

UTC may raise the revenue threshold for water company regulation

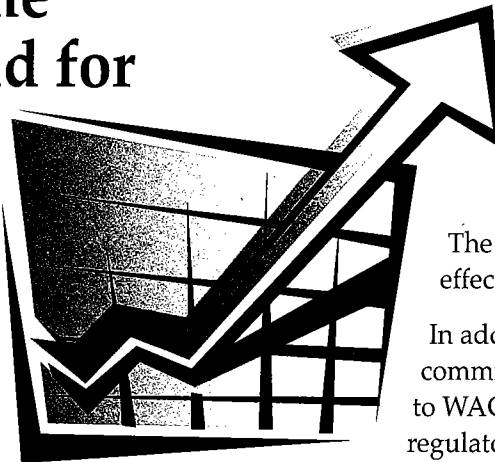
The Washington Utilities and Transportation Commission (UTC) is seeking comments on a proposal to increase the amount a privately owned for-profit water company can charge before it falls under the commission's rate regulation. The deadline for comment is September 8.

Currently, UTC begins to regulate a water company when it generates an average of \$429 in annual revenue per customer.

"The commission will consider, through the rulemaking process, whether it is appropriate to raise the revenue threshold for water companies and, if so, by how much," says Danny Kermode, a UTC water company regulatory analyst who is leading the rulemaking team that will make a final recommendation to the commission.

There are about 1,200 privately owned for-profit water companies in Washington. Systems that charge more than the revenue threshold become regulated by the commission and must justify the higher rates before they can legally charge them.

State law allows the commission to raise the threshold periodically to account for inflation. "If the threshold is



increased, a company charging rates just below the current threshold will be able to increase its rates to just below the new, higher threshold without being regulated by UTC," Kermode said.

The existing revenue threshold has been in effect since December 1999.

In addition to the change in the threshold, the commission may consider other amendments to WAC 480-110-255 to clarify the rule's regulatory intent. A final decision is expected this fall.

The rulemaking schedule, rulemaking documents, and other aspects of this rulemaking may be found on the UTC Web site at www.wutc.wa.gov. To be put on the mailing list or to share your comments or observations, send an e-mail to records@wutc.wa.gov or a fax to (360) 586-1150. You may also mail them to:

Carole J. Washburn, Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
1300 S. Evergreen Park Drive, S.W.
Olympia WA 98504-7250

Include your organization's name, the docket number UW-040375, and the date of the comments. If you have questions regarding the change in the revenue threshold and how it would affect you, send them to Danny Kermode at dkermode@wutc.wa.gov or call (360) 664-1253.

61 systems participate in 2003 Drinking Water Infrastructure Needs Survey

The Office of Drinking Water is concluding its work on the third cycle of the Drinking Water Needs Survey – a nationwide survey to assess the 20-year capital investment needs of drinking water systems.

For this cycle, the U.S. Environmental Protection Agency (EPA) surveyed a sample of about 3,000 medium and large water systems across the country. All 61 water systems selected to participate in Washington completed their surveys, identifying over 4,000 needed projects.

EPA uses the results of the survey to apportion the Drinking Water State Revolving Fund (DWSRF) money to each state, based on their respective need. The DWSRF provides low-interest loans and other forms of assistance to public water systems so they can make capital improvements.

EPA will release the total national need and Washington's portion in late Spring 2005.

For more information, please contact Peter Beaton, Needs Survey Coordinator, by phone at (360) 236-3150 or e-mail peter.beaton@doh.wa.gov.