

Agenda Date: November 13, 2008
Item Number: A2

Docket: UW-081450
Company Name: Crescent Bar, Inc.

Staff: Amy White, Regulatory Analyst
Dennis Shutler, Public Consumer Protection Staff

Recommendation

1. Dismiss the Complaint and Order Suspending the Tariff Revisions filed by Crescent Bar, Inc.; and
2. Allow temporary rates to become effective on November 14, 2008, on a permanent basis.

Discussion

On August 4, 2008, Crescent Bar, Inc. (Crescent Bar or company), filed with the Utilities and Transportation Commission (commission) tariff revisions that would generate \$20,248 (26.4 percent) in additional revenue per year. The company serves five master meter customers: two condominium associations, two RV parks, and one campground at the Crescent Bar resort in Grant County. The commission does not regulate the master meter customers or the service they provide to their combined 470 units. The proposed rates are prompted by increases in power, insurance, and maintenance expenses. The company's last general rate increase became effective in June 2004.

Staff's review of the company's operations and financial records indicated that the company's proposed rates filed on August 4, 2008, were excessive. Staff and the company reviewed the company's original filing and agreed to a revised revenue requirement of \$10,776 (13.4 percent) in additional revenue per year and a revised rate design. On September 17, 2008, the company filed revised rates at the staff recommended level.

On September 25, 2008, the commission entered a Complaint and Order Suspending the Tariff Revisions and allowed the revised rates to go into effect on October 1, 2008, on a temporary basis, subject to refund, to allow customers the opportunity to comment on the revised rate design before determining whether the proposed changes are fair, just, reasonable, and sufficient.

Customer Comments

On July 28, 2008, the company notified its customers of the rate increase by mail. The notice advised customers that the commission would take customer comments at its September 11, 2008, open meeting. No customers commented at that time. The commission has received five comments from board members representing the customers. In addition, eighteen individual residents of the associations commented on this filing as of November 10, 2008. Staff's open meeting memorandum, dated September 25, 2008, summarized and responded to those comments.

On September 26, 2008, Consumer Protection staff sent to those residents, who previously commented on the company's filing, a letter advising them of the staff's recommended revised rates. After the notice, one resident commented on the revised rates, rate design, and the number of units included in each homeowner association. The comments did not raise any new issues.

Rate Comparison

Monthly Rate	Current Rate	Proposed Rates	Revised Rates
Condominium Associations, Per Unit	\$13.58	\$17.17	\$15.68
RV/Camping Associations, Per Unit	\$13.58	\$17.17	\$15.68
Fire Protection Rate (Condos Only)	\$ 2.02	\$ 2.02	\$ 2.02

Average Customer Charge Comparison

Per Resort Unit Cost	Current Rate	Proposed Rate	Revised Rates
Condominium Associations, Per Unit	\$13.58	\$17.17	\$15.68
Fire Protection Rate, Condominiums	\$ 2.02	\$ 2.02	\$ 2.02
Average Bill, Condominium Units	\$15.60	\$17.17	\$17.70
			(13.4%)
RV/Camping Associations, Per Unit	\$13.58	\$17.17	\$15.68
			15.4%

Commission staff has completed its review of the company's supporting financial documents, books and records. Staff's review shows that the expenses are reasonable and required as part of the company's operations. The additional customer comments do not change staff's opinion that the company's financial information supports the revised revenue requirement and the revised rates are fair, just, reasonable, and sufficient.

Conclusion

1. Dismiss the Complaint and Order Suspending the Tariff Revisions filed by Crescent Bar, Inc.; and
2. Allow temporary rates to become effective on November 14, 2008, on a permanent basis.