

Agenda Date: December 27, 2006
Item Number: A3

Docket: UW-061673
Company Name: Pattison Water Company, Inc.

Staff: Jim Ward, Regulatory Analyst
John Cupp, Consumer Program Specialist

Recommendations

1. Dismiss the Complaint and Order Suspending the Tariff Revision filed by Pattison Water Company, Inc.
2. Allow the staff recommended revised temporary rates to become effective January 1, 2007, on a permanent basis.

Discussion

On November 1, 2006, Pattison Water Company, Inc., (Pattison Water or company) filed for general rates for \$188,500 (49 percent) of additional revenue per year. The company serves 1,295 customers near Lacey located in Thurston County. On November 22, 2006, the company submitted revised rates that would generate an additional \$75,000 (19.5 percent) per year.

The company states the reasons for the filing is to help cover increased operational costs and capital improvement expenses. The company's billing cycle will change from bi-monthly to monthly. The rate design is changing to provide a zero water allowance in the base meter charge to help encourage water conservation. The company's last general rate increase was in September 1995.

The Commission received five customer comments on the original filing as of November 28, 2006. The five comments received oppose the amount of the increase. The customers were notified of this increase in a mailing on October 30, 2006.

On November 29, 2006, the commission entered a Complaint and Order Suspending Tariff Revision to allow customers the opportunity to comment on the revised rates before determining whether the revision was fair, just, reasonable, and sufficient. The commission allowed the revised rates to go into effect on a temporary basis December 1, 2006.

On November 29, 2006, Consumer Affairs staff sent every customer who commented on Pattison Water's filing a letter advising them of staff's recommended revised rates. No customer has yet responded to staff's letter. The current, proposed, and revised rates are provided below:

Monthly Rate	Current Rate	Proposed Rate	Revised Rate
5/8 " Meter Includes 500 cf	\$19.50	NA	NA
5/8 " Meter Zero Allowance	NA	\$19.00	\$16.35
3/4 " Meter Includes 750 cf	\$29.50	NA	NA
3/4 " Meter Zero Allowance	NA	\$28.50	\$24.53
1 " Meter Includes 1,250 cf	\$48.75	NA	NA
1 " Meter Zero Allowance	NA	\$47.50	\$40.88
1 1/2 " Meter Includes 2,500 cf	\$98.00	NA	NA
1 1/2 " Meter Zero Allowance	NA	\$95.00	\$81.75
Over Base allowance shown above	\$1.00	NA	NA
0-500cf	NA	\$1.20	\$1.00
501-2,000cf	NA	\$1.50	\$1.20
2,001-4,000cf	NA	\$1.80	\$1.80
Over 4,001cf	NA	\$3.00	\$3.00
Mobile Home Park / Unit - Flat	\$17.10	\$22.86	\$20.43
M&R Lady Dawn Meter Zero Allowance	\$22.50	\$19.00	\$16.35
0-1,000cf	\$1.10	NA	NA
Over 1,000cf	\$1.35	NA	NA
0-500cf	NA	\$1.20	\$1.00
501-2,000cf	NA	\$1.50	\$1.20
2,001-4,000cf	NA	\$1.80	\$1.80
Over 4,001cf	NA	\$3.00	\$3.00

cf = cubic feet (1 cubic foot = 7.48 gallons of water)
 All usage rates are per 100 cubic feet of water used

Ancillary Charge	Current	Proposed
Service Visit	\$0.00	\$20.00
Late Payment	\$0.00	\$2.50
Account Set-up	\$0.00	\$15.00
NSF Check	\$15.00	\$20.00
Water Availability Letter	\$0.00	\$20.00
Fire Hydrant (within 500 feet)	\$1.00	\$1.00

Conclusion

Staff reviewed the company's books and records, and concludes the revised rates are fair, just, reasonable and sufficient. Staff recommends that the commission Dismiss the Complaint and Order Suspending the Tariff Revision filed by Pattison Water Company, Inc., and allow temporary revised rates at staff recommended levels, to become effective January 1, 2007, on a permanent basis.