

November 26, 2024

**The Hon. Brett P. Smiley**  
Mayor  
**Ricky Caruolo**  
General Manager

City Clerk  
City of Providence  
City Hall  
Providence, RI 02903

**BOARD OF DIRECTORS**

- Ateesh S. Chanda**  
Chairperson
- Cristen L. Raucci, Esq.**  
Vice Chairperson
- Juan M. Pichardo**  
Council President Pro Tempore
- Oscar O. Vargas**  
Councilperson
- Sara Silveria**  
Ex-Officio
- Dr. Alma M. Guerrero Bready**  
Member
- Raphael O. Okelola**  
Member
- Carissa R. Richard**  
Secretary
- William E. O'Gara, Esq.**  
Legal Advisor

RE: Application for General Rate Schedule Changes

Dear Sir or Madam:

Pursuant to the Rules of Practice and Procedure of the RI Public Utilities Commission, the Providence Water Supply Board has filed the enclosed document with the Public Utilities Commission in support of its application for a rate increase.

Respectfully,  
Providence Water Supply Board

  
Ricky Caruolo  
General Manager

**MEMBER**

- Rhode Island Water Works Assn.
- New England Water Works Assn.
- American Water Works Assn.
- Water Research Foundation

An EPA WaterSense Partner

**(401) 521-6300**

125 Dupont Drive  
Providence, RI 02907

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IN CITY COUNCIL

JAN 09 2025

READ  
WHEREUPON IT IS ORDERED THAT  
THE SAME BE RECEIVED.

 CLERK



*[Handwritten signature]*

**FILED**

**2024 DEC -2 P 3: 37**

**DEPT. OF CITY CLERK  
PROVIDENCE, R.I.**



PROVIDENCE WATER

*Tap Water Delivers*

**PROVIDENCE WATER SUPPLY BOARD'S  
APPLICATION TO THE PUBLIC UTILITIES COMMISSION  
FOR GENERAL RATE SCHEDULE CHANGES**

**November 26, 2024**

*DOCKET #* \_\_\_\_\_

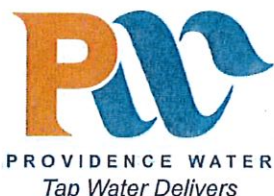
**Providence Water Supply Board's  
Application to the Public Utilities Commission  
for General Rate Schedule Changes**

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**TAB 1**



November 26, 2024

The Honorable Ronald T. Gerwatowski  
Chairperson  
Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

RE: Application for General Rate Schedule Changes

**The Hon. Brett P. Smiley**  
Mayor  
**Ricky Caruolo**  
General Manager

Dear Chairperson Gerwatowski,

The Providence Water Supply Board (Providence Water), pursuant to the Rules of the Practice and Procedure, herewith files a general rate filing to collect additional revenues of \$8,205,636 which is an overall increase of 9.36%, effective July 1, 2025.

**BOARD OF DIRECTORS**

- Ateesh S. Chanda**  
Chairperson
- Cristen L. Raucci, Esq.**  
Vice Chairperson
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Council President Pro Tempore
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- Dr. Alma M. Guerrero Bready**  
Member
- Raphael O. Okelola**  
Member
- Carissa R. Richard**  
Secretary
- William E. O'Gara, Esq.**  
Legal Advisor

Included in this filing is pre-filed testimony of the witnesses to be presented by Providence Water, along with supporting schedules and work papers, as required by the Commission's Rules. We have complied with all the requirements of Part Five of the Commission's Rules of Practice and Procedure. We have also included the information required by Rhode Island General Laws §39-3-12.1.

Copies of this filing are being furnished today by first class mail, postage prepaid, to the following municipalities and water authorities serviced by Providence Water.

- City Clerk-Providence
- City Clerk-East Providence
- City Clerk-Cranston
- City Clerk-Warwick
- Town Clerk-North Providence
- Town Clerk-Johnston
- Town Clerk-Lincoln
- Town Clerk-Smithfield
- Kent County Water Authority
- Greenville Water District
- Bristol County Water Authority

Copies have also been provided to the Rhode Island Water Resources Board and the Rhode Island Attorney General's Office. All other customers and Fire Chiefs will be notified by mail of the potential effect this filing may have on their rate.

A copy of our proposed Notice to be published in the Providence Journal is enclosed as required by Commission Rule 5.4. We will coordinate with the Commission Clerk to finalize the document prior to publication.

Leah Donaldson, Esq., will be representing Providence Water as our legal counsel in this matter. She may be contacted at 3 Cedar Meadows Drive, Smithfield, RI 02917.

Respectfully,  
Providence Water Supply Board

**Ricky Caruolo**  
General Manager

**MEMBER**  
Rhode Island Water Works Assn.  
New England Water Works Assn.  
American Water Works Assn.  
Water Research Foundation  
An EPA WaterSense Partner

**(401) 521-6300**

125 Dupont Drive  
Providence, RI 02907

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**TAB 2**

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION**

**IN RE: PROVIDENCE WATER SUPPLY BOARD'S : DOCKET NO. \_\_\_\_\_**  
**APPLICATION FOR GENERAL RATE SCHEDULE CHANGES :**

**PROVIDENCE WATER SUPPLY BOARD'S NOTICE OF  
PROPOSED GENERAL RATE SCHEDULE CHANGES  
FILED PURSUANT TO R.I.G.L. § 39-3-11 AND PUC RULE 5.3**

Pursuant to R.I.G.L. §39-3-11, and in accordance with Rule 5.3 of the Rules of Practice and Procedure of the Rhode Island Public Utilities Commission ("Commission"), the Providence Water Supply Board ("Providence Water") hereby gives notice of its proposed change in rates. The proposed changes are detailed in the written testimony and exhibits attached hereto and incorporated herein.

**1. NAME OF APPLICANT:** Providence Water Supply Board is a board authorized by Article XI (Boards and Commissions) of the Home Rule Charter of the City of Providence, Rhode Island.

**2. PLACE OF BUSINESS:** Providence Water's principal place of business is 125 Dupont Drive, Providence, Rhode Island 02907.

**3. PROPOSED CHANGES:** Providence Water proposes a multi-year plan that will increase in two phases. The first phase will become effective July 1, 2025, and will collect an additional \$8,205,636 in revenue to support Providence Water's total cost of service of \$95,895,478. The second phase will become effective July 1, 2026, and will collect an additional \$2,342,548 in revenue to support Providence Water's total cost of service of \$98,238,026.

**4. NOTICES:** Correspondence or communications in regard to Providence Water's general rate filing should be addressed to:

Ricky Caruolo, General Manager Providence Water Supply Board	Leah Donaldson, Esq. McElroy & Donaldson
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125 Dupont Drive Providence, RI 02907 rcaruolo@provwater.com	3 Cedar Meadows Drive Smithfield, RI 02917 leah@mcelroydonaldson.com
--	--

5. Providence Water's general rate filing complies with all required legal standards, specifically Part 5 of the Rules, R.I.G.L. § 39-3-11, and § 39-3-12.1. This filing is supported by comprehensive testimony, data, information, statements, and documents, all of which are attached hereto and incorporated herein by reference.

Respectfully submitted,  
PROVIDENCE WATER SUPPLY BOARD  
By its attorney,



Leah J. Donaldson, Esq. #7711

**McElroy & Donaldson**

Office: 21 Dryden Lane, Providence, RI 02904

Mail: 3 Cedar Meadows Dr, Smithfield, RI 02917

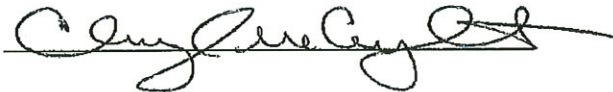
Email: leah@mcelroydonaldson.com

Phone: 401-374-0236

**CERTIFICATE OF SERVICE**

I hereby certify that on the 26<sup>th</sup> day of November 2024, a copy of the within was delivered to:

Public Utilities Commission 89 Jefferson Blvd Warwick, RI 02888	Dept of the Attorney General 150 South Main Street Providence, RI 02903
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**TAB 3**

PROVIDENCE WATER SUPPLY BOARD TARIFF

Effective: July 1, 2021

RI Public Utilities Commission Docket No. 4994

TARIFF SCHEDULES

Schedule

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

**CURRENT TARIFF**

**SCHEDULE A**

**Providence Water Supply Board  
Service Charges  
Retail**

**Rhode Island Public Utilities Commission Docket No. 4994**

Effective: July 1, 2021

Applicability

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

Rates

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

<u>Size of Meter</u>	<u>Monthly</u>
5/8"	\$10.35
3/4	11.03
1	13.01
1 1/2	15.65
2	22.94
3	76.67
4	96.57
6	142.99
8	196.04
10	244.12
12	292.20

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

<u>Size of Meter</u>	<u>Monthly</u>
5/8"	\$1.90
3/4	2.84
1	7.06
1 1/2	18.81
2	45.12
3	122.17
4	206.74
6	422.88
8	639.01
10	977.32
12	1,616.32

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

**SCHEDULE B**

**Providence Water Supply Board  
Metered Sales  
Retail**

**Rhode Island Public Utilities Commission Docket No. 4994**

Effective: July 1, 2021

Applicability

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

Rates

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

Monthly Accounts

Residential	\$3.830
Commercial	\$4.014
Industrial	\$3.650

East Smithfield Water District

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

East Smithfield Surcharge     \$0.35 per HCF

Town of Johnston Water System

Applicable to the former customers of the Town of Johnston Water System, the following Annexation fee will apply:

Johnston Water System Annexation fee     \$0.34 per HCF

Terms of Payment

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

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

SCHEDULE C

Providence Water Supply Board  
Bulk Sales to Public Authorities for Resale

Rhode Island Public Utilities Commission Docket No. 4994

Effective: July 1, 2021

Applicability

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

Rates-Volume Charge

Bristol County Water Authority

\$2,163.53 per million gallons, or

\$1.618318 per HCF

East Providence

\$2,211.80 per million gallons, or

\$1.654429 per HCF

Greenville

\$2,270.70 per million gallons, or

\$1.698487 per HCF

Kent County

\$2,160.30 per million gallons, or

\$1.615908 per HCF

Lincoln

\$2,232.03 per million gallons, or

\$1.669560 per HCF

Smithfield

\$2,280.82 per million gallons, or

\$1.706054 per HCF

Warwick

\$2,320.88 per million gallons, or

\$1.736015 per HCF

Terms of Payment

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

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

**SCHEDULE D**

**Providence Water Supply Board  
Public Fire Protection**

**Rhode Island Public Utilities Commission Docket No. 4994**

Effective: July 1, 2021

Applicability

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

Rates

For each hydrant Annual Amount: \$621.41  
For each hydrant billed Quarterly: \$155.35

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

Terms of Payment

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

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

SCHEDULE E

Providence Water Supply Board  
Private Fire Service

Rhode Island Public Utilities Commission Docket No. 4994

Effective: July 1, 2021

Applicability

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

Rates

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

<u>Size of Meter</u>	<u>Monthly</u>
$\frac{3}{4}$	\$11.83
1	13.98
1 $\frac{1}{2}$	17.22
2	25.52
4	109.05
6	177.78
8	269.26
10	375.10
12	503.18
16	785.75

Terms of Payment

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

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

**SCHEDULE F  
PROVIDENCE WATER  
TERMS & CONDITIONS  
SERVICE FEE SCHEDULE  
(effective July 1, 2021)  
page 1 of 2**

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

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

**NEW WATER SERVICE INSTALLATION - SPECIAL CIRCUMSTANCES**

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

**PAVEMENT/SIDEWALK RESTORATION CHARGES**

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

**SCHEDULE F  
PROVIDENCE WATER  
TERMS & CONDITIONS  
SERVICE FEE SCHEDULE  
(effective July 1, 2021 )  
page 1 of 2**

SERVICE	FEE
POLICE DETAILS	
<p>If the work being performed presents a safety hazard and it is necessary to employ police details for traffic control, the applicant will be responsible for such costs at the current rate of the respective Town or City.</p>	
NEW WATER METER INSTALLATION - INCLUDING ERT	
5/8" Meter	\$ 184.00
3/4" Meter	230.00
1" Meter	266.00
1 1/2" Meter	457.00
2" Meter	545.00
All meters greater than 2" will be charged on an actual time and materials basis.	
NEW ERT - ALL METER SIZES	\$ 70.00
(Applies only to existing ERT's that are lost, stolen, or damaged by customers. There is no charge to retro-fit an existing meter to AMR technology.)	
SERVICE SHUTOFF FEE	\$ 64.00
SERVICE RESTORATION FEE	\$ 43.00
SPECIAL REQUESTS FOR SERVICES NOT LISTED ABOVE THAT DO NOT BENEFIT ALL CUSTOMERS	Billed at actual Cost plus overhead Rates in effect

**PROVIDENCE WATER SUPPLY BOARD TARIFF**

Replaces Tariff  
July 1, 2021

Effective: ~~July 1, 2021~~  
July 1, 2025

RI Public Utilities Commission Docket No. ~~4994~~ 24-XX-WW

TARIFF SCHEDULES

Schedule

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

**SCHEDULE A**

**Providence Water Supply Board  
Service Charges  
Retail**

**Rhode Island Public Utilities Commission Docket No. 4994 ~~24-XX-WW~~**

Effective: ~~July 1, 2021~~  
**July 1, 2025**

Applicability

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

Rates

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

<u>Size of Meter</u>	<u>Monthly</u>	
5/8"	-\$10.35	<b>\$12.42</b>
3/4	11.03	<b>13.24</b>
1	13.01	<b>15.62</b>
1 1/2	15.65	<b>18.78</b>
2	22.94	<b>27.53</b>
3	76.67	<b>92.01</b>
4	96.57	<b>115.89</b>
6	142.99	<b>171.59</b>
8	196.04	<b>235.25</b>
10	244.12	<b>292.95</b>
12	292.20	<b>350.64</b>

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

<u>Size of Meter</u>	<u>Monthly</u>	
5/8"	\$1.90	<b>\$3.92</b>
3/4	2.84	<b>5.88</b>
1	7.06	<b>9.80</b>
1 1/2	18.81	<b>19.60</b>
2	45.12	<b>31.36</b>
3	122.17	<b>58.80</b>
4	206.74	<b>98.00</b>
6	422.88	<b>195.99</b>
8	639.01	<b>313.57</b>
10	977.32	<b>823.12</b>
12	1,616.32	<b>1,038.70</b>

Terms of Payment

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

**SCHEDULE B**

**Providence Water Supply Board  
Metered Sales  
Retail**

**Rhode Island Public Utilities Commission Docket No. ~~4994~~ 24-XX-WW**

Effective: ~~July 1, 2021~~  
**July 1, 2025**

Applicability

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

Rates

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

Monthly Accounts

Residential	<del>\$3.830</del> <b>\$4.049</b>
Commercial	<del>\$4.014</del> <b>\$4.212</b>
Industrial	<del>\$3.650</del> <b>\$3.888</b>

East Smithfield Water District

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

East Smithfield Surcharge    \$0.35 per HCF

Town of Johnston Water System

Applicable to the former customers of the Town of Johnston Water System, the following Annexation fee will apply:

Johnston Water System Annexation fee    \$0.34 per HCF

Terms of Payment

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

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

SCHEDULE C

Providence Water Supply Board  
Bulk Sales to Public Authorities for Resale

Rhode Island Public Utilities Commission Docket No. 4994 24-XX-WW

Effective: July 1, 2024  
July 1, 2025

Applicability

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

Rates-Volume Charge

~~Bristol County Water Authority~~

~~\$2,163.53 per million gallons, or~~

~~\$1.618318 per HCF~~

~~East Providence~~

~~\$2,211.80 per million gallons, or~~

~~\$1.654429 per HCF~~

~~Greenville~~

~~\$2,270.70 per million gallons, or~~

~~\$1.698487 per HCF~~

~~Kent County~~

~~\$2,160.30 per million gallons, or~~

~~\$1.615908 per HCF~~

~~Lincoln~~

~~\$2,232.03 per million gallons, or~~

~~\$1.669560 per HCF~~

~~Smithfield~~

~~\$2,280.82 per million gallons, or~~

~~\$1.706054 per HCF~~

~~Warwick~~

~~\$2,320.88 per million gallons, or~~

~~\$1.736015 per HCF~~

Low Service

~~Bristol County Water Authority~~

~~\$1,994.86 per million gallons, or~~

~~\$1.492159 per HCF~~

~~East Providence~~

~~\$1,994.86 per million gallons, or~~

~~\$1.492159 per HCF~~

~~Kent County~~

~~\$1,994.86 per million gallons, or~~

~~\$1.492159 per HCF~~

~~Warwick~~

~~\$1,994.86 per million gallons, or~~

~~\$1.492159 per HCF~~

**PROPOSED TARIFF  
REDLINED**

High Service

Greenville

\$2,905.94 per million gallons, or  
\$2.173640 per HCF

Lincoln

\$2,905.94 per million gallons, or  
\$2.173640 per HCF

Smithfield

\$2,905.94 per million gallons, or  
\$2.173640 per HCF

Terms of Payment

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

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

**SCHEDULE D**

**Providence Water Supply Board  
Public Fire Protection**

**Rhode Island Public Utilities Commission Docket No. 4994 24-XX-WW**

Effective: ~~July 1, 2024~~  
**July 1, 2025**

Applicability

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

Rates

For each hydrant Annual Amount: ~~\$621.44~~ **\$847.76**  
For each hydrant billed Quarterly: ~~\$155.35~~ **\$211.94**

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

Terms of Payment

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

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

**SCHEDULE E**

**Providence Water Supply Board  
Private Fire Service**

**Rhode Island Public Utilities Commission Docket No. 4994 24-XX-WW**

Effective: ~~July 1, 2021~~  
**July 1, 2025**

Applicability

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

Rates

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

<u>Size of Meter</u>	<u>Monthly</u>	
¾	\$11.83	\$ 17.87
1	13.98	23.47
1 ½	17.22	37.55
2	25.52	54.62
4	109.05	153.73
6	177.78	303.97
8	269.26	490.96
10	375.10	1,239.00
12	503.18	1,587.35
16	785.75	2,410.99

Terms of Payment

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

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

**SCHEDULE F  
 PROVIDENCE WATER  
 TERMS & CONDITIONS  
 SERVICE FEE SCHEDULE  
 (effective ~~July 1, 2021~~  
 July 1, 2025  
 page 1 of 2**

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

SERVICE	FEE
PHOTOCOPYING	
Distribution Sheet	\$ 3.00/copy
Letter or Legal Size Document	\$ .15/copy
LIEN CERTIFICATE	\$ 6.00
RETURNED CHECK FEE	\$ 20.00
PLAN CHECKING/WATER AVAILABILITY REVIEW	\$ 57.00/hour
EASEMENT/ABANDONMENT REQUEST	\$ 50.00/hour
FIRE HYDRANT FLOW TEST	\$ 148.00 <del>574</del>
NEW WATER SERVICE INSTALLATION - BASIC	
1" Water Service	\$1,673.00 <del>2,759</del>
1 ½" Water Service	<del>2,596.00</del> <del>3,495</del>
2" Water Service	<del>2,931.00</del> <del>3,771</del>
4" Water Service	<del>3,700.00</del> <del>6,369</del>
6" Water Service	<del>3,998.00</del> <del>6,818</del>
8" Water Service	<del>8,230</del>

**NEW WATER SERVICE INSTALLATION - SPECIAL CIRCUMSTANCES**

All services greater than 6" ~~8"~~ will be installed and charged on a time and materials basis, consistent with the methodology used in computing the above service charges. **Notwithstanding the above schedule**, any sites where special circumstances may be encountered (ie. ledge, special fittings, routing around other utilities) will also be charged on a time and materials basis. The average time rate for all manpower and equipment (including overhead) ~~averages is~~ ~~\$400/hr~~ ~~(\$600/hr)~~.

**PAVEMENT/SIDEWALK RESTORATION CHARGES**

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

**SCHEDULE F  
 PROVIDENCE WATER  
 TERMS & CONDITIONS  
 SERVICE FEE SCHEDULE  
 (effective ~~July 1, 2021~~)  
 July 1, 2025  
 page 2 of 2**

SERVICE	FEE
---------	-----

POLICE DETAILS

If the work being performed presents a safety hazard and it is necessary to employ police details for traffic control, the applicant will be responsible for such costs at the current rate of the respective Town or City.

**STATE AND MUNICIPAL INSPECTION FEES**

Applicants are responsible for all *actual* inspection fees associated with the project as charged by the State and/or Municipality.

NEW WATER METER INSTALLATION - INCLUDING ERT

5/8" Meter	\$ 184.00 <b>196.88</b>
3/4" Meter	230.00 <b>246.10</b>
1" Meter	266.00 <b>284.62</b>
1 1/2" Meter	457.00 <b>798.99</b>
2" Meter	545.00 <b>1033.15</b>

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

NEW ERT - ALL METER SIZES	\$ 70.00
---------------------------	----------

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

SERVICE SHUTOFF FEE	\$ 64.00
---------------------	----------

SERVICE RESTORATION FEE	\$ 43.00
-------------------------	----------

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

**PROPOSED TARIFF  
CLEAN**

**PROVIDENCE WATER SUPPLY BOARD TARIFF**

Replaces Tariff  
July 1, 2021

Effective: July 1, 2025

RI Public Utilities Commission Docket No. 24-XX-WW

TARIFF SCHEDULES

Schedule

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

**SCHEDULE A**

**Providence Water Supply Board  
Service Charges  
Retail**

**Rhode Island Public Utilities Commission Docket No. 24-XX-WW**

Effective: July 1, 2025

Applicability

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

Rates

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

<u>Size of Meter</u>	<u>Monthly</u>
5/8"	\$12.42
3/4	13.24
1	15.62
1 1/2	18.78
2	27.53
3	92.01
4	115.89
6	171.59
8	235.25
10	292.95
12	350.64

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

<u>Size of Meter</u>	<u>Monthly</u>
5/8"	\$3.92
3/4	5.88
1	9.80
1 1/2	19.60
2	31.36
3	58.80
4	98.00
6	195.99
8	313.57
10	823.12
12	1,038.70

Terms of Payment

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

**SCHEDULE B**

**Providence Water Supply Board  
Metered Sales  
Retail**

**Rhode Island Public Utilities Commission Docket No. 24-XX-WW**

Effective: July 1, 2025

Applicability

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

Rates

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

Monthly Accounts

Residential	\$4.049
Commercial	\$4.212
Industrial	\$3.888

East Smithfield Water District

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

East Smithfield Surcharge    \$0.35 per HCF

Town of Johnston Water System

Applicable to the former customers of the Town of Johnston Water System, the following Annexation fee will apply:

Johnston Water System Annexation fee    \$0.34 per HCF

Terms of Payment

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

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

**SCHEDULE C**

**Providence Water Supply Board  
Bulk Sales to Public Authorities for Resale**

**Rhode Island Public Utilities Commission Docket No. 24-XX-WW**

Effective: July 1, 2025

Applicability

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

Rates-Volume Charge

Low Service

Bristol County Water Authority  
\$1,994.86 per million gallons, or  
\$1.492159 per HCF  
East Providence  
\$1,994.86 per million gallons, or  
\$1.492159 per HCF  
Kent County  
\$1,994.86 per million gallons, or  
\$1.492159 per HCF  
Warwick  
\$1,994.86 per million gallons, or  
\$1.492159 per HCF

High Service

Greenville  
\$2,905.94 per million gallons, or  
\$2.173640 per HCF  
Lincoln  
\$2,905.94 per million gallons, or  
\$2.173640 per HCF  
Smithfield  
\$2,905.94 per million gallons, or  
\$2.173640 per HCF

Terms of Payment

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

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

**SCHEDULE D**

**Providence Water Supply Board  
Public Fire Protection**

**Rhode Island Public Utilities Commission Docket No. 24-XX-WW**

Effective: July 1, 2025

Applicability

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

Rates

For each hydrant Annual Amount: \$847.76  
For each hydrant billed Quarterly: \$211.94

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

Terms of Payment

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

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

**SCHEDULE E**

**Providence Water Supply Board  
Private Fire Service**

**Rhode Island Public Utilities Commission Docket No. 24-XX-WW**

Effective: July 1, 2025

Applicability

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

Rates

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

<u>Size of Meter</u>	<u>Monthly</u>
$\frac{3}{4}$	\$ 17.87
1	23.47
1 $\frac{1}{2}$	37.55
2	54.62
4	153.73
6	303.97
8	490.96
10	1,239.00
12	1,587.35
16	2,410.99

Terms of Payment

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

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

**SCHEDULE F  
PROVIDENCE WATER  
TERMS & CONDITIONS  
SERVICE FEE SCHEDULE  
(effective July 1, 2025)  
page 1 of 2**

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

<b>SERVICE</b>	<b>FEE</b>
PHOTOCOPYING	
Distribution Sheet	\$ 3.00/copy
Letter or Legal Size Document	\$ .15/copy
LIEN CERTIFICATE	\$ 6.00
RETURNED CHECK FEE	\$ 20.00
PLAN CHECKING/WATER AVAILABILITY REVIEW	\$ 57.00/hour
EASEMENT/ABANDONMENT REQUEST	\$ 50.00/hour
FIRE HYDRANT FLOW TEST	\$ 574
NEW WATER SERVICE INSTALLATION - BASIC	
1" Water Service	\$2,759
1 ½" Water Service	3,495
2" Water Service	3,771
4" Water Service	6,369
6" Water Service	6,818
8" Water Service	8,230

**NEW WATER SERVICE INSTALLATION - SPECIAL CIRCUMSTANCES**

All services greater than 8" will be installed and charged on a time and materials basis, consistent with the methodology used in computing the above service charges. **Notwithstanding the above schedule**, any sites where special circumstances may be encountered (ie. ledge, special fittings, routing around other utilities) will also be charged on a time and materials basis. The average time rate for all manpower and equipment (including overhead) is approximately \$600/hr.

**PAVEMENT/SIDEWALK RESTORATION CHARGES**

Applicants are responsible for all *actual* road and/or sidewalk restoration charges, as the charge varies with the size of the excavation and the pavement thickness.

SCHEDULE F  
PROVIDENCE WATER  
TERMS & CONDITIONS  
SERVICE FEE SCHEDULE  
(effective July 1, 2025)  
page 2 of 2

SERVICE	FEE
POLICE DETAILS	
If the work being performed presents a safety hazard and it is necessary to employ police details for traffic control, the applicant will be responsible for such costs at the current rate of the respective Town or City.	
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Applicants are responsible for all <i>actual</i> inspection fees associated with the project as charged by the State and/or Municipality.	
NEW WATER METER INSTALLATION - INCLUDING ERT	
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NEW ERT - ALL METER SIZES	\$ 70.00
(Applies only to existing ERT's that are lost, stolen, or damaged by customers. There is no charge to retro-fit an existing meter to AMR technology.)	
SERVICE SHUTOFF FEE	\$ 64.00
SERVICE RESTORATION FEE	\$ 43.00
SPECIAL REQUESTS FOR SERVICES NOT LISTED ABOVE THAT DO NOT BENEFIT ALL CUSTOMERS	Billed at actual Cost plus overhead Rates in effect

**TAB 4**

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION**

**IN RE: PROVIDENCE WATER SUPPLY BOARD'S : DOCKET NO. \_\_\_\_**  
**APPLICATION FOR GENERAL RATE SCHEDULE CHANGES :**

**NOTICE OF FILING AND CHANGE IN RATE SCHEDULES**

On November 26, 2024, pursuant to Rhode Island General Laws § 39-3-11 and Part 5 of the Rules of Practice and Procedure of the Rhode Island Public Utilities Commission (Commission), the Providence Water Supply Board (Providence Water) hereby gives notice that it has filed an application to increase its rates with the Commission. In its filing, Providence Water seeks to implement a multi-year rate plan, pursuant to Rhode Island General Laws § 39-15.1-4. This multi-year rate plan would increase rates in two phases.

While the new rates are proposed to become effective July 1, 2025, the Commission can suspend the filing for up to eight months from the proposed effective date. No rate change will take effect until the Commission has conducted a full investigation and hearing on the proposal. The Commission will publish a notice of the hearing dates when they are scheduled, and ratepayers may comment on the proposed rate increase at that time.

As proposed in the first phase of the increase, to take effect on July 1, 2025, the impact on a residential customer bill with an annual consumption of 100 HCF will be an increase of \$3.90 per month, or 9.22% from \$42.27 to \$46.16. For Providence residents, the Fire Protection Service Charge for a 5/8" meter will also increase by \$2.02 per month. The rate impact on other retail, wholesale, and fire service customers will vary based on customer class and consumption levels. The proposed rates are designed to collect an additional \$8,205,636 in revenues per year, to support Providence Water's total cost of service of \$95,895,478.

As proposed in the second phase of the increase, to take effect July 1, 2026, the impact on a residential customer bill with an annual consumption of 100 HCF will be an increase of \$1.14 per month, or 2.46% from \$46.16 to \$47.30. For Providence residents, the Fire Protection Service Charge for a 5/8" meter will also increase by \$0.10 per month. The rate impact in the second phase will be based on the overall percentage increase in revenues required and will be equally applied to retail, wholesale, and fire service customers. The proposed rates are designed to collect an additional \$2,342,548 in revenues per year, to support Providence Water's total cost of service of \$98,238,026.

A copy of the application is on file at Providence Water's office at 125 Dupont Drive, Providence, Rhode Island, and at the office of the Commission, 89 Jefferson Boulevard, Warwick, Rhode Island, and may be reviewed by the public during normal business hours.

A copy of the filing was also provided to the cities of Providence, East Providence, Cranston, and Warwick; the towns of North Providence, Johnston, Lincoln, and Smithfield; the Kent County Water Authority, Greenville Water District, and Bristol County Water Authority.

Correspondence for Providence Water in this rate filing should be addressed to Mr. Ricky Caruolo, General Manager, Providence Water Supply Board, 125 Dupont Drive, Providence, Rhode Island, 02907 and to Ms. Leah Donaldson, Esq., 3 Cedar Meadows Drive, Smithfield, RI 02917.

## NOTICE OF PROPOSED RATE CHANGES

On November 26, 2024, Providence Water filed with the Rhode Island Public Utilities Commission an application to change its rates. The proposed rates would be increased in two phases: the first phase will be on July 1, 2025, and the second phase will be on July 1, 2026. No rate change will take effect until the Commission has conducted a full investigation and hearing on the proposal. The Commission will schedule a public hearing in the future.

The proposed impact of the **first phase** on a residential customer bill with an annual consumption of 100 HCF will be an increase of \$3.90 per month, or 9.22%. For Providence residents, the Fire Protection Service Charge for a 5/8" meter will also increase by \$2.02 per month. The rate impact on non-residential customers will vary based on customer class and consumption levels.

The proposed impact of the **second phase** on a residential customer bill with an annual consumption of 100 HCF will be an increase of \$1.14 per month, or 2.46 %. For Providence residents, the Fire Protection Service Charge for a 5/8" meter will also increase by \$0.10 per month. The rate impact on non-residential customers will vary based on customer class and consumption levels.



PROVIDENCE WATER

Tap Water Delivers

November 26, 2024

The Hon. Brett P. Smiley  
Mayor  
Ricky Caruolo  
General Manager

City Clerk  
City of Providence  
City Hall  
Providence, RI 02903

---

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Council President Pro Tempore

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Member

**Raphael O. Okelola**  
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**Carissa R. Richard**  
Secretary

**William E. O'Gara, Esq.**  
Legal Advisor

RE: Application for General Rate Schedule Changes

Dear Sir or Madam:

Pursuant to the Rules of Practice and Procedure of the RI Public Utilities Commission, the Providence Water Supply Board has filed the enclosed document with the Public Utilities Commission in support of its application for a rate increase.

Respectfully,  
Providence Water Supply Board

Ricky Caruolo  
General Manager

---

**MEMBER**

Rhode Island Water Works Assn.  
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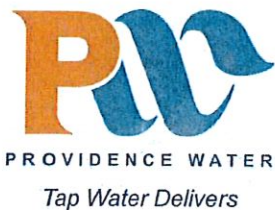
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November 26, 2024

The Hon. Brett P. Smiley  
Mayor  
Ricky Caruolo  
General Manager

City Clerk  
City of East Providence  
145 Taunton Avenue  
East Providence, RI 02914

**BOARD OF DIRECTORS**

RE: Application for General Rate Schedule Changes

Ateesh S. Chanda  
Chairperson

Cristen L. Raucci, Esq.  
Vice Chairperson

Dear Sir or Madam:

Juan M. Pichardo  
Council President Pro Tempore

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Oscar O. Vargas  
Councilperson

Sara Silveria  
Ex-Officio

Respectfully,  
Providence Water Supply Board

Dr. Alma M. Guerrero Bready  
Member

Raphael O. Okelola  
Member

  
Ricky Caruolo  
General Manager

Carissa R. Richard  
Secretary

William E. O'Gara, Esq.  
Legal Advisor

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PROVIDENCE WATER

Tap Water Delivers

November 26, 2024

The Hon. Brett P. Smiley  
Mayor

Ricky Caruolo  
General Manager

City Clerk  
City of Cranston  
869 Park Avenue  
Cranston, RI 02910

---

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Providence Water Supply Board



Ricky Caruolo  
General Manager

---

**MEMBER**

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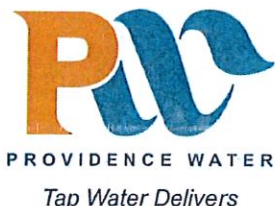
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November 26, 2024

The Hon. Brett P. Smiley  
Mayor  
Ricky Caruolo  
General Manager

City Clerk  
City of Warwick  
3275 Post Road  
Warwick, RI 02886

**BOARD OF DIRECTORS**

RE: Application for General Rate Schedule Changes

Ateesh S. Chanda  
Chairperson

Cristen L. Raucci, Esq.  
Vice Chairperson

Dear Sir or Madam:

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Respectfully,  
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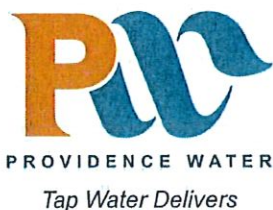
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November 26, 2024

**The Hon. Brett P. Smiley**  
Mayor  
**Ricky Caruolo**  
General Manager

Town Clerk  
Town of North Providence  
2000 Smith Street  
North Providence, RI 02911

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Respectfully,  
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Ricky Caruolo  
General Manager

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PROVIDENCE WATER

Tap Water Delivers

November 26, 2024

The Hon. Brett P. Smiley  
Mayor

Ricky Caruolo  
General Manager

Town Clerk  
Town of Johnston  
1385 Hartford Avenue  
Johnston, RI 02919

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General Manager

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November 26, 2024

The Hon. Brett P. Smiley  
Mayor  
Ricky Caruolo  
General Manager

Town Clerk  
Town of Lincoln  
100 Old River Road  
Lincoln, RI 02865

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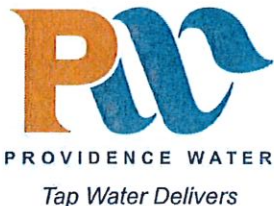
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November 26, 2024

The Hon. Brett P. Smiley  
Mayor  
Ricky Caruolo  
General Manager

Town Clerk  
Town of Smithfield  
64 Farnum Pike  
Smithfield, RI 02917

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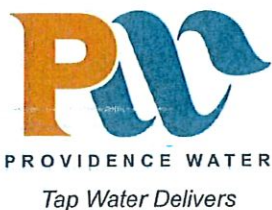
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November 26, 2024

**The Hon. Brett P. Smiley**  
Mayor  
**Ricky Caruolo**  
General Manager

David L. Simmons, P.E.  
Executive Director/Chief Engineer  
Kent County Water Authority  
P.O. Box 192  
West Warwick, RI 02893

---

#### BOARD OF DIRECTORS

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Legal Advisor

RE: Application for General Rate Schedule Changes

Dear Mr. Simmons:

Pursuant to the Rules of Practice and Procedure of the RI Public Utilities Commission, the Providence Water Supply Board has filed the enclosed document with the Public Utilities Commission in support of its application for a rate increase.

Respectfully,  
Providence Water Supply Board

  
Ricky Caruolo  
General Manager

---

#### MEMBER

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New England Water Works Assn.  
American Water Works Assn.  
Water Research Foundation

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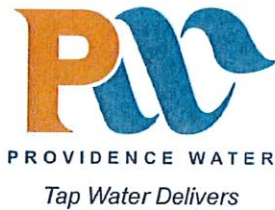
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November 26, 2024

The Hon. Brett P. Smiley  
Mayor  
Ricky Caruolo  
General Manager

Mr. David M. Powers, Jr.  
District Superintendent  
Greenville Water District  
P.O. Box 595  
Greenville, RI 02828

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Secretary
- William E. O'Gara, Esq.**  
Legal Advisor

RE: Application for General Rate Schedule Changes

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Providence Water Supply Board

  
Ricky Caruolo  
General Manager

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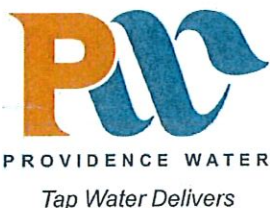
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November 26, 2024

The Hon. Brett P. Smiley  
Mayor  
Ricky Caruolo  
General Manager

Mr. Stephen Coutu P.E.  
Executive Director Chief Engineer  
Bristol County Water Authority  
450 Child Street  
Warren, RI 02885

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- William E. O'Gara, Esq.  
Legal Advisor

RE: Application for General Rate Schedule Changes

Dear Mr. Coutu:

Pursuant to the Rules of Practice and Procedure of the RI Public Utilities Commission, the Providence Water Supply Board has filed the enclosed document with the Public Utilities Commission in support of its application for a rate increase.

Respectfully,  
Providence Water Supply Board

  
Ricky Caruolo  
General Manager

**MEMBER**

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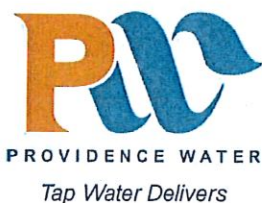
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November 26, 2024

The Hon. Brett P. Smiley  
Mayor  
Ricky Caruolo  
General Manager

Ms. Kathleen Crawley, Acting General Manager  
RI Water Resources Board  
235 Promenade Street, Suite 230  
Providence, RI 02908

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- Raphael O. Okelola  
Member
- Carissa R. Richard  
Secretary
- William E. O'Gara, Esq.  
Legal Advisor

RE: Application for General Rate Schedule Changes

Dear Ms. Crawley:

Pursuant to the Rules of Practice and Procedure of the RI Public Utilities Commission, the Providence Water Supply Board has filed the enclosed document with the Public Utilities Commission in support of its application for a rate increase.

Respectfully,  
Providence Water Supply Board

  
Ricky Caruolo  
General Manager

**MEMBER**

- Rhode Island Water Works Assn.
- New England Water Works Assn.
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PROVIDENCE WATER

Tap Water Delivers

November 26, 2024

The Hon. Brett P. Smiley  
Mayor

Ricky Caruolo  
General Manager

Greg Schultz, Esq., Special Assistant Attorney General  
RI Office of the Attorney General  
150 South Main Street  
Providence, RI 02903

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Dr. Alma M. Guerrero Bready  
Member

Raphael O. Okelola  
Member

Carissa R. Richard  
Secretary

William E. O'Gara, Esq.  
Legal Advisor

RE: Application for General Rate Schedule Changes

Dear Mr. Schultz

Pursuant to the Rules of Practice and Procedure of the RI Public Utilities Commission, the Providence Water Supply Board has filed the enclosed document with the Public Utilities Commission in support of its application for a rate increase.

Respectfully,  
Providence Water Supply Board

  
Ricky Caruolo  
General Manager

---

**MEMBER**

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**TAB 5**

Prefiled Direct Testimony

of

RICKY CARUOLO

for

PROVIDENCE WATER SUPPLY BOARD

before the

PUBLIC UTILITIES COMMISSION

Docket No. \_\_\_\_\_

November 2024

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

2 A. Ricky Caruolo, General Manager of the Providence Water Supply Board (Providence Water).

3 **Q. How long have you been employed at Providence Water?**

4 A. I have been employed at Providence Water for more than 31 years. I was appointed General  
5 Manager on June 11, 2014.

6 **Q. Please describe your education and work experience.**

7 A. I graduated from the University of Rhode Island in 1990 with a Bachelor of Science in  
8 Finance and a Bachelor of Science in Management. I also graduated from Providence  
9 College in 1994 with a Master of Business Administration. As an employee of Providence  
10 Water, I have held various management positions in the finance department, commercial  
11 services department, and executive management.

12 **Q. What are your duties and responsibilities?**

13 A. I am responsible for managing the operations of a public water supply system that serves  
14 more than 600,000 people. I provide administrative, financial, and supervisory oversight of  
15 all divisions within the organization.

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

17 A. To provide a general overview of Providence Water's rate filing. Providence Water requests  
18 to secure sufficient funds to provide for the operation and maintenance of our water system,  
19 which serves seven wholesale customers and over 75,000 retail customers. Overall, our  
20 system supplies clean drinking water to 600,000 Rhode Islanders.

21 **Q. How was the filing prepared?**

22 A. Collin Drat of Raftelis Financial Consultants prepared the revenue requirements portion of  
23 the filing. Harold J. Smith of Raftelis Financial Consultants will provide testimony for our

1 cost allocation study and rate design. Gregg M. Giasson, Executive Engineer for Providence  
2 Water, will provide testimony on our Infrastructure and Capital Improvement Plans and our  
3 additional staffing needs.

4 **Q. Has the Board approved this filing?**

5 A. Yes. The Board approved our rate filing on October 16, 2024.

6 **Q. Why does Providence Water need a revenue increase at this time?**

7 A. Taking into account the Commission's suspension period, Providence Water's current rates  
8 will be in effect for over four years. In PUC Docket 4994, the Commission authorized  
9 Providence Water's multi-year rate plan. Step One of the multi-year rate plan was  
10 implemented in 2020. Step Two of the multi-year rate plan was implemented in 2021, with  
11 certain reductions ordered by the Commission. The revised Step Two rates remain in effect  
12 today.

13 In this filing, we are requesting a multi-year rate increase of \$8,205,636 or 9.36% for  
14 FY2026, and an increase of \$2,342,548 or 2.43% for FY2027.

15 **Impacts on Revenues**

16 **Q. Are there any factors that are having a negative impact on your revenues?**

17 A. Yes, several factors have had a direct impact on our revenues. Inflation has driven the cost of  
18 goods and services up across the board. We have seen our expenses rise in taxes, insurance,  
19 chemicals, fuel, vehicle parts and repairs, etc. Salaries and wages have also increased due to  
20 operational needs, promotional steps, the cost-of-living adjustment (COLA), and a new  
21 collective bargaining agreement. In addition to the rising cost of goods and services,  
22 consumption has dropped considerably in FY 2024. It was the lowest fiscal year consumption  
23 that we have recorded since FY 2016.

1 **Q. How much have Providence Water's taxes increased overall?**

2 A. Our current rates allow for \$7,934,311 annually. The amount paid in FY 2024 was  
3 \$8,239,048, an increase of approximately 4%.

4 **Q. How much has your insurance cost increased overall?**

5 A. Providence Water's insurance portfolio identifies lines of coverage for multiple lines of  
6 business. Types and levels of coverage are determined by loss history for each line of  
7 business and regulatory requirements. Adequate insurance levels protect our business from  
8 financial losses and liability. Business insurance covers events such as employee injuries,  
9 property damage, theft, cyber events, and lawsuits. Without the proper types and levels of  
10 insurance coverage, companies would have to pay out of pocket for the total amount of  
11 claims or damages.

12 Each year, Providence Water has our insurance consultant review our coverage to ensure the  
13 type and level of coverage we carry aligns with our risk exposure. This insurance  
14 certification letter serves a significant role in our decision-making regarding the composition  
15 of our portfolio. We consider best practices, risk trends, and advice from our insurance  
16 consultants when determining the types and levels of insurance to carry.

17 Several factors have impacted the cost of coverages for companies our size, including, but  
18 not limited to, increased risk exposure and higher payroll. Over the past year, rates for  
19 primary coverages are up 5-10%, while rates for excess and other higher-risk policies have  
20 increased by 15%. Overall, in FY24, compared to Docket 4994 funding, insurance costs  
21 have increased by 38%.

Direct Testimony of Ricky Caruolo  
for Providence Water Supply Board

	FY 2021	FY 2022	FY 2023	FY 2024
General Liability & Other	\$ 1,207,467	\$ 1,433,433	\$ 1,676,713	\$ 1,862,365
Workers Compensation	\$ 944,015	\$ 1,294,563	\$ 740,066	\$ 1,087,902
Auto Liability Insurance	\$ 177,079	\$ 156,506	\$ 155,368	\$ 183,853
Claims & Damages	\$ 79,621	\$ 39,462	\$ 114,875	\$ 149,506
<b>Total Actual Costs</b>	<b>\$ 2,408,182</b>	<b>\$ 2,923,964</b>	<b>\$ 2,687,022</b>	<b>\$ 3,283,626</b>
Docket 4994	\$ 2,051,057	\$ 2,051,057	\$ 2,051,057	\$ 2,051,057
Increase Actual vs Docket	\$ 357,125	\$ 872,907	\$ 635,965	\$ 1,232,569
% Increase	15%	30%	24%	38%

1  
2 Providence Water has incorporated every program available to help lower risk/cost through  
3 training, safety programs, infrastructure maintenance and replacement, and competitive  
4 bidding for insurance services. Other measures to lower costs include risk management,  
5 review and coverage adjustments, employee classification adjustments, and premium  
6 prepayment instead of financing to eliminate interest payments.

7 **Q. Why do you believe consumption dropped so drastically in FY 2024?**

8 A. One of the main contributing factors to the overall reduction in consumption is the  
9 precipitation we experienced in FY 2024. Providence Water recorded 76.13 inches of  
10 precipitation, which was our wettest year since FY 1916. The previous wettest fiscal year on  
11 record was 2006, with 71.37 inches of precipitation. In July 2024, our reservoir elevation was  
12 284 feet, indicating that we were at 101% reservoir capacity. In other words, water was  
13 dumped over our spillway.

14 In addition, we are seeing a pattern of declining consumption industry-wide for various  
15 reasons. Local manufacturing for our industrial customers is depressed. Conservation efforts  
16 across the board have also had a negative impact on our consumption. For example, many  
17 household products, such as washing machines, dishwashers, low-flow shower heads, and  
18 toilets, have become more efficient and use less water. Water consumption also directly  
19 impacts most of our customers' sewer bills, so customers have become much more prudent

1 with their water usage.

2 **Lead Service Replacement**

3 **Q. Has Providence Water seen any results from its water quality efforts?**

4 A. Yes. We have seen some very positive and measurable results. For example, we have been in  
5 compliance with the Lead Copper and Rule since January 2021. Providence Water has  
6 recorded some of our best test results over the last seven semesters. We fully expect the  
7 positive results to continue.

8 **Q. What is Providence Water's Inventory of Lead Service Lines?**

9 A. Providence Water completed an initial lead service line inventory as required by the Lead and  
10 Copper Rule Revisions (LCRR). Providence Water has approximately 33,200 either lead or  
11 "unknown" private side services. "Unknown" are services where the material is unknown  
12 and require further investigation to determine material type. For public side lead services,  
13 Providence Water has approximately 11,800 either lead or "unknown" private side lead  
14 services.

15 **Q. Are there any updates to Providence Water's lead service replacement program?**

16 A. Yes. In 2020, Providence Water changed the terms of our zero percent loan from three years  
17 to ten years.

18 **Q. Why did Providence Water change the duration of the loan?**

19 A. The main reason was to make the monthly payments more affordable. The average  
20 replacement cost of a private side service was \$4,500 in 2020. The monthly cost of a three-  
21 year loan was \$125, and it was reduced to approximately \$37 a month on the ten-year loan.  
22 By reducing the monthly payment, we felt that many more customers would participate in the  
23 loan program to have their private side lead service replaced.

1 **Q. Has Providence Water seen an increase in the zero percent loan program?**

2 A. Yes.

3 **Q. Has Providence Water secured other funding forms that would allow customers to**  
4 **replace their private side lead service?**

5 A. Yes. Providence Water has secured funding through three programs: (1) Water Infrastructure  
6 Improvements for the Nation (WIIN) Act Grant, (2) Congressional Direct Spending (CDS),  
7 (3) Bipartisan Infrastructure Law (BIL).

8 **Q. What funding was Providence Water awarded under the WIIN Act Grant?**

9 A. In 2021, Providence Water was awarded \$6,800,000 for the Water Infrastructure  
10 Improvements for the Nation Act (WIIN) grant. The private side replacements were at no  
11 cost to the homeowners, and the funds were used in economically disadvantaged  
12 neighborhoods as defined by the Rhode Island Infrastructure Bank (RIIB).

13 **Q. What funding did Providence Water secure in Congressional Direct Spending?**

14 A. Providence Water secured \$5,600,000 in Congressional Direct Spending (CDS) for private  
15 side lead service replacements at no cost to the homeowner. The CDS did not have  
16 geographical restrictions. However, Providence Water utilized the funding in economically  
17 disadvantaged neighborhoods.

18 **Q. What funding has Providence Water secured via the Bipartisan Infrastructure Law**  
19 **(BIL)?**

20 A. Yes. Providence Water partnered with RIIB to secure \$26,300,000 in funding from the BIL,  
21 which we use to replace both public and private side lead service replacements.

22 **Q. Is the BIL strictly grant funding?**

23 A. No. Approximately 51% of the loan is zero interest, and we are utilizing those dollars to

1 replace public side lead services. The 49% principal forgiveness portion is being used to  
2 replace private side lead services at no cost to the homeowner.

3 **Q. Is there enough BIL funding to replace all private side lead services?**

4 A. No. BIL funding is currently set up where 51% of the dollars is a loan to the utility, and 49%  
5 of the financing is principal forgiveness. Because we are not utilizing ratepayer funds to  
6 replace private side lead services, Providence Water will no longer need the loan portion of  
7 the BIL funding when we replace all public side lead services. As mentioned, we have  
8 approximately 11,800 public side lead (or “unknown”) services compared to 33,200 private  
9 side lead (or “unknown”) services.

10 **Q. Did Providence Water take any action to obtain American Rescue Plan Act (ARPA)**  
11 **funding?**

12 A. Yes, but we were unsuccessful in securing any funding. Executive management lobbied the  
13 Governor in 2022 on two separate occasions to obtain APRA funding from the state. In  
14 addition, we lobbied the Chief Operating Officer from the City of Providence and the Mayors  
15 in Cranston, Johnston, and North Providence. Unfortunately, we were unable to obtain ARPA  
16 funding from the state or local cities and towns.

17 **Q. What criteria is Providence Water using to determine which private side lead services**  
18 **get replaced?**

19 A. Providence Water hired a national firm, CDM Smith, with extensive experience managing  
20 lead service replacements. They have been administering our lead service replacement  
21 program since June 2023. The criteria are data-driven to take advantage of economies of  
22 scale. They are utilizing the Climate & Economic Justice Screening Tool (CEJST),  
23 recommended by the Environmental Protection Agency (EPA), and other factors like newly

1 paved streets.

2 **Q. Approximately how much money would Providence Water need to replace all retail**  
3 **public and private side lead services?**

4 A. The most recent estimate to replace a lead service is approximately \$5,500 for the private  
5 side and approximately \$7,000 for the public side. Therefore, the approximate total cost  
6 would be \$265,200,000. The breakdown is as follows:

7 Private Side Lead Services:  $33,200 \times \$5,500 = \$182,600,000$

8 Public Side Lead Services:  $11,800 \times \$7,000 = \$82,600,000$

9 **Q. Has Providence Water considered instituting full lead service replacements?**

10 A. Yes. In Docket 4994, we proposed a full lead service replacement program in anticipation of  
11 complying with the Lead and Copper Rule Revisions. We continue to believe that the quicker  
12 we can remove all lead services, the safer it will be for the public. However, it is important to  
13 note that many homes will still contain some lead after the water meter. We have inspected  
14 homes with lead plumbing, fixtures, and soldering, which pose a health threat.

15 **Q. Is Providence Water utilizing ratepayer funds to replace private side lead services?**

16 A. No.

17 **Q. Is Providence Water asking the Commission to fund the replacement of private side**  
18 **lead services in this filing?**

19 A. No. Private side services are installed by the contractors when the home is built. Therefore,  
20 private services are part of the homeowner's plumbing, as well as their personal property and  
21 responsibility. Approximately two-thirds of our retail customers have private side copper  
22 services. Many customers have already paid or utilized grant opportunities to have their  
23 private side lead service replaced with a new copper service. If retail rates were used to

1 replace private side lead services in the future, two-thirds of our rate base would subsidize  
2 one-third of our rate base to upgrade personal property. It is my opinion that this is a state or  
3 federal issue requiring representation from all geographical areas that would be impacted.  
4 Therefore, I believe that the state or federal government should address the funding issue for  
5 private side lead service replacements.

6 **Q. What would the financial impact be on retail customers if Providence Water requested**  
7 **rate relief to replace all private and public side lead services?**

8 A. As mentioned above, Providence Water would need approximately \$195,250,000 to replace  
9 all lead services in our retail system. Therefore, the funding would most likely come from  
10 retail customers, and the impact on our retail rates might cause rate shock.

11 **Q. Do you believe that Providence Water is addressing the affordability issue for private-**  
12 **side lead service replacement for homeowners in economically disadvantaged**  
13 **neighborhoods?**

14 A. Yes. Approximately 42% of the homes in economically disadvantaged neighborhoods are  
15 non-owner-occupied. Therefore, they are investment property. Providence Water has been  
16 proactive in obtaining grant funding that does not cost the homeowner anything. Finally, our  
17 ten-year zero-percent loan is another affordable option. The monthly cost would be  
18 approximately \$46 per month over the life of the loan to replace a service that costs \$5,500.

19 **Q. If a Providence Water customer replaces their private side lead service, does Providence**  
20 **Water automatically replace the public side if it is made of lead?**

21 A. Yes. If there is a public side lead service, we will replace it with a copper service.

1 **Information Security Department**

2 **Q. What steps has Providence Water taken to increase cybersecurity?**

3 A. Providence Water created an Information Security Department (ISD) three years ago.

4 **Q. What is the primary goal of the ISD?**

5 A. The main goal of the ISD is to mitigate or reduce our exposure to potential cyber attacks.

6 This is accomplished by educating our employees on what suspicious activity looks like and  
7 how to report it. Additionally, we perform vulnerability scans on all our systems and  
8 remediate any findings as quickly as possible. Using several different tools, we monitor for  
9 suspicious activity and take the appropriate steps to investigate and stop any anomalous  
10 behavior. Unfortunately, there is no way to eliminate our risk. Therefore, we have developed  
11 an incident response plan to return to our regular service level quickly and efficiently. Our  
12 efforts have dramatically reduced our vulnerabilities and increased our ability to stop or  
13 recover from a cyber-attack.

14 **Q. How many employees work in the ISD?**

15 A. The ISD is comprised of six employees: a Chief Information Security Officer (CISO), a  
16 Director of Information Security, an Information Security Administrator, an Information  
17 Security Analyst, and two (2) Cyber Program Coordinators.

18 **Q. What are the qualifications of Providence Water's Chief Information Security Officer?**

19 A. Paul Pion was hired as Providence Water's Chief Information Security Officer (CISO) in  
20 May 2021. He has over 25 years of experience in Information Technology and over 20 years  
21 of experience in Cyber Security. Before coming to Providence Water, he worked for the  
22 Department of Defense and was an active member of the RI National Guard. His last 17  
23 years of military service focused on cyber operations and computer incident response. He has

1 earned several industry certifications, including, but not limited to, information security,  
2 penetrating testing, digital forensics, and cyber incident response.

3 **Q. Does Providence Water require mandatory cyber training for their employees?**

4 A. Yes. Mandatory training commenced in July 2021, and we have had 38 compulsory monthly  
5 training sessions. On average, 175 employees are required to participate in a monthly training  
6 session followed by an assessment. Approximately 95% of these Providence Water  
7 employees complete the training sessions and assessments each month.

8 **Q. Does Providence Water participate in any state-run cybersecurity committees?**

9 A. Yes. Providence Water is a voting member of the State and Local Cybersecurity Grant  
10 Program (SLCGP) Planning Committee for the State of Rhode Island. The state is expected  
11 to receive approximately \$12 million over the next several years to bolster the cyber security  
12 posture of state and local governments. The committee is tasked with determining how to use  
13 the funds to benefit the entire state. Providence Water will have some opportunities to request  
14 funds for cyber-security projects.

15 **Q. Has Providence Water secured funding for information security?**

16 A. Yes. We were approved in 2022 for a Congressional Direct Spending Grant. The total  
17 approved amount was \$212,000 for a security appliance, software, and training. In addition,  
18 we recently submitted a second grant request for \$488,000 and are awaiting approval. The  
19 funds will replace existing fiber cables at the treatment plant and the surrounding buildings.

20 **Q. Does Providence Water maintain relationships with any federal or state cybersecurity**  
21 **agencies?**

22 A. Yes. Providence Water has relationships with the following agencies: Department of  
23 Homeland Security (DHS), Cybersecurity Infrastructure Security Agency (CISA), Federal

1 Bureau of Investigation (FBI), Environmental Protection Agency (EPA), Rhode Island State  
2 Police (RISP), Rhode Island National Guard (RING), Rhode Island Air National Guard  
3 (RIANG), State of Rhode Island Department of Information Technology, (RIDoIT), Rhode  
4 Island Emergency Management Agency (RIEMA) and City of Providence.

5 **Q. Has Providence Water received any notifications about potential cyber-attacks?**

6 A. Yes. We routinely receive communication regarding situational awareness regarding current  
7 and emerging cyber threats, specifically targeting water utilities. Many of these notifications  
8 come from the Water Information and Sharing Analysis Center (Water ISAC), the FBI, the  
9 EPA, and the American Water Works Association (AWWA).

10 **Billing System Replacement**

11 **Q. What is the status of the new billing system?**

12 A. Providence Water collaborated with a Utility Planning Network (UPN) consultant to evaluate  
13 numerous billing systems. After thorough analysis, we selected SpryPoint as our billing  
14 system and contracted with them in June 2022. Our project team has worked closely with the  
15 vendor over the last two years and are now in the project's testing phase. We hope to go live  
16 by July 1, 2025.

17 **Q. What was the cost for the consultant, UPN?**

18 A. The contract, worth \$435,000, was awarded to UPN on 11/19/2020. The original contract  
19 period was from 11/9/2020 to 12/31/2023, with an option to extend for a year. The extension  
20 does not change the cost of the contract.

21 **Q. How much did the billing system cost?**

22 A. The billing system's purchase price was \$1,880,618. Five years of maintenance and support  
23 cost an additional \$1,008,501. The total cost will be \$2,889,119 through 6/30/2027.

1 **City of Providence**

2 **Q. How much does Providence Water pay the City of Providence for city services?**

3 A. Providence Water pays the City of Providence \$839,167 annually.

4 **Q. When was the last time city services were adjusted?**

5 A. The city services payment increased by 15% in November 2007 in PUC Docket 3832.

6 **Q. Do you believe the cost of city services has risen since 2008, and why?**

7 A. Yes. In most of the years since 2008, the City of Providence implemented a cost-of-living  
8 adjustment (COLA) in the negotiations with Local 1033. The COLA was afforded to  
9 bargaining unit members and management as well in many of those years. In some cases, the  
10 COLA was as high as 3% and as low as 1%.

11 **Q. How much do you think Providence Water should be paying for city services today?**

12 A. According to the US Bureau of Statistics, the CPI inflation from July 2007 to July 2024 was  
13 50.74%, which would result in a \$423,522 increase. The new city service payment would be  
14 \$1,258,750 annually.

15 **Q. Do you believe that Providence Water should be paying taxes to the City of Providence  
16 for the Central Operation Facility (COF)?**

17 A. No. However, I believe the City of Providence is entitled to payment in lieu of taxes in the  
18 amount of \$326,000. This amount represents what they previously received in taxes from the  
19 prior owner of 125 Dupont Drive. Providence Water purchased the property for \$10,387,155  
20 and invested approximately \$17,300,000 in renovations. If the COF were situated in a  
21 location outside of Providence, Providence Water would be taxed on the assessed value, and  
22 the payment would be significantly higher.

1 **Acquisition of Johnston Water District**

2 **Q. Has Providence Water completed the acquisition of the Johnston Water District (JWD)?**

3 A. Yes. The acquisition of the JWD became official on February 28, 2021. We now have seven  
4 wholesale accounts. Approximately 1,700 JWD customers have been added to our retail  
5 account database.

6 **Narragansett Bay Commission**

7 **Q. How much does Providence Water charge the Narragansett Bay Commission (NBC) for**  
8 **meter reading data?**

9 A. Providence Water has been charging NBC \$25,000 annually for as long as I can remember.

10 **Q. Does Providence Water plan to raise the meter reading fee paid by NBC?**

11 A. Yes. We recently did an internal analysis of the cost of reading our water meters. On  
12 September 20, 2024, we notified NBC that our meter reading fee would increase to \$100,000  
13 annually, effective July 1, 2025.

14 **Water Treatment Plant**

15 **Q. Do you have any major concerns that will need funding in the future?**

16 A. Yes. Providence Water will need funding to address our almost one-hundred-year-old water  
17 treatment plant (WTP). Construction of the WTP commenced in 1924 and went into service  
18 on September 30, 1926. Finding parts and making repairs is becoming exceedingly difficult.  
19 Our daily demand and the methods for treating raw water have changed dramatically over the  
20 last century. We are currently in the process of finalizing our facility plan. Moving forward,  
21 we must decide whether to replace or rehabilitate the current WTP.

1 *Cost of Service Study*

2 **Q. Did Providence Water have a cost-of-service study (COSS) completed in compliance**  
3 **with the Commission's Order 23928 issued on October 20, 2020 in Docket 4994?**

4 A. Yes. Providence Water engaged Raftelis Financial Consultants, Inc. to conduct the study as  
5 ordered by the Commission. Providence Water's new COSS was filed in Docket 4994 on  
6 April 1, 2022.

7  
8 **Q. Have you attached the information required by R.I.G.L. Section 39-3-12.1?**

9 A. Yes, the information is attached to my testimony as Exhibit RC-1.

10 **Q. Does this conclude your testimony?**

11 A. Yes.

**Compliance with R.I.G.L. § 39-3-12.1****(1) Status of Physical Plant**

The physical plant of the Providence Water Supply Board consists of five (5) feeder reservoirs (Ponagansett, Moswaniscut, Barden, Westconnaug and Regulating) and the main Scituate Reservoir, a 100% surface water supply with a total storage capacity of 41,268 million gallons, a filtration plant with associated sedimentation basins, and chemical storage and feeding equipment, and a filtration capacity of 144 million gallons per day; a transmission and distribution system, consisting of more than 1,080 miles of transmission and distribution mains, which vary in size from 6 inches to 102 inches, and consisting primarily of pipe constructed of cast and ductile iron, asbestos-cement cement, steel and concrete; four (4) completely enclosed distribution reservoirs with a total capacity of 115.3 million gallons; two (2) pre-stressed concrete cylindrical tanks with a total capacity of 0.75 million gallons; six (6) distribution system pumping stations; one (1) raw water booster pumping station; six (6) pressure boosting pumping stations; fourteen (14) emergency power systems, eleven (11) driven by diesel engines and three (3) driven by gas engines; and administrative and maintenance garage facilities.

## Compliance with R.I.G.L. § 39-3-12.1

### (2) Maintenance Policy

It is the responsibility of the Water Supply Board to maintain its system in proper operating condition in accordance with all accepted standards. Leaks and damaged valves, hydrants and other appurtenances of the distribution system are repaired and/or replaced expeditiously. Physical plant maintenance is performed in a planned manner by permanent crews when possible. Outside contractors are used to supplement forces when needed. Distribution pipes (most recent main extensions) were installed through the fiscal reporting year ending June 30, 2024. The total pipe installed (and or replaced) in the last fifteen (15) year period is as follows:

Year	Feet	Miles
2010	7,330	1.4
2011	39,141	7.4
2012	19,499	3.7
2013	32,275	6.7
2014	45,553	8.6
2015	50,030	9.5
2016	71,374	13.5
2017	40,273	7.6
2018	83,205	15.8
2019	52,063	9.9
2020	40,128	7.6
2021	85,536	16.2
2022	62,304	11.8
2023	42,909	8.1
<u>2024</u>	<u>15,611</u>	<u>3.0</u>
<b>Total:</b>	<b>690,231</b>	<b>130.7</b>

**Compliance with R.I.G.L. § 39-3-12.1**

**(3) Water Treatment Methods and Chemicals Used**

During the last fiscal reporting period (July 2023 through the end of June 2024), Providence Water utilized the following six (6) chemicals during the treatment process, as follows:

1. Ferric Sulfate- Used to coagulate and settle out micro-organisms and particles that cause color and turbidity,
2. Lime-Used to adjust PH
3. Chlorine- Used as a disinfectant
4. Fluoride- Used to prevent dental cavities
5. Ascorbic Acid- Used to dechlorinate treatment wastewater
6. Orthophosphate- Used as a corrosion control

The quantities and costs of the chemicals used based on purification plant reporting data for dosing of specified water as follows:

<b>Chemical</b>	<b>Quantity Used</b>	<b>Unit Cost</b>	<b>Total Cost</b>
Ferric Sulfate	652,119 gals	\$1,529	\$996,852
Lime	1,674 tons	\$ 258	\$432,645
Chlorine	159 tons	\$1,266	\$201,244
Fluoride	50,371 gals	\$1,884	\$ 94,874
Ascorbic Acid	1,094 gals	\$ 8.32	<u>\$ 9,102</u>
		<b>TOTAL:</b>	<b>\$1,761,764</b>

**Compliance with R.I.G.L. § 39-3-12.1****(4) Policy relating to Expansion and Renovation of Physical Plant**

It is the policy of the Board to ensure that the system will continue to provide a service to all existing customers. Technical evaluations are made to determine future needs so that required expansion can proceed in a timely manner and ensure that new customers can be provided with the same level of service without any degradation of service to existing customers. Providence Water has an Infrastructure Replacement Program addresses the renovation or replacement of major systems components. A Capital Improvement Program is also in place to address the implementation of new capital assets. Funding has been provided through rates established by the Public Utilities Commission. The programs are administered through restricted funds for which semi-annual reports are provided to the Commission.

In the fiscal year ending June 30, 2024, Providence Water invested approximately \$35.9 million in infrastructure replacements and capital improvements to the system.

**TAB 6**

Direct Testimony  
of  
GREGG M. GIASSON, PE  
before the  
PUBLIC UTILITIES COMMISSION

for  
PROVIDENCE WATER SUPPLY BOARD

DOCKET#

November 2024

1 **Q. Please state your name and your position.**

2 A. My name is Gregg M. Giasson, I am the Executive Engineer for the Providence Water  
3 Supply Board. I have general oversight of the Engineering, Water Supply and Transmission  
4 and Distribution Departments.

5

6 **Q. Please describe your educational background and work experience.**

7 A. I obtained a Masters of Science in Environmental Engineering from Worcester Polytechnic  
8 Institute in 2001 and a Bachelor of Science in Civil Engineering from Tufts University in  
9 1992. I have worked for the Providence Water Supply Board for twelve years, the first two  
10 years as the Senior Director of Operations and the last ten years as the Deputy General  
11 Manager of Operations/Executive Engineer. From 2008 to 2012, I worked for the Pawtucket  
12 Water Supply Board as the Assistant Chief Engineer/Chief of Operations. Prior to  
13 Pawtucket, I worked at the consulting firm Camp, Dresser & McKee for 12 years where I  
14 worked on a variety of drinking water projects as both a project engineer and project  
15 manager. I am a Registered Professional Engineer in the State of Rhode Island. I am also a  
16 licensed Grade 4 Distribution and Grade 4 Treatment Operator in Rhode Island.

