Agenda Date: January 26, 2012

Item Number: A4

**Docket: UW-112182**

Company Name: Betty Lu Miller d/b/a Northwest Water System

Staff: Jim Ward, Regulatory Analyst

 John Cupp, Consumer Protection Staff

**Recommendation**

Issue a Complaint and Order Suspending the Tariff Revisions filed by Betty Lu Miller d/b/a Northwest Water System on December 20, 2011.

**Discussion**

On December 20, 2011, Betty Lu Miller d/b/a Northwest Water System (Northwest Water System or company), filed with the Utilities and Transportation Commission (commission) a general rate case filing that would generate $1,736 (6.4 percent) additional annual revenue. The filing is prompted by an increase in the cost to purchase water from the City of Everett. The company serves 40 customers on a water system located near Everett in Snohomish County. The proposed effective date is February 1, 2012. The company’s last general rate increase was February 1, 2010.

Using the proposed rates, a customer using 564 cubic feet of water (the company-wide average) would pay $3.61 (5.8 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 Rates** | **Current Rate** | **Proposed Rate** |
| Base Rate  | $33.15 | $35.07 |
| Usage 0 – 1,200 cubic feet1 | $0.04658 | $0.04928 |
| Usage over 1,200 cubic feet1 | $0.07558 | $0.07996 |

1 - Based on per cubic foot or fraction thereof.

**Average Bill Comparison**

|  |  |  |
| --- | --- | --- |
| **Average Usage** **(Monthly Bill)**  | **Current Rate** | **Proposed Rate** |
| Base Rate | $33.15 | $35.07 |
| Usage of 564 Cubic Feet | $26.27 | $27.79 |
| Excise Tax (5.029 %) | $2.99 | $3.16 |
| Total | $62.41 | $66.02 |
| Change from current rate | $3.61 | 5.8% |

Commission staff has not completed its review of the company’s supporting financial documents, books and records. The company has not responded to outstanding data requests from January 9, 2012. Therefore, the company has not yet demonstrated that the proposed rates are fair, just, reasonable and sufficient.

**Customer Comments**

On December 19, 2011, the company notified its customers of the proposed rate increase by mail. No customer comments have been received.

**Conclusion**

Issue a Complaint and Order Suspending the tariff revisions filed by Betty Lu Miller d/b/a Northwest Water System on December 20, 2011.