

Agenda Date: October 11, 2012
Item Number: A1

Docket: UW-121523
Company Name: Scenic Shores Water Company

Staff: Jim Ward, Regulatory Analyst
Melissa Cheesman, Regulatory Analyst
Pam Smith, Consumer Protection Staff

Recommendation

Issue a Complaint and Order Suspending the tariff revisions filed by Scenic Shores Water Company on September 17, 2012.

Discussion

On September 17, 2012, Scenic Shores Water Company (Scenic Shores or company) filed with the Utilities and Transportation Commission (commission) tariff revisions that would generate \$8,341 (33 percent) additional annual revenue. The company is a homeowners' association that operates a water system on Lake Lawrence near Yelm in Thurston County. The company provides non-regulated service to 201 members and regulated service to 35 non-members. The proposed effective date is October 20, 2012. The company's last rate increase was effective on April 20, 2010.

Customer Comments

On September 15, 2012, the company notified its customers of the proposed rate increase by mail. Two comments have been received to date. Both are opposed to the proposed rate increase. Customers were notified that they may access documents about this case on the commission's website, and that they may contact John Cupp at 1-888-333-WUTC (9882) or jcupp@utc.wa.gov with questions or concerns.

Filing Documents and Methodology

- Both of the customers who commented expressed their concerns about differences in how homeowners' association members and non-members are treated. Their concerns include non-members paying more for water than members, and that members of the homeowners' association are enjoying the benefit of a generator that non-members paid for.

Staff Response

Staff is reviewing these issues as they analyze the company's request.

Using the calculated average usage for regulated customers of 950 cubic feet of water per month, a customer would pay \$9.68 (18.8 percent) more than the current rates (see "Average Bill Comparison" table below). The company advised staff that it charges the full block one rate to

every customer that uses between 5 - 1,000 cubic feet. Current and proposed rates are shown below for the general rate increase.

Rate Comparison

Monthly Rate	Current Rate	Proposed Rate
Base Rate (1-inch)	\$42.50	\$46.75
0 – 1,000 Cubic Feet*	\$9.00	\$11.50
Over 1,000 Cubic Feet**	\$2.00	\$2.80
Public Utility Tax	NA	5.029%

*No proration, flat charge for any water used.

**Per 100 Cubic Feet

Average Bill Comparison

Average Monthly Usage 950 Cubic Feet	Current Rate	Proposed Rate
Base Rate (1-inch)	\$42.50	\$46.75
0 – 950 Cubic Feet *	\$9.00	\$11.50
Subtotal	\$51.50	\$58.25
Public Utility Tax (5.029 %)	NA	\$2.93
Average Monthly Bill	\$51.50	\$61.18
Increase From Current Rates		\$9.68
		18.8%

*No proration, flat charge for any water used.

Commission staff has not completed its review of the company’s supporting financial documents, books and records. The company has responded to outstanding data requests issued on September 27, 2012, and staff has not yet completed our review of the additional information. Therefore, the company has not yet demonstrated that the proposed rates are fair, just, reasonable and sufficient.

Conclusion

Issue a Complaint and Order Suspending the tariff revisions filed by Scenic Shores Water Company on September 17, 2012.