17

18 **Q. What items are addressed in your testimony?**

19 A. My testimony covers the following:

20 (I) Private Side Lead Service Replacement;

21 (II) Chemical and Sludge Maintenance Fund;

22 (III) Infrastructure Replacement Plan (IFR); and

23 (IV) Salary and Wages.

24

25

26

27

1 **I. Private Side Lead Service Replacement**

2 **Q. What is a public side and a private side lead service?**

3 A. A water service line carries water from the water main in the street into the customer's home.  
4 As shown in **Figure GG-1**, the public side of the service extends from the main in the street  
5 to the curb and is owned by Providence Water. The private side of the water service is from  
6 the curb to the building/residence and is owned by the customer.

7

8 **Q. What is the purpose of the Private Side Lead Service Replacement restricted fund?**

9 A. In Docket 4618, Providence Water was approved to collect \$250,000 per year to provide  
10 0% interest, 3-year loans to our customers to replace the customer owned portion (private)  
11 side of the lead service line. In Docket 4994, Providence Water was approved to collect  
12 an additional \$1,750,000 per year (for a total of \$2,000,000 per year) to provide 0%  
13 interest, 10-year loans for private side lead service replacements.

14

15 **Q. Why is Providence Water requesting to eliminate the funding from rates for the Lead  
16 Service Replacement restricted fund?**

17 A. In November 2021, the Infrastructure Investment and Jobs Act (IIJA) was signed into law.  
18 The IIJA is also known as the Bipartisan Infrastructure Law (BIL). The BIL provides  
19 significant funding through the State Revolving Fund (SRF) to water utilities for  
20 infrastructure improvements. For Rhode Island, \$28 million per year will be available for  
21 private side lead service replacements, which includes \$14 million for grants and principal  
22 forgiveness. Over the next five (5) years, \$141 million will be available for private side lead  
23 service replacements. To date, Providence Water has applied for and received \$26.3 million  
24 of BIL funds to date.

25

26 Since half of the BIL funds are grants, Providence Water can replace private side lead  
27 services at no cost to the homeowner. Consequently, Providence Water has experienced a

1 dramatic reduction in the number of private side lead service loans (see **Schedule GG-1**  
2 below).

3  
**Schedule GG-1**

CY	Signed Loans
2019	153
2020	498
2021	413
2022	153
2023	92
2024	66

4  
5 The balance in the Private Side Lead Service Replacement at the end of FY2024 was  
6 \$7,065,983 (see Schedule HJS-10i). Given the reduction in demand for loans, Providence  
7 Water believes there are adequate funds to meet this demand. When BIL funding is no  
8 longer available, Providence Water will assess the balance in this fund and the demand for  
9 private side lead service replacements and determine whether additional funds will be  
10 needed.

11  
12 **Q. How will Providence Water spend the BIL funds?**

13 A. RIGL § 23-24.6-28 (u) of the Lead Poisoning Prevention Act, adopted in 2023, requires  
14 water utilities to replace all lead services within 10 years. To meet this requirement,  
15 Providence Water has engaged the engineering firm CDM Smith to be the program manager  
16 for our Accelerated Lead Service Line Replacement Program (ALSLR). The ALSLR will  
17 utilize BIL and other grant funds to replace public and private side lead services. Providence  
18 Water will utilize the grant portion of the BIL funding (and other grant funding) to pay for  
19 the private side of the lead service. We will utilize the loan portion of the BIL funding to  
20 replace the public side of the lead service.

1 **II. Infrastructure Replacement Plan**

2 **Q. What areas will most of the expenditures be focused on over the next 5 years?**

3 A. The two main areas of focus for expenditures over the next 5 years will be:

4 (a) Water Treatment Facility (WTF) rehabilitation/replacement; and

5 (b) Transmission and Distribution.

6

7 A breakdown of proposed expenditures for FY2025 through FY2028 are included in  
8 **Schedule GG-2.**

9

10 **Q. Is Providence Water asking for additional IFR funds in this rate filing?**

11 A. No. At this time, Providence Water has adequate carryover to cover FY25 and FY26  
12 expenses.

13

14 **Q. What projects are being considered at the Water Treatment Facility?**

15 A. Major portions of the WTF are at or past their useful life and need rehabilitation or  
16 replacement. In addition, there is little or no redundancy in critical parts of the WTF. Due to  
17 this need, Providence Water engaged the engineering firm AECOM to develop a Water  
18 Treatment Facility Plan (“Plan”). The purpose of this Plan is to provide a roadmap for  
19 addressing the needed improvements to the WTF including a schedule of improvements and  
20 expected costs. Once we have the finalized Plan, Providence Water will evaluate funding  
21 mechanisms. The Plan is comprehensive and evaluates both potential rehabilitation or  
22 replacement of the WTF. The preliminary estimate for a complete rehabilitation or  
23 replacement of the WTF is \$800-\$900 million.

24

25 Since we are still awaiting the final version of the Plan, the timing and amount of expenses  
26 associated with the proposed improvements at the WTF are strictly a placeholder and  
27 estimates. Therefore, costs for FY27 and beyond are estimates at this time.

1

2 **Q. What projects are being considered for Transmission and Distribution?**

3 A. In addition to the work at the WTF, Providence Water needs to continue our evaluation and  
4 rehabilitation of its Transmission and Distribution system. Within the next 5 years, we will  
5 conduct our routine inspection of the 78-inch aqueduct which requires the aqueduct to be  
6 shut down and drained. This required inspection artificially ages the aqueduct. As such,  
7 Providence Water takes the opportunity to rehabilitate high risk sections of the aqueduct  
8 while the pipe is offline for inspection.

9

10 Providence Water is continuing its yearly rehabilitation/replacement of its water distribution  
11 mains. This includes either cleaning and lining or replacing water mains. Providence Water  
12 will be replacing the public side of lead services as part of our accelerated lead service  
13 replacement program.

14

15 **III. Chemical and Sludge Maintenance Fund**

16 **Q. What additional funds are you requesting for the Chemical and Sludge Maintenance**  
17 **Fund?**

18 A. At this time, Providence Water is not seeking any additional revenue for the Chemical and  
19 Sludge Maintenance Fund.

20

21 **Q. How did you project the chemical expenses for FY2025 through FY2027?**

22 A. Providence Water utilized the FY2024 chemical usage as the basis for the chemical usage for  
23 FY2025 through FY2027. **Schedule GG-3** below shows an analysis of the last 4 years of  
24 chemical usage at the WTF with a summary of the 3-year and 4-year average. Given the  
25 variability of chemical usage over the last 4 years, Providence Water utilized the most  
26 representative chemical usage, which was the FY24 chemical usage.

27

1

**Schedule GG-3**

	Ferric Sulfate (gal.)	Lime (ton)	Chlorine (ton)	Fluoride (gal.)	Asc. Acid (25kg box)	Ortho. (gal.)
FY24	894,437	1,718	128	49,415	1,075	25,779
FY23	1,043,078	2,069	151	52,932	975	28,346
FY22	945,266	2,000	160	48,865	2,475	27,543
FY21	682,612	1,627	157	51,567	0	10,770
3-year avg.	960,927	1,929	146	50,404	1,508	27,223
4 year avg.	891,348	1,854	149	50,695	1,131	23,109

2

3 **Schedule GG-4** below shows the chemical expenses over the last 4 years. **Schedule GG-4**  
4 shows a large increase in the following three chemicals.

5

- 6 ○ **Chlorine** – Large increase from FY21 to FY22 due to large unit price increase.
- 7 ○ **Ferric Sulfate** – Large increase from FY21 to FY22 due to increase in dosage rate.  
8 Large increase in FY22 to FY23 due to a large unit price increase.
- 9 ○ **Orthophosphate** – Large increase from FY21 to FY22 due to using orthophosphate  
10 system-wide. Large increase from FY22 to FY23 due to large unit price increase.

11

**Schedule GG-4**

	Ferric Sulfate (gal.)	Lime (ton)	Chlorine (ton)	Flouride (gal.)	Asc. Acid (25kg box)	Ortho. (gal.)
FY24	\$1,983,035.00	\$439,598.00	\$504,594.00	\$110,161.00	\$14,399.00	\$515,550.00
FY23	\$2,293,464.00	\$545,147.00	\$464,162.00	\$110,620.00	\$31,749.00	\$514,483.00
FY22	\$1,427,733.00	\$461,197.00	\$424,689.00	\$89,232.00	\$40,886.00	\$284,974.00
FY21	\$1,027,096.00	\$411,853.00	\$278,000.00	\$74,924.00	\$17,750.00	\$80,408.00

12

13 With these price increases, annual chemical costs will eventually exceed the annual approved  
14 funding. Providence Water anticipates that an increase in funding will need to be included in

1 the next rate filing to cover the rising cost of chemicals and the eventual incurrence of annual  
2 sludge maintenance costs.

3  
4 **Q. Why are there no expenses related to sludge maintenance?**

5 A. Providence Water's contract with our sludge maintenance vendor (Synagro) expired in June  
6 2022. Providence Water does not anticipate any sludge maintenance costs over the next  
7 couple of years. Providence Water is currently evaluating more efficient methods for sludge  
8 maintenance and removal. Once a more efficient method for sludge maintenance is  
9 established and operational, Providence Water's yearly sludge maintenance costs will  
10 resume.

11  
12 Given the amount of infrastructure work that will be occurring at the WTF over the next  
13 several years, Providence Water will incur sludge removal costs as part of that work. Work  
14 is currently taking place within the South Sedimentation Basin and sludge removal costs are  
15 included in that project.

16  
17 **IV. Salary and Wages**

18 **Q. What increase is Providence Water requesting for Salary and Wages?**

19 A. Total annualized salaries for FY24 were \$18,125,374. Providence Water is requesting an  
20 increase due to two factors; (a) step increases, and (b) contractual raises.

21  
22 **Step Increases** – Management positions and certain union positions have multiple steps for a  
23 specific grade. Management employees are evaluated yearly and will receive a step increase  
24 if they receive an above satisfactory evaluation. Union employees in a positions with a pay  
25 grade that has multiple steps automatically receive a step increase every year until they reach  
26 the top step of that pay grade. Once a management or union employee has reached the top  
27 step of their pay grade, they will not receive further step increases.

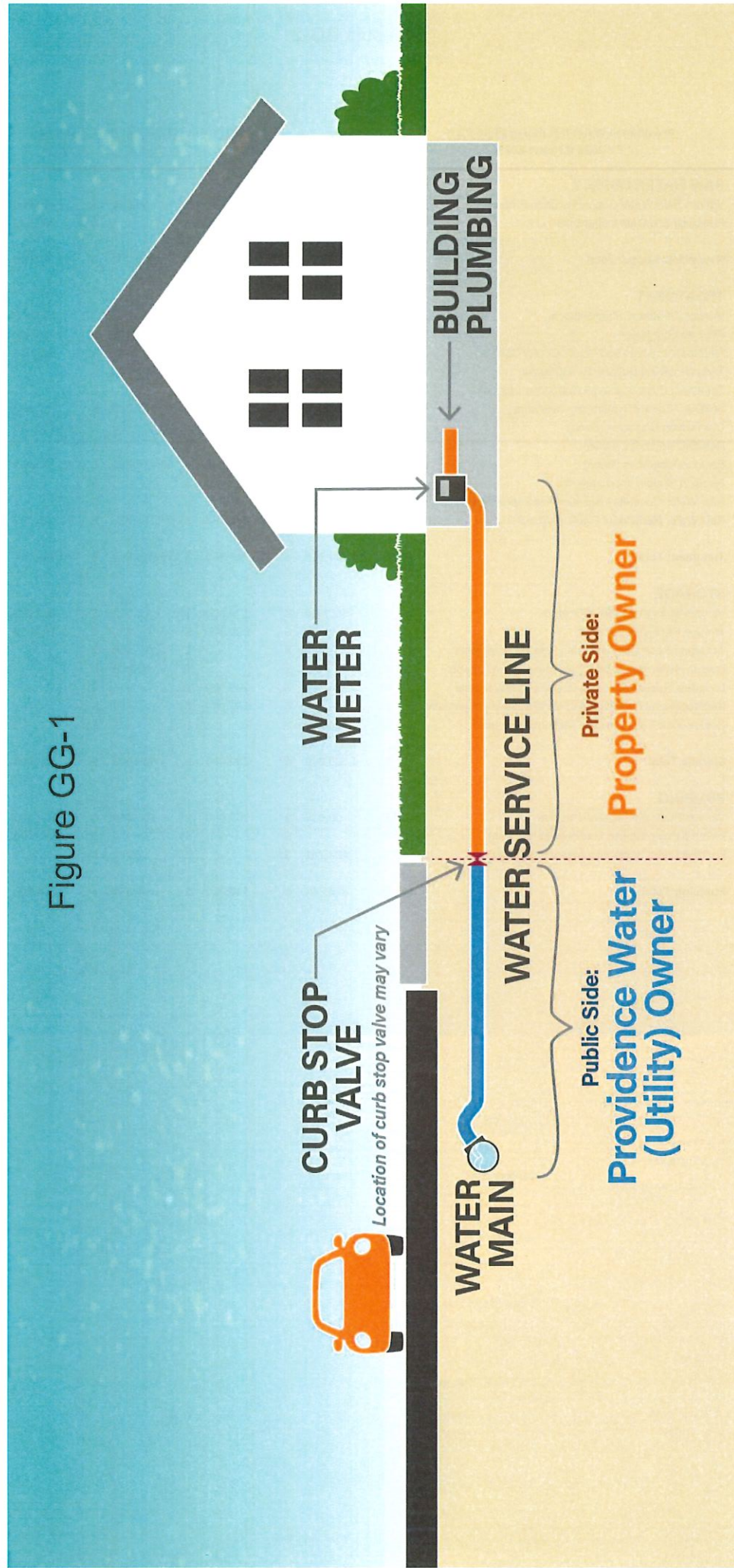
1        **Contractual Increases** – The current union contract has a 3% increase for FY25. FY25 is  
2        the last year of the union contract. It is unknown what the increase(s) will be in the next  
3        union contract. Providence Water has assumed a 3% contractual increase for FY26 and FY  
4        27 for planning purposes.

5

6        **Q. Does that conclude your testimony?**

7        **A. Yes, it does**

Figure GG-1



Schedule GG-2

Providence Water IFR Expenditure Plan FY 2024 through 2028	<u>Budget</u> <u>2025</u>	<u>Budget</u> <u>2026</u>	<u>Budget</u> <u>2027</u>	<u>Budget</u> <u>2028</u>
<b>RAW WATER SUPPLY</b>				
Various Raw Water Supply Facilities Projects	\$ 75,000	\$ 50,000	\$ 50,000	\$ 50,000
Reservoir and Dam Inspections	\$ 20,000	\$ 20,000	\$ -	\$ 30,000
<b>Raw Water Supply Total</b>	<b>\$ 95,000</b>	<b>\$ 70,000</b>	<b>\$ 50,000</b>	<b>\$ 80,000</b>
<b>TREATMENT</b>				
Various Treatment Plant Projects	\$ 750,000	\$ 130,000	\$ 200,000	\$ 150,000
PW Lab Equipment	\$ 10,000	\$ -	\$ 20,000	\$ 10,000
Treatment Process and Water Quality Studies	\$ 250,000	\$ 500,000	\$ 500,000	\$ 500,000
Treatment Plant Building Rehabilitation	\$ 75,000	\$ 2,766,667	\$ 1,383,333	\$ -
Treatment Plant Building Rehabilitation (Bond)	\$ 2,199,705	\$ -	\$ -	\$ -
SCADA / Control System Improvements	\$ 400,000	\$ 300,000	\$ 300,000	\$ 250,000
Clarification Upgrades (Bond)	\$ -	\$ -	\$ 23,657,200	\$ 80,878,200
Residual Upgrades (Cash)	\$ 9,050,000	\$ -	\$ -	\$ -
Residual Upgrades (Bond)	\$ -	\$ 18,653,846	\$ 36,415,385	\$ 18,207,692
Filtration System Improvements	\$ 500,000	\$ 500,000	\$ -	\$ -
Raw Water Conduits Inspection and Improvements	\$ 500,000	\$ -	\$ -	\$ -
Raw Water Redundant Pipeline (Bond)	\$ -	\$ 5,896,156	\$ 47,774,727	\$ 72,103,299
<b>Treatment Total</b>	<b>\$ 13,734,705</b>	<b>\$ 28,746,669</b>	<b>\$ 110,250,645</b>	<b>\$ 172,099,191</b>
<b>STORAGE</b>				
Various Storage Facilities Projects	\$ 500,000	\$ 100,000	\$ 100,000	\$ 100,000
Storage Facility Inspections	\$ -	\$ 300,000	\$ 200,000	\$ 200,000
Aqueduct Reservoir and Gatehouse Improvements	\$ -	\$ -	\$ 250,000	\$ -
Lawton Hill Reservoir and Gatehouse Improvements	\$ -	\$ -	\$ 50,000	\$ -
Longview Reservoir and Gatehouse Improvements	\$ -	\$ 200,000	\$ -	\$ -
Neutaconkanut Reservoir and Gatehouse Improvements	\$ -	\$ 100,000	\$ -	\$ -
Golden View Tank/Pine Hill Tank Improvements	\$ 8,000,000	\$ -	\$ -	\$ -
<b>Storage Total</b>	<b>\$ 8,500,000</b>	<b>\$ 700,000</b>	<b>\$ 600,000</b>	<b>\$ 300,000</b>
<b>PUMPING</b>				
Various Pumping Facilities Projects	\$ 50,000	\$ 100,000	\$ 100,000	\$ 100,000
Fruit Hill Pump Station Improvements (Cash)	\$ -	\$ -	\$ -	\$ 150,000
Fruit Hill Pump Station Improvements (Bond)	\$ 423,741	\$ -	\$ -	\$ -
<b>Pumping Total</b>	<b>\$ 473,741</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 250,000</b>

Providence Water IFR Expenditure Plan FY 2024 through 2028	<u>Budget</u> <u>2025</u>	<u>Budget</u> <u>2026</u>	<u>Budget</u> <u>2027</u>	<u>Budget</u> <u>2028</u>
<b>TRANSMISSION</b>				
102" Aqueduct fiber optic monitoring	\$ 125,000	\$ 150,000	\$ 150,000	\$ 150,000
78"/102" Aqueduct Inspection and Rehabilitation	\$ 3,000,000	\$ 10,000,000	\$ -	\$ -
Various Transmission System (16" - 66") Facilities Projects	\$ 1,000,000	\$ 500,000	\$ 500,000	\$ 500,000
Western Cranston and Johnston System Improvements	\$ 4,000,000	\$ 1,000,000	\$ -	\$ -
<b>Transmission Total</b>	<b>\$ 8,125,000</b>	<b>\$ 11,650,000</b>	<b>\$ 650,000</b>	<b>\$ 650,000</b>
<b>DISTRIBUTION</b>				
Water Main Rehabilitation (Cash)	\$ 9,000,000	\$ 500,000	\$ 500,000	\$ 500,000
Water Main Rehabilitation (Bond)	\$ 3,705,976	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Various Distribution System Facilities Projects	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000
Lead Service Replacements (Bond)	\$ 25,952,755	\$ 25,952,755	\$ 25,952,755	\$ 25,952,755
Lead Service Replacements (Cash)	\$ 750,000	\$ 300,000	\$ 300,000	\$ 300,000
<b>Distribution Total</b>	<b>\$ 40,108,731</b>	<b>\$ 37,452,755</b>	<b>\$ 37,452,755</b>	<b>\$ 37,452,755</b>
<b>SUPPORT</b>				
Various Support System Facilities Projects (Cash)	\$ 500,000	\$ 200,000	\$ 200,000	\$ 200,000
Various Support System Projects (Bond)	\$ 1,534,125	\$ -	\$ -	\$ -
Central Operations Facility Improvements	\$ -	\$ 20,000	\$ 20,000	\$ 20,000
Forestry Garage Improvements	\$ 100,000	\$ -	\$ -	\$ 500,000
Records Management System (GIS/AM) Improvements	\$ 500,000	\$ 300,000	\$ 300,000	\$ 100,000
Billing System Replacement	\$ 1,200,000	\$ 50,000	\$ 50,000	\$ 50,000
<b>Support Total</b>	<b>\$ 3,834,125</b>	<b>\$ 570,000</b>	<b>\$ 570,000</b>	<b>\$ 870,000</b>
<b>GENERAL PLANNING</b>				
General Planning Projects	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Work Order and Payroll Costs	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
<b>General Planning Total</b>	<b>\$ 3,000,000</b>	<b>\$ 3,000,000</b>	<b>\$ 3,000,000</b>	<b>\$ 3,000,000</b>
<b>Total Project Spending</b>	<b>\$ 77,871,302</b>	<b>\$ 82,289,424</b>	<b>\$ 152,673,400</b>	<b>\$ 214,701,946</b>
Total Bond Project Spending	\$ 33,816,302	\$ 60,502,757	\$ 143,800,067	\$ 207,141,946
Total Cash Project Spending	\$ 44,055,000	\$ 21,786,667	\$ 8,873,333	\$ 7,560,000

**TAB 7**

**DIRECT TESTIMONY OF  
COLLIN A. DRAT, SENIOR MANAGER  
RAFTELIS FINANCIAL CONSULTANTS, INC.**

**for  
PROVIDENCE WATER SUPPLY BOARD**

**before the  
PUBLIC UTILITIES COMMISSION**

**Docket No. \_\_\_\_\_**

**November 2024**

1 **Q. Please state your name and business address.**

2 A. My name is Collin A. Drat and my business address is 215 W. Pershing Road, Suite  
3 406, Kansas City, MO 64108.

4

5 **Q. By whom are you employed and in what capacity?**

6 A. I am a Senior Manager at Raftelis Financial Consultants, Inc. (“Raftelis”), a consulting  
7 firm specializing in the areas of water and wastewater finance, pricing and ratemaking.  
8 Raftelis was established in 1993 to provide environmental and management consulting  
9 services to public and private sector clients. Raftelis is a national leader in the  
10 development of water and wastewater rates.

11

12 **Q. Please describe your educational background and work experience.**

13 A. I have worked for Raftelis for over 10 years and during my tenure have advised  
14 Raftelis’ utility clients on a wide range of financial planning, cost of service and rate  
15 design issues. I have a Master of Public Administration Degree (Public Finance  
16 Concentration) from Indiana University’s School of Public and Environmental Affairs  
17 and a Bachelor of Arts in International Relations from Wheaton College.

18

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

21 A. No. However, I have supported Raftelis expert witnesses on a variety of utility rate  
22 related matters before the Rhode Island Public Utilities Commission (PUC or  
23 Commission) including Docket Nos. 4406, 4571, 4618 and 4994.

24

25 **Q. Have you testified before any other state regulatory commissions?**

26 A. Yes. I filed direct and rebuttal testimony before the Public Utilities Commission of  
27 Texas in Docket 48836. I also filed direct testimony before the Virginia State Corporation  
28 Commission (SCC) in Docket PUR-2023-00194.

29

1 **Q. Do you belong to any professional organizations or committees?**

2 A. Yes. I am a member of the American Water Works Association and the Water  
3 Environment Federation.

4

5 **Q. Please describe your role in this proceeding?**

6 A. I have worked with Providence Water Supply Board (Providence Water) staff to  
7 develop test year data and rate year revenue requirements, which support Providence  
8 Water's cost of service and rate design proposals, as outlined in the direct testimony of  
9 Mr. Harold Smith.

10

11 **Q. Please describe the purpose of your testimony.**

12 A. This testimony provides an explanation for each of Providence Water's revenue  
13 requirement schedules. The schedules develop revenue requirements for the fiscal years  
14 Ending June 30, 2026 (FY 2026) and June 30, 2027 (FY 2027). The FY 2026 revenue  
15 requirement forms the basis for the cost of service analysis and FY 2026 rates in Mr.  
16 Smith's testimony. These schedules also form the basis for an across-the-board increase  
17 to all rates proportionate to the overall increase in the revenue requirement for FY 2027,  
18 as described in Mr. Smith's testimony.

19

20 **Q. What are your general conclusions?**

21 A. As shown on schedule HJS-1, Providence Water needs additional rate revenue to  
22 properly fund O&M and capital costs related to providing safe and reliable service to its  
23 customers. Providence Water is seeking to address this need through a multi-year rate  
24 increase. The proposed increases in rate revenue, are as follows:

- 25 • FY 2026 – \$8,205,636 (9.36%)
- 26 • FY 2027 – \$2,342,548 (2.43%)

27

28 **Q. Will all rates increase by 9.36% as indicated for FY 2026?**

29 A. No, this represents the increase in rate revenue. Please refer to Harold Smith's  
30 testimony for additional details.

1 **Q. How will the increases in FY 2027 be applied?**

2 A. These adjustments will be applied equally in an across the board fashion to all rates.  
3 Please refer to Harold Smith's testimony for additional details.

4  
5 **Q. Please provide a brief description of the schedules referenced in your testimony.**

6 A. For ease of reference, Mr. Smith and I have retained the format and numbering  
7 scheme of the schedules developed during Providence Water's last general rate filing  
8 (Docket 4994).

9  
10 As noted above, my testimony addresses Providence Water's proposed revenue  
11 requirements. The normalized test year and rate year revenue requirement schedules  
12 referenced in my testimony are as follows:

- 13 1. **Schedule HJS-1** is a summary of the costs and revenues associated with serving  
14 Providence Water customers, under existing rates and proposed rates for FY 2026  
15 and FY 2027.
- 16 2. **Schedules HJS-2a and b** indicate Providence Water's revenue for the FY 2024  
17 test year and the normalized consumption revenue based on a 3-year average of  
18 usage from FY 2022 to FY 2024.
- 19 3. **Schedules HJS-3a and b** rate year adjustments to Providence Water's payroll  
20 expense based on contractual increases in salaries and wages in FY 2025, FY  
21 2026 and FY 2027.
- 22 4. **Schedules HJS-4a and b** indicate test year adjustments and rate year adjustments  
23 to Providence Water's pension and other post-employment benefits expense  
24 (OPEB).
- 25 5. **Schedule HJS-5** indicates test year adjustments and rate year adjustments to  
26 Providence Water's purchased power expense.
- 27 6. **Schedule HJS-6** indicates test year adjustments and rate year adjustments to  
28 Providence Water's materials, supplies and contract services expenses.
- 29 7. **Schedule HJS-7** indicates rate year adjustments to Providence Water's regulatory  
30 and rate case expense.

- 1       8. **Schedules HJS-8a and 8b** indicate rate year adjustments to Providence Water’s  
2       chemicals and sludge maintenance expense.
- 3       9. **Schedule HJS-9** indicates rate year adjustments to Providence Water’s property  
4       tax expenses to reflect anticipated increases in property taxes on Providence  
5       Water assets through the FY 2027 rate year.
- 6       10. **Schedules HJS-10a to 10j** indicate the sources, uses and ending balance of each  
7       of Providence Water’s restricted funds, as well as changes in the requested  
8       funding level of each fund, as needed, to cover increased expenses through the FY  
9       2027 rate year.
- 10      11. **Schedule HJS-11** calculates an inflation adjustment for any rate year expense that  
11      does not otherwise have an adjustment associated with Schedules HJS-3 to 10  
12      above.
- 13      12. **Schedule HJS-12** indicates the progression of Providence Water’s proposed  
14      revenue requirement from test year FY 2024 through the final rate year FY 2027,  
15      including all test year and rate year adjustments reflected in Schedules HJS-3 to  
16      HJS-11.

17

18      ***TEST YEAR ADJUSTMENTS***

19      **Q. What adjustments did you make to the fiscal year ending June 30, 2024 revenues**  
20      **and expenses to arrive at a normalized “rate making basis” test year?**

21      A. I made three normalizing adjustments.

22

23      First, I adjusted test year revenues to reflect the pro-forma water volumes recommended  
24      by Mr. Smith (HJS-15a), which are based on a three year average of billed water volumes  
25      from FY 2022 to FY 2024 (HJS-2a and 2b).

26

27      Second, as shown on HJS-3b, I removed the adjustments for capitalized labor (Payroll  
28      Clearing and Overhead Rate Applied) from each individual NARUC account and  
29      combined them into a single number (Capital Reimbursement). This adjustment does not  
30      impact the overall revenue requirement, but—consistent with prior Dockets—Providence

1 Water is allocating the adjustment for capitalized labor in total, based on Net Plant  
2 Investment. This adjustment combines the individual NARUC level amounts into a single  
3 amount for the purpose of cost allocation on HJS-14a and HJS-14b.

4  
5 Finally, as shown on HJS-6. I adjusted NARUC Account 67530 (Miscellaneous  
6 Expenses-WTO) for a \$1,000 annual fee which was invoiced to Providence Water in FY  
7 2024 but was processed after June 30, 2024.

8  
9 **Q. In your professional opinion, does your adjusted test year present a proper  
10 normalized test-year?**

11 A. Yes. The adjusted, normalized test year I have prepared for this filing fairly presents  
12 the operations of Providence Water in a normal year on a ratemaking basis with currently  
13 approved rates.

14

15 ***RATE YEAR ADJUSTMENTS***

16 **Q. Mr. Drat, for what period is Providence Water seeking to establish rates?**

17 A. Providence Water is seeking to establish rates for the fiscal year ending June 30, 2026  
18 based on an FY 2026 rate year revenue requirement and the cost of service analysis and  
19 rate design proposals described in Mr. Smith's testimony. In addition, Providence Water  
20 is proposing "across the board" adjustments to those rates for the fiscal year ending June  
21 30, 2027 based on the overall percentage increase in revenues required for those periods,  
22 which would be applied equally to all rates.

23

24 **Q. What adjustments have you made for the rate year in this filing?**

25 A. I made 12 rate year adjustments, as indicated on Schedules HJS-1 through HJS-12.

26 They are as follows:

- 27 1. I adjusted *payroll expense* to reflect contractual salaries and wage increases in FY  
28 2025 and assumed increases in FY 2026 and FY 2027 (HJS-3a and b).  
29 2. I adjusted *OPEB expense* to reflect increases in employee benefits such as  
30 pensions, healthcare, dental, etc. (HJS-4a and b).

- 1       3. I adjusted *materials, supplies, contract services, transportation and miscellaneous*  
2            *expenses* to reflect known and measurable changes in specific expense items  
3            (HJS-6).
- 4       4. I adjusted *regulatory and rate case expense* to reflect a 3-year amortization of rate  
5            case expenses (HJS-7).
- 6       5. I adjusted *property taxes* based on the statutory maximum increase (4% per year)  
7            In addition, I incorporated the proposed Payment in Lieu of Taxes (PILOT) to the  
8            City of Providence discussed in the testimony of Ricky Caruolo (HJS-9).
- 9       6. I increased funding for the *Insurance Fund* to ensure sufficient funding is  
10           available to cover increased insurance costs (HJS-10f). For additional detail,  
11           please see the testimony of Ricky Caruolo.
- 12      7. I decreased funding for the *Private Side Lead Service Replacement Fund* (HJS-  
13           10i). As discussed in the testimony of Gregg Giasson, the balance in the fund,  
14           along with customer repayments of lead service line replacement loans, is  
15           sufficient to cover the cost of this program over the next several years.
- 16      8. I increased *City Services*, which represents a transfer to the City of Providence  
17           (the City) for the cost of services provided by the City to Providence Water (HJS-  
18           12). For additional detail, please see the testimony of Ricky Caruolo.
- 19      9. I increased any expenses that were not otherwise adjusted based on inflation  
20           projections from the Philadelphia Federal Reserve Bank's Survey of Professional  
21           Forecasters (HJS-11).
- 22      10. I increased funding for the *Restricted Revenue Reserve Fund* based on a funding  
23           level of 0.5% of expenses (HJS-1 and HJS-10j).
- 24      11. I increased funding for the *Unrestricted Operating Reserve* based on a funding  
25           level of 1.5% of expenses (HJS-1).
- 26      12. I increased *miscellaneous revenues* to reflect a \$75,000 increase in the payment  
27           from the Narragansett Bay Commission (NBC) for meter reading services (HJS-  
28           1). For additional detail, please see the testimony of Ricky Caruolo.

1 **Q. Please describe the adjustment to payroll expense shown on HJS-3a and b.**

2 A. I began with the FY 2024 payroll and increased the expense to account for step  
3 increases (related to employee performance and years of service) and the FY 2025  
4 contractual increases of 3%. For FY 2026 and FY 2027, I applied an assumed increase of  
5 3%, consistent with the final year (FY 2025) of the current union agreement.

6

7 **Q. Please describe the adjustment to pensions and OPEB expense shown on HJS-4a  
8 and b.**

9 A. Notes for these adjustments are indicated on schedule HJS-4a. For items directly tied  
10 to salaries and wages (FICA and Medicare), I applied the same adjustments: 3% per year.  
11 I forecasted the remaining expenses based on a 3-year average increase, by expense  
12 category, from FY 2022 to FY 2024.

13

14 **Q. Is it your intent to update any estimated pension or OPEB expenses, when they  
15 become known?**

16 A. Yes.

17

18 **Q. How were the adjustments related to Materials, Supplies and Contract Services  
19 shown on HJS-6?**

20 A. Many are estimated increases in existing expenses based on historical increases or  
21 industry standard estimates. Some are new expenses which did not occur in the test year  
22 but will occur in the rate years. Also, note that—in cases where an expense is one-time, it  
23 has been adjusted out in the year after which it is expected to be incurred. By major  
24 functions, the primary drivers of the increases are as follows:

25 1. Water Treatment –

26 a. Lead database platform to facilitate compliance with state and federal lead  
27 and copper regulatory requirements.

28 b. Increases to software licensing and support fees

29 c. Generator preventative maintenance contract

30 2. Transmission and Distribution –

- 1           a. Increase in supply costs (e.g., pipe, sand and gravel, asphalt, valves)
- 2           b. Contract services used for water main replacement.
- 3        3. Customer Accounts – increase in printing and postage costs
- 4        4. Administrative and General
- 5           a. Software Licensing and Maintenance Fees
- 6           b. Fire lane clearing contractor

7

8        **Q. Is it your intent to update any estimated expenses on HJS-6, when they become**  
9        **known?**

10       A. Yes.

11

12       **Q. How did you determine regulatory and rate case expenses on HJS-7?**

13       A. Regulatory commission expenses are based on FY 2024 actuals, as noted on HJS-7,  
14       except the “Financial Consultant” expense which represents estimated consultant costs  
15       for anticipated compliance filings in FY 2027 related to the second step of Providence  
16       Water’s rate filing proposal. Rate case expenses are estimates based on Providence  
17       Water’s prior rate filings. As noted above, I propose a 3-year amortization of rate case  
18       expense.

19

20       **Q. Please provide an overview of your adjustment for Property Tax expense on**  
21       **HJS-9.**

22       A. I increased the property tax amounts by the statutory maximum: 4% per year. In  
23       addition, I have incorporated the \$326,000 Payment in Lieu of Taxes (PILOT) to the City  
24       of Providence described in Mr. Caruolo’s testimony.

25

26       **Q. Is it your intent to update the adjustments on HJS-9, when the actual property**  
27       **taxes become known?**

28       A. Yes.

29

30

1 **Q. Why does Providence Water require an increase in the Insurance Fund?**

2 A. In Docket 4994, Providence Water agreed, for the purposes of settlement, to reduce  
3 the funding level by approximately \$250,000 per year to just over \$2 million, which—at  
4 the time—was aligned with the projected expense for this fund. Since that time, insurance  
5 costs increased substantially and are expected to be approximately \$3.8 million, in FY  
6 2025. An increase of \$3.0 million is needed to ensure sufficient funding for these  
7 expenses going forward. For additional detail, please see the testimony of Ricky Caruolo.

8

9 **Q. Why are you proposing a decrease to the Private Side Lead Service Replacement**  
10 **Fund on HJS-10i?**

11 A. The existing balance in the fund, as well as loan repayments from customers, are  
12 sufficient to cover the expected replacement costs without any additional funding.  
13 Accordingly, I have eliminated the current funding level of \$2 million per year. For  
14 additional detail, please refer to the testimony of Gregg Giasson.

15

16 **Q. How did you adjust City Services expense on HJS-12?**

17 A. As Mr. Caruolo indicates in his testimony, the payment for City Services was last  
18 adjusted in 2007. Examining the increase in the consumer price index for all urban  
19 consumers (excluding food and energy) the change exceeded 50% over this same period.  
20 Accordingly, Providence Water has proposed an increase of 50% to City Services  
21 expense for FY 2026. This would increase City Services expense from \$839,167 to  
22 \$1,258,750.

23

24 **Q. How did you adjust any expenses for anticipated inflation in the rate years on**  
25 **HJS-11?**

26 A. I incorporated adjustments of 2.4% and 2.3% for FY 2025 and FY 2026 (4.76%  
27 compounded) and 2.3% for FY 2027. These adjustments were applied to any operating  
28 expenses not specifically adjusted as described above. The adjustments are based on core  
29 (excluding food and energy) inflation projections developed by the Federal Reserve Bank  
30 of Philadelphia's *Survey of Professional Forecasters*.

1 **Q. Did you adjust Providence Water's reserve funding to reflect the increased**  
2 **expenses on HJS10j?**

3 A. Yes. I increased funding for the 0.5% restricted and 1.5% unrestricted reserves based  
4 on the proposed revenue requirement increases described above.

5

6 **Q. Please describe the \$75,000 increase to miscellaneous revenues related to NBC on**  
7 **HJS-1**

8 A. As indicated in the testimony of Mr. Caruolo, Providence Water currently charges  
9 NBC \$25,000 annually for meter reading services that NBC uses to bill customers for  
10 wastewater service. Providence Water has proposed increasing this fee to \$100,000  
11 annually, starting in FY 2026. Accordingly, I have increased miscellaneous revenues by  
12 \$75,000 to account for the increase in this fee.

13

14 **Q. What are the total rate year revenue requirements in each year, net of**  
15 **miscellaneous revenues?**

16 A. As indicated on HJS-1, the total rate year revenue requirements, net of miscellaneous  
17 revenues are as follows:

- 18 • FY 2026 – \$95,887,653  
19 • FY 2027 – \$98,211,631

20

21 **Q. Does that conclude your testimony?**

22 A. Yes, it does.

## Schedule HJS-1: Cost of Service Summary

Providence Water Supply Board  
Docket # \_\_\_\_\_  
Request for General Rate Relief  
Testimony of Collin A. Drat  
Test Year Ending June 30, 2024  
Rate Years Ending June 30, 2026 and June 30, 2027

Description	Note	Existing Rates FY 2024	FY 24 Adj.	Existing Rates FY 2024	COS Rate Year FY 26 Adj.	COS Rate Year FY 2026	COS Rate Year FY 27 Adj.	COS Rate Year FY 2027
<b>Revenue</b>								
Service Charge		\$ 10,858,543	\$ -	\$ 10,858,543	\$ 2,172,884	\$ 13,031,427	\$ 323,664	\$ 13,355,092
East Smithfield Surcharge		75,597	-	75,597	-	75,597	-	75,597
Johnston Water System Annexation Fee		102,768	-	102,768	-	102,768	-	102,768
Retail Sales		46,276,055	2,906,635	49,182,690	2,698,378	51,881,068	1,268,558	53,149,626
Wholesale Sales		18,386,916	552,786	18,939,702	(775,494)	18,164,208	441,066	18,605,275
Private Fire Protection		4,163,016	-	4,163,016	3,090,472	7,253,487	176,329	7,429,817
Retail FPSC		2,433,077	-	2,433,077	314,768	2,747,845	68,833	2,816,679
Public Fire Protection		1,934,449	-	1,934,449	704,628	2,639,077	64,097	2,703,174
Miscellaneous Revenue	(1)	2,211,215	-	2,211,215	75,000	2,286,215	-	2,286,215
<b>TOTAL REVENUE</b>		<b>\$ 86,441,636</b>	<b>\$ 3,459,421</b>	<b>\$ 89,901,057</b>	<b>\$ 8,280,636</b>	<b>\$ 98,181,693</b>	<b>\$ 2,342,548</b>	<b>\$ 100,524,241</b>
Total Rate Revenues		\$ 84,230,421	\$ 3,459,421	\$ 87,689,842	\$ 8,205,636	\$ 95,895,478	\$ 2,342,548	\$ 98,238,026
<b>Expenses</b>								
<b>Operations</b>								
Operations and Maintenance		\$ 38,750,617	\$ 1,000	\$ 38,751,617	\$ 4,439,185	\$ 43,190,802	\$ 1,988,219	\$ 45,179,021
Insurance		3,295,035	-	3,295,035	1,756,021	5,051,056	-	5,051,056
Chemical & Sludge		3,567,337	-	3,567,337	32,663	3,600,000	-	3,600,000
City Service		839,167	-	839,167	419,583	1,258,750	-	1,258,750
Property Taxes		8,239,048	-	8,239,048	930,270	9,169,318	353,733	9,523,051
Capital Reimbursement		(1,996,489)	-	(1,996,489)	(121,586)	(2,118,076)	(63,542)	(2,181,618)
Net Operations		\$ 52,694,714	\$ 1,000	\$ 52,695,714	\$ 7,456,136	\$ 60,151,850	\$ 2,278,410	\$ 62,430,260
<b>Capital</b>								
Capital Fund		\$ 2,127,000	\$ -	\$ 2,127,000	\$ -	\$ 2,127,000	\$ -	\$ 2,127,000
Western Cranston Fund		40,000	-	40,000	-	40,000	-	40,000
IFR Fund		31,300,000	-	31,300,000	-	31,300,000	-	31,300,000
Meter Replacement Fund		1,000,000	-	1,000,000	-	1,000,000	-	1,000,000
Vehicle/Equipment Fund		1,500,000	-	1,500,000	-	1,500,000	-	1,500,000
Lead Service Replacement Fund		2,000,000	-	2,000,000	(2,000,000)	-	-	-
E. Smithfield Debt Service		75,597	-	75,597	-	75,597	-	75,597
Johnston Annexation Cost		102,768	-	102,768	-	102,768	-	102,768
Revenue Reserve Fund	(2)	424,987	17,270	442,257	26,906	469,163	11,392	480,555
Capital		\$ 38,570,352	\$ 17,270	\$ 38,587,622	\$ (1,973,094)	\$ 36,614,528	\$ 11,392	\$ 36,625,920
<b>TOTAL EXPENSES</b>		<b>\$ 91,265,066</b>	<b>\$ 18,270</b>	<b>\$ 91,283,336</b>	<b>\$ 5,483,042</b>	<b>\$ 96,766,379</b>	<b>\$ 2,289,802</b>	<b>\$ 99,056,180</b>
Operating Reserve (Unrestricted)	(3)	\$ 1,326,757	\$ 15	\$ 1,326,772	\$ 80,717	\$ 1,407,490	\$ 34,176	\$ 1,441,666
Total Including Reserves		\$ 92,591,823	\$ 18,285	\$ 92,610,109	\$ 5,563,759	\$ 98,173,868	\$ 2,323,978	\$ 100,497,846
<b>Net Revenue Requirement</b>		<b>\$ 90,380,609</b>		<b>\$ 90,398,894</b>		<b>\$ 95,887,653</b>		<b>\$ 98,211,631</b>
Revenues Over (Under) Expenses	(4)	\$ (6,150,188)		\$ (2,709,052)		\$ 7,825		\$ 26,395
Total Increase to Break-Even	(5)					9.21%		2.39%
Rate Revenue Increase to Break-Even	(6)					9.36%		2.43%

(1) Miscellaneous revenues increased \$75,000 for increased NBC billing fee. See testimony Ricky Caruolo and Collin Drat.

(2) Revenue Reserve is 0.5% of Net Revenue Requirement Excluding: E. Smithfield Debt Service, Johnston Annexation Cost, Revenue Reserve and Operating Reserve

(3) Operating Reserve is 1.5% of Net Revenue Requirement Excluding: E. Smithfield Debt Service, Johnston Annexation Cost, Revenue Reserve and Operating Reserve

(4) Slight revenue surplus due to rounding

(5) Based on Total Revenues

(6) Rate Revenues Only, Excludes East Smithfield Surcharge and Johnston Water System Annexation

## Schedule HJS-2a: Test-Year Revenue Under Existing Rates

Providence Water Supply Board

Docket # \_\_\_\_\_

Request for General Rate Relief

Testimony of Collin A. Drat

Test Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

Description	Units of Service	Existing Rates	Existing Revenue
<b>Service Charges</b>			
5/8"	57,237	\$ 10.35	\$ 7,108,835
3/4"	12,570	11.03	1,663,765
1"	5,417	13.01	845,702
1.5"	1,535	15.65	288,273
2"	1,367	22.94	376,308
3"	142	76.67	130,646
4"	67	96.57	77,642
6"	109	142.99	187,031
8"	59	196.04	138,796
10"	7	244.12	20,506
12"	6	292.20	21,038
Total Retail Service Charges	78,516		\$ 10,858,543
<b>Fire Protection Service Charge (Providence Only)</b>			
5/8"	25,838	\$ 1.90	\$ 589,106
3/4"	5,005	2.84	170,570
1"	2,144	7.06	181,640
1.5"	903	18.81	203,825
2"	800	45.12	433,152
3"	92	122.17	134,876
4"	47	206.74	116,601
6"	78	422.88	395,816
8"	24	639.01	184,035
10"	2	977.32	23,456
12"		1,616.32	-
Total Retail FPSC (Providence Only)	34,933		\$ 2,433,077
Total Retail Service Charge Revenue			\$ 13,291,620
Description	Units of Service	Existing Rates	Existing Revenue
<b>Retail Consumption Charges</b>			
Residential (HCF)	8,015,430	\$ 3.830	\$ 30,699,097
Commercial (HCF)	3,664,417	4.014	14,708,968
Industrial (HCF)	237,806	3.650	867,990
Total	11,917,652		\$ 46,276,055
East Smithfield Surcharge	215,991	\$ 0.35	\$ 75,597
Johnston Water System Annexation Fee	302,260	\$ 0.34	\$ 102,768
Total Retail Consumption Charge			\$ 46,454,420
<b>Total Retail Revenue</b>			<b>\$ 59,746,040</b>

## Schedule HJS-2a: Test-Year Revenue Under Existing Rates

Providence Water Supply Board  
Docket # \_\_\_\_\_  
Request for General Rate Relief  
Testimony of Collin A. Drat  
Test Year Ending June 30, 2024  
Rate Years Ending June 30, 2026 and June 30, 2027

Description	Units of Service Service	Existing Rates	Existing Revenue
<b>Wholesale Consumption Charges</b>			
Bristol County	1,197,809	\$ 1.618318	\$ 1,938,436
East Providence	1,574,007	1.654429	2,604,082
Greenville	386,010	1.698487	655,632
Kent County	2,686,846	1.615908	4,341,695
Lincoln	1,021,102	1.669560	1,704,790
Smithfield	378,594	1.706054	645,901
Warwick	3,742,121	1.736015	6,496,379
<b>Total Wholesale Revenue</b>	<b>10,986,487</b>		<b>\$ 18,386,916</b>

Description	Units of Service Service	Existing Rates	Existing Revenue
<b>Private Fire Service Charges</b>			
3/4"	1	\$ 11.83	\$ 142
1"	8	13.98	1,342
1.5"	2	17.22	413
2"	73	25.52	22,356
4"	415	109.05	543,069
6"	1,234	177.78	2,632,566
8"	257	269.26	830,398
10"	4	375.10	18,005
12"	19	503.18	114,725
16"		785.75	-
<b>Total</b>	<b>2,013</b>		<b>\$ 4,163,016</b>
Hydrants (Excluding Providence)	3,113	\$ 621.41	\$ 1,934,449
<b>Total Fire Protection Charge Revenue</b>			<b>\$6,097,465</b>

<b>Total Rate Revenues</b>	<b>\$ 84,230,421</b>
Miscellaneous Revenues	\$ 2,211,215
<b>Total Revenues</b>	<b>\$ 86,441,636</b>

## Schedule HJS-2b: Pro-Forma Revenue Under Existing Rates

Providence Water Supply Board  
Docket # \_\_\_\_\_  
Request for General Rate Relief  
Testimony of Collin A. Drat  
Test Year Ending June 30, 2024  
Rate Years Ending June 30, 2026 and June 30, 2027

Description	Units of Service	Adjustment	Note	Adjusted Units of Service	Existing Rates	Existing Revenue
<b>Service Charges</b>						
5/8"	57,237			57,237	\$ 10.35	\$ 7,108,835
3/4"	12,570			12,570	11.03	1,663,765
1"	5,417			5,417	13.01	845,702
1.5"	1,535			1,535	15.65	288,273
2"	1,367			1,367	22.94	376,308
3"	142			142	76.67	130,646
4"	67			67	96.57	77,642
6"	109			109	142.99	187,031
8"	59			59	196.04	138,796
10"	7			7	244.12	20,506
12"	6			6	292.20	21,038
<b>Total Retail Service Charges</b>	<b>78,516</b>	<b>-</b>		<b>78,516</b>		<b>\$ 10,858,543</b>
<b>Fire Protection Service Charge (Providence Only)</b>						
5/8"	25,838			25,838	\$ 1.90	\$ 589,106
3/4"	5,005			5,005	2.84	170,570
1"	2,144			2,144	7.06	181,640
1.5"	903			903	18.81	203,825
2"	800			800	45.12	433,152
3"	92			92	122.17	134,876
4"	47			47	206.74	116,601
6"	78			78	422.88	395,816
8"	24			24	639.01	184,035
10"	2			2	977.32	23,456
12"	-			-	1,616.32	-
<b>Total Retail FPSC (Providence Only)</b>	<b>34,933</b>	<b>-</b>		<b>34,933</b>		<b>\$ 2,433,077</b>
<b>Total Retail Service Charge Revenue</b>						<b>\$ 13,291,620</b>
<b>Retail Consumption Charges</b>						
Residential (HCF)	8,015,430	585,273	(1)	8,600,703	\$ 3.830	\$ 32,940,691
Commercial (HCF)	3,664,417	167,768	(1)	3,832,185	4.014	15,382,390
Industrial (HCF)	237,806	(2,296)	(1)	235,509	3.650	859,609
<b>Total</b>	<b>11,917,652</b>	<b>750,745</b>		<b>12,668,397</b>		<b>\$ 49,182,690</b>
East Smithfield Surcharge	215,991	-		215,991	\$ 0.35	\$ 75,597
Johnston Water System Annexation Fee	302,260	-		302,260	\$ 0.34	\$ 102,768
<b>Total Retail Consumption Charge</b>						<b>\$ 49,361,055</b>
<b>Total Retail Revenue</b>						<b>\$ 62,652,675</b>

## Schedule HJS-2b: Pro-Forma Revenue Under Existing Rates

Providence Water Supply Board  
Docket # \_\_\_\_\_  
Request for General Rate Relief  
Testimony of Collin A. Drat  
Test Year Ending June 30, 2024  
Rate Years Ending June 30, 2026 and June 30, 2027

Description	Units of Service Service	Adjustment	Note	Adjusted Units of Service	Existing Rates	Existing Revenue
<b>Wholesale Consumption Charges</b>						
Bristol County	1,197,809	149,000	(1)	1,346,809	\$ 1.618318	\$ 2,179,565
East Providence	1,574,007	174,357	(1)	1,748,364	1.654429	2,892,544
Greenville	386,010	32,573	(1)	418,583	1.698487	710,957
Kent County	2,686,846	(74,434)	(1)	2,612,412	1.615908	4,221,417
Lincoln	1,021,102	30,343	(1)	1,051,445	1.669560	1,755,450
Smithfield	378,594	18,785	(1)	397,378	1.706054	677,949
Warwick	3,742,121	3,134	(1)	3,745,255	1.736015	6,501,819
<b>Total Wholesale Revenue</b>	<b>10,986,487</b>	<b>333,759</b>		<b>11,320,246</b>		<b>\$ 18,939,702</b>
Wholesale (per million gallons)	8,218	250		8,468	2320.875668	19652116.5
<b>Private Fire Service Charges</b>						
3/4"	1	-		1	\$ 11.83	\$ 142
1"	8	-		8	13.98	1,342
1.5"	2	-		2	17.22	413
2"	73	-		73	25.52	22,356
4"	415	-		415	109.05	543,069
6"	1,234	-		1,234	177.78	2,632,566
8"	257	-		257	269.26	830,398
10"	4	-		4	375.10	18,005
12"	19	-		19	503.18	114,725
16"	-	-		-	785.75	-
<b>Total</b>	<b>2,013</b>	<b>-</b>		<b>2,013</b>		<b>\$ 4,163,016</b>
Hydrants (Excluding Providence)	3113	-		3,113	\$ 621.41	\$ 1,934,449
<b>Total Fire Protection Charge Revenue</b>						<b>\$6,097,465</b>
<b>Total Rate Revenues</b>						<b>\$ 87,689,842</b>
Miscellaneous Revenues						\$ 2,211,215
<b>Total Revenues</b>						<b>\$ 89,901,057</b>

(1) Adjustment to 3 year average of FY 2022 to FY 2024. See testimony of Collin Drat.

## Schedule HJS-3a: Adjustments to Salaries and Wages

Providence Water Supply Board  
 Docket # \_\_\_\_\_  
 Request for General Rate Relief  
 Testimony of Collin A. Drat  
 Test Year Ending June 30, 2024  
 Rate Years Ending June 30, 2026 and June 30, 2027

Description	Note	Amount
<b>TEST YEAR FY 2024</b>		
Pay Periods 1 through 26 for FY 2024		\$ 18,627,208
LESS: 848 (IFR) payroll not charged to operations		(501,834)
<b>TOTAL ANNUALIZED SALARIES FY 2024</b>		<b>\$ 18,125,374</b>
<b>Fiscal Year FY 2025</b>		
Estimated Step Increases FY 2025	(1)	\$ 235,237
3% Contractual Raise 7/1/2024 - per Union Agreement	(2)	543,761
<b>Total Annualized Salaries FY 2025</b>		<b>\$ 18,904,371</b>
<b>RATE YEAR FY 2026</b>		
Estimated Step Increases FY 2026	(1)	\$ 242,294
3% Contractual Raise 7/1/2025 - Estimated	(2)	567,131
<b>Total Annualized Salaries FY 2026</b>		<b>\$ 19,713,796</b>
<b>Rate Year Adjustments (FY 2026)</b>		<b>\$ 1,588,423</b>
<b>RATE YEAR FY 2027</b>		
Estimated Step Increases FY 2027	(1)	\$ 249,562
3% Contractual Raise 7/1/2026 - Estimated	(2)	591,414
<b>Total Annualized Salaries FY 2027</b>		<b>\$ 20,554,772</b>
<b>Rate Year Adjustments (FY 2027)</b>		<b>\$ 840,976</b>

(1) Step increases based on performance and tenure. See testimony of Gregg Giasson and Collin Drat.

(2) FY 2025 per union agreement. FY 2026, FY 2027 estimated. See testimony of Gregg Giasson and Collin Drat.

**Schedule HJS-3b: Adjustments to Salaries and Wages**

Providence Water Supply Board  
 Docket # \_\_\_\_\_  
 Request for General Rate Relief  
 Testimony of Collin A. Drat  
 Test Year Ending June 30, 2024  
 Rate Years Ending June 30, 2026 and June 30, 2027

Account	Description	Adjusted Test Year			Pro-Forma Rate Year (Year 1)		Pro-Forma Rate Year (Year 2)				
		Test Year FY 2024	Test Year FY 24 Adj. 1	Note	Test Year FY 24 Adj.	Rate Year FY 26 Adj. 1	Note	Rate Year FY 2026	Rate Year FY 27 Adj. 1	Note	Rate Year FY 2027
<b>Source of Supply</b>											
60110	Salaries & Wages - Emp	\$ 196,594			\$ 196,594	\$ 19,361	(2)	\$ 215,955	\$ 10,251	(3)	\$ 226,206
60120	Salaries & Wages - Emp	-			-	-		-	-		-
60210	Payroll Clearing -SOSO	-			-	-		-	-		-
60220	Payroll Clearing -SOSM	-			-	-		-	-		-
60520	Overhead Rate Applied -SOSM	-			-	-		-	-		-
<b>Total Source of Supply</b>		<b>\$ 196,594</b>	<b>\$ -</b>		<b>\$ 196,594</b>	<b>\$ 19,361</b>		<b>\$ 215,955</b>	<b>\$ 10,251</b>		<b>\$ 226,206</b>
<b>Water Treatment</b>											
60130	Salaries & Wages - Emp	\$ 2,212,425			\$ 2,212,425	\$ 217,886	(2)	\$ 2,430,311	\$ 115,358	(3)	\$ 2,545,669
60140	Salaries & Wages - Emp	458,475			458,475	45,152	(2)	503,627	23,905	(3)	527,532
<b>Total Water Treatment</b>		<b>\$ 2,670,899</b>	<b>\$ -</b>		<b>\$ 2,670,899</b>	<b>\$ 263,038</b>		<b>\$ 2,933,938</b>	<b>\$ 139,263</b>		<b>\$ 3,073,201</b>
<b>Transmission + Dist. Expense:</b>											
60150	Salaries & Wages - Emp	\$ 866,061			\$ 866,061	\$ 85,292	(2)	\$ 951,353	\$ 45,157	(3)	\$ 996,511
60160	Salaries & Wages - Emp	3,056,209			3,056,209	221,873	(2)	3,278,082	117,469	(3)	3,395,550
60250	Payroll Clearing-T&DO	-			-	-		-	-		-
60260	Payroll Clearing -T&DM	(31,757)	31,757	(1)	-	-		-	-		-
60260	Payroll Clearing -T&DM reclass fr	(187,182)	187,182	(1)	-	-		-	-		-
60550	Overhead Rate Applied-T&DO	-			-	-		-	-		-
60560	Overhead Rate Applied -T&DM	(353,701)	353,701	(1)	-	-		-	-		-
60560	Overhead Rate Applied -T&DM re	(230,666)	230,666	(1)	-	-		-	-		-
<b>Total Transmission + Dist. Expense</b>		<b>\$ 3,118,964</b>	<b>\$ 803,306</b>		<b>\$ 3,922,270</b>	<b>\$ 307,165</b>		<b>\$ 4,229,435</b>	<b>\$ 162,626</b>		<b>\$ 4,392,061</b>
<b>Customer Accounts Expense:</b>											
60170	Salaries & Wages - Emp	\$ 1,839,533			\$ 1,839,533	\$ 118,795	(2)	\$ 1,958,327	\$ 62,895	(3)	\$ 2,021,222
60270	Payroll Clearing -CAO	(237,933)	237,933	(1)	-	-		-	-		-
60570	Overhead Rate Applied-CAO	(395,356)	395,356	(1)	-	-		-	-		-
<b>Total Customer Accounts Expense</b>		<b>\$ 1,206,244</b>	<b>\$ 633,288</b>		<b>\$ 1,839,533</b>	<b>\$ 118,795</b>		<b>\$ 1,958,327</b>	<b>\$ 62,895</b>		<b>\$ 2,021,222</b>
<b>Administrative and General</b>											
60180	Salaries & Wages - Emp	\$ 9,496,078			\$ 9,496,078	\$ 880,063	(2)	\$ 10,376,141	\$ 465,942	(3)	\$ 10,842,082
60280	Payroll Clearing -A&GO	(336,020)	336,020	(1)	-	-		-	-		-
60580	Overhead Rate Applied-A&GO	(223,875)	223,875	(1)	-	-		-	-		-
<b>Total Administrative and General</b>		<b>\$ 8,936,183</b>	<b>\$ 559,895</b>		<b>\$ 9,496,078</b>	<b>\$ 880,063</b>		<b>\$ 10,376,141</b>	<b>\$ 465,942</b>		<b>\$ 10,842,082</b>
<b>Total Salaries and Wages</b>		<b>\$ 16,128,884</b>	<b>\$ 1,996,489</b>		<b>\$ 18,125,374</b>	<b>\$ 1,588,423</b>		<b>\$ 19,713,796</b>	<b>\$ 840,976</b>		<b>\$ 20,554,773</b>
<b>Capital Reimbursement</b>		<b>\$ (1,996,489)</b>	<b>\$ -</b>	<b>(1)</b>	<b>\$ (1,996,489)</b>	<b>\$ (121,586)</b>	<b>(2)</b>	<b>\$ (2,118,076)</b>	<b>\$ (63,542)</b>	<b>(3)</b>	<b>\$ (2,181,618)</b>

(1) Consolidate capitalized labor to single amount for allocation on HJS-14a. See testimony of Collin Drat.  
 (2) Estimated Step Increases, 3.0% contractual increase in FY 2025, Estimated 3% increase in FY 2026. See Schedule HJS-3a and Testimonies of Gregg Giasson and Collin Drat.  
 (3) Estimated Step Increases, Estimated 3% increase in FY 2027. See Schedule HJS-3a and Testimonies of Gregg Giasson and Collin Drat.

## Schedule HJS-4a: Adjustments to Pensions and Other Benefits

Providence Water Supply Board

Docket # \_\_\_\_\_

Request for General Rate Relief

Testimony of Collin A. Drat

Test Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

Description	Adjusted Test Year			Pro-Forma Rate Year (Year 1)			Pro-Forma Rate Year (Year 2)					
	Test Year FY 2024	Test Year FY 24 Adj. 1	Note	Test Year FY 24 Adj.	Rate Year FY 26 Adj. 1	Note	Rate Year FY 26 CPI	Rate Year FY 2026	Rate Year FY 27 Adj. 1	Note	Rate Year FY 27 CPI	Rate Year FY 2027
1033 Union Combined Benefits	\$ 648,080			\$ 648,080	\$ 26,182	(1)	\$ -	\$ 674,263	\$ 13,485	(1)	\$ -	\$ 687,748
Union Pension	862,263			862,263	34,835	(2)	\$ -	897,098	17,942	(2)	\$ -	915,040
Death Benefit Insurance	-			-	-		\$ -	-	-		\$ -	-
Educational Classes/Certification	800			800	-		\$ -	800	-		\$ -	800
Employee Assistance Program	1,579			1,579	1,214	(3)	\$ -	2,793	922	(3)	\$ -	3,715
FICA & Medicare	1,334,498			1,334,498	81,271	(4)	\$ -	1,415,769	42,473	(4)	\$ -	1,458,242
State Unemployment Compensation	-			-	-		\$ -	-	-		\$ -	-
Healthcare EE Cash Payment	-			-	-		\$ -	-	-		\$ -	-
1/2% Wage Assignment	48,163			48,163	1,946	(5)	\$ -	50,109	1,002	(5)	\$ -	51,111
Healthcare	2,645,090			2,645,090	271,122	(6)	\$ -	2,916,212	145,811	(6)	\$ -	3,062,022
Delta Dental	213,587			213,587	13,007	(7)	\$ -	226,594	6,798	(7)	\$ -	233,392
GASB 43/45 Reserve Required	684,500			684,500	55,855	(8)	\$ -	740,355	29,614	(8)	\$ -	769,969
State Retirement	6,396			6,396	656	(9)	\$ -	7,052	353	(9)	\$ -	7,404
City Retirement	4,520,373			4,520,373	463,338	(10)	\$ -	4,983,711	249,186	(10)	\$ -	5,232,897
<b>Total</b>	<b>\$ 10,965,329</b>	<b>\$ -</b>	<b>-</b>	<b>\$ 10,965,329</b>	<b>\$ 949,427</b>	<b>-</b>	<b>\$ -</b>	<b>\$ 11,914,756</b>	<b>\$ 507,565</b>	<b>-</b>	<b>\$ -</b>	<b>\$ 12,422,341</b>

(1) Average Increase Since FY 2022 - 2%. See testimony of Collin Drat.

(2) Average Increase Since FY 2022 - 2%. See testimony of Collin Drat.

(3) Average Increase Since FY 2022 - 33%. See testimony of Collin Drat.

(4) Contractual/Estimated Salary Rate Increases Used - 3%. See testimony of Collin Drat.

(5) Average Increase Since FY 2022 - 2%. See testimony of Collin Drat.

(6) Average Increase Since FY 2022 - 5%. See testimony of Collin Drat.

(7) Average Increase Since FY 2022 - 3%. See testimony of Collin Drat.

(8) Average Increase Since FY 2022 - 4%. See testimony of Collin Drat.

(9) Average increase since FY22 was 10%, but kept the same as City Retirement to be consistent - 5%. See testimony of Collin Drat.

(10) Average Increase Since FY 2022 - 5%. See testimony of Collin Drat.

## Schedule HJS-4b: Adjustment to Pension and Other Benefits

Providence Water Supply Board

Docket # \_\_\_\_\_

Request for General Rate Relief

Testimony of Collin A. Drat

Test Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

Account	Description	Adjusted Test Year			Pro-Forma Rate Year (Year 1)			Pro-Forma Rate Year (Year 2)			
		Test Year FY 2024	Test Year FY 24 Adj. 1	Note	Test Year FY 24 Adj.	Rate Year FY 26 Adj. 1	Note	Rate Year FY 2026	Rate Year FY 27 Adj. 1	Note	Rate Year FY 2027
	<b>Source of Supply</b>										
60410	Employee Pension +Ben -SOSO	\$ 103,565			\$ 103,565	9,947 (1)	\$ 113,512	5,341 (1)	\$ 118,853	(1)	
60420	Employee Pension + Ben -SOSM	-			-	- (1)	-	-	-	(1)	
	<b>Water Treatment Expenses</b>										
60430	Employee Pension+Benefit-WTO	1,176,290			1,176,290	102,706 (1)	1,278,996	54,942 (1)	1,333,938	(1)	
60440	Employee Pension+Benefit-WTM	309,373			309,373	26,156 (1)	335,529	13,978 (1)	349,507	(1)	
	<b>Transmission + Dist. Expense:</b>										
60450	Employee Pension+Benefit-T&DO	516,297			516,297	44,855 (1)	561,152	23,990 (1)	585,142	(1)	
60460	Employee Pension+Benefit-T&DM	1,739,475			1,739,475	143,528 (1)	1,883,003	76,637 (1)	1,959,641	(1)	
	<b>Customer Accounts Expense:</b>										
60470	Employee Pension+Benefit-CAO	1,204,350			1,204,350	102,971 (1)	1,307,320	55,055 (1)	1,362,376	(1)	
	<b>Administrative and General</b>										
60480	Employee Pension+Ben-A&GO	5,915,978			5,915,978	519,264 (1)	6,435,241	277,641 (1)	6,712,883	(1)	
	<b>Total</b>	\$ 10,965,327	\$ -		\$ 10,965,327	\$ 949,427	\$ 11,914,754	\$ 507,585	\$ 12,422,339		

(1) OPEB Adjustments from HJS-4a. See testimony of Collin Drat.

