

Agenda Date: July 30, 2009  
Item Number: A3

Docket: UW-091051  
Company Name: Burton Water Company, Inc.

Staff: Jim Ward, Regulatory Analyst  
Dennis Shutler, Consumer Protection Staff

### **Recommendation**

Issue a Complaint and Order Suspending the Tariff Revisions filed by Burton Water Company, Inc., on June 30, 2009.

### **Discussion**

On June 30, 2009, Burton Water Company, Inc., (Burton or company), filed tariff revisions to its currently effective tariff that would generate \$60,485 (44 percent) in additional annual revenue. The company states the increase is necessary as the costs of operations exceed its revenues. The company serves about 415 customers on Vashon Island in King County. The proposed effective date is August 1, 2009. The company's last rate increase was in March 2008.

### **Customer Comments**

The company notified customers of the proposed increase by mail on June 30, 2009.

The commission received seven customer comments on this filing; all are opposed to the proposed increase. Please note that customers often address several issues of concern within one comment. Therefore, subtotals may not equal the total number of comments submitted.

Consumer Protection staff advises customers that they may access company documents about this rate case at [www.utc.wa.gov](http://www.utc.wa.gov), and [www.utc.wa.gov/water](http://www.utc.wa.gov/water) and that they may contact Dennis Shutler at 1-888-333-9882 with questions or concerns.

### **Filing Documents and Methodology Comments**

- One customer asked whether the company is pursuing a capital improvement project.

#### **Staff Response**

The company notes the reason for the increase is that expenses exceed revenues. Staff is not aware of any new capital projects.

- Two customers believe the three-quarter inch and one-inch service rates should be the same.

#### **Staff Response**

Different meter sizes (3/4 inch versus 1 inch) have different water plant capacity. This difference in capacity has a different cost for providing water service. Staff believes that each customer should pay the appropriate cost for their water service.

**Service Quality Comments**

- One customer is concerned about the water quality.

**Staff Response**

Staff advised the customer that the Department of Health (DOH) reported Burton's permit status as Green, which means that the water is rated great. Recent tests show there are no bacteria present, and nitrates are at 2.3 and not considered to be a problem until exceeding 10.

**General Comment**

- Three customers believe the amount of the increase is excessive due to increased costs of living and current economic conditions.

**Staff Response**

State law requires rates to be fair and reasonable for customers, and sufficient to allow the company the opportunity to recover reasonable operating expenses and earn a reasonable return on investment.

**Rate Comparison**

<b>Monthly Rate</b>	<b>Current Rate</b>	<b>Proposed Rate</b>
Ready-to-Serve (RTS)	\$11.00	\$27.88
Base Rate (3/4inch meter)	\$18.33	\$27.88
0 – 1,000 Cubic Feet	\$1.55	\$1.55
1,001 – 2,500 Cubic Feet	\$1.55	\$4.00
Over 2,500 Cubic Feet	\$4.00	\$6.00
Base Rate (1-inch meter)	\$18.33	\$41.77
0 – 1,670 Cubic Feet	\$1.55	\$1.55
1,671 – 2,500 Cubic Feet	\$1.55	\$4.00
2,501 – 4,175 Cubic Feet	\$4.00	\$4.00
Over 4,175 Cubic Feet	\$4.00	\$6.00

**Average Bill Comparison**

<b>Average Monthly Usage 689 cubic feet</b>	<b>Current Rate</b>	<b>Proposed Rate</b>
Base Rate (3/4 inch meter)	\$18.33	\$27.88
Usage - 689 cubic feet	\$10.68	\$10.68
Average Monthly Bill	\$29.01	\$38.56
Increase From Current Rates		32.9 %

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Although the company has responded to staff data requests, staff has not completed its review of Burton's books, records and supporting documents for the rate increase. The company has not demonstrated the proposed rates are fair, just, reasonable and sufficient.

**Conclusion**

Issue a Complaint and Order Suspending the Tariff Revisions filed by Burton Water Company, Inc., on June 30, 2009.