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April 14, 2010

Luly E. Massaro  
Commission Clerk  
Rhode Island Division of Public Utilities and Carriers  
89 Jefferson Boulevard  
Warwick, RI 02888

Re: PUC Docket No. 4142  
Kent County Water Authority  
General Rate Application

Dear Ms. Massaro,

Enclosed herewith you will find an original and nine copies of Kent County Water Authority Responses to the Public Utilities Commission Second Set of Data Requests in the above matter. The same was e-mailed to the attached service list on April 14, 2010.

Very truly yours,

  
Joseph J. McGair, Esq.

JJM:dd  
Enc.  
Cc: Docket No. 4142 Electronic Service List

Docket No. 4142 – Kent County Water Authority - Rate Application  
 Service List 2/5/10

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KENT COUNTY WATER AUTHORITY

Docket No. 4142

STATE OF RHODE ISLAND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION

Commission's Second Set of Data Requests  
To

Kent County Water Authority (KCWA)

Issued April 9, 2010

2-1 Commission Order No. 19545 (issued November 1, 2008) stated: "To the extent that KCWA elects not to require such employee contributions [to healthcare premiums], that amount shall be absorbed out of the Operating Revenue Allowance."

- a) Please indicate whether KCWA did, in fact, utilize the Operating Revenue Allowance to fund 100% of the healthcare premiums.

Operating revenue was not collected to meet the revenue required by Docket No. 3942 which under Order No. 19545 was not allowed and expenses reflected the 10% co-payment.

- b) If not, please explain why not.

Revenue was not recovered in rates as established in Docket No. 3942 at \$19,798,220, less miscellaneous revenue of \$347,912, yielding a total operating revenue of \$19,450,308.

- c) If not, from where did KCWA draw the funds to pay 100% of the healthcare premiums?

Out of revenue that was collected.

- d) If not, did KCWA need to defer any expenses in order to fund 100% of the healthcare?

The restricted IFR account was funded with available revenue remaining on a monthly basis. That account has not been fully funded. Restricted operation revenue allowance was not funded at all.

Clarification: The employees of Kent County Water Authority have historically had the benefit of no health insurance co-payment. However, circumstances change and the Authority is now well aware of the external pressures to amend this practice and the Authority is in the process of preparing its budget for FY 2011 and a co-payment and possibly changes to the insurer will certainly adhere to the concept of co-share.