

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITES AND)	
TRANSPORTATION COMMISSION,)	DOCKET UW-011572
)	
Complainant,)	COMPLAINT AND ORDER
)	SUSPENDING TARIFF
vs.)	REVISIONS, AND
)	INSTITUTING
Canterwood Water Company, Inc.,)	INVESTIGATION
)	
Respondent.)	
.....)	

BACKGROUND

On November 26, 2001, Canterwood Water Company, Inc., (Canterwood Water or Company) filed tariff revisions with the Commission designated as WN U-3.

The Company requested a general rate increase of \$84,497 (55 percent) of annual revenue. The Company serves approximately 529 customers west of Gig Harbor, in Pierce County.

The Company states this filing is made to recover the cost of new capital improvements, update the water system plan, and cover increased operating cost. These increased costs include a new Satellite Management Agency (SMA) with Peninsula Light, contracted for daily operations and maintenance of the water system and increased electrical costs.

The Company proposes in its filing, to change the rate design by removing the 400 cubic feet allowance previously included in the base charge and adding several increasing cost rate blocks. The company hopes to encourage water conservation with this rate design and should see reduced electrical and maintenance cost with reduced water consumption.

Canterwood Water has not yet demonstrated that the proposed charges are fair, just, and reasonable. It appearing that the filing herein would provide charges and rates for water service rendered by respondent and that the rights and interests of the public might be injuriously affected thereby, it is the decision of the Commission to suspend the operation of the above filing pending such hearing or hearings and decision thereon.

6 The Commission deems it necessary, in order to carry out the duties imposed upon it
 by law, to investigate the books, accounts, practices and activities of respondent; to
 make an evaluation or appraisal of the property of respondent; and to investigate and
 appraise various phases of the operation of respondent. Respondent may be required
 to pay the expenses reasonably attributable and allocable to such investigation to the
 extent the requirement for such payment may be in accordance with the provisions of
 chapter 80.20 RCW.

FINDINGS

- 7 (1) Canterwood Water Company, Inc., is an investor-owned water company and a
 public service company subject to the jurisdiction of the Commission.
- 8 (2) The tariff revisions filed by Canterwood Water Company, Inc., on November
 26, 2001, would increase charges and rates for service provided and might
 injuriously affect the rights and interests of the public.
- 9 (3) Respondent has not demonstrated that the increased rates and charges in its
 tariff revisions would result in rates that are fair, just, and reasonable.
- 10 (4) As required by RCW 80.04.130, Canterwood Water Company, Inc., bears the
 burden of proof to show that the proposed increases are fair, just, and
 reasonable.
- 11 (5) In order to carry out the duties imposed upon the Commission by law, and as
 authorized in RCW 80.20.20, the Commission believes it necessary to
 investigate the Respondent's books, accounts, practices and activities; to make
 a valuation or appraisal of Respondent's property; and to investigate and
 appraise various phases of Respondent's operations. Respondent may be
 required to pay the expenses reasonably attributable and allocable to such
 investigation to the extent the requirement for such payment may be in
 accordance with the provisions of chapter 80.20 RCW.

ORDER

12 IT IS THEREFORE ORDERED:

- 13 (1) The operation of the above tariff filing, filed November 26, 2001, is hereby
 suspended.
- 14 (2) A hearing or hearings, on the Commission's own motion, will be held at such
 times and places as may be required.

- 15 (3) No change or alteration will be made in the tariff filing filed herein, during the period of suspension, unless authorized by the Commission.
- 16 (4) An investigation is hereby instituted by the Commission.
- 17 (5) Respondent may be required to pay the expenses reasonably attributable and allocable to such investigation to the extent the requirement for such payment may be in accordance with the provisions of chapter 80.20 RCW.

DATED at Olympia, Washington, and effective this 28th day of December, 2001.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION


 MARILYN SHOWALTER, Chairwoman


 RICHARD HEMSTAD, Commissioner


 PATRICK J. OSHIE, Commissioner

