

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

**PROVIDENCE WATER SUPPLY BOARD**  
**RATE CASE**  
**DOCKET NO. 4994**

**ON BEHALF OF**  
**THE DIVISION OF PUBLIC UTILITIES AND CARRIERS**

**May 11, 2020**

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## Exhibits:

RCS-1, Ralph Smith Background and Qualifications

RCS-2, Division Revenue Requirement Summary and Adjustment Schedules

1 **INTRODUCTION**

2 **Q. What is your name, occupation, and business address?**

3 A. My name is Ralph Smith. I am a Certified Public Accountant licensed in the State  
4 of Michigan and a senior regulatory consultant at the firm Larkin & Associates,  
5 PLLC, Certified Public Accountants, with offices at 15728 Farmington Road,  
6 Livonia, Michigan 48154.

7

8 **Q. Please describe the firm Larkin & Associates, PLLC.**

9 A. Larkin & Associates, PLLC ("Larkin"), is a Certified Public Accounting and  
10 Regulatory Consulting Firm. The firm performs independent regulatory consulting  
11 primarily for public service/utility commission staffs and consumer interest groups  
12 (public counsels, public advocates, consumer counsels, attorneys general, etc.).  
13 Larkin has extensive experience in the utility regulatory field as expert witnesses in  
14 over 600 regulatory proceedings, including numerous electric, water and  
15 wastewater, gas and telephone utility cases.

16

17 **Q. Mr. Smith, please summarize your educational background and recent work  
18 experience.**

19 A. I received a Bachelor of Science degree in Business Administration (Accounting  
20 Major) with distinction from the University of Michigan - Dearborn, in April 1979.  
21 I passed all parts of the C.P.A. examination on my first sitting in 1979, received my  
22 C.P.A. license in 1981, and received a certified financial planning certificate in  
23 1983. I also have a Master of Science in Taxation from Walsh College, 1981, and a

1 law degree (J.D.) cum laude from Wayne State University, 1986. In addition, I  
2 have attended a variety of continuing education courses in conjunction with  
3 maintaining my accountancy license. I am a licensed Certified Public Accountant  
4 and attorney in the State of Michigan. Since 1981, I have been a member of the  
5 Michigan Association of Certified Public Accountants. I am also a member of the  
6 Michigan Bar Association. I have also been a member of the American Bar  
7 Association (ABA), and the ABA sections on Public Utility Law and Taxation.

8  
9 **Q. Please summarize your professional experience.**

10 A. After graduating from the University of Michigan, and after a short period of  
11 installing a computerized accounting system for a Southfield, Michigan realty  
12 management firm, I accepted a position as an auditor with the predecessor CPA  
13 firm to Larkin & Associates in July 1979. Before becoming involved in utility  
14 regulation where the majority of my time for the past 39 years has been spent, I  
15 performed audit, accounting, and tax work for a wide variety of businesses that  
16 were clients of the firm.

17  
18 **Q. Have you previously testified before the Rhode Island Public Utilities  
19 Commission?**

20 A. Yes. I filed testimony on behalf of the Division and testified before the  
21 Commission in the following cases:

- 22 • Providence Water rate case, Docket No. 4618
- 23 • Suez Water rate case, Docket No. 4800
- 24 • Narragansett Bay Commission rate case, Docket No. 4890

- 1                   • Block Island Utility District d/b/a Block Island Power Company,  
2                   Docket No. 4975

3

4 **Q. Have you previously testified before other state regulatory commissions?**

5 A. Yes. I have previously submitted testimony before many other state regulatory  
6 commissions, including Alaska, Arizona, Arkansas, California, Connecticut,  
7 Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Kansas, Kentucky, Louisiana,  
8 Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New  
9 Mexico, New York, Nevada, North Carolina, North Dakota, Ohio, Oregon,  
10 Pennsylvania, South Carolina, Tennessee, Texas, Vermont, Virginia, Washington,  
11 Washington D.C., and West Virginia, as well as the Federal Energy Regulatory  
12 Commission.

13

14 **Q. Have you prepared an exhibit describing your qualifications and experience?**

15 A. Yes. I have attached Exhibit No. RCS-1, which is a summary of my regulatory  
16 experience and qualifications.

17

18 **Q. On whose behalf are you appearing?**

19 A. Larkin & Associates, PLLC, was retained by the Division of Public Utilities and  
20 Carriers ("the Division") to review the rate request of Providence Water Supply  
21 Board ("Providence Water," "PWSB" or "Company"). Accordingly, I am  
22 appearing on behalf of the Division.

23

24 **Q. What is the purpose of your testimony in this proceeding?**

1 A. I am presenting the Division's overall recommended revenue requirement for  
2 Providence Water in this case. I also sponsor several adjustments to the Company's  
3 proposed revenue requirement.

4

5 **Q. Have you attached any schedules to your testimony?**

6 A. Yes. I prepared Schedule Nos. RCS-1 through RCS-15, in support of the  
7 adjustments discussed in my testimony. Schedule RCS-1 presents the revenue  
8 requirement calculation for the 2021, 2022, and 2023 rate years, giving effect to all  
9 of the adjustments I am recommending in this testimony. Schedule RCS-2 presents  
10 a summary of the Division's adjustments for each rate year. Schedules RCS-3  
11 through RCS-15 each present details for a specific recommended adjustment.

12

13 **Q. How will your testimony be organized?**

14 A. I first present the overall financial summary for the base rate change to be effective  
15 for the rate years ended June 30, 2021, June 30, 2022, and June 30, 2023, showing  
16 the revenue requirement and revenue increase recommended by the Division. I  
17 then discuss several of my proposed adjustments which impact the Company's  
18 revenue requirement. The adjustments are generally discussed in the order in which  
19 they appear on Schedule RCS-2. My testimony addresses each of PWSB's  
20 restricted capital accounts, including ones where no Division adjustment is being  
21 proposed.

22

1 **OVERALL FINANCIAL SUMMARY – BASE RATE CHANGE**

2 **Q. What revenue increases is the Company seeking?**

3 A. The Company is requesting additional rate revenue through a multi-year rate  
4 increase. PWSB's requested multi-year rate plan is for rate increases in the next  
5 three fiscal years.

6 I will be referring to PWSB's fiscal year ("FY") in my testimony in  
7 describing the periods for which Providence Water is requesting rate increases. For  
8 these purposes, FY 2021 is the rate year consisting of the 12 months ending June  
9 30, 2021. In my testimony, I will be referring to this period as FY 2021 or as Rate  
10 Year ("RY") 2021.

11 FY 2022 is the rate year consisting of the 12 months ending June 30, 2022,  
12 and FY 2023 is the rate year consisting of the 12 months ending June 30, 2023. I  
13 will be referring to these periods as FY 2022 (or RY 2022) and FY 2023 (or RY  
14 2023).

15 For FY 2021, the Company is requesting a general base revenue adjustment  
16 of \$13,311,349, or 19.07%.

17 For FY 2022, the Company is requesting a general base revenue adjustment  
18 of \$6,131,341, or 7.26%.

19 For FY 2023, the Company is requesting a general base revenue adjustment  
20 of \$3,574,579, or 3.94%.

21

22 **Q. What revenue requirement do you recommend for Providence Water?**

23 A. As shown on Schedule RCS-1, my recommended adjustments in this case result in a  
24 recommended revenue requirement increase for Providence Water of \$11,980,435

1 for RY 2021. This is \$1,330,915 less than the \$13,311,349 base rate increase  
2 requested by Providence Water in its filing.

3 My recommended adjustments in this case result in a recommended  
4 revenue requirement increase for Providence Water of \$2,892,131 for RY 2022.  
5 This is \$3,239,210 less than the \$6,131,341 base rate increase requested by  
6 Providence Water in its filing.

7 My recommended adjustments in this case result in a recommended revenue  
8 requirement decrease for Providence Water of \$705,521 for RY 2023. This is  
9 \$4,280,279 less than the \$3,574,579 base rate increase requested by Providence  
10 Water in its filing. Rather than lock in a revenue requirement decrease at this time  
11 for RY 2023, a future period that is based on multi-year projections that could go  
12 off track, I am recommending no rate change for RY 2023 at this time.

13

14 **RECOMMENDED ADJUSTMENTS AND DISCUSSION OF RESTRICTED**  
15 **FUNDS**

16 **Q. Would you please discuss each Division adjustment to Providence Water's**  
17 **proposed revenue increases?**

18 A. Yes, I will address each Division adjustment below. In this section, I will also  
19 discuss PWSB's proposals for each restricted fund.

20

21 City Services

22 **Q. Is PWSB charged for services from the City of Providence?**

23 A. Yes. PWSB is charged for City Services provided by the City of Providence.



1

2 **Q. What amount for City Services was allowed in PWSB's last rate case?**

3 A. The Commission's Order in Docket No. 4618 at pages 17-18 indicated that:  
4 "Funding in the rate year will remain at \$839,167 for City Service expense."  
5

6 **Q. What amounts for City Services has PWSB requested in the current case?**

7 A. PWSB has requested the following amounts for City Services, which I have  
8 summarized on Schedule RCS-3:

- 9 • Test Year Ended June 30, 2019: \$839,167
- 10 • Rate Year Ended June 30, 2021: \$1,490,693
- 11 • Rate Year Ended June 30, 2022: \$1,490,693
- 12 • Rate Year Ended June 30, 2023: \$1,490,693

13

14 **Q. Please explain the adjustment for City Services cost shown on Schedule RCS-3.**

15 A. Division witness Jerome Mierzwa has recommended that the amount of City  
16 Services charges to PWSB be maintained at the current Commission approved level  
17 of \$839,167. The adjustment shown on Schedule RCS-3 reduces the amounts  
18 requested by Providence Water for RY 2021, RY 2022 and RY 2023 to that  
19 amount. This results in a reduction of \$651,527 to PWSB's proposed amounts for  
20 City Services for each rate year, as shown on Schedule RCS-3.

21

22 RI PUC Assessment

23 **Q. What amount did PWSB reflect for the Commission's assessment?**

1 A. PWSB reflected estimated amounts for the Commission assessment for each rate  
2 year, which I have summarized on Schedule RCS-3.

3

4 **Q. Please discuss the RI PUC assessment to PWSB for FY 2020 and how that**  
5 **compared with PWSB's estimate.**

6 A. PWSB's response to DIV 6-1 shows an assessment amount of \$377,369 for FY  
7 2020. PWSB provided a copy of the PUC assessment invoice in its response to  
8 BCWA 2-13(a). In comparison, PWSB had estimated \$385,423 for its FY 2021  
9 assessment and used that amount in its proposed cost of service.

10

11 **Q. What amount do you recommend?**

12 A. I recommend that the FY 2020 assessment amount of \$377,369 be used as the  
13 starting point for the PUC assessments for each rate year. As shown on Schedule  
14 RCS-4, the FY 2020 assessment of \$377,369 for PWSB was an increase of  
15 approximately 6.72 percent over the FY 2019 assessment amount of \$353,599. As  
16 shown on Schedule RCS-4, I escalated the FY 2020 assessment of \$377,369 by  
17 6.72 percent each year to derive the estimated amounts for RY 2021, RY 2022 and  
18 RY 2023. This produced an amount of \$402,738 for RY 2021, an amount of  
19 \$429,812 for RY 2022, and an amount of \$458,706 for RY 2023. In contrast,  
20 PWSB had reflected estimated increases of 9.0 percent to its proposed RY 2021  
21 amount to derive its proposed amounts for RY 2022 and RY 2023. PWSB's  
22 calculations are reproduced on Schedule RCS-4. As summarized on that schedule  
23 the adjustments to PWSB's proposed amounts for each rate year for the PUC  
24 assessment are as follows:

- 1 • Rate Year Ended June 30, 2021: \$17,315
- 2 • Rate Year Ended June 30, 2022: \$9,701
- 3 • Rate Year Ended June 30, 2023: \$786
- 4

5 Payroll Expense - Labor Cost for Operations

6 **Q. What amounts of payroll expense has Providence Water proposed and how do**  
 7 **those compare with prior years?**

8 A. The following table summarizes the amounts of payroll expense that PWSB has  
 9 proposed for FY 2020 and for each rate year (RY 2021, RY 2022 and RY 2023)  
 10 and also includes comparative actual information for FY 2018, FY 2019 and  
 11 calendar year 2019:

Providence Water Actual and Projected Salaries and Wages from PWSB response to DIV 1-45								
Account	Description	Actual			Projected			
		FY 2018	FY 2019	Calendar Year 2019	FY 2020	FY 2021	FY 2022	FY 2023
60110	Salaries & Wages - Emp	\$ 740,012	\$ 777,108	\$ 745,231	\$ 847,681	\$ 864,635	\$ 890,574	\$ 912,838
60120	Salaries & Wages - Emp	\$ 452,080	\$ 391,728	\$ 416,488	\$ 565,819	\$ 577,135	\$ 594,449	\$ 609,311
60130	Salaries & Wages - Emp	\$ 1,970,349	\$ 2,186,695	\$ 2,229,869	\$ 2,558,206	\$ 2,609,370	\$ 2,687,651	\$ 2,754,843
60140	Salaries & Wages - Emp	\$ 394,448	\$ 404,918	\$ 296,396	\$ 293,722	\$ 299,596	\$ 308,584	\$ 316,299
60150	Salaries & Wages - Emp	\$ 752,211	\$ 557,922	\$ 583,932	\$ 569,080	\$ 580,462	\$ 597,876	\$ 612,822
60160	Salaries & Wages - Emp	\$ 2,841,249	\$ 2,880,826	\$ 3,030,133	\$ 3,067,923	\$ 3,129,281	\$ 3,223,160	\$ 3,303,739
60170	Salaries & Wages - Emp	\$ 1,914,408	\$ 1,945,516	\$ 1,873,237	\$ 2,134,831	\$ 2,177,528	\$ 2,242,854	\$ 2,298,925
60180	Salaries & Wages - Emp	\$ 5,552,523	\$ 5,489,507	\$ 5,593,491	\$ 6,076,216	\$ 6,291,044	\$ 6,575,877	\$ 6,838,779
	Total Salaries & Wages	\$ 14,617,280	\$ 14,634,220	\$ 14,768,777	\$ 16,113,478	\$ 16,529,051	\$ 17,121,025	\$ 17,647,556
	\$ Change from prior FY		\$ 16,940		\$ 1,479,258	\$ 415,573	\$ 591,974	\$ 526,531
	% Change from prior FY		0.1%		10.1%	2.58%	3.58%	3.08%

12  
 13  
 14 **Q. Why is there such a large increase from FY 2019 actual to PWSB's FY 2020**  
 15 **projection?**

16 A. In its response to DIV 6-26(a), Providence Water provided the following  
 17 explanation:

18 The increase of \$1.479 million from FY19 actual to FY20 budgeted  
 19 amounts include:  
 20 \$252,893 added to FY19 actuals to normalize the payroll for wages  
 21 paid through worker's compensation insurance.

1 \$115,873 added to FY19 actuals for unpaid wages due to FMLA,  
2 LOA, or suspension.

3 \$193,689 added to FY19 actuals for additional positions filled after  
4 6/30/2019.

5 \$511,178 added to FY19 actuals for vacant positions planned to be  
6 filled after 6/30/2019.

7 \$91,474 added to FY19 normalized payroll for FY20 estimated  
8 employee step increases.

9 \$314,157 added to FY19 normalized payroll for the 2% contractual  
10 wage increase on 7/1/2019.

11

12 **Q. Is PWSB's estimate of FY 2020 payroll reasonable?**

13 A. No. PWSB's estimate of FY 2020 payroll that was used as the basis for the  
14 Company's rate year projections of payroll expense is not reasonable. To the  
15 contrary, it appears to be unreasonably high. Of particular concern is the \$511,178  
16 added to FY19 actuals for vacant positions planned to be filled after 6/30/2019.  
17 This is of concern because PWSB has been unable to achieve the work force levels  
18 it has projected or which have been used in setting PWSB labor costs for  
19 ratemaking purposes.

20

21 **Q. Did PWSB use its FY 2020 estimate for payroll as the basis for projecting  
22 payroll expense for rate years 2021, 2022 and 2023?**

23 A. Yes. PSWB's response to DIV 6-26 indicates that PWSB's proposed salaries and  
24 wages amounts for FY 2021, FY 2022 and FY 2023 were based on escalating the  
25 Company's FY 2020 budget amounts.

26

27 **Q. What work force levels for PWSB were discussed in PWSB's last rate case?**

1 A. In PWSB's last rate case, Docket No. 4618, concerns were raised regarding PWSB's  
2 projected work force levels and in particular whether PWSB would be able to fill  
3 the positions that it was forecasting. In Docket No. 4618, witness Caruolo asserted  
4 that Providence Water needed 254 employees to operate efficiently.<sup>1</sup> A settlement  
5 was reached between PWSB and the Division in that docket that reduced PWSB's  
6 requested new positions by four.<sup>2</sup> Concerns were raised that Providence Water had  
7 operated with a lower staffing level than had been funded in the last rate case.  
8 Moreover, PWSB has typically experienced employee turnover, such that as it fills  
9 some job positions, other positions become vacant due to retirements or employees  
10 leaving service for other reasons. Thus, at any point in time, PWSB has a number  
11 of budgeted but unfilled positions. This appears to be a continuing issue. In its  
12 Order in Docket No. 4618, the Commission noted that it was difficult to ascertain a  
13 reliable employee count for PWSB.<sup>3</sup> The Commission put PWSB on notice,  
14 particularly in the context of the staffing level and labor cost issue, that "Providence  
15 Water ... should remember that they must provide consistent data to the  
16 Commission in rate cases to justify all expenditures."<sup>4</sup>

17  
18 **Q. What have been PWSB's actual staffing levels, and what levels are projected**  
19 **by the Company for the rate years?**

20 A. PWSB's response to DIV 6-26(e) provided the following summary of the staffing  
21 levels that relate to the labor cost levels that were provided in the Company's  
22 response to DIV 1-45:

---

<sup>1</sup> See, e.g., Order in Docket No. 4618 at 14.

