

Agenda Date: July 16, 2009  
Item Number: A2

Docket: UW-090655  
Company Name: Rainier View Water Co., Inc.

Staff: Jim Ward, Regulatory Analyst  
Dennis Shutler, Consumer Protection Staff

### **Recommendation**

Dismiss the complaint and order suspending the tariff revision filed by Rainier View Water Co., Inc., and allow the proposed rates filed April 30, 2009, to become effective July 17, 2009, on a permanent basis.

### **Discussion**

On April 30, 2009, Rainier View Water Co., Inc., (Rainier View or company), filed a tariff revision to update its Schedule 4, Treatment Surcharge. This filing removes the chemical treatment operating and maintenance expenses from the treatment surcharge, reduces the treatment surcharge from \$3.29 to \$1.81 per month, and decreases the company's revenue by \$308,047 (6.4 percent) per year. The remaining \$1.81 of the treatment surcharge will be used to pay off the principal balance on the loan used to construct the treatment facilities. The company serves about 17,345 residential and upsize meter customers in Pierce County. The proposed effective date is June 1, 2009.

On May 28, 2009, the Commission entered a Complaint and Order Suspending Tariff Revision pending an investigation to determine whether the revision is fair, just, reasonable and sufficient.

On May 9, 2004, the Commission authorized Rainier View in Order 01 in Docket UW-040657, to increase the treatment surcharge from \$2.15 to \$3.29 per month. The increase in the treatment surcharge was to implement a resolution adopted by the Tacoma-Pierce County Board of Health requiring fluoridation of drinking water in Pierce County for water systems serving 5,000 or more people. This surcharge increase included capital improvements and operating costs for fluoridation.

In early 2004, by court action, several water districts were able to stop the Tacoma-Pierce County Board of Health's mandatory requirement to fluoridate drinking water. Therefore, Rainier View did not install fluoridation equipment. The Company did continue with upgrades to the corrosion control treatment plant and installed a SCADA (Supervisory, Control, And Data Acquisition) system.

Rainier View agreed to reduce the treatment surcharge on or before the fifth anniversary date of the original order to remove the operating and maintenance costs that are included in the treatment surcharge. This filing meets that requirement.

The remaining surcharge will be used to repay approximately \$1,047,000 in capital plant loans over a three year period. Rainier View must terminate the treatment surcharge when all debt supported by the surcharge has been paid in full, at which time it must submit to the Commission a final report of all capital costs associated with the treatment facilities.

The company is not required to notify customers of the proposed surcharge decrease and the company has not notified customers.

**Rate Comparison**

Monthly Rate	Current Rate	Proposed Rate
Treatment Surcharge	\$3.29	\$1.81

Staff has completed its review of Rainier View's books, records and supporting documents for the treatment surcharge. The company has demonstrated the proposed rate is fair, just, reasonable, and sufficient.

**Conclusion**

Dismiss the complaint and order suspending the tariff revision filed by Rainier View Water Co., Inc., and allow the proposed rate filed April 30, 2009, to become effective July 17, 2009, on a permanent basis.