

**SUEZ Water Rhode Island, Inc.
Index
Rebuttal Docket No. 4800**

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Exhibit 1 (Gil)
Schedule 1 Rebuttal

SUEZ Water Rhode Island, Inc.
Operating Income as Adjusted at Present and Proposed Rates

Line No.	Description	(1) Test Year 12 Months ended 9/30/2017	(2) Adjustments	(3) Rate Year at Present Rates	(4) Adjustments	(5) Rate Year at Proposed Rates
1	Operating Revenues	\$ 4,705,752	\$ 108,136	\$ 4,813,887	\$ 865,913 17.99%	\$ 5,679,800
2	Operating Expenses					
3	Operating & maintenance expenses	\$ 2,075,461	\$ 300,717	\$ 2,376,177	\$ 3,702	\$ 2,379,879
4	Depreciation and Amortization	636,361	225,447	861,808	-	861,808
5	Taxes other than income	476,218	48,793	525,011	10,824	535,835
6	Federal income tax	372,159	(247,591)	124,568	178,791	303,359
7	Total Operating Expenses	\$ 3,560,199	\$ 327,365	\$ 3,887,564	\$ 193,317	\$ 4,080,881
8	Operating Income	\$ 1,145,553	\$ (219,230)	\$ 926,323	\$ 672,596	\$ 1,598,919
9	Rate Base (13m Average)	\$ 16,789,903		\$ 20,446,525		\$ 20,446,525
10	Rate of Return	6.82%		4.53%		7.82%
11	Required Rate of Return			7.82%		
12	Required Net Operating Income			\$ 1,598,918		
13	Operating Income Deficiency			\$ 672,595		
14	Gross Revenue Conversion Factor			1.287424		
15	Revenue Deficiency			\$ 865,913		

SUEZ Water Rhode Island, Inc.
Summary of Utility Proposed Adjustments at Current and Proposed Rates

Exhibit 3 (Gil)
Schedule 1 Rebuttal
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Line No.	Elements of Operating Expenses	Company's Original Filing				Adjustments		Company Revised	
		Exh 3 Sch No.	Test Year 09/30/2017	Adjustments	Present Rates	Proposed Rates	Adjustments	Present Rates	Proposed Rates
1	Operation and Maintenance Expenses:								
2	Wages and Salaries	Sch 2	\$ 511,720	\$ 143,010	\$ 654,731	\$ 654,731	\$ (22,883)	\$ 631,848	\$ 631,848
3	Fringe Benefits Transferred		(88,114)	(4,521)	(92,635)	(92,635)		(92,635)	(92,635)
4	Power Expense	Sch 4	281,222	81,864	363,086	363,086	(4,346)	358,740	358,740
5	Chemical Expense	Sch 5	59,113	(13,942)	45,171	45,171	2,068	47,239	47,239
6	Pension Expense		140,178	(44,579)	95,599	95,599		95,599	95,599
7	PEBOP Expense		(5,006)	4,058	(948)	(948)		(948)	(948)
8	Employee Health and Welfare Expense		182,413	66,006	248,419	248,419		248,419	248,419
9	Tank Painting Amortization		43,380	(23,568)	19,812	19,812		19,812	19,812
10	Transportation/Vehicle Expense	Sch 10	49,567	12,002	61,569	61,569	(4,977)	56,592	56,592
11	Customer Information/Billing Expense		28,460	100,344	128,805	128,805		128,805	128,805
12	Rent Expense		35,189	53,534	88,724	88,724		88,724	88,724
13	Outside Services Expense		156,520	(34,987)	121,533	121,533		121,533	121,533
14	M&S	Sch 14	480,678	29,273	509,952	509,952	(23,667)	486,285	486,285
15	Rate Case Expense		-	60,333	60,333	60,333		60,333	60,333
16	Regulatory Commission Expense	Sch 16	21,926	(1,347)	20,579	24,961	(679)	20,579	24,281
17	Amortization of TCJA						(77,396)	(77,396)	(77,396)
18	Other Operation and Maintenance Expense	Sch 17	178,213	7,563	185,776	185,776	(3,127)	182,649	182,649
19									
20	Total Operation and Maintenance Expenses		\$ 2,075,461	\$ 435,046	\$ 2,510,506	\$ 2,514,887	\$ (135,009)	\$ 2,376,177	\$ 2,379,879
21									
22	Taxes other than Income								
23	Property Tax Expense	Sch 18	\$ 358,512	\$ 51,210	\$ 409,722	\$ 409,722	\$ (11,083)	\$ 398,640	\$ 398,640
24	Payroll Tax Expense	Sch 19	57,195	9,751	66,946	66,946	(748)	66,198	66,198
25	Gross Receipts Tax Expense	Sch 20	60,510	(337)	60,174	72,984	(1,987)	60,174	70,997
26			\$ 476,218	\$ 60,624	\$ 536,842	\$ 549,653	\$ (13,818)	\$ 525,011	\$ 535,835

