

UW-070944
Attachment F
Additional Customer Comments and Questions
Received Through September 6, 2007 – Staff
Response

1. **Question from Rosario Property Owners Association (RPOA):** a) Did Rosario Utilities (RU) buy from Orcas Water Holdings (OWH) the 10 Acre Feet per Year (AFY) of water rights for \$100,000 and b) if the answer is yes; did these water rights go into rate base?

Staff Response: a) Yes, RU bought 10 AFY of water rights from OWH for \$100,000. b) RU included this \$100,000 amount in the rate base RU used to support its proposed rate increase. Staff also included this \$100,000 amount in the rate base staff used to evaluate the company's rate request. However, if that \$100,000 was removed from staff's rate base, the \$384,000 revenue requirement the company requested (and which was generated by the revised rates) would still be justified.

NOTE: In a document staff made available to the public earlier (*070944 Attachment A - Customer Comments, document identification 2EE8B6 and 2EE8B*) question and answer 3.0.0 - Sale and Transfer to WA Water, staff said it did not include the \$100,000 in rate base. That statement was not correct. However, it was correct then and it is correct now that from staff's ratemaking accounting perspective, including or excluding the \$100,000 from rate base does not change staff's conclusion that the additional revenue requested by RU in this docket is justified.

2. **Question from RPOA:** Was the \$100,000 RU paid for the rights to an additional 10 AFY of water a fair price?

Staff Response: Staff asked RU to provide the basis for its decision to purchase the rights to 10 AFY of water, and to justify the purchase price. The company responded as follows:

Prudence

With the basic water rights held by RU of 183 acre feet and 220 gallons per minute, the Company has very little room to maneuver. The current project of extending a new main from Cascade Lakes to the treatment plant will allow the Company to get to 220 gallons per minute in treatment capacity, which will produce the water resources sufficient to supply the current 508 ERU's of existing and stand-by customers. This means that currently there is no margin.

The experience that every water company that is of any age with lots that are not currently receiving water service is that some number of those lots may well be able to produce documentation showing that at some earlier time (predating current ownership) a binding promise was made to provide water service. In order to be ready to meet those unquantifiable, but expected surprise demands, it is prudent for a water company to have water rights above and beyond the minimum necessary to serve the existing known customer base. The ten acre feet will protect the Company and its existing customers from lawsuits, the disruption that lawsuits can cause and the diversion of human resources away from customer service issues to focus on responding to this unexpected demand for service. While the exact effect cannot be quantified, it is a common and probable expectation that such demand will occur.

In addition, in an environment in which travel costs are increasing, there is some expectation that "snow bird" travel during the winter months will decrease and the usage on the system will become higher on a year-round basis. This may require the Company to have available more than 183 acre feet.

For these reasons, acquisition of additional water rights is prudent.

Reasonableness

Reasonableness goes to the question of the amount that is paid for the asset. It is difficult to define an existing market for water rights on Orcas Island given the lack of other sales of water rights at the present time. A surrogate for comparable sales is the avoided cost methodology. Due to an interest in purchase of water rights by Eastsound, a study was undertaken to determine the avoided cost for providing water on Orcas Island. That study, which has been reviewed by Commission Staff,

demonstrated an avoided cost in the range of \$20,000 per acre foot. The \$10,000 per acre foot price compares favorably to this avoided cost.

In addition, in looking at recent water right sales in other areas, there have been sales in the neighborhood of \$10,000 per ERU, let alone \$10,000 per acre foot. As another example, it is not uncommon in many markets to see a per ERU capacity charge in the neighborhood of \$5,000. This translates to a per acre foot charge of something in the neighborhood of \$12,500 to \$20,000 per acre foot.¹ While some of these charges may include a component for contribution towards plant, as well as capacity, this at least provides a sense that the purchase is within a ballpark that can be deemed to be reasonable.

Thus, the purchase of the ten acre feet of water rights for \$100,000 is reasonable.

Based on this response, staff believes the \$100,000 that RU paid for an additional 10 AFY of water was a fair market price. However, because RU purchased these water rights from an affiliate, the commission also examines the cost to the affiliate, pursuant to *e.g.*, RCW 80.16.020 and .030. RU did not provide the cost of the 10 AFY to its affiliates, OWH or Oly Rose. If this was a material issue for ratemaking purposes, staff would have pursued this issue further. In a future case, this may be a material issue. However, as we explained above, in the current case, whether the \$100,000 is in rate base or not, staff's accounting analysis shows RU has justified the additional revenues it is requesting.

