# Cascadia Law Group ENVIRONMENTAL ATTORNEYS

February 8, 2010

David Danner Executive Director Washington Utilities and Transportation Commission 1300 South Evergreen Park Drive SW Olympia, WA 98504-7250

RE: Bethel School District's Comments to Proposed Rate Increase and Tariff Revisions Docket # UW-091466 Rainier View Water

Company, Inc.

Dear Director Danner:

On behalf of the Bethel School District (Bethel), I am submitting this letter and attachments as formal comments regarding the above-referenced rate increase and tariff revisions proposed by Rainier View Water Company, Inc. (Rainier View). Based on the comments below, Bethel is opposed to the rate increase and tariff revisions.

On September 15, 2009, Rainier View filed its proposed rate increase and tariff revisions. Since that time the UTC Staff has reviewed the proposal and made recommendations that resulted in the Commission issuing an Order suspending the tariff revisions. However, the proposal remains active, and Bethel appreciates the opportunity to comment and explain the significant financial impact this proposal will have on the School District.

The School District covers 202 square miles in southeast Pierce County. In the last ten years, Bethel has grown by nearly 5,000 students. It now stands as the 13th largest district in the State with an enrollment of about 17,500. Bethel has 17 elementary schools (K-6), five junior high schools (7-9), three comprehensive senior high schools (10-12), an alternative junior high/high school (8-12), a transportation center, and an online academy. A majority of the District is served by Rainier View, and we believe the District is one of, if not its largest, customer.

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As a preliminary matter, Bethel recently filed a Complaint (January 28, 2010) with the UTC based on a new method of assessment charged by Rainier View for schools Bethel opened in 2009. However, Rainier View did not charge this method of assessment for any of Bethel's other 13 schools within Rainier View's service area. It is Bethel's position that these charges are outside the terms of the existing tariff and any approved agreements. The charges dramatically increase the costs to the District. I am attaching a copy of the complaint. While the complaint is in regard to the existing tariff, it is important to understand the financial uncertainty and impacts caused by the totality of Rainier View's recent actions, including the proposed rate increase. The proposed tariff as submitted by Rainier View fails to show the true impact to Bethel. The attached spreadsheets show the significant impacts and clearly dispute Rainier View's estimated 3.4% increase. In fact, it appears that the additional \$164,487 is going to be primarily burdened by Bethel.

The spreadsheet is a representative example of Bethel's water use and costs for an elementary school (North Star Elementary School), a junior high school (Frontier Junior High School) and a high school (Graham Kapowsin High School) based upon a 2" or 3" meter (depending upon the school as noted in the spreadsheets). The attached summary sheet shows that the proposed rates and tariff revisions will actually result in almost an 86% increase in costs to Bethel for all schools served by Rainier View. Based on the example schools, Bethel estimates the yearly increased cost to the District will be almost \$103,000.

Pursuant to the UTC statutes, rules and regulations, the rates must be reasonable and fair. See, chapter 80.104 RCW, chapters 480-110 and 480-80 WAC. Rainier has the burden of proof to show that the proposed increases are fair, just and reasonable. RCW 18.04.130(4). We believe that in regard to Bethel these rates do not meet that standard. They raise the cost far in excess of current rates, placing a significant and substantial new financial burden on the School District and in turn its ability to budget for critical educational needs. This will injuriously affect the rights and interest of the public.

David Danner February 8, 2010 Page 3

Thank you very much for your time and assistance.