**SUEZ Water Rhode Island, Inc.
Wages and Salaries Expense**

**Exhibit 3 (Gil)
Schedule 2 Rebuttal
Page 1 of 1**

Line No.	Description	Amount
1	Payroll Expense as filed	\$ 654,731 (a)
2		
3	Payroll Expense Revised	<u>631,848 (b)</u>
4		
5	Adjustment	<u>\$ (22,883)</u>
6		

<u>Company Original File</u>		
(a)	Total Labor	837,587
	Labor Capitalized/Transferred Out (Exhibit 3 Sch 2A)	23.03% (192,879)
	Labor Transferred In (Exhibit 3 Sch 2A)	1.20% <u>10,023</u>
	Expense	76.97% <u><u>654,731</u></u>

<u>Company updated to include incentive compensation adjustment per Division</u> <u>Updated 3 year average to reflect 2015, 2016 and 2017</u>		
(b)	Total Labor	821,548
	Labor Capitalized/Transferred Out	24.20% (198,831)
	Labor Transferred In	1.11% <u>9,131</u>
	Expense	75.80% <u><u>631,848</u></u>

Exhibit 3 (Gil)
Schedule 2A Rebuttal
Page 1 of 1

Line No.	Hiring Date	Job Title	FLSA	09/30/2017 Hourly Rate	09/30/2017 Salary	4/1/2018 Salary	Compound Rate	5.688% Projected 2019 Base Salary with 3.00% Increase	Incentive Compensation Target %	Incentive Compensation	Incentive Compensation Adj 40%	Overtime	Rate Year Labor
1	9/4/2010	Mgr Rhode Island	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	\$ (14,872)	\$ 57,162	\$ 821,548
14													
15		Labor Capitalized/Transferred Out (See "Exhibit 3 Schedule 2B")											\$ (198,831)
16		Labor Transferred In (See "Exhibit 3 Schedule 2B")											\$ 9,131
17													
18		Total Rate Year Labor											<u>\$ 631,847</u>
19													
20													
21													
22													

Overtime:				
Year	Hours	Overtime \$		
2014	1,373	\$ 50,174		
2015	1,450	54,323		
2016	1,426	51,907		
2017	1,524	56,027		
3 yr average (2015-2016-2017)	1,443	\$ 54,086		
2018	2.61%	\$ 55,497		
2019	3.00%	57,162		
Overtime with compound salary increase		<u>\$ 57,162</u>		

SUEZ Water Rhode Island, Inc.
Expense and Transferred In Percentages

Exhibit 3 (Gil)
Schedule 2B Rebuttal
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ORIGINAL FILE						
		[-----Calendar Year-----]			12M -	
		2014	2015	2016	9/30/2017	4 Yr Avg
Gross Payroll	(a)	\$ 686,271	\$ 684,882	\$ 707,293	\$ 682,794	\$ 690,310
-Capitalized	(b)	(129,432)	(163,142)	(164,632)	(178,651)	(158,964)
-Transferred to Other BU's	(c)	-	-	-	-	-
Net Payroll	(d)	\$ 556,839	\$ 521,741	\$ 542,661	\$ 504,143	\$ 531,346
Expense Rate	(d) / (a)	81.14%	76.18%	76.72%	73.84%	76.97%
Capitalized	(b) & (c)	\$ (129,432)	\$ (163,142)	\$ (164,632)	\$ (178,651)	\$ (158,964)
Capitalized Rate	(b) & (c) / (a)	18.86%	23.82%	23.28%	26.16%	23.03%
Transferred in	(e)	\$ 10,709	\$ 8,414	\$ 6,341	\$ 7,578	\$ 8,260
Transferred in Rate	(e) / (a)	1.56%	1.23%	0.90%	1.11%	1.20%

