

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

WASHINGTON UTILITIES AND	)	DOCKET UW-071771
TRANSPORTATION	)	
COMMISSION,	)	ORDER 01
	)	
Complainant,	)	
	)	COMPLAINT AND ORDER
v.	)	SUSPENDING TARIFF REVISIONS;
	)	ALLOWING REVISED RATES TO
Harrison-Ray Water Company, Inc.,	)	BECOME EFFECTIVE OCTOBER 1,
	)	2007, ON A TEMPORARY BASIS,
Respondent	)	SUBJECT TO REFUND
.....	)	

**BACKGROUND**

- 1     On August 29, 2007, Harrison-Ray Water Company, Inc., (Harrison-Ray or the Company) filed with the Washington Utilities and Transportation Commission (Commission) a general rate increase that will generate \$65,000 (36 percent) in additional revenue per year. During an audit, Commission Staff determined the Company’s rate design would result in the Company recovering \$65,710 in additional revenue. On September 20, 2007, the Company submitted revised rates that would generate \$59,035 (35 percent) additional revenue per year. Harrison-Ray’s last general rate increase became effective July 01, 1999. Harrison-Ray serves 205 customers near Burbank located in Walla Walla County. The Company filed to help cover increasing operational costs and capital improvement expenses, such as a new Burbank well.
- 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 customer connections are connected to meters. The proposed rate design removes the 500 cubic feet usage allowance in the base charge and adds a third usage block to help encourage conservation.
- 3     Harrison-Ray notified its customers of the rate increase by mail on August 30, 2007. The Commission has received ten customer comments on this filing as of September 26, 2007. Customers dispute the rate increase and the quality of the water. Harrison-Ray informed Staff that the water contained sulfur early last year before a new system went online. Staff consulted with Department of Health (DOH) on the quality of water for the

Harrison-Ray water system. According to DOH, the water system has a “green” rating, which indicates that the water system is in substantial compliance with all DOH requirements.

- 4 Although the Company filed revised rates at lower levels, customers have not yet been advised that staff and the Company have agreed to revised rates and have not had the opportunity to comment on the revised rates. Customers deserve to know about, and comment on, the revised rates. The Commission should consider all information, including any additional customer comments on the revised rates, in deciding whether to approve the revised rates.
- 5 The revised rates might injuriously affect the rights and interests of the public. The Commission therefore suspends the tariff filing. The Commission accepts the revised rates as temporary rates and allows those revised rates to become effective on October 1, 2007, on a temporary basis, subject to refund. Public hearings may be held to determine whether the proposed changes are fair, just, reasonable and sufficient.

### FINDINGS AND CONCLUSIONS

- 6 (1) The Washington Utilities and Transportation Commission is an agency of the state of Washington vested by statute with the authority to regulate rates, regulations, practices, accounts, securities, and transfers of public service companies, including water companies. *RCW 80.01.040, RCW 80.04, RCW 80.08 and RCW 80.12, RCW 80.28.*
- 7 (2) Harrison-Ray is a water company and is a public service company subject to the jurisdiction of the Commission.
- 8 (3) This matter was brought before the Commission at its regularly scheduled meeting on September 26, 2007.
- 9 (4) The tariff revision filed by Harrison-Ray Water Company, Inc., on September 20, 2007, would increase charges and rates for service provided by Harrison-Ray, and might injuriously affect the rights and interest of the public.

- 10 (5) Harrison-Ray has not yet demonstrated that the provisions for water rates are fair, just, reasonable and sufficient. The Commission finds it reasonable to allow the revised rates filed on September 20, 2007, to become effective October 1, 2007, on a temporary basis, subject to refund.
- 11 (6) In order to carry out the duties imposed upon the Commission by law, and as authorized in RCW 80.04.130, the Commission believes it is necessary to investigate Harrison-Ray's books, accounts, practices and activities; to make a valuation or appraisal of Harrison-Ray's property; and to investigate and appraise various phases of Harrison-Ray's operations.
- 12 (7) As required by RCW 80.04.130 (4), Harrison-Ray bears the burden of proof to show that the proposed increases are fair, just, reasonable and sufficient.
- 13 (8) Harrison-Ray may be required to pay the expenses reasonably attributable and allocable to such an investigation to the extent the requirements for such payment are in accordance with the provisions of RCW 80.20.

**ORDER**

THE COMMISSION ORDERS:

- 14 (1) The tariff revision Harrison-Ray Water Company, Inc., filed on August 29, 2007, is suspended.
- 15 (2) The revised rates Harrison-Ray Water Company, Inc., filed on September 20, 2007, that reflect Staff-recommended levels, should be allowed to become effective October 1, 2007, on a temporary basis, subject to refund.
- 16 (3) The Commission will hold hearings at such times and places as may be required.
- 17 (4) Harrison-Ray Water Company, Inc., must not change or alter the tariffs filed in this docket during the suspension period, unless authorized by the Commission.

- 18 (5) The Commission will institute an investigation of Harrison-Ray Water Company, Inc.'s books, accounts, practices, activities, property and operations as described above.
- 19 (6) Harrison-Ray Water Company, Inc., shall pay the expenses reasonably attributable and allocable to the Commission's investigation to the extent the requirements for such payment are in accordance with the provisions of RCW 80.20.

DATED at Olympia, Washington, and effective September 26, 2007.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner