

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

WASHINGTON UTILITIES AND)	DOCKET UW-070291
TRANSPORTATION)	
COMMISSION,)	ORDER 02
)	
Complainant,)	
)	
v.)	
)	
CANYON VILLAGE WATER)	ORDER APPROVING REVISED
SYSTEM, INC.,)	RATES TO BECOME EFFECTIVE
)	JUNE 1, 2007, ON A TEMPORARY
Respondent)	BASIS, SUBJECT TO REFUND
.....)	

BACKGROUND

- 1 On February 9, 2007, Canyon Village Water System, Inc., (Canyon Village or Company) filed for general rates for \$14,304 (26 percent) of additional revenue per year. On April 27, 2007, the Washington Utilities and Transportation Commission (Commission) suspended the tariff revision. The Company serves 85 customers near Kennewick located in Benton County. The Company made the filing to help cover increased operational costs and capital improvement expenses.
- 2 Canyon Village notified its customers of the original increase by mail on March 1, 2007. The Commission received four customer comments on this filing. Three are opposed to the Company’s proposed increase. One customer feels the Company may need an increase, but should get one based on actual costs, not cost-of-living data. Several customers mentioned that their bills do not show meter readings and usage amounts. Staff is working with the Company to make future bills comply with Commission rules.
- 3 Staff reviewed the Company’s books, records and supporting documents and concluded the Company needs \$4,400 (12 percent) additional revenue. The Company agreed to the lower revenue requirement and on May 17, 2007, filed revised rates at the Staff’s recommended levels. Staff believes the proposed revised rates are fair, just, reasonable and sufficient based on the Company’s supporting records.
- 4 Customers deserve to know about, and comment on, the proposed revised rates of \$4,400 (12 percent). The Commission should consider all information, including any additional

customer comments on the revised rates, in deciding whether to conduct an evidentiary hearing on the revised rates. Canyon Village, therefore, has not yet demonstrated the revised rates are fair, just, reasonable and sufficient.

5 The Commission accepts the revised rates as temporary rates and approves those revised rates to become effective on June 1, 2007, on a temporary basis, subject to refund. Public hearings may be held to determine whether the proposed changes are fair, just, reasonable and sufficient.

FINDINGS AND CONCLUSIONS

- 6 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, regulations, practices, accounts, securities, and transfers of public service companies, including water companies. *RCW 80.01.040, RCW 80.04, RCW 80.28, RCW 80.08 and RCW 80.12.*
- 7 (2) Canyon Village is a water company and is a public service company subject to the jurisdiction of the Commission.
- 8 (3) This matter was brought before the Commission at its regularly scheduled meeting on May 23, 2007.
- 9 (4) The tariff revision filed by Canyon Village on May 17, 2007, would increase charges and rates for service provided by Canyon Village, and might injuriously affect the rights and interest of the public.
- 10 (5) Canyon Village has not yet demonstrated that the provisions for water rates are fair, just, reasonable and sufficient. Based on Staff's opinion that the revised rates are fair, just, reasonable and sufficient, the Commission finds it reasonable to approve the revised rates filed on May 17, 2007, to become effective June 1, 2007, on a temporary basis, subject to refund.
- 11 (6) In order to carry out the duties imposed upon the Commission by law, and as authorized in RCW 80.04.130, the Commission believes it is necessary to investigate Canyon Village's books, accounts, practices and activities; to make a

valuation or appraisal of Canyon Village's property; and to investigate and appraise various phases of Canyon Village's operations.

- 12 (7) As required by RCW 80.04.130 (4), Canyon Village bears the burden of proof to show that the proposed increases are fair, just, reasonable and sufficient.
- 13 (8) Canyon Village may be required to pay the expenses reasonably attributable and allocable to such an investigation to the extent the requirements for such payment are in accordance with the provisions of RCW 80.20.

O R D E R

THE COMMISSION ORDERS:

- 14 (1) The tariff revision filed on February 9, 2007, is suspended.
- 15 (2) The revised tariff filed on May 17, 2007, shall become effective on June 1, 2007, on a temporary basis, subject to refund if the Commission determines that different rates will be fair, just, reasonable and sufficient.
- 16 (3) The Commission will hold hearings at such times and places as may be required.
- 17 (4) Canyon Village Water System, Inc., must not change or alter the tariffs filed in this docket during the suspension period, unless authorized by the Commission.
- 18 (5) The Commission will institute an investigation of Canyon Village Water System, Inc.'s books, accounts, practices, activities, property and operations as described above.
- 19 (6) Canyon Village Water System, Inc., shall pay the expenses reasonably attributable and allocable to the Commission's investigation to the extent the requirements for such payment are in accordance with the provisions of RCW 80.20.

DATED at Olympia, Washington, and effective May 23, 2007.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner