

Agenda Date: December 29, 2011  
Item Number: A4

**Docket:** UW-112035  
Company Name: Roche Harbor Water System

Staff: Jim Ward, Regulatory Analyst  
John Cupp, Consumer Protection Staff

### **Recommendation**

Issue a Complaint and Order Suspending the Tariff Revisions filed by Roche Harbor Water System, on November 28, 2011.

### **Discussion**

On November 28, 2011, Roche Harbor Water System (Roche Harbor or company), filed with the Washington Utilities and Transportation Commission (commission) a general rate increase that would generate \$35,594 (8.2 percent) in additional annual revenue. The stated effective date is January 1, 2012. The filing is prompted by increased costs for company operations exceeding revenues. The company's last general rate increase became effective August 1, 2008. The company serves approximately 600 customers near Roche Harbor in San Juan County.

Staff found that the company did not include the ready to serve rate increase as part of its notice to customers. Although the ready to serve customers received the rate increase notice of metered rates, the ready to serve rate increase from \$30 to \$32 was not listed. When staff advised the company of this oversight, the company informed staff to 'leave the ready to serve customers at 30.00 and we will apply later when we do the credit card convenient fee'.

Using the proposed rates, a residential customer using 2,919 gallons of water (the average residential monthly usage) would pay \$2.49 (5.2 percent) more than the current rates (see "Average Bill Comparison" table below). Current and proposed rates are shown below.

**Rate Comparison**

Monthly Rate	Current Rate	Proposed Rate
Ready to Serve	\$30.00	\$32.00
Base Rate 5/8 Inch Service <sup>1</sup>	\$30.00	\$32.00
Usage 0 to 5,000 Gallons per 1,000 Gallons	\$2.75	\$2.92
Usage 5,001 to 10,000 Gallons per 1,000 Gallons	\$6.70	\$7.02
Usage over 10,000 Gallons per 1,000 Gallons	\$8.75	\$9.22
Treatment Cost Recovery per 1,000 Gallons	\$1.68	\$1.68
Capital Recovery Surcharge <sup>2</sup> - Usage 0 to 5,000 Gallons per 1,000 Gallons	\$1.70	\$1.70
Usage over 5,000 Gallons per 1,000 Gallons	\$4.25	\$4.25

1 - Other upsize meter rates are also changed and available in the proposed tariff.

2 - Surcharge to expire November 30, 2023, or upon recovery of \$1,634,700.

**Average Bill Comparison**

Average Residential Monthly Usage (2,919 Gallons)	Current Rate	Proposed Rate
Base Rate 5/8 Inch Service	\$30.00	\$32.00
2,919 Gallons	\$8.03	\$8.52
2,919 Gallons (Treatment)	\$4.90	\$4.90
2,919 Gallons (Capital)	\$4.96	\$4.96
Average Monthly Bill	\$47.89	\$50.38
Change from current rate	\$2.49	5.2%

Commission staff has not completed its review of the company's supporting financial documents, books and records. Staff has not received responses to outstanding data requests and staff has not yet completed our review. Therefore, the company has not yet demonstrated that the proposed rates are fair, just, reasonable and sufficient.

**Customer Comments**

On November 21, 2011, the company notified its metered customers of the proposed rate increase by mail. However, the ready to serve customers were not notified of any rate increase. No comments were received.

**Conclusion**

Issue a Complaint and Order Suspending the tariff revisions filed by Roche Harbor Water System, on November 28, 2011.