<sup>2</sup> Id at 15.

<sup>3</sup> See, e.g., id at 15.

<sup>4</sup> Id at 16.

1 In response DIV 1-45, the salary and wage amounts included for  
2 each period pertain to the following:  
3 FY18 - Average number of 241 employees and 1 temp.  
4 FY19 - Average number of 234 employees and 2 temps.  
5 FY20 - Average number of 234 employees and 1 temp through  
6 March 31, 2020.  
7 FY21 - Average number of 248 employees.  
8 FY22 - Average number of 248 employees.  
9 FY23 - Average number of 248 employees.  
10 These totals are only for the employees paid out of 601 Operations,  
11 and do not include the additional 7 (5 in FY18) employees paid out  
12 of 848 IFR Fund.

13

14 **Q. Has the Company demonstrated that it would actually have an average of 248**  
15 **employees for Operations during each of the rate years?**

16 A. No. PWSB has not attained that level of average Operations employees in FY 2018  
17 or FY 2019 and has indicated that it has an average number of 234 employees and 1  
18 temp through March 31, 2020 for Operations.

19

20 **Q. Has PWSB provided an updated estimate of its FY 2020 payroll?**

21 A. Yes. PWSB provided a schedule attached to its response to DIV 6-26 which  
22 included an update of actual information through March 2020 and an updated status  
23 of current vacant positions. I have reproduced that PWSB information in Schedule  
24 RCS-5, page 2. As noted above, PWSB used its estimated FY 2020 payroll for  
25 Account 601, Operations, in deriving its projections for the rate years, RY 2021  
26 through RY 2023, so the overstatement of FY 2020 payroll impacted PWSB's  
27 projected Operating payroll expense for each rate year.

28

1 **Q. Are you recommending an adjustment for PWSB rate year payroll?**

2 A. Yes. As shown on Schedule RCS-5, page 1, I am recommending that PWSB's  
3 proposed rate year payroll amounts be reduced for each rate year by the following  
4 amounts:

- 5 • Rate Year Ended June 30, 2021: \$(278,128)
- 6 • Rate Year Ended June 30, 2022: \$(288,089)
- 7 • Rate Year Ended June 30, 2023: \$(296,948)

8 This adjustment uses the updated estimate for FY 2020 payroll as the base  
9 for estimating Operating payroll expense for Account 601 for each rate year.

10 Payroll Tax Expense

11 **Q. Are you recommending a payroll tax expense adjustment?**

12 A. Yes. As shown on Schedule RCS-6, my recommended adjustment to the  
13 Company's payroll tax expense is made in conjunction with the recommended  
14 adjustment to payroll expense discussed previously. I have reduced the Company's  
15 projected rate year payroll expense by the amounts shown on Schedule RCS-6 for  
16 each rate year, which are summarized below:

- 17 • Rate Year Ended June 30, 2021: \$(21,277)
- 18 • Rate Year Ended June 30, 2022: \$(22,039)
- 19 • Rate Year Ended June 30, 2023: \$(22,717)

20

21 General Inflation

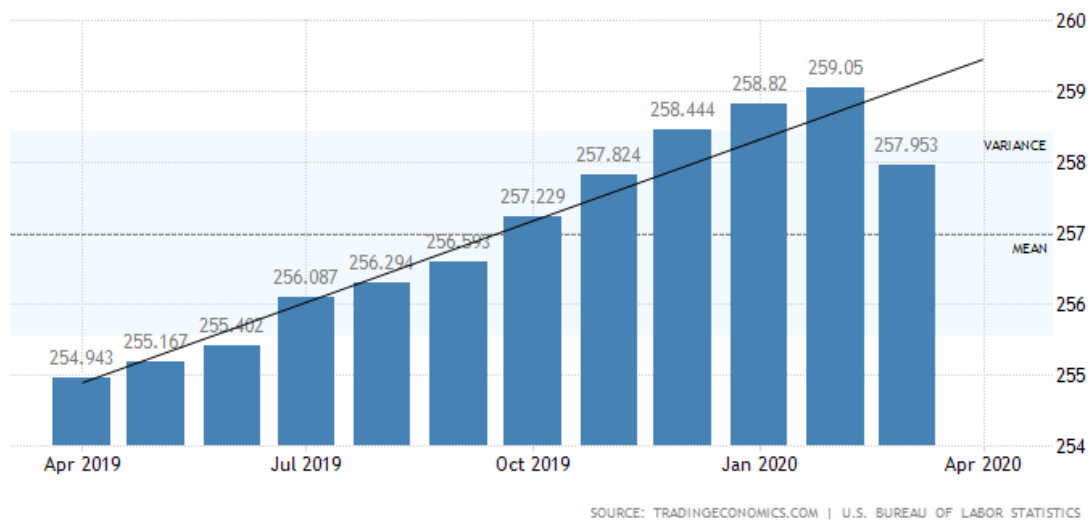
22 **Q. What adjustment for general inflation has PWSB reflected in its application?**

1 A. PWSB applied a generalize inflation adjustment from the test year to RY 2021 of  
2 4.2 percent. PWSB also applied general inflation from RY 2021 to RY 2022 of 2.1  
3 percent and general inflation from RY 2022 to RY 2023 of 2.1 percent. PWSB's  
4 general inflation adjustments are shown on Company Exhibit HJS-11. The  
5 Company's general inflation adjustment appears to be premised upon expectations  
6 for the Consumer Price Index.

7  
8 **Q. Is it clear that there will be inflation, measured by the CPI in 2020 or 2021?**

9 A. No. In fact, recent data shows that the inflation rate, measured by the CPI is falling,  
10 and some updated forecasts are even indicating a period of no inflation or deflation.  
11 The following figure<sup>5</sup> shows that while the CPI index has had an upward trend  
12 historically, current data suggests that is changing and a period of deflation may be  
13 occurring:

14 Figure 1: Consumer Price Index



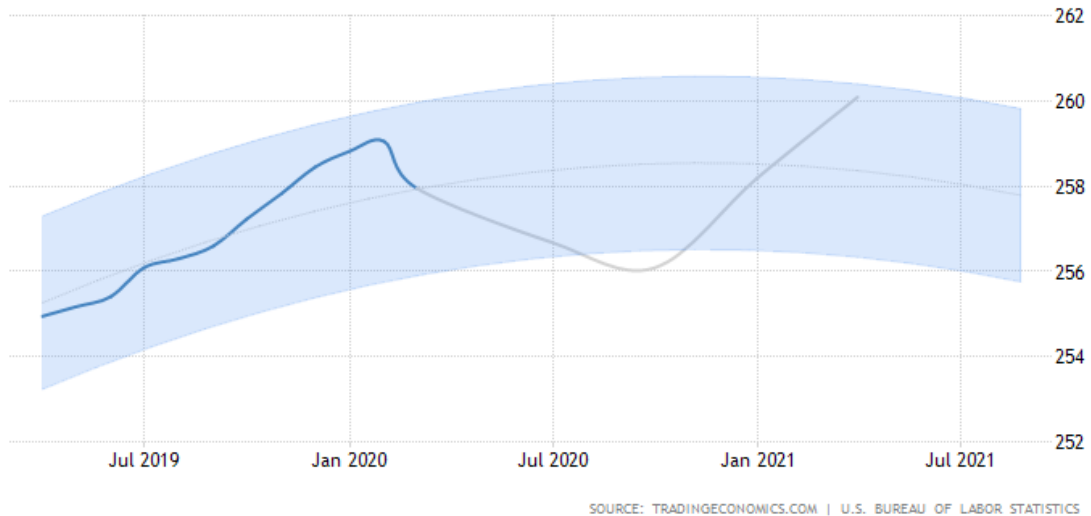
15

<sup>5</sup> Accessed on 5/7/2020 at: <https://tradingeconomics.com/united-states/consumer-price-index-cpi>



1 The following figure shows an updated forecast for the United States CPI shows  
2 that deflation is now being forecast for several months in 2020<sup>6</sup>:

3 Figure 2: Consumer Price Index - Updated Forecast



4

5 **Q. Are you recommending an adjustment for the general inflation?**

6 A. Yes. As shown on Schedule RCS-7, I am recommending that there be no  
7 generalized CPI-index based inflation adjustment for the first rate year, i.e., for RY  
8 2021. The impact on PWSB's operating expenses for this adjustment was obtained  
9 by using the Company's revenue requirement Excel model and removing the 4.2%  
10 CPI based inflation assumption that the Company used for general inflation from  
11 the test year to the rate year for O&M expense. As shown on Exhibit RCS-7,  
12 removal of PWSB's general inflation adjustment results in the following  
13 adjustments to PWSB's proposed operating and maintenance expenses in each rate  
14 year:

- 15 • Rate Year Ended June 30, 2021: \$(78,411)
- 16 • Rate Year Ended June 30, 2022: \$(80,061)

<sup>6</sup> Accessed on 5/7/2020 at: <https://tradingeconomics.com/united-states/consumer-price-index-cpi-forecast>.

1                                   • Rate Year Ended June 30, 2023: \$(81,746)

2

3                   Miscellaneous Revenue

4   **Q.    What amount did PWSB reflect for Miscellaneous Revenue?**

5   A.    PSWB reflected an amount for Miscellaneous Revenue of \$1,364,746 in each rate  
6        year. PSWB's reduced the FY 2019 recorded test year amount of Miscellaneous  
7        Revenue of \$1,727,024 by \$362,278 to derive the \$1,364,746 amount that PWSB  
8        then used in each rate year.

9

10 **Q.    How does that compare with PWSB's historical levels of Miscellaneous**  
11 **Revenue.**

12 A.    Historical information on Miscellaneous Revenue for FY 2015 through FY 2019  
13        and for the six month period through December 31, 2019 was provided in PWSB's  
14        response to DIV 1-23 and has been summarized on Schedule RCS-8, page 2.  
15        PWSB's Miscellaneous Revenue has been growing in each year. PWSB has  
16        Miscellaneous Revenue of \$1,456,931 in FY 2017 and \$1,470,535 in FY 2018.  
17        PWSB's proposed rate year amount of only \$1,364,746 is lower than the amounts in  
18        each of those recent years. PWSB's proposed rate year amount for Miscellaneous  
19        Revenue is also lower than the two, three, four and five years averages through FY  
20        2019. PWSB's amount for rate year Miscellaneous Revenue thus appears to be  
21        unreasonably low and in need of an upward adjustment.

22

23 **Q.    Are you recommending an adjustment for Miscellaneous Revenue?**

1 A. Yes, as shown on Schedule RCS-8 I am recommending that the \$1,364,746 amount  
2 of Miscellaneous Revenue in each rate year that PWSB reflected be increased by  
3 \$128,417 to reflect an annual amount of \$1,493,163.

4 Restricted Fund Accounts

5 **Q. What restricted fund accounts are maintained by Providence Water?**

6 A. Providence Water maintains the following restricted fund accounts:

- 7 • Capital Fund
- 8 • Western Cranston Fund
- 9 • IFR Replacement Fund
- 10 • AMR/Meter Replacement Fund
- 11 • Equip/Vehicle Replacement Fund
- 12 • Insurance Fund
- 13 • Chemicals/Sludge Maint. Fund
- 14 • Property Tax Refund Fund
- 15 • Private Side Lead Service Replacement Fund
- 16 • Revenue Reserve Fund

17  
18 **Q. Did you review PWSB's proposed fund and the beginning and projected**  
19 **balances in each of those restricted funds?**

20 A. Yes. I will discuss each fund in the order noted above. I am recommending  
21 adjustments for some but not all of PWSB's restricted funds, as I will explain  
22 below.

23

1           Capital Fund

2   **Q.    What balances has the Company projected for the Capital Fund for the end of**  
3   **each FY 2019 through FY 2023?**

4   A.    Company Schedule HJS-10a shows the activity in this fund for FY 2019 through  
5   FY 2023. The carryover funds from FY 2018 into FY 2019 was \$5,081,531. For FY  
6   2019, the Company's ending balance is \$3,540,347. For FY 2020, the projected  
7   ending balance is \$(159,520). For FY 2021, the projected ending balance is  
8   \$39,642. For FY 2022, the projected ending balance is \$240,681. For FY 2023, the  
9   projected ending balance is \$443,310.

10

11 **Q.    What is the Company's proposed annual funding for FY 2020 through FY**  
12 **2023?**

13 A.    The Company's proposed annual funding for each year FY 2020 through FY 2023  
14   is \$2,127,000.

15

16 **Q.    Are you recommending an adjustment to this fund?**

17 A.    No. The amount of annual funding has historically remained the same. This amount  
18   appears to provide adequate funding during the period covered by the multi-year  
19   rate plan; i.e., through June 30, 2023.

20

21           Western Cranston Fund

22 **Q.    What balances has the Company projected for the Western Cranston for the**  
23 **end of each FY 2019 through FY 2023?**

1 A. Company Schedule HJS-10b shows the activity in this fund for FY 2019 through  
2 FY 2023. The carryover funds from FY 2018 to FY 2019 was \$331,157. For FY  
3 2019, the Company's ending balance is \$289,247. For FY 2020, the projected  
4 ending balance is \$190,258. For FY 2021, the projected ending balance is \$84,696.  
5 For FY 2022, the projected ending balance is \$(30,769). For FY 2023, the projected  
6 ending balance is \$19,231.

7

8 **Q. What is the Company's proposed annual funding for each RY 2021 through**  
9 **RY 2023?**

10 A. The Company's proposed annual funding is \$40,000 for each year FY 2021 through  
11 FY 2023.

12

13 **Q. Are you recommending an adjustment to this fund?**

14 A. No. In the last rate case, the level of funding was reduced to approximately  
15 \$40,000 per year. The Company has continued to use this level of funding in their  
16 budget which appears to provide the fund with adequate funding through the rate  
17 years.

18

19 IFR Fund

20 **Q. What balances has the Company projected for the IFR Fund for the end of**  
21 **each FY 2019 through FY 2023?**

22 A. Company Schedule HJS-10c shows the activity in this fund for FY 2019 through  
23 FY 2023. The carryover funds from FY 2018 to FY 2019 was \$12,914,333. For FY

1 2019, the Company's ending balance is \$8,312,576. For FY 2020, the projected  
2 ending balance is \$1,327,631. For FY 2021, the projected ending balance is  
3 \$12,588,203. The FY 2021 activity reflects a projected bond financing. For FY  
4 2022, the projected ending balance is \$1,009,505. For FY 2023, the projected  
5 ending balance is \$6,634,750.

6  
7 **Q. What is the Company's proposed annual funding for FY 2020 through FY**  
8 **2023?**

9 A. The Company's proposed annual funding for FY 2020 is \$27,300,000, \$29,300,000  
10 for FY 2021, \$31,300,000 for FY 2022, and \$33,300,000 for FY 2023. For the rate  
11 years, FY 2021 through FY 2023, the Company projects \$19.1 million of bond  
12 funding.

13  
14 **Q. Are you recommending an adjustment to this fund?**

15 A. Yes. As shown on Schedule RCS-9, I recommend reducing the FY2023 addition  
16 from PWSB's requested amount of \$6 million to \$4 million. Rather than allowing  
17 the Company to accumulate greater reserves in this fund, removal of \$2 million in  
18 FY 2023 can help mitigate the rate increase. Reducing PWSB's requested FY 2023  
19 funding by \$2,000,000 would still leave the projected June 30, 2023 ending balance  
20 for this fund at \$4,634,750.

21

1           AMR/Meter Replacement Fund

2   **Q.    What balances has the Company projected for the AMR/Meter Replacement**  
3   **Fund for the end of each FY 2019 through FY 2023?**

4   A.    Company Schedule HJS-10d shows the activity in this fund for FY 2019 through  
5   FY 2023. The carryover funds from FY 2018 to FY 2019 was \$2,260,279. For FY  
6   2019, the Company’s ending balance is \$1,276,808. For FY 2020, the projected  
7   ending balance is \$597,760. For FY 2021, the projected ending balance is  
8   \$403,121. For FY 2022, the projected ending balance is \$208,767. For FY 2023, the  
9   projected ending balance is \$14,793.

10  
11 **Q.    What is the Company’s proposed annual funding for FY 2020 through FY**  
12 **2023?**

13 A.    The Company’s proposed annual funding for FY 2020 is \$500,000, and is  
14 \$1,000,000 for each year FY 2021 through FY 2023.

15  
16 **Q.    Are you recommending an adjustment to this fund?**

17 A.    No. The Company’s proposed annual funding appears to be adequate to fund the  
18 project activities, without being excessive. Therefore, I am not recommending an  
19 adjustment.