## Schedule HJS-5: Adjustments to Purchased Power Expense

Providence Water Supply Board

Docket # \_\_\_\_\_

Request for General Rate Relief

Testimony of Collin A. Drat

Test Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

Account	Description	Adjusted Test Year			Pro-Forma Rate Year (Year 1)			Pro-Forma Rate Year (Year 2)		
		Test Year FY 2024	Test Year FY 24 Adj. 1	Test Year FY 24 Adj.	Rate Year FY 26 CPI	Note	Rate Year FY 2026	Rate Year FY 27 Adj. 1	Note	Rate Year FY 27 CPI
	<b>Source of Supply</b>									
61010	Purchased Power	\$ -	\$ -	\$ -	\$ -		\$ -		\$ -	
	<b>Total Source of Supply</b>	\$ -	\$ -	\$ -	\$ -		\$ -		\$ -	
	<b>Pumping</b>									
61523	Fuel or Power Purchase -PPO	\$ 508,800	\$ 508,800	\$ 508,800	(1)	\$ 24,194	\$ 532,994	(1)	\$ 12,259	\$ 545,253
	<b>Total Water Treatment</b>	\$ 508,800	\$ 508,800	\$ 508,800		\$ 24,194	\$ 532,994		\$ 12,259	\$ 545,253
	<b>Water Treatment</b>									
61530	Purchased Power-WTO	\$ 168,998	\$ 168,998	\$ 168,998	(1)	\$ 8,036	\$ 177,034	(1)	\$ 4,072	\$ 181,106
61540	Power Purchased -WTM	\$ -	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -
61630	Fuel for Purchased Power-WTO	\$ 306,517	\$ 306,517	\$ 306,517	(1)	\$ 14,575	\$ 321,093	(1)	\$ 7,385	\$ 328,478
	<b>Total Water Treatment</b>	\$ 475,515	\$ 475,515	\$ 475,515		\$ 22,612	\$ 498,127		\$ 11,457	\$ 509,584
	<b>Transmission + Dist. Expense:</b>									
61550	Power Purchased-T&DO	\$ 11,238	\$ 11,238	\$ 11,238	(1)	\$ 534	\$ 11,772	(1)	\$ 271	\$ 12,043
	<b>Total Transmission + Dist. Expense</b>	\$ 11,238	\$ 11,238	\$ 11,238		\$ 534	\$ 11,772		\$ 271	\$ 12,043
	<b>Administrative and General</b>									
61580	Purchased Power-A&GO	\$ 157,104	\$ 157,104	\$ 157,104	(1)	\$ 7,471	\$ 164,574	(1)	\$ 3,785	\$ 168,360
61680	Fuel Or Power Purchased-A&GO	\$ -	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -
	<b>Total Administrative and General</b>	\$ 157,104	\$ 157,104	\$ 157,104		\$ 7,471	\$ 164,574		\$ 3,785	\$ 168,360
	<b>Total Power Expense</b>	\$ 1,152,657	\$ 1,152,657	\$ 1,152,657		\$ 54,811	\$ 1,207,468		\$ 27,772	\$ 1,235,240

(1) Inflation adjustment. See HJS-11 and testimony of Collin Drat

**Schedule HJS-6: Adjustment to Materials, Supplies and Services**

Providence Water Supply Board  
 Docket # \_\_\_\_\_  
 Request for General Rate Relief  
 Testimony of Collin A. Drat  
 Test Year Ending June 30, 2024  
 Rate Years Ending June 30, 2026 and June 30, 2027

Account	Description	Adjusted Test Year			Pro-Forma Rate Year (Year 1)				Pro-Forma Rate Year (Year 2)				
		Test Year FY 2024	Test Year FY 24 Adj. 1	Note	Test Year FY 24 Adj.	Rate Year FY 26 Adj. 1	Note	FY 26 CPI	Rate Year FY 2026	Rate Year FY 27 Adj. 1	Note	FY 27 CPI	Rate Year FY 2022
<b>Source of Supply</b>													
62010	Material and Supplies -SOSO	\$ 979	\$ -		\$ 979	\$ -	(2)	\$ 47	\$ 1,026	\$ -	(2)	\$ 24	\$ 1,049
62020	Material and Supplies - SOSM	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
63110	Contractual Service -Eng-SOSO	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
63120	Contractual Service-Eng-SOSM	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
63610	Contractual Service Other-SOSO	\$ 48,188	\$ -		\$ 48,188	\$ -	(2)	\$ 2,291	\$ 50,479	\$ -	(2)	\$ 1,161	\$ 51,640
63620	Contractual Service Other-SOSM	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
64210	Rental of Equipment-SOSO	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
64220	Rental of Equipment-SOSM	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
65010	Transportation Expense-SOSO	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
65020	Transportation Expense-SOSM	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
67510	Miscellaneous Expenses-SOSO	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
67520	Miscellaneous Expenses-SOSM	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
		\$ 49,167	\$ -		\$ 49,167	\$ -		\$ 2,338	\$ 51,505	\$ -		\$ 1,185	\$ 52,690
<b>Pumping</b>													
63523	Contractual Service Other-PPO	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
<b>Water Treatment Expenses</b>													
62030	Material and Supplies -WTO	\$ 257,635	\$ -		\$ 257,635	\$ -	(2)	\$ 12,251	\$ 269,886	\$ -	(2)	\$ 6,207	\$ 276,093
62040	Material and Supplies -WTM	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
63130	Contractual Service Eng-WTO	\$ 28,050	\$ -		\$ 28,050	\$ -	(2)	\$ 1,334	\$ 29,384	\$ -	(2)	\$ 676	\$ 30,060
63140	Contractual Service Eng-WTM	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
63630	Contractual Service Other-WTO	\$ 645,741	\$ -		\$ 645,741	\$ 380,924	(3)	\$ -	\$ 1,026,664	\$ 7,390	(3)	\$ -	\$ 1,034,054
63640	Contractual Service Other-WTM	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
64230	Rental of Equipment -WTO	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
64240	Rental of Equipment -WTM	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
65030	Transportation Expense-WTO	\$ 5,238	\$ -		\$ 5,238	\$ -	(2)	\$ 249	\$ 5,488	\$ -	(2)	\$ 126	\$ 5,614
67530	Miscellaneous Expenses-WTO	\$ 36,113	\$ 1,000	(1)	\$ 37,113	\$ -	(2)	\$ 1,765	\$ 38,878	\$ -	(2)	\$ 894	\$ 39,772
67540	Miscellaneous Expenses - WTM	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
		\$ 972,777	\$ 1,000		\$ 973,777	\$ 380,924		\$ 15,599	\$ 1,370,300	\$ 7,390		\$ 7,904	\$ 1,385,593
<b>Transmission + Dist. Expense:</b>													
62050	Material and Supplies -T&DO	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
62060	Material and Supplies-T&DM	\$ 536,603	\$ -		\$ 536,603	\$ 275,210	(4)	\$ -	\$ 811,813	\$ 204,078	(4)	\$ -	\$ 1,015,891
63150	Contractual Services Eng-T&DO	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
63160	Contractual Services Eng-T&DM	\$ 40,745	\$ -		\$ 40,745	\$ 9,758	(5)	\$ -	\$ 50,503	\$ 5,750	(5)	\$ -	\$ 56,253
63650	Contractual Service Other-T&DO	\$ 19,093	\$ -		\$ 19,093	\$ -	(2)	\$ 908	\$ 20,001	\$ -	(2)	\$ 460	\$ 20,461
63660	Contractual Service Other-T&DM	\$ 1,777,296	\$ -		\$ 1,777,296	\$ 328,907	(6)	\$ -	\$ 2,106,203	\$ 195,337	(6)	\$ -	\$ 2,301,540
65060	Transportation Expense -T&DM	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
67550	Miscellaneous Exp -T&DO	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
67560	Miscellaneous Exp-T&DM	\$ 43,302	\$ -		\$ 43,302	\$ 5,869	(7)	\$ -	\$ 49,171	\$ 3,269	(7)	\$ -	\$ 52,440
		\$ 2,417,039	\$ -		\$ 2,417,039	\$ 619,743		\$ 908	\$ 3,037,690	\$ 408,434		\$ 460	\$ 3,446,584
<b>Customer Accounts Expense:</b>													
62070	Material and Supplies-CAO	\$ 8,445	\$ -		\$ 8,445	\$ -	(2)	\$ 402	\$ 8,847	\$ -	(2)	\$ 203	\$ 9,050
63670	Contractual Services Other -CAO	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
65070	Transportation Expenses -CAO	\$ 10,653	\$ -		\$ 10,653	\$ -	(2)	\$ 507	\$ 11,160	\$ -	(2)	\$ 257	\$ 11,417
67070	Bad Debt Expense	\$ (119,698)	\$ -		\$ (119,698)	\$ -	(2)	\$ (5,692)	\$ (125,390)	\$ -	(2)	\$ (2,884)	\$ (128,274)
67570	Miscellaneous Expenses-CAO	\$ 1,129,890	\$ -		\$ 1,129,890	\$ 59,164	(8)	\$ -	\$ 1,189,054	\$ 30,851	(8)	\$ -	\$ 1,219,905
		\$ 1,029,291	\$ -		\$ 1,029,291	\$ 59,164		\$ (4,784)	\$ 1,083,671	\$ 30,851		\$ (2,424)	\$ 1,112,099
<b>Administrative and General</b>													
62080	Material and Supplies -A&GO	\$ 510,521	\$ -		\$ 510,521	\$ -	(2)	\$ 24,276	\$ 534,797	\$ -	(2)	\$ 12,300	\$ 547,098
63180	Contractual Service Eng-A&GO	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
63280	Contractual Service Acctg-A&GO	\$ 45,500	\$ -		\$ 45,500	\$ -	(2)	\$ 2,164	\$ 47,664	\$ -	(2)	\$ 1,096	\$ 48,760
63380	Contractual Service Legal-A&GO	\$ 228,858	\$ -		\$ 228,858	\$ 4,194	(9)	\$ -	\$ 233,052	\$ 25,000	(9)	\$ -	\$ 258,052
63480	Contractual Service Mgmt fees-A&GO	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -
63680	Contractual Service Other-A&GO	\$ 1,923,998	\$ -		\$ 1,923,998	\$ 546,485	(10)	\$ -	\$ 2,470,484	\$ 83,086	(10)	\$ -	\$ 2,553,570
64280	Rental of Equipment-A&GO	\$ 42,084	\$ -		\$ 42,084	\$ -	(2)	\$ 2,001	\$ 44,085	\$ -	(2)	\$ 1,014	\$ 45,099
65080	Transportation Expenses-A&GO	\$ 31,852	\$ -		\$ 31,852	\$ -	(2)	\$ 1,515	\$ 33,367	\$ -	(2)	\$ 767	\$ 34,134
67580	Miscellaneous Expenses- A&GO	\$ 734,219	\$ -		\$ 734,219	\$ 127,628	(10)	\$ -	\$ 861,847	\$ -	(10)	\$ 19,822	\$ 881,669
		\$ 3,517,032	\$ -		\$ 3,517,032	\$ 678,307		\$ 29,956	\$ 4,225,295	\$ 108,086		\$ 35,000	\$ 4,368,382
		\$ 7,985,306	\$ 1,000		\$ 7,986,306	\$ 1,738,138		\$ 44,017	\$ 9,768,461	\$ 554,761		\$ 42,125	\$ 10,365,347

(1) Normalizing adjustment. Annual fee invoiced in FY 2024, but processed after 6/30/2024. See testimony of Collin Drat.  
 (2) Inflation adjustment. See HJS-11 and testimony of Collin Drat.  
 (3) Creation and maintenance of lead database platform to comply with state and federal lead regulations. Increased preventative maintenance of generators. See testimony of Collin Drat.  
 (4) T&D Supplies (Tools, Gravel, Asphalt, Paint, Pipe, Valves, Fittings etc). Increases based on FY 21-FY 24 history. See testimony of Collin Drat.  
 (5) Road opening fees in Providence, Cranston and Smithfield. Increases based on FY 21-FY 24 history. See Testimony of Collin Drat.  
 (6) T&D Contract Services (Prof Eng, Garbage, Inspections, Police Details, Street Repair, Dues and Subscriptions). Increases based on FY 21-24 history. See testimony of Collin Drat.  
 (7) Digsafe answering service. Increases based on FY 21-FY 24 history.  
 (8) Increases for Postage (Bills, Collection Letters). See testimony of Collin Drat.  
 (9) Legal services. See testimony of Collin Drat.  
 (10) Software maintenance contracts, fire lane clearing contractor. See testimony of Collin Drat.

## Schedule HJS-7: Adjustment to Regulatory and Rate Case Expense

Providence Water Supply Board  
 Docket # \_\_\_\_\_  
 Request for General Rate Relief  
 Testimony of Collin A. Drat  
 Test Year Ending June 30, 2024  
 Rate Years Ending June 30, 2026 and June 30, 2027

Description	Actuals FY 2024	Note	Rate Year FY 2026	Note	Rate Year FY 2027	Note
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**Regulatory Commission Expense:**

PUC Assessment	\$ 444,270	(1)	\$ 444,270		\$ 444,270	
Legal Matters	37,052	(1)	\$ 37,052		\$ 37,052	
Financial Consultant	1,080	(1)	-		15,000	(2)
Other					-	
<b>Total</b>	<b>\$ 482,403</b>		<b>\$ 481,323</b>		<b>\$ 496,323</b>	

**Rate Case Expense:**

Rate Filing Consultant		(3)	\$ 100,000		\$ 33,333	
Legal		(3)	\$ 135,000		\$ 45,000	
Division		(3)	\$ 80,000		\$ 26,667	
Sub-Total Rate Case Expense			<u>315,000</u>		<u>-</u>	
<b>Three Year Amortization</b>			<b>\$ 105,000</b>		<b>\$ 105,000</b>	

Rate Year Expenses			\$ 586,323		\$ 601,323	
Test Year			<u>\$ 521,953</u>		<u>\$ 586,323</u>	
<b>Rate Year Adjustment</b>			<b>\$ 64,370</b>		<b>\$ 15,000</b>	

(1) Actuals excluding rate case expense. See testimony of Collin Drat.

(2) Estimated cost of FY 2027 compliance filing. See testimony of Collin Drat.

(3) Estimated rate case expense based on historical experience.

## Schedule HJS-8a: Adjustment to Chemicals and Sludge Maintenance Fund

Providence Water Supply Board

Docket # \_\_\_\_\_

Request for General Rate Relief

Testimony of Collin A. Drat

Test Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

Description	Note	Ferric (gal)	Lime (ton)	Chlorine (ton)	Fluoride (gal)	Ascorbic Acid (25kg box)	Orthophosphate Full Scale (gal)
		gpg	gpg	lbs	mg/L	kg	mg/L
Dosing Unit		1.20	1.02	2.16	0.55		3.00
Avg Dose		894,437	1,718	128	49,415		25,779
Estimated Chemical Usage							
FY 2024 Unit Price		\$2.35	\$252.63	\$3,298.00	\$2.21	\$16.00	\$17.69
Approx. Cost		\$2,101,927.0	\$434,018.3	\$422,144.0	\$109,207.2	\$17,200.0	\$456,030.5
FY 2024 Actuals		\$1,983,035.0	\$439,598.0	\$504,594.0	\$110,161.0	\$14,399.0	\$515,550.0
FY 2025 Budget		\$2,383,680.0	\$555,786.0	\$509,541.0	\$126,412.0	\$26,400.0	\$504,000.0
FY24 Chemical Usage		894,437	1,718	128	49,415	1,075	25,779
(FY25 Budget/Unit Price)	(1)	\$ 2.35	\$ 313.63	\$ 3,000.00	\$ 2.69	\$ 14.25	\$ 17.69
FY2025 spending	(2)	\$2,101,926.95	\$ 538,816.34	\$ 384,000.00	\$ 132,926.35	\$ 15,318.75	\$ 456,030.51
(FY26 Budget/Unit Price)	(1)	\$ 2.51	\$ 313.63	\$ 3,000.00	\$ 2.69	\$ 14.25	\$ 17.69
FY2026 spending	(2)	\$2,249,061.84	\$ 538,816.34	\$ 384,000.00	\$ 132,926.35	\$ 15,318.75	\$ 456,030.51
(FY27 Budget/Unit Price)	(1)	\$ 2.69	\$ 313.63	\$ 3,000.00	\$ 2.69	\$ 14.25	\$ 16.37
FY2027 spending	(2)	\$2,406,496.17	\$ 538,816.34	\$ 384,000.00	\$ 132,926.35	\$ 15,318.75	\$ 422,002.23
(FY28 Budget/Unit Price)	(3)	\$ 2.88	\$ 329.31	\$ 3,150.00	\$ 2.82	\$ 14.96	\$ 16.37
FY2028 spending	(2)	\$2,574,950.90	\$ 565,757.16	\$ 403,200.00	\$ 139,572.67	\$ 16,084.69	\$ 422,002.23

(1) FY 2025 to FY 2028 pricing based on contracts/recent bids. See testimony of Gregg Giasson.

(2) FY25-27 chemical usage based off of FY 2024 Usage

(3) FY 2028 unit pricing estimated

## Schedule HJS-8b: Adjustment to Chemicals and Sludge Maintenance Fund

Providence Water Supply Board

Docket # \_\_\_\_\_

Request for General Rate Relief

Testimony of Collin A. Drat

Test Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

Year	Total Chemicals	Professional Engineering	Sludge Maintenance	Project Insp Pump Rentals	Total C&S Maint
FY 2025	\$3,629,019	\$ -	\$ -	\$ -	\$ 3,629,019
FY 2026	\$3,776,154	\$ -	\$ -	\$ -	\$ 3,776,154
FY 2027	\$3,899,560	\$ -	\$ -	\$ -	\$ 3,899,560
FY 2028	\$4,121,568	\$ -	\$ -	\$ -	\$ 4,121,568

Year	Funding Level	Total Uses	Funding Adjustment	Rate Year Funding
FY 2025	\$3,600,000	\$ 3,629,019	\$ (29,019)	\$ 3,600,000
FY 2026	\$3,600,000	\$ 3,776,154	\$ (176,154)	\$ 3,600,000
FY 2027	\$3,600,000	\$ 3,899,560	\$ (299,560)	\$ 3,600,000
FY 2028	\$3,600,000	\$ 4,121,568	\$ (521,568)	\$ 3,600,000

## Schedule HJS-9: Adjustment to Property Taxes

Providence Water Supply Board

Docket # \_\_\_\_\_

Request for General Rate Relief

Testimony of Collin A. Drat

Test Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

Account	Description	Adjusted Test Year			Pro-Forma Rate Year (Year 1)			Pro-Forma Rate Year (Year 2)			
		Test Year FY 2024	Test Year FY 24 Adj. 1	Test Year FY 24 Adj. 1 Note	Test Year FY 24 Adj.	Rate Year FY 26 Adj. 1	Rate Year FY 2026	Rate Year FY 27 Adj. 1	Rate Year FY 2027	Rate Year FY 2027 Note	Actual FY 2025
40820	North Providence	\$ 257,501	\$ -	-	\$ 257,501	\$ 6,168	\$ 263,669	\$ 10,547	\$ 274,216	(2)	\$ 253,528
40821	Glocester	\$ 89,314	\$ -	-	\$ 89,314	\$ 3,288	\$ 92,602	\$ 3,704	\$ 96,306	(2)	\$ 89,040
40822	West Glocester Fire	\$ 4,545	\$ -	-	\$ 4,545	\$ 1,411	\$ 5,955	\$ 238	\$ 6,194	(2)	\$ 5,726
40823	Harmony Fire Dist.	\$ 956	\$ -	-	\$ 956	\$ 100	\$ 1,056	\$ 42	\$ 1,098	(2)	\$ 1,015
40824	Chepachet Fire Dist.	\$ 144	\$ -	-	\$ 144	\$ 12	\$ 156	\$ 6	\$ 162	(2)	\$ 150
40825	Scituate	\$ 7,429,044	\$ -	-	\$ 7,429,044	\$ 604,354	\$ 8,033,398	\$ 321,336	\$ 8,354,734	(2)	\$ 7,724,421
40827	Johnston	\$ 91,596	\$ -	-	\$ 91,596	\$ 3,664	\$ 95,260	\$ 3,810	\$ 99,070	(2)	\$ 91,596
40828	Foster	\$ 287,410	\$ -	-	\$ 287,410	\$ (12,764)	\$ 274,646	\$ 10,986	\$ 285,632	(2)	\$ 264,083
40829	Cranston	\$ 71,599	\$ -	-	\$ 71,599	\$ (2,381)	\$ 69,218	\$ 2,769	\$ 71,987	(2)	\$ 66,556
40830	West Warwick	\$ 6,939	\$ -	-	\$ 6,939	\$ 419	\$ 7,357	\$ 294	\$ 7,652	(2)	\$ 7,075
XXXXX	City of Providence PILOT	\$ -	\$ -	-	\$ -	\$ 326,000	\$ 326,000	\$ -	\$ 326,000	(2)	\$ -
<b>Total</b>		\$ 8,239,048	\$ -	-	\$ 8,239,048	\$ 930,270	\$ 9,169,318	\$ 353,733	\$ 9,523,051		\$ 8,503,190

(1) Adjustment to FY 2025 actual + 4% statutory maximum increase.

FY 2025 Chapachet Fire District not available until Dec 2024, 4% increase used. See testimony of Collin Drat

(2) 4% statutory maximum increase. See testimony of Collin Drat

## Schedule HJS-10a: Restricted Funds - Capital Fund

Providence Water Supply Board

Docket # \_\_\_\_\_

Request for General Rate Relief

Testimony of Collin A. Drat

Test Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

Description	Note	FY 2025	FY 2026	FY 2027	FY 2028
<b>Source of Funds</b>					
Docket 4994		\$ 2,127,000	\$ 2,127,000	\$ 2,127,000	\$ 2,127,000
New Rate Funding			\$ -	\$ -	
Interest earnings		\$ -	\$ -	\$ -	
Principal Forgiveness		\$ 70,663	\$ 72,305	\$ 74,012	\$ 75,917
Carryover funds from prior year estimated		\$ 1,577,944	\$ 1,762,969	\$ 1,948,297	\$ 2,136,293
<b>Total Sources</b>		<b>\$ 3,775,607</b>	<b>\$ 3,962,273</b>	<b>\$ 4,149,309</b>	<b>\$ 4,339,210</b>
<b>Less obligated uses of funds:</b>					
RIIB Debt (P&I)					
RIIB Debt 2015 (P&I)		\$ 2,012,638	\$ 2,013,976	\$ 2,013,017	\$ 2,013,066
Sub-total Debt Service		\$ 2,012,638	\$ 2,013,976	\$ 2,013,017	\$ 2,013,066
Cash Funded Projects		\$ -	\$ -	\$ -	\$ -
<b>Total Uses</b>		<b>\$ 2,012,638</b>	<b>\$ 2,013,976</b>	<b>\$ 2,013,017</b>	<b>\$ 2,013,066</b>
<b>End of Year Balance</b>		<b>\$ 1,762,969</b>	<b>\$ 1,948,297</b>	<b>\$ 2,136,293</b>	<b>\$ 2,326,144</b>

## Schedule HJS-10b: Restricted Funds - Western Cranston Fund

Providence Water Supply Board  
 Docket # \_\_\_\_\_  
 Request for General Rate Relief  
 Testimony of Collin A. Drat  
 Test Year Ending June 30, 2024  
 Rate Years Ending June 30, 2026 and June 30, 2027

Description	Note	FY 2025	FY 2026	FY 2027	FY 2028
<b>Source of Funds</b>					
Docket 4994		\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
New Rate Funding		\$ -	\$ -	\$ -	\$ -
Impact Fees estimated		\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Carryover funds from prior year estimated		\$ 385,008	\$ 460,008	\$ 535,008	\$ 610,008
<b>Total Sources</b>		<b>\$ 460,008</b>	<b>\$ 535,008</b>	<b>\$ 610,008</b>	<b>\$ 685,008</b>
<b>Less obligated uses of funds</b>					
Debt Service Estimate				\$ -	\$ -
Sub-total Debt Service		\$ -	\$ -	\$ -	\$ -
Miscellaneous Expense					
Cash Funded Projects		\$ -	\$ -	\$ -	\$ -
<b>Total Uses</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>End of Year Balance</b>		<b>\$ 460,008</b>	<b>\$ 535,008</b>	<b>\$ 610,008</b>	<b>\$ 685,008</b>

## Schedule HJS-10c: Restricted Funds - IFR Fund

Providence Water Supply Board  
Docket # \_\_\_\_\_  
Request for General Rate Relief  
Testimony of Collin A. Drat  
Test Year Ending June 30, 2024  
Rate Years Ending June 30, 2026 and June 30, 2027

Description	Note	FY 2025	FY 2026	FY 2027	FY 2028
<b>Source of Funds</b>					
Docket 4994		\$ 31,300,000	\$ 31,300,000	\$ 31,300,000	\$ 31,300,000
New Rate Funding		\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenue (incl. Transfer for ESWD DS, Johnst		\$ 177,700	\$ 177,387	\$ 176,994	\$ 182,426
Interest earnings		\$ -	\$ -	\$ -	\$ -
Principal Forgiveness		\$ 1,253,771	\$ 1,744,499	\$ 2,280,677	\$ 2,538,804
Carryover funds from prior year estimated		\$ 25,311,137	\$ 2,555,506	\$ 1,470,249	\$ 12,337,937
<b>Total Sources</b>		<b>\$ 58,042,609</b>	<b>\$ 35,777,392</b>	<b>\$ 35,227,920</b>	<b>\$ 46,359,167</b>
<b>Less obligated uses of funds:</b>					
East Smithfield RIIB 2008 (P&I)		\$ 11,925	\$ 11,575	\$ 11,225	\$ 15,788
East Smithfield RIIB 2013 (P&I)		\$ 40,775	\$ 40,812	\$ 40,769	\$ 41,638
RIIB \$35M 2008 (P&I)		\$ 2,434,293	\$ 2,433,305	\$ 2,430,773	\$ 2,429,607
RIIB (Arra) \$9.3M 2009 (P&I)		\$ 606,726	\$ 611,019	\$ 614,670	\$ 618,716
RIIB \$25M 2013 (P&I)		\$ 1,606,593	\$ 1,606,705	\$ 1,606,871	\$ 1,320,318
RIIB \$8M 2014 (P&I)		\$ 519,908	\$ 519,789	\$ 519,451	\$ 519,903
RIIB \$16.3M 2017 (P&I)		\$ 1,081,989	\$ 1,081,375	\$ 1,082,417	\$ 1,082,715
RIIB \$14.7M 2019 (P&I)		\$ 934,595	\$ 933,950	\$ 933,734	\$ 933,884
RIIB \$19.1M 2020 (P&I)		\$ 1,065,453	\$ 1,068,230	\$ 1,071,413	\$ 1,075,941
RIIB \$22M 2022 (P&I)		\$ 1,303,653	\$ 1,303,278	\$ 1,302,639	\$ 1,301,508
RIIB \$5.5M 2023 Efficient Bldng (P&I)		\$ 440,847	\$ 439,067	\$ 438,514	\$ 437,870
RIIB \$5.5M 2023 Water Main (P&I)		\$ 344,200	\$ 351,230	\$ 352,062	\$ 353,920
RIIB \$26M 2024 (P)		\$ 1,041,146	\$ 1,106,759	\$ 1,134,811	\$ 1,153,394
Debt Service (projected bonds)		\$ -	\$ 1,013,381	\$ 2,477,301	\$ 4,674,587
Sub-total Debt Service		<b>\$ 11,432,102</b>	<b>\$ 12,520,476</b>	<b>\$ 14,016,650</b>	<b>\$ 15,959,789</b>
Cash Funded Projects		<b>\$ 44,055,000</b>	<b>\$ 21,786,667</b>	<b>\$ 8,873,333</b>	<b>\$ 7,560,000</b>
<b>Total Uses</b>		<b>\$ 55,487,102</b>	<b>\$ 34,307,143</b>	<b>\$ 22,889,983</b>	<b>\$ 23,519,789</b>
<b>End of Year Balance - Cash Balance Carry Fwd.</b>		<b>\$ 2,555,506</b>	<b>\$ 1,470,249</b>	<b>\$ 12,337,937</b>	<b>\$ 22,839,378</b>
<b>Bond Funding Activity</b>					
Bond Proceeds		\$ 25,952,755	\$ 72,350,002	\$ 134,147,312	\$ 218,989,191
Cost of Issuance		\$ -	\$ 1,847,245	\$ 347,245	\$ 1,847,245
Bond Funded Projects		\$ 33,816,302	\$ 60,502,757	\$ 143,800,067	\$ 207,141,946
Carryover Bond Proceeds		\$ 7,863,547	\$ -	\$ 10,000,000	\$ -
<b>Net Bond funding</b>		<b>\$ -</b>	<b>\$ 10,000,000</b>	<b>\$ -</b>	<b>\$ 10,000,000</b>

(1) See testimony of Gregg Giasson.

**Schedule HJS-10d: Restricted Funds - AMR/Meter Replacement Fund**

Providence Water Supply Board  
 Docket # \_\_\_\_\_  
 Request for General Rate Relief  
 Testimony of Collin A. Drat  
 Test Year Ending June 30, 2024  
 Rate Years Ending June 30, 2026 and June 30, 2027

Description	Note	FY 2025	FY 2026	FY 2027	FY 2028
<b>Source of Funds</b>					
Docket 4994		\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
New Rate Funding					
East Smithfield Surcharge		\$ 82,451	\$ 75,597	\$ 75,597	\$ 75,597
Interest/Miscellaneous Revenue		\$ -	\$ -	\$ -	
Principal Forgiveness		\$ 8,350			
Carryover funds from prior year estimated		\$ 1,181,559	\$ 921,165	\$ 661,385	\$ 380,015
<b>Total Sources</b>		<b>\$ 2,272,360</b>	<b>\$ 1,996,762</b>	<b>\$ 1,736,981</b>	<b>\$ 1,455,612</b>
<b>Less obligated uses of funds</b>					
East Smithfield RIIB (Arra) \$400,000		\$ 36,555	\$ -	\$ -	
Transfer to IFR for ESWD Debt Service		\$ 52,700	\$ 52,387	\$ 51,994	\$ 57,426
Meter Replacement, Test & Repair		\$ 1,261,940	\$ 1,282,990	\$ 1,304,972	\$ 1,331,070
<b>Total Uses</b>		<b>\$ 1,351,195</b>	<b>\$ 1,335,377</b>	<b>\$ 1,356,966</b>	<b>\$ 1,388,496</b>
<b>End of Year Balance</b>		<b>\$ 921,165</b>	<b>\$ 661,385</b>	<b>\$ 380,015</b>	<b>\$ 67,116</b>

## Schedule HJS-10e: Restricted Funds - Equipment/Vehicle Replacement Fund

Providence Water Supply Board  
 Docket # \_\_\_\_\_  
 Request for General Rate Relief  
 Testimony of Collin A. Drat  
 Test Year Ending June 30, 2024  
 Rate Years Ending June 30, 2026 and June 30, 2027

Description	Note	FY 2025	FY 2026	FY 2027	FY 2028
<b>Source of Funds</b>					
Docket 4994		\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
New Rate Funding		\$ -	\$ -	\$ -	
Miscellaneous Revenue		\$ -	\$ -	\$ -	
Interest		\$ -	\$ -	\$ -	
Carryover funds from prior year estimated		\$ 2,017,893	\$ 1,499,596	\$ 1,274,596	\$ 949,596
<b>Total Sources</b>		<b>\$ 3,517,893</b>	<b>\$ 2,999,596</b>	<b>\$ 2,774,596</b>	<b>\$ 2,449,596</b>
<b>Less obligated uses of funds</b>					
Agric Lanscaping Equip		\$ 191,297	\$ 150,000	\$ 150,000	\$ 150,000
Vehicle and Equipment purchases		\$ 902,000	\$ 650,000	\$ 750,000	\$ 750,000
Computer Equipment purchases		\$ 650,000	\$ 650,000	\$ 650,000	\$ 650,000
Office Furniture purchases		\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Security Equipment		\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Shop & Plant Equipment		\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
<b>Total Uses</b>		<b>\$ 2,018,297</b>	<b>\$ 1,725,000</b>	<b>\$ 1,825,000</b>	<b>\$ 1,825,000</b>
<b>End of Year Balance</b>		<b>\$ 1,499,596</b>	<b>\$ 1,274,596</b>	<b>\$ 949,596</b>	<b>\$ 624,596</b>

(1) See testimony of Gregg Giasson and Collin Drat.

## Schedule HJS-10f: Restricted Funds - Insurance Fund

Providence Water Supply Board  
Docket # \_\_\_\_\_  
Request for General Rate Relief  
Testimony of Collin A. Drat  
Test Year Ending June 30, 2024  
Rate Years Ending June 30, 2026 and June 30, 2027

Description	Note	FY 2025	FY 2026	FY 2027	FY 2028
<b>Source of Funds</b>					
Docket 4994		\$ 2,051,056	\$ 2,051,056	\$ 2,051,056	\$ 2,051,056
New Rate Funding	(1)	\$ -	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Interest		\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Carryover funds from prior year estimated		\$ 823,850	\$ (922,554)	\$ 221,123	\$ 1,251,869
<b>Total Sources</b>		<b>\$ 2,904,906</b>	<b>\$ 4,158,502</b>	<b>\$ 5,302,179</b>	<b>\$ 6,332,925</b>
<b>Less obligated uses of funds</b>					
Property & Casualty		\$ 2,176,464	\$ 2,241,758	\$ 2,309,011	\$ 2,378,281
Workers Compensation		\$ 1,151,566	\$ 1,186,113	\$ 1,221,696	\$ 1,258,347
Injuries & Damages		\$ 204,706	\$ 210,848	\$ 217,173	\$ 223,688
Safety Supplies & Other		\$ 172,724	\$ 173,000	\$ 173,000	\$ 173,000
Program Expense		\$ 122,000	\$ 125,660	\$ 129,430	\$ 133,313
<b>Total Uses</b>		<b>\$ 3,827,460</b>	<b>\$ 3,937,379</b>	<b>\$ 4,050,310</b>	<b>\$ 4,166,629</b>
<b>End of Year Balance</b>		<b>\$ (922,554)</b>	<b>\$ 221,123</b>	<b>\$ 1,251,869</b>	<b>\$ 2,166,296</b>

(1) See testimonies of Ricky Caruolo and Collin Drat.

## Schedule HJS-10g: Restricted Funds - Chemicals and Sludge Maintenance Fund

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Providence Water Supply Board  
 Docket # \_\_\_\_\_  
 Request for General Rate Relief  
 Testimony of Collin A. Drat  
 Test Year Ending June 30, 2024  
 Rate Years Ending June 30, 2026 and June 30, 2027

Description	Note	FY 2025	FY 2026	FY 2027	FY 2028
<b>Source of Funds</b>					
Docket 4994	(1)	\$ 3,600,000	\$ 3,600,000	\$ 3,600,000	\$ 3,600,000
New Rate Funding					
Interest/Misc. Revenue		\$ -	\$ -	\$ -	\$ -
Carryover funds from prior year estimated		\$ 1,166,926	\$ 1,137,907	\$ 961,753	\$ 662,193
<b>Total Sources</b>		<b>\$ 4,766,926</b>	<b>\$ 4,737,907</b>	<b>\$ 4,561,753</b>	<b>\$ 4,262,193</b>
<b>Less obligated uses of funds</b>					
Chemicals		\$ 3,629,019	\$ 3,776,154	\$ 3,899,560	\$ 4,121,568
Professional Engineering/Contractors		\$ -	\$ -	\$ -	\$ -
Miscellaneous Expenses - Project inspections, pump rentals		\$ -	\$ -	\$ -	\$ -
Sludge Maintenance		\$ -	\$ -	\$ -	\$ -
<b>Total Uses</b>		<b>\$ 3,629,019</b>	<b>\$ 3,776,154</b>	<b>\$ 3,899,560</b>	<b>\$ 4,121,568</b>
<b>End of Year Balance</b>		<b>\$ 1,137,907</b>	<b>\$ 961,753</b>	<b>\$ 662,193</b>	<b>\$ 140,626</b>

(1) See testimonies of Gregg Giasson and Collin Drat.

## Schedule HJS-10h: Restricted Funds - Property Tax Refund Fund

Providence Water Supply Board  
 Docket # \_\_\_\_\_  
 Request for General Rate Relief  
 Testimony of Collin A. Drat  
 Test Year Ending June 30, 2024  
 Rate Years Ending June 30, 2026 and June 30, 2027

Description	Note	FY 2025	FY 2026	FY 2027	FY 2028
<b>Source of Funds</b>					
Foster Tax Refund		\$ 187,927			
Interest Income		\$ 18,920			
Carryover funds from prior year estimated		\$ 496,610	\$ 515,530	\$ 515,530	\$ 515,530
<b>Total Sources</b>		<b>\$ 703,457</b>	<b>\$ 515,530</b>	<b>\$ 515,530</b>	<b>\$ 515,530</b>
<b>Less obligated uses of funds</b>					
Reimbursement to operations from Foster refund		\$ 187,927	\$ -	\$ -	\$ -
Water Protection Expenditures					
Transfer to Operations - Legal Fees		\$ -	\$ -	\$ -	\$ -
<b>Total Uses</b>		<b>\$ 187,927</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Use of Property Tax Refund			\$ -	\$ -	\$ -
<b>End of Year Balance</b>		<b>\$ 515,530</b>	<b>\$ 515,530</b>	<b>\$ 515,530</b>	<b>\$ 515,530</b>

## Schedule HJS-10i: Restricted Funds - Private Side Lead Service Replacement

Providence Water Supply Board  
Docket # \_\_\_\_\_  
Request for General Rate Relief  
Testimony of Collin A. Drat  
Test Year Ending June 30, 2024  
Rate Years Ending June 30, 2026 and June 30, 2027

Description	Note	FY 2025	FY 2026	FY 2027	FY 2028
<b>Source of Funds</b>					
Docket 4994		\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
New Rate Funding	(1)		\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)
Loan Proceeds		\$ 5,901,657	\$ 2,100,000	\$ -	
Repayments		\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000
Carryover funds from prior year estimated		\$ 7,065,983	\$ 8,774,494	\$ 8,503,879	\$ 8,357,292
<b>Total Sources</b>		<b>\$ 15,517,640</b>	<b>\$ 11,424,494</b>	<b>\$ 9,053,879</b>	<b>\$ 8,907,292</b>
<b>Less obligated uses of funds</b>					
Project expenditures		\$ 6,297,657	\$ 2,496,000	\$ 396,000	\$ 396,000
New Debt Service			\$ -	\$ -	
RIIB \$3M SDWSRF Series 2020A (P)		\$ 445,489	\$ 424,615	\$ 300,587	\$ 250,163
<b>Total Uses</b>		<b>\$ 6,743,146</b>	<b>\$ 2,920,615</b>	<b>\$ 696,587</b>	<b>\$ 646,163</b>
<b>End of Year Balance</b>		<b>\$ 8,774,494</b>	<b>\$ 8,503,879</b>	<b>\$ 8,357,292</b>	<b>\$ 8,261,129</b>

(1) See testimony of Gregg Giasson and Collin Drat.

## Schedule HJS-10j: Restricted Funds - Revenue Reserve Fund

Providence Water Supply Board  
 Docket # \_\_\_\_\_  
 Request for General Rate Relief  
 Testimony of Collin A. Drat  
 Test Year Ending June 30, 2024  
 Rate Years Ending June 30, 2026 and June 30, 2027

Description	Note	FY 2025	FY 2026	FY 2027	FY 2028
<b>Source of Funds</b>					
Docket 4994		\$ 424,987	\$ 424,987	\$ 424,987	\$ 424,987
New Rate Funding	(1)	\$	44,176	\$ 55,568	\$ 55,568
Interest Revenue		-	-	-	-
Carryover funds from prior year estimated		\$ 1,061,060	\$ 1,486,047	\$ 1,955,210	\$ 2,435,765
<b>Total Sources</b>		<b>\$ 1,486,047</b>	<b>\$ 1,955,210</b>	<b>\$ 2,435,765</b>	<b>\$ 2,916,321</b>
<b>Less obligated uses of funds</b>					
Transfer to Restricted Funds		\$ -	\$ -	\$ -	\$ -
<b>Total Uses</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>End of Year Balance</b>		<b>\$ 1,486,047</b>	<b>\$ 1,955,210</b>	<b>\$ 2,435,765</b>	<b>\$ 2,916,321</b>

(1) See testimony of Collin Drat.

## Schedule HJS-11: Inflation Adjustment

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Providence Water Supply Board

Docket # \_\_\_\_\_

Request for General Rate Relief

Testimony of Collin A. Drat

Test Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

Description	Note	Rate Year FY 26 CPI	Rate Year FY 27 CPI
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Core CPI

% Change (1)

4.76%

2.30%

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(1) Philadelphia Federal Reserve

2024 Q3 Survey of Professional Forecasters Core CPI forecast for 2025 and 2026

<https://www.philadelphiafed.org/surveys-and-data/real-time-data-research/spf-q3-2024>

See testimony of Collin Drat

**Schedule HJS-12: Rate Year Revenue Requirements**

Providence Water Supply Board

Docket #

Request for General Rate Relief

Testimony of Collin A. Drat

Test Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

Account	Description	Adjusted Test Year			Pro-Forma Rate Year (Year 1)			Pro-Forma Rate Year (Year 2)			
		Test Year FY 2024	Test Year FY 24 Adj. 1	Note	Test Year FY 24 Adj.	Rate Year FY 26	Rate Year FY 26 CPI	Note	Rate Year FY 27 Adj. 1	Rate Year FY 27 CPI	Note
<b>Operation and Maintenance</b>											
<b>Source of Supply</b>											
60110	Salary + Wages -SOSO	\$ 196,594	-	(1)	\$ 196,594	19,361	(1)	\$ 215,955	10,251	(1)	\$ 226,206
60120	Salary + Wages -SOSM	\$ -	-	(1)	\$ -	-	(1)	\$ -	-	(1)	\$ -
60210	Payroll Clearing -SOSO	\$ -	-	(1)	\$ -	-	(1)	\$ -	-	(1)	\$ -
60220	Payroll Clearing -SOSM	\$ -	-	(1)	\$ -	-	(1)	\$ -	-	(1)	\$ -
60410	Employee Pension +Ben -SOSO	\$ 103,565	-	(2)	\$ 103,565	9,947	(2)	\$ 113,512	5,341	(2)	\$ 118,853
60420	Employee Pension + Ben -SOSM	\$ -	-	(2)	\$ -	-	(2)	\$ -	-	(2)	\$ -
60520	Overhead Rate Applied -SOSM	\$ -	-	(1)	\$ -	-	(1)	\$ -	-	(1)	\$ -
61010	Purchased Power	\$ -	-	(3)	\$ -	-	(3)	\$ -	-	(3)	\$ -
62010	Material and Supplies -SOSO	\$ 979	-	(4)	\$ 979	-	(4)	\$ 1,026	-	(4)	\$ 1,049
62020	Material and Supplies - SOSM	\$ -	-	(4)	\$ -	-	(4)	\$ -	-	(4)	\$ -
63110	Contractual Service -Eng-SOSO	\$ -	-	(4)	\$ -	-	(4)	\$ -	-	(4)	\$ -
63120	Contractual Service-Eng-SOSM	\$ -	-	(4)	\$ -	-	(4)	\$ -	-	(4)	\$ -
63610	Contractual Service Other-SOSO	\$ 48,188	-	(4)	\$ 48,188	-	(4)	\$ 50,479	-	(4)	\$ 51,640
63620	Contractual Service Other-SOSM	\$ -	-	(4)	\$ -	-	(4)	\$ -	-	(4)	\$ -
64210	Rental of Equipment-SOSO	\$ -	-	(4)	\$ -	-	(4)	\$ -	-	(4)	\$ -
64220	Rental of Equipment-SOSM	\$ -	-	(4)	\$ -	-	(4)	\$ -	-	(4)	\$ -
65010	Transportation Expense-SOSO	\$ -	-	(4)	\$ -	-	(4)	\$ -	-	(4)	\$ -
65020	Transportation Expense-SOSM	\$ -	-	(4)	\$ -	-	(4)	\$ -	-	(4)	\$ -
67510	Miscellaneous Expenses-SOSO	\$ -	-	(4)	\$ -	-	(4)	\$ -	-	(4)	\$ -
67520	Miscellaneous Expenses-SOSM	\$ -	-	(4)	\$ -	-	(4)	\$ -	-	(4)	\$ -
	Total Source of Supply Expense	\$ 349,326	-	(4)	\$ 349,326	29,308	(4)	\$ 380,972	15,591	(4)	\$ 397,748
<b>Pumping Expenses</b>											
61523	Fuel or Power Purchase -PPO	\$ 508,800	-	(3)	\$ 508,800	-	(3)	\$ 532,994	-	(3)	\$ 545,253
63523	Contractual Service Other-PPO	\$ -	-	(4)	\$ -	-	(4)	\$ -	-	(4)	\$ -
	Total Pumping Expenses	\$ 508,800	-	(4)	\$ 508,800	-	(4)	\$ 532,994	-	(4)	\$ 545,253

### Schedule HJS-12: Rate Year Revenue Requirements

Providence Water Supply Board  
 Docket #  
 Request for General Rate Relief  
 Testimony of Collin A. Drat  
 Test Year Ending June 30, 2024  
 Rate Years Ending June 30, 2026 and June 30, 2027

Account	Description	Test Year			Adjusted Test Year			Pro-Forma Rate Year (Year 1)			Pro-Forma Rate Year (Year 2)			
		FY 2024	FY 24 Adj. 1	Note	FY 24 Adj. 1	Note	FY 26 Adj. 1	Note	FY 26 CPI	Rate Year FY 2026	Rate Year FY 27 Adj. 1	Note	Rate Year FY 27 CPI	Rate Year FY 2027
<b>Water Treatment Expenses</b>														
60130	Salary + Wages -WTO	\$ 2,212,425	\$ -	(1)	\$ 2,212,425	\$ 217,886	(1)	\$ 2,430,311	\$ 115,358	(1)	\$ 2,545,669	-	-	\$ 2,545,669
60140	Salary + Wages - WTM	\$ 458,475	\$ -	(1)	\$ 458,475	\$ 45,152	(1)	\$ 503,627	\$ 23,905	(1)	\$ 527,532	-	-	\$ 527,532
60430	Employee Pension+Benefit-WTO	\$ 1,176,290	\$ -	(2)	\$ 1,176,290	\$ 102,706	(2)	\$ 1,278,996	\$ 54,942	(2)	\$ 1,333,938	-	-	\$ 1,333,938
60440	Employee Pension+Benefit-WTM	\$ 309,373	\$ -	(2)	\$ 309,373	\$ 26,156	(2)	\$ 335,529	\$ 13,978	(2)	\$ 349,507	-	-	\$ 349,507
61530	Purchased Power-WTO	\$ 168,998	\$ -	(3)	\$ 168,998	\$ -	(3)	\$ 177,034	\$ -	(3)	\$ 181,106	4,072	-	\$ 181,106
61540	Power Purchased -WTM	\$ -	\$ -	(3)	\$ -	\$ -	(3)	\$ -	\$ -	(3)	\$ -	-	-	\$ -
61630	Fuel for Purchased Power-WTO	\$ 306,517	\$ -	(3)	\$ 306,517	\$ -	(3)	\$ 321,093	\$ -	(3)	\$ 328,478	7,385	-	\$ 328,478
62030	Material and Supplies -WTO	\$ 257,635	\$ -	(4)	\$ 257,635	\$ -	(4)	\$ 289,886	\$ -	(4)	\$ 276,093	6,207	-	\$ 276,093
62040	Material and Supplies -WTM	\$ -	\$ -	(4)	\$ -	\$ -	(4)	\$ -	\$ -	(4)	\$ -	-	-	\$ -
63130	Contractual Service Eng-WTO	\$ 28,050	\$ -	(4)	\$ 28,050	\$ -	(4)	\$ 29,384	\$ -	(4)	\$ 30,060	676	-	\$ 30,060
63140	Contractual Service Eng-WTM	\$ -	\$ -	(4)	\$ -	\$ -	(4)	\$ -	\$ -	(4)	\$ -	-	-	\$ -
63630	Contractual Service Other-WTO	\$ 645,741	\$ -	(4)	\$ 645,741	\$ 380,924	(4)	\$ 1,026,664	\$ 7,390	(4)	\$ 1,034,054	-	-	\$ 1,034,054
63640	Contractual Service Other-WTM	\$ -	\$ -	(4)	\$ -	\$ -	(4)	\$ -	\$ -	(4)	\$ -	-	-	\$ -
64230	Rental of Equipment -WTO	\$ -	\$ -	(4)	\$ -	\$ -	(4)	\$ -	\$ -	(4)	\$ -	-	-	\$ -
64240	Rental of Equipment -WTM	\$ -	\$ -	(4)	\$ -	\$ -	(4)	\$ -	\$ -	(4)	\$ -	-	-	\$ -
65030	Transportation Expense-WTO	\$ 5,238	\$ -	(4)	\$ 5,238	\$ -	(4)	\$ 5,488	\$ -	(4)	\$ 5,614	126	-	\$ 5,614
67530	Miscellaneous Expenses-WTO	\$ 36,113	\$ 1,000	(4)	\$ 37,113	\$ -	(4)	\$ 1,765	\$ -	(4)	\$ 39,772	894	-	\$ 39,772
67540	Miscellaneous Expenses - WTM	\$ -	\$ -	(4)	\$ -	\$ -	(4)	\$ -	\$ -	(4)	\$ -	-	-	\$ -
	Total Treatment Expense	\$ 5,604,854	\$ 1,000	(4)	\$ 5,605,854	\$ 772,825	(4)	\$ 6,416,889	\$ 215,573	(4)	\$ 6,651,823	19,361	-	\$ 6,651,823
<b>Transmission + Dist. Expense:</b>														
60150	Salary + Wages -T&DO	\$ 866,061	\$ -	(1)	\$ 866,061	\$ 85,292	(1)	\$ 951,353	\$ 45,157	(1)	\$ 996,511	-	-	\$ 996,511
60160	Salary + Wages -T&DM	\$ 3,056,209	\$ -	(1)	\$ 3,056,209	\$ 221,873	(1)	\$ 3,278,082	\$ 117,469	(1)	\$ 3,395,550	-	-	\$ 3,395,550
60250	Payroll Clearing-T&DO	\$ -	\$ -	(1)	\$ -	\$ -	(1)	\$ -	\$ -	(1)	\$ -	-	-	\$ -
60260	Payroll Clearing -T&DM	\$ (31,757)	\$ 31,757	(1)	\$ -	\$ -	(1)	\$ -	\$ -	(1)	\$ -	-	-	\$ -
60260.1	Payroll Clearing -T&DM reclass from FY23	\$ (187,182)	\$ 187,182	(1)	\$ -	\$ -	(1)	\$ -	\$ -	(1)	\$ -	-	-	\$ -
60450	Employee Pension+Benefit-T&DO	\$ 516,297	\$ -	(2)	\$ 516,297	\$ 44,855	(2)	\$ 561,152	\$ 23,990	(2)	\$ 585,142	-	-	\$ 585,142
60460	Employee Pension+Benefit-T&DM	\$ 1,739,475	\$ -	(2)	\$ 1,739,475	\$ 143,528	(2)	\$ 1,883,003	\$ 76,637	(2)	\$ 1,959,641	-	-	\$ 1,959,641
60550	Overhead Rate Applied-T&DO	\$ -	\$ -	(1)	\$ -	\$ -	(1)	\$ -	\$ -	(1)	\$ -	-	-	\$ -
60560	Overhead Rate Applied -T&DM	\$ (353,701)	\$ 353,701	(1)	\$ -	\$ -	(1)	\$ -	\$ -	(1)	\$ -	-	-	\$ -
60560.1	Overhead Rate Applied -T&DM reclass from FY23	\$ (230,666)	\$ 230,666	(1)	\$ -	\$ -	(1)	\$ -	\$ -	(1)	\$ -	-	-	\$ -
61550	Power Purchased-T&DO	\$ 11,238	\$ -	(3)	\$ 11,238	\$ -	(3)	\$ 11,772	\$ -	(3)	\$ 12,043	271	-	\$ 12,043
62050	Material and Supplies -T&DO	\$ -	\$ -	(4)	\$ -	\$ -	(4)	\$ -	\$ -	(4)	\$ -	-	-	\$ -
62060	Material and Supplies-T&DM	\$ 536,603	\$ -	(4)	\$ 536,603	\$ 275,210	(4)	\$ 811,813	\$ 204,078	(4)	\$ 1,015,891	-	-	\$ 1,015,891
63150	Contractual Services Eng-T&DO	\$ -	\$ -	(4)	\$ -	\$ -	(4)	\$ -	\$ -	(4)	\$ -	-	-	\$ -
63160	Contractual Services Eng-T&DM	\$ 40,745	\$ -	(4)	\$ 40,745	\$ 9,758	(4)	\$ 50,503	\$ 5,750	(4)	\$ 56,253	-	-	\$ 56,253
63650	Contractual Service Other-T&DO	\$ 19,093	\$ -	(4)	\$ 19,093	\$ -	(4)	\$ 20,001	\$ -	(4)	\$ 20,461	460	-	\$ 20,461
63660	Contractual Service Other-T&DM	\$ 1,777,296	\$ -	(4)	\$ 1,777,296	\$ 328,907	(4)	\$ 2,106,203	\$ 195,337	(4)	\$ 2,301,540	-	-	\$ 2,301,540
65060	Transportation Expense -T&DM	\$ -	\$ -	(4)	\$ -	\$ -	(4)	\$ -	\$ -	(4)	\$ -	-	-	\$ -
67550	Miscellaneous Exp -T&DO	\$ 43,302	\$ -	(4)	\$ 43,302	\$ 5,869	(4)	\$ 49,171	\$ 3,269	(4)	\$ 52,440	-	-	\$ 52,440
67560	Miscellaneous Exp-T&DM	\$ 7,803,013	\$ 803,306	(4)	\$ 8,606,319	\$ 1,115,291	(4)	\$ 9,723,053	\$ 671,887	(4)	\$ 10,395,471	731	-	\$ 10,395,471
	Total Transmission & Distribution	\$ 7,803,013	\$ 803,306	(4)	\$ 8,606,319	\$ 1,115,291	(4)	\$ 9,723,053	\$ 671,887	(4)	\$ 10,395,471	731	-	\$ 10,395,471

### Schedule HJS-12: Rate Year Revenue Requirements

Providence Water Supply Board

Docket # \_\_\_\_\_

Request for General Rate Relief

Testimony of Collin A. Drat

Test Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

Account	Description	Adjusted Test Year			Pro-Forma Rate Year (Year 1)			Pro-Forma Rate Year (Year 2)			
		Test Year FY 2024	Test Year FY 24 Adj. 1	Test Year FY 24 Adj. 1	Rate Year FY 26 Adj. 1	Rate Year FY 26 CPI	Rate Year FY 2026	Rate Year FY 27 Adj. 1	Rate Year FY 27 CPI	Rate Year FY 2027	
<b>Customer Accounts Expense:</b>											
60170	Salary+Wages-CAO	\$ 1,839,533	-	\$ 1,839,533	\$ 118,795	(1)	\$ -	\$ 62,895	(1)	\$ -	\$ 2,021,222
60270	Payroll Clearing -CAO	\$ (237,933)	\$ 237,933	\$ -	\$ -	(1)	\$ -	\$ -	(1)	\$ -	\$ -
60470	Employee Pension+Benefit-CAO	\$ 1,204,350	-	\$ 1,204,350	\$ 102,971	(2)	\$ -	\$ 55,055	(2)	\$ -	\$ 1,362,376
60570	Overhead Rate Applied-CAO	\$ (395,356)	-	\$ -	\$ -	(1)	\$ -	\$ -	(1)	\$ -	\$ -
62070	Material and Supplies-CAO	\$ 8,445	-	\$ 8,445	\$ -	(4)	\$ 402	\$ -	(4)	\$ 203	\$ 9,050
63670	Contractual Services Other -CAO	\$ -	-	\$ -	\$ -	(4)	\$ -	\$ -	(4)	\$ -	\$ -
65070	Transportation Expenses -CAO	\$ 10,653	-	\$ 10,653	\$ -	(4)	\$ 507	\$ -	(4)	\$ -	\$ 11,417
67070	Bad Debt Expense	\$ (119,698)	-	\$ (119,698)	\$ (5,692)	(4)	\$ -	\$ (125,390)	(4)	\$ (2,884)	\$ (128,274)
67570	Miscellaneous Expenses-CAO	\$ 1,129,890	-	\$ 1,129,890	\$ 59,164	(4)	\$ -	\$ 1,189,054	(4)	\$ -	\$ 1,219,905
	<b>Total Customer Accounts</b>	\$ 3,439,895.03	\$ 633,288	\$ 4,073,173	\$ 280,929	(4)	\$ (4,784)	\$ 4,349,319	(4)	\$ (2,424)	\$ 4,495,697
<b>Administrative and General</b>											
60180	Salary+Wages-A&GO	\$ 9,496,078	-	\$ 9,496,078	\$ 880,063	(1)	\$ -	\$ 10,376,141	(1)	\$ -	\$ 10,842,082
60280	Payroll Clearing -A&GO	\$ (336,020)	\$ 336,020	\$ -	\$ -	(1)	\$ -	\$ -	(1)	\$ -	\$ -
60480	Employee Pension+Ben-A&GO	\$ 5,915,978	-	\$ 5,915,978	\$ 519,264	(2)	\$ -	\$ 6,435,241	(2)	\$ -	\$ 6,712,883
60580	Overhead Rate Applied-A&GO	\$ (223,875)	-	\$ -	\$ -	(1)	\$ -	\$ -	(1)	\$ -	\$ -
61580	Purchased Power-A&GO	\$ 157,104	-	\$ 157,104	\$ -	(3)	\$ 7,471	\$ 164,574	(3)	\$ -	\$ 168,360
61680	Fuel Or Power Purchased-A&GO	\$ -	-	\$ -	\$ -	(3)	\$ -	\$ -	(3)	\$ -	\$ -
62080	Material and Supplies -A&GO	\$ 510,521	-	\$ 510,521	\$ -	(4)	\$ 24,276	\$ 534,797	(4)	\$ -	\$ 547,098
63180	Contractual Service Eng-A&GO	\$ -	-	\$ -	\$ -	(4)	\$ -	\$ -	(4)	\$ -	\$ -
63280	Contractual Service Acctg-A&GO	\$ 45,500	-	\$ 45,500	\$ -	(4)	\$ 2,164	\$ 47,664	(4)	\$ -	\$ 48,760
63380	Contractual Service Legal-A&GO	\$ 228,858	-	\$ 228,858	\$ 4,194	(4)	\$ -	\$ 233,052	(4)	\$ -	\$ 258,052
63480	Contractual Service Mgmt fees-A&GO	\$ -	-	\$ -	\$ -	(4)	\$ -	\$ -	(4)	\$ -	\$ -
63680	Contractual Service Other-A&GO	\$ 1,923,998	-	\$ 1,923,998	\$ 546,485	(4)	\$ -	\$ 2,470,484	(4)	\$ -	\$ 2,553,570
64280	Rental of Equipment-A&GO	\$ 42,084	-	\$ 42,084	\$ -	(4)	\$ 2,001	\$ 44,085	(4)	\$ -	\$ 45,099
65080	Transportation Expenses-A&GO	\$ 31,852	-	\$ 31,852	\$ -	(4)	\$ 1,515	\$ 33,367	(4)	\$ 767	\$ 34,134
66780	Regulatory Commission Expense	\$ 521,953	-	\$ 521,953	\$ 64,370	(5)	\$ -	\$ 586,323	(5)	\$ -	\$ 601,323
67580	Miscellaneous Expenses- A&GO	\$ 734,219	-	\$ 734,219	\$ 127,628	(4)	\$ -	\$ 861,847	(4)	\$ -	\$ 881,669
	<b>Total Administration + General</b>	\$ 19,048,249	\$ 559,895	\$ 19,608,144	\$ 2,142,004	(4)	\$ 37,426	\$ 21,787,574	(4)	\$ 38,786	\$ 22,693,029
	<b>Total Operation &amp; Maintenance</b>	\$ 36,754,128	\$ 1,997,489	\$ 38,751,617	\$ 4,340,357	(4)	\$ 98,828	\$ 43,190,802	(4)	\$ 69,897	\$ 45,179,021

### Schedule HJS-12: Rate Year Revenue Requirements

Providence Water Supply Board  
 Docket # \_\_\_\_\_  
 Request for General Rate Relief  
 Testimony of Collin A. Drat  
 Test Year Ending June 30, 2024  
 Rate Years Ending June 30, 2026 and June 30, 2027

Account	Description	Adjusted Test Year			Pro-Forma Rate Year (Year 1)			Pro-Forma Rate Year (Year 2)				
		Test Year FY 2024	Test Year FY 24 Adj. 1	Note	Test Year FY 24 Adj.	Rate Year FY 26 Adj. 1	Note	Rate Year FY 26 CPI	Rate Year FY 27 Adj. 1	Note	Rate Year FY 27 CPI	Rate Year FY 2027
	Source of Supply	\$ 349,326	\$ -		\$ 349,326	\$ 29,308		\$ 380,972	\$ 15,591		\$ 1,185	\$ 397,748
	Pumping	\$ 508,800	\$ -		\$ 508,800	\$ -		\$ 532,994	\$ -		\$ 12,259	\$ 545,253
	Treatment	\$ 5,604,854	\$ 1,000		\$ 6,605,854	\$ 772,825		\$ 6,416,889	\$ 215,573		\$ 19,361	\$ 6,651,823
	Transmission & Distrib.	\$ 7,803,013	\$ 803,306		\$ 8,606,319	\$ 1,115,291		\$ 9,723,053	\$ 671,687		\$ 731	\$ 10,395,471
	Customer Accounts	\$ 3,439,885	\$ 633,288		\$ 4,073,173	\$ 280,929		\$ 4,349,319	\$ 148,801		\$ (2,424)	\$ 4,495,697
	Administration & General	\$ 19,048,249	\$ 559,895		\$ 19,608,144	\$ 2,142,004		\$ 21,787,574	\$ 866,669		\$ 38,786	\$ 22,693,029
	<b>Total Operation &amp; Maintenance</b>	\$ 36,754,128	\$ 1,997,489		\$ 38,751,617	\$ 4,340,357		\$ 43,190,802	\$ 1,918,322		\$ 69,897	\$ 45,179,021
	Capitalized Overheads	\$ 1,996,489	\$ (1,996,489)	(1)	\$ -	\$ -	(1)	\$ -	\$ -	(1)	\$ -	\$ -
	<b>Full Operation &amp; Maint. Operating Fund</b>	\$ 38,750,617	\$ 1,000		\$ 38,751,617	\$ 4,340,357		\$ 43,190,802	\$ 1,918,322		\$ 69,897	\$ 45,179,021
	<b>857 Insurance Fund</b>											
	62080 Material and Supplies -A&GO	\$ -	\$ -	(8)	\$ -	\$ 173,000	(8)	\$ 173,000	\$ -	(8)	\$ -	\$ 173,000
	62080 Injuries and Damages	\$ 149,906	\$ -	(8)	\$ 149,906	\$ 60,942	(8)	\$ 210,848	\$ 6,325	(8)	\$ -	\$ 217,173
	63680 Contract Services - Other A&GO	\$ -	\$ -	(8)	\$ -	\$ -	(8)	\$ -	\$ -	(8)	\$ -	\$ -
	65780 + Ins. Gen. Liability	\$ 2,046,218	\$ -	(8)	\$ 2,046,218	\$ 195,540	(8)	\$ 2,241,758	\$ 67,253	(8)	\$ -	\$ 2,309,011
	65980 Insurance- Other A&GO	\$ 1,087,902	\$ -	(8)	\$ 1,087,902	\$ 98,211	(8)	\$ 1,186,113	\$ 35,583	(8)	\$ -	\$ 1,221,696
	65880 Insurance - W/C	\$ 11,008	\$ -	(8)	\$ 11,008	\$ 114,652	(8)	\$ 125,660	\$ 3,770	(8)	\$ -	\$ 129,430
	67580 Misc. Expense	\$ 3,295,035	\$ -	(8)	\$ 3,295,035	\$ 1,113,677	(8)	\$ 5,051,056	\$ (112,931)	(8)	\$ -	\$ 5,051,056
	Funding Adjustment	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -	\$ -
	<b>Total Insurance Fund</b>	\$ 3,295,035	\$ -		\$ 3,295,035	\$ 1,756,021		\$ 5,051,056	\$ (112,931)		\$ -	\$ 5,051,056
	<b>878 Chemical and Sludge Maintenance Fund</b>											
	61830 Chemicals - WTO	\$ 3,567,337	\$ -	(6)	\$ 3,567,337	\$ 208,817	(6)	\$ 3,776,154	\$ 123,406	(6)	\$ -	\$ 3,899,560
	63130 Contract Services - Eng WTM	\$ -	\$ -	(6)	\$ -	\$ -	(6)	\$ -	\$ -	(6)	\$ -	\$ -
	63640 Contract Services - Other WTM	\$ -	\$ -	(6)	\$ -	\$ -	(6)	\$ -	\$ -	(6)	\$ -	\$ -
	67540 Miscellaneous Expenses - WTM	\$ -	\$ -	(6)	\$ -	\$ -	(6)	\$ -	\$ -	(6)	\$ -	\$ -
	Funding Adjustment	\$ -	\$ -	(6)	\$ -	\$ (176,154)	(6)	\$ (176,154)	\$ (123,406)	(6)	\$ -	\$ (299,560)
	<b>Total Chemical and Sludge Maintenance Fund</b>	\$ 3,567,337	\$ -		\$ 3,567,337	\$ 32,663		\$ 3,600,000	\$ (123,406)		\$ -	\$ 3,600,000
	<b>Total O&amp;M</b>	\$ 45,612,989	\$ 1,000		\$ 45,613,989	\$ 6,129,041		\$ 51,841,858	\$ 1,918,322		\$ 69,897	\$ 53,830,077

## Schedule HJS-12: Rate Year Revenue Requirements

Providence Water Supply Board  
 Docket # \_\_\_\_\_  
 Request for General Rate Relief  
 Testimony of Collin A. Drat  
 Test Year Ending June 30, 2024  
 Rate Years Ending June 30, 2026 and June 30, 2027

Account	Description	Adjusted Test Year				Pro-Forma Rate Year (Year 1)				Pro-Forma Rate Year (Year 2)			
		Test Year FY 2024	Test Year FY 24 Adj. 1	Note	Test Year FY 24 Adj.	Rate Year FY 26 Adj. 1	Note	Rate Year FY 26 CPI	Rate Year FY 2026	Rate Year FY 27 Adj. 1	Note	Rate Year FY 27 CPI	Rate Year FY 2027
<b>Property Taxes- Other Local Governm.</b>													
40820	Town of North Providence	\$ 257,501	\$ -	(7)	\$ 257,501	\$ 6,168	(7)	\$ -	\$ 263,669	\$ 10,547	(7)	\$ -	\$ 274,216
40821	Town of Gloucester	\$ 89,314	\$ -	(7)	\$ 89,314	\$ 3,288	(7)	\$ -	\$ 92,602	\$ 3,704	(7)	\$ -	\$ 96,306
40822	Town of West. Gloucester	\$ 4,545	\$ -	(7)	\$ 4,545	\$ 1,411	(7)	\$ -	\$ 5,955	\$ 238	(7)	\$ -	\$ 6,194
40823	Town Harmony	\$ 956	\$ -	(7)	\$ 956	\$ 100	(7)	\$ -	\$ 1,056	\$ 42	(7)	\$ -	\$ 1,098
40824	Town Chepachet	\$ 144	\$ -	(7)	\$ 144	\$ 12	(7)	\$ -	\$ 156	\$ 6	(7)	\$ -	\$ 162
40825	Town Scituate	\$ 7,429,044	\$ -	(7)	\$ 7,429,044	\$ 604,354	(7)	\$ -	\$ 8,033,398	\$ 321,336	(7)	\$ -	\$ 8,354,734
40827	Town of Johnston	\$ 91,596	\$ -	(7)	\$ 91,596	\$ 3,664	(7)	\$ -	\$ 95,260	\$ 3,810	(7)	\$ -	\$ 99,070
40828	Town of Foster	\$ 287,410	\$ -	(7)	\$ 287,410	\$ (12,764)	(7)	\$ -	\$ 274,646	\$ 10,986	(7)	\$ -	\$ 285,632
40829	City of Cranston	\$ 71,599	\$ -	(7)	\$ 71,599	\$ (2,381)	(7)	\$ -	\$ 69,218	\$ 2,769	(7)	\$ -	\$ 71,987
40830	City of West. Warwick	\$ 6,939	\$ -	(7)	\$ 6,939	\$ 419	(7)	\$ -	\$ 7,357	\$ 294	(7)	\$ -	\$ 7,652
XXXXX	City of Providence PILOT	\$ -	\$ -	(7)	\$ -	\$ 326,000	(7)	\$ -	\$ 326,000	\$ -	(7)	\$ -	\$ 326,000
	Total Property Taxes	\$ 8,239,048	\$ -	(7)	\$ 8,239,048	\$ 930,270	(7)	\$ -	\$ 9,169,318	\$ 353,733	(7)	\$ -	\$ 9,523,051
	Full Operation & Maint.	\$ 45,612,989	\$ 1,000		\$ 45,613,989	\$ 6,129,041		\$ 98,828	\$ 51,841,858	\$ 1,918,322		\$ 69,897	\$ 53,830,077
	City Services	\$ 839,167	\$ -		\$ 839,167	\$ 419,583		\$ -	\$ 1,258,750	\$ -		\$ -	\$ 1,258,750
	Total Property Taxes	\$ 8,239,048	\$ -		\$ 8,239,048	\$ 930,270		\$ -	\$ 9,169,318	\$ 353,733		\$ -	\$ 9,523,051
	Capital Reimbursement	\$ (1,996,489)	\$ -	(1)	\$ (1,996,489)	\$ (121,586)		\$ -	\$ (2,118,076)	\$ (63,542)		\$ -	\$ (2,181,618)
	Total Other Expenditures	\$ 52,694,714	\$ 1,000		\$ 52,695,714	\$ 7,357,309		\$ 98,828	\$ 60,151,850	\$ 2,208,513		\$ 69,897	\$ 62,430,260
<b>Restricted Expenditures</b>													
	Capital Fund	\$ 2,127,000	\$ -	(8)	\$ 2,127,000	\$ -	(8)	\$ -	\$ 2,127,000	\$ -	(8)	\$ -	\$ 2,127,000
	Western Cranston Fund	\$ 40,000	\$ -	(8)	\$ 40,000	\$ -	(8)	\$ -	\$ 40,000	\$ -	(8)	\$ -	\$ 40,000
	IFR Fund	\$ 31,300,000	\$ -	(8)	\$ 31,300,000	\$ -	(8)	\$ -	\$ 31,300,000	\$ -	(8)	\$ -	\$ 31,300,000
	Meter Replacement Fund (Excl. ES Debt)	\$ 1,000,000	\$ -	(8)	\$ 1,000,000	\$ -	(8)	\$ -	\$ 1,000,000	\$ -	(8)	\$ -	\$ 1,000,000
	Vehicle/Equipment Fund	\$ 1,500,000	\$ -	(8)	\$ 1,500,000	\$ -	(8)	\$ -	\$ 1,500,000	\$ -	(8)	\$ -	\$ 1,500,000
	Lead Service Replacement Fund	\$ 2,000,000	\$ -	(8)	\$ 2,000,000	\$ (2,000,000)	(8)	\$ -	\$ -	\$ -	(8)	\$ -	\$ -
	Revenue Reserve Fund	\$ 424,987	\$ 17,270	(8)	\$ 442,257	\$ 26,906	(8)	\$ -	\$ 469,163	\$ 11,392	(8)	\$ -	\$ 480,555
	Total Restricted Expenditures	\$ 38,391,987	\$ 17,270	(8)	\$ 38,409,257	\$ (1,973,094)	(8)	\$ 36,436,163	\$ 36,436,163	\$ 11,392	(8)	\$ 36,447,555	
	<b>Grand Total</b>	\$ 91,086,701	\$ 18,270		\$ 91,104,971	\$ 5,384,214		\$ 96,588,014	\$ 2,219,905			\$ 98,877,815	
	Check	\$ 0	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	

(1) See HJS-3 and testimonies of Gregg Giasson and Collin Drat.  
 (2) See HJS-4 and testimony of Collin Drat.  
 (3) See HJS-5 and testimony of Collin Drat.  
 (4) See HJS-6 and testimony of Collin Drat.  
 (5) See HJS-7 and testimony of Collin Drat.  
 (6) See HJS-8 and testimony of Collin Drat.  
 (7) See HJS-9 and testimonies of Ricky Caruolo Collin Drat.  
 (8) See HJS-10 Restricted Funds. See testimony of Collin Drat.  
 (9) See testimonies of Ricky Caruolo and Collin Drat.  
 (10) See HJS-1 Cost of Service Summary

**TAB 8**

**DIRECT TESTIMONY OF  
HAROLD J. SMITH, VICE PRESIDENT  
RAFTELIS FINANCIAL CONSULTANTS, INC.**

**for  
PROVIDENCE WATER SUPPLY BOARD**

**before the  
PUBLIC UTILITIES COMMISSION**

**Docket No. \_\_\_\_\_**

**November 2024**

**INTRODUCTION**

1 **Q. Please state your name and business address.**

2 A. My name is Harold J. Smith and my business address is 383 Corona Street, Denver,  
3 Colorado 80218.

4  
5 **Q. By whom are you employed and in what capacity?**

6 A. I am a Vice President of Raftelis Financial Consultants, Inc. (Raftelis), a consulting  
7 firm specializing in the areas of water and wastewater finance, pricing and ratemaking.  
8 Raftelis was established in 1993 to provide environmental and management consulting  
9 services to public and private sector clients. Raftelis is a national leader in the  
10 development of water and wastewater rates.

