

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND	)	DOCKET UW-071771
TRANSPORTATION COMMISSION,	)	
	)	ORDER 02
Complainant,	)	
	)	
v.	)	
	)	ORDER DISMISSING
HARRISON-RAY WATER	)	COMPLAINT AND ORDER
COMPANY, INC.,	)	SUSPENDING TARIFF
	)	REVISIONS; ALLOWING TARIFF
Respondent.	)	REVISIONS
.....	)	

**BACKGROUND**

- 1 On August 29, 2007, Harrison-Ray Water Company, Inc. (Harrison-Ray or Company), filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-02 that would generate \$65,000 (36 percent) in additional revenue per year. Harrison-Ray serves 208 regulated customers in Burbank located in Walla Walla County. The proposed revisions are prompted by increases in labor, benefits, fuel expenses, and new capital plant costs. Harrison-Ray's last general rate increase became effective July 1, 1999.
- 2 Harrison-Ray also filed to update tariff language and adjust ancillary charges for reconnection, disconnection, late payment, account setup, NSF checks, and water availability letters. In addition, Harrison-Ray adds cross-connection control language and charges. All customers are on metered connections. The proposed rate design removes the 500 cubic feet usage allowance in the base charge and adds a third usage block to encourage conservation.
- 3 Staff's review of Harrison-Ray's operations revealed that the Company's proposed rates were excessive. On September 20, 2007, the Company submitted revised rates at Staff's recommended levels that would generate \$59,035 (35 percent) additional revenue per year.
- 4 On September 26, 2007, the Commission entered a Complaint and Order Suspending the Tariff Revisions to allow customers the opportunity to comment on the revised rates before determining whether the revisions are fair, just, reasonable, and sufficient. The

Commission allowed the revised rates to go into effect on a temporary basis on October 1, 2007, subject to refund. On January 11, 2008, the Company submitted second revised rates to become permanent, due to a difference in the number of customers used for the first revised rate design.

- 5 Harrison-Ray notified its customers of the rate increase by mail on August 30, 2007. On September 26, 2007, Consumer Affairs Staff sent every customer who commented on Harrison-Ray's filing a letter advising them of Staff's recommended first revised rates (temporary rates). The Commission received 156 comments on this filing during and after the initial investigation. Staff continued its investigation and on December 12, 2007, attended a public meeting with Harrison-Ray and its customers in Burbank, Washington. Approximately 90 customers from the Burbank system attended the public meeting held at Columbia Middle School in Burbank and commented on the proposed rate increase. Summarizing both comments sent to the Commission and comments received by Staff at the public meeting, customers are most concerned about: the size of the increase, poor water quality, poor company service, inadequate billing information, identifications of water meters, the company's day-to-day operations, and the number of customers (customer count).
- 6 Following Staff's determination that permanent rates should be lower than those approved as temporary rates, due to the difference in customer count used in Staff's first revised rate design and Staff's second revised rate design, Harrison-Ray filed revised rates on January 11, 2008, at Staff's second revised rate levels, requesting the rates become permanent effective February 1, 2008.
- 7 Due to the difference in Staff's first revised rates that the Commission allowed to become effective on October 1, 2007, on a temporary basis, subject to refund, and Staff's second revised rates that Staff recommends become effective on a permanent basis, Staff determined that customers are due a refund. The monthly difference in base rates is \$0.87 for ¾-inch meter customers and \$4.64 for 2-inch meter customers. The temporary rates were collected for four months, resulting in a total difference of \$3.48 for ¾-inch meter customers and \$18.55 for 2-inch meter customers. Staff has worked with Harrison-Ray to provide a refund by bill credit of these respective amounts. The Company intends to reflect the bill credit in its March billing which will reflect February's water usage, and has agreed to report to the Commission when the refunds are completed.

8 On January 11, 2008, Consumer Affairs Staff sent all customers who previously commented on Harrison-Ray's filing a letter advising them of the Staff's recommended second revised rates. No customers have commented on the second revised rates.

### FINDINGS AND CONCLUSIONS

- 9 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including water companies. *RCW 80.01.040, RCW 80.04, RCW 80.08, RCW 80.12, RCW 80.16 and RCW 80.28.*
- 10 (2) Harrison-Ray is a water company and a public service company subject to Commission jurisdiction.
- 11 (3) This matter came before the Commission at its regularly scheduled meeting on January 31, 2008.
- 12 (4) The tariff revisions Harrison-Ray filed on September 20, 2007, would increase charges and rates for service Harrison-Ray provides, and might injuriously affect the rights and interest of the public.
- 13 (5) The Commission allowed the revised rates filed on September 20, 2007, to become effective October 1, 2007, on a temporary basis, subject to refund.
- 14 (6) Due to the difference in Staff's revised rates that the Commission allowed to become effective on October 1, 2007, on a temporary basis, subject to refund, and Staff's second revised rates that Staff recommends become effective on February 1, 2008, on a permanent basis, Staff determined that customers are due a refund.
- 15 (7) Staff has worked with Harrison-Ray to provide a refund by bill credit in the amount of the difference between temporary rates and permanent rates. The Company intends to reflect the bill credit in its March bill (February's water

usage) and has agreed to report to the Commission when the refunds are completed.

- 16 (8) On January 11, 2008, Consumer Affairs Staff sent all customers who previously commented on Harrison-Ray's filing a letter advising them of Staff's recommend second revised rates. No customers commented on the second revised rates.
- 17 (9) After reviewing the revised tariff revisions Harrison-Ray filed in Docket UW-071771 and giving due consideration, the Commission finds it is consistent with the public interest to dismiss the Complaint and Order Suspending Tariff Revisions in Docket UW-071771, dated September 26, 2007, and allow the tariff revisions filed on January 11, 2008, to Tariff WN U-02 to become effective on February 1, 2008.

## **ORDER**

### **THE COMMISSION ORDERS:**

- 18 (1) The Complaint and Order Suspending the Tariff Revisions in Docket UW-071771, entered on September 26, 2007, is dismissed.
- 19 (2) The tariff revisions Harrison-Ray Water Company, Inc., filed in this docket on January 11, 2008, shall become effective on February 1, 2008.
- 20 (3) The Company is required to refund to customers the difference between the temporary rates and the permanent rates, and to report to the Commission after providing refunds to all eligible customers.

DATED at Olympia, Washington, and effective January 31, 2008.

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**MARK H. SIDRAN, Chairman**

**PATRICK J. OSHIE, Commissioner**

**PHILIP B. JONES, Commissioner**