

Agenda Date: October 31, 2001
Item Number: 2D

Docket: UW-011339
Company Name: Stroh's Water Company, Inc.

Staff: Jim Ward, Program Consultant
Chris Vernon, Public Involvement Coordinator

Recommendation:

Issue a Complaint and Order Suspending the Tariff Revisions filed by Stroh's Water Company, Inc., in Docket UW-011339.

Discussion:

On September 27, 2001, Stroh's Water Company, Inc., (Stroh's Water or Company) filed for a tariff update implementing a one-time Fire Flow Charge of \$15,000 that will expire upon total collections of \$180,000. All funds received from this charge will be considered Contribution In Aid of Construction. The Company serves approximately 670 customers in the Gig Harbor area of Pierce County.

This filing is made to recover the cost of new capital improvements necessary to provide fire flow capacity greater than the typical residential use. This capital plant includes a 250,000 gallon storage tank, booster pump house and pumping equipment and intertie piping to provide fire flow capacity to the water system as needed.

At this point the storage tank has been installed and work is underway for the booster pumping station and pump house. Until all plant is installed and on line, staff considers this plant not used and useful for ratemaking purposes of implementing this charge. The proposed cost for the land purchase, tank construction, pump station and pump house and intertie piping is estimated at \$281,675. Part of the construction monies will be contribution in aid of construction funds, equity investment and this proposed one-time fire flow charge. This charge is in addition to any other cost involved in providing water service and fire flow capacity.

This service is applicable to any new property served by the company, which requires more than residential fire flow. The Commission received no customer comments on this filing.

<u>Charge</u>	<u>Current</u>	<u>Proposed</u>
Fire Flow Service *	N/A	\$15,000.00

* More than 750 GPM for 45 minutes

The Company has not yet demonstrated that the proposed rate is fair, just, reasonable, and sufficient. Therefore, Staff recommends that the Commission Issue a Complaint and Order Suspending the Tariff Revision filed by Stroh's Water Company, Inc., in Docket UW-011339.