,990
17											
18		Total Rate Year Labor									<u>\$ 652,578</u>

Notes:
(a) Became manger of Rhode Island in November 2015

Overtime:					
	Year	Hours	Overtime \$	Hour Rate	
	2014	1,373	\$ 50,174	\$ 36.54	
	2015	1,450	54,323	37.46	
	2016	1,426	51,907	36.40	
	12M 09/30/2017	1,460	53,580	36.71	
	4 yr hrs average X 9/30/17-12M rate	1,427	\$ 52,385		
	Overtime with compound salary increase 6.09%		\$ 55,575		

**SUEZ Water Rhode Island, Inc.
Wages and Salaries Expense Workpapers
Various Account Numbers
For the Rate Year**

	Job Title	FLSA	Projected 2019 Base Salary Reflecting 3.0% Increase	Overtime Allocation as a Percentage of Base Pay	Rate Year Overtime with 3.0% Increase
35					
36	Chief Operator	N	[REDACTED]	[REDACTED]	[REDACTED]
37	Meter Reader	N			
38	Sr Cust Serv Rep	N			
39	Sr Cust Serv Rep	N			
40	Service Person	N			
41	Service Person	N			
42	Customer service/data entry tech	N			
43					
44			\$ 369,048	100.00%	\$ 55,575
45					\$ 55,575

Labor Capitalized/Transferred Out:	
	Rate Year
54 Total Labor	\$ 834,833
56 Capitalized/Transferred Out Rate (See "Exhibit 3 Schedule 2B")	<u>-23.03%</u>
59 Rate Year Capitalized/Transferred Out	<u>\$ (192,245)</u>

Labor Transferred in:	
	Rate Year
67 Total Labor	\$ 834,833
69 Transferred in Rate (See "Exhibit 3 Schedule 2B")	<u>1.20%</u>
72 Rate Year Transferred In	<u>\$ 9,990</u>

Docket No. 4434
Exhibit 1 (Joint Settlement) Schedule 9

UNITED WATER RHODE ISLAND, INC.

Adjustment to Company Incentive Compensation Expense
Rate Year Ended December 31, 2014

<u>Employee</u>	<u>2012 Base Salary (1)</u>	<u>Incentive Payment % (1)</u>	<u>Non Financial Percentage (2)</u>	<u>Recoverable Incentive Compensation</u>
Manager Rhode Island Superintendent Supervisor Office	\$			
Total				\$ 14,015
Amount per Company (1)				<u>27,356</u>
Reduction in Total Eligible Incentive Compensation				\$ (13,341)
Amount Charged to Capital at 17.92% (3)				<u>(2,390)</u>
Adjustment to O&M Expense				\$ (10,951)
Adjustment to FICA Taxes (4)				<u>(499)</u>
Total Adjustment to Rate Year Expense				<u>\$ (11,450)</u>

Notes:

- (1) Amounts per Exhibit 3 (Gil), Schedule 2A.
- (2) Per response to Div. 2-17.
- (3) Per Schedule TSC-7, page 2 of 2.