

Agenda Date: April 22, 2021
Item Number: A5

Docket: UW-210126
Company Name: Roche Harbor Water System

Staff: Tiffany Van Meter, Regulatory Analyst
John Cupp, Consumer Protection Staff

Recommendation

Allow the tariff pages filed by Roche Harbor Water System on February 25, 2021, to become effective April 22, 2021, by operation of law.

Background

On February 25, 2021, Roche Harbor Water System (Roche Harbor or company) filed with the Utilities and Transportation Commission (commission) a tariff revision that as stated in the company cover letter would generate approximately \$71,000 (16.6 percent) additional annual revenue. Review by commission staff (staff) found that the proposed rates will generate approximately \$88,000 (22 percent) of additional annual revenue. The company serves 624 customers in San Juan County.

The company's last rate increase which provided \$35,594 of additional annual revenue became effective March 1, 2012. The main reason for the current filing is general increases in operating expense and significant investment in assets since the 2012 rate case.

The company has a surcharge currently in place on each 1000 gallons of usage and it will remain the unchanged. This surcharge expires November 30, 2023, upon recovery of the \$1,634,700 DWSRF Loan which was borrowed to build the treatment plant and new 12" main in 2003. Additionally, the company will be adjusting some of the ancillary charges to help recover cost directly incurred by customers.

After review, staff found the company's books and records supported the company's request and the proposed rates were fair, just, reasonable, and sufficient. The company made significant infrastructure upgrades replacing water mains adding a Supervisory Control and Data Acquisition (SCADA) system and replacing boosters and pumps. Staff's review showed the company was entitled to additional annual revenue above the amount requested. The company was made aware of this and decided to continue with the request as filed and come back at another time to request the remaining revenue.

Customer Comments

On February 25, the company notified its customers by mail of the proposed rate increase. Staff received no comments.

Rate Comparison

Monthly Rate*	Current Rate	Proposed Rate	Percentage Rate Increase
Base Charge **	\$32.00	\$38.40	20%
Block 1 ***	\$ 4.60	\$ 5.52	20%
Block 2 ***	\$ 8.70	\$10.44	20%
Block 3 ***	\$10.90	\$13.08	20%
Usage Blocks	Current	Proposed	
Block 1	0-5,000	0-5,000	
Block 2	5,001-10,000	5,001-10,000	
Block 3	>10,000	>10,000	

* Does not include surcharge for treatment.

** For ¾-inch connection; other base rates available in tariff.

*** Per 1,000 gallons

Average Residential Monthly Bill Comparison

Average Monthly Usage – 3,837 gallons/month

Monthly Rate	Current Rate	Proposed Rate	Percentage Increase
Base Charge *	\$ 32.00	\$ 38.40	20%
3,837 gallons/month usage	<u>\$ 17.65</u>	<u>\$ 21.18</u>	20%
Total Average Monthly Bill	\$ 49.65	\$ 59.58	20%

Ancillary Charges will be adjusted to the following:

Rule#	Rule Description	Old Charges	Proposed Charge	Percentage Change
Rule 5	Disconnection Visit Charge (per visit)	\$0.00	\$75.00	
Rule 6	Reconnection Charge (per visit)	\$41.00	\$75.00	82.9%
Rule 11	Service Visit Charge	\$41.00	\$75.00/hr	82.9%
Rule 14	Late Payment Charge of; 2% Unpaid Balance and \$6.00	1% and \$2.00	2% and \$6.00	200%
Rule 20	Account Set-up Charge	\$25.00	\$50.00	50%
Rule 21	NSF Charge (each check)	\$10.00	\$25.00	150%
Rule 22	Water Availability Letter Charge	\$0.00	\$50.00	
Rule 24	Backflow Assembly Inspection	\$0.00	\$75.00/hr	
Rule 28	Damage and Repair Clause <i>Hourly Labor Charge</i>	\$0.00	Time and Materials	

Schedule#	Rule Description	Old Charges	Proposed Charge	Percentage Change
Schedule 4	Wholesale Water	\$20/day + \$0.021/Gallon	\$20/load+ \$0.021/Gallon	10%
Schedule 5	Service Connection Charge (¾" Installation) Greater that ¾"	\$1500.00 Various	\$2,500.00 Time and Material	66.6%
Schedule 8	Cross Connection Control (<i>Installation by approved installer/Service visit/Premises inspection charge</i>)	\$41.00	\$75.00/hr.	89.2%

Conclusion

Commission staff has completed its review of the company's supporting financial documents, books, and records. Staff's review shows that the proposed rates are reasonable and required as part of the company's operations.

Therefore, staff recommends the commission allow the tariff pages filed by Roche Harbor Water System on February 25, 2021, to become effective May 1, 2021, by operation of law.