

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

Petition of the KENT COUNTY WATER |
AUTHORITY-Rate Application |

Docket No.: 4142

INTERVENOR'S POSITION

Now comes the City of Warwick (the "City"), by and through its City Solicitor, and hereby provides this, the Intervenor's Position in the above-captioned matter. The City objects to the Kent County Water Authority's (the "Authority") request to seek a rate hike to collect additional revenues of \$1,460,031 during their upcoming budget year, representing an 8.16 percent increase. The City purchases water from the Authority and provides that purchased water to its customers. This purchased water is set at the Providence wholesale purchase rate and will not be affected by this rate hike request. However, several thousand customers of the Authority are located within the municipal boundaries of the City. These residents, businesses and municipal water users served by the Authority are located in the Cowesett, Apponaug and Tollgate areas of the City. These customers will have to bear any increase in the rate for water purchased from the Authority. In addition, the Authority seeks to increase its public fire hydrant rental fee by eight (8) percent per quarter; some \$6.12 per hydrant. Overall this will increase hydrant rental costs to the City by more than Twenty Thousand Dollars (\$20,000) per year.

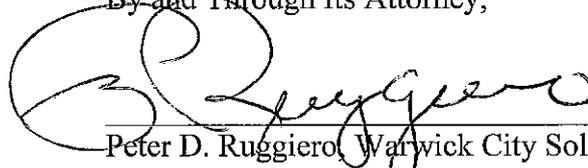
The basis for the rate hike request is **due to revenue shortfalls from reduced sales** (pre-filed testimony of Timothy J. Brown and Christopher Woodcock (PUC Docket # 4142)). Mr. Woodcock stated that the sales shortfalls were due to reduced irrigation demand, reductions in non-residential use, successful water conservation by users, and the general results of the economic slowdown. (Id.) Yet, a review of the *pro forma* expenses forms supplied with the rate

hike request shows no reduction in expenses-this is just simply a request to raise rates to meet expenses. No evidence was offered to show that the Authority attempted, considered or effected expense reductions as a part of this rate hike request. Instead, the Authority mere seeks the easy way out, to somehow get the money it needs to match expenses. When the general public and most levels of government must learn to make do with less the Authority wants to proceed with business as usual.

The City intends to show that the Authority has not demonstrated a need to raise rates to obtain nearly 1.5 million dollars in additional revenue to meet current budget expenditures. The City intends to show that expense reductions at the Authority are possible without compromising the public health, safety or welfare.

For these reasons the City hereby requests the PUC to deny the rate hike request of the Authority.

Respectfully submitted,
CITY OF WARWICK,
By and Through Its Attorney,



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Dated: March 16, 2010

CERTIFICATION

I, the undersigned, do hereby certify that I did forward a copy of the within Intervenor's Position via e-mail to all on the following service list on the 17th day of March, 2010.

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