

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,)	DOCKET UW-081259
)	
Complainant,)	ORDER 02
)	
v.)	ORDER CONTINUING THE
)	SUSPENSION OF PROPOSED
)	TARIFF; AND APPROVING
)	REVISED RATES ON A
FIRCROFT, INC.,)	TEMPORARY BASIS, SUBJECT TO
)	REFUND, ON LESS THAN
Respondent.)	STATUTORY NOTICE
.....)	

BACKGROUND

- 1 On July 7, 2008, Fircroft, Inc. (Fircroft or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-01, designated as First Revision of Sheet No. 16 and Canceling Original Sheet No. 16, First Revision of Sheet No. 17 and Canceling Original Sheet No. 17, First Revision of Sheet No. 19 and Canceling Original Sheet No. 19, and First Revision of Sheet No. 23 and Canceling Original Sheet No. 23. The stated effective date is August 15, 2008.
- 2 The Company serves 14 residential customers and two master meter customers, serving a total of 52 customers, near East Sound on Orcas Island, located in San Juan County. The proposed rates are prompted by cost increases in supplies, electrical power, labor, and increased maintenance and repairs for aging plant. All customers receive metered service. The Company’s last general rate increase became effective in 2000, prior to Commission regulation.
- 3 On August 14, 2008, the Commission entered a Complaint and Order Suspending Tariff Revisions pending an investigation to determine whether the revisions are fair, just, reasonable and sufficient.
- 4 Staff completed its review and the Company agreed to a lower revenue requirement of \$2,400 (8 percent) additional revenue per year. On August 29, 2008, the Company filed a revised rate design at the Staff recommended level. The Company’s original customer notice of July 3, 2008, did not contain the revised rate design and, as a result, the Company is petitioning the Commission for an exemption from WAC 480-110-425 to

allow the new rate design to go into effect with the revised rates at Staff recommended levels on less than statutory notice.

5 RCW 80.28.060 and WAC 480-80-121 require tariff changes to be filed with the Commission thirty days prior to the effective date. The tariff sheets bear an issue date of August 29, 2008, and an effective date of October 1, 2008. This date recognizes the required thirty day statutory notice. The Company filed revised rates on August 29, 2008, at the Staff recommended levels. Because the revised rates result in increases for some customers as compared to the original proposed rates, the statute and rule require the Company to file those changes with the Commission thirty days prior to the effective date. The Company requests, however, less than statutory notice as permitted by WAC 480-80-122, so that the revised tariff revisions become effective on September 15, 2008. The Company requests less than statutory notice to allow it to begin recovering the revenue that it has demonstrated it needs.

6 WAC 480-110-425 requires notice to customers or publication of the increase sought in this filing. Granting the Company's less than statutory notice request also requires an exemption from WAC 480-110-425. The Company seeks an exemption from the customer notice requirements to allow it to begin recovering the revenue that it has demonstrated that it needs.

7 To allow customers the opportunity to comment on the revised rate design before determining whether the revised rates are fair, just, reasonable, and sufficient, the Commission accepts the revised rates as temporary rates and approves those revised rates to become effective on September 15, 2008, on a temporary basis, subject to refund, on less than statutory notice. The Commission may hold public hearings to determine whether the proposed changes are fair, just, reasonable and sufficient.

FINDINGS AND CONCLUSIONS

8 (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. *RCW 80.01.040, RCW 80.04, RCW 80.08, RCW 80.12, RCW 80.16 and RCW 80.28.*

- 9 (2) Fircroft is a water company and a public service company subject to Commission jurisdiction.
- 10 (3) At its August 14, 2008, open meeting, the Commission entered a Complaint and Order Suspending Tariff Revisions, suspending the tariff revisions Fircroft filed on July 7, 2008.
- 11 (4) The Company's revised tariff revisions in this matter came before the Commission at its regularly scheduled meeting on September 11, 2008.
- 12 (5) The revised tariff revisions Fircroft filed on August 29, 2008, would increase charges and rates for service Fircroft provides, and might injuriously affect the rights and interest of the public.
- 13 (6) Fircroft is subject to RCW 80.28.060 and WAC 480-80-121, which require water companies to file changes in any rate or charges with thirty days' notice. For good cause shown, however, the Commission may allow changes without requiring thirty days' notice by order specifying the changes to be made and the time when it shall take effect. RCW 80.28.060 *and* WAC 480-80-122.
- 14 (7) Under WAC 480-110-215, the Commission may grant an exemption from the provisions of any rule in WAC 480-110, if consistent with the public interest, the purposes underlying regulation and applicable statutes. *See also* WAC 480-07-110.
- 15 (8) Staff has reviewed Fircroft's request in Docket UW-081259 and recommends the Commission grant the Company's request for less than statutory notice. Staff further recommends the Commission grant an exemption from the customer notice requirements of WAC 480-110-425.
- 16 (9) Although Fircroft has not yet demonstrated that the tariff revisions would ultimately result in rates that are fair, just, reasonable and sufficient, the Commission finds it reasonable, based on Staff's analysis, to approve the revised rates to become effective September 15, 2008, on a temporary basis, subject to refund.

- 17 (10) In order to carry out the duties imposed upon the Commission by law, and as authorized in RCW 80.04.130 and RCW 80.04.220, the Commission finds it necessary to investigate this tariff filing, which may involve an investigation of Fircroft's books, accounts, practices and activities, to make a valuation or appraisal of Fircroft's property and to investigate and appraise various phases of Fircroft's operations.
- 18 (11) As required by RCW 80.04.130 (4), Fircroft bears the burden of proof to show that the proposed increases are fair, just, reasonable and sufficient. Nothing in this Order is intended to limit the issues as to the fairness, justness, reasonableness and sufficiency of the proposed increases.
- 19 (12) In addition, the Commission invokes the rights, remedies and procedures contained in the reparations statute, RCW 80.04.220, to the extent the Commission finds that any rate subject to this investigation is excessive or exorbitant.
- 20 (13) Fircroft may be required to pay the expenses reasonably attributable and allocable to such an investigation, consistent with RCW 80.20.

O R D E R

THE COMMISSION ORDERS:

- 21 (1) The Complaint and Order Suspending Tariff Revisions in Docket UW-081259, entered on August 14, 2008, is continued.
- 22 (2) After the effective date of this Order, Fircroft, Inc., is granted an exemption from WAC 480-110-425, which requires a thirty day notice to customers of proposed changes to increase charges or restrict access in service, limited to the tariff changes in this Docket UW-081259.
- 23 (3) The revised tariff Fircroft, Inc., filed on September 29, 2008, shall become effective on September 15, 2008, on less than statutory notice, on a temporary basis, subject to refund if the Commission determines that different rates will be fair, just, reasonable and sufficient.

- 24 (4) The Commission may hold hearings at such times and places as may be required.
- 25 (5) Fircroft, Inc., must not change or alter the tariffs filed in this docket during the suspension period, unless authorized by the Commission.
- 26 (6) The Commission may institute an investigation of Fircroft, Inc.'s books, accounts, practices, activities, property and operations as described above.
- 27 (7) Fircroft, Inc., shall pay the expenses reasonably attributable and allocable to the Commission's investigation, consistent with RCW 80.20. The tariff revisions Fircroft, Inc. filed in this docket on August 29, 2008, shall become effective on September 15, 2008, subject to refund.

DATED at Olympia, Washington, and effective September 11, 2008.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner