

Agenda Date: May 24, 2002
Item Number: 1A

Docket: UW-020538
Company Name: Gamble Bay Water, Inc.

Staff: Jim Ward, Regulatory Analyst
Tani Thurston, Regulatory Analyst
Penny Hansen, Public Involvement Coordinator

Recommendation:

Issue a Complaint and Order Suspending the Tariff Revisions filed by Gamble Bay Water, Inc., in Docket UW-020538.

Discussion:

On May 1, 2002, Gamble Bay Water, Inc., (Gamble Bay or Company) filed for a general rate increase, in the form of a surcharge, of \$21,440 (14 percent) of annual revenue. The Company serves approximately 208 customers on 13 water systems in the area of Bainbridge Island and Poulsbo, in Kitsap County. The last rate increase was effective November 10, 1994.

The Company states that the surcharge will apply to all customers and will be used to repay a loan from the State Revolving Fund. The proceeds from the loan are to pay for the expenditures of the Company to construct a new reservoir, replace the well pump and make other improvements related to the distribution system of the water company.

The Commission received 13 comments opposed. The customers stated that their water bills continue to increase while the water quality continues to decline. Customers believe the request is excessive. Customers are concerned about repairs to other water systems, within the company, that do not benefit them directly and question whether they should have to pay for them.

The Commission opened one informal complaint concerning a boil water notice for bacterial contamination. However, the state Department of Health advised staff that the boil water notice was lifted in December, 2001 after the company corrected the problem. The complaint remains open at this time while attempting to reach the customer to advise of staff's findings.

The current and proposed rates are provided below:

<u>Monthly Rate</u>	<u>Current</u>	<u>Proposed</u>
Surcharge May 2002 SRF Loan	N/A	\$ 8.59

The Company has not yet demonstrated that the proposed rates are fair, just, reasonable, and sufficient. Therefore, Staff recommends that the Commission Issue a Complaint and Order Suspending the Tariff Revisions filed by Gamble Bay Water, Inc., in Docket UW-020538.