

Agenda Date: July 26, 2018  
Item Number: A4

**Docket:** UW-180492  
Company Name: Shirona Water Company, LLC, now known as “Wildwood Water Company, LLC”

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

**Recommendation:**

Issue a Compliant and Order Suspending the tariff filing by Shirona Water Company, LLC, on June 1, 2018.

**Discussion**

On June 1, 2018, Shirona Water Company, LLC (Shirona or company), filed with the Utilities and Transportation Commission (commission) a proposed general rate increase that would generate \$4,100 (4 percent) additional annual revenue and establishment of a new Tariff WN U-1. This new tariff would replace Shirona’s WN U-1 tariff and Crosswoods Water Company’s WN U-2 tariff.

As part of the new tariff and this rate case, the company is also requesting a name change to Wildwood Water Company, LLC.

The company’s reasons for the increase is many operating costs are now changing due to common ownership of the two formerly separate companies, to include taxes, insurance, Department of Health operating permit fees, water quality testing and repair costs. The proposed effective date is July 29, 2018. The company serves a combined 228 residential customers near Oak Harbor on Whidbey Island in Island County. Crosswood’s last rate increase was for \$7,600 (17.2 percent) and was effective January 1, 2016, and Shirona Water Company only recently became regulated and has not had a previous rate case.

This filing would change both previous companies’ tariffs to a single tariff rate for water services.

**Customer Comments**

On May 29, the company notified its customers by mail of the proposed rate increase. Customers were notified that they may access relevant documents about this rate increase on the commission’s website, and that they may contact John Cupp at 1-888-333-9882 or john.cupp@utc.wa.gov with questions or concerns. Staff received four consumer comments, all opposed to the increase.

**General Comments**

- Four comments came from customers on the Crosswoods system. They feel it is unfair that the increase to them is higher than the increase to customers on the Shirona water system.

**Staff Response**

Staff explained the potential benefits to customers when all systems' rates and expenses are blended.

**Rate Comparison**

<b>Monthly Rate</b>	<b>Shirona Current Rate</b>	<b>Crosswoods Current Rate</b>	<b>Proposed Rate</b>
Base Rate, ¾ - Inch Meter	\$27.50	\$20.25	\$28.60
0 to 500 CF*, Per CCF**	\$3.25	\$1.50	\$3.38
501 To 1,000 CF, Per CCF	\$3.55	\$1.90	\$3.69
>2,001 CF, Per CCF	\$4.10	\$2.40	\$4.26

\* CF – Cubic Feet,

\*\* CCF - 100 Cubic Feet,

**Monthly Residential Bill Comparison**

<b>Monthly Average 640 Cubic Feet</b>	<b>Shirona Current Rate</b>	<b>Crosswoods Current Rate</b>	<b>Wildwood Proposed Rate</b>
¾ - Inch Metered Service Base	\$27.50	\$20.25	\$28.60
0 – 500 CF (500 CF)	\$16.25	\$7.50	\$16.90
501 – 1,000 CF (140 CF)	\$4.93	\$2.64	\$5.17
<b>Water Bill Total</b>	<b>\$48.68</b>	<b>\$30.39</b>	<b>\$50.67</b>
Change to Revised Rates	\$1.99 4%	\$20.28 66%	

**Ancillary Charge Comparison**

<b>Charge or Service</b>	<b>Current Charge</b>	<b>Proposed Charge</b>
Service Connection	\$500.00	\$750.00
Account Set-up Charge	NA	\$15.00
Service Visit Charge	NA	\$25.00
NSF Check Charge	NA	\$25.00
Water Availability Letter	NA	\$20.00
Disconnection Visit Charge	NA	\$25.00
Late Payment	NA	2 % or Min \$1.00

**Conclusion**

Commission staff has not completed its review of the company's supporting financial documents, books and records. Staff's review of the filing shows that the company has not supported the operating expenses.

**Recommendation:**

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