20

21           Equipment/Vehicle Replacement Fund

22 **Q.    What balances has the Company projected for the Equipment/Vehicle**  
23 **Replacement Fund for the end of each FY 2019 through FY 2023?**

1 A. Company Schedule HJS-10e shows the activity in this fund for FY 2019 through  
2 FY 2023. The carryover funds from FY 2018 to FY 2019 was \$1,648,796. For FY  
3 2019, the Company's ending balance is \$683,072. For FY 2020, the projected  
4 ending balance is \$(308,628). For FY 2021, the projected ending balance is  
5 \$131,145. For FY 2022, the projected ending balance is \$470,781. For FY 2023, the  
6 projected ending balance is \$940,181.

7  
8 **Q. What is the Company's proposed annual funding for FY 2020 through FY**  
9 **2023?**

10 A. The Company's proposed annual funding for FY 2020 is \$600,000, and is  
11 \$1,600,000 for each year FY 2021 through FY 2023.

12  
13 **Q. Are you recommending an adjustment to this fund?**

14 A. Yes. As shown on Schedule RCS-10, I recommend an annual funding level of \$1.5  
15 million for FY 2021, \$1.4 million for FY 2022, and \$1.3 million for FY 2023. This  
16 reduces PWSB's requested funding by \$100,000 for FY 2021, \$200,000 for FY  
17 2022, and \$300,000 for FY 2023. As shown on Schedule RCS-10, this adjustment  
18 would help mitigate the rate increases while sustaining positive ending balances for  
19 each rate year in the three-year rate plan period.

20

21 Insurance Fund

22 **Q. What balances has the Company projected for the Insurance Fund for the end**  
23 **of each FY 2019 through FY 2023?**



1 A. Company Schedule HJS-10f shows the activity in this fund for FY 2019 through  
2 FY 2023. The carryover funds from FY 2018 to FY 2019 was \$2,005,575. For FY  
3 2019, the Company's ending balance is \$2,300,623. For FY 2020, the projected  
4 ending balance is \$2,597,116. For FY 2021, the projected ending balance is  
5 \$2,475,116. For FY 2022, the projected ending balance is \$2,460,862. For FY 2023,  
6 the projected ending balance is \$2,667,209.

7  
8 **Q. What is the Company's proposed annual funding for FY 2020 through FY**  
9 **2023?**

10 A. The Company's proposed annual funding for each year FY 2020 through FY 2023  
11 is \$2,302,113.

12  
13 **Q. Are you recommending an adjustment to this fund?**

14 A. Yes. In the last rate case, the funding for the Insurance Fund was increased.  
15 However, because the projected ending balances for this fund are accumulating  
16 significantly, I recommend reducing funding for RY 2021 through RY 2023 to  
17 \$1,800,000 each year. As shown on Schedule RCS-11, this adjustment would help  
18 mitigate the rate increase while allowing the Company to maintain reserves of over  
19 \$1 million in this fund throughout the projected three-year rate plan period.

20

21 Chemicals and Sludge Fund

22 **Q. What balances has the Company projected for the Chemicals and Sludge Fund**  
23 **for the end of each FY 2019 through FY 2023?**

1 A. Company Schedule HJS-10g shows the activity in this fund for FY 2019 through  
2 FY 2023. The carryover funds from FY 2018 to FY 2019 was \$3,344,882. For FY  
3 2019, the Company's ending balance is \$2,735,683. For FY 2020, the projected  
4 ending balance is \$1,572,464. For FY 2021, the projected ending balance is  
5 \$1,342,430. For FY 2022, the projected ending balance is \$1,139,964. For FY 2023,  
6 the projected ending balance is \$896,365.

7  
8 **Q. What is the Company's proposed annual funding for FY 2020 through FY**  
9 **2023?**

10 A. The current funding is \$2.8 million per year. The Company's proposed annual  
11 funding is \$3,800,000 for each year FY 2021 through FY 2023.

12  
13 **Q. Are you recommending an adjustment to this fund?**

14 A. Yes. As shown on Schedule RCS-12, I recommend an annual funding level of \$3.6  
15 million per year, which is \$200,000 lower than PWSB's requested amount of \$3.8  
16 million in each year. As shown on Schedule RCS-12, the recommended funding  
17 would allow PWSB to cover its projected expenditures, and maintain positive year-  
18 end balances in the fund during the rate plan period, while mitigating the amount of  
19 rate increases.

20

21 Property Tax Refund Fund

22 **Q. What is the Property Tax Refund Fund?**

1 A. The property tax refund fund is not funded through rates, but through the refund of  
2 municipal taxes which result from tax agreements that Providence Water has  
3 entered into with various municipalities. In 2015, the Company and the Town of  
4 Foster entered into a tax agreement in which Providence Water will receive  
5 \$175,000 per year from the Town of Foster for nine years and then will receive  
6 approximately \$290,000 in year ten. The Town of Foster tax agreement reflects the  
7 overall payment of \$1.6 million to Providence Water. The \$1.6 million refunded to  
8 Providence Water reflects the settlement of overcharges for property taxes with the  
9 Town of Foster for the 12-year period ending in 2014.

10

11 **Q. What balances has the Company projected for the Property Tax Refund Fund**  
12 **for the end of each FY 2019 through FY 2023?**

13 A. Company Schedule HJS-10h shows the activity in this fund for FY 2019 through  
14 FY 2023. The carryover funds from FY 2018 to FY 2019 was \$501,231. For FY  
15 2019, the Company's ending balance is \$384,840. For FY 2020, the projected  
16 ending balance is \$394,840. For FY 2021, the projected ending balance is  
17 \$404,840. For FY 2022, the projected ending balance is \$414,840. For FY 2023, the  
18 projected ending balance is \$424,840.

19

20 **Q. What is the Company's proposed annual funding for FY 2020 through FY**  
21 **2023?**

22 A. The Company's proposed annual funding for each year FY 2020 through FY 2023  
23 is \$190,000, which is from the Foster Tax Refund.

24

1 **Q. Are you recommending an adjustment to this fund?**

2 A. Yes. As shown on Schedule RCS-13, rather than allow PWSB to retain an ending  
3 balance for each rate year of more than \$400,000, I am recommending that  
4 \$100,000 be used in each rate year, RY 2021 through RY 2023, to help mitigate the  
5 amount of rate increases.

6

7 **Q. Has PWSB entered into an agreement for property taxes with the Town of  
8 Scituate?**

9 A. Yes. On December 31, 2019, Providence Water entered into a new tax treaty with  
10 the Town of Scituate which will lock in the amount of taxes that Providence Water  
11 will pay to the Town for the watershed land for the next ten years. A copy of the tax  
12 treaty was provided in response to DIV 1-33.

13

14 **Q. How did PSWB treat the impact of the new tax treaty with the Town of  
15 Scituate in PSWB's rate application?**

16 A. As described in PSWB's response to DIV 6-9, PWSB reflected the amounts that  
17 were listed on page 2 of the ten-year property tax treaty with the Town of Scituate.

18

19 Private Side Lead Service Replacement Fund

20 **Q. How has PWSB been addressing the replacement of private side lead service  
21 lines?**

22 A. The Commission's February 2017 Order in PWSB's last rate case, Docket N0. 4618,  
23 allowed PWSB \$250,000 per year to be used to finance a 0% interest loan program

1 with a three-year repayment schedule to assist homeowners to replace the private  
2 side lead service lines that carry water from the water mains in the street to the  
3 home. The purpose of the program is to address the reduction of lead found in  
4 homes that could be harmful to the residents, especially children. PWSB entered  
5 into its first loan under the program in April 2018. Through June 30, 2019, PWSB  
6 had executed 190 loans under the program in the amount of \$681,678. A zero  
7 interest loan from the Rhode Island Infrastructure Bank ("RIIB") of \$1 million  
8 allowed Providence Water to capitalize these loans at an accelerated rate.

9  
10 **Q. What balances has the Company projected for the Private Side Lead Service**  
11 **Replacement Fund for the end of each FY 2019 through FY 2023?**

12 A. Company Schedule HJS-10i shows the activity in this fund for FY 2019 through FY  
13 2023. The carryover funds from FY 2018 to FY 2019 was \$215,533. For FY 2019,  
14 the Company's ending balance is \$445,279. For FY 2020, the projected ending  
15 balance is \$788,852. For FY 2021, the projected ending balance is \$958,852. For  
16 FY 2022, the projected ending balance is \$678,852. For FY 2023, the projected  
17 ending balance is \$529,664.

18  
19 **Q. What is the Company's proposed annual funding for FY 2020 through FY**  
20 **2023?**

21 A. The Company's proposed annual funding for FY 2020 and FY 2021 is \$250,000,  
22 and \$3,000,000 for each year FY 2022 and FY 2023.

23  
24 **Q. Are you recommending an adjustment to this fund?**

1 A. Yes. Rather than have PWSB provide zero-cost replacements, the Division  
2 recommends that PWSB continue to provide zero cost loans to customers electing  
3 to have PWSB replace their private side lead service lines. The Division  
4 recommends that these loans be provided to the customers with a ten-year  
5 repayment period. The funding for this restricted account should be ramped up  
6 during the three-year rate plan period from the current funding level of \$250,000  
7 per year, to a level of \$1 million in RY 2021, to \$2 million in RY 2022 and to \$3  
8 million in RY 2023. This level of recommended funding is reflected on Schedule  
9 RCS-14.

10

11 **Q. Please discuss the Division's recommendation for the Private Side Lead Service**  
12 **Line Replacement Program.**

13 A. The Division recommends that PWSB continue the current revolving fund program  
14 that provides zero interest loans to customers to finance their lead service  
15 replacement. PWSB recently received Division approval for a \$3 million dollar  
16 borrowing to fund the program and to extend customer repayments from 3 to 10  
17 years. The Division would like to see the results of extending the zero interest loan  
18 program with the repayment term to ten years before having PWSB drastically  
19 revise the current program and replace it with a program involving no-cost  
20 replacements. Because PWSB is currently before the Commission with a multi-  
21 year rate case, the Division proposes that PWSB ramp-up funding for the revolving  
22 fund program over the three years in the rate plan, starting at \$1 million in year 1  
23 (RY 2021), \$2 million in year 2 (RY 2022) and \$3 million in year 3 (RY 2023).  
24 The Division's adjustment shown on Schedule RCS-14, reflects these recommended

1 levels of funding for RY 2021, RY 2022 and RY 2023. This would provide for  
2 continuing the current program of zero interest loans, but with an extended  
3 customer repayment term of ten years, rather than the three years being used in the  
4 current program.

5  
6 Revenue and Operating Reserves

7 **Q. Have you recalculated the Revenue and Operating Reserves to reflect the**  
8 **impact of the Division's adjustments?**

9 A. Yes. As shown on Schedule RCS-15, pages 2 through 4, I have recalculated the  
10 Revenue and Operating Reserves to reflect the impact of the Division's adjustments.  
11 The Revenue Reserve is calculated at 0.5% of the Net Amount for Calculation of  
12 Revenues. The Operating Reserve is calculated at 1.5% of the Net Amount for  
13 Calculation of Revenues. Based on the Division's adjustments, the allowances for  
14 the Revenue and Operating Reserves are lower than the amounts requested by  
15 Providence Water by the amounts shown on Schedule RCS-15, pages 2 through 4.

16  
17 Revenue Reserve Fund

18 **Q. What balances has the Company projected for the Revenue Reserve Fund for**  
19 **the end of each FY 2019 through FY 2023?**

20 A. Company Schedule HJS-10j shows the activity in this fund for FY 2019 through FY  
21 2023. The carryover funds from FY 2018 to FY 2019 was \$5,147,770. For FY  
22 2019, the Company's ending balance is \$271,784. For FY 2020, the projected  
23 ending balance is \$386,024. For FY 2021, the projected ending balance is

1 \$800,105. For FY 2022, the projected ending balance is \$1,244,236. For FY 2023,  
2 the projected ending balance is \$1,705,889.

3

4 **Q. What is the Company's proposed annual funding for FY 2020 through FY**  
5 **2023?**

6 A. The Company's proposed annual funding for FY 2020 is \$362,119; \$414,081 for  
7 FY 2021; \$444,132 for FY 2022; and \$461,652 for FY 2023.

8

9 **Q. Are you recommending an adjustment to this fund?**

10 A. Yes. As mentioned above, I recalculated the Revenue Reserve to reflect the impact  
11 on the Division's adjustments, which are shown on Schedule RCS-15, pages 2  
12 through 4. The resulting impacts are shown as adjustments to the Revenue Reserve  
13 Fund on Schedule RCS-15, page 1, line 12.

14

15 Implementing Rates for Rate Years 2 and 3 in the Three-Year Rate Plan

16 **Q. Do you have a recommendation for PWSB's implementation of the rate**  
17 **increases for Rate Years 2 and 3 in the Three-Year Rate Plan?**

18 A. Yes. I recommend that PWSB be required to file an update of its actual and  
19 projected results, including updates of the then-current status and remaining  
20 projections for each restricted fund, for review by the Division and Commission  
21 each year prior to the increases for RY 2022 and RY 2023 becoming effective.

22

23 **Q. Does this complete your direct testimony?**



1 A. Yes, it does.

**Exhibit RCS-1**  
**QUALIFICATIONS OF RALPH C. SMITH**

**Accomplishments**

Mr. Smith's professional credentials include being a Certified Financial Planner™ professional, a Certified Rate of Return Analyst, a licensed Certified Public Accountant and attorney. He functions as project manager on consulting projects involving utility regulation, regulatory policy and ratemaking and utility management. His involvement in public utility regulation has included project management and in-depth analyses of numerous issues involving telephone, electric, gas, and water and sewer utilities.

Mr. Smith has performed work in the field of utility regulation on behalf of industry, public service commission staffs, state attorney generals, municipalities, and consumer groups concerning regulatory matters before regulatory agencies in Alabama, Alaska, Arizona, Arkansas, California, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, New Jersey, New Mexico, New York, Nevada, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Puerto Rico, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Washington DC, West Virginia, Canada, Federal Energy Regulatory Commission and various state and federal courts of law. He has presented expert testimony in regulatory hearings on behalf of utility commission staffs and intervenors on several occasions.

Project manager in Larkin & Associates' review, on behalf of the Georgia Commission Staff, of the budget and planning activities of Georgia Power Company; supervised 13 professionals; coordinated over 200 interviews with Company budget center managers and executives; organized and edited voluminous audit report; presented testimony before the Commission. Functional areas covered included fossil plant O&M, headquarters and district operations, internal audit, legal, affiliated transactions, and responsibility reporting. All of our findings and recommendations were accepted by the Commission.

Key team member in the firm's management audit of the Anchorage Water and Wastewater Utility on behalf of the Alaska Commission Staff, which assessed the effectiveness of the Utility's operations in several areas; responsible for in-depth investigation and report writing in areas involving information systems, finance and accounting, affiliated relationships and transactions, and use of outside contractors. Testified before the Alaska Commission concerning certain areas of the audit report. AWWU concurred with each of Mr. Smith's 40 plus recommendations for improvement.

Co-consultant in the analysis of the issues surrounding gas transportation performed for the law firm of Cravath, Swaine & Moore in conjunction with the case of Reynolds Metals Co. vs. the Columbia Gas System, Inc.; drafted in-depth report concerning the regulatory treatment at both state and federal levels of issues such as flexible pricing and mandatory gas transportation.

Lead consultant and expert witness in the analysis of the rate increase request of the City of Austin - Electric Utility on behalf of the residential consumers. Among the numerous ratemaking issues addressed were the economies of the Utility's employment of outside services; provided both written and oral testimony outlining recommendations and their bases. Most of Mr. Smith's recommendations were adopted by the City Council and Utility in a settlement.

Key team member performing an analysis of the rate stabilization plan submitted by the Southern Bell Telephone & Telegraph Company to the Florida PSC; performed comprehensive analysis of the Company's projections and budgets which were used as the basis for establishing rates.

Lead consultant in analyzing Southwestern Bell Telephone separations in Missouri; sponsored the complex technical analysis and calculations upon which the firm's testimony in that case was based. He has also assisted in analyzing changes in depreciation methodology for setting telephone rates.

Lead consultant in the review of gas cost recovery reconciliation applications of Michigan Gas Utilities Company, Michigan Consolidated Gas Company, and Consumers Power Company. Drafted recommendations regarding the appropriate rate of interest to be applied to any over or under collections and the proper procedures and allocation methodology to be used to distribute any refunds to customer classes.

Lead consultant in the review of Consumers Power Company's gas cost recovery refund plan. Addressed appropriate interest rate and compounding procedures and proper allocation methodology.

Project manager in the review of the request by Central Maine Power Company for an increase in rates. The major area addressed was the propriety of the Company's ratemaking attrition adjustment in relation to its corporate budgets and projections.

Project manager in an engagement designed to address the impacts of the Tax Reform Act of 1986 on gas distribution utility operations of the Northern States Power Company. Analyzed the reduction in the corporate tax rate, uncollectibles reserve, ACRS, unbilled revenues, customer advances, CIAC, and timing of TRA-related impacts associated with the Company's tax liability.

Project manager and expert witness in the determination of the impacts of the Tax Reform Act of 1986 on the operations of Connecticut Natural Gas Company on behalf of the Connecticut Department of Public Utility Control - Prosecutorial Division, Connecticut Attorney General, and Connecticut Department of Consumer Counsel.

Lead Consultant for The Minnesota Department of Public Service ("DPS") to review the Minnesota Incentive Plan ("Incentive Plan") proposal presented by Northwestern Bell Telephone Company ("NWB") doing business as U S West Communications ("USWC"). Objective was to express an opinion as to whether current rates addressed by the plan were appropriate from a Minnesota intrastate revenue requirements and accounting perspective, and to assist in developing recommended modifications to NWB's proposed Plan.

