

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	DOCKET UW-141114
TRANSPORTATION COMMISSION,)	
)	ORDER 02
Complainant,)	
)	
v.)	
)	ORDER DISMISSING COMPLAINT
AQUARIUS UTILITIES, LLC,)	AND ORDER SUSPENDING TARIFF
)	REVISION; ALLOWING REVISED
Respondent.)	RATES TO BECOME EFFECTIVE
.....)	

BACKGROUND

- 1 On May 20, 2014, Aquarius Utilities, LLC (Aquarius or Company), filed with the Washington Utilities and Transportation Commission (Commission) a proposed general rate increase that would generate \$72,630 (15.9 percent) additional annual revenue. The Company seeks this rate increase to recover increased operating expenses – mainly labor, insurance, property taxes, and bank charges – and to recover the cost of capital expenditures not covered by the Company’s recent Drinking Water State Revolving Fund loans. The Company also proposes to increase several ancillary charges and to implement a new \$200 Service Connection Removal Fee. Aquarius provides water service to 916 customers on various water systems located in Mason, Kitsap, and Clallam Counties. The Company’s last rate change was effective October 13, 2009.
- 2 On June 12, 2014, the Commission entered Order 01, Complaint and Order Suspending Tariff Revision pending an investigation to determine whether the Company’s tariff revisions are fair, just, reasonable, and sufficient.
- 3 Commission staff (Staff) reviewed the proposed rates and found that the Company’s proposed rate design would generate insufficient revenue. Accordingly, Staff and the Company agreed to a revised revenue requirement and rate design, and Aquarius filed revised tariff rates on October 16, 2014. The revised rate design increases the base rate, lowers the usage charge for block one, and increases the usage charge for block two. Overall, the average customer’s bill at the revised rates is twenty-one cents (\$0.21) per month more than the original rates proposed by the Company and noticed to customers. Staff believes that requiring a separate notice to customers would be economically inefficient because of the small difference between the Company’s proposed rates and

Staff's revised rates. The Company has agreed to send a notice to the customers about the revised increase with its next customer billing.

4 Staff received comments from five customers opposed to the rate increase. The customers' comments do not change Staff's opinion that the Company's financial information supports the revised revenue requirement, and that the revised rates and charges are fair, just, reasonable, and sufficient. Staff's review shows that the expenses are reasonable and required as part of the Company's operation.

FINDINGS AND CONCLUSIONS

5 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including water companies.

6 (2) Aquarius is a water company and a public service company subject to Commission jurisdiction.

7 (3) This matter came before the Commission at its regularly scheduled meeting on October 30, 2014.

8 (4) The tariff revision presently under consideration is fair, just, reasonable, and sufficient because the Company has demonstrated the need for additional annual revenue and for revision of the Company's rate structure.

9 (5) The 30-day notice requirement should be waived because the difference between the rate increase originally noticed and the revised rates is minimal, and the Company will send a notice about the revised rates to its customers with its next billing.

10 (6) After reviewing the revised tariff revision Aquarius filed in Docket UW-141114 and giving due consideration, the Commission finds it is consistent with the public interest to dismiss the Complaint and Order Suspending Tariff Revision in Docket UW-141114, dated June 12, 2014, and allow the revised rates and tariff revision filed on October 16, 2014, to become effective on November 1, 2014.

ORDER

THE COMMISSION ORDERS:

- 11* (1) Order 01, the Complaint and Order Suspending Tariff Revision, in Docket UW-141114, entered on June 12, 2014, is dismissed.
- 12* (2) The revised tariff revision filed in this docket on May 20, 2014, as revised October 16, 2014, shall become effective on November 1, 2014.
- 13* (3) Aquarius Utilities, LLC is directed to work with Commission Staff to prepare an appropriate notice of the approved increase, which will be mailed to customers with the Company's next billing.
- 14* DATED at Olympia, Washington, and effective October 30, 2014.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

JEFFREY D. GOLTZ, Commissioner