

Agenda Date: July 26, 2018
Item Number: A6

Docket: UW-180592
Company Name: Washington Water Service Company

Staff: Jim Ward, Regulatory Analyst
Tiffany Van Meter, Regulatory Analyst
Danny Kermode, Assistant Director, Water and Transportation
John Cupp, Consumer Protection Staff

Recommendation

Issue a Complaint and Order Suspending the Tariff Revisions filed by Washington Water Service Company, in Docket UW-180592.

Discussion

On July 2, 2018, Washington Water Service Company (Washington Water or company), filed with the Utilities and Transportation Commission (commission) a proposed general rate increase that would generate \$1.6 million (13.8 percent) additional annual revenue. The company’s reason for the increase is many operating costs and also address recent tax issues due to the Tax Cuts and Jobs Act of 2017. The proposed effective date is August 1, 2018. The company serves approximately 17,500 residential customers on 196 water systems located in eight counties. The company’s last rate increase was effective February 1, 2015, and would generate approximately \$1.66 million (17.5 percent) additional annual revenue.

Customer Comments

On July 2, 2018, the company notified its customers of the proposed rate increase by mail. The commission received 31 comments opposed to the increase.

Rate Comparison

Monthly Rate	Current Rate	Proposed Rate
Ready to Serve	\$21.75	\$24.91
Base Rate, 3/4-Inch Meter	\$21.75	\$24.91
0 to 600 CF, Per CCF**	\$3.45	\$3.94
601 To 1,600 CF, Per CCF**	\$4.45	\$5.09
>1,601 CF, Per CCF	\$5.50	\$6.30

* CF – Cubic Feet, ** CCF - 100 Cubic Feet,
Other rates available in tariff.

Monthly Residential Bill Comparison

Monthly Average 854 Cubic Feet	Current Rate	Proposed Rate
Base Rate, 3/4-Inch Meter	\$21.75	\$24.91
600 CF	\$20.70	\$23.64
254 CF	\$11.30	\$14.97
Water Bill Total	\$53.75	\$63.52
Increase From Current Rates -		\$9.77 18.2%

Conclusion

Commission staff has not completed its review of the company's supporting financial documents, books and records. The company's financial information provided has not supported the requested revenue requirement and the proposed rates and charges. Staff and the company continue to work together to review the financial records to determine a revenue requirement and appropriate rates and charges.

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