11  
12 **Q. Please describe your educational background and work experience.**

13 A. I obtained a Master of Business Administration from Wake Forest University in 1997  
14 and a Bachelor of Science in Natural Resources from the University of the South in 1987.  
15 As an employee of Raftelis Financial Consultants, I have been involved in numerous  
16 projects for public utilities including a number of studies involving a wide range of  
17 technical specialties including water utility cost of service and rate structure studies and  
18 water utility financial planning studies.

19  
20 **Q. Have you previously testified before any Rhode Island regulatory agencies on  
21 utility rate-related matters?**

22 A. Yes. I provided testimony in the Providence Water Supply Board's (Providence  
23 Water) most recent rate filings with the Rhode Island Public Utilities Commission (PUC  
24 or Commission) (Docket Nos. 3832, 4061, 4070, 4406, 4571, 4618 and 4994). I also  
25 provided testimony for the City of Newport, Utilities Division, Water Department  
26 (Newport Water) in nine previous rate filings (Docket Nos. 3578, 3675, 3818, 4025,  
27 4128, 4243, 4355, 4595 and 4933) and in Newport Water's current filing (Docket No. 24-  
28 30-WW) with the Commission. I have also testified on behalf of the Narragansett Bay  
29 Commission in an application to increase rates before the Commission (Docket

1 No.4890). I have provided testimony on behalf of the Pittsburgh Water and Sewer  
2 Authority (PWSA) before the Pennsylvania Public Utility Commission (PAPUC) in  
3 PWSA's first four water (Docket Nos. R-2018-3002645, R-2020-3017951, R-2021-  
4 3024772 and R-2023-3039920) and wastewater conveyance filings (Docket Nos. R-2018-  
5 3002647, R-2020-3017970 and R-2021-3024774 and R-2023-3039921), and first two  
6 stormwater (Docket No.R-2021-3024779 and R-2023-3039919) rate filings before the  
7 PAPUC. I have testified on behalf of the Consumer Advocate before the Nova Scotia  
8 Utility and Review Board (W-HRWC-R-10) and on behalf of Cecil County, Maryland  
9 before the Maryland Public Service Commission (MPSC) in MPSC Case No. 9190.

10

11 **Q. Do you belong to any professional organizations or committees?**

12 A. Yes. I am a member of the American Water Works Association where I served as  
13 chairman of the Competitive Practices Committee and I am currently a member of the  
14 AWWA Rates and Charges Committee.

15

16 **Q. Please describe your role in this proceeding?**

17 A. I have worked with Providence Water staff to develop a cost of service analysis and  
18 cost of service-based rates and charges.

19

20 **Q. Please describe the purpose of your testimony.**

21 A. This testimony provides an explanation for each cost of service and rate design  
22 schedules attached to my testimony. The schedules present a cost of service analysis and  
23 rate design proposal for Providence Water's Fiscal Year Ending June 30, 2026 (FY 2026).  
24 The schedules also include rates for Fiscal Year Ending June 30, 2027 (FY 2027) based on  
25 an across-the-board increase to all rates proportionate to the overall increase in the revenue  
26 requirement in FY 2027. Collin Drat provides testimony regarding the development of test  
27 year and revenue requirements for FY 2026 and FY 2027.

28

1 **Q. What are your general conclusions?**

2 A. As shown on schedule HJS-1, Providence Water needs additional rate revenue to  
3 properly fund O&M and capital costs related to providing safe and reliable service to its  
4 customers. Providence Water is seeking to address this need through a multi-year rate  
5 increase. The proposed increases in rate revenue, are as follows:

- 6 • FY 2026 – \$8,205,636 (9.36%)
- 7 • FY 2027 – \$2,342,548 (2.43%)

8

9 **Q. Will all rates increase by 9.36% as indicated for FY 2026?**

10 A. No, this represents the increase in rate revenue. Please see HJS-22, which provides a  
11 breakdown of current rates, proposed rates, and the associated percentage changes. Rate  
12 adjustments will vary and are based on the cost of service analysis and rate design  
13 described below.

14

15 **Q. How will the increases in FY 2027 be applied?**

16 A. These adjustments will be applied equally in an across the board fashion to all rates.

17

18 **Q. Please provide a brief description of the schedules referenced in your testimony.**

19 A. For ease of reference, we have retained the format and numbering scheme of  
20 schedules developed during Providence Water's last general rate filing (Docket No.  
21 4994). Collin Drat will be providing testimony relating to the development of the test and  
22 rate year revenue requirements and will address Schedules HJS-1 through HJS-12. The  
23 cost of service and rate design schedules are as follow:

24

25 **1. Cost of Service Analysis Schedules:**

- 26 a. **Schedule HJS-13a** shows the development of Factors 1 through 12 and  
27 summarizes the factors which are used to allocate costs to the cost  
28 components of the Providence Water revenue requirement, which are  
29 developed in Schedules HJS-13b through 13g.

- 1           b. **Schedule HJS-13b** indicates the development of Factors 18, 19 and 20  
2           which are used to allocate pump station electric costs and the net book  
3           value of pumping assets to cost components.
- 4           c. **Schedule HJS-13c** indicates the breakdown of the Providence Water  
5           transmission and distribution system by length and diameter.
- 6           d. **Schedule HJS-13d** uses historical data regarding work and service orders  
7           completed by Providence Water employees to develop Factor 21, which is  
8           used to allocate transmission and distribution labor costs to cost  
9           components.
- 10          e. **Schedule HJS-13e** uses historical data regarding contract services to  
11          develop Factor 22, which is used to allocate transmission and distribution  
12          labor contract services costs to cost components.
- 13          f. **Schedule HJS-13f** develops Factors 23 through 26 based on Providence  
14          Water's net plant investment in utility assets. These factors are used to  
15          allocate rate year capital costs to cost components.
- 16          g. **Schedule HJS-13g** develops Factor 27 which is used to allocate the net  
17          book value of Providence Water's Central Operations Facility.
- 18          h. **Schedules HJS-14a and b** indicate the allocation of each component of the  
19          FY 2026 revenue requirement from HJS-12 based on the allocators  
20          indicated in HJS-13a.
- 21          i. **Schedule HJS-15a** indicates historical usage, test year FY 2024 usage and  
22          pro-forma usage for the rate year FY 2026.
- 23          j. **Schedule HJS-15b** assigns non-revenue water to retail and wholesale  
24          customers.
- 25          k. **Schedules HJS-16a, b, c and d** indicate the rate year FY 2026 units of  
26          service by customer class.
- 27          l. **Schedule HJS-17** develops unit cost of service for rate year FY 2026.
- 28          m. **Schedule HJS-18** indicates the distribution of the FY 2026 revenue  
29          requirement to each class of customers based on their respective units of  
30          service.

- 1       **2. Rate Design Schedules:**
- 2           a. **Schedule HJS-19** indicates the calculation of volumetric rates for
- 3                 residential, commercial and wholesale customers.
- 4           b. **Schedule HJS-20a** indicates the calculation of the retail meter service
- 5                 charges.
- 6           c. **Schedule HJS-20b** indicates the development of the City of Providence
- 7                 retail fire protection service charge.
- 8           d. **Schedule HJS-21a** indicates the calculation of the private fire service
- 9                 charge.
- 10          e. **Schedule HJS-21b** indicates the development of hydrant charge.
- 11          f. **Schedule HJS-22** indicates the proposed rates for rate years FY 2026 and
- 12                 FY 2027.
- 13          g. **Schedule HJS-23** indicates comparison of revenues under existing rates to
- 14                 the proposed rates for rate years FY 2026 and FY 2027.
- 15          h. **Schedule HJS-24** indicates a revenue proof which compares the rate year
- 16                 revenue requirement to revenues generated under the proposed rates for
- 17                 rate years FY 2026 to FY 2027.
- 18          i. **Schedule HJS-25** indicates typical bill impacts for residential, commercial
- 19                 and industrial customers.

20

21       **COST OF SERVICE ANALYSIS**

22       **Q. Mr. Smith, which rate year revenue requirement forms the basis for your cost of**

23       **service analysis?**

24       A. The costs included in the FY 2026 revenue requirement form the basis for the cost of

25       service analysis.

26

27       **Q. Please briefly describe the conceptual approach you employed to develop the cost**

28       **of service analysis.**

29       A. I developed the cost of service analysis primarily using the “Base-Extra Capacity

30       Method” (B-EC) as outlined in the American Water Works Association’s Manual M1:

1 “Principles of Rates, Fees and Charges” (M1 Manual). This approach allocates costs to  
2 customer classes in proportion to their use of the Providence Water system. Under this  
3 approach, costs are primarily allocated based on peak demand, both on a maximum day  
4 and maximum hour basis. The rationale for this approach lies in the way a water system  
5 is designed.

6

7 Water systems are designed to deliver water to customers to meet both average and peak  
8 usage demands. Accordingly, treatment, storage, and pumping facilities must be designed  
9 with additional capacity to meet the peak demands, in addition to average demands.

10 Transmission and distribution mains must also be oversized to allow for additional flow  
11 during peak demand periods. The capacity built into Providence Water’s infrastructure  
12 represents an additional cost which is incurred above and beyond what would be the case  
13 if customers used water at the same rate every day and throughout the day.

14

15 Given that additional costs are incurred to provide this additional capacity, the question  
16 then becomes how those costs should be recovered from the users of the water system.

17 The B-EC Method assigns costs to users in proportion to both their average day demands  
18 and their extra capacity demands. For example, costs incurred to provide maximum day  
19 service are allocated to users in proportion to their maximum day usage above and  
20 beyond their average day usage. This approach recovers extra capacity costs from  
21 customers whose extra capacity demands drive the need for a larger water system.

22

23 **Q. Mr. Smith, could you summarize the steps involved in developing a cost of**  
24 **service analysis using the B-EC method?**

25 A. Yes. There are three steps: functionalization, allocation and distribution.

26

27 First, costs are assigned to the functions which Providence Water must perform to deliver  
28 water to customers. In Providence Water’s case, given the use of the National  
29 Association of Regulatory Commissioners (NARUC) chart of accounts, costs are already

1 tracked according to function. These functions are: source of supply, treatment, pumping,  
2 transmission and distribution, customer accounts, and administrative and general.

3

4 Second, these functionalized costs are then allocated to cost components which include:  
5 Base, Max Day, Max Hour, Meters & Services, Billing & Collection, and Direct Fire.

6 These components represent different types of customer demand that drive variations in  
7 the cost of performing each function. For example, source of supply costs are driven by  
8 base demand, or demand on an average day. Higher customer base demand means higher  
9 source of supply costs.

10

11 Finally, costs are distributed to customer classes in proportion to their demand for each  
12 cost component. In other words, once the costs are assigned to Base, Max Day, Max  
13 Hour, Meters & Services, Billing & Collection, and Direct Fire, they can then be assigned  
14 to customer classes in proportion to their units for each cost component. Cost distribution  
15 is accomplished in two steps. First, unit costs are developed by dividing the allocated  
16 costs by the customer class units of service, in total, for that component (e.g., base costs  
17 divided by base demand, billing and collection costs divided by customer bills, etc.).

18 These unit costs are then multiplied, by class, by that class's unit of service to determine  
19 their proportionate share of costs. The result is a distribution of costs to Providence Water  
20 customers in proportion to their use of the system. For example, if residential customers  
21 represent 25% of maximum day demand, they will be allocated 25% of maximum day  
22 costs.

23

24 **Q. Does the cost of service study (COSS) used in this filing follow the same approach**  
25 **as the COSS used in Providence Water's last rate filing, Docket 4994?**

26 A. Four COSS were prepared during Docket 4994.

- 27 • The Original COSS - This is the COSS that was filed with the original rate  
28 application. This COSS allocated costs to wholesale customers as a single class  
29 with one uniform rate.

- 1       • The Amended Settlement Agreement (ASA) COSS – This is the COSS that  
2       incorporated the terms of the ASA and is the basis for the rates currently in effect.  
3       This COSS used the demand characteristics of each individual wholesale  
4       customer to calculate individual wholesale rates.
- 5       • The Compliance Filing COSS – This is the COSS that was submitted for the  
6       Compliance Filing for the second step in Providence Water’s multi-year plan.  
7       This model used hydraulic modeling data to inform the allocation of transmission  
8       and distribution costs to the retail customer classes and each individual wholesale  
9       customer; and
- 10      • The Comm 2 COSS – This is the COSS that was prepared in response to  
11      Commission Data Request 2. This COSS used hydraulic modeling data to inform  
12      the allocation of transmission and distribution costs to the retail customer classes  
13      and two wholesale customer classes, High Service Wholesale (Greenville,  
14      Lincoln and Smithfield) and Low Service Wholesale (Bristol County, East  
15      Providence, Kent County, and Warwick).

16

17      The COSS used for this filing uses the same approach as the Comm 2 COSS. It is a  
18      modified B-EC approach that uses hydraulic modeling data to inform the allocation of  
19      transmission and distribution costs. It develops cost of service rates for all retail customer  
20      classes and two wholesale customer classes: High Service Wholesale and Low Service  
21      Wholesale.

22

23      **Q. Why was this approach chosen for this rate filing?**

24      A. During the proceedings of Docket 4994 it became apparent that the Commission and  
25      at least one wholesale customer did not believe that a single wholesale rate applicable to  
26      all of Providence Water’s wholesale customers was the most fair and equitable method of  
27      recovering the costs associated with providing service to wholesale customers. It also  
28      became apparent that the use of hydraulic modeling data for the Compliance COSS  
29      resulted in wholesale rates that were fairer and more equitable than rates determined  
30      using the allocation approach in the ASA COSS because the use of hydraulic modeling

1 data recognizes that Providence Water must utilize a larger portion of its transmission  
2 and distribution (T&D) system to serve Greenville, Lincoln and Smithfield.

3

4 **Q. Mr. Smith, what is hydraulic modeling data and how is it used to allocate T&D**  
5 **system costs?**

6 A. The hydraulic modeling data was developed by Pare Corporation (Pare), an  
7 engineering consultant retained by Providence Water. Pare used Providence Water's  
8 hydraulic model to determine the pipe (by length and diameter) used by each wholesale  
9 customer under normal operating conditions. The details of the hydraulic model analysis  
10 are described in a memorandum developed by Pare dated March 4, 2021. This  
11 memorandum was provided to the Commission in Docket No. 4994.

12

13 **Q. What do you mean by "normal operating conditions"?**

14 A. Providence Water's T&D system is designed to provide service under base, maximum  
15 day and maximum hour demand conditions. Pare conducted the hydraulic model analysis  
16 under these three scenarios, which reflects how Providence Water typically operates.

17

18 **Q. Why is modeling under base, maximum day and maximum hour conditions**  
19 **significant?**

20 A. This is significant because Providence Water's system is a looped network of pipes  
21 with significant redundancy and reliability. The hydraulic model analysis accounts for the  
22 pipes which are used under normal conditions, but these pipes are not the only way water  
23 *could* be delivered to each wholesale customer. In the event of a large main break that  
24 interferes with the normal path of delivery of water, Providence Water's system could  
25 deliver water to the wholesale customers using other pipes due to the pipe looping, which  
26 adds redundancy. These additional pipes have *not* been attributed to wholesale customers.  
27 In that sense, Pare's hydraulic model analysis is conservative from the perspective that it  
28 likely understates the true benefit each wholesale customer receives from Providence  
29 Water's T&D system.

30

1 The output from the hydraulic modeling analysis is the number of inch-miles (length of  
2 pipe multiplied by diameter) used by retail customer classes and wholesale customers.  
3 The inch-miles for retail are determined by subtracting the wholesale inch-miles from the  
4 system total. As described in detail later in my testimony, costs associated with the T&D  
5 system are allocated to customer classes and wholesale customers based on the inch-  
6 miles of pipe used to provide service.

7  
8 The allocation to each customer is based on their share of inch-miles relative to the total.  
9 This allocation involves determining a unit cost per inch-mile (see HJS-17) and  
10 multiplying by each customer's inch-miles (see HJS-18).

11

12 **Q. What are the key differences in the approach used for allocating T&D costs in**  
13 **this COSS and the COSS for previous Providence Water filings?**

14 A. There are two differences. The first difference is that this COSS does not presume that  
15 a certain size main should be, by definition, considered a "retail only" main. Instead, data  
16 from the hydraulic model analysis is used to determine which mains are actually used,  
17 regardless of size. Studies performed for previous Providence Water rate filings defined  
18 60% of Providence Water's T&D system as "retail only" based on the 12-inch cut-off.

19

20 The second change is that inch-miles, rather than demand, are used to allocate T&D  
21 costs. Wholesale represents approximately 47%, 50% and 18% of base, max day and max  
22 hour demand, respectively. That said, they only use about 13% of the inch-miles.  
23 Switching from demand to inch-miles, on its own, would tend to *decrease* T&D costs  
24 included in wholesale rates.

25

26 **Q. Mr. Smith, what approach did you use for the remaining non-T&D costs?**

27 A. These were allocated using the B-EC method.

28

1 **Q. How do the schedules you developed for your cost of service analysis (Schedules**  
2 **HJS-13a through HJS-18) relate to the general process for the B-EC Method you**  
3 **described above (functionalization, allocation and distribution)?**

4 A. As I noted earlier, the functionalization step is already addressed by Providence  
5 Water's use of the NARUC chart of accounts, which are segregated by the major  
6 functions. This leaves allocation and distribution. Schedules HJS-13a through HJS-14b  
7 address the *allocation* step and Schedules HJS-15a through HJS-18 address the  
8 *distribution* step.

9

10 **Q. Please summarize your first cost allocation schedule, Schedule HJS-13a.**

11 A. HJS-13a indicates an overview of all the factors used to allocate the rate year FY 2026  
12 revenue requirement to the cost components.

- 13 • **Factors 1 through 3** allocate costs incurred to provide base, max day and max hour  
14 service to Providence Water customers based on inch-miles of pipe as determined  
15 by the hydraulic model.
- 16
- 17 • **Factors 4 through 12** allocate costs incurred to provide base, max day and max  
18 hour service to Providence Water customers based system demands.
- 19
- 20 • **Factor 13** is used to allocate flushing costs based on inch-miles of small pipe (12"  
21 and less)
- 22
- 23 • **Factors 14 through 17** allocate costs directly to meters & service, billing and  
24 collection, direct fire. Direct fire costs are those which are incurred to maintain  
25 public fire hydrants.
- 26
- 27 • **Factors 18 through 20** are used to allocate pumping and storage costs.
- 28
- 29 • **Factors 21 through 22** are used to allocate T&D O&M costs.

1       • **Factors 23 through 27** are used to allocate capital costs based on the value of  
2       system assets.

3  
4       • **Finally, Factors 28 through 34** are proportional factors, which are developed in  
5       Schedules HJS-13B through 14B. These are based on detailed information  
6       regarding Providence Water's pump stations, work and service order data, net plant  
7       in service and central operations facility floor plan. In general, these proportional  
8       factors are a function of the direct allocation of expenses using other allocation  
9       factors, in instances where an expense is more general and not directly related to  
10      any one individual cost component.

11

12      **Q. Please provide an overview of the next cost allocation schedule, Schedule HJS-**  
13      **13b.**

14      A. HJS-13b develops Factors 18 through 20. Factor 18 is used to allocate the value of  
15      pumping assets to B-EC cost categories. Factor 19 is used to allocate pump station  
16      electric costs to the cost components.

17

18      **Q. What is the purpose of HJS-13c?**

19      A. HJS-13C includes a breakdown of Providence Water's transmission and distribution  
20      mains by length and diameter and the proportion of those mains used by retail customers  
21      and each wholesale customer under base, maximum day and maximum hour conditions.  
22      These breakdowns are used to allocate transmission and distribution costs based on the  
23      inch-miles (length x diameter) used by retail and each wholesale customer as determined  
24      by the hydraulic model analysis as described above. The breakdowns also inform the  
25      allocation of the portion of non-revenue water associated with leakage and flushing.

26

27      **Q. Mr. Smith, please provide an overview of HJS-13d and e?**

28      A. These schedules develop Factors 21 and 22 which are used to allocate transmission  
29      and distribution costs and contract services costs to the cost components. Factors 21 and  
30      22 assign work and service order costs associated with the performance of specific tasks

1 to the cost components with a 3-year average of that assignment forming the basis for the  
2 allocator. Work and service orders relating to the T&D system are split between common  
3 to all and retail only based on inch-miles, then assigned to cost components. Costs such  
4 as those related to meters or hydrants are directly assigned. Any costs which cannot be  
5 directly assigned are allocated in proportion to the directly assigned costs.

6

7 **Q. What is the purpose of HJS-13f?**

8 A. This schedule develops Factors 23 through 26, which are used to allocate rate year  
9 capital costs to cost components. Providence Water's net plant in service is allocated, by  
10 NARUC account, to the cost components. The sum of these allocations is used to develop  
11 Factors 23 through 26. Factor 23 is based on the allocation of transmission and  
12 distribution net plant (excluding meters and service, land and structures) and is used to  
13 allocate the net plant in service associated with transmission and distribution land, land  
14 rights and structures. Factor 24 is based on net plant in service excluding general plant  
15 and is used to allocate general plant, with the exception of Laboratory Equipment (Factor  
16 1, 100% base) and the Central Operations Facility (discussed in further detail below).  
17 Factor 25 is based on total plant (excluding land and the Central Operations Facility), and  
18 is used to allocate funding for the IFR Fund and the Vehicle and Equipment Fund. Factor  
19 26 is based on total plant (excluding land) and is used to allocate rate year funding for the  
20 Capital Fund.

21

22 **Q. How did you allocate the net plant in service associated with the Central**  
23 **Operations Facility on HJS-13g?**

24 A. This allocation is based on the square footage of the various areas within the central  
25 operations facility. Areas with a clear single specific use were allocated based on Factors  
26 3, 4, 10, 21 and 25. The remaining areas were allocated indirectly based on the allocation  
27 of the directly allocated areas (i.e., those allocated on Factors 3, 4, 10, 21 and 25)

28

29

30

1 **Q. How did you allocate the commercial service square footage?**

2 A. This allocation is based on the number of billing cycles for retail and wholesale  
3 customers. While Providence Water's wholesale customers only represent a small  
4 proportion of the total, greater effort is required to test and read their meters, generate  
5 bills, and process payment. In fact, Providence Water has 1 billing cycle dedicated to its  
6 wholesale customers and 14 for the remaining 78,000. Accordingly, the allocator for  
7 Commercial Services square footage is calculated such that 6.7% (1 out of 15 billing  
8 cycles) of Commercial Services square footage is attributed to wholesale customers.

9  
10 **Q. Please provide an overview of pumping costs allocation.**

11 A. Most of Providence Water's system is fed by gravity and does not require any  
12 additional pumping. All customers use the gravity portion of the system. There are some  
13 customers, however, which are served by the gravity system and a series of pump  
14 stations. Customers that only use the gravity portion of the system are referred to as low  
15 service customers. Customers that use the gravity system and require pumping are  
16 referred to as high service customers. Bristol County, East Providence, Kent County and  
17 Warwick are low service wholesale customers and do not require additional pumping.  
18 Greenville, Lincoln and Smithfield are high service customers and are served by two  
19 pump stations: the Neutaconkanut Pump Station and the Bath Street Pump Station. The  
20 allocations in previous Providence Water COSS did not distinguish between these two  
21 groups. In previous dockets, there was one class (wholesale) making this distinction  
22 unnecessary.

23  
24 Schedule HJS-13b indicates the development of Factors 18, 19 and 20, which are used to  
25 allocate pumping and storage costs. Factor 18 is based on pump station capacity and is  
26 used to allocate pump station net plant in service on Schedule HJS-13f. Factor 19 is based  
27 on pump station power costs and is used to allocate pumping expenses on HJS-14a.

28  
29 Schedule HJS-19 provides an overview of how these components are incorporated into  
30 the ultimate volumetric rates for each class.

1

2 **Q. Mr. Smith, did you also evaluate Providence Water's storage assets to ensure**  
3 **they were appropriately allocated for the purpose of developing individual**  
4 **wholesale rates?**

5 A. Yes. Providence Water has a number of treated water storage reservoirs and elevated  
6 storage tanks which work in concert with the pump stations to meet the demands of  
7 Providence Water customers (retail and wholesale). Based on discussions with  
8 Providence Water staff, I created Factor 20, which is used to allocate Providence Water's  
9 storage costs (see Schedule HJS-13b). It is based on the use and capacity of each  
10 reservoir and tank. The Aqueduct and Neutaconkanut reservoirs are used to serve all  
11 customers. The Longview reservoir is used by high service customers only. The Lawton  
12 Hill reservoir and the two elevated storage tanks are used by retail customers only.

13

14 **Q. Does this result in a more equitable allocation of pumping and storage costs**  
15 **among Providence Water's customer classes?**

16 A. Yes. The COSS recognizes the difference in how Providence Water's pump stations,  
17 reservoirs and tanks are used to serve each customer class. This was not relevant in  
18 previous Providence Water filings because wholesale, as a group, used all of these assets.  
19 Now that rates are proposed for two separate wholesale classes, it is appropriate to  
20 differentiate the use of these assets.

21

22 **Q. Mr. Smith, what is indicated on Schedules HJS-14a and b?**

23 A. These schedules represent the allocation of the rate year FY 2026 revenue requirement  
24 from Schedule HJS-12 to cost components using the allocators from Schedule HJS-13a.

25

26 **Q. What is the purpose of Factors 28 - 33 which are developed using the allocated**  
27 **costs on HJS-14a?**

28 A. Some components of the revenue requirement are general in nature and do not relate  
29 to any one specific function (e.g., source of supply, pumping, treatment, etc.) and are not

1 driven by just one cost component. These factors represent indirect allocations based on  
2 directly allocated costs.

3

4 **Factor 28** is used to allocate Administrative and General Labor costs, which are incurred  
5 to supervise all the functions performed by Providence Water to deliver water to  
6 customers.

7

8 **Factor 29** is used to allocate non-labor related Administrative and General costs which  
9 are incurred to support all the functions performed by Providence Water to deliver water  
10 to customers.

11

12 **Factor 30** is used to allocate City Services Expense, which represents a reimbursement to  
13 the City of Providence for services provided to Providence Water.

14

15 **Factor 31** is used to allocate the funding adjustment to the Insurance Fund to achieve the  
16 required funding level in the rate year.

17

18 **Factor 32** is used to allocate the funding adjustment to the Chemicals and Sludge  
19 Maintenance fund to achieve the required funding level in the rate year.

20

21 **Factor 33** is based on the total revenue requirement, excluding reserve funding, and is  
22 used to allocate funding for the restricted revenue reserve and the unrestricted operating  
23 reserve.

24

25 **Q. Of the total rate year FY 2026 net revenue requirement, what proportion is**  
26 **related to providing service to all customers (common to all) and what proportion is**  
27 **related to providing retail service only?**

28 A. Approximately 70% of the revenue requirement is related to providing service to all  
29 customers, leaving 30% related to providing retail service only.

30

1 **Q. How is the revenue requirement distributed between the various customer**  
2 **classes?**

3 A. Schedules HJS-15a through HJS-18 indicate the steps involved in distributing costs to  
4 the various customer classes. Those are:

- 5 • Determine customer class units for service (HJS-15a through 16c)
- 6 • Develop unit costs of service (HJS-17)
- 7 • Distribute costs to customer classes (HJS-18)

8

9 **Q. How is HJS-15a used in the determination of customer class units of service?**

10 A. HJS-15a is used to determine pro-forma volumes. Pro-forma volumes plus an  
11 allocation of non-revenue water, are the basis for customer class base demand in  
12 Schedules HJS-16a through d.

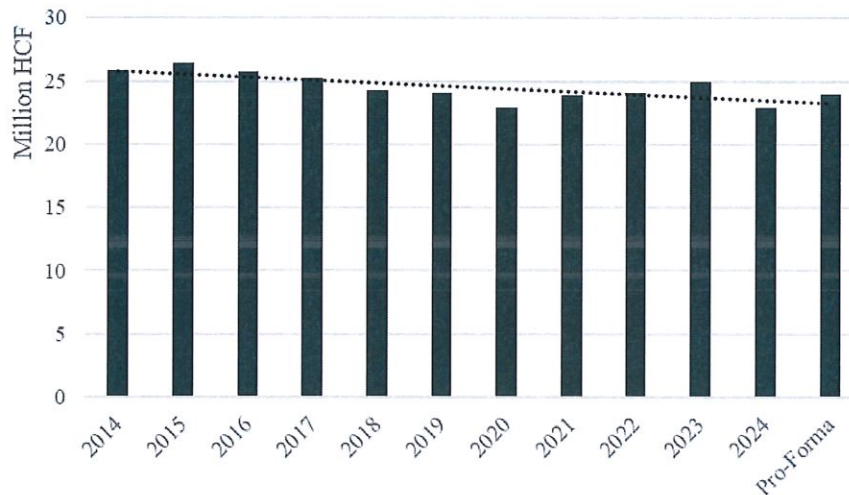
13

14 **Q. What is the basis for the pro-forma volumes on HJS-15a?**

15 A. Pro-forma volumes are based on the 3-year average of billed volumes from FY 2022  
16 to FY 2024. As shown on HJS-15a, test year volumes for FY 2024 hit a 10-year low of  
17 just under 23 million hundred cubic feet (HCF). By contrast, FY 2023 was one of the  
18 highest years in recent history. While Providence Water's billed volumes continue to  
19 decline over time, that long-term trend is still subject to annual fluctuations based on  
20 weather. The use of the 3-year average recognizes this long-term trend without placing  
21 too much weight on the higher or lower years.

1

### Providence Water Billed Volumes (HJS-15a)



2

3 **Q. Please provide an overview of your assignment of non-revenue water in HJS-15b.**

4 A. HJS-15b begins with total plant production and subtracts pro-forma sales to arrive at a  
5 total for water produced, but not ultimately billed to customers. HJS-15b then identifies  
6 the proportion of non-revenue water which relates to usage which is simply not billed.  
7 Subtracting those volumes leaves a reasonable approximation of actual leakage within the  
8 T&D system and water that is used to maintain or improve the quality of the water in the  
9 T&D system. The remaining calculations on HJS-15b are used to assign the non-billed  
10 water and leakage to retail and wholesale customers.

11

12 **Q. What proportion of non-revenue water do you propose to assign to wholesale  
13 customers?**

14 A. Wholesale customer share of non-revenue water includes a proportionate share of  
15 leakage on transmission mains, a share of water lost to water quality improvement  
16 activities and flushing of small diameter (less than 12 inches) mains, which represents  
17 0.40% of non-revenue water. Those shared sources of non-revenue water are allocated as  
18 follows:

- 19
- Leakage: based on pipe length from hydraulic model analysis (see HJS 13c)
  - Water Quality: Pro-forma water sales
- 20

- 1       • Flushing: based on pipe length less than or equal to 12 inches from hydraulic  
2       model analysis

3

4       The remaining sources, including unauthorized consumption, customer metering  
5       inaccuracy, firefighting allowance, and retail only water quality improvement activities  
6       were all allocated 100% to retail customers.

7

8       **Q. Please identify the categories of units of service that form the basis for the**  
9       **distribution of costs to customer classes on HJS-16a through d?**

10      A. As noted above, T&D system costs are allocated based on each customer class's  
11      proportionate share of inch miles used under base, maximum day and maximum hour  
12      conditions as determined by Pare's hydraulic model analysis. (See HJS-13c.) The  
13      remaining costs are distributed on the basis of base demand, maximum day extra capacity  
14      demand, maximum hour extra capacity demand, 5/8-inch equivalent meters, bills, and 6-  
15      inch equivalent fire connections. The units of service are calculated on HJS-16a through c  
16      and summarized on HJS-16d.

17

18      **Q. How did you determine base demand by customer class?**

19      A. Base demand, for the purposes of allocating transmission and distribution cost,  
20      represents each class's share of inch-miles used under base conditions (see HJS-13c). For  
21      all other costs, base demand represents average customer demand through the year,  
22      without regard to maximum day or maximum hour or peak usage. Base demand was  
23      calculated by adding the allocation of non-revenue water determined on HJS-15b to pro-  
24      forma sales on HJS-15a.

25

26      **Q. How did you determine maximum day demands by customer class?**

27      A. Maximum day demand, for the purposes of allocating transmission and distribution  
28      cost, represents each class's share of inch-miles used under max day conditions (see HJS-  
29      13c). All other costs were allocated using maximum day extra capacity demand, which

1 represents the maximum day usage in excess of, or excluding, average day demand.

2 Average day demand is annual sales divided by 365 days.

3

4 **Q. How did you determine maximum day and maximum hour extra capacity**  
5 **demand for each customer class?**

6 A. Typically, peak demands are determined using monthly billing data for the retail  
7 classes and daily metering data for the wholesale customers. However, daily metering  
8 data was not available to determine wholesale peak demands. Therefore peak demands by  
9 class were determined by applying the demand factors developed for Docket 4994 to  
10 projected average day demand by class for FY 2026.

11

12 **Q. What is the basis for the remaining units of service: meters & services and bills?**

13 A. Meter & services units are based on the number of 5/8-inch equivalent meters. A 5/8-  
14 inch meter represents 1 unit, with the remaining sizes scaled up based on the capacity  
15 ratios, which represent the maximum rate of flow through a given size, relative to a 5/8-  
16 inch meter. Bills represent the number of monthly bills, by customer class.

17

18 **Q. Please explain the development of unit cost of service on Schedule HJS-17.**

19 A. Schedule HJS-17 divides the FY 2026 revenue requirement, by cost component, by  
20 the respective units of service for that component. The result is the unit cost for the level  
21 of service provided. These unit costs are the same for all customers, with the difference in  
22 the ultimate cost allocation on HJS-18 being driven by the level of service received (e.g.,  
23 common to all vs. retail only) and usage of each customer class.

24

25 **Q. How is the FY 2026 revenue requirement distributed to customer classes on**  
26 **Schedule HJS-18?**

27 A. The unit cost of service is multiplied by the units of service for each customer class.  
28 For example, the residential class is allocated a total cost of service of about \$32 million  
29 which represents the unit cost of service common to all base, maximum day and  
30 maximum hour, multiplied by the residential units for each respective category.

1

2 **RATE DESIGN**

3 **Q. How did you calculate the volume charge on Schedule HJS-19?**

4 A. For retail, the volume charge recovers common to all and retail only base, maximum  
5 day and maximum hour costs. It also recovers any under-recovery from other retail  
6 charges, whose increase is being limited to avoid rate shock. The wholesale volume  
7 charge recovers the cost of common to all base, maximum day and maximum hour costs.  
8 The wholesale volume rates do not include any retail costs, or any under-recovery from  
9 the other retail charges, but solely represents the cost of service to these classes. High  
10 service wholesale customer rates include additional costs associated with pumping. For  
11 both retail and wholesale, the volume rates represent the total allocated costs divided by  
12 pro-forma sales to arrive at a rate per HCF.

13

14 **Q. Under a pure cost of service approach, what is the impact to wholesale rates?**

15 A. As noted above, Providence Water's rate design proposal includes two wholesale  
16 rates: Low Service Wholesale (Bristol County, East Providence, Kent County and  
17 Warwick) and High Service Wholesale (Greenville, Lincoln and Smithfield). Low  
18 Service Wholesale customers do not require additional pumping and generally use less of  
19 Providence Water's T&D system. High Service Wholesale customers require additional  
20 pumping and generally use more of Providence Water's system. High Service Wholesale  
21 customers also have higher peak demands than Low Service Wholesale customers. Based  
22 on those factors, the increase to High Service Wholesale is significant (~+30%). Low  
23 Service Wholesale customers would see a decrease (~-10%). Overall, the hydraulic  
24 model approach to allocating transmission and distribution costs decreases the wholesale  
25 allocation in total, but shifts costs within the class from low service to high service.

26

27 **Q. Have you developed a more gradual approach to implementing the wholesale  
28 volume rates?**

29 A. Yes, if it is determined that the rate impacts on the High Service customers are too  
30 severe, Providence Water could move to the high and low service approach for wholesale

1 rates over time. One approach would be to set the FY 2026 rate for Low Service as the  
2 *average* of the cost of service rate and the current rate for the group. This would still  
3 recognize the lower cost of service for Low Service Wholesale customers, decreasing the  
4 rate for that group by about 5% instead of 10%. The High Service Wholesale group,  
5 under this gradual approach, would see an increase of about 5% instead of 30%. The  
6 reallocation of costs under this proposal is from the High Service Wholesale group to the  
7 Low Service Wholesale group. Retail charges would not be impacted.

8

9 **Q. Which approach is reflected in the revised tariff sheets included in Providence**  
10 **Water's application?**

11 A. The rates shown in the tariff sheets are the pure cost of service approach rates. Further,  
12 the FY 2027 rates are based on applying the 2.43% across the board increase to the pure  
13 cost of service rates.

14

15 **Q. How did you calculate the service charges on Schedule HJS-20a and b?**

16 A. The meter service charge includes meter and services costs and billing costs. Meters  
17 and services costs are recovered on a per equivalent meter basis, which is scaled up from  
18 the 5/8-inch meter to recognize the additional capacity available to the larger meters. The  
19 billing cost is recovered on a per bill basis, regardless of size. Under a pure cost of  
20 service approach, the impact to this charge would vary markedly from the current  
21 charges. Instead, to avoid rate shock, I limited the increase to 20%, allocating the under-  
22 recovery to the residential, commercial and industrial rates in proportion to their  
23 volumetric (i.e., base, max day, max hour) cost of service.

24

25 The Providence Retail Fire Protection Service Charge recovers the direct fire costs for  
26 hydrants within the City of Providence. These costs are allocated to the various sizes on  
27 an equivalent meter basis based on the capacity of each meter size.

28

29 **Q. How did you calculate the fire protection charges on Schedule HJS-21a and b?**

1 A. The private fire service charges recover the cost of meters and services, billing costs  
2 and demand costs. The demand costs represent the private service customers share of the  
3 theoretical fire flow discussed above based on 6-inch equivalent connections.

4

5 The hydrant charge recovers the direct costs associated with hydrant maintenance as well  
6 as demand costs associated with the capacity needed for fire flow.

7

8 **Q. What do the East Smithfield and Johnston charges represent?**

9 A. Both rates recover costs specific to these retail water systems acquired by Providence  
10 Water. These charges are only applied to customers in those specific service areas.

11

12 **Q. Have you created a schedule which shows the charges, both for rate years FY**  
13 **2026 and FY 2027?**

14 A. Yes. Schedule HJS-22 indicates the existing rates and the proposed rates for both  
15 years. As noted above, FY 2026 rates are based on the cost of service analysis. Rates in  
16 FY 2027 are increased in an across the board fashion based on the overall increase in the  
17 revenue requirement, which is 2.43%.

18

19 **Q. Have you created a schedule which compares the revenues generated under**  
20 **existing rates to the proposed revenues in FY 2026 and FY 2027?**

21 A. Yes. Schedule HJS-23 shows a comparison of existing and proposed revenues.

22

23 **Q. What consideration has been given as to whether the revenues from the rates and**  
24 **charges are sufficient to cover revenue requirements for Providence Water?**

25 A. HJS-24 serves as a revenue proof to determine revenue sufficiency of the proposed  
26 rates and charges. The revenues that would be generated under the proposed rate structure  
27 are shown for commodity rates, service charges, and fire protection charges.

28

29 **Q. According to the rate model, are the rates and charges calculated sufficient to**  
30 **meet revenue requirements in each year?**

1 A. Yes. As shown in HJS-24, the revenues projected to be recovered from the proposed  
2 rates are approximately \$8,000 greater than the revenue requirements in FY 2026 and  
3 approximately \$26,000 greater than revenue requirements in FY 2027, due to rounding.

4

5 **Q. Have you created a schedule which shows the bill impact of the rate proposals,**  
6 **both for rate year FY 2026 and the proposed FY 2027 rates?**

7 A. Yes. Schedule HJS-25 shows bills under existing and proposed rates and the  
8 percentage impacts that are likely to occur for typical residential, commercial, and  
9 industrial customers. For a typical residential customer using 100 HCF per year, the  
10 annual increase under proposed rates is 9% or \$47 per year.

11

12 **Q. Does this conclude your testimony?**

13 A. Yes.

**Schedule HJS-13a: Allocation Factors**

Providence Water Supply Board  
 District # \_\_\_\_\_  
 Request for General Rate Relief  
 Testimony of Harold J. Smith  
 Test Year Ending June 30, 2024  
 Rate Years Ending June 30, 2026 and June 30, 2027

Factor	Description	CTA - Transmission & Distribution				CTA - Supply, Treatment & Low Service				High Service & Retail				Retail Only					
		Base All InCh-Miles	Max Day All InCh-Miles	Max Hour All InCh-Miles	Inch-Miles <=12"	Base HCF	Max Day HCF	Max Hour HCF	Max Hour HCF	Base HCF	Max Day HCF	Max Hour HCF	Max Hour HCF	Base HCF	Max Day HCF	Max Hour HCF	Max Hour HCF	58" En Services	6" En Direct Fire
1	99.50% CTA Base 0.5% Direct Fire	99.50%	41.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
2	CTA Base, Max Day	58.15%	24.79%	40.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
3	99.50% CTA Base 0.5% Direct Fire	99.50%	41.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
4	CTA Base, Max Day	58.15%	24.79%	40.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
5	CTASTL Base, Max Day	58.15%	24.79%	40.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
6	CTASTL Base, Max Day	58.15%	24.79%	40.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
7	HSR Base, Max Day	99.50%	41.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
8	HSR Base, Max Day	99.50%	41.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
9	99.50% Retail Base, 0.5% Direct Fire	99.50%	41.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
10	Retail Base, Max Day	58.15%	24.79%	40.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
11	Retail Base, Max Day	58.15%	24.79%	40.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
12	100% CTA Base Inch-Miles (<=12")	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
13	100% M&S	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
14	100% Billing	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
15	50% M&S 50% Billing	50.00%	50.00%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
16	100% Public Fire	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
17	As Pump Station Capacity	33.73%	24.28%	39.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
18	As Pump Station Electric Costs	6.25%	10.25%	10.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
19	As Storage Capacity	8.69%	6.25%	39.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
20	As T&D Work/Service Orders	33.73%	24.28%	39.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
21	As T&D Plant Excl. M&S Land, Structures	19.74%	14.21%	23.36%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
22	As Total Plant Excl. Gen. Plant	21.65%	15.59%	25.62%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
23	As Total Plant Excl. Land, COF	21.65%	15.59%	25.62%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
24	As Total Plant Excl. Land	21.65%	15.59%	25.62%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
25	As Central Operations Facility Square Footage	24.84%	11.03%	18.13%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
26	As Labor O&M Excl. A&G	3.52%	2.53%	4.16%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
27	As Non-Labor O&M Excl. A&G	12.21%	8.79%	14.45%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	100.00%
28	As Total O&M Excl. A&G	6.19%	4.46%	7.33%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	100.00%
29	As Total Insurance Before Adjustment	9.13%	6.57%	10.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	100.00%
30	As Total Chemicals Before Adjustment	10.92%	7.83%	12.87%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	100.00%
31	As Total Revenue Requirement Before Reserves	10.92%	7.83%	12.87%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	100.00%
32	As Retail Req. Excl. Bad Debt	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
33	As Retail Req. Excl. Bad Debt	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
34	As Retail Req. Excl. Bad Debt	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%

Calculation of Factors 2 through 12

Factor	Description	Base	MDEC	MHEC	Total
2, 5, 8, 11	CTA Base, Max Day System Demand (Ccf/Day) Allocation Factor (%)	65.722	47.305	0.00%	113.027
		58.15%	41.85%		100.00%
3, 6, 9, 12	CTA Base, Max Day System Demand (Ccf/Day) Allocation Factor (%)	65.722	47.305	77.754	190.791
		34.45%	24.79%	40.76%	100.00%



### Schedule HJS-13c: Inch-Miles (Base Demand)

Providence Water Supply Board

Docket # \_\_\_\_\_

Request for General Rate Relief

Testimony of Harold J. Smith

Test Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

Pipe Size	Total	Retail	Bristol County	East Providence	Greenville	Kent County	Lincoln	Smithfield	Warwick
<6"	1.59	1.59	-	-	-	-	-	-	-
6	2,703.15	2,692.21	1.38	-	0.12	-	9.43	0.01	-
8	2,785.82	2,740.70	4.70	-	11.25	-	28.17	1.00	-
10	12.29	12.29	-	-	-	-	-	-	-
12	1,162.12	1,104.37	2.54	0.04	3.44	-	42.11	9.62	-
16	714.00	657.55	1.23	-	0.52	-	46.16	8.54	-
20	163.60	158.27	0.53	-	0.14	-	4.66	0.00	-
24	647.30	498.88	13.98	0.09	79.60	-	32.19	22.42	0.14
30	507.80	302.31	170.45	-	0.13	-	16.86	11.33	6.72
36	68.70	51.75	12.52	0.02	0.05	-	1.84	2.10	0.42
42	205.60	124.92	1.64	-	0.01	-	20.73	13.46	44.84
48	154.80	91.63	2.93	0.04	1.01	-	35.70	23.37	0.12
60	264.00	222.19	0.91	1.57	8.62	-	18.30	11.07	1.34
66	106.00	70.85	7.99	4.17	0.00	-	5.42	3.55	14.02
78	345.00	100.44	15.61	109.13	-	28.85	8.64	5.63	76.70
90	406.00	323.09	14.01	7.69	9.65	0.25	16.05	10.48	24.78
102	525.70	210.63	33.60	234.99	-	-	18.61	12.06	15.81
<b>Totals</b>	<b>10,773.47</b>	<b>9,363.67</b>	<b>284.02</b>	<b>357.74</b>	<b>114.54</b>	<b>29.10</b>	<b>304.87</b>	<b>134.64</b>	<b>184.89</b>
	<b>100.00%</b>	<b>86.91%</b>	<b>2.64%</b>	<b>3.32%</b>	<b>1.06%</b>	<b>0.27%</b>	<b>2.83%</b>	<b>1.25%</b>	<b>1.72%</b>
<b>&lt;=12"</b>	<b>6,664.97</b>	<b>6,551.16</b>	<b>8.62</b>	<b>0.04</b>	<b>14.81</b>	<b>-</b>	<b>79.71</b>	<b>10.63</b>	<b>-</b>
	<b>100.00%</b>	<b>98.29%</b>	<b>0.13%</b>	<b>0.00%</b>	<b>0.22%</b>	<b>0.00%</b>	<b>1.20%</b>	<b>0.16%</b>	<b>0.00%</b>

## Schedule HJS-13c: Inch-Miles (Maximum Day Demand)

Providence Water Supply Board

Docket # \_\_\_\_\_

Request for General Rate Relief

Testimony of Harold J. Smith

Test Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

Pipe Size	Total	Retail	Bristol County	East Providence	Greenville	Kent County	Lincoln	Smithfield	Warwick
<6"	1.60	1.60	-	-	-	-	-	-	-
6	2,703.10	2,696.58	0.25	-	0.54	-	5.71	0.02	-
8	2,785.80	2,748.84	0.48	-	9.20	-	26.13	1.15	-
10	12.30	12.30	-	-	-	-	-	-	-
12	1,162.10	1,108.48	3.22	-	3.81	-	35.54	11.05	-
16	714.00	660.85	1.34	-	0.64	-	41.37	9.80	-
20	163.60	158.29	0.56	-	0.11	-	4.63	0.01	-
24	647.30	489.49	11.96	-	66.97	-	28.86	50.02	-
30	507.80	285.60	186.04	-	0.07	-	14.95	14.62	6.52
36	68.70	46.26	17.55	-	0.10	-	1.74	2.69	0.36
42	205.60	137.74	8.77	-	0.02	-	0.03	15.50	43.54
48	154.80	93.75	3.43	-	2.88	-	26.07	28.67	-
60	264.00	203.61	0.35	0.90	12.58	-	31.03	15.47	0.06
66	106.00	67.13	12.85	-	0.16	-	0.19	4.11	21.56
78	345.00	127.76	23.40	78.83	-	24.49	-	6.48	84.04
90	406.00	298.21	20.43	0.20	14.57	0.18	23.11	14.44	34.86
102	525.70	272.33	50.90	171.50	-	-	-	13.88	17.09
<b>Totals</b>	<b>10,773.40</b>	<b>9,408.82</b>	<b>341.53</b>	<b>251.43</b>	<b>111.65</b>	<b>24.67</b>	<b>239.36</b>	<b>187.91</b>	<b>208.03</b>
	<b>100.00%</b>	<b>87.33%</b>	<b>3.17%</b>	<b>2.33%</b>	<b>1.04%</b>	<b>0.23%</b>	<b>2.22%</b>	<b>1.74%</b>	<b>1.93%</b>

## Schedule HJS-13c: Inch-Miles (Maximum Hour Demand)

Providence Water Supply Board

Docket # \_\_\_\_\_

Request for General Rate Relief

Testimony of Harold J. Smith

Test Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

Pipe Size	Total	Retail	Bristol County	East Providence	Greenville	Kent County	Lincoln	Smithfield	Warwick
<6"	1.60	1.60	-	-	-	-	-	-	-
6	2,703.10	2,695.72	0.19	-	0.30	-	6.87	0.02	-
8	2,785.80	2,760.47	0.47	-	6.67	-	16.69	1.50	-
10	12.30	12.30	-	-	-	-	-	-	-
12	1,162.10	1,122.78	3.13	0.03	0.53	-	21.27	14.36	-
16	714.00	675.47	1.12	-	0.12	-	24.53	12.76	-
20	163.60	158.55	0.42	-	0.07	-	4.55	0.01	-
24	647.30	547.51	8.82	0.06	42.98	-	14.91	32.83	0.19
30	507.80	297.92	171.63	-	0.04	-	15.42	15.86	6.93
36	68.70	48.97	15.66	0.01	0.01	-	0.80	2.74	0.51
42	205.60	122.29	12.62	-	0.00	-	4.15	20.19	46.35
48	154.80	107.69	2.77	0.01	0.84	-	8.25	35.04	0.20
60	264.00	232.17	1.35	1.05	1.71	-	8.25	16.60	2.87
66	106.00	65.04	9.29	1.44	0.12	-	1.00	5.32	23.79
78	345.00	109.27	23.64	69.10	-	30.13	1.24	8.44	103.18
90	406.00	311.88	18.46	3.31	1.70	0.25	7.13	15.72	47.55
102	525.70	258.73	57.75	166.71	-	-	3.03	18.08	21.40
<b>Totals</b>	<b>10,773.40</b>	<b>9,528.36</b>	<b>327.32</b>	<b>241.72</b>	<b>55.09</b>	<b>30.38</b>	<b>138.09</b>	<b>199.47</b>	<b>252.97</b>
	<b>100.00%</b>	<b>88.44%</b>	<b>3.04%</b>	<b>2.24%</b>	<b>0.51%</b>	<b>0.28%</b>	<b>1.28%</b>	<b>1.85%</b>	<b>2.35%</b>











Schedule HJS-13g: Central Operations Facility Square Footage for Allocation of COF Net Plant In Service (Factor 27)

Providence Water Supply Board

Request for General Rate Relief

Testimony of Harold J. Smith

Task Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

Description	Total (ft <sup>2</sup> )	Factor	CTA - Transmission & Distribution				CTA - Supply, Treatment & Low Service				High Service & Retail				Retail Only					
			Base All inch-Miles	Max Day All inch-Miles	Max Hour All inch-Miles	Inch-Miles <=12"	Base HCF	Max Day HCF/d	Max Hour HCF/d	HCF	Base HCF	Max Day HCF/d	Max Hour HCF/d	HCF	Base HCF	Max Day HCF/d	Max Hour HCF/d	HCF	Meters & Services 5.98-Eq.	Billing & Collection Bills
1ST FLOOR / COMMON SPACE / Area 516 SF	516	Indirect	128	57	94	-	30	6	1	0	0	0	16	0	0	0	0	129	24	31
1ST FLOOR / COMMON SPACE / Area 731 SF	731	Indirect	182	81	133	-	43	8	1	0	0	0	22	0	0	0	0	183	34	44
1ST FLOOR / COMMON SPACE / Area 1637 SF	1,637	Indirect	407	181	297	-	97	19	2	1	1	1	50	0	0	0	0	409	75	99
1ST FLOOR / COMMON SPACE / Area 10280 SF	10,280	Indirect	2,554	1,134	1,864	-	607	119	13	4	3	4	314	1	2	2	2,568	472	623	
1ST FLOOR / MUSEUM / Area 1632 SF	1,632	10	-	-	-	-	-	-	-	-	-	-	1,624	-	-	-	-	-	8	
1ST FLOOR / AUTOMOTIVE / Area 7689 SF	7,689	Indirect	1,908	847	1,392	-	454	89	10	3	2	3	234	1	1	1	1,918	352	466	
1ST FLOOR / BOARD ROOM / Area 1041 SF	1,041	Indirect	259	115	189	-	61	12	1	0	0	0	32	0	0	0	260	48	63	
1ST FLOOR / COMMERCIAL SERVICES / Area 9989 SF	9,989	See Note	5,089	2,619	4,305	-	2,325	618	70	19	14	22	8	6	9	9	2,782	2,450	370	
1ST FLOOR / ENGINEERING / Area 16804 SF	16,804	25	3,637	798	1,311	-	427	84	9	3	2	3	221	1	1	1	1,806	332	438	
1ST FLOOR / FINANCE / Area 7232 SF	7,232	Indirect	1,796	747	1,039	-	400	78	9	2	2	3	207	1	1	1	1,691	311	411	
1ST FLOOR / IT / Area 5771 SF	5,771	Indirect	1,424	632	829	-	339	66	7	2	1	2	175	1	1	1	1,431	263	347	
1ST FLOOR / SECURITY / Area 14883 SF	14,883	21	1,276	919	1,510	-	339	66	7	2	1	2	175	1	1	1	8,118	2	2,858	
1ST FLOOR / T&D / Area 4883 SF	4,883	Indirect	1,424	632	829	-	339	66	7	2	1	2	175	1	1	1	1,431	263	347	
1ST FLOOR / CENTRAL RECORDS / Area 5731 SF	5,731	Indirect	1,424	632	829	-	339	66	7	2	1	2	175	1	1	1	1,431	263	347	
1ST FLOOR / PARKING GARAGE / Area 43924 SF	43,924	Indirect	10,911	4,844	7,863	-	2,595	508	57	16	11	18	1,341	5	8	8	10,971	2,015	2,663	
1ST FLOOR / WAREHOUSE & STORAGE / Area 1177 SF	1,177	3	405	292	480	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1ST FLOOR / WAREHOUSE & STORAGE / Area 2177 SF	2,177	3	957	689	1,132	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1ST FLOOR / WAREHOUSE & STORAGE / Area 5550 SF	5,550	3	1,912	1,376	2,262	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2ND FLOOR - AREA 'H' COMMON SPACE / Area 772 SF	772	Indirect	192	85	140	-	46	9	1	0	0	0	24	0	0	0	193	35	47	
2ND FLOOR - AREA 'H' COMMON SPACE / Area 3019 SF	3,019	Indirect	750	333	547	-	178	35	4	1	1	92	0	0	0	0	754	138	183	
2ND FLOOR - AREA 'H' COMMON SPACE / Area 3946 SF	3,946	Indirect	980	435	715	-	233	46	5	1	1	2	120	0	0	0	986	181	239	
2ND FLOOR - AREA 'H' DINING/PATERIA / Area 4575 SI	4,575	Indirect	1,136	505	829	-	270	53	6	2	2	2	140	0	0	0	1,143	210	277	
2ND FLOOR - AREA 'H' DINING/PATERIA / Area 4575 SI	4,575	Indirect	1,136	505	829	-	270	53	6	2	2	2	140	0	0	0	1,143	210	277	
2ND FLOOR - AREA 'H' FUTURE SPACE / Area 237 SF	237	Indirect	59	26	43	-	14	3	0	0	0	0	7	0	0	0	59	11	14	
2ND FLOOR - AREA 'H' FUTURE SPACE / Area 540 SF	540	Indirect	134	60	98	-	32	6	1	0	0	0	16	0	0	0	135	25	33	
2ND FLOOR - AREA 'H' FUTURE SPACE / Area 961 SF	961	Indirect	244	108	178	-	58	11	1	0	0	0	30	0	0	0	245	45	59	
2ND FLOOR - AREA 'H' FUTURE SPACE / Area 961 SF	961	Indirect	244	108	178	-	58	11	1	0	0	0	30	0	0	0	245	45	59	
2ND FLOOR - GW/EXECUTIVE MANAGEMENT / Area 2491 SF	2,491	Indirect	619	275	452	-	147	29	3	1	1	1	76	0	0	0	622	114	151	
2ND FLOOR - HUMAN RESOURCES (1) / Area 1169 SF	1,169	Indirect	290	129	212	-	69	14	1	0	0	0	36	0	0	0	292	54	71	
2ND FLOOR - HUMAN RESOURCES (2) / Area 2632 SF	2,632	Indirect	654	290	477	-	155	30	3	1	1	1	80	0	0	0	657	121	160	
2ND FLOOR - LABORATORY / Area 837 SF	837	4	-	-	-	-	833	-	-	-	-	-	-	-	-	-	-	-	4	
Total (Direct Allocations)	53,449		13,276	5,894	9,689	-	3,157	618	70	19	14	22	1,632	6	9	9	13,350	2,452	3,241	
Indirect Allocation %	100.00%		24.84%	11.03%	18.13%	0.00%	5.91%	1.16%	0.13%	0.04%	0.03%	0.04%	3.05%	0.01%	0.02%	0.02%	24.98%	4.59%	6.06%	
Total (Direct Allocations)	165,085		41,006	18,205	29,927	-	9,752	1,908	216	58	42	69	5,040	18	29	29	41,234	7,572	10,009	
Factor 27 - As Central Operations Facility Square Footage	100.00%		24.84%	11.03%	18.13%	0.00%	5.91%	1.16%	0.13%	0.04%	0.03%	0.04%	3.05%	0.01%	0.02%	0.02%	24.98%	4.59%	6.06%	

1ST FLOOR / COMMERCIAL SERVICES / Area 9989 SF - Commercial Services Square Footage Allocation to Wholesale Customers

Commercial Services It <sup>2</sup>	9,989
Wholesale Billing Cycle (1/15th)	6.67%
Wholesale Commercial Services It <sup>2</sup>	666
Wholesale Base Inch-Miles (% of Total from HJS-16d)	13.09%
Total Base Allocation Needed	5,089

**Schedule HJS-14a: Allocation of Rate Year FY 2026 Revenue Requirement**

Providence Water Supply Board  
 Docket #  
 Request for General Rate Relief  
 Testimony of Harold J. Smith  
 Test Year Ending June 30, 2024  
 Rate Years Ending June 30, 2026 and June 30, 2027

Acct. Description	Factor	Pre-Forma Rate Year	CTA - Transmission & Distribution			CTA - Supply, Treatment & Low Service			High Service & Retail			Retail Only			Direct Fire & Eq.				
			All Inch-Miles	All Inch-Miles	Inch-Miles <12"	Base	Max Day	Max Hour	Base	Max Day	Max Hour	Base	Max Day	Max Hour		Base	Max Day	Max Hour	Meters & Services 5/8" Eq.
<b>Operation and Maintenance</b>																			
<b>Source of Supply</b>																			
60110 Salary + Wages -SOSO	4	\$	215,865	\$	-	\$	214,875	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
60120 Salary + Wages -SOSM	4	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
60210 Payroll Clearing -SOSO	4	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
60220 Payroll Clearing -SOSM	4	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
60410 Employee Pension +Ben -SOSO	4	\$	113,512	\$	-	\$	112,945	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
60420 Employee Pension + Ben -SOSM	4	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
60560 Overhead Rate Applied -SOSM	4	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
61010 Purchased Power	4	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
6110 Material and supplies -SOSO	4	\$	1,026	\$	-	\$	1,020	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
6120 Material and supplies -SOSM	4	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
62020 Contractual Service -SOSM	4	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
63110 Contractual Service -SOSO	4	\$	50,479	\$	-	\$	50,227	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
63120 Contractual Service -SOSM	4	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
63610 Contractual Service Other-SOSO	4	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
63620 Contractual Service Other-SOSM	4	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
64210 Rental of Equipment-SOSO	4	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
64220 Rental of Equipment-SOSM	4	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
65010 Transportation Expense-SOSO	4	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
65020 Transportation Expense-SOSM	4	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total Source of Supply Expense		\$	380,872	\$	-	\$	379,067	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
<b>Pumping Expenses</b>																			
61523 Fuel or Power Purchase -PPO	19	\$	532,994	\$	-	\$	-	\$	-	\$	100,174	\$	72,102	\$	118,527	\$	83,428	\$	60,049
63523 Contractual Service Other-PPO	19	\$	532,994	\$	-	\$	-	\$	-	\$	100,174	\$	72,102	\$	118,527	\$	83,428	\$	60,049
Total Pumping Expenses		\$	532,994	\$	-	\$	-	\$	-	\$	200,348	\$	144,204	\$	237,054	\$	166,856	\$	120,098
<b>Check</b>																			
		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
<b>Total</b>																			
		\$	380,872	\$	-	\$	379,067	\$	-	\$	200,348	\$	144,204	\$	237,054	\$	166,856	\$	120,098







