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BEFORE THE WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

ILIAD WATER SERVICE, INC.,

Respondent.

DOCKET UW-060343

JOINT MOTION TO AMEND SETTLEMENT  
AGREEMENT AND ORDER 07

COME NOW, Richard A. Finnigan on behalf of Iliad Water Service, Inc. (the "Company") and Michael A. Fassio on behalf of Commission Staff and hereby submit this proposed Joint Motion to Amend Settlement Agreement and Order 07 issued in this docket.

MOTION

All of the surcharge amounts in the Settlement Agreement were calculated using forty customers as the customer count for the Alder Lake Water System. The Company has recently discovered that it erred in informing Commission Staff that there were forty customers on the system. The Company had told Commission Staff that there were twenty-nine regular customers and eleven stand-by customers for a total of forty customers overall. In fact, the Company serves twenty-nine regular customers and nine stand-by customers for a total of thirty-eight. Copies of the customer list and plat map to verify the

1 maximum of thirty eight customers are attached to this Motion as Exhibit 1 and are hereby incorporated  
2 by this reference. This error was discovered by the Company, and brought to the attention of both  
3 Parties, following the entry of Order 07 in this docket.

4 As a result, to reflect the accurate number of customers, the amounts of the per-customer  
5 monthly and one-time surcharges set out in the Settlement Agreement and Order 07 should be amended.  
6 For recovery of the cost of building the water chlorination system, the monthly surcharge would be in  
7 the amount of \$20.25 per month, for a period of 240 months (20 years) or until a principal amount of  
8 \$116,575 (minus any additional capital investment by the Company over time) has been recovered.<sup>1</sup>  
9 The alternative one-time surcharge, at the customer's option, would be in the amount of \$3,067.76.<sup>2</sup>  
10 The monthly surcharge to recover rate case costs would be in the amount of \$4.34 per month, for a  
11 period of 36 months (3 years) or until \$5,940 has been recovered.<sup>3</sup> The alternative one-time surcharge,  
12 at the customer's option, would be in the amount of \$156.32.<sup>4</sup> A table describing the cost-recovery,  
13 comparing the recalculated monthly and one-time payments, is attached to this Motion as Exhibit 2.<sup>5</sup>  
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16 RELIEF REQUESTED

17 The Company and Commission Staff hereby respectfully request that the Commission take the  
18 following actions:

- 19 1. Grant this Motion;
- 20  
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23  
24 <sup>1</sup> This amends the monthly surcharge amount of \$19.23 that is set forth in ¶17 of the Settlement Agreement.

<sup>2</sup> This amends the one-time surcharge amount of \$2,914.38 that is set forth in ¶ 17 of the Settlement Agreement.

<sup>3</sup> This amends the monthly surcharge amount of \$4.13 per month that is set forth in ¶18 of the Settlement Agreement.

<sup>4</sup> This amends the one-time surcharge amount of \$148.50 that is set forth in ¶18 of the Settlement Agreement.

<sup>5</sup> This Exhibit amends, and hereby replaces, Attachment B to the Settlement Agreement.

1           2.       Upon granting this Motion, deem the Settlement Agreement amended to reflect the  
2 revised surcharge amounts and that the surcharge amounts set out in Order No. 07 entered in this docket  
3 be deemed amended to reflect the surcharge amounts as set forth in this Motion;

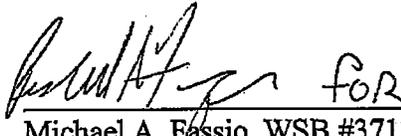
4           3.       Deem the order approving this Motion as the Final Order in this matter, with the  
5 Company and Commission Staff waiving any administrative review rights; and

6           4.       Approve the tariff sheets that were filed with this Motion as the Company's compliance  
7 filing.  
8

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10           Respectfully submitted this 8<sup>th</sup> day of May, 2008.

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13 Richard A. Finnigan, WSB #6443  
14 Attorney for Iliad Water Service, Inc.

15  
16  FOR

17 Michael A. Fassio, WSB #37139  
18 Assistant Attorney General  
19 Counsel for the Utilities and Transportation  
20 Commission Staff

21 Per Electronic Authorization (email)

# **EXHIBIT 1**



NAME, ADDRESS & PHONE  
Printed Jan 17 2008 10:42AM Page 2  
Water Company(S): Alderlake Water Co

Account	Name	AddressType	Service Address	Mailing Address	Phone
020041-01	CYRIL, RICH/HARHA	OWNER	BATONVILLE, MO 63126	Des MOINES, MO 65138	
COUNT (39)					



# **EXHIBIT 2**

Iliad Water Services, Inc.  
 LW-060343  
 Surcharge Cost Comparison Recomputed After Revised Customer Counts Submitted by Iliad Water Service, Inc.  
 Attachment B-Revised May 8, 2008

Item to Finance	Amount to Finance	No. of Customers	Per Customer One-Time Payment Amount (B)	Annual Interest Rate	Term of loan (months)	Monthly Payment Per Customer	Total of Payments
		H	$G = A/H$	D	E	$F = P \times D \times E$	$G \times E$
<b>Preferred Financing Alternative</b>							
Net capital investment	\$ 116,575	38	\$ 3,067.76	5.0%	240	\$ 20.25	\$ 4,859.01
Legal rate case costs	\$ 5,940	38	\$ 156.32	0.0%	36	\$ 4.34	\$ 156.32
			\$ 3,224.08	<b>Total monthly</b>	<b>surcharge</b>	<b>\$ 24.59</b>	<b>\$ 5,015.33</b>
<b>Other Financing Alternative Considered</b>							
Net capital investment via SRF loan	\$ 155,884	38	\$ 4,102.21	1.5%	240	\$ 19.80	\$ 4,750.81
Legal rate case costs	\$ 5,940	38	\$ 156.32	0.0%	36	\$ 4.34	\$ 156.32
Performance bond (yr one)	\$ 3,540	38	\$ 93.16	0.0%	12	\$ 7.76	\$ 93.16
			\$ 4,351.68	<b>Total monthly</b>	<b>surcharge</b>	<b>\$ 31.90</b>	<b>\$ 5,000.29</b>

- (1) The Per Customer One-Time Payment amount shows how much each customer on the Alder Lake system will be required to pay if a single payment is made to Iliad Water Service, Inc. It is the construction cost divided by the number of customers on the Alder Lake system.
- (2) The Monthly Payment Per Customer shows amounts due if the customer does not make the One-Time Payment. These amounts are: \$20.25 for the construction costs (over twenty years) plus \$4.34 per month for the rate case costs (over three years.) A monthly interest rate for each component is calculated by dividing the annual rate by 12. This rate is then used to calculate the monthly cost by using the one-time payment amount and the term of the loan.
- (3) The Total of Payments shows how much each Alder Lake customer will pay in total if the monthly payment option is chosen. For the construction, the total of payments will be \$4,859.01 at 5% interest. For the rate case costs, the total will be \$156.32 at 0% interest. The total of payments is \$5,015.33.