Performed a variety of analytical and review tasks related to our work effort on this project. Obtained and reviewed data and performed other procedures as necessary (1) to obtain an understanding of the Company's Incentive Plan filing package as it relates to rate base, operating income, revenue requirements, and plan operation, and (2) to formulate an opinion concerning the reasonableness of current rates and of amounts included within the Company's Incentive Plan filing. These procedures included requesting and reviewing extensive discovery, visiting the Company's offices to review data, issuing follow-up information requests in many instances, telephone and on-site discussions with Company representatives, and frequent discussions with counsel and DPS Staff assigned to the project.

Lead Consultant in the regulatory analysis of Jersey Central Power & Light Company for the Department of the Public Advocate, Division of Rate Counsel. Tasks performed included on-site review and audit of Company, identification and analysis of specific issues, preparation of data requests, testimony, and cross examination questions. Testified in Hearings.

Assisted the NARUC Committee on Management Analysis with drafting the Consultant Standards for Management Audits.

Presented training seminars covering public utility accounting, tax reform, ratemaking, affiliated transaction auditing, rate case management, and regulatory policy in Maine, Georgia, Kentucky, and Pennsylvania. Seminars were presented to commission staffs and consumer interest groups.

### Previous Positions

With Larkin, Chapski and Co., the predecessor firm to Larkin & Associates, was involved primarily in utility regulatory consulting, and also in tax planning and tax research for businesses and individuals, tax return preparation and review, and independent audit, review and preparation of financial statements.

Installed computerized accounting system for a realty management firm.

### Education

Bachelor of Science in Administration in Accounting, with distinction, University of Michigan, Dearborn, 1979.

Master of Science in Taxation, Walsh College, Michigan, 1981. Master's thesis dealt with investment tax credit and property tax on various assets.

Juris Doctor, cum laude, Wayne State University Law School, Detroit, Michigan, 1986. Recipient of American Jurisprudence Award for academic excellence.

Continuing education required to maintain CPA license and CFP® certificate.

Passed all parts of CPA examination in first sitting, 1979. Received CPA certificate in 1981 and Certified Financial Planning certificate in 1983. Admitted to Michigan and Federal bars in 1986.

Michigan Bar Association.

American Bar Association, sections on public utility law and taxation.

Partial list of utility cases participated in:

79-228-EL-FAC	Cincinnati Gas & Electric Company (Ohio PUC)
79-231-EL-FAC	Cleveland Electric Illuminating Company (Ohio PUC)
79-535-EL-AIR	East Ohio Gas Company (Ohio PUC)
80-235-EL-FAC	Ohio Edison Company (Ohio PUC)
80-240-EL-FAC	Cleveland Electric Illuminating Company (Ohio PUC)
U-1933	Tucson Electric Power Company (Arizona Corp. Commission)
U-6794	Michigan Consolidated Gas Co. --16 Refunds (Michigan PSC)
81-0035TP	Southern Bell Telephone Company (Florida PSC)
81-0095TP	General Telephone Company of Florida (Florida PSC)
81-308-EL-EFC	Dayton Power & Light Co.- Fuel Adjustment Clause (Ohio PUC)
810136-EU	Gulf Power Company (Florida PSC)
GR-81-342	Northern States Power Co. -- E-002/Minnesota (Minnesota PUC)
Tr-81-208	Southwestern Bell Telephone Company (Missouri PSC))
U-6949	Detroit Edison Company (Michigan PSC)
8400	East Kentucky Power Cooperative, Inc. (Kentucky PSC)
18328	Alabama Gas Corporation (Alabama PSC)
18416	Alabama Power Company (Alabama PSC)
820100-EU	Florida Power Corporation (Florida PSC)
8624	Kentucky Utilities (Kentucky PSC)
8648	East Kentucky Power Cooperative, Inc. (Kentucky PSC)
U-7236	Detroit Edison - Burlington Northern Refund (Michigan PSC)
U6633-R	Detroit Edison - MRCS Program (Michigan PSC)
U-6797-R	Consumers Power Company -MRCS Program (Michigan PSC)
U-5510-R	Consumers Power Company - Energy conservation Finance Program (Michigan PSC)
82-240E	South Carolina Electric & Gas Company (South Carolina PSC)
7350	Generic Working Capital Hearing (Michigan PSC)
RH-1-83	Westcoast Transmission Co., (National Energy Board of Canada)
820294-TP	Southern Bell Telephone & Telegraph Co. (Florida PSC)
82-165-EL-EFC (Subfile A)	Toledo Edison Company(Ohio PUC)
82-168-EL-EFC	Cleveland Electric Illuminating Company (Ohio PUC)
830012-EU	Tampa Electric Company (Florida PSC)
U-7065	The Detroit Edison Company - Fermi II (Michigan PSC)
8738	Columbia Gas of Kentucky, Inc. (Kentucky PSC)
ER-83-206	Arkansas Power & Light Company (Missouri PSC)
U-4758	The Detroit Edison Company – Refunds (Michigan PSC)
8836	Kentucky American Water Company (Kentucky PSC)
8839	Western Kentucky Gas Company (Kentucky PSC)
83-07-15	Connecticut Light & Power Co. (Connecticut DPU)
81-0485-WS	Palm Coast Utility Corporation (Florida PSC)
U-7650	Consumers Power Co. (Michigan PSC)
83-662	Continental Telephone Company of California, (Nevada PSC)
U-6488-R	Detroit Edison Co., FAC & PIPAC Reconciliation (Michigan PSC)
U-15684	Louisiana Power & Light Company (Louisiana PSC)
7395 & U-7397	Campaign Ballot Proposals (Michigan PSC)
820013-WS	Seacoast Utilities (Florida PSC)
U-7660	Detroit Edison Company (Michigan PSC)
83-1039	CP National Corporation (Nevada PSC)
U-7802	Michigan Gas Utilities Company (Michigan PSC)
83-1226	Sierra Pacific Power Company (Nevada PSC)
830465-EI	Florida Power & Light Company (Florida PSC)
U-7777	Michigan Consolidated Gas Company (Michigan PSC)
U-7779	Consumers Power Company (Michigan PSC)

U-7480-R	Michigan Consolidated Gas Company (Michigan PSC)
U-7488-R	Consumers Power Company – Gas (Michigan PSC)
U-7484-R	Michigan Gas Utilities Company (Michigan PSC)
U-7550-R	Detroit Edison Company (Michigan PSC)
U-7477-R**	Indiana & Michigan Electric Company (Michigan PSC)
18978	Continental Telephone Co. of the South Alabama (Alabama PSC)
R-842583	Duquesne Light Company (Pennsylvania PUC)
R-842740	Pennsylvania Power Company (Pennsylvania PUC)
850050-EI	Tampa Electric Company (Florida PSC)
16091	Louisiana Power & Light Company (Louisiana PSC)
19297	Continental Telephone Co. of the South Alabama (Alabama PSC)
76-18788AA	
&76-18793AA	Detroit Edison - Refund - Appeal of U-4807 (Ingham County, Michigan Circuit Court)
85-53476AA	
& 85-534785AA	Detroit Edison Refund - Appeal of U-4758 (Ingham County, Michigan Circuit Court)
U-8091/U-8239	Consumers Power Company - Gas Refunds (Michigan PSC)
TR-85-179**	United Telephone Company of Missouri (Missouri PSC)
85-212	Central Maine Power Company (Maine PSC)
ER-85646001	
& ER-85647001	New England Power Company (FERC)
850782-EI &	
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E-04204A-12-0504	UNS Electric, Inc. (Arizona CC)
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15-03-45 <sup>^</sup>	Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Connecticut PURA)
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15-0003-G-42T	Mountaineer Gas Company (West Virginia PSC)
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15-0676-W-42T	West Virginia-American Water Company (West Virginia PSC)
15-07-38 <sup>^^</sup>	Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Connecticut PURA)
15-26 <sup>^^</sup>	Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Massachusetts DPU)
15-042-EL-FAC	Management/Performance and Financial Audit of the FAC and Purchased Power Rider for Dayton Power and Light (Ohio PUC)
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R-2016-2537352	Pennsylvania Electric Company (Pennsylvania PUC)
R-2016-2537355	Pennsylvania Power Company (Pennsylvania PUC)
R-2016-2537359	West Penn Power Company (Pennsylvania PUC)
16-0717-G-390P	Hope Gas, Inc., dba Dominion Hope (West Virginia PSC)
15-1256-G-390P	
(Reopening)/16-0922-G-390P	Mountaineer Gas Company (West Virginia PSC)
16-0550-W-P	West Virginia-American Water Company (West Virginia PSC)
CEPR-AP-2015-0001	Puerto Rico Electric Power Authority (Puerto Rico Energy Commission)
E-01345A-16-0036	Arizona Public Service Company (Arizona CC)
Docket No. 4618	Providence Water Supply Board (Rhode Island PUC)
Docket No. 46238	Joint Report and Application of Oncor Electric Delivery Company LLC and NextEra Energy Inc. (Texas State Office of Administrative Hearings; Texas PUC)
U-16-066	ENSTAR Natural Gas Company (Regulatory Commission of Alaska)
Case No. 2016-00370	Kentucky Utilities Company (Kentucky PSC)
Case No. 2016-00371	Louisville Gas and Electric Company (Kentucky PSC)
P-2015-2508942	Metropolitan Edison Company (Pennsylvania PUC)
P-2015-2508936	Pennsylvania Electric Company (Pennsylvania PUC)
P-2015-2508931	Pennsylvania Power Company (Pennsylvania PUC)
P-2015-2508948	West Penn Power Company (Pennsylvania PUC)
E-04204A-15-0142*	UNS Electric, Inc. (Arizona CC)
E-01933A-15-0322*	Tucson Electric Power Company (Arizona CC)
UE-170033 & UG-170034*	Puget Sound Energy, Inc. (Washington UTC)
Case No. U-18239	Consumers Energy Company (Michigan PSC)
Case No. U-18248	DTE Electric Company (Michigan PSC)

Case No. 9449	Merger of AltaGas Ltd. and WGL Holdings (Maryland PSC)
Formal Case No. 1142	Merger of AltaGas Ltd. and WGL Holdings (District of Columbia PSC)
Case No. 2017-00179	Kentucky Power Company (Kentucky PSC)
Docket No. 29849	Georgia Power Plant Vogtle Units 3 and 4, VCM 17 (Georgia PSC)
Docket No. 2017-AD-112	Mississippi Power Company (Mississippi PSC)
Docket No. D2017.9.79	Montana-Dakota Utilities Co. (Montana PSC)
SW-01428A-17-0058 et al	Liberty Utilities (Litchfield Park Water & Sewer) Corp. (Arizona CC)
U-18-021 & U-18-033	Chugach Electric Association, Inc. (Regulatory Commission of Alaska)
Docket No. 4800	Suez Water Rhode Island Inc. (Rhode Island PUC)
General Order No. 236.1	In the Matter of the Effects on Utilities of the 2017 Tax Cuts and Jobs Act (West Virginia PSC)
20180047-EI	Duke Energy Florida, LLC. (Florida PSC)
20180046-EI	Florida Power & Light Company (Florida PSC)
20180048-EI	Florida Public Utilities Company – Electric (Florida PSC)
20180052-GU	Florida Public Utilities Company – Indiantown (Florida PSC)
20180054-GU	Florida Division of Chesapeake Utilities Corporation (Florida PSC)
20180051-GU	Florida Public Utilities Company – Gas Division (Florida PSC)
20180053-GU	Florida Public Utilities Company - Fort Meade (Florida PSC)
Cause No. 45032 S4	Indiana American Water Company, Inc. Phase 2 (Indiana Utility Regulatory Commission)
Docket No. D2018.1.6	Montana-Dakota Utilities Co. (Montana PSC)
Docket No. D2018.4.24	NorthWestern Energy (Montana PSC)
Docket No. D2018.4.22	Montana-Dakota Utilities Co. (Montana PSC)
18-0573-W-42T & 18-0576-S-42T	West Virginia-American Water Company (West Virginia PSC)
18-0646-E-42T & 18-0645 E-D	Appalachian Power Company and Wheeling Power Company (West Virginia PSC)
18-0049-GA-ALT, 18-0298-GA-AIR, & 18-0299-GA-ALT	Vectren Energy Delivery of Ohio, Inc. (Ohio PUC)
R-2018-3003558, R-2018-3003561	Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc. (Pennsylvania PUC)
Cause No. 45142	Indiana-American Water Company, Inc. (Indiana Utility Regulatory Commission)
U-18-043	Cook Inlet Natural Gas Storage Alaska, LLC (Regulatory Commission of Alaska)
T-03214-17-0305	Citizens Telecommunications Company of The White Mountains, Inc. d/b/a Frontier Communications of The White Mountains (Arizona CC)
Docket No. D2018.9.60	Montana-Dakota Utilities Co. (Montana PSC)
Docket No. 4890	Narragansett Bay Commission (Rhode Island PUC)
PUR-2018-00131	Columbia Gas of Virginia (Virginia SCC)
EL18-152-000	Louisiana PSC v. System Energy Resources, Inc. and Entergy Services, Inc. (FERC)
PUR-2018-00175	Virginia-American Water Company (Virginia SCC)
A-2018-3006061, A-2018-3006062 and A-2018-3006063	Aqua America, Inc., Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., Peoples Natural Gas Company LLC, Peoples Gas Company LLC (Pennsylvania PUC)
Docket No. 42310	Georgia Power Company – Integrated Resource Plan (Georgia PSC)
U-18-102	Municipality of Anchorage d/b/a Municipal Light & Power Department (Regulatory Commission of Alaska)
PUC Docket No. 49494	AEP Texas, Inc. (Texas PUC)

Application 18-12-009	Pacific Gas and Electric Company (California PUC)
19-0316-G-42T	Mountaineer Gas Company (West Virginia PSC)
19-0051-EL-RDR	Management/Performance and Financial Audit of the Alternative Energy Recovery Rider of Duke Energy Ohio, Inc. (Ohio PUC)
ER-18-1182-001	System Energy Resources, Inc. (FERC)

\* Testimony filed, examination not completed

\*\* Issues stipulated

\*\*\* Company withdrew case

^ Testimony filed, case withdrawn after proposed decision issued

^^ Issues stipulated before testimony was filed



**Providence Water Supply Board**  
**Docket No. 4994**  
**Revenue Requirement and Adjustment Schedules**  
**Accompanying the Direct Testimony of Ralph Smith**

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RCS-10	Restricted Funds - Equipment/Vehicle Replacement Fund	1	No	17
RCS-11	Restricted Funds - Insurance Fund	1	No	18
RCS-12	Restricted Funds - Chemicals and Sludge Maintenance Fund	1	No	19
RCS-13	Restricted Funds - Property Tax Refund Fund	1	No	20
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Providence Water Supply Board

Summary of Revenues and Expenses at Present and Proposed Rates  
Rate Year Ended June 30, 2021

Line No.	Description	Rate Year 2021 Amount Per Providence Water (A)	Division Adjustments (B)	Division Adjusted Rate Year 2021 at Present Rates (C)	Division Adjustment to PWSB Proposed Rate Increase (D)	Rate Year 2021 at Proposed Rates (E)
1	<b>Revenue</b>					
2	Service Charge	\$ 10,732,613		\$ 10,732,613		
3	East Smithfield Debt Surcharge	82,451		\$ 82,451		
4	Retail Sales	47,777,226		\$ 47,777,226		
5	Wholesale Sales	18,521,968		\$ 18,521,968		
6	Private Fire Protection	3,633,806		\$ 3,633,806		
7	Retail FPSC	2,011,593		\$ 2,011,593		
8	Public Fire Protection	1,807,746		\$ 1,807,746		
9	Miscellaneous Revenue	1,364,746	128,417	\$ 1,493,163		
10	Total Revenue	\$ 85,932,149	\$ 128,417	\$ 86,060,566	\$ (1,330,915)	\$ 84,729,651
11	<b>Expenses</b>					
12	Operations					
13	Operations and Maintenance	36,530,853	(360,500)	\$ 36,170,353		36,170,353
14	Insurance	2,302,113	(502,113)	\$ 1,800,000		1,800,000
15	Chemical & Sludge	3,800,000	(200,000)	\$ 3,600,000		3,600,000
16	City Service	1,490,693	(651,527)	\$ 839,167		839,167
17	Property Taxes	7,629,145	(100,000)	\$ 7,529,145		7,529,145
18	Capital Reimbursement	(1,888,937)		\$ (1,888,937)		(1,888,937)
19	Net Operations	\$ 49,863,867	\$ (1,814,139)	\$ 48,049,728	\$ -	\$ 48,049,728
20	<b>Capital</b>					
21	Capital Fund	2,127,000		\$ 2,127,000		2,127,000
22	Western Cranston Fund	40,000		\$ 40,000		40,000
23	IFR Fund	29,300,000	-	\$ 29,300,000		29,300,000
24	Meter Replacement Fund	1,000,000		\$ 1,000,000		1,000,000
25	Vehicle/Equipment Fund	1,600,000	(100,000)	\$ 1,500,000		1,500,000
26	Lead Service Replacement Fund	250,000	750,000	\$ 1,000,000		1,000,000
27	E. Smithfield Debt Service	82,451		\$ 82,451		82,451
28	Revenue Reserve Fund	414,081	(6,463)	\$ 407,618		407,618
29	Total Capital	\$ 34,813,532	\$ 643,537	\$ 35,457,069	\$ -	\$ 35,457,069
30	Total Expenses	\$ 84,677,400	\$ (1,170,602)	\$ 83,506,797	\$ -	\$ 83,506,797
31	Operating Reserve	1,242,242	(19,388)	\$ 1,222,853		\$ 1,222,853
32	Total Cost of Service	\$ 85,919,641	\$ (1,189,990)	\$ 84,729,651		\$ 84,729,651
33	Net Revenue Requirement	\$ 84,554,896	\$ (1,318,407)	\$ 83,236,488	\$ -	\$ 84,729,651
34	Revenue Surplus/(Deficiency)	\$ 12,507	\$ 1,318,407	\$ 1,330,915		\$ -
35	Company Proposed Increase	\$ 13,311,349		\$ 13,311,349		
36	Division Adjustment to Company's Request			\$ (1,330,915)		
37	Division Adjusted Increase			\$ 11,980,435		

