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State Of WASH AND TRANSI COMMISSION

October 28, 2020

SENT VIA WEB PORTAL

Mr. Mark Johnson Executive Secretary Washington Utilities & Transportation Commission 621 Woodland Square Loop SE Lacey, WA 98503

Re: WUTC v. Water of Bethel, LLC

Docket UW-200767

Comments of Public Counsel on Tariff Revisions

Dear Mr. Johnson:

The Public Counsel Unit of the Washington State Attorney General's Office ("Public Counsel") respectfully submits these comments in advance of the October 29, 2020 Open Meeting. These comments are in response to Water of Bethel, LLC's ("Company") general rate case filing. Public Counsel has reviewed the filing, the Company's responses to Public Counsel's data requests, the Company's revised tariff sheets ("October tariff revisions"), and Staff's open meeting memo. Public Counsel has also discussed the matter with Commission Staff. Based on the comments below, we believe that the rate increase requested by the Company is reasonable and should be approved.

Recommendation: Public Counsel recommends that the Commission approve the requested tariff changes, as updated on October 20, 2020.

- 1. Revenue requirement The Company originally proposed to increase their revenue by \$33,443, or 45.9 percent. This would have increased the average customer bill by \$15.72. The October tariff revisions reflect a revised revenue requirement of only \$8,015, a reduction of \$25,428. Public Counsel believes this revised revenue requirement is reasonable.
- 2. Metered service The Company originally proposed to increase the base rate for metered service from \$21.60 to \$31.00 per month. The October tariff revisions reduce the base rate increase to \$3.40, for a total base rate of \$25.00 per month. The Company's original request would have been a significant increase in the base rate, but Public Counsel believes the revised base rate to be reasonable.

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- 3. Bill impacts The Company's originally filed tariffs would have resulted in a 40.9 percent increase in the total average customer bill. The updated rates will instead result in a 12.5 percent increase. Public Counsel believes that this rate increase, though not insignificant, is reasonable, particularly given the Company has not applied for a rate increase since 1998.
- 4. Ancillary charges Public Counsel was significantly concerned with the high ancillary charges originally filed by the company. The Company's subsequent revisions reduced all but three of the ancillary charges. Public Counsel supports the reductions in these ancillary charges but remains concerned with the cost of these ancillary charges, particularly the reconnection charge of \$100 per visit (reduced from \$150 per visit). However, given this is the first rate case for this company since 1998 and the likelihood of another rate case in the near future, Public Counsel sees value in waiting for additional data regarding these services under the company's new owner to see if additional modifications are warranted. Public Counsel, therefore, supports these revised ancillary charges.

Public Counsel appreciates the opportunity to submit these comments. We will be present at the October 29, 2020 Open Meeting and will be available to answer any questions the Commission may have regarding these comments.

Thank you.

Sincerely,

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NMS/KMB Enclosures

Cc: Service List (E-mail only)