### Schedule HJS-14a: Allocation of Rate Year FY 2026 Revenue Requirement

Providence Water Supply Board

Request for General Rate Relief

Testimony of Harold J. Smith

Test Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

Acct. Description	Factor	Pro-Forma Rate Year	CTA - Transmission & Distribution				CTA - Supply, Treatment & Low Service				High Service & Retail				Retail Only				Direct Fire \$ Eq.	
			Base All Infr-Miles	Max Day All Infr-Miles	Max Hour All Infr-Miles	Base Infr-Miles <=12"	Base HCF	Max Day HCF	Max Hour HCF	Base HCF	Max Day HCF	Max Hour HCF	Base HCF	Max Day HCF	Max Hour HCF	Base HCF	Max Day HCF	Max Hour HCF		Meters & Services \$/Eq.
<b>Other Expenditures</b>																				
<b>Property Taxes-Other Local Govern.</b>																				
48820 Town of North Providence	9	\$ 263,669	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48821 Town of Glocester	4	\$ 92,602	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48822 Town of West, Gloucester	4	\$ 5,955	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48823 Town Harmony	4	\$ 1,056	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48824 Town Chepachet	4	\$ 155	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48825 Town Scituate	5	\$ 8,033,398	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48826 Town of Johnston	6	\$ 85,260	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48827 Town of Foster	4	\$ 274,646	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48828 Town of Cranston	6	\$ 69,218	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48830 City of West, Warwick	6	\$ 7,357	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XXXXX City of Providence PILOT	6	\$ 326,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Property Taxes	27	\$ 9,189,318	\$ 80,977	\$ 35,950	\$ 59,098	\$ -	\$ 5,122,210	\$ 3,408,554	\$ 70,463	\$ 90,942	\$ 65,457	\$ 107,605	\$ 9,953	\$ 35	\$ 58	\$ 81,427	\$ 14,953	\$ 14,953	\$ -	\$ 19,765
<b>Restricted Funds</b>																				
<b>Capital Fund</b>																				
Western Cranston Fund	26	\$ 2,127,000	\$ 464,835	\$ 325,169	\$ 534,543	\$ -	\$ 283,213	\$ 74,673	\$ 8,438	\$ 2,286	\$ 1,645	\$ 2,705	\$ 5,191	\$ 695	\$ 1,142	\$ 363,904	\$ 6,380	\$ -	\$ -	\$ 52,182
IFR Fund	12	\$ 40,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Meter Replacement Fund	25	\$ 31,300,000	\$ 6,774,922	\$ 4,878,347	\$ 8,019,473	\$ -	\$ 4,329,875	\$ 1,150,434	\$ 129,994	\$ 35,221	\$ 25,351	\$ 41,674	\$ 14,669	\$ 10,702	\$ 17,593	\$ 5,182,717	\$ -	\$ -	\$ -	\$ 688,629
Vehicle/Equipment Fund	14	\$ 1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lead Service Replacement Fund	25	\$ 1,500,000	\$ 324,677	\$ 233,767	\$ 364,320	\$ -	\$ 207,502	\$ 55,133	\$ 6,230	\$ 1,688	\$ 1,215	\$ 1,997	\$ 713	\$ 513	\$ 843	\$ 248,373	\$ -	\$ -	\$ -	\$ 33,011
Revenue Reserve Fund	15	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Restricted Expenditures	33	\$ 36,436,163	\$ 7,615,679	\$ 5,474,039	\$ 8,998,728	\$ 8,045	\$ 4,955,766	\$ 1,312,320	\$ 145,663	\$ 40,990	\$ 29,503	\$ 48,500	\$ 34,826	\$ 22,608	\$ 37,165	\$ 6,867,590	\$ 45,176	\$ -	\$ -	\$ 19,134
<b>City Services Expense</b>																				
Capital Rebate Fund	30	\$ 1,288,750	\$ 77,942	\$ 55,100	\$ 92,223	\$ 40,902	\$ 352,352	\$ 45,989	\$ -	\$ 5,891	\$ 4,240	\$ 6,971	\$ 4,849	\$ 3,483	\$ 5,742	\$ 222,234	\$ 260,686	\$ -	\$ -	\$ 79,136
Total Other Expenditures	25	\$ (2,118,076)	\$ (458,460)	\$ (330,119)	\$ (642,679)	\$ -	\$ (283,003)	\$ (77,850)	\$ (8,797)	\$ (2,983)	\$ (1,715)	\$ (2,820)	\$ (1,006)	\$ (724)	\$ (1,191)	\$ (350,715)	\$ -	\$ -	\$ -	\$ (46,613)
<b>Gross Revenue Requirements</b>																				
\$ 96,588,014																				
\$ 10,307,252																				
\$ 7,384,654																				
\$ 12,139,406																				
\$ 1,617,536																				
\$ 27,226,902																				
\$ 6,446,785																				
\$ 390,871																				
\$ 259,743																				
\$ 426,989																				
\$ 234,182																				
\$ 159,059																				
\$ 261,477																				
\$ 15,341,277																				
\$ 10,319,060																				
\$ 3,899,561																				



**Schedule HJS-14b: Allocation of Rate Year Revenue Requirement (Summary)**

Providence Water Supply Board  
 Docket # \_\_\_\_\_  
 Request for General Rate Relief  
 Testimony of Harold J. Smith  
 Test Year Ending June 30, 2024  
 Rate Years Ending June 30, 2026 and June 30, 2027

Description	Pro-Forma Rate Year	CTA - Transmission & Distribution			CTA - Supply, Treatment & Low Service			High Service & Retail			Retail Only								
		All Inch-Miles	Max Day	Max Hour	All Inch-Miles	Max Day	Max Hour	Base	Max Day	Max Hour	Base	Max Day	Max Hour	Meters & Services	Billing & Collection	Direct Fire			
Net Operations and Maintenance Expense	\$ 49,723,782	\$ 2,526,654	\$ 1,818,465	\$ 2,989,359	\$ 1,568,569	\$ 1,681,921	\$ 1,681,921	\$ 16,796,575	\$ 1,681,921	\$ 1,681,921	\$ 223,047	\$ 160,342	\$ 263,913	\$ 184,554	\$ 132,924	\$ 218,513	\$ 8,170,027	\$ 9,991,865	\$ 3,005,632
Restricted Funds (Excluding Revenue Reserve)	\$ 35,967,000	\$ 7,564,433	\$ 5,437,303	\$ 8,938,336	\$ -	\$ 4,820,599	\$ 1,290,239	\$ 39,185	\$ 28,211	\$ 46,376	\$ 38,185	\$ 23,211	\$ 46,376	\$ 34,551	\$ 21,827	\$ 35,881	\$ 6,794,994	\$ 6,380	\$ 774,022
City Services Expense	\$ 1,258,750	\$ 77,942	\$ 56,100	\$ 92,223	\$ 40,902	\$ 352,352	\$ 45,989	\$ 5,891	\$ 4,240	\$ 6,971	\$ 4,849	\$ 3,493	\$ 5,742	\$ 4,849	\$ 3,493	\$ 5,742	\$ 222,234	\$ 260,686	\$ 79,136
Property Taxes Expense	\$ 9,169,318	\$ 80,977	\$ 35,950	\$ 59,098	\$ -	\$ 5,122,210	\$ 3,408,554	\$ 90,942	\$ 65,437	\$ 107,605	\$ 9,953	\$ 35	\$ 58	\$ 81,427	\$ 14,953	\$ 21,637	\$ -	\$ -	\$ -
Total Expenses Allocated	\$ 96,118,850	\$ 10,250,007	\$ 7,347,818	\$ 12,079,015	\$ 1,609,491	\$ 27,091,725	\$ 6,416,704	\$ 206,928	\$ 359,076	\$ 424,865	\$ 233,907	\$ 158,279	\$ 280,193	\$ 15,268,681	\$ 10,273,884	\$ 3,880,427	\$ -	\$ -	\$ -
Less: Miscellaneous Revenues	\$ (2,286,215)	\$ (843)	\$ (607)	\$ (998)	\$ (443)	\$ (56,328)	\$ (498)	\$ -	\$ (64)	\$ (75)	\$ (178,972)	\$ (2,142)	\$ (3,522)	\$ (749,479)	\$ (1,238,603)	\$ (53,596)	\$ -	\$ -	\$ -
Plus: Net Operating Revenue Allowance	\$ 1,876,653	\$ 204,983	\$ 146,944	\$ 241,560	\$ 321,811	\$ 540,708	\$ 128,324	\$ 4,127	\$ 7,180	\$ 8,496	\$ 1,099	\$ 3,123	\$ 5,133	\$ 290,384	\$ 180,706	\$ 76,537	\$ -	\$ -	\$ -
Net Revenue Requirement	\$ 95,709,288	\$ 10,454,147	\$ 7,494,155	\$ 12,319,578	\$ 1,641,229	\$ 27,576,106	\$ 6,544,550	\$ 210,455	\$ 366,193	\$ 433,285	\$ 56,033	\$ 159,259	\$ 281,805	\$ 14,809,586	\$ 9,215,886	\$ 3,903,365	\$ -	\$ -	\$ -

**Schedule HJS-15a: Pro-Forma Water Sales**

Providence Water Supply Board  
 Docket # \_\_\_\_\_  
 Request for General Rate Relief  
 Testimony of Harold J. Smith  
 Test Year Ending June 30, 2024  
 Rate Years Ending June 30, 2026 and June 30, 2027

Customer Class	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Adjustment	Pro Forma Rate Year
<b>Retail</b>													
Residential	8,627,628	8,347,957	8,269,834	8,269,270	8,030,974	8,103,732	8,009,680	8,558,276	8,750,834	9,035,844	8,015,430	585,273	8,600,703
Commercial	3,903,139	4,230,647	4,251,054	3,927,540	4,043,827	4,031,169	3,649,973	3,313,845	3,826,964	4,005,174	3,664,417	167,768	3,832,185
Industrial	185,888	171,644	164,367	182,199	189,997	164,973	150,547	156,967	204,827	263,895	237,806	(2,296)	235,509
<b>Sub-total Retail</b>	12,716,655	12,750,248	12,685,256	12,379,009	12,264,797	12,299,874	11,810,200	12,029,088	12,782,626	13,304,913	11,917,652	750,745	12,668,397
	49.17%	48.22%	49.25%	49.12%	50.62%	51.15%	51.52%	50.46%	53.09%	53.26%	52.03%		52.81%
<b>Wholesale</b>													
Bristol County	1,608,984	1,663,045	1,579,991	1,637,658	1,602,670	1,494,845	1,357,972	1,656,025	1,575,293	1,267,325	1,197,809	149,000	1,346,809
East Providence	2,201,598	2,010,940	1,869,775	1,904,517	1,776,786	1,822,773	1,960,029	1,777,007	1,835,325	1,835,761	1,574,007	174,357	1,748,364
East Smithfield	278,534	318,959	280,994	-	-	-	416,268	473,671	430,798	438,941	386,010	32,573	418,583
Greenville	431,647	443,841	477,556	443,680	417,847	421,521	416,268	473,671	430,798	438,941	386,010	32,573	418,583
Johnston	337,577	433,844	421,362	392,953	386,849	385,925	386,849	473,671	430,798	438,941	386,010	32,573	418,583
Kent County	2,561,361	2,561,821	2,381,066	2,500,971	2,470,436	2,727,147	2,574,837	2,582,292	2,563,398	2,586,992	2,686,846	(74,494)	2,612,412
Lincoln	1,025,337	1,119,193	1,082,008	1,155,628	1,057,830	1,038,229	1,054,437	1,112,381	1,028,952	1,104,281	1,021,102	30,343	1,051,445
Smithfield	497,433	477,254	427,370	435,321	435,955	391,600	391,142	412,168	396,755	416,786	378,594	18,785	397,378
Warwick	4,202,875	4,666,329	4,553,730	4,349,674	3,817,571	3,466,644	3,356,533	3,795,032	3,466,226	4,027,418	3,742,121	3,134	3,745,255
<b>Sub-total Wholesale</b>	13,145,345	13,694,224	13,073,851	12,820,403	11,965,943	11,748,684	11,111,218	11,808,566	11,296,746	11,677,504	10,986,487	333,759	11,320,246
	50.83%	51.78%	50.75%	50.88%	49.38%	48.85%	48.48%	49.54%	46.91%	46.74%	47.97%		47.19%
<b>Grand Total</b>	<b>25,862,000</b>	<b>26,444,473</b>	<b>25,759,107</b>	<b>25,199,412</b>	<b>24,230,740</b>	<b>24,048,558</b>	<b>22,921,418</b>	<b>23,837,655</b>	<b>24,079,372</b>	<b>24,982,416</b>	<b>22,904,139</b>	<b>1,084,503</b>	<b>23,988,643</b>

East Smithfield Retail Sales to Calculate East Smithfield Surcharge Revenue on HJS-2a and b (Included in Retail Totals Above)  
 Johnston Retail Sales to Calculate Johnston Water System Annexation Fee Revenue on HJS-2a and b (Included in Retail Totals Above)

**Schedule HJS-15b: Assignment of Non-Revenue Water (NRW)**

Providence Water Supply Board  
 Docket # \_\_\_\_\_  
 Request for General Rate Relief  
 Testimony of Harold J. Smith  
 Test Year Ending June 30, 2024  
 Rate Years Ending June 30, 2026 and June 30, 2027

Line	Description	Note	Units	Total	Retail	Bristol County	East Providence	Greenville	Kent County	Lincoln	Smithfield	Warwick
1	Annual Sales		HCF	23,988,643 100.00%	12,668,397 52.81%	1,346,809 5.61%	1,748,364 7.29%	418,583 1.74%	2,612,412 10.89%	1,051,445 4.38%	397,378 1.66%	3,745,255 15.61%
2	Pipe Length	(1)	Miles	1,249.331 100.00%	1,208.131 96.70%	8.670 0.69%	3.890 0.31%	5.350 0.43%	0.370 0.03%	15.770 1.26%	4.190 0.34%	2.960 0.24%
3	Pipe Length <=12"		Miles	897.495 100.00%	885.220 98.63%	1.028 0.11%	0.004 0.00%	1.713 0.19%	- 0.00%	8.602 0.96%	0.929 0.10%	- 0.00%
4	<b>Start: Annual Water Production</b>	(2)	HCF	<b>29,287,602</b>								
5	Less: Annual Sales		HCF	23,988,643								
6	<b>Equals: Non-Revenue Water</b>		HCF	<b>5,298,960</b>								
7	Less: Non-Billed Water Use											
8	Unauthorized Consumption	(2)	HCF	809,308	809,308							
9	Customer Metering Inaccuracy	(2)	HCF	-	-							
10	Firefighting Allowance	(2)	HCF	133,690	133,690							
11	Water Quality - All Customers	(2) (3)	HCF	303,476	160,266	17,038	22,118	5,295	33,049	13,302	5,027	47,381
12	Water Quality - Retail Only	(2)	HCF	2,228	2,228							
13	Main Flushing/System Maintenance	(2) (4)	HCF	21,370	21,078	24	0	41	-	205	22	-
14	Other Authorized Unbilled	(2)	HCF	45,009	45,009							
15	Total Non-Billed Use		HCF	1,315,081	1,171,579	17,063	22,118	5,336	33,049	13,506	5,049	47,381
16	<b>Equals: Real Losses (Leakage)</b>	(5)	HCF	<b>3,983,879</b>	<b>3,852,500</b>	<b>27,647</b>	<b>12,404</b>	<b>17,060</b>	<b>1,180</b>	<b>50,288</b>	<b>13,361</b>	<b>9,439</b>
17	Total Non-Revenue Water		HCF	5,298,960	5,024,078	44,710	34,523	22,396	34,229	63,794	18,410	56,819

(1) Per Hydraulic Modeling Analysis (Avg. Day) + Estimated Service Lines for Retail (225 mi)  
 (2) Per Providence Water (avg. FY 2022 - FY 2024)  
 (3) Allocated based on Pro-Forma Sales  
 (4) Allocated based on Pipe Length <=12"  
 (5) Allocated based on Pipe Length

**Schedule HJS-16a: Customer Class Units of Service**

Providence Water Supply Board

Docket # \_\_\_\_\_

Request for General Rate Relief

Testimony of Harold J. Smith

Test Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

Customer Class	Base Demand			Maximum Day Extra Capacity			Maximum Hour Extra Capacity			Billing			Direct Fire	
	Rate Year Sales	Plus NRW	Base	Average Day	Maximum Day	Peaking Factor	Average Day	Maximum Day	Peaking Factor	Maximum Hour	Hour Extra	Meters & Services		Monthly Bills
	HCF	HCF	HCF	HCF/d	HCF/d	HCF/d	HCF/d	HCF/d	HCF/d	HCF/d	HCF/d	50" Eq.		
<b>Retail</b>														
Residential - Low	4,501,910	1,785,384	6,287,294	12,334	18,184	1.47	12,334	18,184	2.95	36,367	18,184			
Commercial - Low	2,005,900	795,507	2,801,407	5,496	8,727	1.59	5,496	8,727	3.18	17,454	8,727			
Industrial - Low	123,274	48,888	172,162	338	460	1.36	338	460	2.72	920	460			
Residential - High	4,098,793	1,625,514	5,724,307	11,230	18,650	1.66	11,230	18,650	3.32	37,299	18,650			
Commercial - High	1,826,285	724,275	2,550,559	5,004	8,951	1.79	5,004	8,951	3.58	17,902	8,951			
Industrial - High	112,235	44,511	156,746	307	472	1.53	307	472	3.07	944	472			
Sub-total Retail	12,668,387	5,024,078	17,692,475	34,708	55,443	1.60	34,708	55,443	3.19	110,887	55,443	125,281	942,192	
<b>Fire Protection</b>														
Private					707			707		2,830	2,122		24,156	
Public (Providence)					1,112			1,112		4,448	3,336			3,241
Public (All Other)					1,068			1,068		4,273	3,205			3,113
Subtotal Fire Protection					2,888			2,888		11,551	8,663		24,156	6,354
<b>Wholesale</b>														
Low Service	9,452,840	170,281	9,623,121	25,898	44,933	1.73	25,898	44,933	2.15	55,783	10,850			
High Service	1,867,406	104,601	1,972,006	5,116	9,763	1.91	5,116	9,763	2.46	12,570	2,807			
Wholesale	11,320,246	274,882	11,595,127	31,014	54,696	1.75	31,014	54,696	2.20	68,353	13,657			
<b>Grand Total</b>	23,988,643	5,298,960	29,287,602	65,722	113,027	1.72	65,722	113,027	2.90	190,791	77,764	224,406	966,348	6,354

**Intraclass Distribution of Retail Max Day Based on Monthly Analysis**

Customer Class	Max Day	%
Residential	36,616	64.97%
Commercial	18,986	33.69%
Industrial	754	1.34%
<b>Total</b>	56,357	100.00%

## Schedule HJS-16b: Customer Class Units of Service

Providence Water Supply Board

Docket # \_\_\_\_\_

Request for General Rate Relief

Testimony of Collin A. Drat

Test Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

Customer Class	Base Demand <i>Inch-Miles</i>	Maximum Day <i>Inch-Miles</i>	Maximum Hour <i>Inch-Miles</i>	Base Demand <i>Inch-Miles &lt;=12"</i>
<b>Retail</b>				
Residential	6,357.09	5,941.25	5,732.93	4,447.65
Commercial	2,832.50	2,851.47	2,751.49	1,981.72
Industrial	174.07	150.31	145.04	121.79
Sub-total Retail	9,363.67	8,943.03	8,629.45	6,551.16

<b>Fire Protection</b>				
Private	-	114.11	220.21	-
Public (Providence)	-	179.38	346.18	-
Public (All Other)	-	172.30	332.51	-
Subtotal Fire Protection	-	465.79	898.91	-

<b>Wholesale</b>				
Low Service	855.75	825.66	852.39	8.66
High Service	554.06	538.92	392.65	105.15
Wholesale	1,409.81	1,364.58	1,245.04	113.81

<b>Grand Total</b>	10,773.47	10,773.40	10,773.40	6,664.97
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Intraclass Distribution of Retail Inch-Miles Based on Demand from HJS-16a

Customer Class	Base	%	Max Day	Max Hour	%
<b>Retail</b>					
Residential	12,011,600	67.89%	36,833	73,667	60.17%
Commercial	5,351,966	30.25%	17,678	35,356	28.88%
Industrial	328,908	1.86%	932	1,864	1.52%
Subtotal Retail	17,692,475	100.00%	55,443	110,887	90.57%
<b>Fire Protection</b>					
Private	-	0.00%	707	2,830	2.31%
Public (Providence)	-	0.00%	1,112	4,448	3.63%
Public (All Other)	-	0.00%	1,068	4,273	3.49%
Subtotal Fire Protection	-	0.00%	2,888	11,551	9.43%

<b>Grand Total Retail + Fire</b>	17,692,475	100.00%	58,331	122,438	100.00%
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## Schedule HJS-16c: Customer Class Units of Service

Providence Water Supply Board

Docket # \_\_\_\_\_

Request for General Rate Relief

Testimony of Collin A. Drat

Test Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

### 6" Equivalent Connections

Fire Connection Size	Accounts	Demand Factor	6" Eq. Factor	6" Eq. Conn.
5/8"	-	0.0	0.000	0.00
3/4"	1	0.5	0.004	0.00
1"	8	1.0	0.009	0.07
1-1/2"	2	2.9	0.026	0.05
2"	73	6.2	0.056	4.06
3"	-	18.0	0.162	0.00
4"	415	38.3	0.344	142.87
6"	1,234	111.3	1.000	1,234.00
8"	257	237.2	2.131	547.67
10"	4	426.6	3.832	15.33
12"	19	689.0	6.190	117.61
16"	-	1,468.4	13.192	0.00
<b>Subtotal Private</b>	<b>2,013</b>			<b>2,062</b>

### 5/8" Equivalent Connections

Meter Size	Providence Accounts	All Accounts	Fire Accounts	5/8" Eq. M&S Factor	5/8" Eq. Prov FP
5/8"	25,838	57,237	-	1	1
3/4"	5,005	12,570	1	1.5	1.5
1"	2,144	5,417	8	2.5	2.5
1-1/2"	903	1,535	2	5	5
2"	800	1,367	73	8	8
3"	92	142	-	15	15
4"	47	67	415	25	25
6"	78	109	1,234	50	50
8"	24	59	257	80	80
10"	2	7	4	210	210
12"	-	6	19	265	265
16"	-	-	-	390	390
<b>Subtotal Private</b>	<b>34,933</b>	<b>78,516</b>	<b>2,013</b>		

Public Fire Hydrants (Providence Only)	3241
Public Fire Hydrants (All Other)	3113
Total Hydrants	6354

Equivalent 6" Connections	#	%
Private Firelines	2,062	24.50%
Providence Hydrants	3,241	38.51%
All Other Hydrants	3,113	36.99%
	8,416	100.00%

Providence	5/8" M&S	5/8" FP	Bills
	58,416	58,416	419,196
All	125,281	n/a	942,192
Fire	99,126	n/a	24,156

## Schedule HJS-16d: Summary of Customer Class Units of Service

Providence Water Supply Board  
 Docket # \_\_\_\_\_  
 Request for General Rate Relief  
 Testimony of Harold J. Smith  
 Test Year Ending June 30, 2024  
 Rate Years Ending June 30, 2026 and June 30, 2027

Customer Class	Inch-Miles			Inch-Miles <=12"			Base HCF	Demand			Billing		Direct Fire 6" Eq.
	Base Inch-Miles	Maximum Day Inch-Miles	Maximum Hour Inch-Miles	Base	Maximum Day Extra HCF/d	Maximum Hour Extra HCF/d		Meters & Services 5/8" Eq.	Monthly Bills				
<b>Retail</b>													
Residential - Low	6,357.09	5,941.25	5,732.93	4,447.65	6,287,294	5,850	18,184						
Commercial - Low	2,832.50	2,851.47	2,751.49	1,981.72	2,801,407	3,232	8,727						
Industrial - Low	174.07	150.31	145.04	121.79	172,162	122	460						
Residential - High					5,724,307	7,420	18,650						
Commercial - High					2,550,559	3,947	8,951						
Industrial - High					156,746	164	472						
Sub-total Retail	9,363.67	8,943.03	8,629.45	6,551.16	17,692,475	20,735	55,443	125,281	942,192				
<b>Fire Protection</b>													
Private	-	114.11	220.21	-	-	707	2,122	99,126	24,156				
Public (Providence)	-	179.38	346.18	-	-	1,112	3,336						3,241
Public (All Other)	-	172.30	332.51	-	-	1,068	3,205						3,113
Subtotal Fire Protection	-	465.79	898.91	-	-	2,888	8,663	99,126	24,156				6,354
<b>Wholesale</b>													
Low Service	855.75	825.66	852.39	8.66	9,623,121	19,035	10,850						
High Service	554.06	538.92	392.65	105.15	1,972,006	4,647	2,807						
Wholesale	1,409.81	1,364.58	1,245.04	113.81	11,595,127	23,681.55	13,657.29						
<b>Grand Total</b>	10,773.47	10,773.40	10,773.40	6,664.97	29,287,602	47,305	77,764	224,406	966,348				6,354

**Schedule HJS-17: Unit Cost of Service**

Providence Water Supply Board

Docket #:

Request for General Rate Relief

Testimony of Harold J. Smith

Test Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

Description	CTA - Transmission & Distribution				CTA - Supply, Treatment & Low Service				High Service & Retail				Retail Only				
	Base Inch-Miles	Max Day Inch-Miles	Max Hour Inch-Miles	Base Inch-Miles <=12"	Base HCF	Max Day HCF	Max Hour HCF	Base HCF	Max Day HCF	Max Hour HCF	Base HCF	Max Day HCF	Max Hour HCF	Max Hour HCF	Meters & Services 5/8" Eq.	Billing & Collection Bills	Direct Fire 6" Eq.
<b>Total Units of Service</b>																	
Retail	9,364	8,943	8,629	6,551	17,692,475	20,735	55,443	8,431,612	11,532	28,072	17,692,475	20,735	55,443	125,291	942,192	-	-
Fire Protection	-	466	899	-	-	2,888	8,663	-	2,888	8,663	-	2,888	8,663	99,126	24,156	6,354	6,354
Low Service Wholesale	856	826	852	9	9,623,121	19,035	10,850	-	-	-	-	-	-	-	-	-	-
High Service Wholesale	554	539	393	105	1,972,006	4,647	2,807	1,972,006	4,647	2,807	1,972,006	4,647	2,807	-	-	-	-
<b>Total</b>	<b>10,773</b>	<b>10,773</b>	<b>10,773</b>	<b>6,665</b>	<b>29,287,602</b>	<b>47,305</b>	<b>77,764</b>	<b>10,403,619</b>	<b>19,066</b>	<b>39,543</b>	<b>17,692,475</b>	<b>23,623</b>	<b>64,106</b>	<b>224,406</b>	<b>966,348</b>	<b>6,354</b>	<b>6,354</b>
<b>Unit Cost of Service</b>																	
O&M Expense	\$ 47,437,568	\$ 2,525,811	\$ 1,817,858	\$ 2,988,361	\$ 16,740,247	\$ 1,681,423	\$ (8,797)	\$ 222,983	\$ 160,496	\$ 263,838	\$ 5,581	\$ 130,762	\$ 214,991	\$ 7,420,548	\$ 8,753,262	\$ 2,952,036	\$ 2,952,036
Unit Cost (\$/Unit)	\$ 234.45	\$ 168.74	\$ 277.38	\$ 235.28	\$ 0.57	\$ 35.54	\$ (0.11)	\$ 0.02	\$ 8.42	\$ 6.67	\$ 0.00	\$ 5.54	\$ 3.35	\$ 33.07	\$ 9.06	\$ 464.59	\$ 464.59
Capital Expense	\$ 35,967,000	\$ 7,564,433	\$ 5,437,303	\$ 8,938,336	\$ 4,820,589	\$ 1,280,239	\$ 144,662	\$ 39,195	\$ 28,211	\$ 46,376	\$ 34,551	\$ 21,827	\$ 35,881	\$ 6,794,994	\$ 6,380	\$ 774,022	\$ 774,022
Unit Cost (\$/Unit)	\$ 702.14	\$ 504.70	\$ 829.87	\$ 829.87	\$ 0.16	\$ 27.06	\$ 1.86	\$ 0.00	\$ 1.48	\$ 1.17	\$ 0.00	\$ 0.92	\$ 0.56	\$ 30.28	\$ 0.01	\$ 121.82	\$ 121.82
City Services Expense	\$ 1,258,750	\$ 77,942	\$ 56,100	\$ 92,223	\$ 352,352	\$ 45,989	\$ -	\$ 5,891	\$ 4,240	\$ 6,971	\$ 4,849	\$ 3,493	\$ 5,742	\$ 222,234	\$ 260,686	\$ 79,136	\$ 79,136
Unit Cost (\$/Unit)	\$ 7.23	\$ 5.21	\$ 5.21	\$ 8.56	\$ 0.01	\$ 0.97	\$ -	\$ 0.00	\$ 0.22	\$ 0.18	\$ 0.00	\$ 0.15	\$ 0.09	\$ 0.99	\$ 0.27	\$ 12.45	\$ 12.45
Property Tax Expense	\$ 9,169,318	\$ 80,877	\$ 35,950	\$ 59,098	\$ 5,122,210	\$ 3,408,554	\$ 70,463	\$ 90,942	\$ 65,457	\$ 107,605	\$ 9,953	\$ 35	\$ 58	\$ 81,427	\$ 14,953	\$ 21,637	\$ 21,637
Unit Cost (\$/Unit)	\$ 7.52	\$ 3.34	\$ 3.34	\$ 5.49	\$ 0.17	\$ 72.06	\$ 0.91	\$ 0.01	\$ 3.43	\$ 2.72	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.36	\$ 0.02	\$ 3.41	\$ 3.41
Net Op Rev Allowance	\$ 1,876,653	\$ 204,983	\$ 146,944	\$ 241,580	\$ 540,708	\$ 128,324	\$ 4,127	\$ 7,180	\$ 5,168	\$ 8,496	\$ 1,099	\$ 3,123	\$ 5,133	\$ 280,384	\$ 180,706	\$ 76,537	\$ 76,537
Unit Cost (\$/Unit)	\$ 19.03	\$ 13.64	\$ 13.64	\$ 22.42	\$ 0.02	\$ 2.71	\$ 0.05	\$ 0.00	\$ 0.27	\$ 0.21	\$ 0.00	\$ 0.13	\$ 0.08	\$ 1.29	\$ 0.19	\$ 12.05	\$ 12.05
Total Cost of Service	\$ 95,709,288	\$ 10,454,147	\$ 7,494,155	\$ 12,319,578	\$ 27,576,106	\$ 6,544,530	\$ 210,455	\$ 366,193	\$ 283,573	\$ 433,285	\$ 56,033	\$ 159,259	\$ 261,805	\$ 14,809,686	\$ 9,215,986	\$ 3,903,368	\$ 3,903,368
Unit Cost (\$/Unit)	\$ 970.36	\$ 695.82	\$ 695.82	\$ 1,143.52	\$ 0.94	\$ 138.35	\$ 2.71	\$ 0.04	\$ 13.82	\$ 10.96	\$ 0.00	\$ 6.74	\$ 4.08	\$ 65.99	\$ 9.54	\$ 614.32	\$ 614.32

**Schedule HJS-18: Customer Class Cost of Service**

Providence Water Supply Board

Docket # \_\_\_\_\_

Request for General Rate Relief

Testimony of Harold J. Smith

Test Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

Description	CTA - Transmission & Distribution				CTA - Supply, Treatment & Low Service				High Service & Retail				Retail Only						
	Base All Inch-Miles	Max Day All Inch-Miles	Max Hour All Inch-Miles	Inch-Miles <sup>2</sup>	Base HCF	Max Day HCFM	Max Hour HCFM	Base HCF	Max Day HCFM	Max Hour HCFM	Base HCF	Max Day HCFM	Max Hour HCFM	Base HCF	Max Day HCFM	Max Hour HCFM	Meters & Services 687 Est	Billing & Collection Bills	Direct Fire 6" Ex
Unit Cost of Service (\$/Unit)	\$ 970.36	\$ 695.62	\$ 1,143.32	\$ 246.25	\$ 0.94	\$ 138.35	\$ 2.71	\$ 0.04	\$ 13.82	\$ 10.96	\$ 0.00	\$ 6.74	\$ 4.08	\$ 65.99	\$ 9.54	\$ 614.32			
<b>Residential Volume</b>																			
Units of Service	6,357	5,941	5,733	4,448	12,011,600	13,270	36,833	5,724,307	7,420	18,650	12,011,600	13,270	36,833	12,011,600	13,270	36,833			
Cost of Service	\$ 6,168,664	\$ 4,132,833	\$ 6,555,705	\$ 1,095,220	\$ 11,309,871	\$ 1,835,871	\$ 99,684	\$ 201,487	\$ 102,576	\$ 204,354	\$ 38,042	\$ 89,461	\$ 150,425	\$ 38,042	\$ 89,461	\$ 150,425			
<b>Commercial Volume</b>																			
Units of Service	2,833	2,851	2,751	1,982	5,351,966	7,179	17,678	2,550,559	3,947	8,951	5,351,966	7,179	17,678	5,351,966	7,179	17,678			
Cost of Service	\$ 2,748,550	\$ 1,963,531	\$ 3,146,376	\$ 487,993	\$ 5,039,210	\$ 983,189	\$ 47,943	\$ 89,776	\$ 54,568	\$ 98,078	\$ 16,950	\$ 48,398	\$ 72,195	\$ 16,950	\$ 48,398	\$ 72,195			
<b>Industrial Volume Charge</b>																			
Units of Service	174	150	145	122	328,908	287	932	156,746	164	472	328,908	287	932	328,908	287	932			
Cost of Service	\$ 840,917	\$ 104,557	\$ 165,854	\$ 29,990	\$ 309,688	\$ 39,654	\$ 2,522	\$ 5,517	\$ 2,272	\$ 5,170	\$ 1,042	\$ 1,932	\$ 3,806	\$ 1,042	\$ 1,932	\$ 3,806			
<b>Meter-Service Charge</b>																			
Units of Service																			
Cost of Service	\$ 17,253,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,281	\$ 942,192	\$ -
<b>Fire Protection:</b>																			
<b>Private Fire Lines</b>																			
Units of Service	114	114	220	-	-	707	2,122	-	707	2,122	-	707	2,122	-	707	2,122	99,126	24,156	-
Cost of Service	\$ 7,253,404	\$ -	\$ 251,820	\$ -	\$ -	\$ 97,872	\$ 5,744	\$ -	\$ 9,779	\$ 23,255	\$ -	\$ 4,769	\$ 8,667	\$ -	\$ 4,769	\$ 8,667	\$ 6,541,749	\$ 230,374	\$ -
<b>Public Fire (Providence)</b>																			
Units of Service	179	179	346	-	-	1,112	3,336	-	1,112	3,336	-	1,112	3,336	-	1,112	3,336	-	-	3,241
Cost of Service	\$ 2,747,587	\$ -	\$ 395,867	\$ -	\$ -	\$ 153,857	\$ 9,029	\$ -	\$ 15,374	\$ 36,557	\$ -	\$ 7,497	\$ 13,625	\$ -	\$ 7,497	\$ 13,625	\$ -	\$ -	\$ 1,991,000
<b>Public Fire (All Other)</b>																			
Units of Service	172	172	333	-	-	1,068	3,205	-	1,068	3,205	-	1,068	3,205	-	1,068	3,205	-	-	3,113
Cost of Service	\$ 2,639,074	\$ -	\$ 380,232	\$ -	\$ -	\$ 147,780	\$ 8,673	\$ -	\$ 14,766	\$ 35,113	\$ -	\$ 7,201	\$ 13,087	\$ -	\$ 7,201	\$ 13,087	\$ -	\$ -	\$ 1,912,368
<b>Wholesale Services:</b>																			
Units of Service	856	826	852	9	9,623,121	19,035	10,850	-	-	-	-	-	-	-	-	-	-	-	-
Low Service	554	539	393	105	1,972,006	4,647	2,807	1,972,006	4,647	2,807	1,972,006	4,647	2,807	1,972,006	4,647	2,807	-	-	-
High Service	1,410	1,365	1,245	114	11,595,127	23,682	13,657	1,972,006	4,647	2,807	1,972,006	4,647	2,807	1,972,006	4,647	2,807	-	-	-
Cost of Service	\$ 14,105,137	\$ 830,386	\$ 974,723	\$ 2,132	\$ 9,060,769	\$ 2,633,420	\$ 29,365	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Low Service	\$ 4,059,068	\$ 537,633	\$ 374,882	\$ 449,001	\$ 1,856,767	\$ 642,888	\$ 7,597	\$ 69,412	\$ 64,238	\$ 30,758	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
High Service	\$ 18,184,205	\$ 1,368,019	\$ 949,224	\$ 1,423,725	\$ 28,026	\$ 10,917,556	\$ 36,861	\$ 69,412	\$ 64,238	\$ 30,758	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cost of Service	\$ 95,709,288	\$ 10,454,147	\$ 7,494,155	\$ 12,319,578	\$ 1,641,229	\$ 27,576,106	\$ 6,544,550	\$ 210,455	\$ 386,193	\$ 433,285	\$ 56,033	\$ 159,259	\$ 281,805	\$ 14,809,586	\$ 9,215,966	\$ 3,903,368	\$ -	\$ -	\$ -

## Schedule HJS-19: Development of Volumetric Rates

Providence Water Supply Board  
 Docket # \_\_\_\_\_  
 Request for General Rate Relief  
 Testimony of Harold J. Smith  
 Test Year Ending June 30, 2024  
 Rate Years Ending June 30, 2026 and June 30, 2027

Description	Units	Residential	Commercial	Industrial	Low Service	High Service
<b>Unit Cost</b>						
CTA Base - T&D	\$/Inch-Mile	\$ 970.36	\$ 970.36	\$ 970.36	\$ 970.36	\$ 970.36
CTA Max Day - T&D	\$/Inch-Mile	\$ 695.62	\$ 695.62	\$ 695.62	\$ 695.62	\$ 695.62
CTA Max Hour - T&D	\$/Inch-Mile	\$ 1,143.52	\$ 1,143.52	\$ 1,143.52	\$ 1,143.52	\$ 1,143.52
CTA Base - T&D <=12"	\$/Inch-Mile	\$ 246.25	\$ 246.25	\$ 246.25	\$ 246.25	\$ 246.25
CTA Base - SOS, WTP, LS	\$/HCF	\$ 0.94	\$ 0.94	\$ 0.94	\$ 0.94	\$ 0.94
CTA Max Day - SOS, WTP, LS	\$/HCF/d	\$ 138.35	\$ 138.35	\$ 138.35	\$ 138.35	\$ 138.35
CTA Max Hour - SOS, WTP, LS	\$/HCF/d	\$ 2.71	\$ 2.71	\$ 2.71	\$ 2.71	\$ 2.71
HSR Base	\$/HCF	\$ 0.04	\$ 0.04	\$ 0.04		\$ 0.04
HSR Max Day	\$/HCF/d	\$ 13.82	\$ 13.82	\$ 13.82		\$ 13.82
HSR Max Hour	\$/HCF/d	\$ 10.96	\$ 10.96	\$ 10.96		\$ 10.96
Retail Only Base	\$/HCF	\$ 0.00	\$ 0.00	\$ 0.00		
Retail Only Max Day	\$/HCF/d	\$ 6.74	\$ 6.74	\$ 6.74		
Retail Only Max Hour	\$/HCF/d	\$ 4.08	\$ 4.08	\$ 4.08		
<b>Units</b>						
Base	Inch-Miles	6,357	2,833	174	856	554
Maximum Day	Inch-Miles	5,941	2,851	150	826	539
Maximum Hour	Inch-Miles	5,733	2,751	145	852	393
Base	Inch-Miles <=12"	4,448	1,982	122	9	105
Base	HCF	12,011,600	5,351,966	328,908	9,623,121	1,972,006
Maximum Day	HCF/d	13,270	7,179	287	19,035	4,647
Maximum Hour	HCF/d	36,833	17,678	932	10,850	2,807
Base - HSR Only		5,724,307	2,550,559	156,746		
Maximum Day - HSR Only		7,420	3,947	164		
Maximum Hour - HSR Only		18,650	8,951	472		

## Schedule HJS-19: Development of Volumetric Rates

Providence Water Supply Board  
Docket # \_\_\_\_\_  
Request for General Rate Relief  
Testimony of Harold J. Smith  
Test Year Ending June 30, 2024  
Rate Years Ending June 30, 2026 and June 30, 2027

Description	Units	Residential	Commercial	Industrial	Low Service	High Service
<b>Total Cost</b>						
CTA Base - T&D		\$ 6,168,664	\$ 2,748,550	\$ 168,914	\$ 830,386	\$ 537,633
CTA Max Day - T&D		\$ 4,132,833	\$ 1,983,531	\$ 104,557	\$ 574,343	\$ 374,882
CTA Max Hour - T&D		\$ 6,555,705	\$ 3,146,376	\$ 165,854	\$ 974,723	\$ 449,001
CTA Base - T&D <=12"		\$ 1,095,220	\$ 487,993	\$ 29,990	\$ 2,132	\$ 25,893
CTA Base - SOS, WTP, LS		\$ 11,309,671	\$ 5,039,210	\$ 309,688	\$ 9,060,769	\$ 1,856,767
CTA Max Day - SOS, WTP, LS		\$ 1,835,871	\$ 993,189	\$ 39,654	\$ 2,633,420	\$ 642,888
CTA Max Hour - SOS, WTP, LS		\$ 99,684	\$ 47,843	\$ 2,522	\$ 29,365	\$ 7,597
HSR Base		\$ 201,487	\$ 89,776	\$ 5,517	\$ -	\$ 69,412
HSR Maximum Day		\$ 102,576	\$ 54,568	\$ 2,272	\$ -	\$ 64,238
HSR Maximum Hour		\$ 204,354	\$ 98,078	\$ 5,170	\$ -	\$ 30,758
Retail Only Base		\$ 38,042	\$ 16,950	\$ 1,042	\$ -	\$ -
Retail Only Max Day		\$ 89,461	\$ 48,398	\$ 1,932	\$ -	\$ -
Retail Only Max Hour		\$ 150,425	\$ 72,195	\$ 3,806	\$ -	\$ -
PLUS:						
Retail Service Charge Costs		\$ 2,834,634	\$ 1,314,037	\$ 74,528	\$ -	\$ -
Retail Fire Protection Costs		\$ -	\$ -	\$ -	\$ -	\$ -
Private Fire Line Costs		\$ -	\$ -	\$ -	\$ -	\$ -
Public Fire Costs		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Rate Year Revenue Requirement</b>		<b>\$ 34,818,627</b>	<b>\$ 16,140,695</b>	<b>\$ 915,445</b>	<b>\$ 14,105,137</b>	<b>\$ 4,059,068</b>
<b>Rate Year Sales</b>	HCF	8,600,703	3,832,185	235,509	9,452,840	1,867,406
<b>Volumetric Rate Build-Up</b>						
Base	\$/HCF	\$ 2.187389	\$ 2.187389	\$ 2.187389	\$ 1.046594	\$ 1.333243
Maximum Day	\$/HCF	\$ 0.716307	\$ 0.803637	\$ 0.630190	\$ 0.339344	\$ 0.579417
Maximum Hour	\$/HCF	\$ 0.815069	\$ 0.877957	\$ 0.753055	\$ 0.106221	\$ 0.260980
Service Charge	\$/HCF	\$ 0.329582	\$ 0.342895	\$ 0.316453	\$ -	\$ -
Retail Fire	\$/HCF	\$ -	\$ -	\$ -	\$ -	\$ -
Private Fire	\$/HCF	\$ -	\$ -	\$ -	\$ -	\$ -
Public Fire	\$/HCF	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$/HCF</b>	<b>\$ 4.048347</b>	<b>\$ 4.211878</b>	<b>\$ 3.887088</b>	<b>\$ 1.492159</b>	<b>\$ 2.173640</b>
<b>Rounded</b>	<b>\$/HCF</b>	<b>\$ 4.049000</b>	<b>\$ 4.212000</b>	<b>\$ 3.888000</b>	<b>\$ 1.492159</b>	<b>\$ 2.173640</b>
Revenues		\$ 34,824,245	\$ 16,141,163	\$ 915,660	\$ 14,105,140	\$ 4,059,068
COS		\$ 34,818,627	\$ 16,140,695	\$ 915,445	\$ 14,105,137	\$ 4,059,068
Variance due to Rounding		\$ 5,618	\$ 468	\$ 215	\$ 3	\$ 0

**Schedule HJS-20a: Development of Meter Service Charge**

Providence Water Supply Board

Docket # \_\_\_\_\_

Request for General Rate Relief

Testimony of Harold J. Smith

Test Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

\$ 4.69 56.237685

Meter Size	Meter Equivalency	M&S Cost Per Month	Billing Cost Per Bill	Total Cost Per Month	Existing Charge	Proposed Charge	Rounded Charge	Accounts	Revenues
5/8"	1	\$ 5.50	\$ 9.54	\$ 15.04	\$ 10.35	\$ 12.42	\$ 12.42	57,237	\$ 8,530,602
3/4"	1.5	\$ 8.25	\$ 9.54	\$ 17.79	\$ 11.03	\$ 13.24	\$ 13.24	12,570	\$ 1,997,122
1"	2.5	\$ 13.75	\$ 9.54	\$ 23.29	\$ 13.01	\$ 15.61	\$ 15.62	5,417	\$ 1,015,362
1.5"	5	\$ 27.50	\$ 9.54	\$ 37.03	\$ 15.65	\$ 18.78	\$ 18.78	1,535	\$ 345,928
2"	8	\$ 44.00	\$ 9.54	\$ 53.53	\$ 22.94	\$ 27.53	\$ 27.53	1,367	\$ 451,602
3"	15	\$ 82.49	\$ 9.54	\$ 92.03	\$ 76.67	\$ 92.00	\$ 92.01	142	\$ 156,785
4"	25	\$ 137.49	\$ 9.54	\$ 147.03	\$ 96.57	\$ 115.88	\$ 115.89	67	\$ 93,176
6"	50	\$ 274.98	\$ 9.54	\$ 284.51	\$ 142.99	\$ 171.59	\$ 171.59	109	\$ 224,440
8"	80	\$ 439.96	\$ 9.54	\$ 449.50	\$ 196.04	\$ 235.25	\$ 235.25	59	\$ 166,557
10"	210	\$ 1,154.91	\$ 9.54	\$ 1,164.44	\$ 244.12	\$ 292.94	\$ 292.95	7	\$ 24,608
12"	265	\$ 1,457.38	\$ 9.54	\$ 1,466.92	\$ 292.20	\$ 350.64	\$ 350.64	6	\$ 25,246

Total Revenue Generated 78,516 \$ 13,031,427

**Costs Allocated to Customer Service**

Meters & Services	\$ 8,267,838
Billing & Collection	\$ 8,985,613
LESS Shift to Retail Volume Charge	\$ (4,223,198)
<b>Total Customer Service Costs</b>	<b>\$ 13,030,252</b>

Variance Due to Rounding \$ 1,176

## Schedule HJS-20b: Development of Providence Retail Fire Protection Service Charge

Providence Water Supply Board  
 Docket # \_\_\_\_\_  
 Request for General Rate Relief  
 Testimony of Harold J. Smith  
 Test Year Ending June 30, 2024  
 Rate Years Ending June 30, 2026 and June 30, 2027

Meter Size	Meter Equivalency	Accounts	5/8" Equivalents	Fire Cost Per Month	Existing Charge	Proposed Charge	Rounded Charge	Revenues
5/8"	1	25,838	25,838	\$ 3.92	\$ 1.90	\$ 3.92	\$ 3.92	\$ 1,215,420
3/4"	1.5	5,005	7,508	\$ 5.88	\$ 2.84	\$ 5.88	\$ 5.88	\$ 353,153
1"	2.5	2,144	5,360	\$ 9.80	\$ 7.06	\$ 9.80	\$ 9.80	\$ 252,134
1.5"	5	903	4,515	\$ 19.60	\$ 18.81	\$ 19.60	\$ 19.60	\$ 212,386
2"	8	800	6,400	\$ 31.36	\$ 45.12	\$ 31.36	\$ 31.36	\$ 301,056
3"	15	92	1,380	\$ 58.79	\$ 122.17	\$ 58.79	\$ 58.80	\$ 64,915
4"	25	47	1,175	\$ 97.99	\$ 206.74	\$ 97.99	\$ 98.00	\$ 55,272
6"	50	78	3,900	\$ 195.98	\$ 422.88	\$ 195.98	\$ 195.99	\$ 183,447
8"	80	24	1,920	\$ 313.57	\$ 639.01	\$ 313.57	\$ 313.57	\$ 90,308
10"	210	2	420	\$ 823.12	\$ 977.32	\$ 823.12	\$ 823.12	\$ 19,755
12"	265	-	-	\$ 1,038.69	\$ 1,616.32	\$ 1,038.69	\$ 1,038.70	\$ -
Total Revenue Generated								\$2,747,845
Total FPSC Costs								\$ 2,747,587
LESS Shift to Retail Volume Charge								\$ -
Adjusted FPSC Costs								\$ 2,747,587

Variance Due to Rounding \$258

## Schedule HJS-21a: Development of Private Fireline Charges

Providence Water Supply Board

Docket # \_\_\_\_\_

Request for General Rate Relief

Testimony of Harold J. Smith

Test Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

Fire Connection Size	Accounts	Demand Factor	6" Eq. Factor	6" Eq. Conn.	5/8" Eq. Factor	M&S Cost Per Month	Cost Per Bill	Demand Cost Per Month	Total Cost Per Month	Existing Charge	Proposed Charge	Rounded Charge	Revenues
3/4"	1	0.5	0.004	0.00	1.50	\$ 8.25	\$ 9.54	\$ 0.08	\$ 17.87	\$ 11.83	\$ 17.87	\$ 17.87	\$ 214
1"	8	1.0	0.009	0.07	2.50	\$ 13.75	\$ 9.54	\$ 0.17	\$ 23.46	\$ 13.98	\$ 23.46	\$ 23.47	\$ 2,253
1-1/2"	2	2.9	0.026	0.05	5.00	\$ 27.50	\$ 9.54	\$ 0.51	\$ 37.54	\$ 17.22	\$ 37.54	\$ 37.55	\$ 901
2"	73	6.2	0.056	4.06	8.00	\$ 44.00	\$ 9.54	\$ 1.08	\$ 54.62	\$ 25.52	\$ 54.62	\$ 54.62	\$ 47,847
4"	415	38.3	0.344	142.87	25.00	\$ 137.49	\$ 9.54	\$ 6.70	\$ 153.72	\$ 109.05	\$ 153.72	\$ 153.73	\$ 765,575
6"	1,234	111.3	1.000	1,234.00	50.00	\$ 274.98	\$ 9.54	\$ 19.45	\$ 303.97	\$ 177.78	\$ 303.97	\$ 303.97	\$ 4,501,188
8"	257	237.2	2.131	547.67	80.00	\$ 439.96	\$ 9.54	\$ 41.46	\$ 490.96	\$ 269.26	\$ 490.96	\$ 490.96	\$ 1,514,121
10"	4	426.6	3.832	15.33	210.00	\$ 1,154.91	\$ 9.54	\$ 74.55	\$ 1,238.99	\$ 375.10	\$ 1,238.99	\$ 1,239.00	\$ 59,472
12"	19	689.0	6.190	117.61	265.00	\$ 1,457.38	\$ 9.54	\$ 120.42	\$ 1,587.34	\$ 503.18	\$ 1,587.34	\$ 1,587.35	\$ 361,916
16"	-	1,468.4	13.192	0.00	390.00	\$ 2,144.82	\$ 9.54	\$ 256.62	\$ 2,410.99	\$ 785.75	\$ 2,410.99	\$ 2,410.99	\$ -
	2,013			2,061.67									\$ 7,253,487

### Costs Allocated to Private Fire Service

Meters & Services	\$ 6,541,749
Billing & Collection	\$ 230,374
Demand Costs	\$ 481,282
Less Costs Recovered from Retail Volume Charge	\$ -
<b>Total Private Fire Protection Costs</b>	<b>\$ 7,253,404</b>

## **Schedule HJS-21b: Development of Hydrant Charges**

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Providence Water Supply Board

Docket # \_\_\_\_\_

Request for General Rate Relief

Testimony of Harold J. Smith

Test Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

Demand Costs (Hydrants Excluding Providence)	\$	726,706
Hydrants (Excluding Providence)		3,113
Annual Demand Costs per Hydrant	\$	233.44
<hr/>		
Annual Direct Fire Cost per Hydrant	\$	614.32
<hr/>		
Existing Annual Cost per Hydrant		\$621.41
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Total Annual Cost per Hydrant	\$	847.76
<hr/>		
Proposed Annual Charge per Hydrant	\$	847.76
<hr/>		
Rounded Annual Charge per Hydrant	\$	847.76
<hr/>		
Hydrant Revenues	\$	2,639,077
<b>Costs Allocated to Hydrant Charge</b>		
Demand	\$	726,706
Direct Fire	\$	1,912,368
LESS Shift to Retail Volume Charge	\$	-
Total Public Fire Costs (Excluding Providence)	\$	2,639,074

**Schedule HJS-22: Proposed Rates**

Providence Water Supply Board  
 Docket # \_\_\_\_\_  
 Request for General Rate Relief  
 Testimony of Harold J. Smith  
 Test Year Ending June 30, 2024  
 Rate Years Ending June 30, 2026 and June 30, 2027

Description	Units	FY 2026 - Existing			FY 2026 - Cost of Service			FY 2026 - Gradualism			FY 2027		
		Rates	Revenue	% Change	Rates	Revenue	% Change	Rates	Revenue	% Change	Rates	Revenue	
<b>Service Charges</b>													
5/8"	57,237	\$ 10.35	\$ 7,108,835	20.00%	\$ 12.42	\$ 8,530,602	20.00%	\$ 12.42	\$ 8,530,602	2.43%	\$ 12.73	\$ 8,743,524	
3/4"	12,570	\$ 11.03	\$ 1,663,765	20.04%	\$ 13.24	\$ 1,997,122	20.04%	\$ 13.24	\$ 1,997,122	2.43%	\$ 13.57	\$ 2,046,899	
1"	5,417	\$ 13.01	\$ 845,702	20.06%	\$ 15.62	\$ 1,015,362	20.06%	\$ 15.62	\$ 1,015,362	2.43%	\$ 16.00	\$ 1,040,064	
1.5"	1,535	\$ 15.65	\$ 288,273	20.00%	\$ 18.78	\$ 345,928	20.00%	\$ 18.78	\$ 345,928	2.43%	\$ 19.24	\$ 354,401	
2"	1,367	\$ 22.94	\$ 376,308	20.01%	\$ 27.53	\$ 451,602	20.01%	\$ 27.53	\$ 451,602	2.43%	\$ 28.20	\$ 462,593	
3"	142	\$ 76.67	\$ 130,646	20.01%	\$ 92.01	\$ 156,785	20.01%	\$ 92.01	\$ 156,785	2.43%	\$ 94.25	\$ 160,602	
4"	67	\$ 96.57	\$ 77,842	20.01%	\$ 115.89	\$ 93,176	20.01%	\$ 115.89	\$ 93,176	2.43%	\$ 118.71	\$ 95,443	
6"	109	\$ 142.99	\$ 187,031	20.00%	\$ 171.59	\$ 224,440	20.00%	\$ 171.59	\$ 224,440	2.43%	\$ 175.76	\$ 229,894	
8"	59	\$ 196.04	\$ 138,796	20.00%	\$ 235.25	\$ 166,557	20.00%	\$ 235.25	\$ 166,557	2.43%	\$ 240.97	\$ 170,607	
10"	7	\$ 244.12	\$ 21,056	20.00%	\$ 292.95	\$ 24,608	20.00%	\$ 292.95	\$ 24,608	2.43%	\$ 300.07	\$ 25,206	
12"	6	\$ 292.20	\$ 21,038	20.00%	\$ 350.64	\$ 25,246	20.00%	\$ 350.64	\$ 25,246	2.43%	\$ 359.16	\$ 25,860	
<b>Total Service Charge</b>	<b>78,516</b>		<b>\$ 10,858,543</b>	<b>20.01%</b>		<b>\$ 13,031,427</b>	<b>20.01%</b>		<b>\$ 13,031,427</b>			<b>\$ 13,355,092</b>	

Description	Units	FY 2026 - Existing			FY 2026 - Cost of Service			FY 2026 - Gradualism			FY 2027		
		Rates	Revenue	% Change	Rates	Revenue	% Change	Rates	Revenue	% Change	Rates	Revenue	
<b>Retail Fire Protection Service Charges (Providence Only)</b>													
5/8"	25,838	\$ 1.90	\$ 589,106	106.32%	\$ 3.92	\$ 1,215,420	106.32%	\$ 3.92	\$ 1,215,420	2.43%	\$ 4.02	\$ 1,246,425	
3/4"	5,005	\$ 2.84	\$ 170,570	107.04%	\$ 5.88	\$ 353,153	107.04%	\$ 5.88	\$ 353,153	2.43%	\$ 6.03	\$ 362,162	
1"	2,144	\$ 7.06	\$ 181,640	38.81%	\$ 9.80	\$ 252,134	38.81%	\$ 9.80	\$ 252,134	2.43%	\$ 10.04	\$ 258,309	
1.5"	903	\$ 18.81	\$ 203,825	4.20%	\$ 19.60	\$ 212,386	4.20%	\$ 19.60	\$ 212,386	2.43%	\$ 20.08	\$ 217,587	
2"	800	\$ 45.12	\$ 433,152	-30.50%	\$ 31.36	\$ 301,056	-30.50%	\$ 31.36	\$ 301,056	2.43%	\$ 32.13	\$ 308,448	
3"	92	\$ 122.17	\$ 134,876	-51.87%	\$ 58.80	\$ 64,915	-51.87%	\$ 58.80	\$ 64,915	2.43%	\$ 60.23	\$ 66,494	
4"	47	\$ 206.74	\$ 116,601	-52.60%	\$ 98.00	\$ 55,272	-52.60%	\$ 98.00	\$ 55,272	2.43%	\$ 100.38	\$ 56,614	
6"	78	\$ 422.88	\$ 395,816	-53.65%	\$ 195.99	\$ 183,447	-53.65%	\$ 195.99	\$ 183,447	2.43%	\$ 200.75	\$ 187,902	
8"	24	\$ 639.01	\$ 184,035	-50.93%	\$ 313.57	\$ 90,308	-50.93%	\$ 313.57	\$ 90,308	2.43%	\$ 321.19	\$ 92,503	
10"	2	\$ 977.32	\$ 23,456	-15.78%	\$ 823.12	\$ 19,755	-15.78%	\$ 823.12	\$ 19,755	2.43%	\$ 843.11	\$ 20,235	
12"	-	\$ 1,616.32	\$ -	-35.74%	\$ 1,038.70	\$ -	-35.74%	\$ 1,038.70	\$ -	2.43%	\$ 1,063.93	\$ -	
<b>Total Retail FPSC (Providence Only)</b>	<b>34,933</b>		<b>\$ 2,433,077</b>	<b>12.94%</b>		<b>\$ 2,747,845</b>	<b>12.94%</b>		<b>\$ 2,747,845</b>			<b>\$ 2,816,679</b>	

<b>Total Retail Service Charge Revenue</b>			<b>\$ 13,291,620</b>	<b>18.72%</b>		<b>\$ 15,779,273</b>	<b>18.72%</b>		<b>\$ 15,779,273</b>			<b>\$ 16,171,770</b>
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Description	Units	FY 2026 - Existing			FY 2026 - Cost of Service			FY 2026 - Gradualism			FY 2027		
		Rates	Revenue	% Change	Rates	Revenue	% Change	Rates	Revenue	% Change	Rates	Revenue	
<b>Retail Consumption Charges</b>													
Residential	8,600,703	\$ 3.830	\$ 32,940,691	5.72%	\$ 4.049	\$ 34,824,245	5.72%	\$ 4.049	\$ 34,824,245	2.43%	\$ 4.15	\$ 35,675,715	
Commercial	3,832,185	\$ 4.014	\$ 15,382,390	4.93%	\$ 4.212	\$ 16,141,163	4.93%	\$ 4.212	\$ 16,141,163	2.43%	\$ 4.32	\$ 16,535,878	
Industrial	235,509	\$ 3.650	\$ 859,609	6.52%	\$ 3.888	\$ 915,660	6.52%	\$ 3.888	\$ 915,660	2.43%	\$ 3.98	\$ 935,033	
<b>Total Retail Consumption Charge</b>	<b>12,668,397</b>		<b>\$ 49,182,690</b>	<b>5.49%</b>		<b>\$ 51,881,068</b>	<b>5.49%</b>		<b>\$ 51,881,068</b>			<b>\$ 53,149,626</b>	
East Smithfield Surcharge	215,991	\$ 0.350	\$ 75,597	0.00%	\$ 0.350	\$ 75,597	0.00%	\$ 0.350	\$ 75,597	0.00%	\$ 0.35	\$ 75,597	
Johnston Water System Annexation F	302,260	\$ 0.340	\$ 102,768	0.00%	\$ 0.340	\$ 102,768	0.00%	\$ 0.340	\$ 102,768	0.00%	\$ 0.34	\$ 102,768	
<b>Total Retail Volume Charge Revenue</b>			<b>\$ 49,351,055</b>	<b>5.47%</b>		<b>\$ 52,059,433</b>	<b>5.47%</b>		<b>\$ 52,059,433</b>			<b>\$ 53,327,991</b>	

<b>Total Retail Revenue</b>			<b>\$ 62,652,675</b>	<b>8.28%</b>		<b>\$ 67,838,705</b>	<b>8.28%</b>		<b>\$ 67,838,705</b>			<b>\$ 69,499,761</b>
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**Schedule HJS-22: Proposed Rates**

Providence Water Supply Board

Docket # \_\_\_\_\_

Request for General Rate Relief

Testimony of Harold J. Smith

Test Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

Description	Units	FY 2026 - Existing			FY 2026 - Cost of Service			FY 2026 - Gradualism			FY 2027		
		Rates	Revenue	% Change	Rates	Revenue	% Change	Rates	Revenue	% Change	Rates	Revenue	
<b>Wholesale Charges</b>													
Low Service													
Bristol County	1,346,809	\$ 1,618,318	\$ 2,179,565	-7.80%	\$ 1,492,159	\$ 2,009,653	-2.27%	\$ 1,581,561	\$ 2,130,060	2.43%	\$ 1.53	\$ 2,058,452	
East Providence	1,748,364	\$ 1,654,429	\$ 2,892,544	-9.81%	\$ 1,492,159	\$ 2,608,837	-4.40%	\$ 1,581,561	\$ 2,765,144	2.43%	\$ 1.53	\$ 2,672,186	
Kent County	2,612,412	\$ 1,615,908	\$ 4,221,417	-7.66%	\$ 1,492,159	\$ 3,898,134	-7.66%	\$ 1,581,561	\$ 4,131,689	2.43%	\$ 1.53	\$ 3,992,789	
Warwick	3,745,255	\$ 1,736,015	\$ 6,501,819	-14.05%	\$ 1,492,159	\$ 5,588,516	-8.90%	\$ 1,581,561	\$ 5,923,350	2.43%	\$ 1.53	\$ 5,724,218	
Subtotal - Low Service	9,452,840	\$ 1,670,963	\$ 15,795,346	-10.70%	\$ 1,492,159	\$ 14,105,140	-5.35%	\$ 1,581,561	\$ 14,950,243	2.43%	\$ 1.53	\$ 14,447,645	
High Service													
Greenville	418,583	\$ 1,698,487	\$ 710,957	27.98%	\$ 2,173,640	\$ 909,848	1.33%	\$ 1,721,086	\$ 720,417	2.43%	\$ 2.23	\$ 931,941	
Lincoln	1,051,445	\$ 1,689,560	\$ 1,755,450	30.19%	\$ 2,173,640	\$ 2,285,462	3.09%	\$ 1,721,086	\$ 1,809,626	2.43%	\$ 2.23	\$ 2,340,958	
Smithfield	397,378	\$ 1,706,054	\$ 677,949	27.41%	\$ 2,173,640	\$ 863,757	0.88%	\$ 1,721,086	\$ 683,922	2.43%	\$ 2.23	\$ 884,731	
Subtotal - High Service	1,867,406	\$ 1,683,810	\$ 3,144,356	29.09%	\$ 2,173,640	\$ 4,059,068	2.21%	\$ 1,721,086	\$ 3,213,965	2.43%	\$ 2.23	\$ 4,157,630	
<b>Total Wholesale Revenue</b>	<b>11,320,246</b>	<b>\$ 18,939,702</b>	<b>\$ 18,164,208</b>	<b>-4.09%</b>	<b>\$ 18,164,208</b>	<b>\$ 18,164,208</b>	<b>-4.09%</b>	<b>\$ 18,164,208</b>	<b>\$ 18,164,208</b>	<b>2.43%</b>	<b>\$ 18,605,275</b>		
<b>Wholesale Charges</b>													
Low Service													
Bristol County	1,007	\$ 2,163,53	\$ 2,179,565	-7.80%	\$ 1,994,86	\$ 2,009,653	-2.27%	\$ 2,114,39	\$ 2,130,060	2.43%	\$ 2,043.31	\$ 2,058,457	
East Providence	1,308	\$ 2,211.80	\$ 2,892,544	-9.81%	\$ 1,994.86	\$ 2,608,837	-4.40%	\$ 2,114.39	\$ 2,765,144	2.43%	\$ 2,043.31	\$ 2,672,192	
Kent County	1,954	\$ 2,160.30	\$ 4,221,417	-7.66%	\$ 1,994.86	\$ 3,898,134	-2.13%	\$ 2,114.39	\$ 4,131,689	2.43%	\$ 2,043.31	\$ 3,992,799	
Warwick	2,801	\$ 2,320.88	\$ 6,501,819	-14.05%	\$ 1,994.86	\$ 5,588,516	-8.90%	\$ 2,114.39	\$ 5,923,350	2.43%	\$ 2,043.31	\$ 5,724,233	
Subtotal - Low Service	7,071	\$ 2,233.91	\$ 15,795,346	-10.70%	\$ 1,994.86	\$ 14,105,140	-5.35%	\$ 2,114.39	\$ 14,950,243	2.43%	\$ 2,043.31	\$ 14,447,682	
High Service													
Greenville	313	\$ 2,270.70	\$ 710,957	27.98%	\$ 2,905.94	\$ 909,848	1.33%	\$ 2,300.92	\$ 720,417	2.43%	\$ 2,976.50	\$ 931,942	
Lincoln	786	\$ 2,232.03	\$ 1,755,450	30.19%	\$ 2,905.94	\$ 2,285,462	3.09%	\$ 2,300.92	\$ 1,809,626	2.43%	\$ 2,976.50	\$ 2,340,960	
Smithfield	287	\$ 2,280.82	\$ 677,949	27.41%	\$ 2,905.94	\$ 863,757	0.88%	\$ 2,300.92	\$ 683,922	2.43%	\$ 2,976.50	\$ 884,732	
Subtotal - High Service	1,387	\$ 2,251.08	\$ 3,144,356	29.09%	\$ 2,905.94	\$ 4,059,068	2.21%	\$ 2,300.92	\$ 3,213,965	2.43%	\$ 2,976.50	\$ 4,157,633	
<b>Wholesale (per million gallons)</b>	<b>8,468</b>	<b>\$ 18,939,702</b>	<b>\$ 18,164,208</b>	<b>-4.09%</b>	<b>\$ 18,164,208</b>	<b>\$ 18,164,208</b>	<b>-4.09%</b>	<b>\$ 18,164,208</b>	<b>\$ 18,164,208</b>	<b>2.43%</b>	<b>\$ 18,605,315</b>		
<b>Private Fire Service Charges</b>													
3/4"	1	\$ 11.83	\$ 142	51.06%	\$ 17.87	\$ 214	51.06%	\$ 17.87	\$ 214	2.43%	\$ 18.31	\$ 220	
1"	8	\$ 13.98	\$ 1,342	67.88%	\$ 23.47	\$ 2,253	67.88%	\$ 23.47	\$ 2,253	2.43%	\$ 24.04	\$ 2,308	
1-1/2"	2	\$ 17.22	\$ 413	118.06%	\$ 37.55	\$ 901	118.06%	\$ 37.55	\$ 901	2.43%	\$ 38.47	\$ 923	
2"	73	\$ 25.52	\$ 22,356	114.03%	\$ 54.62	\$ 47,847	114.03%	\$ 54.62	\$ 47,847	2.43%	\$ 56.95	\$ 49,012	
4"	415	\$ 109.05	\$ 543,068	40.97%	\$ 153.73	\$ 765,575	40.97%	\$ 153.73	\$ 765,575	2.43%	\$ 157.47	\$ 784,201	
6"	1,234	\$ 177.78	\$ 2,632,566	70.99%	\$ 303.97	\$ 4,501,188	70.99%	\$ 303.97	\$ 4,501,188	2.43%	\$ 311.36	\$ 4,610,619	
8"	257	\$ 269.26	\$ 830,398	82.34%	\$ 490.96	\$ 1,514,121	82.34%	\$ 490.96	\$ 1,514,121	2.43%	\$ 502.89	\$ 1,550,913	
10"	4	\$ 375.10	\$ 1,800.5	230.31%	\$ 1,239.00	\$ 59,472	230.31%	\$ 1,239.00	\$ 59,472	2.43%	\$ 1,269.09	\$ 60,916	
12"	19	\$ 503.18	\$ 114,725	215.46%	\$ 1,587.35	\$ 361,916	215.46%	\$ 1,587.35	\$ 361,916	2.43%	\$ 1,626.90	\$ 370,705	
16"	-	\$ 785.75	\$ -	206.84%	\$ 2,410.99	\$ -	206.84%	\$ 2,410.99	\$ -	2.43%	\$ 2,469.54	\$ -	
Total	-	\$ 4,163,016	\$ 74,224	74.24%	\$ 7,253,487	\$ 7,253,487	74.24%	\$ 7,253,487	\$ 7,253,487	2.43%	\$ 7,429,817	\$ 7,429,817	
Hydrants (Excluding Providence)													
	3,113	\$ 621.41	\$ 1,934,449	36.43%	\$ 847.76	\$ 2,639,077	36.43%	\$ 847.76	\$ 2,639,077	2.43%	\$ 868.35	\$ 2,703,174	
<b>Total Fire Protection Charge Revenue</b>		<b>\$ 6,097,465</b>	<b>\$ 9,892,564</b>	<b>36.43%</b>	<b>\$ 9,892,564</b>	<b>\$ 9,892,564</b>	<b>36.43%</b>	<b>\$ 9,892,564</b>	<b>\$ 9,892,564</b>	<b>2.43%</b>	<b>\$ 10,132,990</b>		
<b>Total Rate Revenues</b>													
Miscellaneous Revenues		\$ 87,689,842	\$ 95,895,478	9.36%	\$ 95,895,478	\$ 95,895,478	9.36%	\$ 95,895,478	\$ 95,895,478	9.36%	\$ 95,895,478	\$ 98,238,026	
Total Revenues		\$ 89,901,057	\$ 98,161,693	9.21%	\$ 98,161,693	\$ 98,161,693	9.21%	\$ 98,161,693	\$ 98,161,693	9.21%	\$ 100,524,241	\$ 100,524,241	

