



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Division of Public Utilities and Carriers  
89 Jefferson Blvd.  
Warwick RI 02888

November 12, 2008

**TO** : Luly Massaro, Commission Clerk  
**FROM** : John Bell, <sup>JB,</sup> Public Utilities Analyst

**SUBJECT:** Docket No. 3942  
Kent County Water Authority's General Rate Filing

At its open meeting on October 30, 2008, the Commission decided the outstanding issues in the above referenced docket. In summary, the Commission approved an IFR funding level of \$5.4 million annually, an operating revenue allowance of 3%, an adjustment to health insurance to reflect a 10% co-share of the premium by employees, and a reduction to salary expense to reflect funding for a 2% salary increase for employees as opposed to the requested increase of 3.2%.

On November 5, 2008, the KCWA filed its proposed rates along with a proof of revenues and new tariffs pages to reflect the Commission's decision in this docket. KCWA based its compliance filing on the assumption that the Commission's intent was to limit funding of the increase in wages to 2% for the period July 1, 2009 through October 31, 2009 rather than from the beginning of the rate year which is November 1, 2008. The compliance filing reflects a revenue increase of \$3,442,755 or 21.02% and total pro forma revenues of \$19,817,747.

The Division reviewed KCWA's filing and found that the compliance rates accurately reflect the revenue requirements authorized in this docket assuming that the salary reduction the Commission approved is for the period beginning July 1, 2009.

CC: Service List via E-Mail