REBUTTAL 3 YEAR AVERAGE						
		[-----Calendar Year-----]			12M -	
		2014	2015	2016	12/31/2017	3 Yr Avg
Gross Payroll	(a)	\$ 686,271	\$ 684,882	\$ 707,293	\$ 716,552	\$ 702,909
-Capitalized	(b)	(129,432)	(163,142)	(164,632)	(182,580)	(170,118)
-Transferred to Other BU's	(c)	-	-	-	-	-
Net Payroll	(d)	\$ 556,839	\$ 521,741	\$ 542,661	\$ 533,972	\$ 532,791
Expense Rate	(d) / (a)	81.14%	76.18%	76.72%	74.52%	75.80%
Capitalized	(b) & (c)	\$ (129,432)	\$ (163,142)	\$ (164,632)	\$ (182,580)	\$ (170,118)
Capitalized Rate	(b) & (c) / (a)	18.86%	23.82%	23.28%	25.48%	24.20%
Transferred in	(e)	\$ 10,709	\$ 8,414	\$ 6,341	\$ 8,681	\$ 7,812
Transferred in Rate	(e) / (a)	1.56%	1.23%	0.90%	1.21%	1.11%

Exhibit 3 (Gil)
Schedule 4 Rebuttal
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SUEZ Water Rhode Island, Inc.
Power Cost
For the Rate Year

Line No.	Description	Amount
1	Power Costs as filed:	
2	Purchase Power acct 50610	\$ 334,478
3	Other Utilities - Power acct 50620	28,608 \$ 363,086
4		
5		
6	Power Costs Revised:	
7	Purchase Power acct 50610	\$ 332,164
8	Other Utilities - Power acct 50620	26,575 \$ 358,740
9		
10	Power Cost Adjustment	\$ (4,346)

SUEZ Water Rhode Island, Inc.
Power Cost
For the Rate Year

Line
No.

Power Act 50610						
Year End 12/31/2014	kWh	2014 Actual Water Production (MG)	kWh Avge Usage	kWh Avge Cost	Total Cost	
Commodity (Constellation New Energy)	1,789,558	1,014	1,765	\$ 0.0770	\$ 137,821	
Distribution (National Grid)	1,789,558	1,014	1,765	0.0610	109,167	
Subtotal					\$ 246,989	
Accruals and Adjs					\$ 10,335	
Income Statement					\$ 257,324	
Year End 12/31/2015	kWh	2015 Actual Water Production (MG)	kWh Avge Usage	kWh Avge Cost	Total Cost	
Commodity (Constellation New Energy)	1,808,537	1,035	1,747	\$ 0.0868	\$ 157,040	
Distribution (National Grid)	1,808,537	1,035	1,747	0.0624	112,926	
Subtotal					\$ 269,966	
Accruals and Adjs					\$ (8,458)	
Income Statement					\$ 261,508	
Year End 12/31/2016	kWh	2016 Actual Water Production (MG)	kWh Avge Usage	kWh Avge Cost	Total Cost	
Commodity (Constellation New Energy)	1,886,928	1,042	1,810	\$ 0.0771	\$ 145,535	
Distribution (National Grid)	1,886,928	1,042	1,810	0.0688	129,902	
Subtotal					\$ 275,437	
Accruals and Adjs					\$ (1,770)	
Income Statement					\$ 273,666	
Year End 12/31/2017	kWh	2017 Actual Water Production (MG)	kWh Avge Usage	kWh Avge Cost	Total Cost	
Commodity (Constellation New Energy)	1,718,331	950	1,809	\$ 0.0807	\$ 138,681	
Distribution (National Grid)	1,718,331	950	1,809	0.0727	124,967	
Subtotal					\$ 263,648	
Accruals and Adjs					\$ (7,749)	
Income Statement					\$ 255,899	
Rate Year 12M 09/30/2019	kWh	Projected Water Production (MG) (a)	kWh Avge Usage (b)	kWh Avge Cost	Total Cost	
Commodity (Engie Resources, LLC)	1,688,191	944	1,788	\$ 0.0850 (c)	\$ 143,496	
Distribution (National Grid)	1,688,191	944	1,788	0.1118 (d)	188,668	
Total Rate Year					\$ 332,164	

Notes:

(a) Consumption projected for 2018 grossed up by the 3 years average Non-Revenue Water (see Exhibit 3, Schedule 5A)

(b) Rate Year kWh based on 3 year average of kWh usage

(c) Rate Year Commodity unit cost contract with Engie effective 1/1/2018 kWh \$ 0.0739 plus 15% for surcharges

