

Agenda Date: December 23, 2008  
Item Number: A4

**Docket:** UW-082113  
Company Name: Deer Meadows Water Company, Incorporated

Staff: Jim Ward, Regulatory Analyst  
Dennis Shutler, Consumer Protection Staff

### **Recommendation**

Take no action on this filing at this time to allow for customer comments.

### **Background**

On November 21, 2008, Deer Meadows Water Company, Incorporated, (Deer Meadows or company), filed with the Utilities and Transportation Commission (commission) tariff revisions that would generate \$215,307 (172 percent) in annual revenue. The company serves 351 customers, including a restaurant/motel and a golf course, northwest of Davenport in Lincoln County. The proposed rates are prompted by increases in supplies, power, laboratory fees, and maintenance expenses.

Today's presentation allows customers or other parties to make comments to the commission. No action is required by the commission. Staff will make its recommendation to the commission at the open meeting on January 15, 2009.

Deer Meadows' initial tariff filing with the commission became effective November 1, 2007. The company states that its last general rate increase was approximately five years ago. The company proposes to change residential rates from a one-block rate design with 5,000 gallon usage allowance to a zero allowance, three-block rate design to encourage conservation. Currently, the company charges \$500 to serve both the restaurant/motel and the golf course. The company proposes separate rates for the restaurant/motel and the golf course, using a zero allowance, three-block rate design.

On November 22, 2008, the company notified its customers of the rate increase by mail. The commission has received numerous customer comments on this filing as of December 16, 2008. All customers are opposed to the increase. A summary of the customers' comments and staff's responses is provided in Attachment A.

**Rate Comparison**

<b>Monthly Rate</b>	<b>Current Rate</b>	<b>Proposed Rate</b>
Residential		
Ready To Serve	N/A	\$54.50
Base Rate (3/4 Inch Meter, 5,000 Gallon Allowance)	\$28.00	N/A
Base Rate (3/4 Inch Meter, Zero Allowance)	N/A	\$54.50
0 - 5,000 Gallons, Per 1,000 Gallons	N/A	\$1.05
5,001 - 10,000 Gallons, Per 1,000 Gallons	\$0.35	\$1.90
Over 10,000 Gallons, Per 1,000 Gallons	\$0.35	\$3.20
Restaurant/Motel		
Base Rate (4 Inch Meter, Included With Golf Course)	N/A	N/A
Base Rate (4 Inch Meter, Zero Allowance)	N/A	\$115.00
0 - 10,000 Gallons Per 1,000 Gallons	N/A	\$0.30
10,001 - 50,000 Gallons Per 1,000 Gallons	N/A	\$0.75
Over 50,000 Gallons Per 1,000 Gallons	N/A	\$1.50
Golf Course		
Base Rate (6 Inch Meter, Flat Rate)	\$500.00	N/A
Base Rate (6 Inch Meter, Zero Allowance)	N/A	\$500.00
0 – 1,000,000 Gallons Per 1,000 Gallons	N/A	\$0.100
1,000,001 – 5,000,000 Gallons Per 1,000 Gallons	NA	\$0.325
Over 5,000,000 Gallons Per 1,000 Gallons	NA	\$0.410

**Average Monthly Bill Comparison, Residential Customers**

Residential (9,907 Gallons Estimate)	\$28.00	\$54.50
5,000 Gallons	\$0.00	\$5.25
4,907 Gallons	\$1.72	\$9.32
Average Monthly Bill	\$29.72	\$69.07
Increase From Current Rates		(132%)

Commission staff has not yet completed its review of Deer Meadow's supporting financial documents, books and records.

**Conclusion**

Take no action on this filing at this time to allow for customer comments.