Sincerely,

Thomas McDonald Direct Line: (360) 786-5039

Email: tmcdonald@cascadialaw.com

Office: Olympia

TM:en

Enclosures: UTC Complaint (Jan. 28, 2010) w/o attachments

Four (4) spreadsheets

Summary Comparison: Existing to Proposed Tariff

cc: Jim Ward, Regulatory Analyst

Jim Hansen, Director of Construction and Planning

Catherine Carlson, Facilities Planner

#### FRONTIER JR HIGH Domestic and Irrigation Proposed Tariff

	Α	В	С	D	E	F	G	Н		J	К	L
1					Metered Rate Service							
2	Statement Date	Use*	Meter	Water (Usage)	3" Meter Charge	0 - 500 Cubic Ft	Over 500 Cubic Ft	Total Usage Charge	Fireflow	Treatment Surcharge	Generator Surcharge	Total Due
3	1/1/09	Dom & Irr	384081	8400	\$109.80	\$5.00	\$146.15	\$260.95	\$243.27	\$1.81	\$0.00	\$506.03
4	2/1/09	Dom & Irr	384081	10800	\$109.80	\$5.00	\$190.55	\$305.35	\$243.27	\$1.81	\$0.00	\$550.43
5	3/1/09	Dom & Irr	384081	12500	\$109.80	\$5.00	\$222.00	\$336.80	\$243.27	\$1.81	\$0.00	\$581.88
6	4/1/09	Dom & Irr	384081	10400	\$109.80	\$5.00	\$183.15	\$297.95	\$243.27	\$1.81	\$0.00	\$543.03
7	5/1/09	Dom & Irr	384081	13500	\$109.80	\$5.00	\$240.50	\$355.30	\$243.27	\$1.81	\$0.00	\$600.38
8	6/1/09	Dom & Irr	384081	185300	\$109.80	\$5.00	\$3,418.80	\$3,533.60	\$243.27	\$1.81	\$0.00	\$3,778.68
9	7/1/09	Dom & Irr	384081	260300	\$109.80	\$5.00	\$4,806.30	\$4,921.10	\$243.27	\$1.81	\$0.00	\$5,166.18
10	8/1/09	Dom & Irr	384081	268800	\$109.80	\$5.00	\$4,963.55	\$5,078.35	\$243.27	\$1.81	\$0.00	\$5,323.43
11	9/1/09	Dom & Irr	384081	11400	\$109.80	\$5.00	\$201.65	\$316.45	\$243.27	\$1.81	\$0.00	\$561.53
12	10/1/09	Dom & Irr	384081	90000	\$109.80	\$5.00	\$1,655.75	\$1,770.55	\$243.27	\$1.81	\$0.00	\$2,015.63
13	11/1/09	Dom & Irr	384081	32400	\$109.80	\$5.00	\$590.15	\$704.95	\$243.27	\$1.81	\$0.00	\$950.03
14	12/1/09	Dom & Irr	384081	10400	\$109.80	\$5.00	\$183.15	\$297.95	\$243.27	\$1.81	\$0.00	\$543.03
15												
16										Grand Total		\$21,120.26
17		* Single 3" Meter for Domestic and Irrigation Service										
18	4	Formula For Column G "Over 500 Cubic Ft" - =(D-500)/100*1.85										
19		Formula For C	olumn H "Tota	al Usage Charge"	: - =(E+F+G)		94000000					