(d) National Grid actual average rate per kWh effective 10/1/2017-9/30/2018 \$0.1067 plus 4.74% settlement RIPUC Docket No. 4770

Other Utilities-Power Act 50620			
2014		\$	28,132
2015			31,106
2016			18,623
2017			25,688
3 years average		\$	25,139
Rate Year 2018 (e)	5.714%	\$	26,575

Notes:

(e) Rate Year projection for Other Utilities-Power based in 3 years average and adjusted by inflation. See "Exhibit 3 Schedule 17B"

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**SUEZ Water Rhode Island, Inc.
Chemical Expense**

**Exhibit 3 (Gil)
Schedule 5 Rebuttal
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Line No.	Description	Amount
1	Chemical Expense as filed	\$ 45,171
2		
3	Chemical Expense Revised	<u>47,239</u>
4		
5	Chemical Expense Adjustment	<u>\$ 2,068</u>

Line No.

Chemical 50635						
Year End 12/31/2014	UOM	Usage	Actual Water Production (MG)	Average Usage Per MG	Chemical Unit Price	Total
Lime	lbs	109,500	1,014	108.00	\$ 0.1600	\$ 17,520
Sodium Hypochloride	gals	8,195	1,014	8.08	1.6300	13,358
Zinc Orthophosphate (Klenphos K-10)	lbs	16,891	1,014	16.66	0.8600	14,526
Subtotal						\$ 45,404
Adjustments and Accruals						(3,585)
Income Statement						\$ 41,819

Year End 12/31/2015	UOM	Usage	Actual Water Production (MG)	Average Usage Per MG	Chemical Unit Price	Total
Lime	lbs	108,250	1,035	104.55	\$ 0.1770	\$ 19,160
Sodium Hypochloride	gals	9,361	1,035	9.04	1.8573	17,386
Zinc Orthophosphate (Klenphos K-10)	lbs	16,697	1,035	16.13	0.6700	11,187
Subtotal						\$ 47,733
Adjustments and Accruals						(4,974)
Income Statement						\$ 42,759

Year End 12/31/2016	UOM	Usage	Actual Water Production (MG)	Average Usage Per MG	Chemical Unit Price	Total
Lime	lbs	119,450	1,042	114.58	\$ 0.1810	\$ 21,620
Sodium Hypochloride	gals	11,304	1,042	10.84	1.3649	15,429
Zinc Orthophosphate (Klenphos K-10)	lbs	21,972	1,042	21.08	0.4900	10,766
Subtotal						\$ 47,815
Adjustments and Accruals						1,067
Income Statement						\$ 48,882

Year End 12/31/2017	UOM	Usage	Actual Water Production (MG)	Average Usage Per MG	Chemical Avege Unit Price	Total
Lime	lbs	109,550	950	115.31	\$ 0.2488	\$ 27,261
Sodium Hypochloride	gals	11,300	950	11.89	1.3700	15,481
Zinc Orthophosphate (Klenphos K-10)	lbs	20,811	950	21.90	0.5281	10,991
Subtotal						\$ 53,733
Adjustments and Accruals						13,092
Income Statement						\$ 66,824

Rate Year 12M 09/30/2019	UOM	Usage (a)	Projected Water Production (MG) (d)	Average Usage Per MG (b)	Chemical Unit Price (c)	Total
Lime	lbs	105,230	944	111.48	\$ 0.1987	\$ 20,907
Sodium Hypochloride	gals	9,999	944	10.59	\$ 1.5310	15,308
Zinc Orthophosphate (Klenphos K-10)	lbs	18,598	944	19.70	\$ 0.5928	11,024
Total Rate Year						\$ 47,239

(a) Usage projection based on projected water times chemicals average usage per MG
 (b) 4 Years average usage per thousand gallons
 (c) Chemical unit price based on actual 2018 prices adjusted by inflation. See "Exhibit 3 Schedule 17B" 2.200%
 COM 1-25

Description	UOM	2017	2018	2019
Lime	lbs	\$ 0.2488	\$ 0.1944	0.1987
Sodium Hypochloride	gals	\$ 1.3700	\$ 1.4980	1.5310
Zinc Orthophosphate (Klenphos K-10)	lbs	\$ 0.5281	\$ 0.5800	0.5928