Notes and Source

Column A: Company Schedule HJS-1

Column B: Schedule RCS-2, page 1

Providence Water Supply Board

Summary of Revenues and Expenses at Present and Proposed Rates  
Rate Year Ended June 30, 2022

Line No.	Description	Rate Year 2022 Amount Per Providence Water (A)	Division Adjustments (B)	Division Adjusted Rate Year 2022 at Present Rates (C)	Division Adjustment to PWSB Proposed Rate Increase (D)	Rate Year 2022 at Proposed Rates (E)
1	<b>Revenue</b>					
2	Service Charge	\$ 11,511,512		\$ 11,511,512		
3	East Smithfield Debt Surcharge	82,451		\$ 82,451		
4	Retail Sales	51,244,570		\$ 51,244,570		
5	Wholesale Sales	19,866,166		\$ 19,866,166		
6	Private Fire Protection	3,897,522		\$ 3,897,522		
7	Retail FPSC	2,157,580		\$ 2,157,580		
8	Public Fire Protection	1,938,940		\$ 1,938,940		
9	Miscellaneous Revenue	1,364,746	128,417	\$ 1,493,163		
10	Total Revenue	\$ 92,063,489	\$ 128,417	\$ 92,191,906	\$ (3,239,210)	\$ 88,952,697
11	<b>Expenses</b>					
12	Operations					
13	Operations and Maintenance	37,542,583	(380,487)	\$ 37,162,096		37,162,096
14	Insurance	2,302,113	(502,113)	\$ 1,800,000		1,800,000
15	Chemical & Sludge	3,800,000	(200,000)	\$ 3,600,000		3,600,000
16	City Service	1,490,693	(651,527)	\$ 839,167		839,167
17	Property Taxes	7,934,311	(100,000)	\$ 7,834,311		7,834,311
18	Capital Reimbursement	(1,945,605)		\$ (1,945,605)		(1,945,605)
19	Net Operations	\$ 51,124,096	\$ (1,834,127)	\$ 49,289,969	\$ -	\$ 49,289,969
20	<b>Capital</b>					
21	Capital Fund	2,127,000		\$ 2,127,000		2,127,000
22	Western Cranston Fund	40,000		\$ 40,000		40,000
23	IFR Fund	31,300,000	-	\$ 31,300,000		31,300,000
24	Meter Replacement Fund	1,000,000		\$ 1,000,000		1,000,000
25	Vehicle/Equipment Fund	1,600,000	(200,000)	\$ 1,400,000		1,400,000
26	Lead Service Replacement Fund	3,000,000	(1,000,000)	\$ 2,000,000		2,000,000
27	E. Smithfield Debt Service	82,451		\$ 82,451		82,451
28	Revenue Reserve Fund	444,132	(15,813)	\$ 428,319		428,319
29	Total Capital	\$ 39,593,583	\$ (1,215,813)	\$ 38,377,771	\$ -	\$ 38,377,771
30	Total Expenses	\$ 90,717,679	\$ (3,049,940)	\$ 87,667,739	\$ -	\$ 87,667,739
31	Operating Reserve	1,332,395	(47,438)	\$ 1,284,957		\$ 1,284,957
32	Total Cost of Service	\$ 92,050,074	\$ (3,097,378)	\$ 88,952,697		\$ 88,952,697
33	Net Revenue Requirement	\$ 90,685,328	\$ (3,225,795)	\$ 87,459,534	\$ -	\$ 88,952,697
34	Revenue Surplus/(Deficiency)	\$ 13,415	\$ 3,225,795	\$ 3,239,210		\$ -
35	Company Proposed Increase	\$ 6,131,341		\$ 6,131,341		
36	Division Adjustment to Company's Request			\$ (3,239,210)		
37	Division Adjusted Increase			\$ 2,892,131		

Notes and Source

Column A: Company Schedule HJS-1

Providence Water Supply Board

Summary of Revenues and Expenses at Present and Proposed Rates  
Rate Year Ended June 30, 2023

Line No.	Description	Rate Year 2023 Amount Per Providence Water (A)	Division Adjustments (B)	Division Adjusted Rate Year 2023 at Present Rates (C)	Division Adjustment to PWSB Proposed Rate Increase (D)	Rate Year 2023 at Proposed Rates (E)
1	<b>Revenue</b>					
2	Service Charge	\$ 11,965,635		\$ 11,965,635		
3	East Smithfield Debt Surcharge	82,451		\$ 82,451		
4	Retail Sales	53,266,138		\$ 53,266,138		
5	Wholesale Sales	20,649,875		\$ 20,649,875		
6	Private Fire Protection	4,051,277		\$ 4,051,277		
7	Retail FPSC	2,242,696		\$ 2,242,696		
8	Public Fire Protection	2,015,430		\$ 2,015,430		
9	Miscellaneous Revenue	1,364,746	128,417	\$ 1,493,163		
10	Total Revenue	\$ 95,638,248	\$ 128,417	\$ 95,766,665	\$ (4,280,279)	\$ 91,486,386
11	<b>Expenses</b>					
12	<b>Operations</b>					
13	Operations and Maintenance	38,777,998	(400,625)	\$ 38,377,373		38,377,373
14	Insurance	2,302,113	(502,113)	\$ 1,800,000		1,800,000
15	Chemical & Sludge	3,800,000	(200,000)	\$ 3,600,000		3,600,000
16	City Service	1,490,693	(651,527)	\$ 839,167		839,167
17	Property Taxes	8,251,684	(100,000)	\$ 8,151,684		8,151,684
18	Capital Reimbursement	(1,994,245)		\$ (1,994,245)		(1,994,245)
19	Net Operations	\$ 52,628,242	\$ (1,854,265)	\$ 50,773,978	\$ -	\$ 50,773,978
20	<b>Capital</b>					
21	Capital Fund	2,127,000		\$ 2,127,000		2,127,000
22	Western Cranston Fund	40,000		\$ 40,000		40,000
23	IFR Fund	33,300,000	(2,000,000)	\$ 31,300,000		31,300,000
24	Meter Replacement Fund	1,000,000		\$ 1,000,000		1,000,000
25	Vehicle/Equipment Fund	1,600,000	(200,000)	\$ 1,400,000		1,400,000
26	Lead Service Replacement Fund	3,000,000	-	\$ 3,000,000		3,000,000
27	E. Smithfield Debt Service	82,451		\$ 82,451		82,451
28	Revenue Reserve Fund	461,652	(20,913)	\$ 440,739		440,739
29	Total Capital	\$ 41,611,104	\$ (2,220,913)	\$ 39,390,191	\$ -	\$ 39,390,191
30	Total Expenses	\$ 94,239,346	\$ (4,075,178)	\$ 90,164,168	\$ -	\$ 90,164,168
31	Operating Reserve	1,384,957	(62,740)	\$ 1,322,217		\$ 1,322,217
32	Total Cost of Service	\$ 95,624,304	\$ (4,137,918)	\$ 91,486,386		\$ 91,486,386
33	Net Revenue Requirement	\$ 94,259,558	\$ (4,266,335)	\$ 89,993,223	\$ -	\$ 91,486,386
34	Revenue Surplus/(Deficiency)	\$ 13,944	\$ 4,266,335	\$ 4,280,279		\$ -
35	Company Proposed Increase	\$ 3,574,759		\$ 3,574,759		
36	Division Adjustment to Company's Request			\$ (4,280,279)		
37	Division Adjusted Increase			\$ (705,521)		

Notes and Source

Column A: Company Schedule HJS-1

Providence Water Supply Board  
Summary of Adjustments  
Rate Year Ended June 30, 2021

Line No.	Description	Reference	Total Amount (A)	Operation & Maintenance (B)	Insurance (C)	Chemical & Sludge (D)	City Services (E)	Property Taxes (F)	Restricted Funds (G)	Misc. Revenues (H)	Operating Reserve (I)
1	City Services	Schedule RCS-3	\$ (651,527)				\$ (651,527)				
2	PUC Assessment	Schedule RCS-4	\$ 17,315	\$ 17,315							
3	Labor Costs	Schedule RCS-5	\$ (278,128)	\$ (278,128)							
4	Payroll Tax Expense	Schedule RCS-6	\$ (21,277)	\$ (21,277)							
5	General Inflation	Schedule RCS-7	\$ (78,411)	\$ (78,411)							
6	Miscellaneous Revenue (Increase)	Schedule RCS-8	\$ (128,417)							\$ (128,417)	
7	Restricted Funds - IFR Fund	Schedule RCS-9	\$ -						\$ -		
8	Restricted Funds - Equipment/Vehicle Replacement Fund	Schedule RCS-10	\$ (100,000)						\$ (100,000)		
9	Restricted Funds - Insurance Fund	Schedule RCS-11	\$ (502,113)		\$ (502,113)						
10	Restricted Funds - Chemicals and Sludge Maintenance Fund	Schedule RCS-12	\$ (200,000)			\$ (200,000)					
11	Restricted Funds - Property Tax Refund Fund	Schedule RCS-13	\$ (100,000)				\$ (100,000)				
12	Restricted Funds - Private Side Lead Services Replacement Fund	Schedule RCS-14	\$ 750,000						\$ 750,000		
13	Restricted Funds - Revenue Reserve Fund/Operating Reserve	Schedule RCS-15	\$ (25,851)						\$ (6,463)		\$ (19,388)
14											
15											
16											
17	Total Division Adjustments		\$ (1,318,407)	\$ (360,500)	\$ (502,113)	\$ (200,000)	\$ (651,527)	\$ (100,000)	\$ 643,537	\$ (128,417)	\$ (19,388)

Notes

18	Net Division Adjustments - This Summary	\$ (1,318,407)
19	Net Division Adjustments - Schedule RCS-1, page 1	\$ (1,318,407)
20	Difference	\$ -

Providence Water Supply Board  
Summary of Adjustments  
Rate Year Ended June 30, 2022

Line No.	Description	Reference	Total Amount (A)	Operation & Maintenance (B)	Insurance (C)	Chemical & Sludge (D)	City Services (E)	Property Taxes (F)	Restricted Funds (G)	Misc. Revenues (H)	Operating Reserve (I)
1	City Services	Schedule RCS-3	\$ (651,527)				\$ (651,527)				
2	PUC Assessment	Schedule RCS-4	\$ 9,701	\$ 9,701							
3	Labor Costs	Schedule RCS-5	\$ (288,089)	\$ (288,089)							
4	Payroll Tax Expense	Schedule RCS-6	\$ (22,039)	\$ (22,039)							
5	General Inflation	Schedule RCS-7	\$ (80,061)	\$ (80,061)							
6	Miscellaneous Revenue	Schedule RCS-8	\$ (128,417)						\$ -	\$ (128,417)	
7	Restricted Funds - IFR Fund	Schedule RCS-9	\$ -						\$ -		
8	Restricted Funds - Equipment/Vehicle Replacement Fund	Schedule RCS-10	\$ (200,000)						\$ (200,000)		
9	Restricted Funds - Insurance Fund	Schedule RCS-11	\$ (502,113)		\$ (502,113)						
10	Restricted Funds - Chemicals and Sludge Maintenance Fund	Schedule RCS-12	\$ (200,000)		\$ (200,000)						
11	Restricted Funds - Property Tax Refund Fund	Schedule RCS-13	\$ (100,000)					\$ (100,000)			
12	Restricted Funds - Private Side Lead Services Replacement Fund	Schedule RCS-14	\$ (1,000,000)						\$ (1,000,000)		
13	Restricted Funds - Revenue Reserve Fund/Operating Reserve	Schedule RCS-15	\$ (63,251)						\$ (15,813)		\$ (47,438)
14											
15											
16											
17	Total Division Adjustments		<u>\$ (3,225,795)</u>	<u>\$ (380,487)</u>	<u>\$ (502,113)</u>	<u>\$ (200,000)</u>	<u>\$ (651,527)</u>	<u>\$ (100,000)</u>	<u>\$ (1,215,813)</u>	<u>\$ (128,417)</u>	<u>\$ (47,438)</u>

Notes

18	Net Division Adjustments - This Summary	\$ (3,225,795)
19	Net Division Adjustments - Schedule RCS-1, page 2	\$ (3,225,795)
20	Difference	\$ (0)

Providence Water Supply Board  
Summary of Adjustments  
Rate Year Ended June 30, 2023

Line No.	Description	Reference	Total Amount (A)	Operation & Maintenance (B)	Insurance (C)	Chemical & Sludge (D)	City Services (E)	Property Taxes (F)	Restricted Funds (G)	Misc. Revenues (H)	Operating Reserve (I)
1	City Services	Schedule RCS-3	\$ (651,527)				\$ (651,527)				
2	PUC Assessment	Schedule RCS-4	\$ 786	\$ 786							
3	Labor Costs	Schedule RCS-5	\$ (296,948)	\$ (296,948)							
4	Payroll Tax Expense	Schedule RCS-6	\$ (22,717)	\$ (22,717)							
5	General Inflation	Schedule RCS-7	\$ (81,746)	\$ (81,746)							
6	Miscellaneous Revenue	Schedule RCS-8	\$ (128,417)						\$ (2,000,000)	\$ (128,417)	
7	Restricted Funds - IFR Fund	Schedule RCS-9	\$ (2,000,000)								
8	Restricted Funds - Equipment/Vehicle Replacement Fund	Schedule RCS-10	\$ (200,000)						\$ (200,000)		
9	Restricted Funds - Insurance Fund	Schedule RCS-11	\$ (502,113)		\$ (502,113)						
10	Restricted Funds - Chemicals and Sludge Maintenance Fund	Schedule RCS-12	\$ (200,000)			\$ (200,000)					
11	Restricted Funds - Property Tax Refund Fund	Schedule RCS-13	\$ (100,000)				\$ (100,000)				
12	Restricted Funds - Private Side Lead Services Replacement Fund	Schedule RCS-14	\$ -						\$ -		
13	Restricted Funds - Revenue Reserve Fund/Operating Reserve	Schedule RCS-15	\$ (83,654)						\$ (20,913)		\$ (62,740)
14											
15											
16											
17	Total Division Adjustments		\$ (4,266,335)	\$ (400,625)	\$ (502,113)	\$ (200,000)	\$ (651,527)	\$ (100,000)	\$ (2,220,913)	\$ (128,417)	\$ (62,740)

Notes

18	Net Division Adjustments - This Summary	\$ (4,266,335)
19	Net Division Adjustments - Schedule RCS-1, page 3	\$ (4,266,335)
20	Difference	\$ (0)

Rate Years Ending June 30, 2021 through 2023

Line No.	Description	Company Adjusted (A)	Division Adjusted (B)	Division Adjustment (C) = B-A
1	Test Year Ended June 30, 2019	\$ 839,167	\$ 839,167	\$ -
2	Rate Year Ended June 30, 2021	\$ 1,490,693	\$ 839,167	\$ (651,527)
3	Rate Year Ended June 30, 2022	\$ 1,490,693	\$ 839,167	\$ (651,527)
4	Rate Year Ended June 30, 2023	\$ 1,490,693	\$ 839,167	\$ (651,527)

Notes and Source

Col.A: PWSB Application

Col.B: Division witness Mierzwa



Providence Water Supply Board  
PUC Assessment  
Rate Years Ending June 30, 2021 through 2023

Docket No. 4994  
Schedule RCS-4  
Page 1 of 1

Line No.	Description	Company Adjusted (A)	Division Adjusted (B)	Division Adjustment (C) = B-A
1	Test Year Ended June 30, 2019	\$ 353,599	\$ 353,599	\$ -
2	Fiscal Year Ended June 30, 2020 estimated	N/A	\$ 377,369	N/A
3	Rate Year Ended June 30, 2021	\$ 385,422	\$ 402,738	\$ 17,315
4	Rate Year Ended June 30, 2022	\$ 420,110	\$ 429,812	\$ 9,701
5	Rate Year Ended June 30, 2023	\$ 457,920	\$ 458,706	\$ 786

Notes and Source:

- Col. A: PWSB Application, Exhibit HJS-7
- Col.B, Line 2: Company Response to Division 6-1
- Col.B, Lines 3-5: Percent Increase Used to Estimate RY 2022 and RY 2023:

6	FY 2019 Actual	\$ 353,599
7	FY 2020 Actual	\$ 377,369
8	Percent Increase	6.72%

Percentage Increases	PWSB	Division
9	Increase from TY 2019 to FY 2020	N/A
10	Increase from TY 2019 to RY 2021 (2 Years)	9.00%
11	Increase from FY 2020 to RY 2021	N/A
12	Increase from RY 2021 to RY 2022	9.00%
13	Increase from RY 2022 to RY 2023	9.00%