3. **Question from RPOA:** What did/will Rosario Resort pay for water under:
- Current rates?
 - Proposed rates?
 - Revised rates?

Staff Response:

1. Current rates (based on ERU's) - \$63,040 per year
2. Proposed rates (based on ERU's) - \$102,020² per year
3. Revised rates (based on Meters) - \$122,869 per year

4. **Questions from Mr. Richard Russell, RU Customer:**

- a) As one of 13 customers who filed a formal complaint against Rosario Utilities (reference UW-011320) regarding improper distribution of water permits, Mr. Russell wants to know why he is unable to get a connection even though the commission's order in the formal complaint said he and the other 12 parties must each be allowed to order and receive a service connection?
- b) Will Washington Water Service (WWS) be bound by the commissions order ([UW-011320, Seventh Supplemental Order; Order Approving Settlement Agreement with Conditions](#))?

¹ The variation is a result of the fact that an ERU limitation is premised upon a company's historical water consumption on a per connection basis. Thus, a company with very low historical usage may be allowed by DOH to have four ERU's per acre foot. A company with high per connection usage may only be able to utilize 2.5 ERU's per acre foot.

² The \$102,020 is different from the "cover sheet" amount of \$41,832 located in the staff provided spreadsheet located @ [http://www.wutc.wa.gov/webdocs.nsf/0/04e7809e4ff074a088257341006b2694/\\$FILE/ATTCMM2S/Rosario%20Meters%202006.xls](http://www.wutc.wa.gov/webdocs.nsf/0/04e7809e4ff074a088257341006b2694/$FILE/ATTCMM2S/Rosario%20Meters%202006.xls) because it represents RU's proposed revenue requirement for the resort instead of a transition calculation used by staff in their conversion from ERU's to meters.

Staff Response:

- a) The settlement agreement and order specifies that:

“If the Department of Health releases more additional water connections than there are participating parties, Rosario Utilities must issue notice of a process for awarding these additional certificates.”³

According to RU, since the settlement agreement and order was issued on April 22, 2003, the Department of Health (DOH) has not approved any more connections. This is why RU has not offered any more connections for sale.

- b) In general, if a company purchases a utility regulated by the commission, the purchasing utility assumes the regulatory obligations of the purchased utility. If the commission approves the sale and transfer of RU to WWS, WWS will be subject to the obligations imposed upon RU in the commission’s order in Docket UW-011320.

Staff Action: Staff will recommend that language is added to any commission order approving the RU/WWS sale and transfer to make clear that WWS assumes the regulatory obligations of RU.

- 5. **Question from Mr. Lee Goodwin, Orcas Highlands Board of Directors:** Mr. Goodwin wants to know how staff arrived at the average usage number of 4,893,649 for Orcas Highlands shown in Figure 1 below. Figure 1 is from the worksheet titled; “Customer-Cover-Sheet” in the Excel Workbook named [Rosario Meters 2006](#)). He understands how staff arrived at \$82,297 as the revenue requirement corresponding to the 4,893,649 gallons yearly average use. What he doesn’t understand is how staff applied the 3-year average of 5,793 gallons per user, per month used in another worksheet to correct for the Orcas Highland leak, to arrive at 4,893,649 gallons yearly average use.

		ERU 2006		Meter 2006		Meter 2007	
		Yearly	Monthly	Yearly	Monthly	Yearly	Monthly
Highlands @ 2" Meter							
Major Leak							
Usage		9,363,200	780,267	4,893,649	407,804	4,893,649	407,804
ERU Count/Meter Count (C)		102	102	1	1	1	1
Average Use/C		91,796	7,650	4,893,649	407,804	4,893,649	407,804
Base		\$ 30,600	\$ 2,550	\$ 1,903	\$ 159	\$ 2,630	\$ 219
Bill		\$ 59,981	\$ 4,998	\$ 24,049	\$ 2,004	\$ 82,297	\$ 6,858
Average Bill/C			\$ 49.00		\$ 2,004.09		\$ 6,858.09

Figure 1, Rosario Meters 2006, Customer Cover Sheet

Staff Response: The 3-year average of 5,793 gallons per user, per month was not used for any calculations. The 5,793 was an average used as a check/control number to compare with the 2006 staff correction calculation for the Orcas Highland leak. The primary purpose for the worksheet titled “Cover Sheet” was as an internal staff document used to have all the usage and revenue numbers in one place to illustrate the different calculation methods (ERU and Meter) and its impact to each customer category. To see how revenue requirements were arrived at, based on monthly usage for the 2006 test period, Mr. Goodwin should refer to the worksheet titled, “Proposal-Rates”.

- 6. **Comments received from Mr. Lee Goodwin, Orcas Highlands Association (OHA) Board of Directors:**

- a) The new rate design introduces new inequities to OHA customers which is unfair.
- b) All “residential” customers should be paying the same.

³ [UW-011320, Seventh Supplemental Order: Order Approving Settlement Agreement with Conditions](#), Paragraph 42d

- c) The rate design should consider OHA the same as residential customers, who are on a ¾ inch meter.
- d) OHA, because it is treated as a single bulk customer, has 56 percent of its water usage being billed at the highest block within the 2-inch metered rate compared to RPOA residential customers who have the majority of their water usage (69.7 percent) being billed at the lowest block.
- e) OHA customers have to maintain their own distribution system which they feel is an unequal burden/cost when compared to other customers.
- f) OHA customers asked for an increase of their discount from \$4.75 to \$20.00 per month, per customer to cover increased distribution costs and believe that their request was ignored.

Staff Response:

- a) The new rate design does not introduce new inequities to any of the customer categories. The new rate design is based on the principle, “you pay for what you use” (please refer to Appendix A, Rosario Customer Issues and Questions; UTC Docket UW-070944 and UW-071357, Section 4 – “Rate Design”).
- b) RU does not distinguish OHA as 102 individual users; in fact, RU identifies OHA as one 2-inch meter user. RU’s responsibility (and Staff’s investigation) stops at the 2-inch meter. The meter records the usage. What happens on the customer side of the meter is not at issue in this rate case and/or design. In other words, for the purposes of rate design, the OHA is considered a single 2-inch customer.
- c) For the purposes of this rate design, what happens after the meter is not factored into the rates charged by RU to OHA. This is because RU does not own the distribution system beyond the 2-inch meter. RU, for example, cannot include in its rate design:
 - i) Allocation of water usage for the purposes of billing individual customers after the 2-inch meter;
 - ii) Allocation of additional distribution costs to individual customers; and
 - iii) The number of connections beyond the 2-inch meter (102 in 2006 versus 105 in 2007).
- d) Because OHA is a 2-inch meter customer, comparing rates with ¾-inch customers like RPOA is an “apples-to-oranges” comparison. OHA’s rate is calculated as one single user with an average consumption of 407,804 gallons per month. Extrapolating individual residential rates from the total is not appropriate. A more useful and telling comparison in Figure 1 above is the amount of water used by OHA and the yearly total bill for water under the “ERU-2006” methodology and prior to the leak being repaired. In that scenario, OHA was using 52 percent more water but paid 27 percent less than the “Meter-2007” proposed rates.

As for the matter of usage blocks, the same holds true. One cannot compare placement in usage blocks across different meter size customers in order to determine if the rates are equally distributing the revenue requirement fairly to all customers. In calculating usage blocks for each meter size, staff took into account the total capacity that could pass through the meter in order to arrive at usage blocks that capture all possible demand possibilities. Which block one group of customers fall into compared to another is irrelevant.
- e) Staff recognizes OHA has their own water system. Options exist for OHA customers to explore selling their system to WWS at some point in the future.
- f) OHA has in fact received a “discount” for many years at the expense of other customers. This issue was one of several customer concerns about fairness in the design of the rates. In general,

customers agreed that each customer should pay in proportion to the water they use. Discounts do not follow this principle. Staff's proposed rate design properly allocates cost/revenue to the users.

7. **Question received from Mr. Duane Franklet:** In reference to UTC Docket UW-071730, Affiliated Interest Filing; Mr. Franklet would like to know where he can find Exhibits 1 through 3.