#### NORTH STAR ELEMENTARY Domestic Proposed Tariff

	Α	В	С	D	E	F	G	Н	1	· J	К	L
1					Metered Rate Service			,				
2	Statement Date	Use	Meter	Water (Usage)	2" Meter Charge	0 - 500 Cubic Ft	Over 500 Cubic Ft	Total Usage Charge	Fireflow	Treatment Surcharge	Generator Surcharge	Total Due
3	1/1/09	Domestic	1547015	4700	\$97.60	\$5.00	\$77.70	\$180.30	\$173.03	\$1.81	\$0.00	\$355.14
4	2/1/09	Domestic	1547015	7500	\$97.60	\$5.00	\$129.50	\$232.10	\$173.03	\$1.81	\$0.00	\$406.94
5	3/1/09	Domestic	1547015	6700	\$97.60	\$5.00	\$114.70	\$217.30	\$173.03	\$1.81	\$0.00	\$392.14
6	4/1/09	Domestic	1547015	5500	\$97.60	\$5.00	\$92.50	\$195.10	\$173.03	\$1.81	\$0.00	\$369.94
7	5/1/09	Domestic	1547015	7500	\$97.60	\$5.00	\$129.50	\$232.10	\$173.03	\$1.81	\$0.00	\$406.94
8	6/1/09	Domestic	1547015	7500	\$97.60	\$5.00	\$129.50	\$232.10	\$173.03	\$1.81	\$0.00	\$406.94
9	7/1/09	Domestic	1547015	4400	\$97.60	\$5.00	\$72.15	\$174.75	\$173.03	\$1.81	\$0.00	\$349.59
10	8/1/09	Domestic	1547015	1300	\$97.60	\$5.00	\$14.80	\$117.40	\$173.03	\$1.81	\$0.00	\$292.24
11	9/1/09	Domestic	1547015	1500	\$97.60	\$5.00	\$18.50	\$121.10	\$173.03	\$1.81	\$0.00	\$295.94
12	10/1/09	Domestic	1547015	6400	\$97.60	\$5.00	\$109.15	\$211.75	\$173.03	\$1.81	\$0.00	\$386.59
13	11/1/09	Domestic	1547015	5500	\$97.60	\$5.00	\$92.50	\$195.10	\$173.03	\$1.81	\$0.00	\$369.94
14	12/1/09	Domestic	1547015	6900	\$97.60	\$5.00	\$118.40	\$221.00	\$173.03	\$1.81	\$0.00	\$395.84
15												
16	Grand Total										\$4,428.18	
17		Formula For Column G "Over 500 Cubic Ft " - =(D-500)/100*1.85										
18		Formula For	Column H "To	tal Usage Cha	arge": - =(E+F+G	G)				W.C. C.		
19		Formula For	Column I "Tota	al Due": - =(H:	K)							

## NORTH STAR ELEMENTARY Irrigation Proposed Tariff

	Α	В	С	D	E	F	G	Н	j	J	K	L '
1		0 - 10 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1			Metered Rate Service							
2	Statement Date	Use	Meter	Water (Usage)	3" Meter Charge	0 - 500 Cubic Ft	Over 500 Cubic Ft	Total Usage Charge	Fireflow	Treatment Surcharge	Generator Surcharge	Total Due
3	1/1/09	Irrigation	2431956	0	\$109.80	\$0.00	N/A	\$109.80	\$0.00	\$1.81	\$0.00	\$111.61
4	2/1/09	Irrigation	2431956	0	\$109.80	\$0.00	N/A	\$109.80	\$0.00	\$1.81	\$0.00	\$111.61
5	3/1/09	Irrigation	2431956	0	\$109.80	\$0.00	N/A	\$109.80	\$0.00	\$1.81	\$0.00	\$111.61
6	4/1/09	Irrigation	2431956	800	\$109.80	\$5.00	\$5.55	\$120.35	\$0.00	\$1.81	\$0.00	\$122.16
7	5/1/09	Irrigation	2431956	6100	\$109.80	\$5.00	\$103.60	\$218.40	\$0.00	\$1.81	\$0.00	\$220.21
8	6/1/09	Irrigation	2431956	21000	\$109.80	\$5.00	\$379.25	\$494.05	\$0.00	\$1.81	\$0.00	\$495.86
9	7/1/09	Irrigation	2431956	55300	\$109.80	\$5.00	\$1,013.80	\$1,128.60	\$0.00	\$1.81	\$0.00	\$1,130.41
10	8/1/09	Irrigation	2431956	66500	\$109.80	\$5.00	\$1,221.00	\$1,335.80	\$0.00	\$1.81	\$0.00	\$1,337.61
11	9/1/09	Irrigation	2431956	10100	\$109.80	\$5.00	\$177.60	\$292.40	\$0.00	\$1.81	\$0.00	\$294.21
12	10/1/09	Irrigation	2431956	52500	\$109.80	\$5.00	\$962.00	\$1,076.80	\$0.00	\$1.81	\$0.00	\$1,078.61
13	11/1/09	Irrigation	2431956	. 0	\$109.80	\$0.00	N/A	\$109.80	\$0.00	\$1.81	\$0.00	\$111.61
14	12/1/09	Irrigation	2431956	0	\$109.80	\$0.00	N/A	\$109.80	\$0.00	\$1.81	\$0.00	\$111.61
15												
16		Grand Total									\$5,237.12	
17	1. · · · · · · · · · · · · · · · · · · ·	Formula For Column G "Over 500 Cubic Ft " - =(D-500)/100*1.85										
18		Formula For	Column H "To	tal Usage Cha	arge": - =(E+F+G	S)		24184-24-		<u> </u>		
19	0) 0) 4	Formula For	Column I "Tota	al Due": - =(H:	K)							

#### GRAHAM KAPOWSIN HIGH SCHOOL Domestic and Irrigation Proposed Tariff

	Α	В	С	D	E	F	G .	Н	1	J	К	L	
1					Metered Rate Service								
87				Water		0 - 500 Cubic	Over 500	Total Usage	×.	Treatment	Generator		
2	Statement Date	Use*	3" Meter	(Usage)	Meter Charge		Cubic Ft	Charge	Fireflow	Surcharge	Surcharge	Total Due	
3	1/1/09	Dom & Irr	70136641	1700	\$109.80		\$22.20						
4	1/1/09	Dom & Irr	136641	100		\$0.00	\$1.85						
5			Lucio de la compansión de				Total	\$138.85	\$522.00	\$1.81	\$0.00	\$662.66	
6	2/1/09	Dom & Irr	70136641	1300			\$14.80						
_7_	2/1/09	Dom & Irr	136641	0		\$0.00	\$0.00						
8					100000000000000000000000000000000000000		Total	\$129.60	\$522.00	\$1.81	\$0.00	\$653.41	
9	3/1/09	Dom & Irr	70136641	100			\$1.85			1			
10	3/1/09	Dom & Irr	136641	1400		\$5.00	\$16.65		-				
11							Total	\$133.30	\$522.00	\$1.81	\$0.00	\$657.11	
12	4/1/09	Dom & Irr	70136641	200		Contract of the contract of th	\$3.70	25.16					
13	4/1/09	Dom & Irr	136641	1500		\$5.00	\$18.50						
14			70.000		6.00	20.55	Total	\$137.00	\$522.00	\$1.81	\$0.00	\$660.81	
15	5/1/09	Dom & Irr	70136641	400			\$7.40						
16	5/1/09	Dom & Irr	136641	2236		\$5.00	\$32.12	*454.00	#F00.00	0.101		4070.40	
17	214 199	D . 0.1-	70400044	470500	#400.00	65.00	Total	\$154.32	\$522.00	\$1.81	\$0.00	\$678.13	
18	6/1/09	Dom & Irr	70136641	178500			\$3,293.00			W 5			
19	6/1/09	Dom & Irr	136641	5706		\$0.00	\$105.56	62 542 26	<b>6500.00</b>	P4 04	E0.00	64 007 47	
20 21	7/1/09	D 8 I	70136641	141600	\$109.80	\$5.00	Total \$2,610.35	\$3,513.36	\$522.00	\$1.81	\$0.00	\$4,037.17	
22	7/1/09	Dom & Irr		3021		\$0.00							
23	771709	Dom & Irr	136641	3021		\$0.00	\$55.89 Total	\$2,781.04	\$522.00	\$1.81	\$0.00	\$3,304.85	
24	8/1/09	Dom & Irr	70136641	255900	\$109.80	\$5.00	\$4,724.90	\$2,701.04	\$322.00	φ1.01	φυ.υυ	\$3,304.63	
25	8/1/09	Dom & Irr	136641	5700		\$0.00	\$105.45			-			
26	0/1/05	Domain	130041	3700		ψ0.00	Total		\$522.00	\$1.81	\$0.00	\$5,468.96	
27	9/1/09	Dom & Irr	70136641	110500	\$109.80	\$5.00	\$2,035.00	\$4,546.15	Ψ522.00	Ψ1.01	ψ0.00	\$5,400.50	
28	9/1/09	Dom & Irr	136641	3381		\$0.00	\$62.55						l
29	0,1100	DOM C III	100011			\$0.00	Total		\$522.00	\$1.81	\$0.00	\$2,736.16	I
30	10/1/09	Dom & Irr	70136641	28600	\$109.80	\$5.00	\$519.85		4022.00	41.01	49.55	42,133.13	I
31	10/1/09	Dom & Irr	136641	1883		\$0.00	\$34.84			F			İ
32							Total		\$522.00	\$1.81	\$0.00	\$1,193.30	İ
33	11/1/09	Dom & Irr	70136641	100	\$109.80	\$0.00	\$1.85				, = 100	,	İ
34	11/1/09	Dom & Irr	136641	1612		\$5.00	\$20.57			A 11		- 70	l
35							Total	The second secon	\$522.00	\$1.81	\$0.00	\$661.03	1
36	12/1/09	Dom & Irr	70136641	100	\$109.80	\$0.00	\$1.85			20 20 20 20 20 20 20 20 20 20 20 20 20 2			İ
37	12/1/09	Dom & Irr	136641	1613		\$5.00	\$20.59			607 at 256			1
38							Total		\$522.00	\$1.81	\$0.00	\$661.05	İ
39	Paris III												i
40										Grand Total		\$20,713.58	i
41		* Single 3" Meter for Domestic and Irrigation Service											i
42	1	Formula For Co	olumn G "Over 50	00 Cubic Ft " -	=(D-500)/100*	1.85							
43	1		olumn H "Total Us		- =(E+F+G)								
44		Formula For Co	olumn I "Total Due	e": - =(H:K)		0.00		3 32					tevised 2/8/10

