

Agenda Date: August 30, 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

Recommendations:

1. Take no action, thereby allowing the tariff revisions filed by Shirona Water Company, LLC, on June 1, 2018, as revised on August 24, 2018, to become effective September 1, 2018, by operation of law.
2. Acknowledge the name change from Shirona Water Company, LLC to Wildwood Water Company, LLC

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 September 1, 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, with 102 customers, on January 12, 2018, and has not had a previous rate case.

This filing would change both previous companies’ tariffs to a single tariff rate for water services since they are both under common ownership and operations.

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

Monthly Rate	Shirona Current Rate	Crosswoods Current Rate	Wildwood Revised Rate
Base Rate, ¾ - Inch Meter	\$27.50	\$20.25	\$23.00
0 to 500 CF*, Per CCF**	\$3.25	\$1.50	\$1.50
501 To 1,000 CF, Per CCF	\$3.55	\$1.90	\$1.90
>2,001 CF, Per CCF	\$4.10	\$2.40	\$2.40

* CF – Cubic Feet,

** CCF - 100 Cubic Feet,

Monthly Residential Bill Comparison

Monthly Average 640 Cubic Feet	Shirona Current Rate	Crosswoods Current Rate	Wildwood Revised Rate
¾ - Inch Metered Service Base	\$27.50	\$20.25	\$23.00
0 – 500 CF (500 CF)	\$16.25	\$7.50	\$7.50
501 – 1,000 CF (140 CF)	\$4.93	\$2.64	\$2.66
Water Bill Total	\$48.68	\$30.39	\$33.16
Change to Revised Rates	(\$15.52) - 31%	\$2.77 - 9%	

Ancillary Charge Comparison

Charge or Service	Shirona Current Rate	Crosswoods Current Rate	Wildwood Revised Rate
Service Connection	\$380.45	\$270.75	\$380.45
Account Set-up Charge	\$25.00	\$25.00	\$25.00
Service Visit Charge	\$50.00	\$25.00	\$100.00
NSF Check Charge	\$25.00	\$20.00	\$25.00
Water Availability Letter	\$25.00	\$25.00	\$25.00
Disconnection Visit Charge	\$50.00	\$35.00	\$100.00
Reconnection Visit Charge	\$50.00	\$35.00	\$100.00
Late Payment	2 % or Min \$1.00	2 % or Min \$1.00	2 % or Min \$1.00

Conclusion

Commission staff has completed its review of the company's supporting financial documents, books and records. Staff's review of the filing shows that the operating expenses are reasonable and required as part of the company's operation. The company's financial information supports the revenue requirement and the proposed rates and charges are fair, just, reasonable, and sufficient.

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