

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

WASHINGTON UTILITIES AND)	DOCKET UW-100642
TRANSPORTATION)	
COMMISSION,)	ORDER 01
)	
Complainant,)	
)	
v.)	
)	
DEER MEADOWS WATER)	
COMPANY, INCORPORATED,)	
)	COMPLAINT AND ORDER
Respondent.)	SUSPENDING TARIFF REVISIONS
.....)	

BACKGROUND

- 1 On April 20, 2010, Deer Meadows Water Company, Incorporated, (Deer Meadows or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-1, designated as Second Revision of Sheet No. 22 Canceling First Revision of Sheet No. 22; First Revision of Sheet No. 23 Canceling Original Sheet No. 23; First Revision of Sheet No. 45 Canceling Original Sheet No. 45. The stated effective date is May 21, 2010. On April 27, 2010, the Company submitted replacement sheets that corrected grammatical errors on the tariff sheets filed on April 20, 2010. The filing would generate \$114,234 (80 percent) in additional annual revenue. The filing establishes a new Non-Sufficient Fund (NSF) check charge of \$25.00 and a new site visit charge of \$75.00. The reconnection charge increases from \$25.00 to \$75.00.
- 2 The company states costs are increasing such as property tax, power costs and payroll. Additionally, two major customers closed their business thereby reducing revenues of the company. The company serves 353 customers: 203 residential customers, 150 ready-to-use residential customers. The service area is located northwest of Davenport in Lincoln County. The proposed effective date is May 21, 2010. The company’s last rate increase was in March 2009.
- 3 In this filing, Deer Meadows would increase charges and rates for service by approximately \$114,234 or 80 percent. Because those increases might injuriously affect the rights and interests of the public and Deer Meadows has not demonstrated that the increases would result in rates that are fair, just, reasonable and sufficient, the

Commission suspends the tariff filing and will hold public hearings, if necessary, to determine whether the proposed increases are fair, just, reasonable and sufficient.

FINDINGS AND CONCLUSIONS

- 4 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate 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.
- 5 (2) Deer Meadows is a water company and a public service company subject to Commission jurisdiction.
- 6 (3) This matter came before the Commission at its regularly scheduled meeting on May 13, 2010.
- 7 (4) The tariff revisions Deer Meadows filed on April 20, 2010, and April 27, 2010, would increase charges and rates for service provided by Deer Meadows, and might injuriously affect the rights and interest of the public.
- 8 (5) Deer Meadows has not yet demonstrated that the tariff revisions would result in rates that are fair, just, reasonable and sufficient.
- 9 (6) In order to carry out the duties imposed upon the Commission by law, and as authorized in RCW 80.04.130, the Commission believes it is necessary to investigate Deer Meadows's books, accounts, practices and activities; to make a valuation or appraisal of Deer Meadows's property; and to investigate and appraise various phases of Deer Meadows's operations.
- 10 (7) As required by RCW 80.04.130(4), Deer Meadows bears the burden of proof to show that the proposed increases are fair, just, reasonable and sufficient.
- 11 (8) Deer Meadows may be required to pay the expenses reasonably attributable and allocable to such an investigation, consistent with RCW 80.20.

ORDER

THE COMMISSION ORDERS:

- 12 (1) The tariff revisions Deer Meadows Water Company, Incorporated filed on
April 20, 2010, and April 27, 2010, are suspended.
- 13 (2) The Commission will hold hearings at such times and places as may be required.
- 14 (3) Deer Meadows Water Company, Incorporated must not change or alter the tariffs
filed in this docket during the suspension period, unless authorized by the
Commission.
- 15 (4) The Commission will institute an investigation of Deer Meadows Water
Company, Incorporated's books, accounts, practices, activities, property and
operations as described above.
- 16 (5) Deer Meadows Water Company, Incorporated shall pay the expenses reasonably
attributable and allocable to the Commission's investigation, consistent with
RCW 80.20.

DATED at Olympia, Washington, and effective May 13, 2010.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner