

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

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

DOCKET NO. 3843

ORDER

WHEREAS, On March 30, 2007, 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 \$9,688,321¹; and

WHEREAS, On October 30, 2007 the Commission approved a revenue increase of \$6,935,500; and

WHEREAS, the wholesale rate was increased to \$1,455.77 per million gallons; and

WHEREAS, On November 7, 2007, 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;² and

WHEREAS, KCWA's application stated that Providence Water's proposed wholesale rate, if approved, would increase the annual purchased water expense of KCWA to approximately \$614,473.00; and

WHEREAS, On November 8, 2007, after examination, the Division of Public Utilities and Carriers ("Division") filed a memorandum approval, contingent upon the

¹ Docket No. 3832.

Commission's approval of Providence Water's compliance tariffs implementing the increased wholesale rate; and

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

WHEREAS, The Commission finds that in accordance with R.I.G.L. § 39-3-12 that good cause exists for allowing Kent County Water Authority's rates to be changed with less than thirty (30) days notice because the expense is a pass-through from Providence Water Supply Board for usage on and after November 1, 2007 based on a decision by the Commission after hearings, and not the result of an increase in general operating expenses; and

WHEREAS, The Commission finds that KCWA's calculation of wholesale rates is accurate and reasonable and therefore, sets the following rates: Small customer class - \$3.790 per hcf; Medium customer class - \$3.210 per hcf; and Large customer class - \$2.721 per hcf.

Accordingly, it is

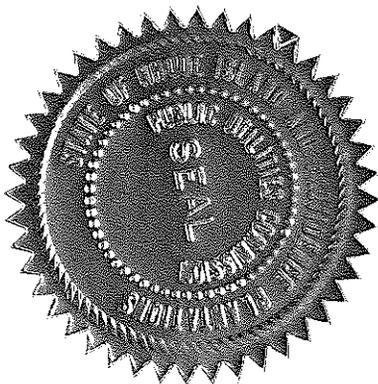
(19149) ORDERED:

1. That the amended motion to pass through the wholesale rate increase filed by the Kent County Water Authority on November 7, 2007 is hereby approved.
2. That Kent County Water Authority's Compliance Tariffs filed with the Commission on November 16, 2007 are hereby approved.

² KCWA filed its original Motion to Pass Through Wholesale Rates on May 21, 2007.

EFFECTIVE AT WARWICK, RHODE ISLAND ON NOVEMBER 8, 2007,
PURSUANT TO AN OPEN MEETING DECISION MADE ON NOVEMBER 8, 2007.
WRITTEN ORDER ISSUED ON DECEMBER 17, 2007.

PUBLIC UTILITIES COMMISSION



Elia Germani

Elia Germani, Chairman

Robert B. Holbrook

Robert B. Holbrook, Commissioner

Mary E. Bray

Mary E. Bray, Commissioner