

Agenda Date: June 27, 2007
Item Number: A3

Docket: UW-070291
Company Name: Canyon Village Water System, Inc.

Staff: Jim Ward, Regulatory Analyst
John Cupp, Regulatory Analyst

Recommendations

1. Dismiss the Complaint and Order Suspending the Tariff Revision filed by Canyon Village Water System, Inc.
2. Allow the staff recommended revised temporary rates to become effective July 1, 2007, on a permanent basis.

Discussion

On February 9, 2007, Canyon Village Water System, Inc., (Canyon Village or company) filed for general rates for \$14,304 (26 percent) of additional revenue per year. On May 17, 2007, the company filed revised rates that will generate \$4,400 (12 percent) of additional revenue per year. The company serves 85 customers near Kennewick located in Benton County. The company made the filing to help cover increased operational costs and capital improvement expenses.

The company added several new ancillary charges. The revised rate design will provide a lower water allowance with the base meter charge to help encourage water conservation. The company's last general rate increase was September of 1997.

Four customers commented on this filing. Three are opposed to the company's proposed increase. One customer feels the company may need an increase, but should get one based on actual costs, not cost-of-living data. Several customers mentioned that their bills do not show meter readings and usage amounts. Staff is working with the company to make future bills comply with commission rules. Customers responded to the rate increase notice mailed on March 1, 2007.

On April 27, 2007, the commission entered a Complaint and Order Suspending Tariff Revision. On May 23, 2007, the commission approved revised rates on a temporary basis, to allow customers the opportunity to comment on the revised rates before determining whether the revision was fair, just, reasonable, and sufficient. The commission allowed the revised rates to go into effect on a temporary basis, June 1, 2007, subject to refund.

On May 30, 2007, Consumer Affairs staff sent every customer who commented on Canyon Village's filing a letter advising them of staff's recommended revised rates. No customer has yet responded to staff's letter. The current, proposed, and revised rates are below:

Monthly Rate	Current Rate	Proposed Rate	Revised Rate
5/8 " Meter Includes 600 cf	\$36.00	NA	NA
5/8 " Meter Includes 300 cf	\$36.00	NA	\$36.00
Over Base allowance above per 100 cf	\$1.55	NA	\$1.55
5/8 " Meter Zero Allowance	NA	\$36.00	NA
0-600 cf per 100 cf	NA	\$1.55	NA
601-1,000 cf per 100 cf	NA	\$1.95	NA
Over 1,000 cf	NA	\$2.10	NA

cf = cubic feet (1 cubic foot = 7.48 gallons of water)
 All usage rates are per 100 cubic feet of water used

Ancillary Charge	Current	Proposed
Reconnection	\$100.00	\$35.00
Disconnect Visit	\$0.00	\$20.00
Service Visit	\$0.00	\$25.00
Late Payment	\$0.00	2% or min \$1.00
Account Set-up	\$0.00	\$25.00
NSF Check	\$0.00	\$15.00
Water Availability Letter	\$0.00	\$20.00

Commission staff has completed reviewing the company's supporting financial documents, books and records. The company's records support the revised rates.

Conclusion

1. Dismiss the Complaint and Order Suspending the Tariff Revision filed by Canyon Village Water System, Inc.
2. Allow the staff recommended revised temporary rates to become effective July 1, 2007, on a permanent basis.