Staff Action: Exhibits 1 through 3 were posted on August 21, 2007, but it was unclear which link should be opened to view them. In addition to sending Mr. Franklet copies of the Exhibits, staff created a single link for customers to find all documents related to this filing. The steps are:

- a) Go to <http://www.wutc.wa.gov/water>
- b) Double click on the link to the right of the page titled "UW-071730". You will be taken to a page titled "Docket UW-071730 Filing Details";
- c) Under the section titled "Docket Sheets" select the link called "Documents";
- d) You will next be taken to a page called "Docket #071730 Docket Sheets: Category Documents";
- e) Select the link titled "8/21/07";
- f) Under the section titled "Electronic Documents", you will find links to the documents relating to filing UW-071730.

8. **Comment by Mr. Gunther Eschenbrenner:** Mr. Gunther Eschenbrenner provided staff a copy of a 1973 covenant entered into between the Vusario Limited Partnership (Vusario) and Gilbert & Gleda Geiser. He also supplied a copy of a 2003 agreement under which Vusario sold its water system to Rosario Utilities, LLC. Mr. Eschenbrenner asserted that Vusario still had rights to water under that covenant. Apparently, Mr. Eschenbrenner was (or is) a partner in the Vusario Limited Partnership.

Staff response: It is apparent that the subject of this covenant involves many disputed issues of fact and law. The commission is not the forum for adjudicating those issues. Staff is unaware of any court litigation involving the parties' rights and duties under the covenant.

These covenant-related issues do not need to be resolved before the commission resolves this rate case, because RU has sufficient water rights to serve existing RU customers, including customers formerly attached to the Vusario water system.

If these covenant-related issues are resolved in the future, staff will determine the impact on the utility, if any, at that time.

9. **Comments received by Mr. Robert Cook and Ms. Judith Cook, OHA Board Members:** Due to the fact that the Washington Utilities and Transportation Commission (WUTC) rescheduled the Rosario Utilities (RU) hearing, we are submitting the following testimony because we cannot be in Olympia on September 12, 2007. As you know, this hearing is being held to determine the efficacy of the rate adjustment currently requested by RU, to be imposed on its users. As residents of the Orcas Highlands (OHA), and thus RU customers, we are registering our strenuous objections to the proposed increase for the following reasons:

- 1) OHA buys water in bulk from RU. Under the proposed rate structure, OHA users would be charged significantly more for so doing. The reason given by WUTC staff is that the pipes that carry the water to OHA are larger than those in Rosario. This is philosophically wrong. Bulk, or commodity, purchases have historically been significantly cheaper than individual---or boutique---ones. Penalizing OHA for buying bulk makes no sense to us. OHA is not a for-profit business, nor is it a community of significant size (approximately 105 homes). It should not be treated as a large-scale user.

- 2) OHA owns and maintains its own water infrastructure, and takes full responsibility for its repair and maintenance---the only homeowners association to do so that is serviced by RU. This arrangement has always been agreeable, and should be allowed to continue. According to the proposed rate structure, OHA users will be required to pay for repair and maintenance of non-OHA users and other meter sizes. This recommended change, too, is wrong.
- 3) When reviewing the usage rates for OHA, WUTC staff was told that, during 2007, OHA had significantly lowered the amount of water it purchased from RU---nearly 50% less water was used through July 2007 than during the same period of 2006. This is due to the fact that OHA found and repaired a major leak in its system. Based on current figures that reflect the lower usage resulting from the repairs that were completed, OHA should be assessed the same rate for water as is the Rosario Property Owners Association.

In summation, the rate increase recommended for OHA users (over 90 percent) is egregious. The OHA is a homeowners' association---not a corporate entity. As such, it should be assessed no more than any other residential user within the RU system. Because it is buying 'bulk', common sense would dictate that it should receive a cost advantage. It should certainly not be penalized for bulk water purchases. For these reasons we are going on record objecting to the proposed rate increase under consideration by the WUTC. This rate increase is neither fair nor equitable and it should not be approved without further consideration on behalf of OHA.

