

Agenda Date: April 25, 2024
Item Number: A3

Docket: UW-240163
Company Name: Community Water Service of Dungeness Heights

Staff: Byron Davis, Regulatory Services
Melissa Castaneda-Kerson, Consumer Protection

Recommendation

Take no action, thereby allowing the tariff pages filed by the Community Water Service of Dungeness Heights on March 7, 2024, and revised on April 15, 2024, to become effective May 1, 2024, by operation of law.

Background

On March 7, 2024, Community Water Service of Dungeness Heights (Community Water Service or Company) filed with the Washington Utilities and Transportation Commission (Commission) a tariff revision that would generate approximately \$9,900 (14 percent) additional annual revenue. The Company serves 136 customers located in Sequim in Clallam County. The Company's last general rate increase became effective April 1, 2019.

The filing is a result of additional utility plant and increased expenses for insurance, taxes, wages, and power cost. Commission Staff (Staff) found in its review that the Company supported the requested revenue requirement and proposed rate structure. On the initial rate increase proposed by Community Water Service of Dungeness Heights, Staff adjusted base and block rates. Staff believes the base and block rate increases proposed by the Company could potentially cause over revenue generation during the summer months. Staff practice is to set rates so that the base rate plus block 1 usage approximates the winter average usage, and that plus block 2 approximates summer average usage. Staff proposed to shift more revenue requirement to block 2, and increased block 3 to encourage conservation. The Company agreed to the revised rate structure, which will increase the average bill by \$7.09 or 18.5 percent.

Customer Comments

On March 7, 2024, the Company notified its customers of the proposed increase by mail. Staff received no comments.

Rate Comparison

Current block	Current Rate	Revised Block	Revised Rate	Percentage Increase
Base Charge *	\$25.00	Base Charge *	\$27.00	8.0%
Block 1 0-750 cubic feet	\$1.50	Block 1 0-500 cubic feet	\$1.75	16.7%
Block 2 750-1,500 cubic feet	\$1.75	Block 2 500-1,000 cubic feet	\$2.50	42.9%
Block 3 >1,500 cubic feet	\$3.00	Block 3 >1,000 cubic feet	\$3.50	16.7%

* for ¾ connection; other base rates available in tariff.

Average Monthly Bill Comparison

	Current Rate	Proposed Rate	Percentage Increase
Average Monthly Usage 884 cubic feet			
Base Charge	\$25.00	\$27.00	8.0%
Average Monthly Bill	\$38.27	\$45.36	18.5%
Average Bill Increase		\$7.09	18.5%

Conclusion

Commission staff has completed its review of the Company’s supporting financial documents, books, and records. Staff’s review shows that the proposed filing is reasonable and required as part of the Company’s operations. Staff’s opinion is that the Company’s financial information supports the revenue requirement, and the revised rates and charges are fair, just, reasonable, and sufficient.

Therefore Staff recommends the Commission Take no action, thereby allowing the tariff pages filed by the Community Water Service of Dungeness Heights on March 7, 2024, and revised on April 15, 2024, to become effective May 1, 2024, by operation of law.