(d) Projected water production

Non-Revenue Water %:	NRW %
2014	2.98%
2015	3.99%
2016	1.76%
2017	4.32%
3 Year Average	<u>3.36%</u>

Computation of Water Subject to Chemical Treatment:

	Rate Year
Billed Consumption (MG) (per witness Gil - Sch 2.8h)	912
Non-revenue water %	<u>3.36%</u>
Total Production Subject to Chemical Treatment (MG)	<u>944</u>

**SUEZ Water Rhode Island, Inc.
Transportation/Vehicle Expenses**

**Exhibit 3 (Gil)
Schedule 10 Rebuttal
Page 1 of 1**

Line No.	Description	Amount
1	Transportation Expense filed	\$ 61,569
2		
3	Transportation Expense Revised	<u>56,592</u>
4		
5	Adjustment	<u>\$ (4,977)</u>

Transportation/Vehicle Expenses

Exhibit 3 (Gil)
Schedule 10A Rebuttal
Page 1 of 1

Line No.	Description	Test Year Per Books	Adjustment	Rate Year	
1	Description				
2	Leases	\$ 38,076	\$ (2,197)	\$ 35,879	(a)
3	Fuel	\$ 15,403	\$ 3,735	\$ 19,139	(b)
4	Maintenance & Repair	\$ 13,717	\$ (4,361)	\$ 9,356	(c)
5	Payroll	\$ 280	\$ (280)	\$ -	
6	Insurance	\$ 2,618	\$ 1,926	\$ 4,544	(d)
7	Depreciation	\$ 1,643	\$ -	\$ 1,643	(e)
8	Other-Registration, plates, tolls, mileage, etc.	\$ (2,458)	\$ 6,559	\$ 4,101	(f)
9	Total Costs	\$ 69,279	\$ 5,382	\$ 74,661	
10	Capitalized	\$ (19,712)	\$ 1,642	\$ (18,070)	(g)
11	Net Transportation Expense	\$ 49,567	\$ 7,025	\$ 56,592	
12					
13	Notes:				
14	(a) Adjustment based upon actual leased vehicles and actual costs for replacement leases.				
15					
16	(b) Based upon Four year average inflated				
17	Fuel:				
18	Year				
19	2014	\$ 27,357			
20	2015	17,337			
21	2016	17,732			
22	12M - 12/31/2017	19,244			
23	3 Year Average	\$ 18,104			
24	Apply inflation rate (h)	5.714%	\$	19,139	
25					
26	(c) Based upon four year average inflated				
27	Maintenance & Repair:				
28	Year				
29	2014	\$ 3,753			
30	2015	5,522			
31	2016	9,113			
32	12M - 12/31/2017	11,916			
33	3 Year Average	\$ 8,850			
34	Apply inflation rate (h)	5.714%	\$	9,356	
35					
36	(d) Based upon four year average inflated				
37	Insurance				
38	Year				
39	2014	\$ 4,907			
40	2015	6,055			
41	2016	4,273			
42	12M - 12/31/2017	2,566			
43	3 Year Average	\$ 4,298			
44	Apply inflation rate (h)	5.714%	\$	4,544	
45					
46	(e) Based upon 2017 depreciation			1,643	
47					
48	(f) Based upon four year average inflated				
49	Other Misc:				
50	Year				
51	2014	\$ 4,770			
52	2015	5,882			
53	2016	4,167			
54	12M - 12/31/2017	1,589			
55	3 Year Average	\$ 3,880			
56	Apply inflation rate (h)	5.714%	\$	4,101	
57					
58	(g) Based upon Labor Capitalized (See "Exhibit 3 Schedule 2B")				
59	4 year average			24.20%	
60					

SUEZ Water Rhode Island, Inc.
Transportation Expenses - Vehicle Lease Costs

Exhibit 3 (Gil)
Schedule 10B Rebuttal
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Line
No.

