

Agenda Date: November 29, 2006  
Item Number: A3

**Docket:** UW-061673  
Company Name: Pattison Water Company, Inc.

Staff: Jim Ward, Regulatory Analyst  
John Cupp, Consumer Program Specialist

**Recommendations**

1. Issue a Complaint and Order Suspending the Tariff Revision filed by Pattison Water Company, Inc.
2. Allow temporary rates at the staff recommended revised rates to become effective December 1, 2006, subject to refund.

**Discussion**

On November 1, 2006, Pattison Water Company, Inc., (Pattison Water or company) filed for general rates for \$188,500 (49 percent) of additional revenue per year. The company serves 1,295 customers near Lacey located in Thurston County. On November 22, 2006, the company submitted revised rates that would generate an additional \$75,000 (19.5 percent) per year.

The company states the reasons for filing is to help cover increased operational costs and capital improvement expenses. The company's billing cycle will change from bi-monthly to monthly. The rate design is changing to provide a zero water allowance in the base meter charge to help encourage water conservation. The company's last general rate increase was September 1995.

The Commission received five customer comments on this filing as of November 28, 2006. The five comments received were opposed to the amount of the increase. The customers were notified of this increase in a mailing on October 30, 2006. Although the company filed revised rates at lower levels, customers have not yet been advised that staff and the company have agreed to revised rates and they have not had the opportunity to comment on the revised rates. Customers deserve to know about, and comment on, the revised rates. The commission should consider all information, including any additional customer comments on the revised rates, in deciding whether to approve the revised rates. The current, proposed, and revised rates are provided below:

<b>Monthly Rate</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Revised Rate</b>
5/8 " Meter Includes 500 cf	\$19.50	NA	NA
5/8 " Meter Zero Allowance	NA	\$19.00	\$16.35
3/4 " Meter Includes 750 cf	\$29.50	NA	NA
3/4 " Meter Zero Allowance	NA	\$28.50	\$24.53
1 " Meter Includes 1,250 cf	\$48.75	NA	NA
1 " Meter Zero Allowance	NA	\$47.50	\$40.88

<b>Monthly Rate</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Revised Rate</b>
1 ½ “ Meter Includes 2,500 cf	\$98.00	NA	NA
1 ½ “ Meter Zero Allowance	NA	\$95.00	\$81.75
Over Base allowance shown above	\$1.00	NA	NA
0-500cf	NA	\$1.20	\$1.00
501-2,000cf	NA	\$1.50	\$1.20
2,001-4,000cf	NA	\$1.80	\$1.80
Over 4,001cf	NA	\$3.00	\$3.00
Mobile Home Park / Unit - Flat	\$17.10	\$22.86	\$20.43
M&R Lady Dawn Meter Zero Allowance	\$22.50	\$19.00	\$16.35
0-1,000cf	\$1.10	NA	NA
Over 1,000cf	\$1.35	NA	NA
0-500cf	NA	\$1.20	\$1.00
501-2,000cf	NA	\$1.50	\$1.20
2,001-4,000cf	NA	\$1.80	\$1.80
Over 4,001cf	NA	\$3.00	\$3.00

cf = cubic feet (1 cubic foot = 7.48 gallons of water)  
 All usage rates are per 100 cubic feet of water used

<b>Ancillary Charge</b>	<b>Current</b>	<b>Proposed</b>
Service Visit	\$0.00	\$20.00
Late Payment	\$0.00	\$2.50
Account Set-up	\$0.00	\$15.00
NSF Check	\$15.00	\$20.00
Water Availability Letter	\$0.00	\$20.00
Fire Hydrant (within 500 feet)	\$1.00	\$1.00

Commission staff has completed reviewing the company’s supporting financial documents, books and records. The company’s records support the revised rates.

**Conclusion**

Staff recommends that the commission issue a Complaint and Order Suspending the Tariff Revision filed by Pattison Water Company, Inc., and allow temporary revised rates at staff recommended levels, to become effective December 1, 2006, subject to refund.