

**MackKaye Harbor Water Company, Inc.**

**PO Box 372**

**LOPEZ ISLAND, WA 98261**

**360-468-4116**

November 23, 2011

Washington Utilities and Transportation Commission  
PO Box 47250  
Olympia, WA 98504-7250

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**WASH. UT. & TP. COMM**

Dear Commissioners,

MackKaye Harbor Water Company requests the Commission place on the UTC agenda consideration to increase the allowable annual revenue per customer. In 2004 we contacted you requesting an increase in the maximum average annual revenue per customer for non-regulated water systems because there had been no increase since 1999. The Commission granted an increase in 2004 from \$429.00 to \$471.00 based on the rate of inflation as determined by the implicit price deflator of the U.S. Department of Commerce.

Even with that increase, we are still struggling to set aside reserve monies for the maintenance of our 25 year old system. We are asking that you once again consider increasing the maximum annual revenue allowed. The implicit price deflator for personal consumption of services for housing and utilities in 2004 was 95.591 and for 2010 it was 105.474, an increase of 9.9%.

RCW 80.04.010 allows the Commission to increase this fee on an annual basis. It has not been increased since 2004 and we request that you revisit the annual revenue allowed, increasing it from \$471.00 to \$517.00.

Thank you for your consideration in this matter.

Sincerely,

*Helen Cosgrove*

Helen Cosgrove  
President

Enc: UTC letter dated 4/2/04

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Lopez Island, WA 98261

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WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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April 2, 2004

Patrick C. Roe, President  
MacKaye Harbor Water Company  
P.O. Box 372  
Lopez Island, Washington 98261

**RE: Petition for Amendment of WAC 480-110-255 to increase the maximum average annual revenue per customer for non-regulated water systems,  
Docket No. UW-040375**

Dear Mr. Roe,

On February 6, 2004, MacKaye Harbor Water Company (MacKaye) filed a petition requesting that the Commission amend WAC 480-110-255, Jurisdiction, to increase the maximum average annual revenue per customer for non-regulated water systems.

The petition states that MacKaye serves fifty-five water connections on the south end of Lopez Island in San Juan. MacKaye currently charges the maximum allowable amount of \$429 per customer per year, which places the company outside the Commission's jurisdiction.

MacKaye requests that the Commission increase the jurisdictional threshold for non-regulated water systems from \$429 to \$480. In support of its request, MacKaye relates its inability to set aside sufficient reserves at the current threshold to maintain its 20-year-old system. In addition, MacKaye cites RCW 80.04.010, which allows the Commission to increase annually by rule the jurisdictional threshold to reflect the rate of inflation as determined by the implicit price deflator of the U. S. Department of Commerce. MacKaye notes that the \$429 threshold has been in effect at least since 1999. In further support of its proposed increase to \$480, MacKaye cites the Bureau of Labor Statistics consumer price index for the western region which increased by 13.26 percent between January 1999 and December 2003.



The Commission observes that the standard used by MacKaye to calculate the proposed increase in jurisdictional threshold to \$480 is not the standard set forth in the statute. MacKaye used the Bureau of Labor Statistics consumer price index for the western region to arrive at its proposal. RCW 80.04.010 requires the Commission use the implicit price deflator of the U.S. Department of Commerce.

Accordingly, on March 31, 2004, during its regularly scheduled open meeting, the Commission rejected MacKaye's petition and declined to file its \$480 proposal as a proposed amendment to WAC 480-110-255. While it may be appropriate to raise the jurisdictional threshold, the Commission must use the standard set forth in RCW 80.04.010. Moreover, the Commission believes that it should seek input from other interested persons before proposing any amendment to WAC 480-110-255. The Commission has therefore directed the Executive Secretary to file a preproposal statement of inquiry (CR-101) with the Code Reviser which gives notice that the Commission will begin considering the amendment of the jurisdictional threshold for water companies set forth in WAC 480-110-255.

Sincerely,



for

CAROLE J. WASHBURN  
Executive Secretary