

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION**

IN RE: KENT COUNTY WATER AUTHORITY
MOTION TO PASSTHROUGH WHOLESALE
RATE INCREASE

DOCKET NO. 3699

ORDER

WHEREAS, On June 30, 2005, the Providence Water Supply Board (“Providence Water”) filed an application with the Public Utilities Commission (“Commission”) seeking to implement new rates designed to generate additional operating revenue requirements in the amount of \$4,957,115¹; and

WHEREAS, On November 9, 2005, a Stipulation/Settlement (“Settlement”) was entered in Docket No. 3684 providing for a revenue increase of \$4,658,599; and

WHEREAS, KWCA, a signatory to the Stipulation, agreed to a wholesale rate of \$1,236.00 per million gallons; and

WHEREAS, On November 14, 2005, the Kent County Water Authority (“KCWA”) filed an Amended Petition pursuant to R.I.G.L. Section 39-3-38.1, seeking to pass through to its ratepayers the wholesale rate increase resulting from Providence Water’s rate filing; and

WHEREAS, KCWA’s application stated that Providence Water’s proposed wholesale rate, if approved as filed by the Commission, would increase the annual purchased water expense of KCWA to approximately \$412,110; and

WHEREAS, On December 13, 2002, after examination, the Division of Public Utilities and Carriers (“Division”) filed a memorandum recommending different rates that

would recover an additional \$320,672 in purchase water expense; the Division stated that it had reviewed the calculation of KCWA's amended pass through rates, and found them to be mathematically accurate, but not based on the most recent KCWA consumption levels set by the Commission in Docket No. 3660; and

WHEREAS, The Commission finds that KCWA is entitled to pass through the aforementioned increase in wholesale rates; and

WHEREAS, The Commission finds that the Division's calculation of wholesale rates is accurate and reasonable and therefore, sets the following rates: Small customer class - \$3.623 per hcf; Medium customer class - \$3.069 per hcf; and Large customer class - \$2.601 per hcf.

Accordingly, it is

(18488) ORDERED:

1. That the amended motion to pass through the wholesale rate increase filed by the Kent County Water Authority on August 1, 2002 is hereby denied.
2. That the recommended rates filed by the Division on December 5, 2005 are hereby approved for effect for usage on and after January 1, 2006.
3. That Kent County Water Authority shall file updated Tariffs in compliance with this Order within 30 days of the Open Meeting Decision.

¹ Docket No. 3684.

EFFECTIVE AT WARWICK, RHODE ISLAND ON JANUARY 1, 2006,
PURSUANT TO AN OPEN MEETING DECISION MADE ON DECEMBER 22, 2005.
WRITTEN ORDER ISSUED ON JANUARY 3, 2006.

PUBLIC UTILITIES COMMISSION

Elia Germani, Chairman

Robert B. Holbrook, Commissioner

Mary E. Bray, Commissioner