

Agenda Date: March 27, 2008
Item Number: A6

Docket: UW-080440
Company Name: Marbello Water Co., Inc.

Staff: Amy White, Regulatory Analyst
Dennis Shutler, Consumer Affairs Specialist

Recommendation

Issue an order granting a waiver of customer notice requirements and allowing the proposed tariff revision to become effective April 1, 2008, on less than statutory notice.

Discussion

On March 6, 2008, Marbello Water Co., Inc., (Marbello or company), filed with the Washington Utilities and Transportation Commission (commission) tariff revisions that would increase the rate for water usage from \$2.90 per 100 cubic feet to \$2.97 per 100 cubic feet. The filing is prompted by the City of Monroe raising its municipal utility tax for water usage from 7.5 percent to 10 percent, effective January 1, 2008.

Marbello serves 96 customers near the City of Monroe, located in Snohomish County. The company notified its customers of this rate increase by mail on March 5, 2008. The filing is for a pass-through tax imposed upon the company which became effective January 1, 2008. The company asks to recover the tax from its customers effective April 1, 2008, in order to include the cost in its next billing cycle. All customers receive metered service. Marbello's last general rate increase became effective May 1, 2007.

Because the change has been in effect since January 1, 2008, and the company is paying the higher utility tax, the company asks the commission to approve the change to become effective April 1, 2008, on less than statutory notice, to coincide with the company's billing cycle.

Customer Comments

Marbello notified its customers of the rate increase by mail on March 5, 2008. The commission received one comment by March 17, 2008 via email, regarding:

Poor Water Quality: Marbello customers experienced two water main breaks in January 2008. Marbello issued boil water alerts in both instances. Staff explained to the customer that the Department of Health (DOH) has primary jurisdiction over all water quality and water quantity issues. Staff also provided the customer the toll-free telephone number for the DOH. The DOH informed staff that Marbello has a "green" rating, which indicates Marbello is in substantial compliance with DOH requirements.

Rate Comparison

Monthly Rate	Current Rate	Proposed Rate
Water Usage per 100 cubic feet plus utility taxes	\$2.90	\$2.97

A customer who uses 1,000 cubic feet of water would pay \$.70 more, an increase from \$59.00 to \$59.70 (1.2 percent).

Commission staff has completed its review of Marbello's supporting financial documents, books and records. The filing is supported by the company's documentation.

Conclusion

The utility tax increase is a pass-through cost that Marbello is required to pay. Staff recommends the commission issue an order granting a waiver of customer notice requirements and allowing the proposed tariff revision to become effective April 1, 2008, on less than statutory notice.