Providence Water Supply Board  
Labor Costs  
Rate Years Ending June 30, 2021 through 2023

Line No.	Description	Company Adjusted (A)	Division Adjusted (B)	Division Adjustment (C) = B-A
1	Test Year Ended June 30, 2019	\$ 14,634,220	\$ 14,634,220	\$ -
2	Fiscal Year Ended June 30, 2020 estimated	\$ 16,113,478	\$ 15,842,343	\$ (271,135)
3	Rate Year Ended June 30, 2021	\$ 16,529,051	\$ 16,250,923	\$ (278,128)
4	Rate Year Ended June 30, 2022	\$ 17,121,025	\$ 16,832,936	\$ (288,089)
5	Rate Year Ended June 30, 2023	\$ 17,647,555	\$ 17,350,607	\$ (296,948)

Notes and Source:

- Col. A: Company response to Division 1-45
- Col. B: Per Company response to Division 6-26:
  - 6 Fiscal Year 2020 Old Estimate per Division 1-45
  - 7 Fiscal Year 2020 PWSB Updated Estimate per Division 6-26
  - 8 Percent Change applied to amounts in Column A

Description	PWSB Escalation Rates (page 2, this Sch.) (D)		PWSB Rate Year Projection (E)	Division Proposed (F)	Division Adjustment (G)= F-E
	Escalation Rates (page 2, this Sch.) (D)	PWSB Rate Year Projection (E)			
9 Fiscal Year Ended June 30, 2020 estimated			\$ 16,113,478	\$ 15,842,343	
10 FY 2020 to RY 2021	2.58%		\$ 16,529,051	\$ 16,250,923	\$ (278,128)
11 RY 2021 to RY 2022	3.58%		\$ 17,121,025	\$ 16,832,936	\$ (288,089)
12 RY 2022 to RY 2023	3.08%		\$ 17,647,555	\$ 17,350,606	\$ (296,949)

Providence Water Supply Board  
Labor Costs Incurred and Projected Fiscal Years 2018 through 2023, Calendar Year 2019

WATER SUPPLY BOARD LABOR COSTS  
Fiscal Year 2018 through 2023

Line No.	Account	Description	PWSB Previous					Fiscal Year 2023 (H)		
			Fiscal Year 2018 (A)	Fiscal Year 2019 (B)	Calendar Year 2019 (C)	Fiscal Year 2020 Estimate (D)	Fiscal Year 2020 Actuals Thru 3/30/20 (E)		Fiscal Year 2021 (F)	Fiscal Year 2022 (G)
1	60110	Salaries & Wages - Emp	\$ 740,012	\$ 777,108	\$ 745,231	\$ 847,681	\$ 532,970	\$ 864,635	\$ 890,574	\$ 912,838
2	60120	Salaries & Wages - Emp	452,080	391,728	416,488	565,819	332,126	577,135	594,449	609,311
3	60130	Salaries & Wages - Emp	1,970,349	2,186,695	2,229,869	2,438,912	1,510,055	2,487,690	2,562,321	2,626,379
4	60140	Salaries & Wages - Emp	394,448	404,918	296,396	413,016	281,422	421,276	433,915	444,763
5	60150	Salaries & Wages - Emp	752,211	557,922	583,932	569,080	450,263	580,462	597,876	612,822
6	60160	Salaries & Wages - Emp	2,841,249	2,880,826	3,030,133	3,067,923	2,307,620	3,129,281	3,223,160	3,303,739
7	60170	Salaries & Wages - Emp	1,914,408	1,945,516	1,873,237	2,134,831	1,355,566	2,177,528	2,242,854	2,298,925
8	60180	Salaries & Wages - Emp	5,552,523	5,489,507	5,593,491	6,076,216	4,142,831	6,291,044	6,575,877	6,838,779
9		<b>Total Salaries and Wages</b>	<b>\$ 14,617,280</b>	<b>\$ 14,634,220</b>	<b>\$ 14,768,777</b>	<b>\$ 16,113,478</b>	<b>\$ 10,912,854</b>	<b>\$ 16,529,051</b>	<b>\$ 17,121,025</b>	<b>\$ 17,647,555</b>
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
21		Dollar Change from Previous Fiscal Year		\$ 16,940		\$ 1,344,702	\$ 1,208,123	\$ 415,573	\$ 591,974	\$ 526,529
22		Percent Change		0.12%		9.11%	8.26%	2.58%	3.58%	3.08%
								Used for Rate Year Escalation on Page 1		

Notes and Source  
PWSB response to DIV 6-26  
Schedule DIV 1-45 Updated w Actuals Thru 3/31/20

Salaries and Wages Estimate Thru 6/30/20  
Reconciling Items to the FY20 Estimate  
Funded Vacancies 803,924  
Unpaid Wages due to FMLA, LOA, suspension, or missed time. 77,035  
Worker's Compensation 365,925  
Step increases due thru 6/30/20 44,987  
Subtotal reconciling items \$ 1,291,871  
PWSB Current Estimated FY20 Salaries and Wages \$ 15,842,343

Docket No. 4994  
Schedule RCS-6  
Page 1 of 1

Providence Water Supply Board  
Payroll Tax Expense  
Rate Years Ending June 30, 2021 through 2023

Line No.	Description	Division Payroll Adjustment (A)	Payroll Tax Expense		Division Payroll Tax Adjustment (D) = B + A
			OASHA Rate 6.20% (B)	Medicare Rate 1.45% (C)	
1	Rate Year Ended June 30, 2021	\$ (278,128)	\$ (17,244)	\$ (4,033)	\$ (21,277)
2	Rate Year Ended June 30, 2022	\$ (288,089)	\$ (17,861)	\$ (4,177)	\$ (22,039)
3	Rate Year Ended June 30, 2023	\$ (296,948)	\$ (18,411)	\$ (4,306)	\$ (22,717)

Notes and Source:

Col. A: Schedule RCS-5

Rate Years Ending June 30, 2021 through 2023

Line No.	Description	With General Inflation		
		Company Adjusted (A)	Division Adjusted (B)	Division Adjustment (C) = B-A
<b>Operating and Maintenance Expense</b>				
1	Rate Year Ended June 30, 2021	\$ 36,530,853	\$ 36,452,442	\$ (78,411)
2	Rate Year Ended June 30, 2022	\$ 37,542,583	\$ 37,462,522	\$ (80,061)
3	Rate Year Ended June 30, 2023	\$ 38,777,998	\$ 38,696,252	\$ (81,746)

Notes and Source

Col.A: PWSB Application, Schedules HJS-11, HJS-12, HJS-13 and HJS-1

Col.B: With PWSB's general inflation adjustment of 4.2% from the test year to RY 2021 removed.  
Recalculated amounts for Operations and Maintenance Expense from HJS-1 to remove test year to RY 2021 general inflation.

Providence Water Supply Board  
Miscellaneous Revenue  
Rate Years Ending June 30, 2021 through 2023

Docket No. 4994  
Schedule RCS-8  
Page 1 of 2

Line No.	Description	Company Adjusted (A)	Division Adjusted (B)	Division Adjustment (C) = B-A
<b>Miscellaneous Revenue</b>				
1	Rate Year Ended June 30, 2021	\$ 1,364,746	\$ 1,493,163	\$ 128,417
2	Rate Year Ended June 30, 2022	\$ 1,364,746	\$ 1,493,163	\$ 128,417
3	Rate Year Ended June 30, 2023	\$ 1,364,746	\$ 1,493,163	\$ 128,417

Notes and Source  
Col.A: PWSB Application, Schedules HJS-1  
Col.B: See page 2

Providence Water Supply Board  
Miscellaneous Revenue

Rate Years Ending June 30, 2021 through 2023

Line No.	Miscellaneous Revenues	FY 2015 (A)	FY 2016 (B)	FY 2017 (C)	FY 2018 (D)	FY 2019 (Test Year in PWSB Filing) (E)	Six Months Ending December 31, 2019 (F)	Rate Year per PWSB Filing (G)	PWSB Rate Year-Test Year Differences (H) = (G) - (E)
1	Interest on Delinquent Accounts	\$ 407,331	\$ 413,947	\$ 396,914	\$ 391,654	\$ 420,812	\$ 219,629	\$ 411,817	\$ (8,995)
2	Interest Earned	\$ -	\$ 8,336	\$ 10,476	\$ 12,761	\$ 53,670	\$ 52,899	\$ 53,670	\$ (53,670)
3	Miscellaneous State Revenue	\$ 185,857,000	\$ 185,255	\$ 182,080	\$ 178,958	\$ 179,827	\$ 98,099	\$ 180,290	\$ 463
4	Rents from Water Properties	\$ 35,991	\$ 74,364	\$ 2,513	\$ 27,682	\$ 32,712	\$ 800	\$ 35,387	\$ 2,675
5	Flow Tests	\$ 6,136	\$ 6,136	\$ 6,490	\$ 6,136	\$ 8,925	\$ 3,658	\$ 63,017	\$ (8,925)
6	New Meters	\$ 48,159	\$ 42,789	\$ 125,724	\$ 78,117	\$ 121,740	\$ 47,301	\$ 17,862	\$ (58,723)
7	Lost/Stolen Meters	\$ 38,173	\$ 25,937	\$ 20,278	\$ 16,756	\$ 16,553	\$ 4,508	\$ 32,180	\$ 7,180
8	Admin Fee NBC	\$ 18,750	\$ 31,250	\$ 25,000	\$ 25,000	\$ 25,000	\$ 6,250	\$ 145,484	\$ (26,892)
9	Shut Off/On Service Charge	\$ 237,751	\$ 209,933	\$ 201,832	\$ 219,221	\$ 172,376	\$ 90,565	\$ 14,005	\$ (7,215)
10	Other Miscellaneous	\$ 63,807	\$ 130,546	\$ 209,105	\$ 148,068	\$ 137,383	\$ 144,501	\$ 40,482	\$ (75,716)
11	Bad Checks	\$ 10,880	\$ 17,900	\$ 19,910	\$ 22,420	\$ 21,220	\$ 11,560	\$ 175,000	\$ (116,667)
12	Forest Product Sales	\$ 31,450	\$ 92,450	\$ 73,053	\$ 52,095	\$ 170,779	\$ 40,755	\$ 965	\$ 4,486
13	Water Liens	\$ (1,053)	\$ 79,150	\$ 66,889	\$ -	\$ 74,360	\$ 47,598	\$ -	\$ 62,124
14	Foster Property Tax Refund	\$ -	\$ -	\$ 116,667	\$ 291,667	\$ 291,667	\$ -	\$ 47,400	\$ 47,400
15	Abandonment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42	\$ 42
16	Misc. Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (31)	\$ (31)
17	Narragansett Shut-Off	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,459	\$ 97,459
18	Road Restoration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,179	\$ 9,179
19	Subpoena	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Title Search Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	\$ Transaction at Closing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	Turn On Meter	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Scrap Meter Fees Garbage Pick-Up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Other Misc.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	<b>TOTAL MISC REVENUES</b>	<b>\$ 1,083,232</b>	<b>\$ 1,340,353</b>	<b>\$ 1,456,931</b>	<b>\$ 1,470,535</b>	<b>\$ 1,727,024</b>	<b>\$ 768,123</b>	<b>\$ 1,364,746</b>	<b>\$ (362,278)</b>
26	Annual Change Amount	\$ -	\$ 257,121	\$ 116,578	\$ 13,604	\$ 256,489	\$ -	\$ -	\$ -
27	Percent		23.74%	8.70%	0.93%	17.44%			
28	Six Months Ending December 31, 2019 Annualized						<b>\$ 1,536,246</b>		
29	Company Unadjusted Test Year Amount per Filing			\$ 1,693,375					
30	Difference			\$ 33,649					
<b>FY 2017 through FY 2019 with Normalized amount for Foster Property Tax Refund</b>									
31	Totals		\$ 1,456,931	\$ 1,470,535	\$ 1,470,535	\$ 1,727,024	Compare FY2020 YTD Annualized \$ 1,536,246		
32	Amount Recorded for Foster Property Tax Refund		\$ (116,667)	\$ (291,667)	\$ (291,667)	\$ -	\$ -		
33	Normalized Rate Year Amount for Foster Property Tax Refund		\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000		
34	FY 2017 through FY 2019 with Normalized amount for Foster Property Tax Refund		\$ 1,515,264	\$ 1,353,868	\$ 1,353,868	\$ 1,610,357	\$ 1,711,246		
35	Average of FY 2017 through FY 2019 with Normalized amount for Foster Property Tax Refund								
36	Division Recommended							\$ 1,493,163	
37	PWSB Rate Year Amount							\$ 1,364,746	
38	Division Recommended Adjustment							\$ 128,417	

Notes and Source:  
 Cols. A-F, Lines 1-25: Company response to data request Division 1-23  
 Line 26: Company Schedule HJS-1  
 Line 27: Line 15 - Line 16  
 Col. G: Company Schedule HJS-14a

Providence Water Supply Board  
Restricted Funds - IFR Fund  
Rate Years Ending June 30, 2021 through 2023

Docket No. 4994  
Schedule RCS-09  
Page 1 of 1

Line No.	Description	FY 2019 (A)	FY 2020 (B)	FY 2021 (C)	FY 2022 (D)	FY 2023 (E)
<b>I. Per Company</b>						
<b>Source of Funds</b>						
1	D4618 (effective 2/17/2017)	\$ 27,300,000	\$ 27,300,000	\$ 27,300,000	\$ 27,300,000	\$ 27,300,000
2	New Rate Funding			\$ 2,000,000	\$ 4,000,000	\$ 6,000,000
3	Miscellaneous Revenue (incl. Transfer for ESWD DS)	\$ 53,800	\$ 52,853	\$ 52,802	\$ 52,689	\$ 52,513
4	Interest Income	\$ 348,660	\$ 42,000	\$ 25,000	\$ 10,000	\$ 1,000
5	Carryover funds from prior year estimated	\$ 12,914,333	\$ 8,312,576	\$ 1,327,631	\$ 12,588,203	\$ 1,009,505
6	<b>Total Sources</b>	<b>\$ 40,616,793</b>	<b>\$ 35,707,429</b>	<b>\$ 30,705,434</b>	<b>\$ 43,950,892</b>	<b>\$ 34,363,017</b>
<b>Less obligated uses of funds:</b>						
7	RIIB (Arra) \$9.3M 2009 (P&I)	\$ 491,080	\$ 491,005	\$ 491,074	\$ 490,542	\$ 490,220
8	RIIB \$35M 2008 (P&I)	\$ 2,374,237	\$ 2,268,505	\$ 2,372,011	\$ 2,369,391	\$ 2,367,812
9	RIIB \$25M 2013 (P&I)	\$ 1,545,394	\$ 1,545,575	\$ 1,544,360	\$ 1,542,870	\$ 1,542,106
10	RIIB \$8M 2014 (P&I)	\$ 501,911	\$ 500,873	\$ 500,850	\$ 500,896	\$ 500,127
11	RIIB \$16.3M 2017 (P&I)	\$ 1,035,775	\$ 1,036,028	\$ 1,036,743	\$ 1,035,388	\$ 1,034,854
12	RIIB \$14.7M 2019 (P&I)		\$ 176,864	\$ 934,390	\$ 935,151	\$ 935,636
13	East Smithfield RIIB 2013 (P&I)	\$ 39,775	\$ 39,177	\$ 39,477	\$ 39,174	\$ 39,888
14	East Smithfield RIIB 2008 (P&I)	\$ 14,025	\$ 13,675	\$ 13,325	\$ 12,975	\$ 12,625
15	Est. New Debt Service	\$ -	\$ -	\$ -	\$ 950,000	\$ 2,850,000
16	Sub-total Debt Service	<b>\$ 6,002,197</b>	<b>\$ 6,071,703</b>	<b>\$ 6,932,231</b>	<b>\$ 7,876,387</b>	<b>\$ 9,773,267</b>
17	Cash Funded Projects	\$ 26,302,020	\$ 28,308,095	\$ 11,185,000	\$ 35,065,000	\$ 17,955,000
18	<b>Total Uses</b>	<b>\$ 32,304,217</b>	<b>\$ 34,379,798</b>	<b>\$ 18,117,231</b>	<b>\$ 42,941,387</b>	<b>\$ 27,728,267</b>
19	<b>End of Year Balance - Cash Balance Carry Fwd.</b>	<b>\$ 8,312,576</b>	<b>\$ 1,327,631</b>	<b>\$ 12,588,203</b>	<b>\$ 1,009,505</b>	<b>\$ 6,634,750</b>
<b>Bond Funding Activity</b>						
21	Bond Proceeds	\$ 15,458,735	\$ 13,490,000	\$ 19,100,000	\$ 19,100,000	\$ 19,100,000
22	Bond Funded Projects	\$ 1,840,830	\$ 13,617,905	\$ 19,100,000	\$ 19,100,000	\$ 19,100,000
23	<b>Net Bond funding</b>	<b>\$ 13,617,905</b>	<b>\$ (127,905)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>II. Per Division</b>						
<b>Source of Funds</b>						
24	D4618 (effective 2/17/2017)	\$ 27,300,000	\$ 27,300,000	\$ 27,300,000	\$ 27,300,000	\$ 27,300,000
25	New Rate Funding			\$ 2,000,000	\$ 4,000,000	\$ 6,000,000
26	Company Adjusted Funding Level Per Filing	\$ 27,300,000	\$ 27,300,000	\$ 29,300,000	\$ 31,300,000	\$ 33,300,000
27	<b>Division Recommended Adjustment to PWSB Proposed Funding Level</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,000,000)</b>
28	Division Recommended Funding Level	\$ 27,300,000	\$ 27,300,000	\$ 29,300,000	\$ 31,300,000	\$ 31,300,000
29	Miscellaneous Revenue (incl. Transfer for ESWD DS)	\$ 53,800	\$ 52,853	\$ 52,802	\$ 52,689	\$ 52,513
30	Interest Income	\$ 348,660	\$ 42,000	\$ 25,000	\$ 10,000	\$ 1,000
31	Carryover funds from prior year estimated	\$ 12,914,333	\$ 8,312,576	\$ 1,327,631	\$ 12,588,203	\$ 1,009,505
32	<b>Total Sources</b>	<b>\$ 40,616,793</b>	<b>\$ 35,707,429</b>	<b>\$ 30,705,434</b>	<b>\$ 43,950,892</b>	<b>\$ 32,363,017</b>
<b>Less obligated uses of funds:</b>						
33	RIIB (Arra) \$9.3M 2009 (P&I)	\$ 491,080	\$ 491,005	\$ 491,074	\$ 490,542	\$ 490,220
34	RIIB \$35M 2008 (P&I)	\$ 2,374,237	\$ 2,268,505	\$ 2,372,011	\$ 2,369,391	\$ 2,367,812
35	RIIB \$25M 2013 (P&I)	\$ 1,545,394	\$ 1,545,575	\$ 1,544,360	\$ 1,542,870	\$ 1,542,106
36	RIIB \$8M 2014 (P&I)	\$ 501,911	\$ 500,873	\$ 500,850	\$ 500,896	\$ 500,127
37	RIIB \$16.3M 2017 (P&I)	\$ 1,035,775	\$ 1,036,028	\$ 1,036,743	\$ 1,035,388	\$ 1,034,854
38	RIIB \$14.7M 2019 (P&I)		\$ 176,864	\$ 934,390	\$ 935,151	\$ 935,636
39	East Smithfield RIIB 2013 (P&I)	\$ 39,775	\$ 39,177	\$ 39,477	\$ 39,174	\$ 39,888
40	East Smithfield RIIB 2008 (P&I)	\$ 14,025	\$ 13,675	\$ 13,325	\$ 12,975	\$ 12,625
41	Est. New Debt Service	\$ -	\$ -	\$ -	\$ 950,000	\$ 2,850,000
42	Sub-total Debt Service	<b>\$ 6,002,197</b>	<b>\$ 6,071,703</b>	<b>\$ 6,932,231</b>	<b>\$ 7,876,387</b>	<b>\$ 9,773,267</b>
43	Cash Funded Projects	\$ 26,302,020	\$ 28,308,095	\$ 11,185,000	\$ 35,065,000	\$ 17,955,000
44	<b>Total Uses</b>	<b>\$ 32,304,217</b>	<b>\$ 34,379,798</b>	<b>\$ 18,117,231</b>	<b>\$ 42,941,387</b>	<b>\$ 27,728,267</b>
45	<b>End of Year Balance - Cash Balance Carry Fwd.</b>	<b>\$ 8,312,576</b>	<b>\$ 1,327,631</b>	<b>\$ 12,588,203</b>	<b>\$ 1,009,505</b>	<b>\$ 4,634,750</b>
<b>Bond Funding Activity</b>						
47	Bond Proceeds	\$ 15,458,735	\$ 13,490,000	\$ 19,100,000	\$ 19,100,000	\$ 19,100,000
48	Bond Funded Projects	\$ 1,840,830	\$ 13,617,905	\$ 19,100,000	\$ 19,100,000	\$ 19,100,000
49	<b>Net Bond funding</b>	<b>\$ 13,617,905</b>	<b>\$ (127,905)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Notes and Source  
Lines 1-23: Schedule HJS-10c from the Company's filing  
Line 27: See testimony for explanation of Division adjustment



