

Agenda Date: February 23, 2012  
Item Number: A2

**Docket:** UW-112035  
Company Name: Roche Harbor Water System

Staff: Jim Ward, Regulatory Analyst  
John Cupp, Consumer Protection Staff

### **Recommendation**

Dismiss the Complaint and Order Suspending the Tariff Revisions filed by Roche Harbor Water System on November 23, 2011, and allow the suspended rates to become effective March 1, 2012.

### **Discussion**

On November 23, 2011, Roche Harbor Water System (Roche Harbor or company), filed with the Washington Utilities and Transportation Commission (commission) a general rate increase that would generate \$35,594 (8.2 percent) additional annual revenue. The filing was prompted by increased costs for company operations exceeding revenues. The existing capital surcharge and treatment cost recovery charge remain in place at current rates. The company serves 600 customers in San Juan County. The proposed effective date was January 1, 2012. The company's last general rate increase was effective on August 1, 2008.

On December 28, 2011, the company withdrew one of its tariff pages (Sheet No. W-10) because staff discovered that the company did not include the ready to serve rate increase in its notice to customers. The ready to serve customers did receive the rate increase notice of metered rates, however the ready to serve rate increase from \$30 to \$32 was not listed.

On December 29, 2011, the commission issued an order suspending this filing for further review. Staff has completed its review of the company's supporting financial documents, books and records. Staff's review shows that the expenses are reasonable and required as part of the company's operation, the company's financial information supports the proposed revenue requirement and the proposed rates and charges are fair, just, reasonable and sufficient.

Using the proposed rates, a residential customer using 2,919 gallons of water (the average residential monthly usage) would pay \$2.49 (5.2 percent) more than the current rates (see "Average Bill Comparison" table below). Current and proposed rates are shown below.

**Rate Comparison**

<b>Monthly Rate</b>	<b>Current Rate</b>	<b>Proposed Rate</b>
Ready to Serve	\$30.00	\$30.00
Base Rate 5/8 Inch Service <sup>1</sup>	\$30.00	\$32.00
Usage 0 to 5,000 Gallons per 1,000 Gallons	\$2.75	\$2.92
Usage 5,001 to 10,000 Gallons per 1,000 Gallons	\$6.70	\$7.02
Usage over 10,000 Gallons per 1,000 Gallons	\$8.75	\$9.22
Treatment Cost Recovery per 1,000 Gallons	\$1.68	\$1.68
<b>Capital Recovery Surcharge<sup>2</sup></b>		
Usage 0 to 5,000 Gallons per 1,000 Gallons	\$1.70	\$1.70
Usage over 5,000 Gallons per 1,000 Gallons	\$4.25	\$4.25

1 - Other upsized meter rates are also changed and available in the proposed tariff.

2 - Surcharge to expire November 30, 2023, or upon recovery of \$1,634,700.

**Average Bill Comparison**

<b>Average Residential Monthly Usage (2,919 Gallons)</b>	<b>Current Rate</b>	<b>Proposed Rate</b>
Base Rate 5/8 Inch Service	\$30.00	\$32.00
2,919 Gallons	\$8.03	\$8.52
2,919 Gallons (Treatment)	\$4.90	\$4.90
2,919 Gallons (Capital)	\$4.96	\$4.96
Average Monthly Bill	\$47.89	\$50.38
Change from current rate	\$2.49	5.2%

**Customer Comments**

On November 21, 2011, the company notified its metered customers of the proposed rate increase by mail. However the ready to serve customers were not notified of any rate increase. The commission did not receive any customer comments on this filing.

**Conclusion**

Issue an Order to dismiss the Complaint and Order Suspending the Tariff Revisions filed by Roche Harbor Water System on November 23, 2011, and allow the suspended rates to become effective March 1, 2012.