

Agenda Date: December 19, 2024
Item Number: F2

Docket: UW-240798
Company Name: Northbay Water Utility Corporation

Staff: Tonia Bailey, Regulatory Services
Kelsey Hanson, Regulatory Services
Melissa Castaneda-Kerson, Consumer Protection

Recommendation

Take no action, thereby allowing Tariff pages filed by Northbay Water Utility Corporation on October 16, 2024, and revised on December 10, 2024, to become effective January 1, 2025, by operation of law.

Background

On October 15, 2024, Northbay Water Utility Corporation, (Northbay or Company) filed with the Washington Utilities and Transportation Commission (Commission) tariff revisions that would generate approximately \$85,465 (64.1 percent) additional annual revenue. The Company serves approximately 225 customers located in Lewis County and Thurston County. The Company's last general rate case was effective July 1, 2014.

Discussion

Northbay filed this case due to the acquisition of an additional water system (Graham Water System) since their last rate case and have had to add filtration units on several systems, as well as building extensions to house the new filtration systems.

The Company added a great deal of capital assets since 2014. Commission staff (Staff) reviewed these assets by using the invoices provided by the Company. Staff adjusted some capital costs, such as removing chemicals and testing since they are already on the income section as an expense. Staff added the Graham Water system acquired in February 2021 to the capital assets, as Contributions In Aid of Construction.

In 2023, Northbay incurred an irregular expense due to having to truck in water caused by issues with a well. Staff amortized this expense over three years to normalize the costs.

Staff updated the water usage blocks to accurately charge customers for their average usage. The Company agreed with Staff's proposed rate design, and on a revised revenue requirement of \$26,604 (19.9 percent) additional annual revenue. Staff has completed its review of the Company's books and records and believes the Company has demonstrated the rate increase is necessary to provide its service. Staff believes the revised rates agreed upon by the Company are fair, just, reasonable, and sufficient.

Rate Comparison

Block Usage	Current Usage	Proposed Usage	Revised Usage	Difference Revised to Current
Block 1	1,500	400	800	700
Block 2	2,500	900	1,800	700
Block 3	2,501	901	1,801	700

	Monthly Rate	Current Rate	Proposed Rate	Revised Rate	Increase
Base Rate	\$30.00	\$45.00	\$31.50	\$1.50	5.00%
Block 1 Rate	\$2.50	\$4.00	\$3.50	\$1.00	40.00%
Block 2 Rate	\$2.75	\$5.00	\$4.25	\$1.50	54.50%
Block 3 Rate	\$3.25	\$5.50	\$4.50	\$1.25	38.50%
Avg. Bill	\$47.23	\$75.47	\$55.63	\$8.40	17.80%

Customer Comments

On October 16, 2024, the Company notified its customers of its proposed increase for water rates and a proposal to change from bi-monthly to monthly billing. Staff received five comments, all customers oppose the increase. All commenters expressed the increase is excessive and unreasonable. Three commenters note the change to monthly from bi-monthly billing will double meter-reading related fuel expenses and increase wear and tear on their vehicle fleet and have concerns about the new ancillary charges, specifically the \$10,000 connection fee.

Customers were notified that they may access relevant documents about the tariff filing on the Commission's website, and that they may contact Melissa Castaneda-Kerson at Melissa.castaneda-kerson@utc.wa.gov or 1-888-333-9882 with questions or concerns.

Conclusion

Take no action, thereby allowing Tariff pages filed by Northbay Water Utility Corporation, on October 16, 2024, and revised on December 9, 2024, to become effective January 1, 2025, by operation of law.