

Agenda Date: April 26, 2006
Item Number: A2

Docket: UW-060167
Company Name: Burton Water Company, Inc.

Staff: Jim Ward, Regulatory Analyst

Recommendation

Dismiss the Complaint and Order Suspending the Tariff Revision filed by Burton Water Company, Inc., in Docket UW-060167 and allow the revised rates to become effective May 1, 2006.

Discussion

On January 24, 2006, Burton Water Company, Inc., (Burton Water or company) filed a general rate increase of \$15,238 (14 percent) additional revenue per year. Staff and the company have agreed to revised rates. On April 18, 2006, the company filed revised rates. The revised filing would produce about \$12,020 (11 percent) of additional revenue per year. The company serves 413 customers in the central part of Vashon Island located in King County.

On February 22, 2006, the commission suspended the filing for additional review. Staff and the company have reached agreement on the revised rates.

The company states the reason for filing is due to miscalculation of water usage, decreased water usage, and increased management fees. Additionally, the company is requesting expenses for delayed repairs and maintenance work. The company's last general rate increase was March of 2005.

The commission has received no customer comments on this filing. The customers were notified of this increase in a mailing on January 28, 2006. The current, proposed, and revised rates are provided below:

	Current	Proposed	Revised
Monthly Base Rate	\$16.70 (Includes first 400 cf of usage)	\$20.00 (Includes first 400 cf of usage)	\$15.60 (Zero allowance)
400 – 2,500 cf	\$1.80 per 100 cf	\$1.80 per 100 cf	
< 2,500			\$1.55 per 100 cf
> 2,500	\$3.00 per 100 cf	\$3.00 per 100 cf	\$3.00 per 100 cf
Capital Surcharge	\$5.00 monthly	\$5.00 monthly	\$5.00 monthly

cf = cubic feet (1 cubic foot = 7.48 gallons of water)

Commission staff has completed reviewing the books and records of the company in support of the filing. Staff and company agree to the revised rate design. The revised rate design has zero allowance of water with the basic charge and increasing usage rates.

To monitor the effect of a new rate design, staff proposes that the company provide a summary report of water consumed in each usage block and revenue generated by each charge. This report would be due within 30 days of each billing period between May 1, 2006, and April 30, 2007. Also, the company should be required to report, no later than June 1, 2007, the status of the revised rate design – its effect on water consumption – as shown in the company's usage records, by billing period, for the period May 1, 2006 through April 30, 2007. Additionally, the company will maintain books and records in accordance with WAC 480-110-505 Accounting and reporting requirements, and regulatory fees.

Conclusion

The company has now demonstrated that the revised rates are fair, just, and reasonable. Therefore, staff recommends that the commission dismiss the Complaint and Order Suspending the Tariff Revision filed by Burton Water Company, Inc., in Docket UW-060167 and allow the revised rates to become effective May 1, 2006.