WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION STAFF AND RAINIER VIEW JOINT RESPONSE TO DATA REQUEST

DATE PREPARED:	June 25, 2012	WITNESS:	Doug Fisher; Jim Ward
DOCKET:	UW-110054	RESPONDER:	Doug Fisher; Jim Ward
REQUESTER:	Bench	TELEPHONE:	(253) 537-6634; (360) 664-1250

BENCH REQUEST NO. 9:

Paragraph 39 of the Settlement Agreement states that all funds will be returned to customers if the Lakewood Pipeline Project is not constructed.

a. Explain at what point in time and through what process the Company will decide that the project will not be constructed.

b. Explain how the Company intends to calculate customer bill credits to return accumulated funds, in the event the project is not constructed.

Paragraph 42 of the Settlement Agreement states that the Lakewood Pipeline Facilities Charge (LPFC) will be $5,756 for a 3/4 inch or smaller meter.

a. Reconcile that amount with the GFC of $1,549 for a 3/4 inch meter stated in paragraph 15 of the Settlement Agreement and provide all supporting workpapers for the reconciliation.

b. If not already explained in response to Bench Request No. 01, explain why the meter size factors published by the AWWA accurately reflect the Company's costs for meter sizes larger than 3/4 inch.

RESPONSE NO. 9:

Paragraph 39:

a. (Doug Fisher): The purpose underlying this filing is to be able to construct the pipeline. It is highly unlikely that the Company will decide that the project will not be constructed. As soon as the filings in this docket are approved by Commission order, the Company intends to immediately begin the engineering process for the project. The only point in time where the project might be canceled is if there is an unprecedented increase in construction costs during the planning phase of the project. The planning phase of the project is projected to take two to three years.

b. (Doug Fisher): Customer credits would take the amount of funds available for credits and divide by the number of customers and then divide by a number of months that is agreed to between the Company and Commission Staff. The calculations for the Company will be presented to Commission Staff for their review before the credit is implemented.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION STAFF AND RAINIER VIEW JOINT RESPONSE TO DATA REQUEST

DATE PREPARED:	June 25, 2012	WITNESS:	Doug Fisher; Jim Ward
DOCKET:	UW-110054	RESPONDER:	Doug Fisher; Jim Ward
REQUESTER:	Bench	TELEPHONE:	(253) 537-6634; (360) 664-1250

Paragraph 42:

a. (Jim Ward): The GFC and LPFC are not related to each other, are based on different costs, and are not reconcilable to each other.

Paragraph 15 of the Settlement Agreement states the amount of the GFC shall be $1,549. The GFC is based on the cost for supporting infrastructure (water system source, treatment, transmission, pumping, and storage infrastructure), as noted in Paragraph 4 of the Settlement Agreement, and explained in response to Bench Request 1.a. The Rainier View – Lakewood Water District pipeline intertie is not included in the GFC. The GFC has no expiration and continues as the Company grows and needs additional supporting infrastructure.

The LPFC is based on the cost of a specific project to intertie the Rainier View water system with the Lakewood Water District. This intertie is known as the Lakewood Pipeline Project, and Rainier View has estimated the cost at $11,572,658 plus interest costs. The LPFC is set to expire after collection of funds to pay off the intertie construction cost, as noted in Paragraphs 48–50 of the Settlement Agreement.

b. (Jim Ward): Please see the response to Bench Request 1.b.