



## STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS  
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### MEMORANDUM

**To: Ms. Stephanie De La Rosa, Commission Clerk  
Public Utilities Commission**

**From: D. Joseph Drane, Chief Financial Analyst  
Division of Public Utilities & Carriers**

**Date: September 24, 2025**

**Re: 25-34-WW Kent County Water Authority's Pass-Through Rate Filing**

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### Introduction

On September 12, 2025, the Kent County Water Authority ("KCWA") filed a motion with the Public Utilities Commission ("Commission") requesting approval to pass through the Providence Water Supply Board's ("PWSB") wholesale rate change, which became effective on August 1, 2025, in Docket 24-54-WW. The Division of Public Utilities and Carriers ("Division") provides this memorandum in response to KCWA's filing.

The motion, supported by the pre-filed direct testimony and schedules of Mr. David Bebyn, requests that the revised retail rates be made effective August 1, 2025. According to the filing, it was submitted pursuant to Rhode Island General Laws §39-3-38.1 which states:

*Rate Adjustments – Purchase and Sales of water between regulated water supply boards. Regulated water supply boards which purchase wholesale water from another regulated water supply board may impose a retail rate increase. The total amount of the retail rate so imposed shall not exceed the amount of the wholesale rate increase. The proposed retail rate increase to be applied by the wholesale purchase shall be submitted no less than thirty (30) days prior to its effective date to the public utilities commission for its review and approval.*

## Summary of Filing

The purpose of KCWA's filing is to reflect, in its consumption charges, the reduced cost of purchase water resulting from PWSB's wholesale rate decrease. According to DGB Compliance – Schedule-1 the lower wholesale rates result in a \$455,588 decrease in purchase water costs. This reduction lowers KCWA's required revenues from consumption charges from \$17,247,138 to \$16,801,550, a 2.58% decrease.

DGB Compliance – Schedule 2 illustrates that the proposed rates were calculated by applying this 2.58% decrease to KCWA's current consumption rates. The table below compares current and proposed rates:

Consumption Charge:	Current Rates	% Decrease	Proposed Rates
Small-Single Register	\$ 5.278	-2.58%	\$ 5.142
Medium-Single Register	\$ 5.610	-2.58%	\$ 5.465
Large-Single Register	\$ 5.147	-2.58%	\$ 5.014
Medium-with Bypass	\$ 5.610	-2.58%	\$ 5.465
Large-with Bypass	\$ 5.147	-2.58%	\$ 5.014
Wholesale	\$ 3.863	-2.58%	\$ 3.763

Source: KCWA DGB Compliance - Schedule 2 Current rates vs. Proposed rates

For a residential customer using 100 HCF of water annually, the proposed change would reduce their bill from \$587.20 to \$573.60, an annual decrease of \$13.60 or approximately 2.32%.

## Conclusions and Recommendation

The Division has reviewed KCWA's calculations and confirms that the proposed rates were accurately derived.

While the statutory language in R.I. Gen. Laws §39-3-38.1 specifically authorizes rate increases, it does not prohibit rate decreases. Therefore, the Division finds it appropriate and in the public interest to allow the pass-through of decreases in wholesale rates. The Division accordingly supports KCWA's motion.

Regarding the proposed effective date of August 1, 2025, the statute requires that filings for rate increases "be submitted no less than thirty (30) days prior to the effective date". Therefore, the earliest effective date for this filing would be October 12, 2025. However, because this is a rate decrease, the Division submits that an earlier effective date to provide expediated rate relief to customers, is permissible and desirable. Upon discussion with KCWA, the Division was informed that September bills have not yet been issued and are scheduled to be sent later in the month. Both parties agreed that the most practical solution is to apply the new rates to all bills issued on or after September 1, 2025, thereby ensuring customers benefit from the lower rates without billing complications.

Based on our review, the Division recommends that the Commission approve the proposed consumption rates as filed, with an effective date for all bills issued on or after September 1, 2025.