## Schedule HJS-23: Comparison of Revenues by Customer Class - Cost of Service

Providence Water Supply Board  
 Docket # \_\_\_\_\_  
 Request for General Rate Relief  
 Testimony of Harold J. Smith  
 Test Year Ending June 30, 2024  
 Rate Years Ending June 30, 2026 and June 30, 2027

	FY 2026 - Cost of Service			FY 2026 - Gradualism			FY 2027		
	Existing Rates	Proposed Rates	% Change	Existing Rates	Proposed Rates	% Change	Existing Rates	Proposed Rates	% Change
<b>Retail</b>									
Monthly Service Charge	\$ 10,858,543	\$ 13,031,427	20.0%	\$ 10,858,543	\$ 13,031,427	20.0%	\$ 13,031,427	\$ 13,355,092	2.5%
East Smithfield Surcharge	\$ 75,597	\$ 75,597	0.0%	\$ 75,597	\$ 75,597	0.0%	\$ 75,597	\$ 75,597	0.0%
Johnston Water System Annexation	\$ 102,768	\$ 102,768	0.0%	\$ 102,768	\$ 102,768	0.0%	\$ 102,768	\$ 102,768	0.0%
Periodic FPSC	\$ 2,433,077	\$ 2,747,845	12.9%	\$ 2,433,077	\$ 2,747,845	12.9%	\$ 2,747,845	\$ 2,816,679	2.5%
Volume Charge									
Residential	\$ 32,940,691	\$ 34,824,245	5.7%	\$ 32,940,691	\$ 34,824,245	5.7%	\$ 34,824,245	\$ 35,675,715	2.4%
Commercial	\$ 15,382,390	\$ 16,141,163	4.9%	\$ 15,382,390	\$ 16,141,163	4.9%	\$ 16,141,163	\$ 16,535,878	2.4%
Industrial	\$ 859,609	\$ 915,660	6.5%	\$ 859,609	\$ 915,660	6.5%	\$ 915,660	\$ 938,033	2.4%
<b>Total Retail</b>	<b>\$ 62,652,675</b>	<b>\$ 67,838,705</b>	<b>8.3%</b>	<b>\$ 62,652,675</b>	<b>\$ 67,838,705</b>	<b>8.3%</b>	<b>\$ 67,838,705</b>	<b>\$ 69,499,761</b>	<b>2.4%</b>
<b>Wholesale</b>									
Low Service									
Bristol County	\$ 2,179,565	\$ 2,009,653	-7.8%	\$ 2,179,565	\$ 2,130,060	-2.3%	\$ 2,130,060	\$ 2,058,452	-3.4%
East Providence	\$ 2,892,544	\$ 2,608,837	-9.8%	\$ 2,892,544	\$ 2,765,144	-4.4%	\$ 2,765,144	\$ 2,672,186	-3.4%
Kent County	\$ 4,221,417	\$ 3,898,134	-7.7%	\$ 4,221,417	\$ 4,131,689	-2.1%	\$ 4,131,689	\$ 3,992,789	-3.4%
Warwick	\$ 6,501,819	\$ 5,888,516	-14.0%	\$ 6,501,819	\$ 5,923,350	-8.9%	\$ 5,923,350	\$ 5,724,218	-3.4%
Subtotal - Low Service	\$ 15,795,346	\$ 14,105,140	-10.7%	\$ 15,795,346	\$ 14,950,243	-5.4%	\$ 14,950,243	\$ 14,447,645	-3.4%
High Service									
Greenville	\$ 710,957	\$ 909,848	28.0%	\$ 710,957	\$ 720,417	1.3%	\$ 720,417	\$ 931,941	29.4%
Lincoln	\$ 1,755,450	\$ 2,285,462	30.2%	\$ 1,755,450	\$ 1,809,626	3.1%	\$ 1,809,626	\$ 2,340,958	29.4%
Smithfield	\$ 677,949	\$ 863,757	27.4%	\$ 677,949	\$ 683,922	0.9%	\$ 683,922	\$ 884,731	29.4%
Subtotal - High Service	\$ 3,144,356	\$ 4,059,068	29.1%	\$ 3,144,356	\$ 3,213,965	2.2%	\$ 3,213,965	\$ 4,157,630	29.4%
<b>Total Wholesale</b>	<b>\$ 18,939,702</b>	<b>\$ 18,164,208</b>	<b>-4.1%</b>	<b>\$ 18,939,702</b>	<b>\$ 18,164,208</b>	<b>-4.1%</b>	<b>\$ 18,164,208</b>	<b>\$ 18,605,275</b>	<b>2.4%</b>
<b>Fire Protection</b>									
Private Fire Protection	\$ 4,163,016	\$ 7,253,487	74.2%	\$ 4,163,016	\$ 7,253,487	74.2%	\$ 7,253,487	\$ 7,429,817	2.4%
Public Fire Protection	\$ 1,934,449	\$ 2,639,077	36.4%	\$ 1,934,449	\$ 2,639,077	36.4%	\$ 2,639,077	\$ 2,703,174	2.4%
<b>Total Fire Protection</b>	<b>\$ 6,097,465</b>	<b>\$ 9,892,564</b>	<b>62.2%</b>	<b>\$ 6,097,465</b>	<b>\$ 9,892,564</b>	<b>62.2%</b>	<b>\$ 9,892,564</b>	<b>\$ 10,132,990</b>	<b>2.4%</b>
<b>Total Rate Revenues</b>	<b>\$ 87,689,842</b>	<b>\$ 95,895,478</b>	<b>9.4%</b>	<b>\$ 87,689,842</b>	<b>\$ 95,895,478</b>	<b>9.4%</b>	<b>\$ 95,895,478</b>	<b>\$ 98,238,026</b>	<b>2.4%</b>
Miscellaneous Revenues	2,211,215	2,286,215		\$ 2,211,215	\$ 2,286,215		\$ 2,286,215	\$ 2,286,215	
<b>Total Revenues</b>	<b>\$ 89,901,057</b>	<b>\$ 98,181,693</b>	<b>9.2%</b>	<b>\$ 89,901,057</b>	<b>\$ 98,181,693</b>	<b>9.2%</b>	<b>\$ 98,181,693</b>	<b>\$ 100,524,241</b>	<b>2.4%</b>

## Schedule HJS-24: Revenue Proof

Providence Water Supply Board  
Docket # \_\_\_\_\_  
Request for General Rate Relief  
Testimony of Harold J. Smith  
Test Year Ending June 30, 2024  
Rate Years Ending June 30, 2026 and June 30, 2027

	FY 2026 - COS		FY 2026 Gradualism		FY 2027	
Net Operations & Maintenance Expense	\$	49,723,782	\$	49,723,782	\$	49,723,782
Capital Expense	\$	35,967,000	\$	35,967,000	\$	35,967,000
City Services Expense	\$	1,258,750	\$	1,258,750	\$	1,258,750
Property Taxes Expense	\$	9,169,318	\$	9,169,318	\$	9,169,318
<b>Total Expenses Allocated</b>	\$	96,118,850	\$	96,118,850	\$	96,118,850
plus: Net Operating Revenue	\$	1,876,653	\$	1,876,653	\$	1,876,653
<b>Net Revenue Requirement</b>	\$	97,995,503	\$	97,995,503	\$	97,995,503
<b>Retail</b>						
Monthly Service Charge	\$	13,031,427	\$	13,031,427	\$	13,355,092
East Smithfield Surcharge	\$	75,597	\$	75,597	\$	75,597
Johnston Water System Annexation Fee	\$	102,768	\$	102,768	\$	102,768
Retail FPSC	\$	2,747,845	\$	2,747,845	\$	2,816,679
Volume Charge						
Residential	\$	34,824,245	\$	34,824,245	\$	35,675,715
Commercial	\$	16,141,163	\$	16,141,163	\$	16,535,878
Industrial	\$	915,660	\$	915,660	\$	938,033
<b>Total Retail</b>	\$	67,838,705	\$	67,838,705	\$	69,499,761
<b>Wholesale</b>						
Low Service						
Bristol County	\$	2,009,653	\$	2,130,060	\$	2,058,452
East Providence	\$	2,608,837	\$	2,765,144	\$	2,672,186
Kent County	\$	3,898,134	\$	4,131,689	\$	3,992,789
Warwick	\$	5,588,516	\$	5,923,350	\$	5,724,218
Subtotal - Low Service	\$	14,105,140	\$	14,950,243	\$	14,447,645
High Service						
Greenville	\$	909,848	\$	720,417	\$	931,941
Lincoln	\$	2,285,462	\$	1,809,626	\$	2,340,958
Smithfield	\$	863,757	\$	683,922	\$	884,731
Subtotal - High Service	\$	4,059,068	\$	3,213,965	\$	4,157,630
<b>Total Wholesale</b>	\$	18,164,208	\$	18,164,208	\$	18,605,275
<b>Fire Protection</b>						
Private Fire Protection	\$	7,253,487	\$	7,253,487	\$	7,429,817
Public Fire Protection	\$	2,639,077	\$	2,639,077	\$	2,703,174
<b>Total Fire Protection</b>	\$	9,892,564	\$	9,892,564	\$	10,132,990
<b>Total Rate Revenues</b>	\$	95,895,478	\$	95,895,478	\$	98,238,026
Miscellaneous Revenues	\$	2,286,215	\$	2,286,215	\$	2,286,215
<b>Total Revenues</b>	\$	98,181,693	\$	98,181,693	\$	100,524,241
<b>Variance Due to Rounding</b>	\$	7,825	\$	7,825	\$	26,395

## Schedule HJS-25: Comparison of Typical Bill Impacts

Providence Water Supply Board

Docket # \_\_\_\_\_

Request for General Rate Relief

Testimony of Harold J. Smith

Test Year Ending June 30, 2024

Rate Years Ending June 30, 2026 and June 30, 2027

	FY 2026 - COS			FY 2026 - Gradualism			FY 2027		
	Existing	Proposed	% Change	Existing	Proposed	% Change	Existing	Proposed	% Change
<b>Residential - (5/8" Meter, 100 HCF)</b>									
Service Charge	\$ 124.20	\$ 149.04	20.00%	\$ 124.20	\$ 149.04	20.00%	\$ 149.04	\$ 152.76	2.50%
Volume Charge	\$ 383.00	\$ 404.90	5.72%	\$ 383.00	\$ 404.90	5.72%	\$ 404.90	\$ 414.80	2.45%
<b>Total</b>	<b>\$ 507.20</b>	<b>\$ 553.94</b>	<b>9.22%</b>	<b>\$ 507.20</b>	<b>\$ 553.94</b>	<b>9.22%</b>	<b>\$ 553.94</b>	<b>\$ 567.56</b>	<b>2.46%</b>
<b>Commercial - (2" Meter, 2,000 HCF)</b>									
Service Charge	\$ 275.28	\$ 330.36	20.01%	\$ 275.28	\$ 330.36	20.01%	\$ 330.36	\$ 338.40	2.43%
Volume Charge	\$ 8,028.00	8,424	4.93%	8,028.00	8,424.00	4.93%	\$ 8,424.00	8,630.00	2.45%
<b>Total</b>	<b>\$ 8,303.28</b>	<b>\$ 8,754.36</b>	<b>5.43%</b>	<b>\$ 8,303.28</b>	<b>\$ 8,754.36</b>	<b>5.43%</b>	<b>\$ 8,754.36</b>	<b>\$ 8,968.40</b>	<b>2.44%</b>
<b>Industrial - (6" Meter, 10,000 HCF)</b>									
Service Charge	\$ 1,715.88	\$ 2,059.08	20.00%	\$ 1,715.88	\$ 2,059.08	20.00%	\$ 2,059.08	\$ 2,109.12	2.43%
Volume Charge	\$ 36,500.00	\$ 38,880.00	6.52%	\$ 36,500.00	\$ 38,880.00	6.52%	\$ 38,880.00	\$ 39,830.00	2.44%
<b>Total</b>	<b>\$ 38,215.88</b>	<b>\$ 40,939.08</b>	<b>7.13%</b>	<b>\$ 38,215.88</b>	<b>\$ 40,939.08</b>	<b>7.13%</b>	<b>\$ 40,939.08</b>	<b>\$ 41,939.12</b>	<b>2.44%</b>

**TAB 9**

**Providence Water Supply Board's  
Application to the Public Utilities Commission  
for General Rate Schedule Changes**

**INDEX OUTLINING AND IDENTIFYING RESPONSES FILED PURSUANT TO  
PUC RULES OF PRACTICE AND PROCEDURE §§ 5.5 – 5.10**

**I. Part 5, Section 5.5**

- |                                       |   |
|---------------------------------------|---|
| <b>Item 5.5 (A)(1)</b><br>Response    | <b>Current and Proposed Rate Schedules; Terms and Conditions.</b><br>See Tab 3, under heading Tariffs.  |
| <b>Item 5.5 (A)(2)</b><br>Response    | <b>Complete Direct Case.</b><br>See Tabs 5-8, Testimony of Witnesses, with Exhibits and Schedules.  |
| <b>Item 5.5 (A)(3)(a)</b><br>Response | <b>Annual Reports to Commission.</b><br>All required reports are on file with the Commission.   |
| <b>Item 5.5 (A)(3)(b)</b><br>Response | <b>FERC or FCC Annual Reports.</b><br>Not applicable.   |
| <b>Item 5.5 (A)(3)(c)</b><br>Response | <b>FERC or FCC Audit Reports.</b><br>Not applicable.  |
| <b>Item 5.5 (A)(3)(d)</b><br>Response | <b>Security and Exchange Commission Reports.</b><br>Not applicable.   |
| <b>Item 5.5 (A)(3)(e)</b><br>Response | <b>Prospectuses.</b><br>Not applicable.   |
| <b>Item 5.5 (A)(3)(f)</b><br>Response | <b>Annual Reports to Stockholders.</b><br>Not applicable.   |
| <b>Item 5.5 (A)(3)(g)</b><br>Response | <b>Statements Reconciling Differences in Filing and Above Reports.</b><br>Not applicable.   |
| <b>Item 5.5 (B)</b><br><br>Response   | <b>If such documents have been provided to Commission in a prior proceeding within twelve (12) months of the filing, additional copies need not be filed unless requested by Commission or any party.</b><br>All required reports were filed with the Commission. |
| <b>Item 5.5 (C)</b><br><br>Response   | <b>Service of Documents. A complete set of the documents filed pursuant to these rules shall be served upon the Attorney General at the time of the filing with the Commission.</b><br>Documents have been simultaneously served to the Attorney General.         |

**Item 5.5 (D)**            **Index. Applicant shall present an index outlining and identifying the responses to the information filed pursuant to items §§ 5.5 through 5.10 of this Part, as they are applicable. The applicant shall indicate where any specific item is not applicable.**  
Response                Index completed and included.

**II. Part 5, Section 5.6**

**Item 5.6 (A)**            **Test Year Cost of Service and Rate Base Schedules.**  
Response                Please see the testimony of Harold Smith and Collin Drat and supporting schedules.

**Item 5.6 (B)**            **Rate Year Schedules.**  
Response                Please see the testimony of Harold Smith and Collin Drat and supporting schedules.

**Item 5.6 (C)**            **Adjustments to Test Year, including normalization adjustments, pro-forma adjustments, accounting change adjustments, and inflationary adjustments based on cost increases.**  
Response                Please see the testimony of Collin Drat and supporting schedules.

**III. Part 5, Section 5.7**

**Item 5.7**                **Attestation of Financial Data.**  
Response                Please see Exhibit I-1, attached hereto.

**IV. Part 5, Section 5.8**

**Items 5.8 (A)(1)-(23)** **Supporting Information and Work Papers to be Filed by Investor-Owned Utilities.**  
Response                Not applicable

**V. Part 5, Section 5.9**

**Item 5.9 (A)(1)**        **Cost of Service Schedules for Test Year and Proposed Rate Year.**  
Response                Please see the testimony of Harold Smith and Collin Drat and supporting schedules.

**Item 5.9 (A)(2)**        **Work Papers Supporting Claim for Working Capital.**  
Response                Not applicable.

**Item 5.9 (A)(3)**        **Work Papers Supporting Allocation of Cost of Service Among Associated Entities.**  
Response                Please see the testimony of Harold Smith and Collin Drat and supporting schedules.

- Item 5.9 (A)(4)**  
Response **Workpapers Detailing Test Year and Rate Year Revenues.**  
Please see the testimony of Harold Smith and Collin Drat and supporting schedules.
- Item 5.9 (A)(5)**  
Response **Effect of Proposed Rate Changes for Each Rate Class.**  
Please see Schedules HJS-22 Proposed Rates and HJS-25 Comparison of Typical Bill Impacts. A sample billing statement is attached as Exhibit I-2.
- Item 5.9 (A)(6)**  
Response **Principal and Interest Paid on Debt Service for Test Year and Rate Year.**  
See Exhibit I-3, attached hereto.
- Item 5.9 (A)(7)**  
Response **Schedule of Lease Payments.**  
Not applicable.
- Item 5.9 (A)(8)**  
Response **Analysis of Revenues and Expenses Related to Adjustment Clauses.**  
Not applicable.
- Item 5.9 (A)(9)**  
Response **Municipal Tax Expense for Rate Year and Prior 3 Years.**  
Please see Schedule HJS-9 Adjustment to Property Tax. A schedule of property tax expenses for the prior 3 years is attached as Exhibit I-4.
- Item 5.9 (A)(10)**  
Response **Number of Employees and Overtime for Test Year and Prior 2 Years.**  
See Exhibit I-5, attached hereto.
- Item 5.9 (A)(11)**  
Response **Summary of Transactions with Affiliated Entities for Test Year.**  
(a) billings to/from  
(b) loans to/from  
(c) sales/purchase of goods, services or property  
(d) expense allocations among affiliates  
(e) receivables to/from affiliates and others  
(a) See Exhibit I-6, attached hereto.  
(b) Not applicable.  
(c) See Exhibit I-6, attached hereto.  
(d) Not applicable.  
(e) See Exhibit I-6, attached hereto.
- Item 5.9 (A)(12)**  
Response **Financial Data for Non-Coinciding Test Year, including balance sheet, income statement, and statement of changes in retained earnings.**  
Annual Report filed is consistent with the test year. Audited Financial Statements for Fiscal Year ending 6/30/23 are also attached. See Tab 10, under Exhibit 2.

**Item 5.9 (A)(13) Summary of Expenses Incurred and Projected Related to Instant Rate Case Filing.**

Response See Schedule HJS-7 Adjustment to Regulatory and Rate Case Expense.

**Item 5.9 (A)(14) Information for the preceding 5 years.**

(a) unaccounted-for water  
(b) loss on transmission of electricity or gas  
(c) utility's own use of water  
Response (a) See Exhibit I-7, attached hereto.  
(b) Not applicable.  
(c) See Exhibit I-8, attached hereto.

**Item 5.9(A)(15) Compliance with Prior Commission Orders.**


Response Providence Water complies with all prior Commission orders. All semi-annual and annual reports have been filed to the best of our knowledge.

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION

DOCKET NO. 24-XX-WW

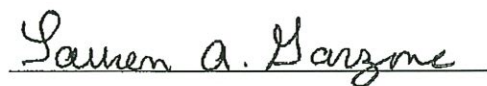
ATTESTATION UNDER RULE 5.7  
OF THE RULES OF PRACTICE AND PROCEDURE  
OF THE PUBLIC UTILITIES COMMISSION

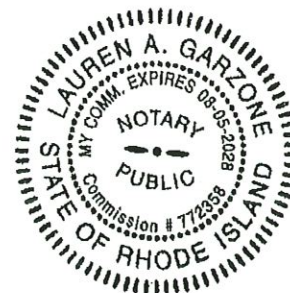
I, Cheryl McCreight, in conformance with Rule 5.7 of the Rules of Practice and Procedure of the Public Utilities Commission, hereby attest that the financial data provided to our consultant and used by him in the rate case to present rate base, cost of service and other financial statements, purports to reflect the books of Providence Water Supply Board and the results of operations and is true and correct to the best of my knowledge, information, and belief. All differences between the books and test year data, and any changes in the manner of recording said data during the test year, have been expressly noted.

  
Cheryl McCreight

STATE OF RHODE ISLAND  
PROVIDENCE COUNTY

Subscribed and sworn to before me this 21<sup>st</sup> of November 2024.

  
Notary Public





PROVIDENCE WATER  
 PO BOX 1456  
 PROVIDENCE, RI 02901-1456

Bill Date	8/20/2024
Account Number	348042
Payment Due Date	Upon Receipt
<b>Total Amount Due</b>	<b>\$ 132.32</b>

348042000820240000000013232000132320000001

Amount Enclosed \$ \_\_\_\_\_

JUST TESTY 11  
 11 TEST ST  
 PROVIDENCE RI 02908

PROVIDENCE WATER  
 PO BOX 1456  
 PROVIDENCE, RI 02901-1456

Make check / money order payable to Providence Water. Include account number on check / money order. To pay by ACH or credit card, go to [www.provwater.com](http://www.provwater.com) or call 866-889-2683. Please return top portion of this page, retain bottom and following page for your records.

**Service**  
 Account Number 348042  
 Service Type Residential  
 Water Rate \$ 3.83  
 Meter Number 43189702B  
 Meter Size 5/8"

**Service Location**  
 11 TEST ST  
 PROVIDENCE RI 02908

**Bill To**  
 JUST TESTY 11  
 11 TEST ST  
 PROVIDENCE RI 02908

---

**Billing Questions**  
 (401) 521-5070

**Emergency Service**  
 (401) 521-6300

**Business Hours**  
 Monday - Friday  
 8:30 AM - 4:30 PM

**Summer Hours**  
 Monday - Friday  
 8:30 AM - 4:00 PM

**Website**  
[www.provwater.com](http://www.provwater.com)

---

**Conversions**  
 1 CF (cu. ft.) = 7.48 Gallons  
 1 HCF = 100 CF = 748 Gallons

**Bill Summary**

Bill Date 8/20/2024  
 Usage Period 7/15/2024 - 08/20/2024

---

Previous Bill \$ 78.12  
 Payment Received -\$ 78.12

**Balance** \$ 0.00

---

**Current Charges**

	HCF	Rate	
Consumption Charge	28.82	\$ 3.83	\$ 110.38
Service Charge(s)	Days	Daily Rate	
Electronic Transaction Fee	36	\$ 0.026	\$ 0.94
Regular service charge	36	\$ 0.345	\$ 12.42
Fire protection service charge	36	\$ 0.0633	\$ 2.28
RI Water Fund Charge	HCF	Rate	
	28.82	\$ 0.21842	\$ 6.30
<b>Total Current Charges</b>			<b>\$ 132.32</b>
<b>Total Due</b>			<b>\$ 132.32</b>

Interest of 1% per month will be charged on payments received 30 days after the billing date.

Follow us on Twitter: [www.twitter.com/provwater](http://www.twitter.com/provwater)





PROVIDENCE WATER

PO BOX 1456  
PROVIDENCE, RI 02901-1456

Account Number	348042
Bill To	JUST TESTY 11 11 TEST ST PROVIDENCE RI 02908
Service Location	11 TEST ST

This page has Billing and History Detail ONLY.

For TOTAL DUE, please see Total Amount Due on FIRST PAGE of Billing Statement.

**Current Consumption**

#Days	Read Date	Read Type	Meter Read	HCF
	07/15/2024	Actual	131870	
36	08/20/2024	Actual	134752	28.82
			<b>Total HCF:</b>	<b>28.82</b>

**PROVIDENCE WATER OFFERS 0% INTEREST LOAN TO HELP HOMEOWNERS REPLACE PRIVATE LEAD SERVICE LINES**

Providence Water is offering 10-year 0% interest loans for homeowners to replace their private lead service lines. To learn more, please call (401) 521-6303 or visit us online at: [www.provwater.com/loan](http://www.provwater.com/loan).

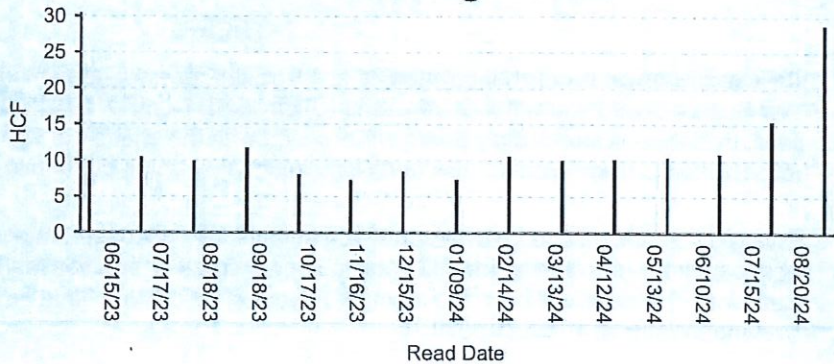
**WATER QUALITY REPORT**

The 2023 Water Quality Report is now available online at: [www.provwater.com/waterqualityreport](http://www.provwater.com/waterqualityreport). To receive a printed copy, please call (401) 521-6303.

**IMPORTANT INFORMATION: LEAD IN DRINKING WATER**

Providence Water found high lead levels in drinking water in some homes with lead plumbing or service connections. Lead can cause serious health problems. Always flush from the cold faucet for at least 30 seconds when using water for drinking or cooking. If water has not been used for several hours, flush cold water for at least 3-5 minutes. For more information, please call Providence Water at (401) 521-6303 or visit our website at: [www.provwater.com/lead](http://www.provwater.com/lead).

**Historical Usage Trend**



# Days	Read Date	Actual Usage			
		Read	HCF	GAL	Gals/Day
27	06/15/23	118757	9.86	7375	273
32	07/17/23	119800	10.43	7801	244
32	08/18/23	120792	9.92	7420	232
31	09/18/23	121962	11.70	8751	282
29	10/17/23	122771	8.09	6051	209
30	11/16/23	123500	7.29	5452	182
29	12/15/23	124349	8.49	6350	219
25	01/09/24	125092	7.43	5557	222
36	02/14/24	126152	10.60	7928	220
28	03/13/24	127152	10.00	7480	267
30	04/12/24	128171	10.19	7622	254
31	05/13/24	129220	10.49	7846	253
28	06/10/24	130316	10.96	8198	293
35	07/15/24	131870	15.54	11623	332
36	08/20/24	134752	28.82	21557	599

1 HCF = 100 CF = 748 gallons

The recommended usage is 65 gallons per person per day. Divide the gallons per day by the number of people in your household to determine your daily, per person usage.

PROVIDENCE WATER  
CHANGE OF ADDRESS NOTIFICATION

Account No. \_\_\_\_\_ (Required)

Name \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Required Signature: \_\_\_\_\_ Telephone: (    ) \_\_\_\_\_

NOTICE

**Bills are due upon receipt.** If payment is not received, or arrangements are not made with the Providence Water Supply Board you will receive a ten (10) day SHUT-OFF NOTICE. If the overdue balance is not paid, Providence Water Supply Board will proceed with the shut off of water service in accordance with RI Public Utilities Commission's Rules and Regulations governing the termination of water utility service.

If paying by check, please be aware that you authorize Providence Water to use the information on your check to make a one time electronic debit to your account or process the payment as a check transaction. The debit will be in the amount on your check. If you have any questions please contact Providence Water at 401-521-5070.

When we use information from your check to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day we receive your payment and you will not receive your check back from your financial institution.

You authorize Providence Water to collect a fee of \$20.00, through an electronic fund transfer from your account if your payment is returned unpaid.

EXPLANATION OF BILLING TERMS

HCF:                               Hundred Cubic Feet, a basic unit of measure. For example 1 HCF equals 100 cubic feet (1 HCF equals 748 gallons)

Water Consumption:           Amount of water used in HCF since the last billing.

Service Charge:                The portion of the bill that covers basic costs of providing service such as; meter reading, system maintenance, and billing. The service charge is based on meter size and is not related to the quantity of water used.

R.I. State Water Fund:        State surcharge established by RIGL 46-15.3-5 to protect the quality of the public water supplies and provide funding for water projects administered and controlled by the State of Rhode Island. Customers who are 65 years or older and live in a **single family** residence are EXEMPT from paying the R.I. State Water Fund Surcharge. Customers eligible for exemption may request an application from Providence Water.

Estimated Billing:              A bill based on your average usage rather than an actual meter reading. Your bill will be adjusted for any difference between actual and estimated reads, when the next actual read is obtained.

PROVIDENCE WATER											
DEBT SERVICE SCHEDULE											
	Interest Rate	Original Principal	Test Year 06/30/24		Interim Year FY2025		Rate Year FY2026		Rate Year FY2027		
			Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
<b>Rhode Island Clean Water Finance Bond</b> DOI: 05/19/2008	2.846%	\$ 35,000,000	1,913,000	488,357	1,982,000	452,292	2,055,000	378,305	2,130,000	300,773	
DOM: 09/01/2029											
Sources of Funds: Rates IFR Fund											
Purpose: IFR Projects											
Repayment Terms: Per Loan Agreement											
Security Pledge: Operating Revenues											
<b>Safe Drinking Water Revolving Loan RICWFA Bond</b> DOI: 10/23/2008	3.000%	\$ 200,000	10,000	2,275	10,000	1,925	10,000	1,575	10,000	1,225	
DOM: 09/01/2038											
Sources of Funds: Rates IFR Fund (from ESWD customers)											
Purpose: Water Mains & Meter Replacements/Rehabilitation											
Repayment Terms: Per Loan Agreement											
Security Pledge: Operating Revenues											
<b>Safe Drinking Water Revolving Loan RICWFA Bond</b> DOI: 10/16/2009	3.514%	\$ 400,000	33,000	1,619							
DOM: 09/01/2024											
Sources of Funds: Rates IFR Fund (from ESWD customers)											
Purpose: Meter Replacements											
Repayment Terms: Per Loan Agreement											
Security Pledge: Operating Revenues											
<b>ARRA Stimulus Bond</b> DOI: 11/19/2009	.041% - 3.14%	\$ 9,320,000	489,000	113,758	506,000	100,726	524,000	87,019	542,000	72,670	
DOM: 09/01/2030											
Sources of Funds: Rates IFR Fund											
Purpose: Water Mains & Meter Replacements/Rehabilitation											
Repayment Terms: Per Loan Agreement											
Security Pledge: Operating Revenues											
<b>Safe Drinking Water Revolving Loan RICWFA Bond</b> DOI: 06/01/2012	.072% - 2.53%	\$ 3,000,000	147,000	41,422	151,000	37,933	155,000	34,183	160,000	30,227	
DOM: 09/01/2032											
Sources of Funds: Rates WQP Fund											
Purpose: Watershed Acquisition											
Repayment Terms: Per Loan Agreement											
Security Pledge: Operating Revenues											

PROVIDENCE WATER DEBT SERVICE SCHEDULE													
	Interest Rate	Original Principal	Test Year 06/30/24		Interim Year FY2025		Rate Year FY2026		Rate Year FY2027				
			Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest			
<b>Safe Drinking Water Revolving Loan RICWFA Bond</b>	.022% - 2.63%	\$ 25,000,000	1,168,000	439,496	1,193,000	413,593	1,222,000	384,705	1,254,000	352,871			
DOI: 05/14/2013													
DOM: 09/01/2034													
Sources of Funds: Rates IFR Fund													
Purpose: Water Mains & Meter Replacements/Rehabilitation													
Repayment Terms: Per Loan Agreement													
Security Pledge: Operating Revenues													
<b>Safe Drinking Water Revolving Loan RICWFA Bond</b>	.019% - 2.53%	\$ 4,200,000	201,000	62,465	205,000	58,066	210,000	53,243	216,000	47,995			
DOI: 06/06/2013													
DOM: 09/01/2033													
Sources of Funds: Rates WQP Fund													
Purpose: Watershed Acquisition													
Repayment Terms: Per Loan Agreement													
Security Pledge: Operating Revenues													
<b>Safe Drinking Water Revolving Loan RICWFA Bond</b>	2.782%	\$ 600,000	28,000	12,656	29,000	11,775	30,000	10,812	31,000	9,769			
DOI: 7/31/2013													
DOM: 09/01/2033													
Sources of Funds: Rates IFR Fund (from ESWD customers)													
Purpose: Water Mains & Meter Replacements/Rehabilitation													
Repayment Terms: Per Loan Agreement													
Security Pledge: Operating Revenues													
<b>Safe Drinking Water Revolving Loan RICWFA Bond</b>	3.287%	\$ 8,000,000	373,000	146,397	382,000	137,908	391,000	128,789	401,000	118,451			
DOI: 12/18/2014													
DOM: 09/01/2034													
Sources of Funds: Rates IFR Fund													
Purpose: Water Mains & Meter Replacements/Rehabilitation													
Repayment Terms: Per Loan Agreement													
Security Pledge: Operating Revenues													

PROVIDENCE WATER											
DEBT SERVICE SCHEDULE											
	Interest Rate	Original Principal	Test Year 06/30/24		Interim Year FY2025		Rate Year FY2026		Rate Year FY2027		
			Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
<b>Safe Drinking Water Revolving Loan RICWFA Bond</b>	1.775%	\$ 30,000,000	1,435,000	578,145	1,465,000	547,638	1,499,000	514,976	1,534,000	479,017	
DOI: 12/2/2015											
DOM: 09/01/2035											
Sources of Funds: Rates IFR Fund											
Purpose: Purchase/Renovation of New COF											
Repayment Terms: Per Loan Agreement											
Security Pledge: Operating Revenues											
<b>Safe Drinking Water Revolving Loan RIIB Bond</b>	1.558%	\$ 16,272,095	765,000	316,256	780,000	301,989	795,000	286,375	813,000	269,417	
DOI: 5/10/2017											
DOM: 09/01/2036											
Sources of Funds: Rates Capital Fund											
Purpose: Water Mains & Meter Replacements/Rehabilitation											
Repayment Terms: Per Loan Agreement											
Security Pledge: Operating Revenues											
<b>Safe Drinking Water Revolving Loan RIIB Bond</b>	1.968%	\$ 14,700,000	642,000	292,786	652,000	282,595	662,000	271,950	673,000	260,734	
DOI: 6/27/2019											
DOM: 09/01/2039											
Sources of Funds: Rates IFR Fund											
Purpose: Water Mains & Meter Replacements/Rehabilitation											
Repayment Terms: Per Loan Agreement											
Security Pledge: Operating Revenues											
<b>Safe Drinking Water Revolving Loan RIIB Bond</b>	0.000%	\$ 3,000,000	470,553		445,489		424,615		300,587		
DOI: 05/28/2020											
DOM: 03/01/2030											
Sources of Funds: Rates Private Side Lead Replacement											
Purpose: Lead Service Replacement Lines											
Repayment Terms: Per Loan Agreement											
Security Pledge: Operating Revenues											
<b>Safe Drinking Water Revolving Loan RIIB Bond</b>	1.171%	\$ 19,100,000	919,000	144,295	924,000	141,453	930,000	138,230	937,000	134,413	
DOI: 07/01/2020											
DOM: 09/01/2039											
Sources of Funds: Rates IFR Fund											
Purpose: Water Mains & Meter Replacements/Rehabilitation											
Repayment Terms: Per Loan Agreement											
Security Pledge: Operating Revenues											
<b>Safe Drinking Water Revolving Loan RIIB Bond</b>	1.449%	\$ 21,000,000	1,017,000	286,985	1,021,000	282,653	1,026,000	277,278	1,032,000	270,639	

PROVIDENCE WATER DEBT SERVICE SCHEDULE											
	Interest Rate	Original Principal	Test Year 06/30/24		Interim Year FY2025		Rate Year FY2026		Rate Year FY2027		
			Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
DOI: 06/17/2021											
DOM: 09/01/2040											
Sources of Funds: Rates IFR Fund											
Purpose: Water Mains & Meter Replacements/Rehabilitation											
Repayment Terms: Per Loan Agreement											
Security Pledge: Operating Revenues											
<b>Efficient Buildings Loan RIIB Bond</b>											
DOI: 05/04/2023	2.087%	\$ 5,500,000	336,000	102,353	324,000	116,847	330,000	109,067	337,000	101,514	
DOM: 09/01/2042											
Sources of Funds: Rates IFR Fund											
Purpose: Facility Improvements for Energy Efficiency											
Repayment Terms: Per Loan Agreement											
Security Pledge: Operating Revenues											
<b>Safe Drinking Water State Revolving Loan RIIB Bond</b>											
DOI: 05/04/2023	2.959%	\$ 5,500,000	209,000	30,151	215,000	129,200	221,000	130,230	227,000	125,062	
DOM: 09/01/2042											
Sources of Funds: Rates IFR Fund											
Purpose: Water Mains & Meter Replacements/Rehabilitation											
Repayment Terms: Per Loan Agreement											
Security Pledge: Operating Revenues											
<b>Safe Drinking Water Revolving Loan RIIB Bond</b>											
DOI: 12/19/2023	0.000%	\$ 26,300,000			1,008,000		1,035,000		1,062,000		
DOM: 09/01/2043											
Sources of Funds: Rates IFR Fund											
Purpose: Lead Service Replacement Lines											
Repayment Terms: Per Loan Agreement											
Security Pledge: Operating Revenues											

**Providence Water  
Property Taxes Real Estate  
Comparative Schedule of Property Taxes**

	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Operations 601</b>			
Chepachet Fire Tax	125	130	144
Cranston	68,189	70,134	71,599
Foster	270,549	273,797	287,410
Glocester	79,559	79,553	89,314
Harmony Fire Tax	217	192	956
Johnston	97,666	97,666	91,596
North Providence	261,273	261,258	257,501
Scituate	6,939,970	7,214,346	7,429,044
West Glocester Fire Tax	3,189	4,905	4,545
West Warwick	6,855	6,833	6,939
<b>Total Property Taxes Operations</b>	<b>7,727,591</b>	<b>8,008,814</b>	<b>8,239,048</b>
<b>Restricted 843</b>			
Foster	120,789	128,918	131,544
Johnston	85,073	119,116	72,708
Scituate	311,356	327,033	336,766
<b>Total Property Taxes WQPF</b>	<b>517,218</b>	<b>575,067</b>	<b>541,019</b>
<b>Total Property Taxes All Funds</b>	<b>8,244,810</b>	<b>8,583,882</b>	<b>8,780,067</b>

**PROVIDENCE WATER**

**Number of Employees and Overtime**

<u>Time Period</u>	<u>Number of Employees</u>
Beginning of Test Year	257
End of Test Year	248
Fiscal Year 2026 - Rate Year 1	258
Fiscal Year 2027 - Rate Year 2	258

<u>Fiscal Year</u>	<u>Overtime Amount</u>
Fiscal Year 2022	\$894,674
Fiscal Year 2023	\$758,785
Fiscal Year 2024 – Test Year	\$825,647

<u>Rate Year</u>	<u>Overtime Amount</u>
Fiscal Year 2026 – Rate Year 1	\$875,929
Fiscal Year 2027 – Rate Year 2	\$902,207

**PROVIDENCE WATER**

**Summary of Transactions with Affiliated Entities**

**Test Year Transactions**

**(a) billings to/from**

City Services Charged from City of Providence	\$ 839,167
---	------------

**(c) sales/purchases of goods, services or property**

Other Water Billings to City of Providence-Other	\$ 450,837.34
--	---------------

Other Water Billings to City of Providence-School	\$ 354,852.83
---	---------------

**(e) receivables to/from affiliates and others**

**Accounts Receivable Balance:**

	June 30, 2023	June 30, 2024	September 30, 2024
Providence School System	\$ 30,333.40	\$ 39,346.65	\$43,767.00
Other Providence Accounts	\$ 78,911.41	\$ 44,793.48	\$24,080.66

**PROVIDENCE WATER SUPPLY BOARD**  
**Non-accounted for Water**  
**Hundred Cubic Feet (HCF)**

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Effluent Water</b>	29,489,693	30,481,016	29,206,725	31,233,035	27,423,048
Total Water Sales	23,353,942	23,707,275	23,895,703	24,766,591	22,738,349
Total Unbilled/Unmetered Consumption	5,177,040	3,720,043	3,186,551	3,662,422	2,185,054
<b>Total Disposition of Water</b>	<b>28,530,982</b>	<b>27,427,318</b>	<b>27,082,254</b>	<b>28,429,013</b>	<b>24,923,403</b>
<b>Non-accounted for Water</b>	<b>985,710</b>	<b>3,053,698</b>	<b>2,124,471</b>	<b>2,804,022</b>	<b>2,499,645</b>
<b>% of Effluent</b>	<b>3.30%</b>	<b>10%</b>	<b>7.3%</b>	<b>9%</b>	<b>9.10%</b>

**PROVIDENCE WATER**

**Utility Use of Water**

<b>Consumption Period</b>	<b>Cubic Feet Consumption (CF)</b>	<b>Hundred Cubic Feet Consumption (HCF)</b>
07/01/2019 - 06/30/2020	93,620	936.20
07/01/2020 - 06/30/2021	81,311	813.11
07/01/2021 - 06/30/2022	78,190	781.90
07/01/2022 - 06/30/2023	99,320	993.20
07/01/2023 - 06/30/2024	104,520	1,045.20

**TAB 10**

<b>Providence Water Supply Board                      Comparative Revenues &amp; Expenses                      For the Period Ending June 30, 2021, 2022, and 2023</b>				
Naruc Number	Naruc Description	FY 2021	FY 2022	FY 2023
<b>601 Operating Fund</b>	<b>Operating Expenses:</b>			
60110	Salary + Wages -SOSO	699,690	272,733	199,315
60120	Salary + Wages -SOSM	471,808	60,142	
60210	Payroll Clearing -SOSO			
60220	Payroll Clearing -SOSM			
60410	Employee Pension +Ben -SOSO	443,451	160,009	104,030
60420	Employee Pension + Ben -SOSM	313,079	42,011	
60560	Overhead Rate Applied -SOSM			
61010	Purchased Power -PPO			
60110	Fuel or Purchased Power			
62010	Material and Supplies -SOSO	1,644	749	2,246
62020	Material and Supplies - SOSM	9,784	2,985	
63110	Contractual Service -Eng-SOSO			
63120	Contractual Service-Eng-SOSM			
63610	Contractual Service Other-SOSO	28,636	62,474	41,023
63620	Contractual Service Other-SOSM	11,049	2,174	
64210	Rental of Equipment-SOSO	1,510		
64220	Rental of Equipment-SOSM			
65010	Transportation Expense-SOSO			
65020	Transportation Expense-SOSM			
67510	Miscellaneous Expenses-SOSO			
67520	Miscellaneous Expenses-SOSM			
	<b>Source of Supply</b>	<b>\$ 1,980,652</b>	<b>\$ 603,277</b>	<b>\$ 346,614</b>
61523	Purchased Power -PPO	692,224	620,994	564,203
61623	Fuel or Power Purchase -PPO	10,858	8,570	7,692
63523	Contractual Service Other-PPO			
	<b>Pumping Operations</b>	<b>\$ 703,083</b>	<b>\$ 629,564</b>	<b>\$ 571,896</b>
60130	Salary + Wages -WTO	1,958,811	1,746,668	2,017,105
60140	Salary + Wages - WTM	355,363	415,962	470,707
60430	Employee Pension+Benefit-WTO	1,109,297	964,241	1,098,826
60440	Employee Pension+Benefit-WTM	291,935	304,674	323,873
61530	Purchased Power-WTO	194,459	174,449	132,415
61540	Power Purchased -WTM			
61640	Fuel or Purchased Power-WTO	158,748	288,433	355,252
62030	Material and Supplies -WTO	180,297	217,803	235,357
62040	Material and Supplies -WTM			
63130	Contractual Service Eng-WTO	55,600	67,752	18,300
63140	Contractual Service Eng-WTM			
63630	Contractual Service Other-WTO	485,812	473,980	539,531
63640	Contractual Service Other-WTM			
64230	Rental of Equipment -WTO	643	3,947	5,283
64240	Rental of Equipment -WTM			
65030	Transportation Expense-WTO		484	1,735
67530	Miscellaneous Expenses-WTO	38,183	37,187	36,700
67540	Miscellaneous Expenses - WTM			
	<b>Total Water Treatment</b>	<b>\$ 4,829,147</b>	<b>\$ 4,695,579</b>	<b>\$ 5,235,086</b>
60150	Salary + Wages -T&DO	715,118	763,936	818,687
60160	Salary + Wages -T&DM	3,103,798	2,841,844	2,908,715
60250	Payroll Clearing-T&DO	(241,762)	(200,288)	
60260	Payroll Clearing -T&DM	(418,839)	(329,609)	(986,019)
60260	Payroll Clearing -T&DM reclass from FY23			187,182
60450	Employee Pension+Benefit-T&DO	414,364	467,257	497,702
60460	Employee Pension+Benefit-T&DM	1,921,206	1,672,646	1,774,193

<b>Providence Water Supply Board</b> <b>Comparative Revenues &amp; Expenses</b> <b>For the Period Ending June 30, 2021, 2022, and 2023</b>				
Naruc Number	Naruc Description	FY 2021	FY 2022	FY 2023
60550	Overhead Rate Applied-T&DO	(641,948)	(597,103)	
60560	Overhead Rate Applied -T&DM	(259,823)	(208,195)	(1,287,282)
60560	Overhead Rate Applied -T&DM reclass from FY23			230,666
61550	Power Purchased-T&DO	16,246	14,575	8,304
61650	Fuel or Purchased Power-T&DO			
62050	Material and Supplies -T&DO			
62060	Material and Supplies-T&DM	358,489	223,448	458,581
63150	Contractual Services Eng-T&DO			
63160	Contractual Services Eng-T&DM	41,990	29,569	44,870
63650	Contractual Service Other-T&DO	24,378		29,294
63660	Contractual Service Other-T&DM	1,031,061	1,347,335	1,805,006
65060	Transportation Expense -T&DM			
67550	Miscellaneous Exp -T&DO			
67560	Miscellaneous Exp-T&DM	38,173	37,693	36,551
	<b>Total Transmission &amp; Distribut</b>	<b>\$ 6,102,449</b>	<b>\$ 6,063,106</b>	<b>\$ 6,526,450</b>
60170	Salary+Wages-CAO	1,699,464	1,766,840	1,827,807
60270	Payroll Clearing -CAO	(199,475)	(161,855)	(414,336)
60470	Employee Pension+Benefit-CAO	1,237,757	1,196,757	1,216,815
60570	Overhead Rate Applied-CAO	(322,706)	(424,024)	(241,898)
62070	Material and Supplies-CAO	3,715	3,600	12,452
63670	Contractual Services Other -CAO			
65070	Transportation Expenses -CAO		3,270	3,766
67070	Bad Debt Expense	331,177	(226,163)	(340,282)
67570	Miscellaneous Expenses-CAO	956,409	573,440	1,150,924
	<b>Total Customer Accounts</b>	<b>\$ 3,706,341</b>	<b>\$ 2,731,864</b>	<b>\$ 3,215,247</b>
60180	Salary+Wages -A&GO	5,595,325	7,244,294	8,750,440
60280	Payroll Clearing -A&GO		(9,920)	(88)
60480	Employee Pension+Ben-A&GO	3,343,857	7,218,407	8,340,275
60580	Overhead Rate Applied-A&GO		(6,199)	
61580	Purchased Power-A&GO	185,986	166,847	53,339
61680	Fuel Or Power Purchased-A&GO	81,000	83,928	84,647
62080	Material and Supplies -A&GO	328,742	522,876	703,964
63180	Contractual Service Eng-A&GO	69,264	339	63,315
63280	Contractual Service Acctg-A&GO	33,975	53,350	43,725
63380	Contractual Service Legal-A&GO	179,895	159,775	150,629
63480	Contractual Service Mgmt fees-A&GO			
63680	Contractual Service Other-A&GO	1,255,590	1,277,718	1,727,306
64280	Rental of Equipment-A&GO	1,022	7,671	68,250
65080	Transportation Expenses-A&GO	6,678	11,935	24,348
66780	Regulatory Commission Expense	689,541	576,267	401,891
67580	Miscellaneous Expenses- A&GO	867,541	1,772,280	781,820
	<b>Total Admin &amp; General</b>	<b>\$ 12,638,415</b>	<b>\$ 19,079,567</b>	<b>\$ 21,193,859</b>
	<b>Total Operations &amp; Maintenance</b>	<b>\$ 29,960,087</b>	<b>\$ 33,802,957</b>	<b>\$ 37,089,152</b>
	<b>Source of Supply</b>	<b>1,980,652</b>	<b>603,277</b>	<b>346,614</b>
	<b>Pumping</b>	<b>703,083</b>	<b>629,564</b>	<b>571,896</b>
	<b>Treatment</b>	<b>4,829,147</b>	<b>4,695,579</b>	<b>5,235,086</b>
	<b>Transmission &amp; Dist.</b>	<b>6,102,449</b>	<b>6,063,106</b>	<b>6,526,450</b>
	<b>Customer Service</b>	<b>3,706,341</b>	<b>2,731,864</b>	<b>3,215,247</b>
	<b>Administration &amp; General</b>	<b>12,638,415</b>	<b>19,079,567</b>	<b>21,193,859</b>
	<b>Total Operations &amp; Maintenance</b>	<b>\$ 29,960,087</b>	<b>\$ 33,802,957</b>	<b>\$ 37,089,152</b>
	<b>Capitalized Labor &amp; Overhead</b>	<b>2,084,553</b>	<b>1,937,195</b>	<b>2,511,776</b>

Providence Water Supply Board Comparative Revenues & Expenses For the Period Ending June 30, 2021, 2022, and 2023				
Naruc Number	Naruc Description	FY 2021	FY 2022	FY 2023
<b>Total Operating Fund ( Operations &amp; Maintenance)</b>		<b>\$ 32,044,640</b>	<b>\$ 35,740,152</b>	<b>\$ 39,600,928</b>
<b>857 Insurance Fund</b>				
62080	Material and Supplies -A&GO			
62080	Injuries and Damages	79,621	39,462	114,875
63680	Contract Services - Other A&GO			
65680	Insurance - Vehicle	177,079	156,506	155,368
65780	Insurance - Gen. Liability	1,207,467	1,433,434	1,676,196
65880	Insurance - W/C	944,015	1,294,471	740,066
65980	Insurance-Other A&GO			
67580	Misc. Expense	-	-	36,729
	Funding Adjustment			
<b>Insurance Fund Expenses</b>		<b>\$ 2,408,183</b>	<b>\$ 2,923,873</b>	<b>\$ 2,723,233</b>
<b>878 Chemical and Sludge Maintenance Fund</b>				
61830	Chemicals - WTO	1,865,663	2,366,656	2,673,956
63130	Contract Services - Eng WTM	630		
63640	Contract Services - Other WTM	1,730,902	1,538,050	92,244
	Funding Adjustment			
<b>Total Chemical and Sludge Maintenance Fund</b>		<b>\$ 3,597,196</b>	<b>\$ 3,904,706</b>	<b>\$ 2,766,200</b>
<b>Full Operations and Maintenance</b>		<b>\$ 38,050,019</b>	<b>\$ 42,568,731</b>	<b>\$ 45,090,361</b>
67580	City Services	\$ 839,167	\$ 839,167	\$ 839,167
<b>Property Taxes- Other Local Govern.</b>				
	Town of North Providence	260,119	261,273	261,258
	Town of Glocester	82,703	79,559	79,553
	Town of West. Glocester	4,905	3,189	4,905
	Town Harmony	192	217	192
	Town Chepachet	124	125	130
	Town Scituate	6,675,420	6,939,970	7,214,346
	Town of Johnston	96,402	97,666	97,666
	Town of Foster	301,614	270,549	273,797
	City of Cranston	77,128	68,189	70,134
	City of West. Warwick	6,855	6,855	6,833
	PILOT	-	-	-
<b>Total Property Taxes</b>		<b>\$ 7,505,462</b>	<b>\$ 7,727,591</b>	<b>\$ 8,008,814</b>
	Full Operation & Maint.	38,050,019	42,568,731	45,090,361
	City Services	839,167	839,167	839,167
	Total Property Taxes	7,505,462	7,727,591	8,008,814
	Capitalized Labor & Overhead	(2,084,553)	(1,937,195)	(2,511,776)
<b>Total Operations &amp; Other</b>		<b>\$ 44,310,094</b>	<b>\$ 49,198,294</b>	<b>\$ 51,426,566</b>
<b>Restricted Expenses</b>				
	Capital Fund	2,127,000	2,127,000	2,127,000
	IFR Fund	29,300,000	31,300,000	31,300,000
	Meter Replacement Fund	1,000,000	1,000,000	1,000,000
	Vehicle/Equipment Ffund	1,550,000	1,500,000	1,500,000
	Western Cranston Fund	40,000	40,000	40,000
	Lead Service Replacement Fund	1,000,000	2,000,000	2,000,000
	Johnston Annexation Fees			
	East Smithfield Debt Service	82,451	82,451	82,451

Providence Water Supply Board Comparative Revenues & Expenses For the Period Ending June 30, 2021, 2022, and 2023				
Naruc Number	Naruc Description	FY 2021	FY 2022	FY 2023
	Revenue Reserve Fund			
	<b>Total Restricted Funds</b>	\$ 35,017,000	\$ 37,967,000	\$ 37,967,000
	Grand Total	\$ 79,327,094	\$ 87,165,294	\$ 89,393,566

**PROVIDENCE WATER SUPPLY BOARD  
(AN ENTERPRISE FUND OF THE CITY OF PROVIDENCE, RHODE ISLAND)**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**



**PROVIDENCE WATER SUPPLY BOARD  
(AN ENTERPRISE FUND OF THE CITY OF PROVIDENCE, RHODE ISLAND)  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Providence Water Supply Board  
Providence, Rhode Island

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Providence Water Supply Board (Water Supply Board), an enterprise fund of the City of Providence, Rhode Island, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Water Supply Board, as of June 30, 2023 and 2022 and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Water Supply Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Emphasis of Matter***

##### ***Reporting Entity***

As discussed in Note 1, the financial statements present only the Water Supply Board and do not purport to, and do not, present fairly the financial position of the City of Providence as of June 30, 2023 and 2022, the changes in its financial position, or where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Water Supply Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the pension and OPEB schedules, as listed in the table of contents, be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2023, on our consideration of the Water Supply Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Water Supply Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Water Supply Board's internal control over financial reporting and compliance.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Cranston, Rhode Island  
December 22, 2023

**PROVIDENCE WATER SUPPLY BOARD  
(AN ENTERPRISE FUND OF THE CITY OF PROVIDENCE, RHODE ISLAND)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023 AND 2022**

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This Management's Discussion and Analysis of the Providence Water Supply Board (Providence Water) financial statements provides a narrative overview and analysis of our financial activities for the years ended June 30, 2023, and 2022.

**Financial Statements**

Our financial statements are prepared using proprietary fund (enterprise fund) accounting that uses the same basis of accounting as private-sector business enterprises. Under this method of accounting an economic resources measurement focus and the accrual basis of accounting are used.

Revenue is recorded when earned and expenses are recorded when incurred. The financial statements include statements of net position, statements of revenues, expenses, and changes in net position, and statements of cash flows. These statements are followed by notes to the financial statements.

- The statements of net position present information on the assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Providence Water is improving or deteriorating.
- The statements of revenues, expenses, and changes in net position report the operating and nonoperating revenues and expenses of Providence Water for the fiscal year with the difference - the net income or loss - being combined with any capital contributions to determine the change in net position for the fiscal year. That change combined with the previous year-end net position total reconciles to the net position at the end of the fiscal year.
- The statements of cash flows report cash and cash equivalents activity for the fiscal year resulting from operating activities, noncapital financing activities, capital, and related financing activities, and investing activities. The net result of these activities added to the beginning of the year cash balance reconciles to the cash and cash equivalents balance at the end of the fiscal year.

**PROVIDENCE WATER SUPPLY BOARD  
(AN ENTERPRISE FUND OF THE CITY OF PROVIDENCE, RHODE ISLAND)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023 AND 2022**

**Condensed Financial Information**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total current assets	\$ 97,546,851	\$ 85,422,219	\$ 82,082,639
Total long-term assets	518,479,920	498,580,888	478,079,672
Total assets	<u>616,026,771</u>	<u>584,003,107</u>	<u>560,162,311</u>
Deferred outflows of resources	<u>6,868,719</u>	<u>9,830,455</u>	<u>11,780,093</u>
Total current liabilities	21,552,899	23,916,391	19,879,299
Total long-term liabilities	207,302,870	213,289,804	222,141,102
Total liabilities	<u>228,855,769</u>	<u>237,206,195</u>	<u>242,020,401</u>
Deferred inflows of resources	<u>13,004,147</u>	<u>5,581,574</u>	<u>5,399,793</u>
Net position:			
Net investment in capital assets	374,800,013	357,814,656	329,505,821
Restricted fund	64,066,548	50,278,871	40,019,359
Unrestricted fund	<u>(57,830,987)</u>	<u>(57,047,734)</u>	<u>(45,002,970)</u>
Total Net Position	<u>\$ 381,035,574</u>	<u>\$ 351,045,793</u>	<u>\$ 324,522,210</u>
Total operating revenue	\$ 94,491,834	\$ 88,824,578	\$ 81,318,205
Total operating expenses	52,456,497	51,152,317	46,250,446
Depreciation	11,490,558	10,745,008	10,843,456
Total operating expenses including depreciation	<u>63,947,055</u>	<u>61,897,325</u>	<u>57,093,902</u>
Operating income	30,544,779	26,927,253	24,224,303
Nonoperating expense	(1,671,591)	(1,192,718)	(2,866,652)
Capital grants and contributions	1,116,593	789,048	683,986
Special item - annexation	-	-	10,325,704
Change in Net Position	<u>\$ 29,989,781</u>	<u>\$ 26,523,583</u>	<u>\$ 32,367,341</u>

**Financial Highlights**

During the fiscal year 2023, Providence Water had operating revenues that exceeded operating expenses by \$42.0 million. These are primarily due to increase in consumption which lead to increase in revenue to support the continued commitment to the replacement of aging infrastructure, careful management of operating costs, and unexpended revenues allocated for restricted funds. Total assets and deferred outflows were \$622.9 million, up \$29.1 million from last year's total assets of \$593.8 million because of the amount of work performed on the transmission and distribution system, and continued maintenance and replacement of the aging current infrastructure. Current assets, principally cash and cash investments, increased by \$12.1 million, and net plant increased by \$20.1 million.

**PROVIDENCE WATER SUPPLY BOARD  
(AN ENTERPRISE FUND OF THE CITY OF PROVIDENCE, RHODE ISLAND)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023 AND 2022**

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Providence Water's net position totaled \$381.0 million on June 30, 2023, an increase of \$30.0 million from June 30, 2022. The increase is the result of unexpended revenue allocated for restricted funds. Also reflected in the change to our net position is net operating income of \$30.5 million, net non-operating expenses of \$1.7 million, and capital contributions of \$1.1 million.

Providence Water's net position totaled \$351.0 million on June 30, 2022, an increase of \$26.5 million from June 30, 2021. The increase is also the result of unexpended revenue allocated for restricted funds. Also, reflected in the change to our net position is net operating income of \$26.9 million, net non-operating expenses of \$1.2 million, and capital contributions of \$0.8 million.

Providence Water's total operating revenues were \$94.5 million for fiscal year 2023 which was a \$5.7 million or 6.4% increase over the prior year. The primary reason for the increase is an increase in consumption across all customer classes as well as the close monitoring of operating expenses during a period of economic uncertainty. Total operating expenses of the water system amounted to \$63.9 million which was a \$2.0 million increase over the prior year's amount of \$61.9 million. The increase is primarily attributable to increases in the costs of services and materials in the wake of the post-COVID-19 pandemic which saw increasing supply chain obstacles and rising inflation.

Providence Water's total operating revenues were \$88.8 million for fiscal year 2022 which was a \$7.5 million or 9.2% increase over the prior year. This increase is mainly due to new rates being approved by the Rhode Island Public Utilities Commission as part of the step two increase filed in Docket 4994. Another factor is the increase in consumption, primarily due to higher temperatures during the summer season. Total operating expenses of the water system amounted to \$61.9 million, which was a \$4.8 million increase over the prior year's amount of \$57.1 million. The 8.4% increase is primarily attributable to an increase in the cost of doing business, including the increase in material costs.

### **Capital Assets and Debt Administration**

#### **Capital Assets:**

On June 30, 2023, Providence Water had \$518.5 million invested in various capital assets, including land, buildings and improvements, transmission and distribution mains, reservoirs, services, hydrants and appurtenances, machinery and equipment, and construction work in progress. This amount represents a net increase in capital assets of \$19.9 million, or 4.0%, over the prior year.

On June 30, 2022, Providence Water had \$498.6 million invested in various capital assets, including land, buildings and improvements, transmission and distribution mains, reservoirs, services, hydrants and appurtenances, machinery and equipment, and construction work in progress. This amount represents a net increase in capital assets of \$20.5 million, or 4.3%, over the prior year.

**PROVIDENCE WATER SUPPLY BOARD  
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 JUNE 30, 2023 AND 2022**

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**Major project expenditures in fiscal year 2023 included in millions):**

. Water Main Rehabilitation	\$14.16
. Lead Services Replacement	\$ 2.50
. Various Treatment Plant Improvements	\$ 1.55
. Treatment Plant Residual Management System Upgrades	\$ 1.42
. Various Distribution Facilities Projects	\$ 1.29
. Various Pump Station Improvements	\$ 1.00
. Treatment Plant Architectural Upgrades	\$ 0.93
. Golden View Tank Replacement	\$ 0.89
. Various Support System Facilities Improvements	\$ 0.85
. IFR General Planning	\$ 0.85
. Billing System Replacement	\$ 0.72
. Various Transmission System Improvements	\$ 0.67
. Various Storage Facilities Projects	\$ 0.44
. Various Dam Improvements	\$ 0.10

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Providence Water's fiscal year 2023 capital budget included project expenditures of \$27.4 million for infrastructure and capital projects. The major projects were the continuation of the water main replacements and upgrades, replacement of lead services and upgrades to the Treatment plant residual management system. The majority of infrastructure projects are financed on a pay-as-you-go, cash basis from rate revenues. The water main rehabilitation/replacement project was funded from bond proceeds issued through the Rhode Island Infrastructure Bank (RIIB) in fiscal year 2021. New major capital investments that will benefit ratepayers for many years are generally funded with long-term debt financing.

**Water Main Rehabilitation**

Providence Water operates an aging distribution system, composed mainly of unlined cast iron pipes. Providence Water is committed to renewing and/or replacing much of the buried infrastructure. Water main rehabilitation improves water quality, reduces pipe breaks and the resulting loss of service, curtails leakage, and improves hydraulic capacity as needed for residential, commercial, and industrial users and fire protection. Providence Water Main Replacement/Rehabilitation Program (WMR) is targeting areas of high iron and lead corrosion as indicated by LCR compliance sites and additional water quality monitoring within the distribution system. In FY 2023, Providence Water rehabilitated 9 miles at a cost of approximately \$14.6 million.

During FY 2023, Providence Water replaced 326 public-side lead services at \$2.0 million. Since its inception of the reporting of the IFR program (July 1, 1996) and the public lead services replacement program to the Rhode Island Public Utilities Commission (RIPUC), Providence Water has replaced 20,338 lead services to the end of the fiscal year 2023 (June 30, 2023) at cost of over \$63.4 Million.

**Private Side Lead Service Line Replacement Program:**

In February of 2017, the RIPUC approved, as part of the application for new rates (RIPUC Docket 4618) \$250,000 of rate revenue per year to be used to finance a 0% interest loan with a 3-year repayment schedule program to assist homeowners to replace the private side lead service lines that carry water from

**PROVIDENCE WATER SUPPLY BOARD  
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the water mains in the street to the home. Effective August 2020, the amount approved by the RIPUC in Docket 4994 increased to \$1 million per year and extended the repayment term from the original 3-year term to a 10-year term. This program is to address the reduction of lead found in homes that could be harmful to the residents, especially children.

The program entered its first loan in April of 2018 and through June 30, 2023, 821 loans had been executed in the amount of approximately \$3.2 million. A 0% interest loan for \$1 million as well as a second loan for \$3 million from the RIIB allowed Providence Water to capitalize these loans at an accelerated rate.

In 2021, Congress passed the Bipartisan Infrastructure Law which authorized billions of dollars to be used to improve critical infrastructure throughout the country in the form of subsidized loans through the US EPA State Revolving Fund programs and straight grants.

Providence Water worked with RIIB and US EPA to secure more than \$6.4 million in grants to expand the private side lead service line replacement program. In the fiscal year 2023, 577 private side lead services at \$2.5 Million were replaced from this grant.

**Debt**

On June 30, 2023, Providence Water had \$143.5 million in bonds and notes outstanding versus \$140.4 million in the previous year. This represented an increase of \$3.1 million or 2.2%. This is due to a combination of paying down of the principals of previously issued debt and two new debts totaling \$11.0 Million received in fiscal year 2023, which will be used for the water main rehabilitation/replacement project and energy efficient building project. Providence Water continues to meet its obligations by paying its debt principal and interest when they are due.

On June 30, 2022, Providence Water had \$140.4 million in bonds and notes outstanding versus \$148.0 million in the previous year. This represented a decrease of \$7.6 million or 5.2%. This is due to the paying down of the principal of previously issued debt for the water main rehabilitation/replacement project.

**Subsequent Events**

In the Fiscal year 2024, the RIPUC approved Providence Water's application for authorization to borrow up to \$26.3 million from the Drinking Water State Revolving Fund through the RIIB. On November 1, the RIPUC issued a Report and Order in Docket# D-23-17. The Report and Order formally approved Providence Water's application for authorization to borrow up to \$26.3 million. RIIB waived the set-aside (funding) for the debt service requirement. The \$26.3 million loan closed December 19, 2023, and will be 0% interest and 49% principal forgiveness.

