

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of	)	DOCKET UW-090662
	)	
ROCHE HARBOR WATER	)	ORDER 01
SYSTEM,	)	
	)	
Petitioner,	)	
	)	
Seeking Exemption from the	)	
Provisions of WAC 480-07-505 and	)	
WAC 480-07-530 Relating to General	)	ORDER GRANTING
Rate Proceedings Filing Information	)	EXEMPTION FROM RULES
.....	)	

**BACKGROUND**

- 1     On April 30, 2009, Roche Harbor Water System, (Roche Harbor or Company) filed with the Washington Utilities and Transportation Commission (Commission) a general rate increase that proposes to generate \$36,000 (11.7 percent) in additional annual revenue. The Company proposes to increase rates to recover the cost of water treatment filter media. Roche Harbor serves 563 customers on San Juan Island located in San Juan County. The proposed effective date is June 1, 2009. The Company’s last rate increase was May 2008.
- 2     The Company filed a petition for waiver of WAC 480-07-505 and WAC 480-07-530 concerning filing requirements and financial information to accompany a general rate filing. The filing meets the definition of a general rate filing under WAC 480-07-505, and WAC 480-07-530 requires full financial information to support the filing. Due to the nature of the filing, the Company requests that it does not appear appropriate to require the company to incur the cost and proceed as though it were seeking an overall increase in general expenses and general revenues. The Company requests the Commission to not treat this filing as a general rate proceeding and not require the Company to provide full financial support for the Company’s full operations.
- 3     Roche Harbor stated this filing is not designed to recover the costs of utility plant or general operating expenses. Under current water treatment processes, disinfection byproducts occur in the treated water that requires removal. The Company uses Granulated Activated Carbon for this purpose. This material is part of the water treatment facilities’ operating costs and dissipates over time. This filing will recover the

operating expense of replacing the Granulated Activated Carbon on an annual basis. The estimated cost for this filter media is \$36,000.

- 4 Because this filing addresses a single cost for filter media, Staff agrees with the Company that full financial support required in a general rate case is not required and the Commission should grant the Company's requested exemptions.

### FINDINGS AND CONCLUSIONS

- 5 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including water companies. *RCW 80.01.040, RCW 80.04, RCW 80.08, RCW 80.12, RCW 80.16 and RCW 80.28.*
- 6 (2) Roche Harbor is engaged in the business of providing water services within the state of Washington and is a public service company subject to Commission jurisdiction.
- 7 (3) Roche Harbor is subject to WAC 480-07-505, which defines a general rate filing as exceeding three percent increase in revenues, and WAC 480-07-530, which requires the Company to file specific financial information to support a general rate case.
- 8 (4) Under WAC 480-110-215, the Commission may grant an exemption from the provisions of any rule in WAC 480-110, if consistent with the public interest and the purposes underlying regulation and applicable statutes. *See also WAC 480-07-110.*
- 9 (5) This matter came before the Commission at its regularly scheduled meeting on May 28, 2009.
- 10 (6) After review of the petition filed in Docket UW-090662 by Roche Harbor on April 30, 2009, and giving due consideration, the Commission finds that the exemption is in the public interest and is consistent with purposes underlying the regulation and applicable statutes and should be granted.

**O R D E R**

**THE COMMISSION ORDERS:**

- 11* (1) After the effective date of this Order, Roche Harbor Water System is granted an exemption from WAC 480-07-505 and WAC 480-07-530, General Rate Proceedings, definitions and General Rate Proceedings, water companies.
- 12* (2) The Commission retains jurisdiction over the subject matter and Roche Harbor Water System to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective May 28, 2009.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner