

JW-040659
(F) 4-28-04

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April 9, 2004

Carole Washburn, Executive Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250

RECEIVED
RECORDS MANAGEMENT
04 APR -9 AM 8:34
STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

Re: Roche Harbor Water System – First Revised Sheet No. R-4
Canceling Original Sheet No. R-4; First Revised Sheet No. R-11
Canceling Original Sheet No. R-11; Fifth Revised Sheet No. W-1
Canceling Substitute Fourth Revised Sheet No. W-1; Third Revised
Sheet No. W-2 Canceling Second Revised Sheet No. W-2; First
Revised Sheet No. W-3 Canceling Original Sheet No. W-3; Second
Revised Sheet No. W-4 Canceling Substitute First Revised Sheet
No. W-4; Original Sheet No. W-4.1; First Revised Sheet No. W-7
Canceling Original Sheet No. W-7; Original Sheet No. W-10

Dear Ms. Washburn:

Enclosed you will find the original and three copies of the above-referenced tariff sheets. The purpose of this filing is to accomplish several objectives.

First, the filing increases the charges under Rule 5 for reconnection and discontinuance of service. The charges reflect the actual costs to the Company to perform these services.

The second objective is to increase the minimum charge under Schedule 1 depending upon the size of the meter. The increase is proportional to the equivalent residential units that can be served through the connection. This change affects only Roche Harbor Resort and the Resort already has been

Carole Washburn
April 9, 2004
Page 2

notified of the change and it has not expressed an objection.

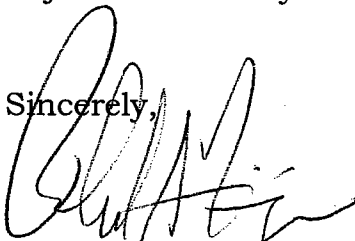
The third objective is to delete Schedule 2 dealing with Flat Rate Service.

The fourth objective is to delete Schedule 3 dealing with Fire Flow Service.

The fifth objective is to provide changes to Schedule 4, Connection Charges. The first set of changes is to make the service connection charge and facilities charge apply proportional to the size of the connection. Again, this change affects only Roche Harbor Resort and the Resort has been notified.

The second change to Schedule 4 is to include a new charge to recover the costs of growth for new facilities. Based on the Company's Comprehensive Water Plan, there are two projects that need to be accomplished in the near future. One is the Pearl Island water line, which has an estimated cost of \$45,000.00. This has been revised down from the original costs stated in the Water Plan of \$102,000.00. The second is the construction of the additional Barn Tank at a cost of approximately \$222,000.00. At \$3,000.00 a connection, it will take 89 new connections to raise the funds for these projects. It is expected that there will be approximately 89 new connections over the next several years. The table from the Company's Comprehensive Water Plan that sets out these projects is attached.

The final objective of this filing is to establish a ready to serve charge. Customers who would currently be subject to the ready to serve have been sent a notice.

Sincerely,

RICHARD A. FINNIGAN

RAF/km
Enclosures

cc: David Gibbs
Jim Ward

Gray & Osborne, Inc., Consulting Engineers

CAPITAL IMPROVEMENTS AND FINANCING

CAPITAL IMPROVEMENTS

Table 10-7 summarizes the capital improvements previously detailed in Chapter 9 in 2002 costs. The project costs shown in Table 10-7 have been adjusted to reflect future construction costs based on an annual inflationary rate of 3 percent applied from 2002 to the estimated date of construction.

TABLE 10-7

Water System Capital Improvement for the Years 2002 Through 2007

Project	Project Description ⁽¹⁾	2002 Cost ⁽²⁾	Year	Project Cost ⁽³⁾
S0-1	Water Treatment Plant	\$1,115,000	2003	\$1,148,500
	2003 Total			\$1,148,500
D-1	Resort Area 8-inch	\$ 55,000	2004	\$ 58,300
D-2	Pearl Island Waterline	\$ 102,000	2004	\$ 108,200
D-3	Barn Tank 12-inch	\$ 200,000	2004	\$ 212,200
	2004 Total			\$ 378,700
ST-1	Additional Barn Tank	\$ 222,000	2005	\$ 242,600
D-4	Roche Harbor Road 12-inch	\$ 230,000	2005	\$ 251,300
	2005 Total			\$ 493,900
D-5	Airport 8-inch Waterline	\$ 101,000	2006	\$ 113,700
	2006 Total			\$ 113,700

(1) Capital improvements from Table 9-1.

(2) 2002 Costs are the estimated costs in Table 9-1.

