

Agenda Date: October 13, 2011
Item Number: A3

Docket: UW-111675
Company Name: Cristalina, L.L.C.

Staff: Jim Ward, Regulatory Analyst
Pam Smith, Consumer Protection Staff

Recommendation

Issue a Complaint and Order Suspending the Tariff Revisions filed by Cristalina, L.L.C., on September 15, 2011.

Discussion

On September 15, 2011, Cristalina, L.L.C. (Cristalina or company), filed with the Utilities and Transportation Commission (commission) a general rate case filing that would generate \$64,840 (271 percent) additional annual revenue. The stated effective date is October 15, 2011. The filing was prompted by increased cost of a water system operator, the added expense of extra hours for bookkeeping, the cost of a meter reader and to cover costs of additional software designed for metered billing. The company had its last rate change on March 1, 2010. The company serves 83 residential customers (all non-metered) near Ravensdale, in King County.

The company installed meters last year using a State Revolving Fund construction loan. The proposed tariff increases general rates and shifts all customers from a flat rate schedule to a metered rate schedule. The new rate design proposes a base charge with zero allowance of water usage and two usage blocks with increased rates per block.

Using the proposed rates, a residential customer using 888 cubic feet of water (the system average) would pay \$75.99 (237 percent) more than the current rates (see "Average Bill Comparison" table below). Current and proposed rates are shown below for the general rate increase.

Rate Comparison

Monthly Rate	Current Rate	Proposed Rate
Un-metered Service	\$32.00	NA
Base Rate 3/4 Inch Service	NA	\$51.59
Usage per cubic foot up to 750 cubic feet	NA	\$0.060
Usage per cubic foot over 750 cubic feet	NA	\$0.825
Capital Improvement Surcharge*	\$32.00	\$32.00
Capital Repair Surcharge**	\$4.30	\$4.30

* Surcharge to expire June 1, 2029 or upon recovery of \$555,000

** Surcharge to expire February 29, 2012 or upon recovery of \$7,500

Average Bill Comparison

Average Company Wide (888 cubic feet)	Current Rate	Proposed Rate
Residential	\$32.00	\$107.99
Change from current rate		237%

Commission staff has not completed its review of the company's supporting financial documents, books and records. The company responded electronically to outstanding data requests on September 30 with hard copy exhibits to follow and staff has not yet completed our review. Therefore, the company has not yet demonstrated that the proposed rates are fair, just, reasonable and sufficient.

Customer Comments

On September 15, 2011, the company notified its customers of the proposed rate increase by mail. Interested persons were advised of the proposed rates and that the filing would be heard at the October 13, 2011, open meeting. Staff received one customer comment opposing the rate increase. Consumer Protection staff advised the customer that they may access company documents pertinent to this rate case at www.utc.wa.gov/water, and that they may contact Pam Smith at 1-888-333-WUTC (9882) with questions or concerns.

General Comments

- The customer believes that the service for the past 20 years has been unreliable.
- Staff Response

Staff left a message with the customer to discuss the service issues and will open a complaint if needed.

Conclusion

Issue a Complaint and Order Suspending the tariff revisions filed by Cristalina, L.L.C., on September 15, 2011.