Line No.	Description	FY 2019 (A)	FY 2020 (B)	FY 2021 (C)	FY 2022 (D)	FY 2023 (E)
<b>I. Per Company</b>						
<b>Source of Funds</b>						
1	D4618 (effective 2/17/2017)	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000
2	New Rate Funding			\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
3	Miscellaneous Revenue	\$ 6,756	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
4	Interest	\$ 6,461	\$ 18,000	\$ 15,000	\$ 15,000	\$ 15,000
5	Carryover funds from prior year estimated	\$ 1,648,796	\$ 683,072	\$ (308,628)	\$ 131,145	\$ 470,781
6	<b>Total Sources</b>	<b>\$ 2,262,013</b>	<b>\$ 1,306,072</b>	<b>\$ 1,311,372</b>	<b>\$ 1,751,145</b>	<b>\$ 2,090,781</b>
<b>Less obligated uses of funds</b>						
7	Vehicle and Equipment purchases	\$ 375,418	\$ 741,200	\$ 735,227	\$ 567,614	\$ 495,000
8	Computer Equipment purchases	\$ 991,999	\$ 325,000	\$ 260,000	\$ 527,750	\$ 470,600
9	Office Furniture purchases	\$ 7,533	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
10	Security Equipment	\$ -	\$ 223,500	\$ 60,000	\$ 60,000	\$ 60,000
11	Shop & Plant Equipment	\$ 203,991	\$ 300,000	\$ 100,000	\$ 100,000	\$ 100,000
12	<b>Total Uses</b>	<b>\$ 1,578,941</b>	<b>\$ 1,614,700</b>	<b>\$ 1,180,227</b>	<b>\$ 1,280,364</b>	<b>\$ 1,150,600</b>
13	<b>End of Year Balance</b>	<b>\$ 683,072</b>	<b>\$ (308,628)</b>	<b>\$ 131,145</b>	<b>\$ 470,781</b>	<b>\$ 940,181</b>
<b>II. Per Division</b>						
<b>Source of Funds</b>						
14	D4618 (effective 2/17/2017)	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000
15	New Rate Funding			\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
16	Company Adjusted Funding Level Per Filing	\$ 600,000	\$ 600,000	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000
17	<b>Division Recommended Adjustment to PWSB Proposed Funding Level</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (100,000)</b>	<b>\$ (200,000)</b>	<b>\$ (300,000)</b>
18	Division Recommended Funding Level	\$ 600,000	\$ 600,000	\$ 1,500,000	\$ 1,400,000	\$ 1,300,000
19	Miscellaneous Revenue	\$ 6,756	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
20	Interest	\$ 6,461	\$ 18,000	\$ 15,000	\$ 15,000	\$ 15,000
21	Carryover funds from prior year estimated	\$ 1,648,796	\$ 683,072	\$ (308,628)	\$ 31,145	\$ 170,781
22	<b>Total Sources</b>	<b>\$ 2,262,013</b>	<b>\$ 1,306,072</b>	<b>\$ 1,211,372</b>	<b>\$ 1,451,145</b>	<b>\$ 1,490,781</b>
<b>Less obligated uses of funds</b>						
23	Vehicle and Equipment purchases	\$ 375,418	\$ 741,200	\$ 735,227	\$ 567,614	\$ 495,000
24	Computer Equipment purchases	\$ 991,999	\$ 325,000	\$ 260,000	\$ 527,750	\$ 470,600
25	Office Furniture purchases	\$ 7,533	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
26	Security Equipment	\$ -	\$ 223,500	\$ 60,000	\$ 60,000	\$ 60,000
27	Shop & Plant Equipment	\$ 203,991	\$ 300,000	\$ 100,000	\$ 100,000	\$ 100,000
28	<b>Total Uses</b>	<b>\$ 1,578,941</b>	<b>\$ 1,614,700</b>	<b>\$ 1,180,227</b>	<b>\$ 1,280,364</b>	<b>\$ 1,150,600</b>
29	<b>End of Year Balance</b>	<b>\$ 683,072</b>	<b>\$ (308,628)</b>	<b>\$ 31,145</b>	<b>\$ 170,781</b>	<b>\$ 340,181</b>

Notes and Source  
Lines 1-13: Schedule HJS-10s from the Company's filing  
Line 17: See testimony for explanation of Division adjustment

Line No.	Description	FY 2019 (A)	FY 2020 (B)	FY 2021 (C)	FY 2022 (D)	FY 2023 (E)
<b>I. Per Company</b>						
<b>Source of Funds</b>						
1	D4618 (effective 2/17/2017)	\$ 2,302,113	\$ 2,302,113	\$ 2,302,113	\$ 2,302,113	\$ 2,302,113
2	Reimbursements	\$ 7,407	\$ -	\$ -	\$ -	\$ -
3	Interest	\$ 12,953	\$ 9,000	\$ 9,100	\$ 9,250	\$ 9,500
4	Carryover funds from prior year estimated	\$ 2,005,575	\$ 2,300,623	\$ 2,597,116	\$ 2,475,116	\$ 2,460,862
5	<b>Total Sources</b>	<b>\$ 4,328,048</b>	<b>\$ 4,611,736</b>	<b>\$ 4,908,329</b>	<b>\$ 4,786,479</b>	<b>\$ 4,772,475</b>
<b>Less obligated uses of funds</b>						
6	Property & Casualty	\$ 1,119,941	\$ 1,129,479	\$ 1,151,934	\$ 1,174,839	\$ 1,198,201
7	Workers Compensation	\$ 774,580	\$ 779,142	\$ 785,125	\$ 794,279	\$ 800,564
8	Injuries & Damages	\$ 113,412	\$ 85,000	\$ 224,654	\$ 85,000	\$ 85,000
9	Safety Supplies & Other	\$ 15,041	\$ 16,000	\$ 16,500	\$ 16,500	\$ 16,500
10	Program Expense	\$ 4,452	\$ 5,000	\$ 255,000	\$ 255,000	\$ 5,000
11	<b>Total Uses</b>	<b>\$ 2,027,425</b>	<b>\$ 2,014,621</b>	<b>\$ 2,433,213</b>	<b>\$ 2,325,617</b>	<b>\$ 2,105,266</b>
12	<b>End of Year Balance</b>	<b>\$ 2,300,623</b>	<b>\$ 2,597,116</b>	<b>\$ 2,475,116</b>	<b>\$ 2,460,862</b>	<b>\$ 2,667,209</b>
<b>II. Per Division</b>						
<b>Source of Funds</b>						
13	D4618 (effective 2/17/2017)	\$ 2,302,113	\$ 2,302,113	\$ 2,302,113	\$ 2,302,113	\$ 2,302,113
14	Division Recommended Adjustment to PWSB Proposed Funding Level	\$ -	\$ -	\$ (502,113)	\$ (502,113)	\$ (502,113)
15	Division Recommended Funding Level	\$ 2,302,113	\$ 2,302,113	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000
16	Reimbursements	\$ 7,407	\$ -	\$ -	\$ -	\$ -
17	Interest	\$ 12,953	\$ 9,000	\$ 9,100	\$ 9,250	\$ 9,500
18	Carryover funds from prior year estimated	\$ 2,005,575	\$ 2,300,623	\$ 2,597,116	\$ 1,973,003	\$ 1,456,636
19	<b>Total Sources</b>	<b>\$ 4,328,048</b>	<b>\$ 4,611,736</b>	<b>\$ 4,406,216</b>	<b>\$ 3,782,253</b>	<b>\$ 3,266,136</b>
<b>Less obligated uses of funds</b>						
20	Property & Casualty	\$ 1,119,941	\$ 1,129,479	\$ 1,151,934	\$ 1,174,839	\$ 1,198,201
21	Workers Compensation	\$ 774,580	\$ 779,142	\$ 785,125	\$ 794,279	\$ 800,564
22	Injuries & Damages	\$ 113,412	\$ 85,000	\$ 224,654	\$ 85,000	\$ 85,000
23	Safety Supplies & Other	\$ 15,041	\$ 16,000	\$ 16,500	\$ 16,500	\$ 16,500
24	Program Expense	\$ 4,452	\$ 5,000	\$ 255,000	\$ 255,000	\$ 5,000
25	<b>Total Uses</b>	<b>\$ 2,027,425</b>	<b>\$ 2,014,621</b>	<b>\$ 2,433,213</b>	<b>\$ 2,325,617</b>	<b>\$ 2,105,266</b>
26	<b>End of Year Balance</b>	<b>\$ 2,300,623</b>	<b>\$ 2,597,116</b>	<b>\$ 1,973,003</b>	<b>\$ 1,456,636</b>	<b>\$ 1,160,870</b>

Notes and Source  
Lines 1-12: Schedule HJS-10f from the Company's filing  
Line 14: See testimony for explanation of Division adjustment

Providence Water Supply Board  
Restricted Funds - Chemicals and Sludge Maintenance Fund  
Rate Years Ending June 30, 2021 through 2023

Line No.	Description	FY 2019 (A)	FY 2020 (B)	FY 2021 (C)	FY 2022 (D)	FY 2023 (E)
<b>I. Per Company</b>						
<b>Source of Funds</b>						
1	D4618 (effective 2/17/2017)	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000
2	New Rate Funding		\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
3	Interest/Misc. Revenue	\$ 11,747	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
4	Carryover funds from prior year estimated	\$ 3,344,882	\$ 2,735,683	\$ 1,572,464	\$ 1,342,430	\$ 1,139,964
5	<b>Total Sources</b>	<b>\$ 6,156,629</b>	<b>\$ 5,543,683</b>	<b>\$ 5,380,464</b>	<b>\$ 5,150,430</b>	<b>\$ 4,947,964</b>
<b>Less obligated uses of funds</b>						
6	Chemicals	\$ 1,761,764	\$ 2,087,301	\$ 2,349,117	\$ 2,401,548	\$ 2,442,681
7	Professional Engineering/Contractors	\$ 50,264	\$ 75,000	-	-	-
8	Miscellaneous Expenses - Project inspections, pump rentals	\$ -	\$ 200,000	\$ 80,000	-	-
9	Sludge Maintenance	\$ 1,608,918	\$ 1,608,918	\$ 1,608,918	\$ 1,608,918	\$ 1,608,918
10	<b>Total Uses</b>	<b>\$ 3,420,946</b>	<b>\$ 3,971,219</b>	<b>\$ 4,038,035</b>	<b>\$ 4,010,466</b>	<b>\$ 4,051,599</b>
11	<b>End of Year Balance</b>	<b>\$ 2,735,683</b>	<b>\$ 1,572,464</b>	<b>\$ 1,342,430</b>	<b>\$ 1,139,964</b>	<b>\$ 896,365</b>
<b>II. Per Division</b>						
<b>Source of Funds</b>						
12	D4618 (effective 2/17/2017)	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000
13	New Rate Funding		\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
14	Company Adjusted Funding Level Per Filing	\$ 2,800,000	\$ 2,800,000	\$ 3,800,000	\$ 3,800,000	\$ 3,800,000
15	<b>Division Recommended Adjustment to PWSB Proposed Funding Level</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (200,000)</b>	<b>\$ (200,000)</b>	<b>\$ (200,000)</b>
16	Division Recommended Funding Level	\$ 2,800,000	\$ 2,800,000	\$ 3,600,000	\$ 3,600,000	\$ 3,600,000
17	Interest/Misc. Revenue	\$ 11,747	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
18	Carryover funds from prior year estimated	\$ 3,344,882	\$ 2,735,683	\$ 1,572,464	\$ 1,142,430	\$ 739,964
19	<b>Total Sources</b>	<b>\$ 6,156,629</b>	<b>\$ 5,543,683</b>	<b>\$ 5,180,464</b>	<b>\$ 4,750,430</b>	<b>\$ 4,347,964</b>
<b>Less obligated uses of funds</b>						
20	Chemicals	\$ 1,761,764	\$ 2,087,301	\$ 2,349,117	\$ 2,401,548	\$ 2,442,681
21	Professional Engineering/Contractors	\$ 50,264	\$ 75,000	-	-	-
22	Miscellaneous Expenses - Project inspections, pump rentals	\$ -	\$ 200,000	\$ 80,000	-	-
23	Sludge Maintenance	\$ 1,608,918	\$ 1,608,918	\$ 1,608,918	\$ 1,608,918	\$ 1,608,918
24	<b>Total Uses</b>	<b>\$ 3,420,946</b>	<b>\$ 3,971,219</b>	<b>\$ 4,038,035</b>	<b>\$ 4,010,466</b>	<b>\$ 4,051,599</b>
25	<b>End of Year Balance</b>	<b>\$ 2,735,683</b>	<b>\$ 1,572,464</b>	<b>\$ 1,142,430</b>	<b>\$ 739,964</b>	<b>\$ 296,365</b>

Notes and Source  
Lines 1-11: Schedule HJS-10g from the Company's filing  
Line 15: See testimony for explanation of Division adjustment