# SUMMARY COMPARISON Existing to Proposed Tariff (Domestic and Irrigation)

Cabaal	Dilling Time Devied	Current Tariff	Estimated Proposed Tariff Charge	Estimated Percent
School	Billing Time Period	Charge #4 909 44		
North Star Elementary	Jan thru Dec 2009	\$4,808.14	\$9,665.30	10176
Frontier Junior High	Jan thru Dec 2009	\$10,866.46	\$21,120.26	94%
Graham Kapowsin High School	Jan thru Dec 2009	\$12,789.83	\$20,714.58	62%
	Example Totals	\$28,464.43	\$51,500.14	81%
8 Elementary Schools in RV Service Area	Jan thru Dec 2009	\$38,465.12	\$77,314.89	
4 Junior High Schools in RV Service Area	Jan thru Dec 2009	\$43,465.84	\$84,323.73	
High Schools     Transportation Center in RV Service Area	Jan thru Dec 2009	\$38,369.49	\$62,158.57	
TOTAL IMPACT TO BETHEL SCHOOL DISTRICT (Estimated)	1 Year	\$120,300.45	\$223,797.19	86%

To Print this form go to the menu and choose File > Print

Customer Name: Jim Hansen, Bethel School District #403

Street Address: 516 176th St E

City: Spanaway State: WA Zip: 98387 County: Pierce Home Phone:

Day/Work Phone: 253.683.6041 Email Address: jhansen@bethelsd.org Account Number: 1.56.651500, 1.58.625500 Company Name: Rainier View Water Company