**Union Contract**

The labor force of the Water Supply Board, except for management, is covered by a union contract which is effective from July 1, 2022, through June 30, 2025.

**PROVIDENCE WATER SUPPLY BOARD  
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**Contacting Providence Water's Financial Management**

This financial report is designed to provide our customers, investors, and creditors with a general overview of Providence Water's finances and to illustrate Providence Water's accountability for the monies it receives. If you have questions about this report or need additional financial information, please contact the Director of Finance, Providence Water Supply Board, 125 Dupont Drive, Providence, RI 02907.

**PROVIDENCE WATER SUPPLY BOARD**  
**(AN ENTERPRISE FUND OF THE CITY OF PROVIDENCE, RHODE ISLAND)**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
Assets:		
Current unrestricted assets:		
Cash and cash equivalents	\$ 4,027,755	\$ 7,538,587
Cash held by fiscal agent	14,836,472	14,529,260
Accounts receivable, net of allowance for uncollectible accounts of \$1,483,512 in 2023 and \$1,811,121 in 2022	10,993,110	9,258,801
Accounts receivable - unbilled	1,674,933	2,184,193
Inventory	2,993,853	1,487,551
Other assets	152,790	1,915,268
Total current unrestricted assets	<u>34,678,913</u>	<u>36,913,660</u>
Current restricted assets:		
Cash and cash equivalents	59,724,466	47,014,341
Accounts receivable	2,964,766	1,306,291
Notes receivable - short term	178,706	187,927
Total current restricted assets	<u>62,867,938</u>	<u>48,508,559</u>
Total current assets	<u>97,546,851</u>	<u>85,422,219</u>
Capital assets:		
Land	26,914,625	26,598,062
Building and improvements	153,461,243	153,112,529
Improvements other than buildings	522,644,090	498,684,637
Machinery and equipment	54,814,074	52,943,769
Scituate Reservoir Project	18,681,695	18,681,695
Construction in progress	38,641,304	33,568,043
	<u>815,157,031</u>	<u>783,588,735</u>
Less accumulated depreciation and amortization	<u>296,860,187</u>	<u>285,369,629</u>
Total capital assets, net	<u>518,296,844</u>	<u>498,219,106</u>
Other noncurrent assets:		
Notes receivable - long term	<u>183,076</u>	<u>361,782</u>
Deferred Outflows of Resources:		
OPEB-related deferred outflows of resources	3,750,719	4,720,455
Pension-related deferred outflows of resources	3,118,000	5,110,000
Total deferred outflows of resources	<u>6,868,719</u>	<u>9,830,455</u>
Total assets and deferred outflows of resources	<u>622,895,490</u>	<u>593,833,562</u>

The accompanying notes are an integral part of the financial statements.

## EXHIBIT I

**PROVIDENCE WATER SUPPLY BOARD**  
**(AN ENTERPRISE FUND OF THE CITY OF PROVIDENCE, RHODE ISLAND)**  
**STATEMENTS OF NET POSITION (CONTINUED)**  
**JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
Liabilities:		
Current:		
Accounts payable	\$ 778,106	\$ 3,606,103
Accrued liabilities	3,313,500	3,820,392
Due to City of Providence General Fund	1,213,911	1,075,237
Current portion of long-term debt	10,551,125	9,572,143
Current portion of OPEB liability	4,318,941	3,884,277
Total current unrestricted liabilities	<u>20,175,583</u>	<u>21,958,152</u>
Amounts to be paid from current restricted assets:		
Due to Water Resources Board	275,228	212,250
Amounts payable from restricted assets	1,102,088	1,745,989
Total current restricted liabilities	<u>1,377,316</u>	<u>1,958,239</u>
Total current liabilities	<u>21,552,899</u>	<u>23,916,391</u>
Noncurrent liabilities:		
General revenue bonds	132,945,706	130,832,307
Net pension liability	60,270,021	58,644,679
Total OPEB liability	14,087,143	23,812,818
Total noncurrent liabilities	<u>207,302,870</u>	<u>213,289,804</u>
Total liabilities	<u>228,855,769</u>	<u>237,206,195</u>
Deferred Inflows of Resources:		
OPEB-related deferred inflows of resources	11,129,147	2,139,574
Pension-related deferred inflows of resources	1,875,000	3,442,000
Total deferred inflows of resources	<u>13,004,147</u>	<u>5,581,574</u>
Net Position:		
Net investment in capital assets	374,800,013	357,814,656
Restricted	64,066,548	50,278,871
Unrestricted	<u>(57,830,987)</u>	<u>(57,047,734)</u>
Total Net Position	<u>\$ 381,035,574</u>	<u>\$ 351,045,793</u>

The accompanying notes are an integral part of the financial statements.

**PROVIDENCE WATER SUPPLY BOARD  
(AN ENTERPRISE FUND OF THE CITY OF PROVIDENCE, RHODE ISLAND)  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
Operating Revenues:		
Charges for services:		
Water sales:		
General customers	\$ 67,294,383	\$ 63,750,731
Other local water suppliers	19,532,012	18,835,393
Fire protection services	4,037,729	3,998,683
Maintenance charges and other revenue	<u>3,627,710</u>	<u>2,239,771</u>
Total operating revenues	<u>94,491,834</u>	<u>88,824,578</u>
Operating Expenses:		
Source of supply	625,604	1,463,291
Pumping operations	1,184,063	658,788
Water treatment	8,136,833	8,571,943
Transmission and distribution	6,743,368	6,063,105
Charge for services provided by other City departments	839,167	839,167
Customer accounts and service	3,724,822	3,047,909
Administrative and general	22,618,759	22,263,304
Depreciation	11,490,558	10,745,008
Property taxes - other local governments	<u>8,583,881</u>	<u>8,244,810</u>
Total operating expenses	<u>63,947,055</u>	<u>61,897,325</u>
Operating Income	<u>30,544,779</u>	<u>26,927,253</u>
Nonoperating Revenue (Expense):		
Interest income	1,488,560	1,864,825
Interest expense and other	(3,160,151)	(3,057,543)
Gain (loss) on sale of asset	-	-
Net nonoperating expense	<u>(1,671,591)</u>	<u>(1,192,718)</u>
Capital Grants and Contributions	<u>1,116,593</u>	<u>789,048</u>
Total capital grants, contributions and special items	<u>1,116,593</u>	<u>789,048</u>
Change in Net Position	29,989,781	26,523,583
Net Position - Beginning of Year	<u>351,045,793</u>	<u>324,522,210</u>
Net Position - End of Year	<u>\$ 381,035,574</u>	<u>\$ 351,045,793</u>

The accompanying notes are an integral part of the financial statements.

**PROVIDENCE WATER SUPPLY BOARD**  
**(AN ENTERPRISE FUND OF THE CITY OF PROVIDENCE, RHODE ISLAND)**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Receipts from customers	\$ 93,380,009	\$ 87,698,789
Payments to vendors	(29,172,028)	(25,823,286)
Payments to employees	(25,858,490)	(21,428,249)
Net cash provided by operating activities	<u>38,349,491</u>	<u>40,447,254</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(31,568,296)	(31,434,151)
Interest and issuance costs paid on debt	(3,160,151)	(3,057,543)
Proceeds from bond issuance	12,463,730	869,170
Principal payments on long-term debt	(9,371,349)	(8,488,862)
Proceeds from note receivable	187,927	176,027
Capital grants	1,116,593	789,048
Net cash provided by (used in) capital and related financing activities	<u>(30,331,546)</u>	<u>(41,146,311)</u>
Cash Flows from Investing Activities:		
Investment income	1,488,560	1,864,825
Proceeds from sale of assets	-	-
Net cash provided by investing activities	<u>1,488,560</u>	<u>1,864,825</u>
Net Increase (Decrease) in Cash and Cash Equivalents	9,506,505	1,165,768
Cash and Cash Equivalents - Beginning of Year	<u>69,082,188</u>	<u>67,916,420</u>
Cash and Cash Equivalents - End of Year	<u>\$ 78,588,693</u>	<u>\$ 69,082,188</u>
Unrestricted Cash and Cash Equivalents	\$ 18,864,227	\$ 22,067,847
Restricted Cash and Cash Equivalents	<u>59,724,466</u>	<u>47,014,341</u>
	<u>\$ 78,588,693</u>	<u>\$ 69,082,188</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 30,544,779	\$ 26,927,253
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	11,490,558	10,745,008
Provision for doubtful accounts	327,609	242,564
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(3,211,133)	516,062
(Increase) decrease in inventories	(1,506,302)	(1,048,023)
(Increase) decrease in other assets	1,762,478	(1,872,515)
(Increase) decrease in deferred outflows of resources	2,961,736	1,949,638
Increase (decrease) in due to other funds	138,674	514,677
Increase (decrease) in accounts payable and accrued expenses	(3,915,812)	2,714,857
Increase (decrease) net pension liability	1,625,342	560,744
Increase (decrease) net OPEB liability	(9,291,011)	(984,792)
Increase (decrease) in deferred inflows of resources	<u>7,422,573</u>	<u>181,781</u>
Net Cash Provided by Operating Activities	<u>\$ 38,349,491</u>	<u>\$ 40,447,254</u>

The accompanying notes are an integral part of the financial statements.

**PROVIDENCE WATER SUPPLY BOARD  
(AN ENTERPRISE FUND OF THE CITY OF PROVIDENCE, RHODE ISLAND)  
NOTES TO FINANCIAL STATEMENTS**

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**1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Providence Water Supply Board, an enterprise fund of the City of Providence, (the Water Supply Board) was created in 1940 by Chapter 832 of the Public Laws of the State of Rhode Island. Membership of the Water Supply Board is comprised of four persons appointed by the Mayor, who serve for four-year staggered terms and two City Council members elected by the City Council who serve during their four-year City Council term. The Finance Director of the City of Providence also serves as an ex-officio Water Supply Board member.

The Water Supply Board provides water supply services through metered sales in Providence and parts of the surrounding communities of North Providence, Johnston and Cranston. The Water Supply Board also sells water to other local water supply systems on a wholesale basis. The Water Supply Board's source of water supply is the Scituate Reservoir, located in the Town of Scituate, Rhode Island, and five tributary reservoirs.

The financial statements of the Providence Water Supply Board are intended to present the financial position, the changes in financial position and, where applicable, cash flows of only the business-type activities of the City of Providence that are attributable to the transactions of the Providence Water Supply Board. They do not purport to, and do not, present fairly the financial position of the City of Providence as of June 30, 2023 and 2022, the changes in its financial position, or where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

**B. Significant Accounting Policies**

**Basis of Presentation**

The Water Supply Board is considered an enterprise fund of the City of Providence (the City). The operations of the Water Supply Board are accounted for with a separate set of self-balancing accounts organized on a Proprietary Fund type (Enterprise Fund) basis.

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or change in net position is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Water Supply Board utilizes the accrual basis of accounting, under which revenues are recognized when earned and expenses are recognized when incurred regardless of the timing of the related cash flows.

**Regulations and Operations**

The Water Supply Board is subject, as to rates and other matters, to the regulatory authority of the State of Rhode Island Public Utilities Commission (PUC).

**PROVIDENCE WATER SUPPLY BOARD  
(AN ENTERPRISE FUND OF THE CITY OF PROVIDENCE, RHODE ISLAND)  
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**Cash Equivalents**

The Water Supply Board considers all highly liquid instruments with an original maturity of three months or less, when purchased, to be cash equivalents.

**Investments**

The Water Supply Board accounts for investments at fair values, which are established by quoted market prices in active markets that are accessible at the measurement date for identical, unrestricted assets. Fair value is defined as the price that two parties are willing to pay to acquire an asset or settle a liability in an orderly transaction in the marketplace.

**Inventory**

Inventory, consisting of materials and supplies, is valued at the lower of average cost or market using the first-in, first-out method.

**Capital Assets, Depreciation and Amortization**

Capital assets owned by the Water Supply Board are stated at cost and are defined as assets with an initial cost of more than \$3,000 and an estimated useful life in excess of 1 year. Depreciation and amortization is provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Building, source of supply structures and improvements	5-75 years
Improvements other than buildings	3-75 years
Equipment	3-50 years

Depreciation expense is not reflected for construction in progress until such time as it is placed in service. Assets under capital leases are amortized under the Water Supply Board's normal depreciation policies for similar assets.

**Restricted Funds for Construction of Assets**

Restricted funds for construction of assets represent unexpended revenue bond proceeds obtained specifically for construction of water facilities, as well as revenues restricted for capital improvements by the PUC. These funds are included in restricted assets.

**Capital Contributions**

Capital contributions consist of property and equipment paid for by customers for water installations. Once the installation is complete, the property and equipment transfers to the Water Supply Board at acquisition value.

**Impact Fees**

The impact fees assessment was established in 1996 when the Water Supply Board acquired the water distribution system in the City of Cranston. As part of the agreement for the acquisition, the Water Supply Board assumed all operation obligation, benefits and assets, and debt service related to the water distribution system, and created an impact fee agreement with the City of Cranston. In accordance with the City of Cranston ordinance, impact fee for the water system improvement must be set aside by the City of Cranston and paid to the Water Supply Board or deducted from the debt services the Water Supply Board pays to the City of Cranston.

**PROVIDENCE WATER SUPPLY BOARD  
(AN ENTERPRISE FUND OF THE CITY OF PROVIDENCE, RHODE ISLAND)  
NOTES TO FINANCIAL STATEMENTS**

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The impact fee is assessed by the City of Cranston based on the agreement with the Water Supply Board. If new water systems facilities are required to serve areas where no water system presently exists, the Water Supply Board will collect a subdivision processing fee, and the City of Cranston will collect a water impact fee for the benefit of the Water Supply Board as follows: 1) residential \$1,352 per unit; and 2) industrial and commercial \$6,003 per acre. The Water Supply Board in turn agreed to use the said impact fee solely for the purpose of construction of new water system facilities required to serve areas where no water system presently exists. In 2023, the \$33,781 in fees that had been collected was recognized by the Water Supply Board as revenue. In 2022, the \$51,840 in fees that had been collected was recognized by the Water Supply Board as revenue.

**Revenues, Operating Revenues and Expenses**

Revenues include amounts billed and unbilled to all customers, including those customers outside the City of Providence. All billed charges are based on rates approved by the PUC. Revenues for unbilled amounts to general customers are estimated based on billing amounts subsequent to year end. The Water Supply Board distinguishes operating revenues and expenses from nonoperating. Operating revenues result from charges to customers for water and related services. Operating expenses include the cost of operations, maintenance, sales and service, administrative expenses and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating or capital contributions.

**Concentration of Credit Risk**

The Water Supply Board's financial instruments that are exposed to concentrations of credit risk consist primarily of accounts receivable. Exposure to losses on receivables is principally dependent on each customer's financial condition. Concentration of credit risk with respect to receivables is limited due to the large number of customers. The Water Supply Board monitors its exposure for credit losses and maintains allowances for anticipated losses.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position can report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period which will not be recognized as an outflow of resources (expense) until that later date. At June 30, 2023 and 2022, the Water Supply Board reports deferred outflows related to pension and OPEB in the statements of net position. A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees).

In addition to liabilities, the statement of net position can report deferred inflows of resources. Deferred inflows of resources represent the acquisition of net position that applies to a future period and which will not be recognized as an inflow of resources (revenue) until a later date. At June 30, 2023 and 2022, the Water Supply Board reports deferred inflows related to pension and OPEB in the statements of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees).

**PROVIDENCE WATER SUPPLY BOARD  
(AN ENTERPRISE FUND OF THE CITY OF PROVIDENCE, RHODE ISLAND)  
NOTES TO FINANCIAL STATEMENTS**

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**Compensated Absences**

Employees accumulate sick leave hours for subsequent use or for payment upon retirement. Sick leave and vacation may be carried forward into the following calendar year, but not to exceed 135 days and 30 days, respectively.

Vested sick leave and accumulated vacation leave are recorded as expenses and liabilities as the benefits accrue to employees.

**Net Pension Liability**

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. Investments are reported at fair value.

**Total Other Postemployment Benefits Other than Pensions (OPEB) Liability**

The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year and no later than the end of the current fiscal year, consistently applied from period to period.

**Long-Term Obligations**

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

When both restricted and unrestricted resources are available for use, it is the Water Supply Board's policy to use restricted resources first, then unrestricted resources as they are needed.

**Fund Equity**

In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

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**Net Investment in Capital Assets**

This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

**Restricted Net Position**

This category represents the net position of the City, which are restricted by outside parties or enabling legislation.

**Unrestricted Net Position or Deficits**

This category represents the net position of the City, which do not meet the definition of "restricted" or "invested in capital assets, net of related debt". Deficits require future funding.

**Use of Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Adoption of New Accounting Standards**

In May 2020, the Government Accounting Standards Board (GASB) issued GASB Statement No. 96, Subscription Based Information Technology Arrangements (SBITAs). This standard requires the recognition of certain subscription assets and liabilities for subscriptions that previously were classified as operating expenses and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for SBITA accounting based on the foundational principle that SBITAs are contracts that convey control of the right to use another party's software, alone or in combination with tangible capital assets. Under this standard, a government is required to recognize a subscription liability and an intangible right-to-use subscription asset.

The Water Supply Board adopted the requirements of the guidance effective July 1, 2022, however, management concluded that they did not have any arrangements that met the requires of this standard.

**2. RESTRICTED ASSETS**

The State of Rhode Island enacted the Public Drinking Water Protection Act of 1987 (the Act) that empowers suppliers of public drinking water to levy a surcharge (the surcharge) of one cent (\$0.01) per hundred gallons of water for all customers. The surcharge has been amended several times since 1987. The last increase was on July 1, 2002, when the surcharge increased to \$0.0292 per hundred gallons of water for all customers. Of those collected funds, the Water Supply Board will retain 36.1% of the surcharge in its Water Quality Protection Fund, remit 57.0% to the State Water Resources Board and retain 6.9% for general operations. The funds collected in the Water Quality Protection Fund are to be expended in the following manner:

- at a minimum, 55% of the funds are to be spent for the acquisition of land or land rights or physical improvements to acquired land to protect the quality of the raw water of the water supply system;
- 35% may be used to acquire a fee simple interest or a conservation restriction that directly protects the quality and safety of the public drinking water supply; and
- 0% may be used by the supplier for any purpose relating to its operations.

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The restricted investments are pooled with the cash and cash equivalents and investments of other funds maintained by the City of Providence. The earnings from investments are allocated in proportion to each fund's balance.

**3. CASH**

The following is a summary of cash and investments as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 4,533,594	\$ 7,927,540
Restricted cash and cash equivalents	<u>61,232,802</u>	<u>47,584,601</u>
	<u>\$ 65,766,396</u>	<u>\$ 55,512,141</u>

Responsibility for custodial credit risk of deposits, investment risk, interest rate risk and concentration of investments rests with the City. Additional information about these risks can be obtained from the City of Providence's Finance Department at City Hall or at [www.providenceri.gov/finance](http://www.providenceri.gov/finance). However, the deposits for the Water Supply Board are supported by collateralization agreements with its main banking institutions. These agreements collateralize the deposits at 102%. Of the cash and cash equivalent balances at June 30, 2023 of \$65,766,396, \$500,000 is covered by Federal Deposit Insurance Corporation (FDIC) insurance and \$65,266,396 of the balance is covered by the collateral agreements. Of the cash and cash equivalent balances at June 30, 2022 of \$55,512,141, \$500,000 is covered by FDIC insurance and \$55,012,141 of the balance is covered by the collateral agreements.

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**4. CAPITAL ASSETS**

The following is a summary of the activity in capital assets as of June 30, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 26,598,062	\$ 316,563	\$	\$ 26,914,625
Scituate Reservoir Project	18,681,695			18,681,695
Construction in progress	33,568,043	30,728,751	25,655,490	38,641,304
Total capital assets not being depreciated	<u>78,847,800</u>	<u>31,045,314</u>	<u>25,655,490</u>	<u>84,237,624</u>
Capital assets being depreciated:				
Buildings and improvements	153,112,529	348,714		153,461,243
Sewer and infrastructure	498,684,637	23,959,453		522,644,090
Equipment	52,943,769	1,870,305		54,814,074
Total capital assets being depreciated	<u>704,740,935</u>	<u>26,178,472</u>	<u>-</u>	<u>730,919,407</u>
Less accumulated depreciation for:				
Buildings and improvements	90,528,043	2,549,983		93,078,026
Sewer and infrastructure	158,492,263	6,513,262		165,005,525
Equipment	36,349,323	2,427,313		38,776,636
Total accumulated depreciation	<u>285,369,629</u>	<u>11,490,558</u>	<u>-</u>	<u>296,860,187</u>
Total capital assets being depreciated, net	<u>419,371,306</u>	<u>14,687,914</u>	<u>-</u>	<u>434,059,220</u>
Capital Assets, Net	<u>\$ 498,219,106</u>	<u>\$ 45,733,228</u>	<u>\$ 25,655,490</u>	<u>\$ 518,296,844</u>

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The following is a summary of the activity in capital assets as of June 30, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 26,449,185	\$ 148,877	\$	\$ 26,598,062
Scituate Reservoir Project	18,681,695			18,681,695
Construction in progress	31,689,984	27,546,627	25,668,568	33,568,043
Total capital assets not being depreciated	<u>76,820,864</u>	<u>27,695,504</u>	<u>25,668,568</u>	<u>78,847,800</u>
Capital assets being depreciated:				
Buildings and Improvements	150,095,165	3,017,364		153,112,529
Sewer and infrastructure	476,024,773	22,659,864		498,684,637
Equipment	49,213,782	3,729,987		52,943,769
Total capital assets being depreciated	<u>675,333,720</u>	<u>29,407,215</u>	<u>-</u>	<u>704,740,935</u>
Less accumulated depreciation for:				
Buildings and Improvements	88,200,839	2,327,204		90,528,043
Sewer and Infrastructure	152,286,184	6,206,079		158,492,263
Equipment	34,137,598	2,211,725		36,349,323
Total accumulated depreciation	<u>274,624,621</u>	<u>10,745,008</u>	<u>-</u>	<u>285,369,629</u>
Total capital assets being depreciated, net	<u>400,709,099</u>	<u>18,662,207</u>	<u>-</u>	<u>419,371,306</u>
Capital Assets, Net	<u>\$ 477,529,963</u>	<u>\$ 46,357,711</u>	<u>\$ 25,668,568</u>	<u>\$ 498,219,106</u>

**5. LONG-TERM DEBT**

The following is the long-term debt activity as of June 30, 2023:

	<b>2023</b>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable:					
Revenue bonds	\$ 140,404,450	\$ 12,463,730	\$ 9,371,349	\$ 143,496,831	\$ 10,551,125
Net pension liability	58,644,679	1,625,342		60,270,021	
Total OPEB liability	27,697,095		9,291,011	18,406,084	4,318,941
Long-Term Liabilities	<u>\$ 226,746,224</u>	<u>\$ 14,089,072</u>	<u>\$ 18,662,360</u>	<u>\$ 222,172,936</u>	<u>\$ 14,870,066</u>

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The following is the long-term debt activity as of June 30, 2022:

	2022				Due Within One Year
	Beginning Balance	Additions	Reductions	Ending Balance	
Bonds payable:					
Revenue bonds	\$ 148,024,142	\$ 869,170	\$ 8,488,862	\$ 140,404,450	\$ 9,572,143
Net pension liability	58,083,935		(560,744)	58,644,679	
Total OPEB liability	<u>28,681,887</u>	<u>(984,792)</u>	<u>-</u>	<u>27,697,095</u>	<u>3,884,277</u>
Long-Term Liabilities	<u>\$ 234,789,964</u>	<u>\$ (115,622)</u>	<u>\$ 7,928,118</u>	<u>\$ 226,746,224</u>	<u>\$ 13,456,420</u>

The following is a summary of bonds and notes outstanding at June 30, 2023 and 2022:

Description	Amount of Interest Rate (%)	Outstanding June 30, 2023	Outstanding June 30, 2022
Safe Drinking Water Bonds (CWFA FY2002)	3.61%	\$ -	\$ -
Safe Drinking Water Bonds (CWFA FY2008)	2.85%	14,963,000	16,811,000
Safe Drinking Water Bonds (CWFA FY2010)	.0410% to 3.14%	4,428,250	4,902,250
Safe Clean Water Bonds (CWFA FY2012)	.072% to 3.26%	1,671,000	1,815,000
Safe Clean Water Bonds (CWFA FY2013)	.019% - 2.53%	2,529,000	2,726,000
Safe Drinking Water Bonds (CWFA FY2013)	.022% - 2.63%	16,330,000	17,474,000
Safe Drinking Water Bonds (CWFA FY2013)	.022% - 3.01%	5,237,000	5,602,000
Safe Drinking Water Bonds (CWFA FY2015)	.022% - 3.01%	21,889,000	23,295,000
Safe Drinking Water Bonds (CWFA FY2017)	.022% to 1.95%	12,615,095	13,368,095
Safe Drinking Water Bonds (RIIB- FY2018)	0.00%	-	53,616
Safe Drinking Water Bonds (CWFA FY2019)	.022% to 1.95%	12,830,000	13,463,000
Safe Drinking Water Bonds (CWFA FY2020)	1.17%	17,278,000	18,191,000
Safe Drinking Water Bonds (CWFA FY2021)	.070% to 2.09%	19,985,000	20,999,000
Safe Drinking Water Bonds (RIIB- FY2020)	0.00%	2,280,494	1,182,507
RIIB Bond FY2023 \$5.5 Mill Series 2023 EB	2.13%-2.49%	5,500,000	-
RIIB Bond FY2023 \$5.5 Mill Series 2023 WM	2.65% - 3.53%	5,500,000	-
East Smithfield Water District DWSRF Bonds Series 2009A (RIIB- FY2009 Bond)	3.51%	42,238	66,816
East Smithfield Water District DWSRF Loan Series 2009A (RIIB- FY2009 Loan)	3.00%	70,000	80,000
East Smithfield Water District DWSRF Bond Series 2014A (RIIB- FY2014 Bond)	1.30% - 3.43%	<u>348,754</u>	<u>375,166</u>
Total		<u>\$ 143,496,831</u>	<u>\$ 140,404,450</u>

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Scheduled principal maturities at June 30, 2023 of long-term debt are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>ARRA / SRF Principal Forgiveness</u>	<u>Interest and Fees</u>	<u>Total</u>
2024	\$ 10,551,125	\$ (865,477)	3,080,748	\$ 12,766,396
2025	10,310,493	(878,713)	3,002,142	12,433,922
2026	10,482,913	(884,360)	2,792,703	12,391,256
2027	10,595,828	(899,476)	2,561,753	12,258,105
2028	10,809,291	(916,492)	2,313,432	12,206,231
2029-2033	48,540,171	(4,573,354)	7,796,896	51,763,713
2034-2038	33,036,826	(3,761,438)	2,713,599	31,988,987
2039-2043	9,170,184	(1,448,453)	355,883	8,077,615
Total	\$ <u>143,496,831</u>	\$ <u>(14,227,762)</u>	\$ <u>24,617,155</u>	\$ <u>153,886,224</u>

**6. TRANSACTIONS WITH CITY OF PROVIDENCE, RHODE ISLAND**

The City of Providence performs various services for the Water Supply Board including certain accounting, personnel and cash management services and working capital support. The total billing to the Water Supply Board for services performed amounted to \$839,167 for each of the years ended June 30, 2023 and 2022. This amount is established by the City, approved by the Water Supply Board and ultimately approved by the PUC. The Water Supply Board also provides services to various City funds and departments, the charges for which have been included as revenue in the accompanying financial statements. Included within the due to City of Providence General Fund balance on the statements of net position are the related balances due for the services described above. The balance also includes payments for pension and post-employment benefits. The total balance due to the City of Providence General Fund at June 30, 2023 and 2022 totaled \$1,213,911 and \$1,075,237, respectively.

**7. LINE OF CREDIT**

The Water Supply Board opened a line of credit with Century Bank of \$5,000,000 in 2013. This line of credit is used for infrastructure replacement and renewed annually per the agreement terms. The balance as of June 30, 2023 and 2022 was \$-0-.

**8. COMMITMENTS AND CONTINGENCIES**

**Risk Management**

The Water Supply Board has a complete comprehensive insurance program protecting all facilities, employees and liability claims.

The Water Supply Board is subject to various claims and litigation that arise in the ordinary course of its operations. Legal counsel and management are of the opinion that the Water Supply Board's liabilities in such cases, if decided adversely to the Water Supply Board, would not materially affect the financial statements.

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**Union Contract**

The labor force of the Water Supply Board, with the exception of management, is covered by a union contract, which is effective for the period July 1, 2022 to June 30, 2025.

**Lead Service Replacement Program**

The Water Supply Board is committed to reducing lead at our customers' taps. The Water Supply Board is striving to meet the Environmental Protection Agency (EPA) goal of 0 parts per million (ppm) of lead. In order to achieve this goal, the Water Supply Board has implemented a four-pronged approach.

- Water Main Rehabilitation
- Distribution Water Main Flushing
- Corrosion Control
- Public Education and Outreach

**Public Education and Outreach**

Utilizing social media, our website and direct mailings, the Water Supply Board provides educational material to our customers on the hazards of lead in water and the steps they can take to minimize lead at their tap. In addition, the Water Supply Board offers free lead testing for customers within our retail area.

**9. DEFINED BENEFIT PENSION PLANS**

Substantially all employees of the Water Supply Board participate in the Employees' Retirement System of the City of Providence (ERS or the Plan), a defined-benefit, single-employer plan. Water Supply Board employees participating in the Plan are eligible to retire at age 55 if hired prior to July 1, 2004, at age 60 if hired between July 1, 2004 and June 30, 2009, at age 62 with 10 years of service if hired on or after July 1, 2009 or at any age after 25 years of service if hired prior to July 1, 1995, or at any age after 30 years of service if hired on or after July 1, 1995. The total retirement allowance is equal to an annuity, which is the actuarial equivalent of accumulated contributions at the time of retirement, plus a pension, which when added together either: 1) equals 1/40 of final compensation for each year of total service up to 20 years and 1/50 of final compensation for each year of service in excess of 20 years if hired prior to July 1, 1996; or 2) equals 1/50 of final compensation for each year of total service credited if hired on or after July 1, 1996. These benefit provisions and all other requirements are established by City ordinance. A separate financial statement is not issued for the Plan.

ERS is governed by an Employee Retirement Board provided by the Providence Home Rule Charter. The ERS consists of elected officials, management and employee representation and provides for establishing rules and regulations and is responsible for the administration and operation of the City employee retirement system. The Board has the discretion and authority to interpret the Plan and to determine the eligibility and benefits of participants and beneficiaries pursuant to the provisions of the Plan. On all such matters, the decision of a majority of the then members of the Board shall govern and be binding upon the employer, participants, and beneficiaries. Additional information about the plan can be obtained from the City of Providence's Finance Department at City Hall or at [www.providenceri.gov/finance](http://www.providenceri.gov/finance).

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The approximate membership of the ERS plan for the Water Supply Board consisted of the following at July 1, 2022, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefits	187
Active employees	<u>201</u>
Total	<u>388</u>

The total pension liability was determined by an actuarial valuation as of July 1, 2022 and rolled forward to June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.00% per year, before reflecting increases due to longevity
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 11.3%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The Plan's investment policy in regard to the allocation of invested assets is established and may be amended by the City. It is the policy of the City to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The long-term expected rate of return on Plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target allocation as of June 30, 2023 are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45.25 %	6.28 %
International developed markets equity	12.75	7.00
Core fixed income	26.00	0.38
Hedge fund, GTAA, Risk parity	<u>16.00</u>	2.35
	<u>100.00 %</u>	

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**Contributions**

Class A members and police officers are required to contribute 8% of their salary to the Plan. Class B members, other than police officers, are required to contribute 9.5% of their salary to the Plan. Water Supply Board employees are Class A members. The Mayor and City Council contribute to the Plan at a rate of \$350 per year. Additionally, the City shall contribute from time to time amounts sufficient with the contributions of elected officials to provide the special pensions granted to them. The Water Supply Board's contributions to the ERS for the year ended June 30, 2023 was \$4,604,000.

**Investment Policy**

The City policy for pension investments is under the oversight of the Board of Investment Commissioners (the Board). The Board contracts with an investment advisory firm and approves any new investment vehicles presented by the consultant. The Board follows all applicable state statutes and Section 17-189 of the City Ordinance, which states, "The Board of Investment Commissioners is authorized and empowered to execute the disposition and investment of the funds which are within its control in any securities and investments as would be acquired by prudent persons of discretion and intelligence in these matters, who are seeking a reasonable income and the preservation of their capital."

**Net Pension Liability**

The net pension liability was measured as of June 30, 2023 and 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. Net pension liability is allocated to the Water Supply Board based on a proportion of covered payroll.

The components of the net pension liability of the Retirement System for the Water Supply Board were as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Total pension liability	\$ 81,087,537	\$ 76,387,623
Plan fiduciary net position	<u>20,817,516</u>	<u>17,742,944</u>
Net Pension Liability	<u>\$ 60,270,021</u>	<u>\$ 58,644,679</u>
Plan fiduciary net position as a percentage of the total pension liability	25.67%	23.23%

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**Changes in the Net Pension Liability for the Water Supply Board**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2022	\$ 76,387,623	\$ 17,742,944	\$ 58,644,679
Changes for the year:			
Service cost	1,214,593		1,214,593
Interest on total pension liability	5,477,693		5,477,693
Differences between expected and actual experience	(226,460)		(226,460)
Changes in proportionate share	3,066,996	3,066,996	-
Employer contributions		4,604,000	(4,604,000)
Member contributions		775,387	(775,387)
Net investment income		1,825,621	(1,825,621)
Benefit payments, including refund to employee contributions	(4,832,908)	(7,187,519)	2,354,611
Administrative expenses		(9,913)	9,913
Net changes	4,699,914	3,074,572	1,625,342
Balances as of June 30, 2023	\$ 81,087,537	\$ 20,817,516	\$ 60,270,021
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2021	\$ 82,681,060	\$ 24,597,125	\$ 58,083,935
Changes for the year:			
Service cost	1,126,258		1,126,258
Interest on total pension liability	5,081,510		5,081,510
Differences between expected and actual experience	1,039,093		1,039,093
Changes in proportionate share	(8,888,340)	(8,888,340)	0
Employer contributions		4,129,000	(4,129,000)
Member contributions		644,642	(644,642)
Net investment income		(1,753,868)	1,753,868
Benefit payments, including refund to employee contributions	(4,651,958)	(974,804)	(3,677,154)
Administrative expenses		(10,811)	10,811
Net changes	(6,293,437)	(6,854,181)	560,744
Balances as of June 30, 2022	\$ 76,387,623	\$ 17,742,944	\$ 58,644,679

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Additional information as of the latest actuarial valuation follows:

Valuation Date	Actuarially determined contribution (ADC) rates are calculated as of the end of the fiscal year (June 30) for the second fiscal year immediately following the current fiscal year. Actuarial valuations are performed every year. The assumptions shown below are those used in the July 1, 2020 actuarial valuation which developed the FY 2023 and FY 2022 ADC. Assumptions used to determine contributions in the past may not have been the same.
Actuarial cost method	Individual Entry Age Normal
Amortization cost method	Level dollar for the 1995 deferral liability and level percentage of payroll for the remaining unfunded liability.
Remaining amortization period	9 years for the 1995 deferral liability and 18 years for the remaining unfunded liability.
Asset Valuation period	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.00%, net of pension plan investment and administrative expenses, including inflation.
Inflation rate	3.00%
Projected salary increases	3.00 percent, including inflation, but prior to reflecting increases due to longevity.
Cost of living adjustments	10-year freeze as of January 1, 2013 and 3% thereafter.

Mortality rates were based on the following:

Pre-Retirement

- Class A Employees: Pub-2010 General Employee Amount-Weighted Mortality Tables projected generationally from the 2010 base year using Scale MP-2019.
- Class B Employees: Pub-2010 Safety Employee Amount-Weighted Mortality Tables projected generationally from the 2010 base year using Scale MP-2019.

Post Retirement

- Class A Retiree: Pub-2010 General Retiree Amount-Weighted Mortality Tables projected generationally from the 2010 base year using Scale MP-2019.
- Class B Retiree: Pub-2010 Safety Retiree Amount-Weighted Mortality Tables projected generationally from the 2010 base year using Scale MP-2019.
- Class A Beneficiary: Pub-2010 Contingent Survivor Amount-Weighted Mortality Tables projected generationally from the 2010 base year using Scale MP-2019.
- Class B Beneficiary: Pub-2010 Contingent Survivor Amount-Weighted Mortality Tables projected generationally from the 2010 base year using Scale MP-2019.

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- Class A Disabled Retiree: Pub-2010 General Disabled Retiree Amount-Weighted Mortality Tables projected generationally from the 2010 base year using Scale MP-2019.
- Class B Disabled Retiree: Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Tables projected generationally from the 2010 base year using Scale MP-2019.

**Discount Rate**

The discount rate used to measure the total pension liability at June 30, 2023 and 2022 was 7.00%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the City of Providence's contributions will be made at the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate.**

The following presents the net pension liability of the Retirement System, calculated using the discount rate of 7.00%, as well as what the System's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate at June 30, 2023:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Net Pension Liability	\$ 70,399,578	\$ 60,270,021	\$ 51,923,458

The following presents the net pension liability of the Retirement System, calculated using the discount rate of 7.00%, as well as what the System's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate at June 30, 2022:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Net Pension Liability	\$ 68,246,598	\$ 58,644,679	\$ 50,734,822

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the years ended June 30, 2023 and 2022, the Water Supply Board recognized pension expense of \$6,654,213 and \$5,760,643, respectively.

**PROVIDENCE WATER SUPPLY BOARD  
(AN ENTERPRISE FUND OF THE CITY OF PROVIDENCE, RHODE ISLAND)  
NOTES TO FINANCIAL STATEMENTS**

At June 30, 2023, the Water Supply Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 738,492	\$ 170,050
Changes of assumptions		
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,623,260	1,704,950
Net difference between projected and actual earning on pension plan investments	<u>756,248</u>	<u>                    </u>
	<u>\$ 3,118,000</u>	<u>\$ 1,875,000</u>

At June 30, 2022, the Water Supply Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,179,897	\$ 116,455
Changes of assumptions	2,242,026	
Changes in proportion and differences between employer contributions and proportionate share of contributions	63,390	3,325,545
Net difference between projected and actual earning on pension plan investments	<u>1,624,687</u>	<u>                    </u>
	<u>\$ 5,110,000</u>	<u>\$ 3,442,000</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ending June 30**

2024	\$ 402,006
2025	(83,037)
2026	1,027,470
2027	<u>(103,439)</u>
	<u>\$ 1,243,000</u>

**Payable to the Plan**

At June 30, 2023 and 2022, the Water Supply Board had made full payment of the required pension contribution for the years then ended.

**PROVIDENCE WATER SUPPLY BOARD  
 (AN ENTERPRISE FUND OF THE CITY OF PROVIDENCE, RHODE ISLAND)  
 NOTES TO FINANCIAL STATEMENTS**

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**10. POST EMPLOYMENT BENEFITS**

The following disclosure presents information regarding the City's Post-Employment Medical Benefit Plan with certain information being specific to Providence Water Supply Board's financial statements.

**Plan Description**

The City's Post-Employment Medical Benefit Plan is a single-employer defined benefit postretirement health insurance program administered by the City. The City provides for a portion of the lifetime health care benefits to substantially all retired employees and their spouses. Health care benefits are provided through the City's self-insured health insurance program covering both active and retired employees. The Plan does not issue a separate financial report. These benefits are provided for and amended under various provisions of Rhode Island General Law, City Ordinances and the terms of collective bargaining agreements.

**OPEB Funding Policy**

The contribution requirements of plan members and the City are established and may be amended through provisions of Rhode Island General Law, City Ordinances and through collective bargaining. The required contribution is based on pay as you go financing requirements. The Plan can cover 100% of the costs of the benefit; however, retirees and their spouses are potentially required to fund a portion of the Plan costs depending upon the class an employee has been assigned and their date of hire. Current employee co-share for the retiree health insurance benefit requires a co-share of .01 of final average salary with a maximum limit of \$400.

The following is a current census of the City benefit participants as of August 1, 2022:

Active members	4,255
Retirees	<u>5,305</u>
Total	<u><u>9,560</u></u>

**Total OPEB Liability**

For the years ended June 30, 2023 and 2022, the Water Supply Board recognized OPEB liability of \$18,406,084 and \$27,697,095, respectively. The City has not accumulated any assets in a fiduciary trust for payment of benefits.

**Actuarial Assumptions and Other Inputs**

The total OPEB liability at June 30, 2022 was measured by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	3.50%
Salary increases	3.50% per year before reflecting longevity. Longevity compensation varies from 3.0% to 11.0% based on years of service, date of hire and Class
Health care trend rates	Non-Medicare medical: 7.0% decreasing by 0.25% for 10 years to an ultimate

**PROVIDENCE WATER SUPPLY BOARD  
(AN ENTERPRISE FUND OF THE CITY OF PROVIDENCE, RHODE ISLAND)  
NOTES TO FINANCIAL STATEMENTS**

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level of 4.5% per year

Medicare medical: 6.0% decreasing by 0.25% for 6 years to an ultimate level of 4.5% per year

Prescription drug: 9.0% decreasing by 0.25% for 18 years to an ultimate level of 4.5% per year

Part B: 4.5%

Administrative: 3.0%

**Mortality rates**

Pre-Retirement

Class A Healthy: Pub-2010 General Employee Headcount-Weighted Mortality Tables projected generationally with Scale MP-2019

Class B Healthy: Pub-2010 Safety Employee Headcount-Weighted Mortality Tables projected generationally with Scale MP-2019

Teachers: Pub-2010 Teacher Employee Headcount-Weighted Mortality Tables projected generationally with Scale MP-2019

Post-Retirement

Class A Healthy: Pub-2010 General Healthy Retiree Headcount-Weighted Mortality Tables projected generationally with Scale MP-2019

Class B Healthy: Pub-2010 Safety Healthy Retiree Headcount-Weighted Mortality Tables projected generationally with Scale MP-2019

Teachers Healthy: Pub-2010 Teacher Healthy Retiree Headcount-Weighted Mortality Tables projected generationally with Scale MP-2019

Class A Disabled Retirees: Pub-2010 Non-Safety Disabled Retirees Headcount-Weighted Mortality Tables projected generationally with Scale MP-2019

Class B Disabled Retirees: Pub-2010 Safety Disabled Retirees Headcount-Weighted Mortality Tables projected generationally with Scale MP-2019

Teachers Disabled Retirees: Pub-2010 Non-Safety Disabled Retirees Headcount-Weighted Mortality Tables projected generationally with Scale MP-2019

**PROVIDENCE WATER SUPPLY BOARD  
(AN ENTERPRISE FUND OF THE CITY OF PROVIDENCE, RHODE ISLAND)  
NOTES TO FINANCIAL STATEMENTS**

**Changes in the Total OPEB Liability for the Water Supply Board**

	<u>Total OPEB Liability</u>
Balances as of July 1, 2022	\$ <u>27,697,095</u>
Changes for the year:	
Service cost	965,177
Interest on total OPEB liability	559,060
Changes in assumptions	(5,394,410)
Differences between expected and actual experience	(6,526,973)
Change from difference in proportionate share	1,659,491
Benefit payments	(553,356)
Net changes	<u>(9,291,011)</u>
Balances as of June 30, 2023	\$ <u><u>18,406,084</u></u>

Changes of assumptions reflect the following:

- The discount rate was increased from 1.92% as of June 30, 2022 to 3.69% as of June 30, 2023.
- The per capita health care costs, and the associated trends on the costs and contributions, were updated to reflect current experience and future expectations.

	<u>Total OPEB Liability</u>
Balances as of July 1, 2021	\$ <u>28,681,887</u>
Changes for the year:	
Service cost	802,963
Interest on total OPEB liability	583,352
Changes in assumptions	275,200
Differences between expected and actual experience	(29,279)
Change from difference in proportionate share	(1,660,161)
Benefit payments	(956,867)
Net changes	<u>(984,792)</u>
Balances as of June 30, 2022	\$ <u><u>27,697,095</u></u>

**PROVIDENCE WATER SUPPLY BOARD  
(AN ENTERPRISE FUND OF THE CITY OF PROVIDENCE, RHODE ISLAND)  
NOTES TO FINANCIAL STATEMENTS**

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**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the Water Supply Board, as well as what the Water Supply Board's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.69%) or 1 percentage point higher (4.69%) than the current discount rate (3.69%) at June 30, 2023:

2023	<u>1% Decrease 2.69%</u>	<u>Current Discount Rate 3.69%</u>	<u>1% Increase 4.69%</u>
Total OPEB Liability	\$ 21,816,184	\$ 18,406,084	\$ 15,758,269

The following presents the total OPEB liability of the Water Supply Board, as well as what the Water Supply Board's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (0.92%) or 1 percentage point higher (2.92%) than the current discount rate (1.92%) at June 30, 2022:

2022	<u>1% Decrease 0.92%</u>	<u>Current Discount Rate 1.92%</u>	<u>1% Increase 2.92%</u>
Total OPEB Liability	\$ 33,040,345	\$ 27,697,095	\$ 23,586,356

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the Water Supply Board, as well as what the Water Supply Board's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates at June 30, 2023:

2023	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 15,564,975	\$ 18,406,084	\$ 22,089,343

The following presents the total OPEB liability of the Water Supply Board, as well as what the Water Supply Board's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates at June 30, 2022:

2022	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 23,053,793	\$ 27,697,095	\$ 33,766,938

**PROVIDENCE WATER SUPPLY BOARD  
 (AN ENTERPRISE FUND OF THE CITY OF PROVIDENCE, RHODE ISLAND)  
 NOTES TO FINANCIAL STATEMENTS**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2023, the City recognized OPEB expense of (\$24,270,694) and the Water Supply Board recognized OPEB expense of (\$114,840). At June 30, 2023, the Water Supply Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 171,867	\$ 5,341,519
Changes of assumptions	2,596,282	4,474,625
Changes in proportion and differences between employer contributions and proportionate share contributions	429,214	1,313,003
Contributions subsequent to measurement date	<u>553,356</u>	<u>                    </u>
Total	<u>\$ 3,750,719</u>	<u>\$ 11,129,147</u>

For the year ended June 30, 2022, the City recognized OPEB expense of \$87,074,629 and the Water Supply Board recognized OPEB expense of \$2,249,041. At June 30, 2022, the Water Supply Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 322,365	\$ 148,351
Changes of assumptions	3,258,548	298,413
Changes in proportion and differences between employer contributions and proportionate share contributions	182,675	1,692,810
Contributions subsequent to measurement date	<u>956,867</u>	<u>                    </u>
Total	<u>\$ 4,720,455</u>	<u>\$ 2,139,574</u>

**PROVIDENCE WATER SUPPLY BOARD  
(AN ENTERPRISE FUND OF THE CITY OF PROVIDENCE, RHODE ISLAND)  
NOTES TO FINANCIAL STATEMENTS**

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Year Ending June 30**

2024	\$	(2,537,033)
2025		(1,562,525)
2026		(1,546,857)
2027		<u>(2,285,369)</u>
Total	\$	<u><u>(7,931,784)</u></u>

PROVIDENCE WATER SUPPLY BOARD  
 (AN ENTERPRISE FUND OF THE CITY OF PROVIDENCE, RHODE ISLAND)  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
 LAST NINE FISCAL YEARS\*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability:									
Service cost	\$ 1,214,593	\$ 1,125,258	\$ 1,165,900	\$ 995,246	\$ 979,926	\$ 960,977	\$ 1,017,119	\$ 941,053	\$ 864,182
Interest	5,477,693	5,081,510	5,295,382	5,175,617	5,396,418	5,258,402	5,172,289	5,130,041	5,005,989
Differences between expected and actual experience	(225,460)	1,039,093	814,236	(494,321)	107,440	288,953	579,761	(223,279)	79,253
Change from differences in proportionate share	3,066,966	(8,888,340)				(478,117)	(1,181,115)	3,875,236	
Changes of assumptions				9,566,994				3,063,905	40,391
Benefit payments, including refunds of member contributions	(4,832,908)	(4,651,968)	(5,059,097)	(4,755,753)	(5,155,388)	(5,178,444)	(5,178,542)	(5,531,918)	(4,663,093)
Net change in total pension liability	4,699,914	(6,293,437)	2,178,421	10,487,983	1,327,398	871,171	409,512	7,274,833	1,820,722
Total pension liability - beginning	76,387,623	82,681,060	80,502,639	70,014,956	68,687,560	67,816,389	67,406,877	60,131,939	58,311,217
Total pension liability - ending	81,087,537	76,387,623	82,681,060	80,502,639	70,014,956	68,687,560	67,816,389	67,406,877	60,131,939
Plan fiduciary net position:									
Contributions - employer	4,604,000	4,129,000	4,262,000	4,083,000	4,180,000	3,828,000	3,636,754	3,615,102	3,212,354
Contributions - member	775,387	644,642	634,891	604,613	634,544	610,631	673,624	615,760	1,037,505
Net investment income	1,825,621	(1,753,868)	3,893,207	(233,787)	764,455	1,198,417	1,752,168	401,320	331,724
Change from differences in proportionate share	3,066,996	(8,888,340)				(54,698)	(286,585)	1,086,733	
Benefit payments, including refunds of member contributions	(7,187,519)	(974,804)	(5,095,301)	(1,582,761)	(5,426,927)	(5,178,444)	(5,178,542)	(5,531,918)	(4,663,093)
Administrative expense	(9,913)	(10,811)	(9,815)	(9,164)	(8,608)	(11,173)	(12,569)	(9,408)	(9,367)
Net change in plan fiduciary net position	3,074,572	(6,894,181)	3,664,982	2,861,901	143,464	382,933	472,850	177,569	(80,877)
Plan fiduciary net position - beginning	17,742,944	24,587,125	20,912,143	18,050,242	17,906,778	17,513,845	17,040,955	16,863,405	16,954,283
Plan fiduciary net position - ending	20,817,516	17,742,944	24,587,125	20,912,143	18,050,242	17,906,778	17,513,845	17,040,955	16,863,405
Net Pension Liability - Ending	\$ 60,270,021	\$ 58,644,679	\$ 58,093,935	\$ 59,590,496	\$ 51,964,714	\$ 50,780,782	\$ 50,302,544	\$ 50,365,922	\$ 43,268,533
Plan fiduciary net position as a percentage of the total pension liability	25.67%	23.23%	29.75%	25.99%	25.76%	26.07%	25.83%	25.28%	28.04%
Covered payroll	\$ 15,199,561	\$ 14,537,238	\$ 14,236,747	\$ 13,591,633	\$ 13,680,693	\$ 13,790,666	\$ 12,980,186	\$ 13,096,208	\$ 12,930,447
Net pension liability as a percentage of covered payroll	396.52%	403.41%	407.99%	438.44%	382.64%	368.23%	387.53%	384.56%	334.63%

\*Notes:

1. The amounts presented for each fiscal year were determined as of a June 30 measurement date prior to the fiscal year end.
2. This schedule is intended to show information for 10 years - additional years will be displayed as they become available.

PROVIDENCE WATER SUPPLY BOARD  
 (AN ENTERPRISE FUND OF THE CITY OF PROVIDENCE, RHODE ISLAND)  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 LAST NINE FISCAL YEARS\*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 4,604,000	\$ 4,129,000	\$ 4,262,000	\$ 4,063,000	\$ 4,180,000	\$ 3,828,000	\$ 3,636,754	\$ 3,615,102	\$ 3,212,354
Contributions in relation to the actuarially determined contribution	4,604,000	4,129,000	4,262,000	4,063,000	4,180,000	3,828,000	3,636,754	3,615,102	3,212,354
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	15,189,561	14,537,236	14,236,747	13,591,633	13,580,693	13,790,686	12,980,165	13,096,208	12,930,447
Contributions as a percentage of covered payroll	30.29%	28.40%	29.94%	30.04%	30.78%	27.78%	28.02%	27.60%	24.84%

Notes to Schedule

Valuation date: July 1, 2020  
 Measurement date: June 30, 2022  
 Actuarially determined contribution rates are calculated as of June 30, for the second fiscal year immediately following the current fiscal year.

- Methods and assumptions used to determine contribution rates:
- Actuarial cost method Individual Entry Age Normal
  - Amortization method Level dollar for the 1995 deferral liability and level percentage of payroll for the remaining unfunded liability
  - Remaining amortization period 10 years for the 1995 deferral liability and 15 years for the remaining unfunded liability.
  - Asset valuation method 6-year smoothed market
  - Inflation 3.00%
  - Salary increases 3.00% including inflation, but prior to reflecting increases due to longevity
  - Investment rate of return 7.00%, net of pension plan investment expense, including inflation
  - Cost of living adjustments 10-year freeze as of January 1, 2013 and 3% thereafter.

\*Note - This schedule is intended to show information for 10 years - additional years will be displayed as they become available.

PROVIDENCE WATER SUPPLY BOARD  
 (AN ENTERPRISE FUND OF THE CITY OF PROVIDENCE, RHODE ISLAND)  
 SCHEDULE OF INVESTMENT RETURNS  
 LAST NINE FISCAL YEARS\*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	11.30%	-11.10%	27.00%	-2.00%	4.50%	7.30%	12.20%	2.60%	5.56%

\*Notes:

1. The amounts presented for each fiscal year were determined as of a June 30 measurement date prior to the fiscal year end.
2. This schedule is intended to show information for 10 years - additional years will be displayed as they become available

**PROVIDENCE WATER SUPPLY BOARD  
(AN ENTERPRISE FUND OF THE CITY OF PROVIDENCE, RHODE ISLAND)  
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST FIVE FISCAL YEARS\***

Disclosure For FYE Measurement date	2023		2022		2021		2020		2019	
	6/30/2022		6/30/2021		6/30/2020		6/30/2019		6/30/2018	
Total OPEB liability:										
Service cost	\$ 45,961,000	\$	40,771,000	\$	26,281,000	\$	26,084,000	\$	23,533,000	
Interest on the total OPEB liability	26,622,000		29,620,000		39,638,000		41,499,000		37,115,000	
Differences between expected and actual experience	(310,808,000)		(1,486,000)		(9,441,000)				49,105,000	
Changes of assumptions	(256,878,000)		13,973,000		211,978,000		24,984,000		(45,456,000)	
Benefit payments	(34,756,000)		(35,115,000)		(31,943,000)		(33,205,000)		(29,355,000)	
Net change in total OPEB liability	(529,859,000)		47,763,000		236,513,000		59,362,000		34,942,000	
Total OPEB liability - beginning	1,406,339,000		1,358,576,000		1,122,063,000		1,062,701,000		1,027,759,000	
Total OPEB Liability - Ending	\$ 876,480,000	\$	1,406,339,000	\$	1,358,576,000	\$	1,122,063,000	\$	1,062,701,000	

The City does not have any assets accumulated in a trust for payment of OPEB expenses.

\*Note - This schedule is intended to show information for 10 years - additional years will be displayed as they become available.

\*Note - Measurement date of the total OPEB liability is one year prior to report date



**Independent Auditors' Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

To the Board of Directors  
Providence Water Supply Board  
Providence, Rhode Island

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Providence Water Supply Board (the Water Supply Board), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Water Supply Board's basic financial statements, and have issued our report thereon dated December 22, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Water Supply Board's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Water Supply Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Water Supply Board's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

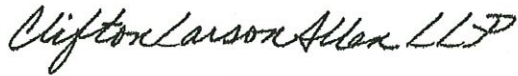
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Water Supply Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Water Supply Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Water Supply Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Cranston, Rhode Island  
December 22, 2023





# AGREEMENT

between

CITY OF

PROVIDENCE, RHODE ISLAND

and

RHODE ISLAND LABORERS' DISTRICT COUNCIL,

on behalf of

PUBLIC EMPLOYEES' LOCAL UNION 1033

of the

LABORERS' INTERNATIONAL UNION

OF NORTH AMERICA, AFL-CIO

Effective: July 1, 2022, to June 30, 2025

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## AGREEMENT

THIS AGREEMENT is made and entered into as of the 1st day of July, 2022, by and between the CITY OF PROVIDENCE, RHODE ISLAND, (hereinafter referred to as the "Employer"), and the RHODE ISLAND LABORERS' DISTRICT COUNCIL acting for and on behalf of PUBLIC EMPLOYEES' LOCAL UNION 1033, PROVIDENCE, RHODE ISLAND, of the Laborers' International Union of North America, AFL-CIO, (hereinafter referred to as the "Union").

## PREAMBLE

This Agreement is entered into to facilitate the adjustment of grievances and disputes between the Employer and employees, to provide, insofar as possible, for the continuous employment of labor and to establish necessary procedures for the amicable adjustment of all disputes which may arise between the Employer and the Union.

The Employer and the Union encourage the highest possible degree of practical, friendly, cooperative relationships between their respective representatives at all levels. The officials of the Employer and the Union realize that this goal depends primarily on cooperative attitudes between people in their respective organizations and at all levels of responsibility, and that proper attitudes must be based on full understanding of and regard for respective rights and responsibilities of both the Employer and the Union. To further this goal, the parties shall jointly sponsor quarterly meetings of their respective Representatives.

All references to employees in this Agreement designate both sexes and wherever the male gender is used it shall be construed to include male and female employees.

## ARTICLE I

### UNION RECOGNITION

Section 1. The Employer hereby recognizes and acknowledges that the Union is the exclusive representative of, and this Agreement shall apply to, all employees of the Employer who are included within the current definition of "municipal employee" set forth in RIGL 28-9.4-2, excluding elected officials, administrative employees, board and commission members, certified teachers, policemen, firefighters, supervisors (as defined pursuant to RIGL 28-9.4-2), confidential secretaries (as defined by the parties), attorneys, members of the Mayor's staff, temporary employees, and seasonal employees.

Section 2(a)(1). The term "temporary employee" shall mean an individual employed for a limited period, or an individual employed as a replacement for an employee or employees on authorized leave for the duration of said leave, provided that a "temporary employee." may not be employed to replace an employee on Workers' Compensation for a period beyond one (1) year. Temporary employees shall be paid at least the lowest contract rate of pay established by this Agreement but shall be entitled to no other benefits under this Agreement, except those specifically stated herein. Unless otherwise agreed to and consistent with the language of this Agreement, temporary employees shall be utilized only in entry level positions.

Section 2 (a) (2). TEMPORARY EMPLOYEES - The parties agree that temporary employees are not entitled to any rights under the Collective Bargaining Agreement until they are hired as permanent employees. Unless the parties agree otherwise in regards to a specific position and subsequent to posting pursuant to Article X, any position that represents the lowest grade level in a department that the Employer determines to fill shall be offered to temporary employees in the order of their seniority as temporary employees, in

their respective seniority group (Blue-Collar or White Collar). Upon hire as permanent employees the probationary period prescribed by the Collective Bargaining Agreement shall begin. Upon completion of the probationary period, permanent employee seniority shall apply retroactively to the employee's date of hire as a permanent employee. The Employer also agrees that the number of temporary employees shall not exceed sixty (60) temporary employees unless otherwise agreed to by the parties.

Section 2(a) (3). Apprentice employees are municipal employees and shall receive all the benefits set forth herein including a minimum probationary period of six (6) months. Apprentice employees shall enjoy the wage rate and other such conditions as established by the Apprentice Council which shall include continued employment and progression based on successful completion of said probationary period. Apprentice employees may exceed six (6) months' probation as determined by continued progressive criteria established by the Apprentice Council.

Section 2(b). Seasonal employees are employees employed during the months of June through September who are assigned to perform only recreational duties and do not perform bargaining unit work of any nature whatsoever.

In no event shall the use of any seasonal employee displace or otherwise affect a member of the bargaining unit.

## ARTICLE II

### UNION SECURITY AND DUES DEDUCTION

Section 1. The City shall deduct from the wages of employees covered by this Agreement, in accordance with the express terms of a blanket authorization form provided by the Union and signed by an individual employee, the monthly dues of the Union for employees who chose to join the Union. In addition, the City shall deduct from employees'

wages, in accordance with the terms of an authorization provided by the Union and signed by the employee, a monthly voluntary contribution to the Union for any employee who wishes to contribute and declines to be a member.

Section 2. The Employer agrees not to enter into any agreement or contract with members of the bargaining unit, individually or collectively, nor negotiate or bargain with them, unless it is through the duly authorized representative of the Union, and any such agreement entered into shall be null and void.

Section 3. The Employer agrees to deduct membership dues in an amount designated in writing by the Union's Secretary-Treasurer from the weekly pay of each employee who authorizes such deduction in writing as provided in this section. Deductions shall be made weekly from the net pay of each employee who is or who becomes a member of the Union within the scope of the bargaining unit and is covered by this Agreement, provided such employee has voluntarily authorized the Employer to do so in writing with title "Dues Deduction Authorization" form, to be furnished to the Employer as set forth below:

PUBLIC EMPLOYEES' LOCAL UNION 1033  
Providence, Rhode Island  
Dues Deduction Authorization.

I authorize you to deduct from my weekly pay the sum of \_\_\_\_\_ per week for Union dues payable to the Secretary-Treasurer of Local Union 1033.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Employee's S.S. Number

\_\_\_\_\_  
Employee's ID No.

\_\_\_\_\_  
Address

Such authorization form, deduction, practices and procedures enumerated in this Article shall be in compliance with the requirements of all State laws and regulations regarding same.

The Employer will remit the deduction withheld weekly to the Secretary-Treasurer of Local Union 1033, 410 South Main Street, Providence, Rhode Island 02903 on Payroll Optional reports listing the employee's name, identification number, department number, and amount of dues deducted,

In addition, the Employer shall deduct the sum of two cents (\$.02) per hour for each hour worked or paid for from the pay of those employees who so authorize on a voluntary basis to the Rhode Island Laborers Public Employees' Political Action Committee (RJLPEPAC), created by the Union in accordance with Title 25 Chapter 17, RIGL, as a voluntary contribution.

Such deduction, if authorized by the employee, shall be made from the employee's pay on each regularly scheduled pay day and shall be remitted to the RILPEPAC monthly and by the 15<sup>th</sup> day of each month based upon the previous month's payroll. Authorization is granted by the employee's execution of the form attached to this Agreement as Exhibit A.

The Union shall indemnify and hold harmless the Employer for any and all claims, liabilities and costs incurred by the Employer as a result of the Employer's compliance with the above provisions of this Article II.

Section 4. During the term of this Agreement, the Employer shall have the right to transfer and/or redeploy temporary employees, as defined in Article I, and bargaining unit employees who have less than five (5) years' seniority, to vacant positions on a temporary basis and such transfer and/or redeployment shall not be the subject of the grievance procedure. The parties agree that any transfer/redeployment shall only occur within the

affected employee's class, i.e. white collar/blue collar, and will not reduce the salary and benefits afforded to the affected employee. Further, the parties agree that no transfer/redeployment to promotional positions, as defined in Article X, shall occur unless the promotional process of Article X is exhausted. Should a transfer/redeployment to a promotional position occur after the process is exhausted, then the affected employee shall receive the wage rate of the new position for the duration of the transfer/redeployment. Any transfer/redeployment under this provision shall be for a length of time determined by the Employer, but shall not exceed six (6) months. There shall be no pyramiding of transfers/redeployments to the same position. This provision shall not apply to the Communications Department.

Section 5. Notwithstanding anything to the contrary, the employer shall have the right to redeploy any Laborer from the Department of Public Works (DPW) to the Parks Department to perform work within said classification with the exception of the Spring preparation of athletic fields. The employer shall have the right to redeploy any Laborer from the Parks Department to the Department of Public Works (DPW) to perform work within said classification with the exception of snow removal operations. With respect to performance of work related to snow removal, said work shall continue to be the primary responsibility of the employees of the DPW. To the extent that the full complement of the employees assigned to the DPW are unable to meet the demands of snow operations, the City may continue to supplement said employees with other qualified bargaining unit members from other city departments by seniority.

Section 6. Unless otherwise agreed to by the parties, the City shall not assign bargaining unit work to non-bargaining unit persons.

### ARTICLE III

#### NON-DISCRIMINATION

There shall be no discrimination against any employee by reason of race, color, religion, sex, age, national origin, physical or mental disability, sexual orientation, gender identity or expression, genetic information, or Union membership.

The Employer and the Union affirm their joint opposition to any such discriminatory practices in connection with employment, promotion, or training, remembering that the public interest remains in full utilization of an employee's skill and ability without regard to consideration of race, color, religion, sex, age, physical or mental disability, sexual orientation, gender identity or expression, genetic information, or Union membership.

No employee covered by this Agreement shall be discharged, laid off, demoted, suspended, transferred, or affected in any way because of political beliefs or activities.

### ARTICLE IV

#### HOURS OF WORK AND OVERTIME

Section 1. The regular workweek for all employees covered by this Agreement, who are employed in the classifications listed in Schedule "A" hereto, shall consist of five (5) consecutive eight (8) hour days: Monday, Tuesday, Wednesday, Thursday and Friday. The regular work shift for day workers shall commence at 8:00 A.M. and shall finish at 4:30 P.M. with one half (1/2) hour lunch period. Existing exceptions to the foregoing, and exceptions codified within Section 2 and Section 5 below may be continued during the term of this Agreement.

The regular workweek for Automobile Drivers shall consist of forty (40) hours per week, consisting of five (5) consecutive eight (8) hour days: Monday, Tuesday, Wednesday,

Thursday, and Friday, unless otherwise agreed to.

Section 2. The regular workweek for all employees covered by this Agreement, who are employed in the classifications listed in Schedule "B" hereto, shall consist of five (5) consecutive seven (7) hour days: Monday, Tuesday, Wednesday, Thursday and Friday. The regular work shift for day workers shall commence at 8:30 AM. and shall finish at 4:30 P.M. with a one (1) hour lunch period. Existing exceptions to the foregoing, and exceptions codified within this section and Section 5 below may be continued during the term of this Agreement.

(A) Flex Hours. The parties agree that the Employer may seek qualified volunteers within a department needing flextime, on a rotating basis by seniority, as may be needed by a specific department, to work scheduled flextime. When this need arises, the Employer shall notify the Union no later than two weeks prior to the requested implementation of flex time. However, in the event of a situation determined by the Employer to be an emergency, the employer may implement Flex hours under this section with less than two weeks' notice. In such a case notice will be given to the Union as soon as practical. If the Employer is not able to secure enough volunteers during an emergency, the Employer will identify and select the most junior qualified employees within the department or Citywide to fill the necessary time slots. Implementation of this section shall be considered a normal work week and shall not be considered an alternate work schedule and the provisions of ARTICLE IV Section 5 shall not apply, and the work week shall fall within Monday through Friday.

Section 3. The workweek for any employee hired and assigned or promoted from a department other than Communications to a position in the Providence Police Control Center shall be four (4) consecutive days on, followed by two (2) consecutive days off and then repeating.

Section 4. Overtime. Time and one half shall be paid in each of the following instances:

(A) Hourly Basis of Pay. Any regular employee of the Employer, whose pay is established on an hourly basis shall be entitled to and shall be paid overtime pay at the rate of one hundred fifty percent (150%) of his hourly rate of pay for each full hour, or part of an hour, of employment in excess of the standard hours of employment worked or credited in any one workweek. In the event an Employee is sick during the workweek, the sick day shall be considered as part of the workweek for the purpose of computing overtime.

(B) Daily Basis of Pay. Any regular employee whose pay is established on a daily basis in the City Compensation Plan shall be entitled to and shall be paid overtime at the rate of one hundred fifty percent (150%) of the rate of payment established in the City Compensation Plan for the particular position which he holds, for each full day or part of in excess of standard days of employment worked or credited in any one workweek.

(C) The Employer may require employees to work reasonable overtime in those areas such as the Department of Public Parks, Department of Public Safety, Department of Public Works, Water Supply Board, and other essential services.