	Vehicle	Lease No.	Current Monthly Lease Amount	Proforma Monthly Lease Amount	Lease Start Date	Lease End Date	Actual 2017	2018 Proforma Year Lease Costs	2019 Proforma Year Lease Costs
1									
2	002	1430	\$ 13	\$ 13	09/01/11	08/30/17	\$ 4,420	\$ 274	\$ 274
3	026	110105	357	13	11/01/11	10/31/17	3,646	321	321
4	027	110196	386	751	09/01/12	08/31/18	4,648	6,089	9,012
5	024	110197	295	622	09/01/12	08/31/18	3,559	4,849	7,462
6	JACOBS	110364	465	465	05/01/14	04/30/20	5,630	5,574	5,574
7	JACOBS	110527	512	512	04/01/16	03/31/22	5,580	6,146	6,146
8	JACOBS	86251	591	591	05/01/14	04/30/20	7,109	7,090	7,090
9	Annual Costs						\$ 34,592	\$ 30,344	\$ 35,879

**SUEZ Water Rhode Island, Inc.
Management and Services (M&S) Expense
For the Rate Year**

**Exhibit 3 (Gil)
Schedule 14 Rebuttal
Page 1 of 1**

Line No.	Description	Amount
1	Management and Services (M&S) Expense as filed	\$ 509,952
2		
3	Management and Services (M&S) Expense Revised	<u>486,285</u>
4		
5	Management and Services (M&S) Adjustment	<u>\$ (23,667)</u>

Eliminates STIP at 40%

**SUEZ Water Rhode Island, Inc.
Regulatory Commission Expense**

**Exhibit 3 (Gil)
Schedule 16 Rebuttal
Page 1 of 1**

Line No.	Description	Rate Year	Rebuttal
1	Assessment for year 2018		
2	Revenue Reported to PUC		
3	Fiscal year 2015	\$ 5,059,124	
4	Assessment	21,626	
5			
6	Assessment Rate	0.4275%	0.4275%
7			
8	Revenues at present rates	<u>\$ 4,813,887</u>	<u>\$ 4,813,887</u>
9			
10	Assessment	\$ 20,579	\$ 20,579
11			
12	Test Year Amount Per Books	<u>21,926</u>	<u>21,926</u>
13			
14	Adjustment at present rates	<u>\$ (1,347)</u>	<u>\$ (1,347)</u>
15			
16	Revenues at proposed rates	<u>\$ 5,838,744</u>	<u>\$ 5,679,800</u>
17		<u>24,961</u>	<u>24,281</u>
			(679)

SUEZ Water Rhode Island, Inc.
Other Operation and Maintenance Expenses

Exhibit 3 (Gil)
Schedule 17 Rebuttal

Line No.	Description	Amount
1	Other Operation and Maintenance Expenses as filed	\$ 185,776
2		
3	Other Operation and Maintenance Expenses Revised	<u>182,649</u>
4		
5	Other Operation and Maintenance Expenses Adjustment	<u>\$ (3,127)</u>

SUEZ Water Rhode Island, Inc.
Other Operation and Maintenance Expenses

Exhibit 3 (Gil)
Schedule 17A Rebuttal
Page 1 of 1

Line No.	Account Number	Account Description	Other O&M Test Year Per Books	Inflation Adjustment	Other O&M Rate Year	Adjustments [1]	Other O&M Revised
1	600	Operation Supervision and Engineering	\$ 5,009	\$ 213	\$ 5,221		\$ 5,221
2	603	Miscellaneous Expenses	357	15	372		372
3	616	Maintenance of Supply Mains	16,634	706	17,340		17,340
4	624	Pumping Labor and Expenses	13,614	578	14,192		14,192
5	631	Maintenance of Structures and Improvements	979	42	1,021		1,021
6	633	Maintenance of Pumping Equipment	389	17	406		406
7	643	Miscellaneous Expenses	12,690	539	13,228		13,228
8	652	Maintenance of Water Treatment Equipment	7,041	299	7,339		7,339
9	660	Operation Supervision and Engineering	1,090	46	1,136		1,136
10	665	Miscellaneous Expenses	27,824	1,181	29,004		29,004
11	671	Maintenance of Structures and Improvements	1,520	65	1,585		1,585
12	673	Maintenance of Trans. & Distribution Mains	80	3	84		84
13	677	Maintenance of Hydrants	8,605	365	8,970		8,970
14	902	Meter Reading Expenses	477	20	497		497
15	903	Customer Records & Coll. Expenses-Labor	2,570	109	2,679		2,679
16	905	Miscellaneous Customer Account Expense	371	16	386		386
17	921	Office Supplies and Other Expenses	49,500	2,101	51,601		51,601
18	930	Miscellaneous General Expenses	28,646	1,216	29,862	(3,127)	26,735
19	931	Rents	31	1	32		32
20	932	Maintenance of General Plant	786	33	820		820
21		Total Operation and Maintenance Expenses	\$ 178,213	\$ 7,563	\$ 185,776	\$ (3,127)	\$ 182,649

