

Agenda Date: June 26, 2014
Item Number: A4

Docket: UW-141206
Company Name: Northbay Water Utility Corporation

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

Recommendation

Issue a Complaint and Order Suspending the Tariff Revisions filed by Northbay Water Utility Corporation, on May 29, 2014.

Discussion

On May 29, 2014, Northbay Water Utility Corporation (Northbay or company), filed a proposed general rate increase that would generate \$12,980 (15 percent) additional annual revenue. The proposed general rate increase will offset expenses to repair and maintain water system operations and recover added capital costs for filtration. Northbay is also increasing several ancillary charges. The proposed effective date is July 1, 2014. The company provides water service to 214 residential customers on 53 water systems in Lewis and Thurston Counties. The company's last rate change was effective September 15, 2006.

The company has not responded to staff's data requests. Therefore, the company has not yet demonstrated it needs additional revenue and has not demonstrated the proposed rates are fair, just, reasonable and sufficient.

Customer Comments

On May 7, 2014, the company notified its customers of the proposed rate increase by mail. Staff received two comments regarding the proposed rate increase, both from customers opposed to it. Customers were notified that they may access relevant documents about this rate increase on the commission's website, and that they may contact John Cupp at 1-888-333-9882, or jcupp@utc.wa.gov, with questions or concerns.

General Comments

- One customer commented that the company should not get an increase because it has not made improvements to the system, and has very little of its money invested in the system.

Staff Response

The customers were advised that state law requires rates to be fair, just, reasonable, and sufficient to allow the company to recover reasonable operating expenses and the opportunity to earn a reasonable return on its investment. Regulatory staff reviews filings to ensure that all rates and fees are appropriate.

- Another customer commented that the company does not have a backup generator on the system, which has resulted in prolonged periods without water when the power was out.

Staff Response

Staff explained that companies are not required to have generators on water systems. The customer was advised that companies can ask customers to vote for or against a generator and provide one if a majority of customers wants it.

Rate Comparison

Monthly Rate	Current Rate	Proposed Rate
Ready to Serve	\$28.00	\$32.20
Base Rate, 3/4-Inch Meter ¹	\$28.00	\$32.20
0 – 1,500 CF ² , Per CCF ³	\$2.00	\$2.50
1,501 – 2,500 CF, Per CCF	\$2.25	\$2.75
2,501 – 5,000 CF, Per CCF	\$2.75	\$3.25
Over 5,001 CF, Per CCF	\$3.50	\$3.25

1 – Based on 3/4-inch meter classification, see company's tariff for upsized meter classifications, usage blocks and rates.
2 - CF – Cubic Feet, 3 - CCF - 100 Cubic Feet.

Monthly Residential Bill Comparison

Monthly Average 440 Cubic Feet	Current Rate	Proposed Rate
3/4-Inch Metered Base	\$28.00	\$32.20
440 Cubic Feet	\$8.80	\$11.00
Water Bill Total	\$36.80	\$43.20
Increase From Current Rates - \$6.40		17.4%

Ancillary Charge	Current Rate	Proposed Rate
Reconnection Charge	\$159.84	\$183.60
Disconnection Charge	\$79.92	\$91.80

Recommendation

Issue a Complaint and Order Suspending the Tariff Revisions filed by Northbay Water Utility Corporation, on May 29, 2014.