

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

In the Matter of the Petition of)	DOCKET NO. UW-040651
)	
CANTERWOOD WATER)	ORDER NO. 03
COMPANY, INC.,)	
)	
)	
)	
For Relief from Filing Date and)	ORDER GRANTING
Filing Methodology)	MODIFICATION
.....)	

1 **Synopsis:** *The Commission grants the request of Canterwood Water Company, Inc., modifies Commission Order Nos. 01 and 02 allowing filing of rates requesting increased revenue, and extends the required filing date to January 31, 2006.*

I. BACKGROUND

2 Canterwood Water Company, Inc., (Canterwood or Company) provides water service to approximately 600 customers in Pierce County. Its customers are located on a single system on the Gig Harbor Peninsula. On April 7, 2004, Canterwood filed for approval of an accounting treatment that restructured Canterwood’s metered rates. The proposed accounting implemented an inverted rate structure with the purpose of reducing high water usage in summer months while maintaining revenue neutrality. On May 26, 2004, the Commission authorized the proposed accounting treatment allowing Canterwood to restructure its rates design.

3 The Commission’s Order No. 01 ordered the Company to file revenue-neutral rates by December 31, 2005.

4 On November 29, 2005, Canterwood petitioned for modification of the Commission’s Order Nos. 01 and 02 to allow the Company to file for increased rates rather than revenue-neutral rates, and the Company requested that the

required filing date be extended to January 31, 2006. The Commission considered the petition for modification at its regularly scheduled open public meeting of December 28, 2005.

II. PETITION FOR MODIFICATION

A. Canterwood's Position

5 Canterwood petitions for modification of the Commission's orders requiring the Company to file revenue-neutral rates by December 31, 2005. Canterwood makes its request because it has come to the conclusion that it must seek a revenue increase. Canterwood asserts that rather than making the ordered revenue-neutral filing on December 31, 2005, and then following up with a revenue increase filing shortly after, it would be a better use of resources by both Commission Staff and Canterwood to allow a single filing to consider the rate structure and if a rate increase is warranted. Canterwood also petitions that the filing date for the rate filing be extended to January 31, 2006.

B. Commission Staff's Position

6 Commission Staff does not oppose the request to include a proposed revenue increase in its required filing. However, Staff recommended that the Company be required to file two sets of rates. The first set of rates would be revenue neutral, the second set of rates would reflect any proposed revenue increase. Staff believes that it is important to separate the effects on rates of the change in rate design allowed in this docket and the effect of newly proposed rates. Commission Staff does not oppose a one month extension to January 31, 2006.

III. FINDINGS OF FACT AND CONCLUSIONS OF LAW

7 Having reviewed the *Petition* of Canterwood and Commission Staff's *Open*
8 *Meeting Memo*, the Commission now makes the following summary findings of
9 facts and conclusions of law:

- 8 (1) Canterwood Water Company, Inc., is a water company doing business in
9 the state of Washington.
- 9 (2) The Commission has jurisdiction over the subject matter of this petition
10 and over Canterwood Water Company, Inc.
- 10 (3) Granting the requested relief and modifications are in the public interest.
- 11 (4) The Commission has authority to modify, suspend, or revoke this order at
12 a future date.

V. ORDER

12 This Order decides issues raised in a non-adjudicative proceeding. Based on the
13 foregoing, the Commission orders:

- 13 (1) The petition of Canterwood Water Company, Inc., is granted, as modified
14 by this Order.
- 14 (2) Canterwood Water Company, Inc., shall file revised rates by January 31,
15 2006, that include rates reflecting the revenue-neutral effect of the change
in rate design allowed in Order No. 01 and rates that include the effect for
any increased revenue the company may seek.
- 15 (3) The Commission may modify, suspend, or revoke this order at a future
date.

DATED at Olympia, Washington, and effective this 28th day of December, 2005.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner