



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION
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June 10, 2014

NOTICE OF COMPLIANCE

RE: *Washington Utilities and Transportation Commission v. Summit View Water Works, LLC*, Docket UW-110107

TO ALL PARTIES:

The Washington Utilities and Transportation Commission (Commission) entered Order 05, Final Order Approving and Adopting Settlement Stipulation (Order 05), in this docket on November 14, 2011. Order 05, among other things, approved a settlement agreement and required Summit View Water Works (Summit View or Company) to:

- Establish a Facilities Charge of \$1,402, applicable to new customers only.
- Not bill existing customers charges of any kind related to a new well the Company planned to construct.
- Report the final costs and file a new tariff page once construction of the well was complete.
- Pay refunds if the final accounting for construction costs showed any refunds are due.

On February 24, 2014, Summit View filed a letter of compliance as directed in Order 05. Summit View states that the cost of construction of the new well was greater than the original estimate of \$230,000. The final cost of construction was \$370,037.32, exclusive of interest and taxes. However, the Company does not wish to increase the Facilities Charge at this time. Therefore, the Company requests a waiver of the provision in Order 05 and the underlying stipulation requiring Summit View to file a tariff revision to the Facilities Charge. The Company further requests that the Commission accept its compliance letter dated February 24, 2014, as the compliance report required by Order 05.

On May 27, 2014, Summit View made a revised compliance filing and filed revised Tariff WN U-1, First Revised Sheet No. 26, Schedule No. 6, Facilities Charge for Domestic Water Service, with an effective date of July 1, 2014.

On June 4, 2014, Commission Staff (Staff) filed a letter stating that it has reviewed the Company's compliance filing and finds that it has satisfied the conditions of Order 05. Staff further states that Staff and the Company have agreed to:

- The total cost of the well, including construction costs, interest, and utilities taxes, totaling \$524,976 (original estimate \$230,000).
- A reduced facilities charge of \$1,316 facilities charge (current \$1,402).
- Application of the facilities charge to 399 (originally 252) anticipated new customers.
- Maintain the original term of the facilities charge, through September 1, 2028.
- Require Summit View to file a new tariff page containing the new facilities charge and revised total collection amount, which the Company filed on May 27, 2014, with an effective date of July 1, 2014.
- An \$86 per-customer refund due to 43 customers who paid the original \$1,402 facilities charge, and to a method for payment over time, as the next four facilities charges are received.
- A requirement that Summit View Report to the Commission annually on refunds until all 43 customers have been paid.

Staff, therefore, recommends that the Commission:

1. Acknowledge the Company complied with the conditions of Order 05 by filing the required final construction costs, calculating and filing a lower permanent facilities charge, scheduled to become effective July 1, 2014, and agreeing to make refunds to customers who paid the higher facilities charge.
2. Require the Company to report annually on refunds made until all 43 customers entitled to refunds have been paid in full.
3. Require the Company to begin reporting on facilities charge collections in accordance with WAC 480-110-455(4), Water company funding mechanisms – Accounting and reporting requirements.

NOTICE IS HEREBY GIVEN That the Commission accepts Staff's recommendations listed above and finds that Summit View Water Works has complied with the conditions of Order 05.

NOTICE IS HEREBY FURTHER GIVEN That the tariff sheet indicated above as Tariff WN U-1, First Revised Sheet No. 26, Schedule No. 6, Facilities Charge For Domestic Water Service will become effective as filed with an effective date of July 1, 2014.

STEVEN V. KING
Executive Director and Secretary