

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND
TOWN COUNCIL**

**RESOLUTION OPPOSING PROPOSED WATER RATE INCREASE BY VEOLIA WATER
RHODE ISLAND, INC. IN PUBLIC UTILITIES COMMISSION DOCKET NO. 25-30-WW**

WHEREAS, Veolia Water Rhode Island, Inc. has filed an application with the Rhode Island Public Utilities Commission seeking approval to revise and increase the rates charged for water service in Docket No. 25-30-WW; and

WHEREAS, the Town of South Kingstown operates the South Shore and Middlebridge municipal water systems, both of which rely on wholesale water purchased from Veolia; and

WHEREAS, approximately eighty percent of parcels in South Kingstown receive water from a public water system, and the South Shore and Middlebridge systems together serve thousands of residential and commercial customers within the Town; and

WHEREAS, Veolia's application proposes a substantial increase in wholesale water rates applicable to municipal resale customers, including a proposed increase in the volumetric rate from \$1.639 to \$3.365 per 1,000 gallons and an increase in the monthly meter charge applicable to municipal systems; and

WHEREAS, these proposed changes represent an increase of more than one hundred percent in the volumetric rate and would result in an overall increase approaching ninety percent in the Town's wholesale water purchase costs based on recent consumption levels; and

WHEREAS, the Town's Department of Public Services has determined that these increases would require the Town to raise rates to South Shore and Middlebridge water customers by approximately fifty-five percent in order to cover the increased cost of wholesale water purchases; and

WHEREAS, such an increase would impose a significant and immediate financial burden on South Kingstown residents and businesses and would create serious concerns regarding affordability and rate shock for essential water service; and

WHEREAS, the Town's water systems are fully supported by user fees and limited non-rate revenue, and a substantial increase in wholesale water costs would force the Town to divert funds from capital reserves and defer necessary infrastructure maintenance and improvement projects; and

WHEREAS, a review conducted by the Town's Department of Public Services indicates that the "Sales for Resale" customer classification used by Veolia allocates costs for

infrastructure and services that do not directly benefit the Town's systems, and that the proposed rate increase unfairly burdens municipal wholesale purchasers and their ratepayers; and

WHEREAS, under R.I. Gen. Laws § 39-15.1-3, the Rhode Island Public Utilities Commission must ensure that water rates are responsible and adequate to cover the reasonable costs of water supply while also being equitably and fairly allocated among classes of users, including compliance with § 39-15.1-3(b) on equitability, which requires rates within a class of users to fairly reflect the costs attributable to that class; and

WHEREAS, the Town Council believes that the proposed rates will not comply with the statutory standards of R.I. Gen. Laws § 39-15.1-3, because they disproportionately burden municipal wholesale purchasers, fail to provide a fair allocation of costs for the "Sales for Resale" classification, and do not demonstrate that the charges reflect the actual cost of service attributable to that customer class; and

WHEREAS, the Town Council further believes that approval of the proposed increase would undermine the statutory objectives of adequacy, equitability, and affordability under R.I. Gen. Laws § 39-15.1-3, while limiting the Town's ability to maintain its own infrastructure and financial reserves necessary to ensure reliable water service;

NOW, THEREFORE, BE IT RESOLVED that the Town Council of the Town of South Kingstown hereby formally opposes the rate increases requested by Veolia Water Rhode Island, Inc. in Docket No. 25-30-WW; and

BE IT FURTHER RESOLVED that the Town Council respectfully urges the Rhode Island Public Utilities Commission to deny the requested rate increase as presently proposed because the application will not comply with the statutory standards set forth in R.I. Gen. Laws § 39-15.1-3 governing adequacy, equitability, and fair allocation of water supply costs; and

BE IT FURTHER RESOLVED that the Town Council requests that the Commission require Veolia to provide a more detailed and transparent cost-of-service analysis demonstrating that any proposed rates applicable to municipal wholesale customers accurately reflect the costs attributable to those customers and comply with the requirements of R.I. Gen. Laws § 39-15.1-3, including subsection (b) regarding equitability; and

BE IT FURTHER RESOLVED that the Town Council encourages the Commission to ensure that any approved rate structure protects the affordability of water service for Rhode Island residents and does not impose disproportionate burdens on municipal water systems and their ratepayers; and

BE IT FURTHER RESOLVED that the Town Clerk is hereby directed to transmit a copy of this Resolution to the Rhode Island Public Utilities Commission and to Veolia Water Rhode Island, Inc. for inclusion in the record of Docket No. 25-30-WW.

Adopted by the South Kingstown Town Council on March 23, 2026.

ATTEST:

Emily Houle, Town Clerk