Staff Response:

- 1) The fundamental premise in the proposed rate design is to charge all customers for the water they use. Under the previous arrangement with OHA, this was not the case as OHA enjoyed not only a substantial discount, but also rates far below what other customers were paying. The proposed rate design corrects this as demonstrated in the difference between OHA's revised rates compared to the rates originally proposed by RU (18% lower). The statement, "*OHA users would be charged significantly more (when compared to other customers)*" is incorrect as is evident from the following table:

Revised Rate Design Total Revenue Requirement versus Usage		
Customer	Usage Percent	Revenue Requirement Allocated Percent
OHA	22.25 percent	22.79 percent
Resort	34.63 percent	34.31 percent
CH Inn	3.76 percent	3.62 percent
Residential	39.36 percent	39.28 percent
Total	100.00 percent	100.00 percent

Figure 2, Revised Rate Design Total Revenue Requirement versus Usage

- 2) Commission staff realizes OHA owns and maintains its own water system and infrastructure downstream from the RU meter. The commission has never said that OHA could not keep that system and infrastructure. If OHA determines to continue that arrangement, that is OHA's choice. However, that choice has rate implications. RU's system and responsibility ends at the 2-inch meter; therefore, commission staff's rate design does not recognize costs downstream from the meter, because those are not RU's costs. Under staff's proposed rate design, OHA pays around 22 percent of RU's total revenues, and uses around 22 percent of the water (see Figure 2 above). This is an appropriate cost/revenue relationship.
- 3) Staff did in fact make an adjustment for a major leak found by OHA. The adjustment reduced the water usage by OHA for the test period along with the revenue that would have corresponded to the higher amount. Figure 2 illustrates that revised rates properly allocate the revenue required based on the amount of water used.

10. **Comment received by Mr. Roland Sauer, OHA Board Member:** On page 4 of your cover letter for the proposed new rates for RU LLC, there is a table entitled Rate Comparison. This chart shows revised meter rates based on the diameter of the pipe into and out of a meter, as shown below:

3/4"	\$21.92
1"	\$36.61
1 1/2"	\$72.99
2"	\$219.20

This assumes that the larger the diameter the pipe, the more water that can flow through them. This is true, as we've all seen that hoses used by fire departments are larger in diameter than our standard garden hose. The fact that the fire house allows water to flow in a larger volume than the garden hose is a function of both larger diameter and higher pressure within the fire hose. If a meter measuring the number of gallons of output is attached to the garden hose (3/4") and another gallon meter (2") is attached to the fire hose and both have the same water pressure, over any fixed period of time with both hoses turned on at full blast, the fire hose would register more gallons through it than the garden hose.

However, we aren't measuring or paying for the rate at which the water traverses the pipe, but rather the volume (gallons) of water that pass through the pipes...that's why we have meters. A gallon of water passing through the 3/4" pipe is a gallon of water as registered on the 3/4" meter. A gallon of water passing through a 2" pipe is also a gallon of water as registered on the 2" meter. A gallon is a gallon regardless of the size of the pipe and or meter and the fee charges for a gallon of water should be the same, regardless of the size of the meter. It is unfathomable to think that 1 gallon of water from a 2" pipe/meter is worth 10 times the same volume (1 gallon) through a 3/4" pipe/meter.

To charge based on the diameter of the pipe and/or meter is a fallacy based on erroneous assumptions. Whether this was done with ignorance or purposely, is not known, but can not be allowed to continue. If it is allowed to continue, then this would constitute a fraudulent act against the users of the RU LLC.

Staff Response: The proposed rate design is not based on flow through a meter. It is based on water used (see Figure 2 above). Figure 2 illustrates the percentage, by customer, of RU's total revenue requirement versus the percentage of the total water used by customer. A small component (3 percent for OHA) of the rate design does allocate RU's maintenance of system capacity in the form of a base charge. This base charge takes into account meter size because meter size reflects the potential capacity demand and therefore is an appropriate way to allocate the cost of maintaining RU's system capacity.

11. **Comment received by Mr. James Hennessey, OHA Board Member:** In Docket number UW-070944, Rate Comparison Chart, we were given a comparison water rate schedule (Appendix D) that is now based on meter/line size instead of ERU's.

The rate schedule shown on page 4 for the HOA 2" meter simply isn't a fair and equitable calculation. In fact, there is no indication how this rate has been determined. I want to bring to your attention a serious miscalculation pertaining to the cut-off points for the Block 1, 2 and 3 rates.

The Block 1 cut-off point for ¾" metered users (Rosario Communities) is 3,000 gallons. However, a simple calculation shows that the cut-off point for 2" meter HOA users is just 571 gallons! (60,000 gallon cut-off divided by 105 HOA users = 571 gallons/user). In addition, using the same calculation, the cut-off point for Block 2 occurs at 1714 gallons; also well below the 3000 gallons allotted to ¾" metered users. This means that the average HOA user is already paying Block 3 rates before other users have even reached the Block 1 rate level. This is grossly unfair and totally inequitable. How can water supplied to one residential subdivision cost more than the same water supplied to another residential subdivision?