22
23 Note:

24 [1] Elimination of non recoverable expenses per data request COM 2-15

**SUEZ Water Rhode Island, Inc.
Property Tax Expense**

**Exhibit 3 (Gil)
Schedule 18 Rebuttal
Page 1 of 1**

Line No.	Description	Amount		
1	Property Tax Expense as filed	\$	409,722	
2				
3	Property Tax Expense Revised		<u>398,640</u>	
4				
5	Property Tax Adjustment	\$	<u>(11,083)</u>	
6				
7				
8	Actual Municipal Property Taxes:			
9		Amount	Change	% Change
10				
11	2013	\$ 293,412		
12	2014	322,959	\$ 29,547	10.07%
13	2015	334,442	11,483	3.56%
14	2016	343,043	8,601	2.57%
15	2017	366,378	23,335	6.80%
16				
17	3 year average increase			4.31%
18				
19	2018 Projected	\$ 382,168		
20	2019 Projected	\$ 398,640		

SUEZ Water Rhode Island, Inc.
Payroll Tax Expense

Exhibit 3 (Gil)
Schedule 19 Rebuttal
Page 1 of 1

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Payroll Tax Expense as filed	\$ 66,946
2		
3	Payroll Tax Expense Revised	<u>66,198</u>
4		
5	Payroll Tax Expense Adjustment	<u>\$ (748)</u>

**SUEZ Water Rhode Island, Inc.
Payroll Tax Worksheet
Part of Account Number 408
For the Rate Year**

**Exhibit 3 (Gil)
Schedule 19A Rebuttal
Page 1 of 1**

[-----Rate Year Payroll Taxes (b)-----]

Line No.	Job Title	Total Rate Year Labor (a)	FICA	Medicare	State Unemploy	Federal Unemploy	Total Payroll Taxes
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- 1 Mgr Rhode Island
- 2 Foreman
- 3 Supv Customer Contact&Billing
- 4 Superintendent
- 5 Chief Operator
- 6 Meter Reader
- 7 Sr Cust Serv Rep
- 8 Sr Cust Serv Rep
- 9 Service Person
- 10 Service Person
- 11 Customer service/data entry tech
- 12 Total Rate Year

- 13
- 14 Notes:
- 15 (a) Rate Year Labor per "Exhibit 3 Schedule 2A".
- 16

17 (b)

Payroll Tax	Current Rate	Current Taxable (Base) Amount
23 FICA	6.20%	\$ 127,200
24 Medicare	1.45%	\$ -
25 Federal Unemployment (FUI)	0.60%	\$ 7,000
26 State Unemployment (SUI)	1.20%	\$ 22,400

**SUEZ Water Rhode Island, Inc.
Gross Receipts Tax**

**Exhibit 3 (Gil)
Schedule 20 Rebuttal
Page 1 of 1**

Line No.	Description	Present Rates	Proposed Rates	Rebuttal Present Rates	Rebuttal Proposed Rates
1	Rate Year Revenues at Present rates	\$ 4,813,887	\$ 5,838,744	\$ 4,813,887	\$ 5,679,800
2					
3	Gross Receipts Tax Rate	<u>1.25%</u>	<u>1.25%</u>	<u>1.25%</u>	<u>1.25%</u>
4					
5	Rate Year Gross Receipts Tax	\$ 60,174	\$ 72,984	\$ 60,174	\$ 70,997
6					
7	Test Year Per Books	<u>60,510</u>	<u>60,174</u>	<u>60,174</u>	<u>72,984</u>
8					
9	Gross Receipts Tax Expense Adjustment	<u>\$ (337)</u>	<u>\$ 12,811</u>	<u>\$ -</u>	<u>\$ (1,987)</u>