(3) Capital improvement 2002 costs adjusted 3 percent annually.

CAPITAL PROJECT FUNDING SOURCES

The Water Company has received financing from its parent ownership in the past. To minimize potential rate impacts, our analysis is based on the funding of capital improvement projects being financed by Drinking Water State Revolving Fund (DWSRF) loans. The DWSRF program offers loans at 1.5% for 20 years. This type of financing is accounted for in the capital revenues and expenditures summarized in Table 10-6 and is reflected in projected future rates.

The Water Company qualifies for the low interest DWSRF loan and should consider applying for this type of financing, available to privately-owned utilities.

Loans up to \$4,000,000 are available from this program, which involves the administration of federal funds by two state agencies, the Department of Health, and the Public Works Board. Applications are due in March of each year. The most recently

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WN U-1

**FIRST REVISED SHEET NO. R-4
CANCELING ORIGINAL SHEET NO. R-4**

ROCHE HARBOR WATER SYSTEM

RULES AND REGULATIONS

Rule 5 – Reconnection Charge

Whenever service has been discontinued due to delinquent account, request of customer, refusal to make proper repairs, failure to comply with these Rules and Regulations, or similar cause, a charge of \$85.00 will be made for restoring service, provided reconnection of the facilities can be completed within the hours of 8:00 a.m. to 4:00 p.m., Monday through Friday, except holidays. If reconnection is requested to be made during other than the above hours, the charge shall be \$50.00 per hour. The reconnection charge shall be paid before service is restored.

(I)

If the utility dispatches an employee to discontinue service and the customer pays the delinquent amount to the dispatched employee, a \$53.50 service charge may be assessed by the utility to cover expenses incurred. No charge will be made for reconnection of the service if the shut-off was made for the convenience of the utility in making repairs, changes, etc.

(I)

Rule 6 – Service Connections

The utility will construct service connections of a proper size, as determined by the utility, from its distribution mains to the applicant's property. The utility reserves the right to refuse to construct a service connection to any property in case a reasonable doubt exists as to continuity of service, or in case the applicant's pipes are not properly constructed and protected.

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Effective: May 10, 2004

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By: Richard A. Finnigan

Title: Attorney

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**FIRST REVISED SHEET NO. R-11
CANCELING ORIGINAL SHEET NO. R-11**

ROCHE HARBOR WATER SYSTEM

RULES AND REGULATIONS

Rule 21 – Late Payment Charge (Continued)

The late payment charge will not be applied to any disputed amount unless such amount remains unpaid for more than 20 days after the dispute has been resolved.

Rule 22 – Service Visit Charge

A service charge of \$53.50 will apply when the customer requests a second or subsequent service visit and:

(I)

- (1) the cause of the disruption or interruption of the customer's service or degradation of quality is found to be the same cause determined on an earlier service visit (within 90 days of the earlier visit); and
- (2) is on the customer's side of the Point of Delivery.

The company will maintain service records to document that the problem found is the same problem previously encountered. The record will show, at a minimum, the customer's name and address, date of service request, date of service call (if different from the date of service request), type of problem and disposition. The company will notify the customer on the initial service visit (in person or by written notice) when the cause of the problem is on the customer's side and, further, will inform the customer that a subsequent service call which finds the same problem will be billed at tariffed rates. The company will also advise the customer prior to making a second or subsequent service visit that charges will apply if the problem is determined to be the customer's responsibility.

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**FIFTH REVISED SHEET NO. W-1
CANCELING
SUBSTITUTE FOURTH REVISED SHEET NO. W-1**

ROCHE HARBOR WATER SYSTEM

SCHEDULE 1

Metered Rate Service

Available

Within the limits of all Water Service Areas.

Applicable

To all metered services.

Monthly Rates

Minimum Charge:	\$25.00 monthly for a 5/8 inch meter connection	(T)
	\$41.75 monthly for a 1 inch meter connection	(N)
	\$83.25 monthly for a 1.5 inch meter connection	
	\$133.25 monthly for a 2 inch meter connection	
	\$250.00 monthly for a 3 inch meter connection	
	\$417.50 monthly for a 4 inch meter connection	(N)

<u>Usage</u>	<u>Rate/1000 Gallons*</u>	<u>Surcharge/1000 gallons**</u>
Up to 5,000 gallons	No charge	\$1.70
Between 5,000 and 10,000 gallons	\$3.00	\$4.25
Over 10,000 gallons	\$5.50	\$4.25

* In addition to the monthly minimum charges.

