

WA Utilities and Transportation Commission

Rosario Utilities, Docket UW-070944

This is the testimony of customer Lee Goodwin given at the Public Hearing Sept 12:

Honorable Commissioners and Mr Ward:

I'm Lee Goodwin of Orcas Highlands.

Staff proposed on Monday an alternative formula - 29.75 Base rate for all others and 297.50 Base rate for us, and a new Usage scale that still brackets our rates by 10 times what all other users pay, putting most of our usage in the highest 2 brackets whereas RPOA's usage is all at the lowest rate. They asked if we could accept this? We replied NO, because this proposal is even more discriminatory than the one 3 weeks ago. We do agree that the 29.75 Base rate is fair, but not the Usage blocks or 10 times multiplier concept .

I explained to Mr Ward yesterday by email that we do not own our Highlands distribution system by choice. It was turned over to us by Gil Geiser, then Rosario owner, in 1981 as a way to shift responsibility for the Highlands and Otters Lair system onto the backs of our homeowners. I believe he did the same thing with Vusario's piping infrastructure. It was easy, because each of these 2 subdivisions was set up by Geiser as Homeowners Association legal entities which property owners are required to all belong to. The Rosario Residents area was not set up that way by Geiser, so there was no entity there which he could shift ownership and responsibility for distribution system to. This is the history of why we own our distribution system, not of our choosing or desire at all, which we would much prefer be included in the RU system. There is no reason for us to own it, since it costs us much more to maintain than if it were included in RU, like it was originally. And consequently it is unfair to assess us higher rates than others only because we have a 2" meter.

Vusario also owned theirs up until 2003 when they sold it to Olympus. At that time Vusario users became classified as 3/4" non-bulk customers, even though their water passes thru an identical Master 2" Meter right alongside our 2" Meter. I have a photo here that shows this. While we realize that Meter size is often used as a basis for setting rates, and makes sense for some types of planned developments of condos and tract homes, in our case this approach results in severe inequity.

We *will* approach WWSC about the possibility of their acquiring our system, but have no idea if they'd be amenable, since they've not factored into their expected costs the costs of operating our system. It's speculative to assume they would at this juncture.

Staff said on Monday "In calculating usage blocks for each meter we took into account the total capacity that could pass through that meter in order to arrive at usage blocks that capture all demand possibilities". Perhaps there's a misconception of how much demand OHA could ever have. The 2" meter determines the thru-put capacity, but our demand is limited by the number of homes that can be built in our tract, and by the number of hookup permits RU make available. The capacity through that meter is likely much more than actual demand could be. We have 105 users now, + 14 RTS + 15 lots that lack water certificates from RU, total 134 residential lots. There can never be any more than this, as our lots cannot be subdivided. Thus we're at 78% of maximum buildout. So the meter's capacity may be much higher than our maximum demand.

We had a massive leak just downstream from the Master meter in 2006, which we fixed in Nov. We lost 43% of the water we paid RU for over the year, and also had about 21% leak loss over 2005. We are now losing none since last Dec, yet Staff continues to say as of 2 days ago that our greatly leak-inflated

total usage last year is a proper basis in concluding that we've been greatly overconsuming and underpaying %-wise. Our consumption last year was an anomaly, as our data from Dec thru Aug of this year clearly shows. We've seen no evidence we've been underpaying relative to other users. We paid for all gallons we lost thru the leaks, at exactly the same usage rates as everyone else.

This is why we feel we are being unfairly discriminated against, with far higher rates for equal usage than the other users under all of Staff's recent proposals.

We respectfully ask the Commission to please request Staff to redesign a formula based on some type of Volume Equivalents, so that all residents in our system pay equally for gallons used. The old ERU system is not acceptable since it undercharged the Resort, but there must be some approach other than basing on meter size that would achieve the required \$384,000 Revenue and be fair across the board.

Thank you