**SUEZ Water Rhode Island, Inc.
Federal Income Tax Expense**

**Exhibit 3 (Cagle)
Schedule 21 Rebuttal**

Line No.	Description	[-----Rate Year-----]	
		Present Rates	Proposed Rates
		Rates	Rates
1	Revenues	\$ 4,813,887	\$ 5,679,800
2	Operating Expenses:		
3	Operation and Maintenance	2,376,177	2,379,879
4	Depreciation and Amortization	861,808	861,808
5	Taxes other than income	525,011	535,835
6	Operating Expenses Before Income Taxes	<u>3,762,996</u>	<u>3,777,522</u>
7	Operating Income Before Income Taxes	1,050,891	1,902,278
8	Interest Expense	435,511 (a)	435,511
9	Federal Taxable Income	<u>\$ 615,380</u>	<u>\$ 1,466,767</u>
10	Federal Income Tax Rate	21.00%	21.00%
11	Federal Income Tax	<u>\$ 129,230</u>	<u>\$ 308,021</u>
12	Amortization of Reg Liability TCJA	[1]	\$ -
13	Amortization of ITC	<u>\$ (4,662)</u>	<u>\$ (4,662)</u>
14	Total Federal Income tax	<u>\$ 124,568</u>	<u>\$ 303,359</u>
Reference:			
15	(a) Interest Expense		
16	Rate Base	\$ 20,446,525	\$ 20,446,525
17	Weighted Cost of Debt	2.13%	2.13%
18	Interest Expense	<u>\$ 435,511</u>	<u>\$ 435,511</u>

Notes:

[1] Revised in Rebuttal moved to O&M Expenses

**SUEZ Water Rhode Island, Inc.
Depreciation and Amortization Expense**

**Exhibit 3 (Gil)
Schedule 22 Rebuttal**

Line No.	Description	Amount
1	Rate Year Depreciation/Amortization Expense as filed	\$ 905,502
2	Division Adjustment CCB (3 year)	[1] <u>(43,694)</u>
3	Rate Year Depreciation/Amortization Expense Revised	<u>\$ 861,808</u>

Notes:

[1] Revised in Rebuttal

SUEZ Water Rhode Island
Rate Base Summary

Exhibit 4 (Prettyman)
Schedule 1 Rebuttal

Line No.	Company's Original Filing				Company Revised				
	September 30, 2017	Average	September 30, 2018	Average	September 30, 2019	Average	September 30, 2019	Average	
1	Utility Plant In Service	\$ 31,373,738	\$ 30,778,252	\$ 35,111,465	\$ 32,310,823	\$ 37,657,480	\$ 36,073,465	\$ 37,657,480	\$ 36,073,465
2	Accumulated Depreciation	(8,100,486)	(7,862,758)	(7,939,996)	(7,937,358)	(8,787,170)	(8,362,574)	(8,787,170)	(8,362,574)
3	Net Utility Plant in Service	23,273,253	22,915,494	27,171,469	24,373,465	28,870,309	27,710,890	28,870,309	27,710,890
4	Materials and Supplies	200,871	202,340	202,340	202,227	202,227	202,236	202,227	202,236
5	Cash Working Capital (CWC)	227,456	227,467	227,467	227,467	313,813	307,171	[1] 294,546	298,560
6	Def'd Tank Painting (net of Def'd Tax)	95,038	127,680	66,507	74,278	50,857	58,682	50,857	58,682
7	Def'd Rate Case (net of Def'd Tax)	2,373	(4,048)	111,214	77,177	63,551	87,383	[2] -	-
8		525,739	553,440	607,529	581,149	630,449	655,472	547,630	559,478
9	CIAC	(3,355,575)	(3,354,422)	(3,532,075)	(3,394,806)	(3,637,075)	(3,560,845)	(3,637,075)	(3,560,845)
10	Def'd Income Tax	(2,809,678)	(2,699,148)	(1,811,339)	(1,944,272)	(1,953,862)	(1,866,387)	(1,953,862)	(1,866,387)
11	Regulatory Liability - Tax rate change	-	-	(1,680,178)	(1,230,489)	(1,646,575)	(1,663,377)	(1,646,575)	(1,663,377)
12	Unamortized ITC	(73,919)	(76,253)	(69,257)	(71,588)	(64,595)	(66,926)	(64,595)	(66,926)
13	Unfunded FAS 106 (net of Def'd Tax)	(548,229)	(549,209)	(666,309)	(629,977)	(666,309)	(666,309)	(666,309)	(666,309)
14		(6,787,402)	(6,679,031)	(7,759,159)	(7,271,132)	(7,968,416)	(7,823,844)	(7,968,416)	(7,823,844)
15	Total Rate Base	\$17,011,590	\$16,789,903	\$20,019,838	\$17,683,482	\$21,532,342	\$20,542,518	\$21,449,523	\$20,446,525

Notes:

- [1] 1/8 of Rebuttal Expenses and excluded Tank Painting Amortization
[2] Revised in Rebuttal