Street Address: 5410 189th St E

City: Puyallup State: WA Zip: 98375

Date: 01/28/2010

Complaint Detail: The Bethel School District #403 ("District") opened Nelson Elementary and Liberty Junior High in September 2009. For these two new schools, Rainier View Water Company (Rainier View) calculated the invoices for water usage using a methodology inconsistent with Rainier View's Tariff and inconsistent with the invoices for all other District school properties within Rainier View's service area. There is no dispute that the Water Rates to be charged to the District are based upon the published Tariff. The Water Extension Agreements for service executed between the District and Rainier View do not change the published Tariff Rates. Unlike the District's other school properties within Rainier View's service area, invoices for Nelson Elementary and Liberty Junior High were calculated by imposing Tariff Condition No. 1, of Schedule No. 1. Condition No. 1 states: "In addition to the regular monthly minimum of \$15.80, the minimum for a multiple dwelling unit shall be \$15.80 for the second unit, \$13.35 for the third unit and \$13.35 for each unit thereafter." Rainier View Tariff, Rule 15 - Rates clearly defines what condition must be met to be considered a multiple dwelling unit establishing when Condition No. 1 of Schedule 1 is applicable. Rule 15 - Rates states: "Rates for water service and supply shall be those published in the company's tariff on file with the Commission. Unless otherwise stated in this tariff, the rates shall apple to a single service to one customer at one premise. Where two or more families with separate housekeeping establishments occupy the same or separate dwellings, each family using water shall be considered a separate customer. Each separate housekeeping establishment or business will be considered a customer. When conditions require that more than one customer be supplied through one meter, each customer shall be charged the minimum charge as provided by the schedule of rates. If the consumption as shown by the meter exceeds the allowance for the minimum charge multiplied by the number of customers, the excess consumption charge shall be computed at the regular rates for one customer and the amount prorated equally to the several customers, or otherwise as may be agreed by the customers and the utility." All of the District's school properties (including Nelson Elementary and Liberty Junior High) are single user sites. There are no multiple dwelling units or multiple users on either site or on any school property. The District purchased 7 ERUs for domestic and 9 ERUs for irrigation water at Nelson Elementary and 11 ERUs for domestic and 27 ERUs for irrigation water at Liberty Junior High. Rainier View equated the number of ERUs purchased for these sites as multiple dwelling units. For example, at Liberty Junior High, for domestic usage, Rainier View charged \$15.80 for the first ERU, \$15.80 for the second ERU, and then the balance was charged by multiplying the remaining 9 ERUs x \$13.35. Resulting invoices were therefore significantly higher than Tariff rates allow. Please see attached spreadsheets for comparison of charges calculated using Schedule No. 1

(without Condition No. 1) of the Tariff (the method used by Rainier View at all Bethel school properties for all of the years the District has received water from Rainier View and still used by Rainier View for 13 of Bethel school properties except for its two new schools - Nelson Elementary and Liberty Junior High School) to invoices actually received from Rainier View. As the attached Spreadsheets show, Rainier View claimed (by instituting a new method of determining the water rate at Nelson Elementary and Liberty Junior High only) that the District owed \$18,715.55 although using the method (without Condition No. 1) as charged by Rainier View at all other District school properties, requires the District to pay only \$12,044.47. Rainier View has over charged the District \$6,671.08. Finally, the District has communicated with Puyallup School District, which has one school property, Carson Elementary School, within the Rainier View Water Service Area. Although Puyallup School District purchased 27 ERUs for Carson Elementary to obtain domestic and irrigation water service to that site, Rainier View has not multiplied Puyallup's 27 ERUs by \$15.80 and \$13.35 to determine the Water Rate. Rainier View has not imposed Condition No. 1 under Schedule No. 1 on the Puyallup School District. Attached hereto is a copy of Puyallup School District's Invoices from Rainier View for the time period November 2007 through December 2009 with a Spreadsheet, showing the method of the charges for domestic and irrigation service for five (5) billing cycles during the period covered by the attached invoices. Thus, clearly, Bethel School District's new schools are being wrongfully charged and are being singled out. It should be noted that Rainier View advised Bethel that it was charging Puyallup School District based upon Condition No. 1 of Schedule No. 1. However, upon receipt of Invoices from Puyallup School District, it was discovered that Rainier View is not imposing Condition No. 1 of Schedule No. 1 on Puyallup to determine its Water Rate. Note: Hard copies of attachments referenced will be submit directly to WUTC.

