

September 18, 2014

VIA EMAIL ONLY

Jim Ward
Regulatory Analyst
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, WA 98504-7250

RE: Docket No. UW-141363 – Rainier View Water Company, Inc.
Bethel School District #403's Supplemental Comments

Dear Mr. Ward:

As you know, this firm represents the Bethel School District (“Bethel” or the “District”) with respect to the above-proposed general rate filing of Rainier View Water Company, Inc. (“Rainier View”). Bethel continues to have concerns about the proposed rate increases and tariff revisions, which proposed increases disproportionately impact the District in violation of RCW 80.28.010, which requires proposed rates to be “fair, just, [and] reasonable.”

If Commission staff confirms the revenue requirement is reasonable and necessary, Bethel respectfully requests the Commission recommend and require a revised rate structure that fairly balances the impact of the rate increase across all rate-payers and classes of rate-payers.¹ Bethel suggests that this can be most easily accomplished through modest and uniform increases to the base rate for all rate-payers.

As Commission staff is well aware, between 2010 and 2013 the Company significantly restructured its rates, with a stated goal of seeking to establish parity amongst rate-payers, and specifically amongst and between residential customers and commercial (non-residential customers), and to remove prior imbalances and subsidies that were believed to previously exist. That process was completed in 2013. The Company now seeks to increase rates to raise revenue based on the Company's proffered increased “employment related costs (salaries and benefits) and Department of Health permitting fees and water quality testing requirements.”

All of these costs represent general overhead-type expenses--expenses attributable to the operations of the Company as a whole. They do not

¹ Bethel has previously proposed the Company adopt a governmental or non-commercial rate structure; a proposal the Company has rejected.

Jim Ward
September 18, 2014
Page 2

represent expenses related to high third-tier usage of commercial or governmental customers. Rather, and to the contrary, these types of expenses correlate to the number of customers as a whole, staff time necessary to respond to customer demands, and the breadth of the Company's service area. As these costs are attributable to the Company's operations as a whole, it is reasonable that the costs associated with this increase should be borne by the customers as a whole as well.

Because the Company and Commission staff have already concluded parity has been achieved amongst ratepayers, and because the proposed rate increases are designed such that the increase will not be shared amongst all customers, but borne by certain users, of which Bethel is one, Bethel suggests a revised proposal be considered which does in fact spread the costs of the increase amongst all rate-payers. One practical solution to this is to provide for recovery of the requested revenue demand, if deemed justified, through adjustments to the base rate. The District asks the Commission to carefully consider such alternative rate designs for the subject proposal.

Thank you for your continued attention to this matter and consideration of the above.

Sincerely,



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Enclosure

cc: Gene Eckhardt, Assistant Director of Water and Transportation
John Cupp, Consumer Protection Staff
Richard Finnigan, Counsel for Rainier Water View Company
James Hansen, Bethel School District #400