A fair and equal adjustment of this rate schedule should take into account that the HOA is not a company or industry. It is a group of individual users who are also on ¾" meters. The fact that we are supplied by a 2" meter should have no effect on the water rates. The rate assessed to the Highlands HOA users must be the same as the rate applied to other residential users of the system. A correct and balanced cut-off point for Block 1 rates must be based on the number of users in the HOA, namely 105 users times 3,000 gallons or 315,000 bulk gallons. The same applies to the Block 2 and 3 rates as well, leading to a 787,500 cut-off for Block 2 rates. This would put HOA users on par with other residential users of the system.

I have no argument against the \$219.20/mo bulk 2" meter base rate as this amount would sufficiently compensate for the maintenance of purification system, pumps and pipes leading up to the HOA meter. Beyond the meter, the HOA owns and maintains its own pump and piping. To my mind this constitutes a fair calculation of the rates.

Another fair accounting might occur if the water system in the Highlands HOA was purchased back by the utility. If the utility owned and maintained the complete infrastructure, then our individual ¾" meters could be read and the rates established would be the same for all residential users. Essentially, we wouldn't have this disparity problem and I think the Highlands Board and homeowners might be open to this option.

The rate schedule shown in Appendix D is totally unfair and inequitable. The disparity in the rates is unreasonable and from what I can see, unjustifiable. I do not believe that it is the intent of the utility to single out and penalize the Highlands HOA through an unfair rate structure. I conclude that it must be a miscalculation. I, therefore, sincerely ask Mr. Ward and the WUTC Commissioners to seriously look into this matter and rectify this problem before creating or voting on any final recommendations.

Staff Response: Staff distills from Mr. Hennessey's letter the following issues in order to craft its response:

- a) **Issue:** The revised rates for OHA are unfair, inequitable, unreasonable and unjustifiable. There is no indication as to how these revised rates were determined.

Staff response: Staff is satisfied that the revised rates are just, fair, reasonable, sufficient and in the public interest. Staff has provided customers with copies of over 60 working papers and documents that it used to arrive at the revised rates, participated in numerous meetings and answered over 100 separate customer concerns and questions relating to this rate case. In addition, staff acknowledged and addressed a longstanding customer concern that ERU's did not fairly allocate the revenue customers paid for water used. The revised rates submitted by staff are

based on metered usage. They reflect an equitable distribution of revenue requirements among RU customer groups (see Figure 2 above).

As part of its investigation, staff reviewed the relationship between the amount of water used and the amount of revenue paid for each customer category. Staff found that the “Residents” category used proportionately less water than the revenues it paid and the “OHA” category used proportionately more water than the revenues it paid. Staff’s proposed revised rates rectify this situation.

- b) **Issue:** The usage blocks for OHA revised rates are not calculated correctly.

Staff response: (NOTE: This response is the same as the one provided to Mr. Lee Goodwin in question 6, part d above)

Because OHA is a 2-inch meter customer, comparing rates with ¾-inch customers like RPOA is an “apples-to-oranges” comparison. OHA’s rate is calculated as one single user with an average consumption of 407,804 gallons per month. Extrapolating individual residential rates from the total is not appropriate.

A more useful and telling comparison in Figure 1 above is the amount of water used by OHA and the yearly total bill for water under the “ERU-2006” methodology and prior to the leak being repaired. In that scenario, OHA was using 52 percent more water but paid 27 percent less than the “Meter-2007” proposed rates. The same relationship holds true for the usage blocks.

It is not appropriate to compare placement in usage blocks across different meter size customers in order to determine if the rates are equally distributing the revenue requirement fairly to all customers. In calculating usage blocks for each meter size, staff took into account the total capacity that could pass through the meter, in order to arrive at usage blocks that capture all possible demand possibilities. Which block one group of customers falls into compared to another is not relevant.

- c) **Issue:** RU should consider purchasing OHA’s water system beyond the 2-inch meter.

Staff response: OHA may wish to explore the possibility of selling its system to WWS. Obviously, the commission cannot take such a sale into account until it occurs.