Line No.	Description	FY 2019 (A)	FY 2020 (B)	FY 2021 (C)	FY 2022 (D)	FY 2023 (E)
<b>I. Per Company</b>						
<b>Source of Funds</b>						
1	Foster Tax Refund	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000
2	Carryover funds from prior year estimated	\$ 501,231	\$ 384,840	\$ 394,840	\$ 404,840	\$ 414,840
3	<b>Total Sources</b>	<b>\$ 691,231</b>	<b>\$ 574,840</b>	<b>\$ 584,840</b>	<b>\$ 594,840</b>	<b>\$ 604,840</b>
<b>Less obligated uses of funds</b>						
4	Reimbursement to operations from Foster refund	\$ 291,667	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000
5	Water Protection Expenditures					
6	Transfer to Operations - Legal Fees	\$ 14,724	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
7	<b>Total Uses</b>	<b>\$ 306,391</b>	<b>\$ 180,000</b>	<b>\$ 180,000</b>	<b>\$ 180,000</b>	<b>\$ 180,000</b>
8	<b>End of Year Balance</b>	<b>\$ 384,840</b>	<b>\$ 394,840</b>	<b>\$ 404,840</b>	<b>\$ 414,840</b>	<b>\$ 424,840</b>
<b>II. Per Division</b>						
<b>Source of Funds</b>						
9	Foster Tax Refund	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000
10	Carryover funds from prior year estimated	\$ 501,231	\$ 384,840	\$ 394,840	\$ 304,840	\$ 214,840
11	<b>Total Sources</b>	<b>\$ 691,231</b>	<b>\$ 574,840</b>	<b>\$ 584,840</b>	<b>\$ 494,840</b>	<b>\$ 404,840</b>
<b>Less obligated uses of funds</b>						
12	Reimbursement to operations from Foster refund	\$ 291,667	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000
13	Water Protection Expenditures					
14	Transfer to Operations - Legal Fees	\$ 14,724	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
15	<b>Total Uses</b>	<b>\$ 306,391</b>	<b>\$ 180,000</b>	<b>\$ 180,000</b>	<b>\$ 180,000</b>	<b>\$ 180,000</b>
16	<b>Division Recommended Adjustment to PWSB Proposed Funding Level</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (100,000)</b>	<b>\$ (100,000)</b>	<b>\$ (100,000)</b>
17	<b>End of Year Balance</b>	<b>\$ 384,840</b>	<b>\$ 394,840</b>	<b>\$ 304,840</b>	<b>\$ 214,840</b>	<b>\$ 124,840</b>

Notes and Source  
 Lines 1-8: Schedule HJS-10h from the Company's filing  
 Line 16: See testimony for explanation of Division adjustment

Line No.	Description	FY 2019 (A)	FY 2020 (B)	FY 2021 (C)	FY 2022 (D)	FY 2023 (E)
<b>I. Per Company</b>						
<b>Source of Funds</b>						
1	D4618 (effective 2/17/2017)	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
2	New Rate Funding				\$ 2,750,000	\$ 2,750,000
3	Loan Proceeds	\$ 430,326	\$ 569,674	\$ 500,000		
4	Repayments	\$ 171,159	\$ 250,000	\$ 295,000	\$ 295,000	\$ 295,000
5	Carryover funds from prior year estimated	\$ 215,533	\$ 445,279	\$ 788,852	\$ 958,852	\$ 678,852
6	<b>Total Sources</b>	<b>\$ 1,067,018</b>	<b>\$ 1,514,953</b>	<b>\$ 1,833,852</b>	<b>\$ 4,253,852</b>	<b>\$ 3,973,852</b>
<b>Less obligated uses of funds</b>						
7	Project expenditures	\$ 542,028	\$ 500,000	\$ 600,000	\$ 3,000,000	\$ 3,000,000
8	New debt Service				\$ 300,000	\$ 300,000
9	RHB \$1M 2018A (P&I)	\$ 79,711	\$ 226,101	\$ 275,000	\$ 275,000	\$ 144,188
10	<b>Total Uses</b>	<b>\$ 621,739</b>	<b>\$ 726,101</b>	<b>\$ 875,000</b>	<b>\$ 3,575,000</b>	<b>\$ 3,444,188</b>
11	<b>End of Year Balance</b>	<b>\$ 445,279</b>	<b>\$ 788,852</b>	<b>\$ 958,852</b>	<b>\$ 678,852</b>	<b>\$ 529,664</b>
<b>II. Per Division</b>						
<b>Source of Funds</b>						
12	D4618 (effective 2/17/2017)	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
13	New Rate Funding				\$ 2,750,000	\$ 2,750,000
14	Company Adjusted Funding Level Per Filing			\$ 250,000	\$ 3,000,000	\$ 3,000,000
15	<b>Division Recommended Adjustment to PWSB Proposed Funding Level</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 750,000</b>	<b>\$ (1,000,000)</b>	<b>\$ -</b>
16	Division Recommended Funding Level	\$ 250,000	\$ 250,000	\$ 1,000,000	\$ 2,000,000	\$ 3,000,000
17	Loan Proceeds	\$ 430,326	\$ 569,674	\$ 500,000		
18	Repayments	\$ 171,159	\$ 250,000	\$ 295,000	\$ 295,000	\$ 295,000
19	Carryover funds from prior year estimated	\$ 215,533	\$ 445,279	\$ 788,852	\$ 1,708,852	\$ 428,852
20	<b>Total Sources</b>	<b>\$ 1,067,018</b>	<b>\$ 1,514,953</b>	<b>\$ 2,583,852</b>	<b>\$ 4,003,852</b>	<b>\$ 3,723,852</b>
<b>Less obligated uses of funds</b>						
21	Project expenditures	\$ 542,028	\$ 500,000	\$ 600,000	\$ 3,000,000	\$ 3,000,000
22	New debt Service				\$ 300,000	\$ 300,000
23	RHB \$1M 2018A (P&I)	\$ 79,711	\$ 226,101	\$ 275,000	\$ 275,000	\$ 144,188
24	<b>Total Uses</b>	<b>\$ 621,739</b>	<b>\$ 726,101</b>	<b>\$ 875,000</b>	<b>\$ 3,575,000</b>	<b>\$ 3,444,188</b>
25	<b>End of Year Balance</b>	<b>\$ 445,279</b>	<b>\$ 788,852</b>	<b>\$ 1,708,852</b>	<b>\$ 428,852</b>	<b>\$ 279,664</b>

Notes and Source  
 Lines 1-11: Schedule HJS-10; from the Company's filing  
 Line 15: See testimony for explanation of Division adjustment

Providence Water Supply Board  
Restricted Funds - Revenue Reserve Fund/Operating Reserve  
Rate Years Ending June 30, 2021 through 2023

Line No.	Description	FY 2019 (A)	FY 2020 (B)	FY 2021 (C)	FY 2022 (D)	FY 2023 (E)
<b>I. Per Company</b>						
<b>Source of Funds</b>						
1	D4618 (effective 2/17/2017)	\$ 362,119	\$ 362,119	\$ 362,119	\$ 362,119	\$ 362,119
2	New Rate Funding		\$	\$ 51,962	\$ 82,013	\$ 99,533
3	Interest Revenue	40,706	-	-	-	-
4	Carryover funds from prior year estimated	\$ 5,147,770	\$ 271,784	\$ 386,024	\$ 800,105	\$ 1,244,236
5	<b>Total Sources</b>	<b>\$ 5,550,596</b>	<b>\$ 633,903</b>	<b>\$ 800,105</b>	<b>\$ 1,244,236</b>	<b>\$ 1,705,889</b>
<b>Less obligated uses of funds</b>						
6	Transfer to Restricted Funds*	\$ 5,278,812	\$ 247,879	\$ -	\$ -	\$ -
7	<b>Total Uses</b>	<b>\$ 5,278,812</b>	<b>\$ 247,879</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
8	<b>End of Year Balance</b>	<b>\$ 271,784</b>	<b>\$ 386,024</b>	<b>\$ 800,105</b>	<b>\$ 1,244,236</b>	<b>\$ 1,705,889</b>
<b>II. Per Division</b>						
<b>Source of Funds</b>						
9	D4618 (effective 2/17/2017)	\$ 362,119	\$ 362,119	\$ 362,119	\$ 362,119	\$ 362,119
10	New Rate Funding		\$	\$ 51,962	\$ 82,013	\$ 99,533
11	Company Adjusted Funding Level Per Filing	\$ 362,119	\$ 362,119	\$ 414,081	\$ 444,132	\$ 461,652
12	<b>Division Recommended Adjustment to PWSB Proposed Funding Level</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (6,463)</b>	<b>\$ (15,813)</b>	<b>\$ (20,913)</b>
13	Division Recommended Funding Level	\$ 362,119	\$ 362,119	\$ 407,618	\$ 428,319	\$ 440,739
14	Interest Revenue	40,706	-	-	-	-
15	Carryover funds from prior year estimated	\$ 5,147,770	\$ 271,784	\$ 386,024	\$ 793,642	\$ 1,221,961
16	<b>Total Sources</b>	<b>\$ 5,550,596</b>	<b>\$ 633,903</b>	<b>\$ 793,642</b>	<b>\$ 1,221,961</b>	<b>\$ 1,662,700</b>
<b>Less obligated uses of funds</b>						
17	Transfer to Restricted Funds*	\$ 5,278,812	\$ 247,879	\$ -	\$ -	\$ -
18	<b>Total Uses</b>	<b>\$ 5,278,812</b>	<b>\$ 247,879</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
19	<b>End of Year Balance</b>	<b>\$ 271,784</b>	<b>\$ 386,024</b>	<b>\$ 793,642</b>	<b>\$ 1,221,961</b>	<b>\$ 1,662,700</b>

Notes and Source  
Lines 1-8: Schedule HJS-10j from the Company's filing  
Lines 12 and 13: see pages 2-4 of this Schedule

Providence Water Supply Board  
Operating Reserve and Revenue Reserve

Rate Year Ended June 30, 2021

Line No.	Description	Calculation Factors (A)	Company Adjusted (B)	Division Adjusted (C)	Division Adjustment (D) = C - B
<b>Expenses Net of Miscellaneous Revenues</b>					
1	Operations and Maintenance		\$ 36,530,853	\$ 36,170,353	(360,500)
2	Insurance		\$ 2,302,113	\$ 1,800,000	(502,113)
3	Chemical & Sludge		\$ 3,800,000	\$ 3,600,000	(200,000)
4	City Service		\$ 1,490,693	\$ 839,167	(651,527)
5	Property Taxes		\$ 7,629,145	\$ 7,529,145	(100,000)
6	Capital Reimbursement		\$ (1,888,937)	\$ (1,888,937)	-
7	Net Operations		\$ 49,863,867	\$ 48,049,728	\$ (1,814,139)
8	Less: Miscellaneous Revenues		\$ (1,364,746)	\$ (1,493,163)	(128,417)
9	Net Amount for Calculation of Revenues		\$ 48,499,122	\$ 46,556,565	\$ (1,942,556)
<b>Capital</b>					
10	Capital Fund		\$ 2,127,000	\$ 2,127,000	\$ -
11	Western Cranston Fund		\$ 40,000	\$ 40,000	\$ -
12	IFR Fund		\$ 29,300,000	\$ 29,300,000	\$ -
13	Meter Replacement Fund		\$ 1,000,000	\$ 1,000,000	\$ -
14	Vehicle/Equipment Fund		\$ 1,600,000	\$ 1,500,000	\$ (100,000)
15	Lead Service Replacement Fund		\$ 250,000	\$ 1,000,000	\$ 750,000
16	Subtotal Capital		\$ 34,317,000	\$ 34,967,000	\$ 650,000
17	Base amount for Calculating Reserves		\$ 82,816,122	\$ 81,523,565	\$ (1,292,556)
<b>Calculated Amounts</b>					
18	.5% Revenue Reserve	0.50%	\$ 414,081	\$ 407,618	\$ (6,463)
19	1.5% Operating Reserve	1.50%	\$ 1,242,242	\$ 1,222,853	\$ (19,388)
20	Operating Reserve and Revenue Reserve		\$ 1,656,322	\$ 1,630,471	\$ (25,851)
<b>Providence Water Proposed and Division Calculated Amounts</b>					
21	Revenue Reserve		\$ 414,081	\$ 407,618	\$ (6,463)
22	Operating Reserve		\$ 1,242,242	\$ 1,222,853	\$ (19,388)
23	Operating Reserve and Revenue Reserve		\$ 1,656,322	\$ 1,630,471	\$ (25,851)

Notes and Source

Col. B: Amounts from Company Schedule HJS-1

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

Docket No. 4994  
Schedule RCS-15  
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Providence Water Supply Board  
Operating Reserve and Revenue Reserve

Rate Year Ended June 30, 2022

Line No.	Description	Division Calculation Factors			Division Adjustment (D) = C - B
		(A)	(B)	(C)	
1	Operations and Maintenance		\$ 37,162,096	\$ 37,162,096	(380,487)
2	Insurance		\$ 1,800,000	\$ 1,800,000	(502,113)
3	Chemical & Sludge		\$ 3,600,000	\$ 3,600,000	(200,000)
4	City Service		\$ 839,167	\$ 839,167	(651,527)
5	Property Taxes		\$ 7,834,311	\$ 7,834,311	(100,000)
6	Capital Reimbursement		\$ (1,945,605)	\$ (1,945,605)	-
7	Net Operations		\$ 49,289,969	\$ 49,289,969	\$ (1,834,127)
8	Less: Miscellaneous Revenues		\$ (1,493,163)	\$ (1,493,163)	\$ (128,417)
9	Net Amount for Calculation of Revenues		\$ 47,796,806	\$ 47,796,806	\$ (1,962,544)
<b>Capital</b>					
10	Capital Fund		\$ 2,127,000	\$ 2,127,000	\$ -
11	Western Cranston Fund		\$ 40,000	\$ 40,000	\$ -
12	IPR Fund		\$ 31,300,000	\$ 31,300,000	\$ -
13	Meter Replacement Fund		\$ 1,000,000	\$ 1,000,000	\$ -
14	Vehicle/Equipment Fund		\$ 1,600,000	\$ 1,400,000	\$ (200,000)
15	Lead Service Replacement Fund		\$ 3,000,000	\$ 2,000,000	\$ (1,000,000)
16	Subtotal Capital		\$ 39,067,000	\$ 37,867,000	\$ (1,200,000)
17	Base amount for Calculating Reserves		\$ 88,826,350	\$ 85,663,806	\$ (3,162,544)
<b>Calculated Amounts</b>					
18	.50% Revenue Reserve	0.50%	\$ 444,132	\$ 428,319	\$ (15,813)
19	1.50% Operating Reserve	1.50%	\$ 1,332,395	\$ 1,284,957	\$ (47,438)
20	Operating Reserve and Revenue Reserve		\$ 1,776,527	\$ 1,713,276	\$ (63,251)
<b>Providence Water Proposed and Division Calculated Amounts</b>					
21	Revenue Reserve		\$ 444,132	\$ 428,319	\$ (15,813)
22	Operating Reserve		\$ 1,332,395	\$ 1,284,957	\$ (47,438)
23	Operating Reserve and Revenue Reserve		\$ 1,776,527	\$ 1,713,276	\$ (63,251)

Notes and Source

Col. B: Amounts from Company Schedule HJS-1

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



Docket No. 4994  
Schedule RCS-15  
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Providence Water Supply Board  
Operating Reserve and Revenue Reserve

Rate Year Ended June 30, 2023

Line No.	Description	Calculation Factors (A)	Company Adjusted (B)	Division Adjusted (C)	Division Adjustment (D) = C - B
1	Operations and Maintenance		\$ 38,777,998	\$ 38,777,373	(400,625)
2	Insurance		\$ 2,302,113	\$ 1,800,000	(502,113)
3	Chemical & Sludge		\$ 3,800,000	\$ 3,600,000	(200,000)
4	City Service		\$ 1,490,693	\$ 839,167	(651,527)
5	Property Taxes		\$ 8,251,684	\$ 8,151,684	(100,000)
6	Capital Reimbursement		\$ (1,994,245)	\$ (1,994,245)	-
7	Net Operations		\$ 52,628,242	\$ 50,773,978	\$ (1,854,265)
8	Less: Miscellaneous Revenues		\$ (1,364,746)	\$ (1,493,163)	\$ (128,417)
9	Net Amount for Calculation of Revenues		\$ 51,263,497	\$ 49,280,815	\$ (1,982,682)
<b>Capital</b>					
10	Capital Fund		\$ 2,127,000	\$ 2,127,000	\$ -
11	Western Cranston Fund		\$ 40,000	\$ 40,000	\$ -
12	IFR Fund		\$ 33,300,000	\$ 31,300,000	\$ (2,000,000)
13	Meter Replacement Fund		\$ 1,000,000	\$ 1,000,000	\$ -
14	Vehicle/Equipment Fund		\$ 1,600,000	\$ 1,400,000	\$ (200,000)
15	Lead Service Replacement Fund		\$ 3,000,000	\$ 3,000,000	\$ -
16	Subtotal Capital		\$ 41,067,000	\$ 38,867,000	\$ (2,200,000)
17	Base amount for Calculating Reserves		\$ 92,330,497	\$ 88,147,815	\$ (4,182,682)
<b>Calculated Amounts</b>					
18	.5% Revenue Reserve	0.50%	\$ 461,652	\$ 440,739	\$ (20,913)
19	1.5% Operating Reserve	1.50%	\$ 1,384,957	\$ 1,322,217	\$ (62,740)
20	Operating Reserve and Revenue Reserve		\$ 1,846,610	\$ 1,762,956	\$ (83,654)
<b>Providence Water Proposed Amounts</b>					
21	Revenue Reserve		\$ 461,652	\$ 440,739	\$ (20,913)
22	Operating Reserve		\$ 1,384,957	\$ 1,322,217	\$ (62,740)
23	Operating Reserve and Revenue Reserve		\$ 1,846,610	\$ 1,762,956	\$ (83,654)

Notes and Source

Col. B: Amounts from Company Schedule HJS-1

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