** This charge applies to all water customers receiving service under this schedule and shall expire November 30, 2023 or upon recovery of \$1,634,700.00, whichever occurs first.

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**THIRD REVISED SHEET NO. W-2
CANCELING
SECOND REVISED SHEET NO. W-2**

ROCHE HARBOR WATER SYSTEM

SCHEDULE 2

(Reserved for Future Use)

(D)

(D)

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ORIGINAL

WN U-1

FIRST REVISED SHEET NO. W-3
CANCELING
ORIGINAL SHEET NO. W-3

ROCHE HARBOR WATER SYSTEM

SCHEDULE 3

(Reserved for Future Use)

(D)

(D)

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SECOND REVISED SHEET NO. W-4

CANCELING SUBSTITUTE FIRST REVISED SHEET NO. W-4

ROCHE HARBOR WATER SYSTEM

SCHEDULE 4
Connection Charges

SERVICE CONNECTION CHARGE

Size of Service

Connection*

Up to 3/4" service	\$1,500.00	(C)
1" service	\$2,505.00	(C)
1 1/2" service	\$4,995.00	(N)
2" service	\$7,995.00	(D)
3" service	\$15,000.00	(D)
4" service	\$25,050.00	(N)

FACILITIES CHARGE*

Due before connection

Up to 3/4" service	\$3,500.00	(D)
1" service	\$5,845.00	(N)
1 1/2" service	\$11,655.00	
2" service	\$18,655.00	
3" service	\$35,000.00	
4" service	\$58,450.00	(N)

FACILITIES GROWTH CHARGE*

Due before connection

Up to 3/4" service	\$3,000.00	(N)
1" service	\$5,010.00	
1 1/2" service	\$9,990.00	
2" service	\$15,990.00	
3" service	\$30,000.00	
4" service	\$50,100.00	(N)

* This charge includes recovery of federal income taxes.

Material has been moved to Sheet No. W-4.1. (K)

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ORIGINAL SHEET NO. W-4.1

ROCHE HARBOR WATER SYSTEM

SCHEDULE 4

Connection Charges (continued)

1. "Service Connection" as used herein includes the installed pipe from a water main of adequate capacity to the applicant's property line and the installation of a meter box and fittings necessary to provide the requested water service. Paving repair costs, when applicable, are in addition to the Service Connection Charge. Cost of a meter, if any, will be borne by the utility.

(M)*

2. Where an existing water main must be enlarged to furnish an adequate supply of water to the applicant(s) and present customers, the replacement cost of the water main and all costs associated with said replacement shall be borne by the applicant(s) requesting the new service(s).

3. All work will be commenced upon execution of a written agreement between the utility and the applicant and payment by the applicant, in advance of construction, of all contracted costs. None of the charges under this Schedule are refundable.

(C) (M)*

*Material has been moved from Sheet No. W-4.

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WN U-1

FIRST REVISED SHEET NO. W-7
CANCELING ORIGINAL SHEET NO. W-7

ROCHE HARBOR WATER SYSTEM

SCHEDULE 6

CROSS CONNECTION CONTROL

A. Applicable:

To all customers served by the utility for purposes of assessing the presence of cross connections and additional requirements apply to those customers that have cross connections.

B. Rate:

Site Visit Charge	- \$53.50	(I)
Premises Inspection Charge	- \$53.50 per hour prorated for time spent	(I)
Installation of Approved Backflow		
Prevention Assembly	- Time and materials	

C. Conditions:

1. This schedule is established pursuant to the requirements adopted by the Washington State Department of Health in WAC 246-290-490, as it now exists or is hereafter amended or replaced. Copies of this regulation are available from the Washington State Department of Health or from the utility.

2. All customers shall be surveyed as to the existence of cross connections pursuant to the definition of cross connections established by the Washington State Department of Health. A second survey shall be sent to those customers who fail to respond to the initial survey. If the customer fails to respond to the second survey, then the following non-response options may be necessary and the customer will be charged pursuant to the rate or rates, as applicable, set forth in section B, above. For new customers, a survey will be required as part of the application prior to accepting the applicant as a customer.

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WN U-1

ORIGINAL SHEET NO. W-10

ROCHE HARBOR WATER SYSTEM

(N)

SCHEDULE 7

READY TO SERVE SERVICE

RATES

PER MONTH

Base Rate

\$15.00

CONDITIONS

1. Applies to those lot owners who have paid appropriate tariff charges and met all conditions of applying for service and from whom the utility has accepted the application for service and installed a service connection capable of providing water to the property line of the lot.
2. At the time water service begins, the customer shall be transferred to Schedule 1.

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