### Supervisor Involved: Yes

Results with Supervisor: Yes, multiple attempts were made to get a written explanation of the charges. Multiple phone calls to the accounting office by the General Contractor for Liberty Junior High were placed in September, a personal phone call from the District (by Cathie Carlson) to Mr. Blackman, a letter from the District, dated October 20, 2009 (attached hereto), requesting written documentation justifying the charges was sent to Mr. Blackman, the District (James Hansen and Cathie Carlson) met with Mr. Fisher and Mr. Blackman on November 1, 2009, and a letter (attached hereto) from the District, dated January 14, 2010, summarizing the November 1 meeting and attaching the spreadsheets with calculation of charges (attached hereto) was provided to Rainier View and a check from the District paying all past due invoices (based upon the Water Rate (without Condition No. 1, like all other Bethel school properties) was hand delivered to Rainier View on January 15, 2010. By letter, dated January 22, 2010, Rainier View responded to the District's January 14 letter, merely indicating that Rainier View "does not agree" with the District's analysis. Rainier View has not provided any written information that would support their claim that Condition 1 of Schedule 1 is applicable to District Properties. The District has a fiduciary duty to its taxpayers and cannot pay for charges that Rainier View verbally asserts are the Rates when those Rates are not supported by the Tariff. Note: Hard copies of attachments referenced will be submit directly to WUTC.

Complaint Resolution: Rainier View should accept the January 15, 2010 payment as payment in full through December 2009. All future invoices for all District properties within the Rainier View service area should be calculated using the approved Tariff without imposing Condition No. 1 of Schedule 1.

#### Explain Complaint in detail

The Bethel School District #403 ("District") opened Nelson Elementary and Liberty Junior High in September 2009. For these two new schools, Rainier View Water Company (Rainier View) calculated the invoices for water usage using a methodology inconsistent with Rainier View's Tariff and inconsistent with the invoices for all other District school properties within Rainier View's service area. There is no dispute that the Water Rates to be charged to the District are based upon the published Tariff. The Water Extension Agreements for service executed between the District and Rainier View do not change the published Tariff Rates.

Unlike the District's other school properties within Rainier View's service area, invoices for Nelson Elementary and Liberty Junior High were calculated by imposing Tariff Condition No. 1, of Schedule No. 1. Condition No. 1 states:

"In addition to the regular monthly minimum of \$15.80, the minimum for a multiple dwelling unit shall be \$15.80 for the second unit, \$13.35 for the third unit and \$13.35 for each unit thereafter."

Rainier View Tariff, Rule 15 – Rates clearly defines what condition must be met to be considered a multiple dwelling unit establishing when Condition No. 1 of Schedule 1 is applicable. Rule 15 – Rates states:

"Rates for water service and supply shall be those published in the company's tariff on file with the Commission. Unless otherwise stated in this tariff, the rates shall apple to a single service to one customer at one premise. Where two or more families with separate housekeeping establishments occupy the same or separate dwellings, each family using water shall be considered a separate customer. Each separate housekeeping establishment or business will be considered a customer.

When conditions require that more than one customer be supplied through one meter, each customer shall be charged the minimum charge as provided by the schedule of rates. If the consumption as shown by the meter exceeds the allowance for the minimum charge multiplied by the number of customers, the excess consumption charge shall be computed at the regular rates for one customer and the amount prorated equally to the several customers, or otherwise as may be agreed by the customers and the utility."

All of the District's school properties (including Nelson Elementary and Liberty Junior High) are single user sites. There are no multiple dwelling units or multiple users on either site or on any school property.

