

Agenda Date: June 13, 2024
Item Number: A1

Docket: UW-240290
Company Name: Solmar Water System, Inc.

Staff: Jeanine Leggett, Regulatory Services
Kris Ireland, Consumer Protection

Recommendation

Take no action, thereby allowing the tariff revisions filed by Solmar Water System, Inc., on April 30, 2024, and revised on June 6, 2024, to become effective June 30, 2024, by operation of law.

Background

On April 30, 2024, Solmar Water System, Inc. (Company) filed with the Washington Utilities and Transportation Commission (Commission) a proposed general rate increase that would generate approximately \$11,200 additional annual revenue. The tariff revisions to Tariff WN U-4 include increased ancillary charges for a Service Connection Fee, Service Visit, Disconnection and Reconnection Visit, and Late Payment Charge. The proposed effective date is July 1, 2024. The Company serves 321 residential customers near Sequim in Clallam County. The Company's last rate increase was effective January 1, 2014.

Discussion

The reason for this rate increase is to cover increased operating expenses which include utilities (power and telecommunications), water testing and treatment, insurance, property taxes, and licensing fees.

This increase will not raise the base rate, but will raise the three tier block rates. Tier 1 will increase \$.65, Tier 2 will increase \$.60, and Tier 3 will increase \$.40. The Service Connection fee has more than doubled since set 10 years ago in the last rate case. However a quote was provided to show the reason behind the fee increase.

Staff has completed its review of the Company's supporting financial documents, books and records. Staff's review of the filing shows that the operating expenses are reasonable and required as part of the Company's operation. The Company's financial information supports the revenue requirement and the proposed rates and charges are fair, just, reasonable, and sufficient.

Customer Comments

On April 30, 2024, the Company notified its customers of the proposed rate increase by mail. The Commission received no comments.

Monthly Residential Bill Comparison

Monthly Average 648 Cubic Feet	Current Rate	Proposed Rate
3/4-Inch Metered Service Base	\$25.00	\$25.50
0 – 648 Cubic Feet	\$6.48	\$10.69
Water Bill Total	\$31.48	\$36.19
Increase From Current Rates - \$4.52		14.96%

Rate Comparison

Monthly Rate	Current Rate	Proposed Rate
Base Rate, 3/4–Inch Meter	\$25.00	\$25.50
Allowance With Base Charge CF*	0	0
Up To 1,000 CF, Per CCF**	\$1.00	\$1.65
1,001 - 2,000 CF, Per CCF	\$1.50	\$2.10
2,001 CF and Above, Per CCF	\$2.00	\$2.40
Base Rate, 1 1/2–Inch Meter	NA	\$84.90
Allowance With Base Charge CF*	NA	0
Up To 3,330 CF, Per CCF**	NA	\$1.65
3,331 - 6,660 CF, Per CCF	NA	\$2.10
6,661 CF and Above, Per CCF	NA	\$2.40
Base Rate, 3-Inch Meter	\$1,250.00	\$1,200.00
Allowance With Base Charge CF	0	0
Up To 10,000 CF, Per CCF	\$1.00	\$1.65
10,001 - 20,000 CF, Per CCF	\$1.50	\$2.10
20,001 CF and Above, Per CCF	\$2.00	\$2.40

* CF – Cubic Feet,

** CCF - 100 Cubic Feet,

Ancillary Charge Comparison

Charge or Service	Current Charge	Proposed Charge
Un-Metered, Flat rated service	\$33.00	\$33.00
Service Connection	\$650.00	\$2,122.03
Disconnection Visit Charge	\$25.00	\$50.00
Reconnection Visit Charge	\$15.00	\$100.00
Service Visit Charge (Minimum)	\$15.00	\$50.00
Seasonal Turn Off/On (per visit)	N/A	\$25.50

Conclusion

Take no action, thereby allowing the tariff revisions filed by Solmar Water System, Inc., on April 30, 2024, and revised on June 6, 2024, to become effective June 30, 2024, by operation of law.