

Agenda Date: July 26, 2018
Item Number: A5

Docket: UW-180507
Company Name: Estates Water Systems, Inc.

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

Recommendation

Take no action, thereby allowing the tariff revisions filed by Estates Water Systems, Inc., on June 6, 2018, as revised on July 13, 2018, and July 18, 2018, to become effective July 27, 2018, by operation of law.

Discussion

On June 6, 2018, Estates Water Systems, Inc. (Estates Water or company), filed with the Utilities and Transportation Commission (commission) a proposed general rate increase that would generate \$55,000 (56 percent) additional annual revenue. The company's reason for the increase is many operating costs, since their last increase 21 years ago, have risen to include taxes, insurance, Department of Health operating permit fees, water quality testing and repair parts. The proposed effective date is July 27, 2018. The company serves 346 residential customers near Sequim in Clallam County. The company's last rate increase was effective July 10, 1997.

The tariff revisions in Tariff WN U-3 include, new ancillary charges for a Disconnection Visit, Service Visit, Late Payment Charge, Account Set-up Charge, NSF Charge, and Water Availability Letter Charge.

This filing changes the current rate design by adding tiered usage blocks and usage rate charges. Additionally, a 2-inch meter charge is being established. Usage blocks and rates will provide more accurate water usage data and help the company promote water use efficiency.

Customer Comments

On June 5, 2018, the company notified its customers of the proposed rate increase by mail. The commission received no comments.

Rate Comparison

Monthly Rate	Current Rate	Proposed Rate	Revised Rate
Ready to Serve	\$5.00	\$11.00	\$10.00
Base Rate, 3/4-Inch Meter	\$20.00	\$22.00	\$20.00
Allowance With Base Charge CF*	400	400	0
0 to 400 CF, Per CCF**	0	0	\$.75
401 To 1,000 CF, Per CCF**	\$1.00	\$1.00	\$.75
1,001 - 2,000 CF, Per CCF	\$1.00	\$1.50	\$.90
>2,001 CF, Per CCF	\$1.00	\$2.00	\$1.05
Monthly Rate	Current Rate	Proposed Rate	Revised rate
Base Rate, 2-Inch Meter	\$50.00	\$115.00	\$92.00
Allowance With Base Charge CF	1,800	1,800	0
0 to 1,800 CF, Per CCF	0	0	\$.75
1,801 To 5,33300 CF, Per CCF	\$1.00	\$1.00	\$.75
5,334 - 10,667 CF, Per CCF	\$1.00	\$1.50	\$.90
>10,667 CF, Per CCF	\$1.00	\$2.00	\$1.05

* CF – Cubic Feet,

** CCF - 100 Cubic Feet,

Monthly Residential Bill Comparison

Monthly Average 1,782 Cubic Feet	Current Rate	Proposed Rate	Revised Rate
3/4-Inch Metered Service Base	\$20.00	\$22.00	\$20.00
Allowance (400 CF)	NA	NA	\$3.00
401 – 1,000 CF (600 CF)	\$6.00	\$6.00	\$5.40
1,001–1,782 CF (782 CF)	\$7.82	\$11.74	\$8.22
Water Bill Total	\$33.82	\$39.74	\$36.62
Increase From Current Rates -		\$5.92 17.5%	\$2.80 8.3%

Ancillary Charge Comparison

Charge or Service	Current Charge	Proposed Charge
Service Connection	\$500.00	\$750.00
Account Set-up Charge	NA	\$15.00
Service Visit Charge	NA	\$25.00
NSF Check Charge	NA	\$25.00
Water Availability Letter	NA	\$20.00
Disconnection Visit Charge	NA	\$25.00
Late Payment	NA	2 % or Min \$1.00

Conclusion

Commission staff has completed its review of the company's supporting financial documents, books and records. Staff's review of the filing shows that the operating expenses are reasonable and required as part of the company's operation. The company's financial information supports the revenue requirement and the proposed rates and charges are fair, just, reasonable, and sufficient.

Recommendation

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