

Agenda Date: March 29, 2017
Item Number: A4

Docket: UW-170153
Company Name: Newaukum Water System, Inc.

Staff: Jim Ward, Regulatory Analyst
John Cupp, Consumer Protection Staff

Recommendation

Issue an Order removing Newaukum Water System, Inc. from regulation and cancelling its currently effective tariff.

Background

On March 6, 2017, Newaukum Water System, Inc. filed a petition for de-regulation. Recently the company reduced monthly charges to customers below the jurisdictional threshold of \$557 average annual revenue per customer. This reduction was effective March 1, 2017. The company states the reason for the request to be deregulated is to pursue a sale and transfer to a non-regulated professional water corporation. The potential buyer has indicated a condition of sale would be that the water system be de-regulated. Additionally, none of the current board members have indicated a willingness to serve on the board of directors of the current non-profit corporation. The company serves 23 customers near Auburn, located in King County.

History

On March 20, 2014, in Docket UW-140445, the commission allowed the initial tariff of Newaukum Water System, Inc. to become effective. The company's last rate change was effective April 1, 2015, and set the rate at \$48 per month for un-metered water service.

Customer Comments

On March 1, 2017, the company notified its customers of the proposed action to reduce rates and petition to become deregulated. Staff received one comment, from a customer opposed to deregulating the company.

Rate Comparison

Monthly Rate	Customer Count	Current Rate
Newaukum Water System, Inc.	23	
Flat Rate March 1, 2017		\$46.00
Previously Flat Rate		\$48.00

The Newaukum board of directors has indicated that they will transfer the water system to a professional company to own and operate. Community Water System has an owner who has a

history of providing water service by contract operations. By letter received March 7, 2017, Community Water Service, LLC has indicated they will be able to maintain rates below the commission jurisdiction.

Discussion

Staff believes this deregulation and future ownership change is in the best interest of the company and customers.

Recommendations

Staff recommends that the commission grant the request for deregulation of Newaukum Water System, Inc. since the water system rates are below the jurisdictional threshold and should remain at that level in the foreseeable future.

Therefore staff recommends that the commission:

Issue an Order removing Newaukum Water System, Inc. from regulation and cancelling its currently effective tariff.