

Agenda Date: April 28, 2016
Item Number: A7

Docket: UW-160381
Company Name: Rainier View Water Company, Inc.

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

Recommendation

Take no action and allow the rates and tariff revisions filed by Rainier View Water Company, Inc., on April 1, 2016, to become effective May 2, 2016 by operation of law.

Discussion

On April 1, 2016, Rainier View Water Company, Inc. (Rainier View or company), filed a conservation tariff rate for the Shaw Cove water system that proposes an additional \$7,118.11 per year in revenue which is less than a 1 percent increase in annual revenue. The company is requesting to increase the block three usage rate to \$5.00 per 100 cubic feet for water usage in excess of 3,000 cubic feet per billing period. This increased block three usage rate would only apply from May 1 to September 30 of each year. The company notes the filing is due to increased water usage on the Shaw Cove water system, resulting in a reduction of storage tank capacity which is used for fire flow. The company serves approximately 80 customers on Shaw Cove water system and about 17,500 customers on 26 water systems in Pierce County and on two water systems in Kitsap County. The company's last general rate increase was January 1, 2015.

Staff has completed its review and supports the company's efforts to reduce water usage to maintain fire-flow storage. Along with the proposed conservation rate the company will be increasing its efforts to educate customers about water usage and promote conservation.

Staff has reviewed the company's calculation to support the additional revenue generation of \$7,118 in additional annual revenue. This additional revenue will only exist if the customers continue to use the same amount of water as previously recorded. Rainier View believes that with the conservation rate in place, customers will use less and the actual revenue generation will be less, and actual bills will be lower than projected.

The revised rate design would increase third block (more than 3,000 cubic feet per month¹) usage rate from \$2.42 per 100 cubic feet to \$5.00 per 100 cubic feet.

¹ 3,000 cubic feet third block applies to 3/4-inch or smaller meter size. Other third block usage amounts are based on meter size factors established by the American Water Works Association and available in the proposed tariff.

Customer Comments

On April 1, 2016, the company notified the Shaw Cove customers by mail of the proposed rate increase. No comments have been received.

Rate Comparison

Monthly Rate	Current Rate	Proposed Rate
Base Rate, 3/4-Inch Meter ¹	\$13.90	\$13.90
0 – 600 CF ² , Per CCF ³	\$.94	\$.94
601 – 3,000 CF, Per CCF	\$1.15	\$1.15
Over 3,000 CF, Per CCF	\$2.42	\$5.00

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 Bill Comparison

Monthly Average 3,617 Cubic Feet	Current Rate	Proposed Rate
3/4-Inch Metered Base	\$13.90	\$13.90
600 Cubic Feet	\$5.64	\$5.64
2,400 Cubic Feet	\$27.60	\$27.60
617 Cubic Feet	\$14.93	\$30.85
Water Bill Total	\$62.07	\$77.99
Increase From Current Rates		\$15.92 25.6%

Conclusion

Commission staff has completed its review of the company's supporting financial calculations and records. Staff's review shows that the need for conservation is reasonable and required as part of the company's operation.

Recommendations

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