

Agenda Date: December 27, 2013
Item Number: A3

Docket: UW-132142
Company Name: Solmar Water System, Inc.

Staff: Jim Ward, Regulatory Analyst
John Cupp, Consumer Protection Staff

Recommendation

Take no action, thereby allowing the tariff revisions filed by Solmar Water System, Inc., on November 19, 2013, as revised on December 12, 2013, to become effective January 1, 2014, by operation of law.

Discussion

On November 19, 2013, Solmar Water System, Inc. (company), filed with the Utilities and Transportation Commission (commission) a proposed general rate increase that would generate \$13,710 (13.9 percent) additional annual revenue. The tariff revisions to Tariff WN U-2 include new ancillary charges for a Service Visit, Water Availability Letter, Credit/Debit Card Fees, Backflow Assembly Service Visit, and language to implement the Department of Health's Cross Connection Control requirements. The proposed effective date is January 1, 2014. The company serves 302 residential customers near Sequim in Clallam County. The company's last rate increase was effective September 1, 2001.

This filing changes the current rate design by adding tiered usage charges and establishing a 3-inch meter charge. The 3-inch meter was recently installed and the company has collected water usage data. The 3-inch meter rate replaces a mobile home park flat rate charge based on the number of units in the park. This meter installation will provide accurate water usage data and help the company promote water use efficiency.

On December 12, 2013, the company filed revised tariff pages in new Tariff WN U-3.

Customer Comments

On November 18, 2013, the company notified its customers of the proposed rate increase by mail. The commission received no comments. The company received two comments asking for clarification on their individual bills.

Rate Comparison

Monthly Rate	Current Rate	Proposed Rate
Base Rate, 3/4-Inch Meter	\$22.00	\$25.00
Allowance With Base Charge CF*	0	0
Up To 1,000 CF, Per CCF**	\$1.00	\$1.00

Monthly Rate	Current Rate	Proposed Rate
1,001 - 2,000 CF, Per CCF	\$1.00	\$1.50
2,001 CF and Above, Per CCF	\$1.00	\$2.00
Base Rate, Flat Mobile Home Park	\$1,776	NA
Base Rate, 3-Inch Meter	NA	\$1,250.00
Allowance With Base Charge CF	NA	0
Up To 10,000 CF, Per CCF	NA	\$1.00
10,001 - 20,000 CF, Per CCF	NA	\$1.50
20,001 CF and Above, Per CCF	NA	\$2.00

* CF – Cubic Feet,

** CCF - 100 Cubic Feet,

Monthly Residential Bill Comparison

Monthly Average 648 Cubic Feet	Current Rate	Proposed Rate
3/4-Inch Metered Service Base	\$22.00	\$25.00
0 – 648 Cubic Feet	\$6.48	\$6.48
Water Bill Total	\$28.48	\$31.48
Increase From Current Rates - \$3.00		10.5%

Ancillary Charge Comparison

Charge or Service	Current Charge	Proposed Charge
Un-Metered, Flat rated service	\$29.50	\$33.00
Service Connection	\$425.00	\$650.00
Service Visit Charge	NA	\$15.00
NSF Check Charge	\$15.00	\$20.00
Water Availability Letter	Free	\$20.00
Backflow Assembly Service Visit	NA	\$15.00
Credit/Debit Card Processing Fee	NA	4.00%
Credit/Debit Card Chargeback	NA	\$10.00

Commission staff has completed its review of the company's supporting financial documents, books and records. Staff's review of the filing shows that the operating expenses are reasonable and required as part of the company's operation. The company's financial information supports the revenue requirement and the proposed rates and charges are fair, just, reasonable, and sufficient.

Conclusion

Take no action, thereby allowing the rates and tariff revisions re-filed by Solmar Water System, Inc., on November 19, 2013, as revised on December 12, 2013, to become effective January 1, 2014, by operation of law.