The District purchased 7 ERUs for domestic and 9 ERUs for irrigation water at Nelson Elementary and 11 ERUs for domestic and 27 ERUs for irrigation water at Liberty Junior High. Rainier View equated the number of ERUs purchased for these sites as multiple

dwelling units. For example, at Liberty Junior High, for domestic usage, Rainier View charged \$15.80 for the first ERU, \$15.80 for the second ERU, and then the balance was charged by multiplying the remaining 9 ERUs x \$13.35. Resulting invoices were therefore significantly higher than Tariff rates allow. Please see attached spreadsheets for comparison of charges calculated using Schedule No. 1 (without Condition No. 1) of the Tariff (the method used by Rainier View at all Bethel school properties for all of the years the District has received water from Rainier View and still used by Rainier View for 13 of Bethel school properties except for its two new schools – Nelson Elementary and Liberty Junior High School) to invoices actually received from Rainier View.

As the attached Spreadsheets show, Rainier View claimed (by instituting a new method of determining the water rate at Nelson Elementary and Liberty Junior High only) that the District owed \$18,715.55 although using the method (without Condition No. 1) as charged by Rainier View at all other District school properties, requires the District to pay only \$12,044.47. Rainier View has over charged the District \$6,671.08.

Finally, the District has communicated with Puyallup School District, which has one school property, Carson Elementary School, within the Rainier View Water Service Area. Although Puyallup School District purchased 27 ERUs for Carson Elementary to obtain domestic and irrigation water service to that site, Rainier View has not multiplied Puyallup's 27 ERUs by \$15.80 and \$13.35 to determine the Water Rate. Rainier View has not imposed Condition No. 1 under Schedule No. 1 on the Puyallup School District. Attached hereto is a copy of Puyallup School District's Invoices from Rainier View for the time period November 2007 through December 2009 with a Spreadsheet, showing the method of the charges for domestic and irrigation service for five (5) billing cycles during the period covered by the attached invoices.

Thus, clearly, Bethel School District's new schools are being wrongfully charged and are being singled out.

## Did you speak to a supervisor from the company - if yes what was the result

Yes, multiple attempts were made to get a written explanation of the charges. Multiple phone calls to the accounting office by the General Contractor for Liberty Junior High were placed, in September a personal phone call from the District (by Cathie Carlson) to Mr. Blackman, a letter from the District, dated October 20, 2009 (attached hereto), requesting written documentation justifying the charges was sent to Mr. Blackman, the District (James Hansen and Cathie Carlson) met with Mr. Fisher and Mr. Blackman on November 1, 2009, and a letter (attached hereto) from the District, dated January 14, 2010, summarizing the November 1 meeting and attaching the spreadsheets with calculation of charges (attached hereto) was provided to Rainier View and a check from

<sup>&</sup>lt;sup>1</sup>It should be noted that Rainier View advised Bethel that it was charging Puyallup School District based upon Condition No. 1 of Schedule No. 1. However, upon receipt of Invoices from Puyallup School District, it was discovered that Rainier View is not imposing Condition No. 1 of Schedule No. 1 on Puyallup to determine its Water Rate.

the District paying all past due invoices (based upon the Water Rate (without Condition No. 1, like all other Bethel school properties) was hand delivered to Rainier View on January 15, 2010.

By letter, dated January 22, 2010, Rainier View responded to the District's January 14 letter, merely indicating that Rainier View "does not agree" with the District's analysis.

Rainier View has not provided any written information that would support their claim that Condition 1 of Schedule 1 is applicable to District Properties. The District has a fiduciary duty to its taxpayers and cannot pay for charges that Rainier View verbally asserts are the Rates when those Rates are not supported by the Tariff.

## What do you think the company should do to resolve your complaint?

Rainier View should accept the January 15, 2010 payment as payment in full through December 2009. All future invoices for all District properties within the Rainier View service area should be calculated using the approved Tariff without imposing Condition No. 1 of Schedule 1.