

Agenda Date: October 29, 2019
Item Number: A6

Docket: UW-200767
Company Name: Water of Bethel, LLC

Staff: Scott Sevall, Regulatory Analyst
John Cupp, Consumer Protection Staff
Andrew Roberts, Consumer Protection Staff

Recommendation

Take no action, allowing the tariff revisions filed by Water of Bethel, LLC on August 28, 2020, and revised on October 20, 2020, to go into effect November 1, 2020.

Discussion

On August 28, 2020, Water of Bethel, LLC (Bethel or company) filed tariff revisions with the Utilities and Transportation Commission (commission) that would generate approximately \$33,443 (46 percent) additional annual revenue. Bethel serves 215 customers in Pierce County. The filing is prompted by purchases in new assets, and other general operating expenses. The company's last general rate increase, under the name Bethel Water Company, became effective December 1, 1998.

Ownership of the system was recently transferred to a new owner in Docket UW-200384. This filing represents the new ownership updating rates that have not been updated since 1998, when the base rate increased from \$20.50 per month to the current \$21.60 per month. The water system owned by Bethel is listed in the table below:

Water System		
<u>Name</u>	<u>DOH number</u>	<u>County</u>
Water of Bethel	05948M	Pierce

The company's initial filing did not include a full 12 months of usage or financial data, and the company had made pro-forma adjustments to represent 12 months of operations. The company extended the effective date 30 days and with the extra time was able to provide 12 months of actual usage and a complete year of financial data. Commission staff (staff) utilized the revised data, capitalized certain repair expenses, and adjusted payroll. The revenue requirement was reduced by \$25,428 from \$33,443 to \$8,015 in additional annual revenue which results in a 10 percent increase not the 46 percent increase originally requested.

Staff and the company have agreed on the new revenue requirement and rates design. The company filed tariff revisions reflecting rates which generate the revised revenue requirement. The proposed rates are fair, just, reasonable, and sufficient. The table below shows the current rates and company proposed rates.

Rate Comparison

Current Rates				
	Base Rate	Usage (cu. ft.)		
¾ inch meter	\$21.60	\$0.95 per 100		
Company Proposed Rates				
	Base Rate	Block 1 0-800 cu. ft.	Block 2 801-1200 cu. ft.	Block 3 1201+ cu. ft.
¾ inch meter	\$31.00	\$1.25 per 100 cu. ft.	\$1.50 per 100 cu. ft.	\$2.00 per 100 cu. ft.
Staff Revised Rates				
	Base Rate	Block 1 0-650 cu. ft.	Block 2 651-1100 cu. ft.	Block 3 1101+ cu. ft.
¾ inch meter	\$25.00	\$0.95 per 100 cu. ft.	\$1.10 per 100 cu. ft.	\$1.50 per 100 cu. ft.

Bill Comparison for 900 cubic feet of usage.					
	Current	Proposed	Percent of Change	Staff Revised	Percent of Change
Base Rate	\$21.60	\$31.00	43.5%	\$25.00	15.7%
Usage	\$8.55	\$11.50	34.5%	\$8.93	4.4%
Total	\$30.15	\$42.50	40.9%	\$33.93	12.5%

Customer Comments

On August 31, 2020, the company notified its customers of the proposed rate increase by mail, as bill inserts. Staff has received no comments on this case.

Conclusion

Take no action, allowing the tariff revisions filed by Water of Bethel, LLC on August 28, 2020, and revised on October 20, 2020, to go into effect November 1, 2020.