

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

WASHINGTON UTILITIES AND	)	DOCKET UW-081450
TRANSPORTATION COMMISSION,	)	
	)	
Complainant,	)	ORDER 01
	)	
v.	)	
	)	
CRESCENT BAR, INC.,	)	COMPLAINT AND ORDER
	)	SUSPENDING TARIFF; APPROVING
Respondent.	)	REVISED RATES ON A TEMPORARY
	)	BASIS, SUBJECT TO REFUND
.....	)	

**BACKGROUND**

- 1     On August 4, 2008, Crescent Bar, Inc., (Crescent Bar or Company), filed with the Washington Utilities and Transportation Commission (Commission) a revision to its currently effective Tariff WN U-01 an increase in its general rates for \$20,248 (26.4 percent) of additional revenue per year. Crescent Bar serves 470 customers near Quincy located in Grant County. Crescent Bar requested the increase to cover increases in power, insurance, and maintenance expenses.
- 2     Crescent Bar notified its customers of the original increase by mail on July 28, 2008. The Commission received two customer comments from association presidents and twelve comments from individual residents on this filing. All fourteen commenters are opposed to Crescent Bar's proposed increase. Customers and residents are most concerned about the size of the increase, repeated rate increases for the water and sewer services, a lack of notice to individual residents, costs for replacement of water lines under a new bridge to a campground, excessive testing costs, and allocation of salaries between the water, sewer, and resort operations.
- 3     Staff responded to customer comments in its September 25, 2008, memorandum. Staff recommends rates that will allow the Company to recover reasonable expenses and the opportunity to earn a reasonable return on its investment. The Commission regulates only water service; rate increases for other services, such as sewer service, are not within the Commission's jurisdiction. The Company properly notified its customers, as required by the Commission's rules. The Commission uses Single Tariff Pricing to set uniform

rates for all customers, even when a capital project benefits some but not all customers. Staff's review eliminated non-water related expenses. Staff agrees with the Company's allocation of employee salaries and expenses.

- 4 Staff reviewed Crescent Bar's books, records and supporting documents and concluded Crescent Bar has a revenue deficiency of \$10,776 (13.4 percent).
- 5 Staff prepared a revised rate design to generate the lower revenue requirement. The basic rate per residential unit will be \$15.68 per month instead of \$17.17 per residential unit, as proposed by the Company.
- 6 Crescent Bar agreed to the lower revenue requirement and on September 17, 2008, filed a revised rate at the Staff's recommended levels. Staff believes the proposed revised rate is fair, just, reasonable and sufficient based on Crescent Bar's supporting documentation.
- 7 Customers who have submitted comments to the Commission deserve to know about, and comment on, the proposed revised rate. The Commission should consider all information, including any additional customer comments on the revised rate, in deciding whether to conduct an evidentiary hearing on the revised rates. Therefore, the Commission finds Crescent Bar has not yet demonstrated the revised rates are fair, just, reasonable and sufficient.
- 8 The Commission accepts the revised rate as a temporary rate and approves the revised rate to become effective on October 1, 2008, on a temporary basis, subject to refund. The Commission may hold public hearings to determine whether the proposed change is fair, just, reasonable and sufficient.

## FINDINGS AND CONCLUSIONS

- 9 (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, 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.*

- 10      (2)      Crescent Bar is a water company and a public service company subject to  
Commission jurisdiction.
- 11      (3)      This matter came before the Commission at its regularly scheduled meeting on  
September 25, 2008.
- 12      (4)      The tariff revision Crescent Bar filed on September 17, 2008, would increase  
charges and rates for service Crescent Bar provides, and might injuriously affect  
the rights and interest of the public.
- 13      (5)      Although Crescent Bar has not yet demonstrated that the tariff revision would  
ultimately result in a rate that is fair, just, reasonable and sufficient, the  
Commission finds it reasonable, based on Staff's analysis, to approve the revised  
rate to become effective October 1, 2008, on a temporary basis, subject to refund.
- 14      (6)      Under RCW 80.04.130 and RCW 80.04.220, the Commission deems it necessary  
to further investigate this tariff filing in order to determine just and reasonable  
rates, which may include rates that are the same as, higher than or lower than  
existing or proposed rates. The Commission may also order reparations to the  
extent the Commission finds that any rate charged by the utility and subject to this  
investigation is excessive or exorbitant.
- 15      (7)      As required by RCW 80.04.130 (4), Crescent Bar bears the burden of proof to  
show that the proposed increase is fair, just, reasonable and sufficient. Nothing in  
this Order is intended to limit the issues as to the fairness, justness,  
reasonableness and sufficiency of the proposed increase.
- 16      (8)      Crescent Bar may be required to pay the expenses reasonably attributable and  
allocable to such further investigation, consistent with RCW 80.20.

**ORDER**

**THE COMMISSION ORDERS:**

- 17      (1)      The tariff revision Crescent Bar, Inc., filed on August 4, 2008, is suspended.

- 18      (2)      The revised tariff Crescent Bar, Inc., filed on September 17, 2008, shall become effective on October 1, 2008, on a temporary basis, subject to refund if the Commission determines that different rates will be fair, just, reasonable and sufficient.
- 19      (3)      Crescent Bar, Inc., must not change or alter the tariff filed in this docket during the suspension period, unless authorized by the Commission.
- 20      (4)      The Commission may institute a further investigation of Crescent Bar, Inc.'s books, accounts, practices, activities, property and operations and may hold hearings at such times and places as may be required.
- 21      (5)      Crescent Bar, Inc., shall pay the expenses reasonably attributable and allocable to the Commission's investigation, consistent with RCW 80.20.

DATED at Olympia, Washington, and effective September 25, 2008.

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**MARK H. SIDRAN, Chairman**

**PATRICK J. OSHIE, Commissioner**

**PHILIP B. JONES, Commissioner**