EIGHTH KOSRAE STATE LEGISLATURE

SIXTH REGULAR SESSION, 2005 R&D L.R. NO. 8-136

A RESOLUTION

Recommit to R&D 8/11/05

Requesting the KUA Board and Management to consider inclusion of the Fuel Adjustment Charge into its regular billing rate structure.

Whereas, existing monthly rates as charged by the Kosrae Utility Authority (KUA) was computed at the time when diesel fuel sold to KUA was at one dollar a gallon:

Whereas, in October 2000, due to rising cost of diesel fuel, KUA instituted a fuel adjustment charge, separate from its regular billing rates;

Whereas, this fuel adjustment charge is calculated by multiplying the cost of fuel for the month by .08 cents, and subtracting the base rate of .08 from the product to arrive at the fuel adjustment charge per kilowatt-hour, which amount is then multiplied by the kilowatt-hours used during the month;

Whereas, since the inception of this fuel adjustment charge, fuel prices world-wide continued to increase, hence, the continuous increases in the fuel adjustment charge;

Whereas, given today's trend in fuel prices, it is unlikely that fuel prices will soon go down to the one-dollar-a-gallon level; now and therefore

Be it resolved, that the Kosrae State Legislature, on behalf of the people of Kosrae, respectfully requests the KUA Board and Management to incorporate the fuel adjustment charge into its regular rate structure;

Be it further resolved, that KUA Board and Management also examine possible measures to stabilize the cost of fuel it uses, either by securing a long-term fuel supply contract or expand its tank farm;

Be it further resolved, that certified copies of this resolution shall be transmitted to Mr. Fred N. Skilling, KUA General Manager, Members of the KUA Board of Directors: Chairman Palokoa Charley, Member Stoney Taulung, Member Vinson Henry Member Hairon Livaie, Ex-Officio Member Bruce Howell and the Honorable Rensley A. Sigrah, Governor of the State of Kosrae.

Date 8/10/05 Introduced by: Patterson B. Benjamin