(D) Overtime will be offered equally to employees by classification in each department, on the basis of seniority based on the work the employee customarily and ordinarily performed during that week. In departments separated by functional divisions, overtime will be offered first to employees in the division where the overtime takes place, on the basis of seniority based on the work the employee ordinarily and customarily performed during that week, and then will be offered department wide, if a need continues to exist. A list of eligible employees of each department shall be posted and maintained by the superintendent and the steward of each department. Should a dispute arise under the

application of this clause, and upon request, the Employer shall furnish the Union a record of overtime.

Employees who discharge sick leave are not eligible for overtime assignments for twenty-four (24) hours, except in extenuating circumstances where the City determines it necessary, such as to maintain roadways during a severe weather event. For the purpose of this section, the 24 hour waiting period commences at the start of the shift wherein the employee discharged sick leave. In the event the employee discharges more than one (1) day of sick leave, the 24 hour waiting period commences at the start of the shift, on the last day in which sick leave was used.

(E) Bargaining Unit members, excluding employees assigned to the Providence Police Control Center and Fire Dispatchers, assigned to a less than forty-hour workweek, may elect to take compensatory time in lieu of cash for the hours worked or credited beyond thirty five and up to forty (40) in a given workweek provided that the department director or designee and the employee are in agreement as to the election of such time. If there is no agreement as to the election of such time then hours worked or credited shall be compensated with overtime wages.

The discharge of such compensatory time must be scheduled and approved in advance by the Employee's Department Director. The accumulation or use of such compensatory time, to a maximum of one hundred-five (105) straight time hours (i.e. 157.5 compensatory time hours), cannot be carried over from one contract year to another unless the employee is denied reasonable opportunities to discharge said time prior to the end of the contract year. Requests to discharge compensatory time during the time period of November 15 to January 5 must be submitted in writing by October 15.

(F) An Employee who discharges leave of any type that equals fifty percent

(50%) of the employee's regular workweek as of the time that the overtime opportunity occurs, shall not be offered or be eligible for overtime during that workweek unless the entire list, including agreed to alternate lists, of eligible employees is exhausted. Said employee shall remain in the existing location on the overtime list and become eligible for the following workweek for any overtime unless the employee's absence disqualifies him/her under this section.

Section 5. It is recognized that in some circumstances employees may have an existing regular schedule that requires work during a period not included in the workweek as defined in Section 1 of this Article. Such employees shall not be paid one hundred fifty percent (150%) of his hourly rate of pay for work during such periods, but shall receive an additional One Dollar (\$1.00) per hour for all hours worked or credited. This section shall apply to Zoo Keepers at Roger Williams Park. Notwithstanding any provision to the contrary, the Employer shall have the option of maintaining an alternate workweek of Tuesday to Saturday for a maximum of fourteen (14), unless otherwise agreed to by the parties, of which no greater than three (3) shall be from DPW, three (3) from Zoo, excluding the complement of employees currently assigned to an alternate workweek, three (3) from Grounds Maintenance, and two (2) from Traffic Engineering. The complement of WSB employees currently assigned to the alternate work week shall not count toward this maximum number of fourteen (14). Employees assigned to the alternate workweek shall receive regular wages plus one dollar and twenty cents (\$1.20) per hour for all hours worked or credited. The Employer shall first post this opportunity and award said positions to the senior bidder in the classification assigned to the alternate workweek, then to the senior bidder in the department, then the senior bidder Citywide. If no bidders, then the Employer shall offer this opportunity to temporary employees as identified in Article I.

Section 6. Any employee covered by this Agreement, who is called into work outside of his regular hours, for a period of time that is not connected to his regular hours, shall be paid at the rate of one and one-half (1 ½) times his regular rate of pay for all such hours worked, but in any event, shall be guaranteed four (4) hours' straight time pay. In the event that such hours worked are in excess of the applicable workweek, the employee shall not be paid overtime in addition to the premium pay or guarantee provided by this section. If otherwise eligible, employees may elect compensatory time per Section 4 (E) above.

Section 7. Summer Hours. During the months of July and August, the regular workday shall end a half (1/2) hour earlier at no loss of pay for members of the bargaining unit in accordance with current practice. The parties shall train Foreman of outside crews in appropriate safety measures and equipment for hot weather working conditions.

Section 8. Subcontracting. The Employer shall have the right to enter into subcontracts for the performance of work, where the work is of a type which has never been performed by bargaining unit employees covered by this Agreement, or of a type that has previously been subcontracted, or where the subcontractor which is the lowest responsible bidder selected by the Employer subscribes and agrees to be bound by the same economic conditions and the Union security provisions in this Agreement.

Section 9. Coffee Breaks. Employees shall receive one fifteen (15) minute coffee break during the first four (4) hours of their daily assignment and one fifteen (15) minute coffee break during the balance of their daily assignment.

## ARTICLE V

### MANAGEMENT RIGHTS

Section 1. Except as abridged or restricted by any provision of this Agreement or by applicable law, the Employer shall have the exclusive right to supervise and control all of its departments and employees, to issue reasonable rules and regulations, and to exercise any

and all rights and authority granted to the City as an Employer by statute; ordinance, and applicable regulations, and to comply with its responsibilities thereunder. The Employer agrees that no such rights or authority shall be exercised in violation of this Agreement. Further, the exercise of rights normally entrusted to management shall be subject to any obligations the Employer may have under RIGL Section 28-9.4, or obligations imposed upon the Employer by relevant statute.

Section 2. With regard to any vacancies or unfilled positions, the filling of any/all such vacancies or unfilled positions shall be within the sole discretion of the Employer. Nothing contained in Article II, Section 6 shall negate, contradict, or modify in any way the Employer's rights pursuant to this provision.

Section 3. Reorganization

Except as abridged or restricted by any provisions of this Agreement and subject to the following provisions and any obligations imposed on the Employer by applicable law, the Employer may reorganize any one or more departments or areas as set forth below.

1. The Employer shall notify the Union at least fifteen (15) calendar days in advance of notification to bargaining unit members of its intentions to reorganize.
2. The Union and the Employer shall meet to review and discuss the plan for such reorganization.
3. That plan shall include a thirty (30) day notification to the affected employees.
4. (A) All affected employees shall be given the right to bid on new assignments by seniority and shall carry departmental seniority to the new department and/or position.

(B) Affected employees who have no available assignments within their classification will be offered vacant positions which have been posted and not filled the accordance with Article X. If the reassigned employee is assigned to duties below his class but within his seniority group, said assignment shall not be subject to the grievance and arbitration clause and shall be without the loss of pay.

ARTICLE VI

SALARIES AND HOURLY RATE SCHEDULES

Section 1. The economic increases shall be as follows and as provided for in the below paragraphs:

- (A) Effective July 1, 2022, an amount equal to an across-the-board wage increase for all bargaining unit employees of two and one half percent (2.5%) over the June 30, 2022 rate.
- (B) Effective July 1, 2023, an amount equal to an across-the-board wage increase for all bargaining unit employees of two and three quarters of a percent (2.75%) over the June 30, 2023 rate.
- (C) Effective July 1, 2024, an amount equal to an across-the-board wage increase for all bargaining unit employees of three percent (3%) over the June 30, 2024 rate.
- (D) Commencing on July 1, 2022 and terminating on June 30, 2025, all new employees shall be compensated as a wage rate of fifteen percent (15%) below the applicable wages. Wages for said employees shall be increased in five percent (5%) increments annually. The parties acknowledge that this provision shall sunset and become null and void on June 30, 2025, and on said date, any member receiving wages at a rate below the applicable union wage rate shall have his/her wages increased to the applicable union wage rate.
- (E) In addition, all employees who possess a CDL and who are assigned to a classification with a wage rate less than the EQUIPMENT OPERATOR wage rate and who agree to work reasonable hours, including overtime, in Snow and Ice removal operations shall receive a stipend of fifty cents (\$0.50) per hour for all hours worked or paid for in a classification with a wage rate less than the EQUIPMENT

OPERATOR wage rate. This stipend is conditioned on maintaining a valid CDL.

ARTICLE VII

LONGEVITY PAY

Section 1. In addition to the salaries listed in this Agreement, there shall be paid a longevity supplement which shall be considered part of the employee's salary for other purposes in this Agreement, including pension purposes. This supplement shall be computed annually on the basis of the employee's salary and years of service, as of June 30. Longevity payments shall be payable annually on or before September 15 or for employees separating prior to the payment date, on a pro rata basis from the commencement of the Fiscal Year through the date of severance.

Section 2. The Longevity supplement amount shall be reduced by one (1%) percent as follows:

FOR EMPLOYEES HIRED ON OR PRIOR TO OCTOBER 23, 1999

<u>Years of Service</u>	<u>Annual Percentage Amount</u>
5 but less than 10 yrs.	4%
10 but less than 15 yrs.	5%
15 but less than 20 yrs.	6%
20 or more	7%

FOR EMPLOYEES HIRED AFTER OCTOBER 23, 1999

<u>Years of Service</u>	<u>Annual Percentage Amount</u>
7 but less than 12 yrs.	3%
12 but less than 17 yrs.	4%
17 but less than 20 yrs.	5%
20 or more	6%

FOR EMPLOYEES HIRED AFTER JULY 1, 2015

<u>Years of Service</u>	<u>Annual Percentage Amount</u>
7 but less than 12 yrs.	2%
12 but less than 17 yrs.	3%
17 but less than 20 yrs.	4%
20 or more	5%

Section 3. Bi-Weekly Payroll. The City shall institute a bi-weekly payroll.

#### ARTICLE VIII

#### SHIFT DIFFERENTIALS

Section 1. Any bargaining unit member who is regularly assigned to commence work subsequent to 11:30 A.M. or prior to 7:00 A.M. shall receive seventy-five cents (\$.75) per hour in addition to his regular rate of pay as contained herein.

#### ARTICLE IX

#### SENIORITY AND PROMOTION

Section 1. Definition. Seniority shall be defined as the total length of service with the Employer. Seniority preference shall be defined as length of service within a Department and shall be applicable to filling vacancies and scheduling vacation leave. For employees whose assigned department is merged with another and for employees who are transferred to another department involuntarily, including through reorganization, departmental seniority shall be the length of service in the initial department and the subsequent department, as measured in the aggregate.

Seniority shall be acquired by a fulltime employee after the completion of a six (6) month probationary period, at which time seniority shall be retroactive to the first day of employment.

Probationary employees shall not be entitled to avail themselves or utilize the grievance and arbitration procedures, as set forth in Article XXI hereof, regarding disciplinary matters or termination with or without cause, but shall be entitled to any and all other rights, benefits and entitlements pursuant to the terms of this Agreement.

Section 2. Accumulation. Seniority shall accumulate during absence because of illness, injury, vacation or other authorized leave.

Section 3. Break in Seniority. Seniority shall be considered broken only for the following reasons:

- a. When an employee has been discharged for just cause.
- b. When an employee voluntarily terminates his employment.
- c. When an employee exceeds an authorized leave of absence.
- d. When an employee fails to respond to a recall notice.
- e. When an employee engages in other work without authorization while on leave of absence;
- f. When an employee is laid off in excess of two (2) consecutive years.
- g. Absent extenuating circumstances, when an employee fails to report an absence from work of five (5) consecutive working days within that period.

Section 4. Seniority Groups. It is agreed that there shall be two seniority groups: one for employees in "Blue Collar" classifications and another for employees in "White Collar" classifications; and the application of seniority under this Agreement with respect to one group shall be separate and apart from the other group.

Section 5. It is understood that it is the employee's responsibility to advise the Personnel Department of his current address and telephone number.

Section 6. The Employer shall forward a seniority list to the Union, by Department, on an annual basis no later than December 31 of each year so that the Union may review said list and respond with acceptance or correction within 45 days. Disputes regarding seniority shall be processed through Expedited Arbitration.

Section 7. Redeployment/Reduction in the Workforce.

Subject to the procedures and limitations contained herein, due to reasons of lack of

work or lack of funding, the Employer may implement a redeployment of the workforce or a reduction in the workforce.

The Employer will initially address the issue of lack of work through redeployment of the workforce. The Employer will initially seek volunteers for reassignment to vacant and funded positions after affording the vacant and funded positions to all bargaining unit members in accordance with Article X. Said volunteers, by seniority, who possess the job description qualifications for the vacant and funded position shall then be reassigned and shall carry departmental seniority to the new department and/or position. Said volunteers shall receive the wages of the position. If sufficient volunteers are not obtained, the Employer shall reassign the most junior employee in the affected seniority group (Blue or White Collar), affected department and job classification. The reassigned employee shall receive the greater of the wages of the position or the wage rate of his classification prior to reassignment. If the reassigned employee is assigned to duties below his class but within his seniority group, said action shall not be subject to the grievance and arbitration clause. Positions to which junior employees are reassigned do not require re-posting pursuant to Article X.

The Employer will initially address the issue of lack of funding through redeployment of the workforce. The Employer will initially seek volunteers for reassignment to vacant and funded positions after affording the vacant and funded positions to all bargaining unit members in accordance with Article X. Said volunteers, by seniority, who possess the job description qualifications for the vacant and funded position shall then be reassigned and shall carry departmental seniority to the new department and/or position. Said volunteers shall receive the wages of the position. If sufficient volunteers are not obtained, the Employer shall reassign the most junior employee in the affected seniority

group (Blue or White Collar) and affected department. The reassigned employee shall receive the greater of the wages of the position or the wage rate of his classification prior to reassignment. If the reassigned employee is assigned to duties below his class but within his seniority group, said action shall not be subject to the grievance and arbitration clause. Positions to which junior employees are reassigned do not require re-posting pursuant to Article X.

Following the exhaustion of the Employer's best effort to address the issue of lack of work or lack of funding by reassignment, the Employer shall seek volunteers for layoff (employees who volunteer to be laid off will not be allowed to exercise bumping rights but will retain rights to recall). If a sufficient number of employees do not volunteer for layoff, the Employer may lay off employees by inverse total employment seniority, i.e. last employee hired shall be the first employee laid off and based upon the then existing proportion of White Collar/Blue Collar employees, the number of which cannot exceed ten (10%) percent of the bargaining unit workforce. All temporary employees within the affected seniority group and the affected department shall be laid off prior to affecting permanent bargaining unit employees. All affected employees shall receive a two-week notice prior to implementing a layoff or pay in lieu of notice. Additionally, all affected employees shall be placed on a reemployment list for a twenty-four (24) month period and recalled in the inverse order of layoff to any position that the employee possesses the job description qualifications subsequent to the position being initially offered to all bargaining unit employees pursuant to Article X.

Union Stewards shall be considered senior in service for layoff purposes only. The Recall process shall be as specified in the parties' Recall Memorandum of Agreement.

Section 8. When the City proposes to discipline an employee, except for counseling,

oral reprimand or written reprimand, the following procedures will apply:

- A. The employee will be given a prompt hearing. When necessary, at the discretion of the City, and depending on the nature of the charges, the employee will be placed on administrative leave with pay for a maximum of five (5) working days within which time the City will conduct a hearing.
- B. If the City requires additional time beyond the five (5) working days administrative leave with pay to prepare for the hearing, the employee shall remain on administrative leave with pay until the hearing is held. In no case shall the administrative leave with pay exceed ten (10) working days.
- C. If the Union requires additional time beyond the five (5) working days administrative leave with pay to prepare for the hearing, the employee shall be placed on leave without pay.

## ARTICLE X

### FILLING OF VACANCIES

Section 1. This Article shall apply to the filling of all vacancies and positions within the bargaining unit above that of Laborer and Clerk I, which are vacant, and the Employer determines to fill.

Section 2. The Employer agrees to fill all vacancies from the best qualified applicants in the bargaining unit as defined in subsection (C) and in accordance with the provisions set forth below.

Section 3. The Employer agrees that vacant positions that are staffed on more than one work shift within a specific department shall be offered as a lateral transfer, by seniority, to bargaining unit members assigned to that department and that same classification. For all

other vacancies, first consideration will be given to filling all vacancies from within the department where the vacancy exists by seniority to qualified bargaining unit applicants as defined in subsection C. Second consideration shall be afforded by seniority to qualified bargaining unit applicants, as defined in subsection C below, not from that department.

(A) Notice of a vacancy in any position above that of Laborer and Clerk I shall be posted for a period of three (3) working days on appropriate Employer bulletin boards.

(B) Any employee who is interested in filling the vacancy shall apply in writing to the Department of Human Resources within seven (7) working days after said notice has been posted.

Probationary employees shall be eligible to bid for and fill vacancies; however, regardless of the position occupied, said employees shall serve a full six (6) month probationary period. Apprentice employees shall be required to successfully complete their apprenticeship prior to bidding on vacant positions.

(C) Vacancies shall be filled on the basis of qualifications and ability as determined by the Employer. The vacancy shall be filled on the basis of qualifications and ability, as determined by the Employer based on the requirements listed in the parties' job descriptions. Where qualifications and ability are relatively equal, seniority shall be the determining factor. Should a question arise out of the decision made by the Employer on the question of qualifications and ability, this shall constitute a grievance and be subject to the grievance and arbitration procedure included in this Agreement.

Recognizing the continuing requirement to provide the most effective and efficient public services, the parties agree to revise and update all job descriptions. The parties shall meet periodically for the purpose of modifying all existing job descriptions so as to delineate actual duties and minimum qualifications.

Disputes arising out of the modification of the job descriptions shall be referred to Expedited Arbitration.

Section 4. The Employer agrees that when detailing employees to higher level duties on a temporary basis, the criteria provided in Section 3 (C) shall be utilized.

Section 5. The successful bidder shall be given a trial period of up to sixty (60) days; and if he is not deemed qualified for the position during that period, he shall be restored to his former job and position.

Section 6. Unless otherwise agreed to by the parties, any posted vacancy shall be filled no later than either forty-five (45) days from the date of posting when filled by a bargaining unit bidder and no later than 60 days when filled by an external applicant, or upon the expiration of the retiring employee's vacation leave, whichever is greater.

#### ARTICLE XI

#### HOLIDAYS

Section 1. All employees covered by this Agreement shall be paid the regular rate of pay for each of the following designated holidays:

New Year's Day	Labor Day
Martin Luther King Jr.'s Birthday	Columbus Day
Presidents' Day	Veteran's Day
Memorial Day	Election Day (November of each even year)
Juneteenth	Thanksgiving Day
Fourth of July	Day after Thanksgiving
Victory Day	Christmas Day

(3) Three Floating Holidays \*

Easter Sunday- only for employees who actually work on said day.

\*The procedure for requesting time off shall be handled in the same manner as request for vacation leave. The Floating Holidays may be discharged by the hour.

Notwithstanding the foregoing, employees shall be granted requests made at the beginning of a work shift to discharge floating holiday hours during that work shift in order to conclude said work shift early. Employees shall be granted requests made one day in advance to discharge floating holiday hours at the beginning of the next shift or during the middle of the next shift.

Section 2. In the event that any of the foregoing holidays fall on a Saturday, the previous day, Friday, shall be the day of celebration. If any of the foregoing holidays fall on a Sunday, the next day, Monday, shall be the day of celebration. Notwithstanding the foregoing, the Employer shall have the option of paying any or all employees an additional day's pay for any holiday occurring on Saturday or Sunday, in lieu of declaring Friday or Monday as the day of celebration.

Section 3. Employees shall be paid for each of the above-enumerated holidays when not worked, provided they meet all of the following eligibility requirements:

(1) The employee works during the payroll week during which the holiday occurs, except when the holiday occurs within his vacation period, or when the employee is absent for the entire payroll week but has worked within the preceding payroll week, or he is absent during the entire payroll week, in which the holiday occurs, because of jury duty, or received bereavement pay for one or more days during the week.

(2) When a holiday occurs during an eligible employee's scheduled vacation, he shall be paid for the unworked holiday in addition to his vacation pay at the same time or shall be granted an additional day off with pay.

Section 4. In addition, the Employer shall allow one-half (1/2) day off with pay the afternoon of the last regular working day prior to Christmas Day and New Year's Day (or the days of observance of Christmas Day and New Year's Day), when Christmas Day and New

Year's Day fall or are celebrated on Tuesday through Saturday.

## ARTICLE XII

### VACATION LEAVE

Section 1. Any employee who has been in the employ of the Employer for more than six (6) Months in the aggregate shall receive one (1) weeks' vacation leave with pay.

Section 2. Any employee hired prior to July 1, 1987, who has completed one year of employment, shall be granted three (3) weeks' annual vacation leave each calendar year with pay. Employees hired on or after July 1, 1987, who have completed one (1) year of employment, shall be entitled to two (2) weeks' annual vacation leave each calendar year with pay.

Section 3. Any employee hired on or after July 1, 1987, who has completed five (5) years of employment, shall be granted three (3) weeks' annual vacation leave each calendar year with pay.

Section 4. Any employee who has completed ten (10) years of employment shall be granted four (4) weeks' annual vacation leave each calendar year with pay.

Section 5. Any employee who has completed fifteen (15) years of employment shall be granted five (5) weeks' annual vacation leave each calendar year with pay.

Section 6. Employees may discharge vacation leave in amounts less than a full workweek, but not less than one hour of a workday.

Section 7. Vacation credit in excess of six (6) weeks may not be carried over from one calendar year to the next. All vacation time in excess of six weeks (6) as of January 1 must be taken during the calendar year or shall be lost, except in the event that the Employer prevents the employee from taking said excess vacation time during the calendar year.

Section 8. Except for employees on leave due to medical reasons, employees on unpaid leave of any nature shall cease to accrue vacation leave after twenty-six (26) weeks of unpaid leave. Vacation leave shall not accrue during any period in which an employee is serving a disciplinary suspension. For every workday that an employee is serving a disciplinary suspension, said employee's annual vacation accrual shall be reduced by 1/260ths; provided, however, that this provision shall not apply in any case in which the reduction as calculated above would result in an amount less-than one (1) work day. In the event an arbitrator finds that any such suspension lacked just cause, he may award the affected employee any vacation accrual that he otherwise would have received during the suspension period.

### ARTICLE XIII

#### SICK LEAVE/PERSONAL DAYS

Section 1. All employees of the bargaining unit regularly employed continuously for at least one (1) month shall be entitled to sick leave with full pay. Sick leave shall be granted for the following reasons:

- (A) Personal illness or physical incapacity to such an extent as to be rendered thereby unable to perform the duties of his position.
- (B) Attendance upon members of the family within the household of the employee whose illness requires the care of such employee.
- (C) Enforced quarantine when established and declared by the Department of Health, or their competent authority for the period of such quarantine only.
- (D) Two (2) Personal Days per contract year, which shall be deducted from accrued sick leave.

Section 2. Sick leave with full pay for the employees of this bargaining unit shall be

computed as follows:

Sick leave with full pay for all employees shall be computed at the rate of one (1) working day per month.

Such annual sick leave accrual as set forth above with pay, of which two (2) days shall be personal days as defined in (D) above, when not used, shall be cumulative, but the accumulated and unused portion of such sick leave shall not exceed one hundred thirty-five (135) days at one time; provided, however, any employee with at least five (5) years of continuous service, who contracts a serious illness, may be granted, with the approval of the Chief Human Resources Officer, the Finance Director, and the Mayor, a further leave with pay, not to exceed ninety (90) days in addition to his accumulated sick leave, as of the date such illness occurs. Personal days which are not discharged shall accrue as sick leave and not personal leave.

Section 3. Sick leave shall not be discharged in periods of less than one hour of a work day.

Section 4. The Department Head may require a physician's certificate or other satisfactory evidence in support of any request for sick leave, provided the employee affected has been told on the occasion of his last prior absence for sickness, that such evidence might be required for any future sick leave request in accordance with the Employer's Sick Leave Abuse Policy. However, such evidence shall be required for each sick leave with pay covering an absence of more than three (3) consecutive working days.

Section 5. Employees who retire and receive a retirement benefit under the City of Providence Employees' Retirement System shall, upon retirement, be entitled to a lump sum payment equal to the sum of twenty-five percent (25%) of the value of the first fifty (50) days of unused sick leave accumulated from January 1, 1986, to the date of their retirement

and fifty percent (50%) of the value of the days over fifty (50) of unused sick leave accumulated during said period.

Section 6. Except for employees on leave due to medical reasons, employees on unpaid leave of any nature shall cease to accrue sick leave after twenty-six (26) weeks of unpaid leave. Sick leave shall not accrue during any period in which an employee is serving a disciplinary suspension.

Section 7. The parties agree to establish an Employee Sick Leave Bank in a manner consistent with the attached Appendix A.

Recognizing the continuing requirement to provide the most effective and efficient public services, the parties hereto are committed to meet and confer in good faith to address consolidating sick leave, vacation days, and personal days as employee benefits and converting such with a paid time off (PTO) plan.

#### ARTICLE XIV

#### LEAVE OF ABSENCE

Section 1. It is agreed that upon written application an employee with permanent status may be granted a leave without pay, not to exceed one year, for reason of personal illness, disability, or other purpose deemed proper and approved by the City's Chief Human Resources Officer.

At the expiration of such leave, the employee shall be returned to the position from which he is on leave at the same step of the then current range for his class of position. Seniority shall be retained and shall accumulate during all leaves without pay.

#### ARTICLE XV

#### BEREAVEMENT LEAVE

Section 1. All employees of the bargaining unit shall be allowed leave without loss of

pay, when death occurs in an employee's immediate family, [i.e. employee's legal spouse, employee's domestic partner of the same or opposite sex who has lived in the same household as the employee for at least six (6) months and when the employee and partner have made a commitment to continue to live as a family, mother, father, son, daughter, brother, sister, or other members of the immediate household] provided that in such cases the leave shall not exceed more than one (1) day beyond the date of burial; in the case of employees of the Jewish faith, said leave shall be for the actual period of mourning observed, but not to exceed seven (7) days from the day of burial.

Section 2. All employees covered by this Agreement shall be granted one (1) day leave with pay to attend funeral services for grandparents, mother in law, father in law, aunts or uncles.

Section 3. In the event there is a death in the employee's family, but not in the immediate household, as defined above, the employee shall be granted sufficient time to attend the funeral service without loss of pay.

## ARTICLE XVI

### JURY LEAVE

Section 1. An employee who is called for jury service in a court of law shall be excused from work for the days on which the employee serves and shall receive, for each such day of jury service on which the employee otherwise would have worked, the straight time rate of pay for each hour of absence, less the amount received for jury duty. The employee will present proof of such service and the amount received therefor.

ARTICLE XVII

SPECIAL TIME OFF

Section 1. The Union Negotiating Committee shall consist of not less than three (3) employees nor more than five (5) employees designated by the Union who shall be afforded time off with pay required to negotiate agreements. Not more than five (5) employees who constitute part of the Negotiating Committee shall be excused from duty with pay for the purpose of participation and the negotiating of any agreement, providing reasonable notice is given to the appropriate Department Head.

Section 2. The Union has submitted to the Employer a list of designated Union stewards who shall be recognized as such by the Employer in the departments and divisions indicated in the submission. Hereafter, in no event shall the total number stewards exceed fifty (50), nor shall any one department or division have more than three (3) stewards. The Union shall furnish the Employer and appropriate Department Heads with a list of stewards, and shall, as soon as possible, notify said appropriate Employer officials in writing of any changes thereto. Only those who are officers and stewards shall be recognized by the Employer for the purpose of meetings.

The Union may also be represented by representatives of Local Union 1033, International Representatives, and Representatives of the Rhode Island Laborers' District Council with Legal Counsel.

Section 3. There shall be no deduction of pay from a grievant and/or Union officer or steward for time spent directly involved in meetings with department heads during working hours.

Section 4. Designated stewards or Union representatives shall be allowed to visit all job areas, department offices and buildings during working hours, provided that prior permission of the Employer is obtained, which permission shall not be unreasonably withheld.

Section 5. Elected Union officials and members of the Union Executive Board [not to exceed a total of six (6) in number] shall be granted time off with pay to attend (A) all scheduled Local Union meetings, (B) all meetings of the Rhode Island Laborers' District Council, and (C) as delegates for International LIUNA, Regional and State AFLCIO conventions.

## ARTICLE XVIII

### HEALTH AND WELFARE

Section 1(A). The Employer shall provide all permanent employees who are covered by this agreement and their eligible family members with health care coverage as follows:

#### LOCAL UNION 1033 HEALTH CARE PLAN

#### *COVERAGE LEVELS:*

Effective July 1, 2019, health plan benefits for all employees shall include an annual deductible of \$750 per individual - \$1500 per family. The network allowance is based upon the U.S. Blue Cross PPO Regional allowance.

**PRE-AUTHORIZATION:** Authorization is obtained by participating (In Network) providers. Members are responsible only when using non-participating providers and for certain diagnostic testing, including MRI.

Hospital Inpatient, Outpatient, and free-standing ambulatory Surgi Center:

In Network -Covered in full for unlimited days of care with all necessary medical services after meeting the annual deductible.

Out of Network- Coverage at 80% of the In Network allowance after meeting the annual deductible.

#### **ANNUAL MAXIMUM EXPENSE:**

Benefits increased to full coverage after an annual maximum expense of \$1,000 per individual; \$3,000 per family for all Health Care Plan out of pocket expenses.  
Benefits increased to full coverage after maximum expense of \$1,300 per individual; \$2,600 per family for all non-oral RX out of pocket expenses.  
Benefits increased to full coverage after maximum expense of \$1,300 per individual; \$2,600 per family for all oral RX out of pocket expenses.  
All deductibles, co-pays, and co-insurance apply to the Out of Pocket Maximum.

LIFETIME MAXIMUMS: Unlimited.

DEPENDENT COVERAGE: Spouse and children (Children through the end of the month in which the child turns age 26).

**OUTPATIENT SERVICES:**

**PREVENTIVE & EARLY DETECTION CARE:** Including Well-baby visits, Adult Annual, Pediatric Office visits, Preventive counseling/education, Immunizations administered by a Healthcare Professional and Preventative Screenings.  
In Network covered in full.

Out of Network- \$15 copay, then coverage at 80% of the In Network allowance after meeting the annual deductible.

**OFFICE VISITS:** In Network- \$0. Co-payment at In Network PCMH, \$15 co-payment at Primary Care Physician, \$30. copayment for Specialist, except Preventative & Early Detection Care as defined above.

Out of Network-Above stated copayment then coverage at 80% of the In Network allowance after meeting the annual deductible.

**EYE EXAMS:** In Network-\$15 co-payment for one routine exam per year.

Out of Network-\$15 copay, then coverage at 80% of the In Network- allowance after meeting the annual deductible.

**OUTPATIENT SURGERY:** In Network- Covered in full, after meeting the annual deductible.

Out of Network- Coverage at 80% of the In Network- allowance, after meeting the annual deductible.

**DIAGNOSTIC LAB & X-RAY** (certain diagnostic testing is subject to Pre-authorization): In Network- Covered in full after meeting the annual deductible, excepting preventative and early detection testing.

Out of Network- Coverage at 80% of the In Network- allowance after an annual deductible.

**CHIROPRACTIC CARE** (15 per year total visits In and Out of Network):

In Network- Office visits \$30. co-payment; lab tests & x-rays covered in full, after meeting the annual deductible.

Out of Network- Office visits \$30. Co-payment then coverage at 80% of the In Network allowance after an annual deductible; lab tests & x-rays Plan pays 80% of the In Network allowance after an annual deductible.

**INPATIENT SERVICES (includes MATERNITY):**

**HOSPITAL ROOM & BOARD** including **SURGICAL-MEDICAL:** In Network- Covered in full for unlimited days of care in a semiprivate room with all necessary medical services, after meeting the annual deductible.

Out of Network- Coverage at 80% of the In Network allowance for unlimited days of care in a semiprivate room with all necessary medical services, after meeting the annual deductible.

ORGAN TRANSPLANT: In Network- Covered in full for unlimited days of care for eligible services to the recipient and the donor associated with kidney, liver, lung, heart, cornea and homologous bone marrow transplants, after meeting the annual deductible.

Out of Network- Coverage at 80% of the In Network allowance for eligible services to the recipient and the donor, after meeting the annual deductible.

Free Standing Surgi Center In Network- Covered in full after meeting the annual deductible.

Out of Network- Coverage at 80% of the In Network allowance, after meeting the annual deductible.

Free Standing Surgi Center: In Network- Covered in full, after meeting the annual deductible.

Out of Network- Coverage at 80% of the In Network- allowance, after meeting the annual deductible.

EMERGENCY ROOM: \$125 co-payment for treatment of accident or life threatening medical emergency within 24 hours of onset of symptoms (co-payment waived if admitted to Hospital within 24 hours, including being held for observation in excess of 8 hours).

URGENT CENTER: "Walk In" In Network- \$45. Co Pay.

Out of Network- \$45. Co Pay then coverage at 80% of the In Network allowance.

TELEMEDICINE - \$7.50 co-copay at designated Telemedicine Network. No coverage outside of network.

DIALYSIS SERVICES: In Network- in patient, outpatient, covered in full after the meeting annual deductible. In-home dialysis is covered in full.

Out of Network- coverage at 80% of the In Network allowance, after meeting the annual deductible.

RADIATION THERAPY/CHEMOTHERAPY SERVICES: outpatient & physician's office, In Network- Covered in full.

Out of Network- Coverage at 80% of the In Network allowance, after meeting the annual deductible.

RESPIRATORY THERAPY: outpatient & physician's office,

In Network- Covered in full.

Out of Network- Coverage at 80% of the In Network allowance, after meeting the annual deductible.

BEHAVIORAL HEALTH, MENTAL HEALTH & SUBSTANCE ABUSE

INPATIENT: In Network- Covered in full for an unlimited days of care after meeting the annual deductible.

Out of Network- Coverage at 80% of the In Network- allowance, after meeting the annual deductible.

OUTPATIENT: In Network- Covered in full for an unlimited days of care after meeting the annual deductible.

Out of Network- Coverage at 80% of the In Network- allowance, after meeting the annual deductible.

PHYSICAL, SPEECH & OCCUPATIONAL THERAPY OUTPATIENT:

In Network- 80% coverage after meeting the annual deductible. Covered in full if within 30 days of hospital admission.

Out of Network- 80% of the In Network allowance, after meeting the annual deductible.

PRIVATE DUTY NURSING: In Network- 80% coverage.

Out of Network- 80% of the In Network allowance, after meeting the annual deductible.

HOME HEALTHCARE: In Network- \$20. per day co pay then cover in full. Covered in full if within 30 days of hospital admission.

Out of Network- \$20. per day co pay then 80% of the In Network allowance, after meeting the annual deductible.

AMBULANCE: - \$50. Co pay per occurrence. Does not include Air Ambulance.

DURABLE MEDICAL EQUIPMENT, MEDICAL & DIABETIC SUPPLIES, INTERNAL FORMULA & FOOD, PROSTHETIC DEVICES; In Network- 80% coverage after meeting the annual deductible. Out of Network- 80% of the In Network allowance, after meeting the annual deductible.

SKILLED NURSING FACILITY CARE (skilled or sub-acute care)

In Network- \$20. per admission co pay then covered in full.

Out of Network- \$20. per admission co pay then 80% of the In Network allowance, after meeting the annual deductible.

AUTISM SERVICES: Behavioral analysis, PT, OT, ST and Autism diagnosis:

In Network- Covered in full.

Out of Network- 80% of the In Network allowance, after meeting the annual deductible.

\* Intermittent Home care services and Home Hospice, Cardiac Rehab, Gender Affirmation Services, Hearing exam, diagnostic testing and Hearing aids, Leukocyte Antigen testing, Infusion Therapy Administration and Infertility Treatment are covered by RI Law, greatest level of coverage is always received In Network.

SELF ADMINISTERED INNOCULATIONS: 80% coverage; administered by the City of Providence's Prescription Benefits Manager.

#### Section I(B). Health Reimbursement Account (HRA)

##### (i.) Establishment of Account.

In January, 2019 the City established and funded a new and distinct Healthcare Reimbursement Account (HRA) which is administered by the City's health insurer's CDH (Consumer Driven Health) Administrator for the benefit of the parties, for the purpose of offsetting the cost of the deductible for the new healthcare plan outlined herein. On a quarterly basis, the CDH Administrator shall provide monthly reports to the parties regarding the funding level of the HRA account, and, on a quarterly basis, the CDH Administrator shall provide to the parties a report detailing the number of claims filed for reimbursement, the amounts reimbursed for each claim, and information concerning the percentage of the annual allowance utilized by each member covered by the plan.

The parties agree that the City shall continue to fund the Healthcare Reimbursement Account (HRA) and, effective, July 1, 2019, the City shall fund the Full Corpus of the HRA benefit. As used in this Agreement, the "Full Corpus of the HRA benefit" shall mean: funding of the deductible, for each employee, at the benefit level provided below.

The City shall thereafter, no later than July 1 of each succeeding year, or such earlier date should the Corpus of the Fund decrease to 20% or less of the original funding level, replenish the HRA to ensure that the Full Corpus of the HRA benefit is provided for in the account.

(ii.) Benefit Levels

No employee shall be able to utilize, on an annual basis, any more than his or her Pro Rata share of the HRA benefit. "Pro Rata share of the HRA benefit" as used in this agreement shall mean:

For employees hired prior to January 1, 2019, shall mean the full and applicable deductible amount, individual and family plan.

For employees hired on or after January 1, 2019, shall mean \$300 for employees with individual plan coverage and \$600 for employees with family plan coverage.

Section 1(C). Notwithstanding the foregoing, with thirty (30) days' prior notice to the Union, the Employer shall have the right at any time during this Agreement to provide substantially equal medical insurance benefits under a different plan than those specified in Section 1 and in lieu thereof.

Section 1 (D). Upon presentation of proof of alternative health care coverage pursuant to a non-Employer paid plan satisfactory to the Employee's Benefit Coordinator, employees eligible for paid City Blue or United Healthcare of New England insurance under this agreement may

choose not to be covered under the Employer's group health insurance policies. Eligible employees enrolled in a family plan making this choice shall receive \$1,500.00 for each full contract year in which they are not covered for family coverage and for those dropping individual coverage, the compensation shall be \$750.00 for each full contract year of non-coverage by a City plan. The parties understand and agree that employees whose spouses are employed by the City and those who have chosen not to be covered by Employer policies shall not be eligible for this benefit. For each year in which the employee opts out under this Section, he shall receive no coverage pursuant to this Article, except that employees may opt back into the Plan in the event of a major life event causing loss of alternative and/or equivalent coverage, such as death or loss of employment of a spouse. Proof of loss of said alternative coverage and/or equivalent coverage may be required by the Employer before the employee is re-enrolled. Payments to employees under this provision shall be made at the end of each year, in arrears, for the period of July to June with payment made in June. If an employee has opted back into Employer coverage during the course of a contract year, he shall not be entitled to any payment under this Section for that year.

Section 1 (E). On the effective date of this Agreement, all permanent employees shall co-share in the cost of healthcare benefits provided in this Article through pre-tax weekly payroll deduction (if permissible by law) as follows:

Employees with annual base wages of \$ \$56,569 or more shall co-share in the cost of healthcare insurance benefits provided in this Article through pre-tax biweekly payroll deduction by the payment of the Tier One (1) cost sharing rate, as defined below. Employees with annual base wages that are less than \$56,569 but more than \$47,414 shall co-share in the cost of healthcare insurance benefits provided in this Article through pre-tax weekly payroll deduction by the payment of the Tier Two (2) cost sharing rate, as defined below. Employees with annual base wages that are less than \$47,414 shall co-share in the cost of healthcare insurance benefits

provided in this Article through pre-tax weekly payroll deduction by the payment of the Tier Three (3) cost sharing rate, as defined below. These rates shall be indexed to reflect the salary increases over the life of the agreement.

The Employer and the Union agree to the following cost sharing schedules by contract year for health insurance benefits provided by the employer:

Co-Share Structure		Year 1	Year 2	Year 3
Tier Three	Individual	\$ 1,335.36	\$ 1,362.07	\$ 1,402.93
Tier Three	Family	\$ 3,343.86	\$ 3,410.74	\$ 3,513.06
Tier Two	Individual	\$ 1,101.62	\$ 1,123.65	\$ 1,157.36
Tier Two	Family	\$ 2,758.60	\$ 2,813.77	\$ 2,898.19
Tier One	Individual	\$ 1,001.52	\$ 1,021.55	\$ 1,052.20
Tier One	Family	\$ 2,507.70	\$ 2,557.85	\$ 2,634.59

Section 1 (F). New Wellness Benefit Effective July 1, 2019, the parties agree to implement a new wellness benefit, which shall incentivize healthy behavior and shall be developed by the parties. Any employee who participates in the wellness program will be eligible to have his or her co-share obligation decreased by up to \$300 annually for an individual plan and \$600 annually for a family plan.

Further, effective July 1, 2022, any employee who fails to receive an Annual Preventative Medicine Exam during a contract year shall have his or her co-share obligation increased by an additional \$300 for the following contract year unless exempted by both the Administrator of the RI Public Employees Health Services Fund and the City's Manager of Employee Benefits.

Section 1 (G). The Employer also agrees to continue health coverage for retirees and retirees' spouses for life for employees who retired on or after July 1, 1982, and prior to September 3, 1995. The plan of coverage shall be the plan elected by the individual on the date of retirement. Said coverage shall be converted to Plan 65 coverage upon attainment of the age

of 65 or, at the option of the retiree, a Medicare approved HMO with a benefit plan substantially equivalent to that existing at the time this Agreement is executed with all premium payments for said plan borne by the Employer.

The Employer shall furnish health care coverage, on an individual basis only, to employees who retire(d) on or after September 3, 1995. Said coverage shall be of the same plan in effect when the retiree was an active employee up to age 65. Upon attainment of age 65 or at such age as to qualify for Medicare, said coverage shall convert to Plan 65 or, at the option of the retiree, a Medicare approved HMO with a benefit plan substantially equivalent to that existing at the time this Agreement is executed with all premium payments for said plan borne by the Employer. This coverage shall be for life. The Employer also agrees to provide this coverage to the retiree's spouse upon the death of the retiree.

Additionally, all permanent employees hired on or after July 1, 1992, must be actually employed by the City of Providence for at least ten (10) years and receiving retirement benefits under the City of Providence Employees' Retirement System prior to qualifying for Retiree Medical Care Coverage.

The premium payments of the above-described coverage for active employees shall be borne solely by the employer through September 30, 2004, and for all retirees who retire prior to January 1, 2005.

Individuals retiring shall co-share at the individual rate, as stated above and as in effect on the last day worked through pre-tax monthly pension payroll deduction (if permissible by law) and shall receive the Individual Plan until becoming Medicare eligible at which time the retiree shall receive Plan 65 or a Medicare approved HMO (with a benefit plan substantially equivalent to that existing at the time this Agreement is executed) with all premium payments for said plan borne by the Employer.



Employees hired on and after July 1, 2008, shall no longer receive Retiree Post Medicare health benefits paid for by the employer; but the employer shall allow said employees to purchase Post Medicare eligible healthcare at the retiree's cost and at the employer's group rate. Said employees shall be required to participate in a Designated Savings Account or other savings vehicle approved by the City and the Union at a rate of six cents (\$.06) per hour with the funds being used for said Retiree Post Medicare healthcare beginning on July 1, 2022. Employee contributions for said fund will change to eight cents (\$.08) per hour on July 1, 2023, and ten cents (\$.10) per hour on July 1, 2024.

Section 1 (H). Upon presentation of proof of alternative health care coverage pursuant to a non-Employer paid plan satisfactory to the Employee's Benefit Coordinator, retirees eligible for paid health insurance under this Agreement may choose not to be covered under the Employer's group health insurance policies. Eligible retirees enrolled in a plan making this choice shall receive \$750.00 for each full contract year of non-coverage by an Employer plan.

The parties understand and agree that retirees whose spouses are employed by the Employer and those who have chosen not to be covered by Employer policies shall not be eligible-for this benefit. For each year in which the retiree opts out under this section, he shall receive no coverage pursuant to this Article, except that retirees may opt back into the Plan in the event of a major life event causing loss of alterative and equivalent coverage, such as death or loss of employment of a spouse. Proof of loss of said alternative coverage or equivalent coverage may be required by the Employer before the retiree is re-enrolled. Payments to retirees under this provision shall be made at the end of each year, in arrears for the period of July to June with payment made in June. If a retiree has opted back into Employer coverage during the course of a contract year, he shall not be entitled to any



payment under this section for that year. When a retiree opts back into coverage or receives post retirement coverage under this Article, said retiree shall be afforded the opportunity to purchase all supplemental coverage heretofore existing including spousal coverage, RX, and dental coverage, under all of the conditions that existed on the retiree's initial retirement date.

Section 1 (I). In lieu of Section 1 (G) above, the City's obligation to provide retiree healthcare coverage to a specific retiree shall be suspended in the event that the retiree is eligible for medical insurance under any health care plan, including that made available through the retiree's spouse, providing that said plan is equivalent in coverage and cost. If coverage is not equivalent or if the plan's cost exceeds the cost to the retiree of a City Plan, then the City shall have the option of providing payment to make the cost equal and/or providing only such coverage as to make the plans equivalent or maintaining the City Plan for the retiree, all pursuant to all provisions contained herein for retirees on said retirement date. At the request of the City, the retiree shall be obligated to provide proof that he or she is not eligible to receive healthcare coverage from another source or that coverage is not otherwise equivalent coverage pursuant to this agreement. Subsequent to retirement, should a retiree whose healthcare coverage is suspended in accordance with this provision, lose alternate coverage from an alternate source, the City shall restore coverage on the first day of the month after notice has been received under the same terms as those that existed at the retiree's date of retirement.

Section 2. Any employee having an application for Accidental Disability Retirement benefits pending before the Retirement Board shall have the right to appear before the Board and may be represented by Counsel, or by the Union Representative, prior to the Board's action upon the application.

Section 3. Any employee who sustained an on-the-job injury prior to July 1, 1981,

having an application for Temporary Disability Benefits, shall have right to appear before the Commission on Relief of Injured Employees, and may be represented by Counsel, or by Union Representative, prior to the Commission's action upon the application. Said employee shall be entitled to Temporary Disability benefits as outlined in the City of Providence Injured Employees' Act. In addition, the Department Head shall forward any accident report to the Commission within forty-eight (48) hours of the report being filed by the employee.

Any employee who sustains an on-the-job injury as of July 1, 1981, shall be entitled to Workers' Compensation benefits in accordance with the General Laws of the State of Rhode Island, Title 28, Chapters 29 to 38 inclusive.

Section 4. Coordination of Benefits: The City's obligation to provide healthcare coverage to a specific member's eligible spouse shall be suspended in the event that the spouse is eligible for medical insurance under any healthcare plan which is equivalent in all aspects of coverage and cost to the City plan. If said spouse's other available healthcare plan coverage is not equivalent to the City plan or if the Plan's cost exceeds the cost of the City plan, then the City shall have the option of: (a) providing payment to the member to make the cost equal, (b) and/or providing only such coverage as to make the plans equivalent, or (c) maintaining the City plan for the spouse. At the request of the City, the member shall be obligated to provide proof that his or her spouse is not eligible to receive healthcare coverage from another source or that such coverage is not otherwise equivalent coverage pursuant to this agreement. Should the spouse lose the alternate coverage from an alternate source, the City shall restore spousal healthcare coverage on the first day of the month after notice has been received. The aforementioned healthcare coordination of benefits for Active Members' spousal coverage will not reduce the members' healthcare benefits or increase the co-payments/co-shares or costs paid by members or their spouses if such spouses become

covered by another healthcare plan through coverage and benefits. Members' spouses will be no longer eligible to decline healthcare benefits in return for the receipt of "buyback" stipends.

Section 5. The City will maintain the continuation of medical insurance until a decision is rendered by an arbitrator for terminated employees; however, with respect to employees with one (1) year or less of City service, said continuation shall not exceed the actual amount of City service, not inclusive of the probationary period. Additionally, no purchases of service of any type may be added or included in the actual City service.

#### ARTICLE XIX

#### DENTAL BENEFITS

Section 1. For the purpose of providing employees covered by this Agreement with Dental benefits, individual coverage, and family coverage as appropriate, the Employer agrees to contribute the sum of \$86.00 per month for each employee covered by this Agreement who is included in the payroll for that month.

Section 2. An employee receiving Workers' Compensation benefits shall be considered to be included in the payroll for that month.

#### ARTICLE XX

#### UNION BENEFIT TRUST FUNDS

Section 1. In order to provide each employee covered by this Agreement and their dependents with the benefits described below and which are provided through Union Benefit Trust Funds, the Employer agrees to contribute \$4.39 per hour for each straight-time hour each employee covered by this Agreement is paid. The above language notwithstanding, the Employer's contribution shall be paid for the full day [seven (7) or eight (8) hours] for every day that the employee receives pay, including days of holiday and leave, or a contribution is

otherwise due under Section 3 below. Of said \$4.39 per hour, \$2.50 shall be paid to the LIUNA National (Industrial) Pension Fund and \$1.89 per hour shall be paid the RI Public Employees' Benefits Fund.

Effective July 1, 2023, the contribution to the RI Public Employees' Benefits Fund shall be increased by \$.03 to \$1.92 per straight-time hour that each employee covered by this agreement is paid and said increased contribution shall be dedicated to the RI Public Employees' Health Services Fund. Effective July 1, 2024, the contribution to the RI Public Employees' Benefits Fund shall be increased by \$.04 to \$1.96 per straight-time hour that each employee covered by this agreement is paid and said increased contribution shall be dedicated to the RI Public Employees' Health Services Fund.

Section 2. Said contributions will be paid to the Fund no later than the fifteenth (15th) day of each month and shall be based on the preceding month's payroll.

Section 3. An employee receiving Workers' Compensation benefits shall be considered to be working his normal and regular workweek.

Section 4. In addition to all other Employer contributions required herein, the Employer shall also pay to the Rhode Island Public Employees' Health Services Fund, no later than January 15, an amount equal to the one-half (1/2 %) percent wage assignment as required in the parties' May 26, 1994, Memorandum of Agreement. The parties acknowledge that this amount is not an additional Employer contribution but rather is an assignment of a portion of the July 1, 1994, wage increase.

Section 5. Each employee covered by this Agreement and their dependents shall be provided prescription drug benefits, dental benefits, vision care benefits, life insurance, and a Membership Assistance Program and a Telemedicine Benefit, all from the "Rhode Island Public Employees' Health Services Fund", established by Declaration of Trust dated July 1,

1979. Said fund shall be administered by a Board of Trustees selected and appointed under the provisions of the Trust Agreement executed by the Union.

Section 6. Each employee covered by this Agreement shall receive retirement benefits from the Laborers' International Union of North America National (INDUSTRIAL) Pension Fund based upon the Trust Fund document and Rules and Regulations of said Fund. The Union and the Employer have signed an Agreement and Declaration of Trust of the Laborers' International Union of North America National (INDUSTRIAL) Pension Fund.

Section 7. Each employee covered by this Agreement and their dependents shall be provided with assistance in defraying the cost of legal counsel through the "Rhode Island Public Service Employees' Legal Services Fund", established by a Declaration of Trust dated September 20, 1974. The Fund is administered by a Board of Trustees selected and appointed under the provisions of the Trust Agreement executed by the Union. The Fund shall not be used to provide benefits which defray any expenses for disputes, grievances, or legal proceedings between employee-participant, his spouse, or dependents and the Employer, the Union or any of its members, their agents; or any legal entity of which they are a part.

Section 8(A). Employees covered by this Agreement shall be offered necessary educational, vocational, specialty and safety related training through the "Rhode Island Public Service Employees' Training Fund", established by a Declaration of Trust executed by the Union and from the New England Health and Safety Fund.

Section 8 (B). The Employer shall continue to fund and staff the bargaining unit position of Training Coordinator, the primary duty of which shall be designating required training for employees covered by this Agreement and coordinating the development and implementation of said training with the aforesaid Funds. Said position shall enjoy wage

parity with the position of Employee Benefits Coordinator. This position shall be staffed by an individual nominated by the Rhode Island Public Service Employees' Training Fund.

## ARTICLE XXI

### GRIEVANCE AND ARBITRATION PROCEDURE

Section 1. Grievances. It is mutually understood and agreed that all grievances of employees or the Union arising out of the provision of this contract shall be filed and processed as follows:

Section 2. The employee's Union stewards shall be guaranteed sufficient time off during working hours to seek to settle grievances without loss of pay. An aggrieved employee shall have the right to Union representation, during the grievance procedure.

Step 1. The Union shall present such grievance in writing to the appropriate Director, Department Head, Chief Human Resources Officer and/or the Chief of Police or a designee. The Director and/or Department Head, Chief Human Resources Officer and/or Chief of Police or a designee shall have five (5) working days to respond to the grievance in writing.

Step 2. In the event the grievance is not satisfactorily adjusted, the Union shall present such grievance in writing to the Chief Human Resources Officer or his designee within five (5) working days from the receipt of the Step 1 response. The Chief Human Resources Officer or his designee shall have five (5) working days to respond to the grievance in writing.

Step 3. If unable to reach a satisfactory adjustment within five (5) working days, the Union shall submit the grievance in writing within five (5) working days to the Mayor or the Commissioner of Public Safety, for those affected employees working under his supervision, who must then meet or respond to the grievance in writing within five (5) working days.

Section 3(A). Arbitration. If a grievance is not settled, such grievance may at the request of the Union, be referred to the Labor Relations Connection in accordance with its rules then obtaining. The Arbitrator's decision shall be final and binding upon the parties. The expenses of such arbitrator shall be borne equally by the parties. The arbitrator shall have no power to disregard, alter, amend, add to or deduct from the provisions of this Agreement. The submission to arbitration must be made within fifteen (15) working days of receipt of the Mayor's or Commissioner's answer, as stated in Step 3 or else it shall be deemed to have been waived.

Section 3(B). All Demands for Arbitration, absent an expressed agreement of the parties, shall be heard within 120 days of the initial filing of the Demand for Arbitration and conclude within 180 days of the filing of the Demand for Arbitration. All Demands for Expedited Arbitration shall be heard within fifteen (15) days of the initial filing.

The Employer and the Union agree to apply the decision of the arbitrator to all substantially similar situations.

Any grievance which is not presented at Step 1 within five (5) working days excluding Saturdays, Sundays, and Holidays, of the date of occurrence or injury (whichever is later) shall be deemed to have been waived. Failure of the Union to comply with the other time limitations set forth in this Article shall also constitute a waiver of the grievance. Failure of the Employer to respond timely at any step of the grievance procedure shall enable the Union to proceed to the next step, including arbitration.

Section 4. Sustained grievances and grievance resolution agreements shall be implemented within thirty (30) days. If the Employer fails to implement the same, the matter shall be submitted to expedited arbitration.

Section 5. The City will maintain the continuation of medical insurance until a

decision is rendered by an arbitrator for terminated employees. However, with respect to employees with one (1) year or less of City service, said continuation of care shall not exceed the actual amount of City service, not inclusive of the six (6) month probationary period. Additionally, no purchases of service of any type may be added or included in the actual City service.

#### ARTICLE XX.II

#### NO STRIKE/NO LOCKOUT

Section 1. Cognizant of the statutory prohibition against strikes by employees covered by this Agreement, neither the Union nor any employees covered by this Agreement shall engage in, induce, cause, or encourage any strike, slowdown, refusal to perform duties (including collective absenteeism for alleged illness), work stoppage, or withholding of services of any kind for any reason during the life of this Agreement.

Section 2. The Employer agrees that there shall be no lockouts during the term of this Agreement.

#### ARTICLE XXIII

#### PROTECTIVE CLOTHING, BULLETIN BOARDS, SAFETY, AUTOMOBILE

#### ALLOWANCE AND COMPENSATION

Section 1. Protective Clothing. The Employer shall provide required protective clothing for those employees engaged in activities which subject their regular clothing to extraordinary wear and tear.

Section 2. Bulletin Boards. The Employer shall provide Bulletin Boards in conspicuous places to be used solely for the posting of Union notices, rules and regulations.

Section 3. Safety. A Local Union 1033/City of Providence Safety Committee shall be

appointed, composed of three (3) representatives selected by the Union, two (2) representatives selected by the Mayor and one (1) representative selected by the City Council. The Committee shall meet at least quarterly and report recommendations and findings to their respective appointing authorities.

Both the Employer and the Union shall cooperate in the enforcement of safety rules and regulations and shall promote sound safety practices and rules for the protection of employees and the public.

Section 4. Automobile Allowance. Employees covered by this Agreement who are required to use their own automobile in connection with services rendered shall receive a mileage allowance in the amount of \$0.575 per mile. Employees who are required to use their own automobile in connection with services by the City of Providence and rendered three (3) or more times on average per week on a monthly basis shall receive Three Hundred Seventy-Six Dollars and Forty-Four Cents (\$376.44) per month as a monthly allowance. This amount shall be adjusted each October 1 by the increase or decrease in Federal travel regulations for government use of privately owned vehicles.

Section 5. Compensation. Employees covered by this Agreement who are authorized by the Employer to work in a higher rated classification shall receive the higher rate of pay. In the event an employee starts the work day in a higher rated classification, the employee shall receive the higher pay of that classification for the full day.

Section 6. Uniforms. For those employees required by the Employer to wear uniforms, the Employer shall provide and maintain such uniforms. The Employer, at its option, shall either (1) provide an annual clothing and maintenance allowance of Five Hundred Dollars (\$500.00) to all permanent Park Rangers, Animal Control Officers, and Parking Enforcement Officers, along with an initial issue of uniforms and in-kind

replacement as needed; or (2) provide said employees with uniforms and be responsible for cleaning/maintaining said uniforms for the employees. If the Employer selects the payment option, payment shall be made to the employees in the above identified positions no later than July 1 following the employee's assignment to the position and every year thereafter as long as the employee remains in the designated position. The Employer will be responsible for providing each employee within the designated position with sufficient uniforms, no later than fifteen (15) days after assignment. Damage to uniforms caused by usage not associated with normal wearing of the uniform will be the employee's responsibility to repair.

Section 7, Parking Enforcement Officers. Parking Enforcement Officers shall be provided with radios to communicate with the Police Control Center.

#### ARTICLE XXIV

##### APPRENTICESHIP PROGRAM

Section 1. The Employer and the Union recognize and acknowledge that the delivery of efficient Municipal Services is dependent on the ability to recruit and train highly motivated, productive, and skilled Public Employees.

Section 2. There shall be an Apprenticeship Council consisting of seven (7) members: three (3) appointed by the Union Business Manager, three (3) appointed by the Mayor, and one (1) appointed by the City Council. The members shall meet on a quarterly basis.

Section 3. Within thirty (30) days of the execution of this agreement, the parties will meet and confer to establish the job progression, educational, and on-the-job training criteria for all new bargaining unit employees entering the Apprenticeship Program, all in accordance with Article 1 Section 2 (a) (3).

Section 4. The Apprenticeship Program will coordinate additional career and citizenship enhancement training with the Rhode Island Public Service Employees' Training Fund.

#### ARTICLE XXV

##### CHANGES OR AMENDMENTS

Section 1. This Agreement constitutes the entire agreement and complete understanding between the Employer and the Union arrived at as a result of collective bargaining, except such amendments hereto or modifications hereof as shall be reduced to writing and executed by the parties following the execution of this Agreement.

Section 2. The parties acknowledge and agree that their previously negotiated Memoranda of Agreement/Understanding identified in Appendix B hereto are hereby incorporated in this agreement and shall have full force and effect as if fully set forth herein.

#### ARTICLE XXVI

##### SEVERABILITY

Section 1. Should any final decision of any Court of competent jurisdiction affect any provision of this Agreement, only the provision so affected shall become null and void; otherwise, all other provisions of this Agreement shall remain in full force and effect.

#### ARTICLE XXVII

##### DURATION OF AGREEMENT

Section 1. The terms and conditions of this Agreement shall be effective July 1, 2022, and shall continue in full force and effect through June 30, 2025, and from year to year thereafter unless either party at least one hundred and twenty (120) days prior to June 30, 2025, gives notice in writing to the other party of its intention to terminate this Agreement, in which event this Agreement shall terminate at the end of the contract year in which said

notice is given. In the event that such notice is given, negotiations shall begin immediately, no later than sixty (60) days prior to the termination of the Agreement.

Section 2. The provisions of the preceding section shall not prevent the parties, by written Agreement, from extending any portion of this Agreement, after the one hundred twenty (120) day notice has been given for any agreed upon period beyond its expiration date.

IN WITNESS WHEREOF, the parties herein have caused these presents to be signed by their duly authorized representatives on the 18 day of August, 2022.

CITY OF PROVIDENCE  
RHODE ISLAND



JORGE O. ELORZA  
Mayor, City of Providence

RHODE ISLAND LABORERS'  
DISTRICT COUNCIL OF THE  
LABORERS' INTERNATIONAL  
UNION OF NORTH AMERICA  
on behalf of LOCAL UNION 1033



MICHAEL F. SABITONI  
Business Manager

WITNESS:

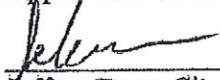


EMMANUEL R. ECHEVARRIA  
Chief Human Resources Officer



RONALD R. COIA, ESQ.  
Business Manager

Approved as to form and correctness:

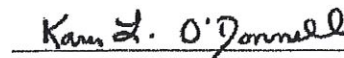


Jeffery Dana, City Solicitor



VICKI A. VIRGILIO  
President

WITNESS:



(APPENDIX A)  
EMERGENCY SICK LEAVE BANK

The parties agree to establish an Emergency Sick Leave Bank to which all eligible members of the bargaining unit shall have access. The Emergency Sick Leave Bank is intended to provide eligible Local 1033 members with additional paid sick time when said eligible member's accrued sick leave time and sick leave extensions, where applicable, have been exhausted.

- a) The Local 1033 member must have a documented illness or injury which is expected/anticipated to exhaust the member's accrued sick leave time and sick leave extensions, where applicable;
- b) The Local 1033 member must have contributed at least five (5) sick/vacation days to the Bank, which days shall not be refunded to the member once assigned to the bank;
- c) The Local 1033 member must present a physician's note certifying the illness/injury, the amount of time anticipated to be absent, the prognosis and/or treatment and the member's anticipated date of return;
- d) Emergency Sick Leave Bank time may only be used for a member's personal illness or injury. Sick time may not be used to attend to the illness of a family member or extend a member's leave of absence which is not due to personal illness/injury;
- e) A Local 1033 member who is receiving Workers' Compensation benefits pursuant to the Rhode Island Workers' Compensation Act, benefits pursuant to the Rhode Island Temporary Disability Act, or is injured as a result of a third party shall not be eligible to apply for or receive Emergency Sick Leave Bank time to supplement that compensation;
- f) All requests for use of Emergency Sick Leave Bank time shall be made in writing at least thirty (30) days prior to the date when the time will be used, or at least fifteen (15) days prior to the eligible member beginning use of his or her own accrued paid leave time due to an illness or injury, whichever is sooner, unless that absence is unforeseen and/or an emergency, in which case, application shall be made as soon as practical after the member learns of the need for Emergency Sick Leave Bank time.

### **Emergency Sick Leave Bank Committee**

The Emergency Sick Leave Bank shall be administered by a Committee established jointly by the City of Providence and Local Union 1033. The Chief Human Resources Officer or his/her designee shall select one individual and the Union Business manager shall select two individuals to serve as member of the Committee. The Chief Human Resources Officer and the Union Business Manager shall be ex officio members of the Committee and shall have rights and powers granted to all member of the Committee.

All requests to use time from the Bank shall be in writing and shall be reviewed by the Committee. The Committee shall notify the member of approval or denial by mailing said notifications, certified mail, return receipt requested, to the member's home address. Any decisions of the Committee regarding use, access, application and any other process or procedure concerning the Emergency Sick leave Bank shall be final and binding upon the City of Providence and Local Union 1033 and shall not be subject to the contractual grievance procedure or any other administrative remedy.

It shall be the Committee's responsibility to manage the Emergency Sick Leave Bank, and among other things, determine the appropriate level of accumulated days necessary to remain in the Bank in order for the Bank to be viable. Should the accumulation of days in the Bank fall below a minimum level which the Committee deems necessary to affectively administer the Bank, the Committee may request Bank members to make an additional contribution. Where an additional contribution is requested, each member of the Bank wishing to retain membership shall assign the required number of days as determined by the Committee. Where a member of the Bank wishes to retain membership, but has exhausted his/ her sick leave as is unable to make the necessary required contribution, said member shall assign an equivalent amount of sick/vacation leave as the date on which said member next accrues sick leave in a sufficient quantity to make the donation.

Membership in the Emergency Sick Leave Bank shall be pursuant to rules drafted by the Committee. New member may join the Emergency Sick Leave Bank each year, at times designated by the Committee, by assigning no less than five (5) sick/vacation leave accumulated days to the Bank. Current member of the Bank may make additional contributions to the Bank during periods designated by the Committee.

Eligible Local 1033 members requesting to use time from the Bank may make an initial request of no more than sixty (60) days. Extensions of use of Emergency Sick Leave Bank time may be made to the Committee. Any extension request must be documented pursuant to rules as designated by the Committee. Forms for Local Union 1033 members to donate time to the Emergency Sick Leave Bank and to make application to use Emergency Sick Leave Bank Time shall be determined by the Committee and shall be available at the Department of Human Resources and the Office of Local Union 1033 with copies being retained in each office.

Members with less than five (5) years seniority who have contributed to the Sick Leave Bank are eligible to draw from the Sick Leave Bank and members with five (5) or more years of seniority who have contributed to the Sick Leave Bank are eligible to draw from the Sick Leave Bank after they have exhausted their ninety (90) days of Sick Leave Extension pursuant to Article XIII, Section 2 of the CBA.

## APPENDIX B

1. Common Law Spouses – October 9, 2002.
2. Garibaldi Park – February 21, 2014.
3. Flushing Technicians – April 1, 2013 – all terms except paragraph 2.
4. Fire Dispatchers Schedule – January 21, 1997.
5. Fire Alarm Inspector Details – July 1, 2010.
6. Agreement – January 4, 2012 – paragraph 2 only.
7. Temporary Employees – November 18, 2011. – paragraphs (c) and (d) only.
8. Retiree Health Care – July 22, 2011.
9. Volunteer Protocol at Parks Dept. - May 14, 2009 – change "approval" to "notification" in paragraph 2.
10. \$1 per hour for alternate work week -March 28, 2001.
11. Bilingual Pay – December 30, 2002 -all terms except paragraph 2.
12. Apprentice Dispatchers – August 23, 1999 – all terms except paragraphs 2 and 5.
13. Tax Assessor Certification Stipends -September 6, 2001 – sentence in paragraph 5 beginning with "Furthermore" only.
14. Non-regular work week -June 30, 1994 – paragraphs 2 and 3 only, but must amend amount from \$.50 to \$1 per hour to reflect current CBA.
15. PWSB Rest Period – April 13, 2015 – all terms except paragraph 8.
16. Conversion of 35 to 40 hours and vice versa- December 21, 2011.
17. Holiday Pay -November 4, 2011 – paragraphs 1,2, and 3 only.
18. Information Technology – June 24, 2011– paragraphs 8 and 9 only.
19. OT wages for employees not released for summer hours – August 13, 1990.
20. Municipal Court/Dog Pound – August 13, 1998 -paragraphs 1 and 2 only.
21. Fire Alarm Technicians/ Plan Reviewers – December 30, 2014.
22. Training Incentive Pay – July 16, 2002 – agreed as to all classifications except Fire Dispatchers.
23. Continuation of Health Care Benefits – August 1, 1996.
24. Dig-safe workers – October 20, 1999 – paragraph 2 only.
25. Water Treatment Operators – paragraph 2 only.
26. Senior Meter Reader Technician – January 3, 1997 – paragraphs 2.1 and 2.2 only.
27. PWSB Infrastructure Agreement – September 6, 2006.
28. Local Union 1033/Deductible Plan, July 26, 2019.
29. Employee CDL Exemption, January 24, 2022
30. Heavy Equipment Operator Promotions, May 25, 2022

