

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

WASHINGTON UTILITIES AND)	DOCKET UW-080562
TRANSPORTATION COMMISSION,)	
)	ORDER 03
Complainant,)	
)	
v.)	
)	ORDER DISMISSING COMPLAINT
ROCHE HARBOR WATER SYSTEM,)	AND ORDER SUSPENDING TARIFF
)	REVISIONS; ALLOWING TARIFF
Respondent.)	REVISIONS
.....)	

BACKGROUND

- 1 On March 31, 2008, Roche Harbor Water System (Roche Harbor or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-01, designated as Seventh Revised Sheet No. W-1 canceling Sixth Revised Sheet No. W-1; and Fourth Revised Sheet No. W-2 canceling Third Revised Sheet No. W-2. The stated effective date was May 1, 2008. The Company proposed to increase rates that would generate \$154,960 (50 percent) in additional revenue per year. The Company proposed to increase general rates for water service that would generate \$123,460 (80 percent of \$154,960). The proposed increased general rates for water service are prompted by higher costs for gasoline, water testing and an additional employee. The Company also proposed to start a capital upgrade reserve fund of \$31,500 (20 percent of \$154,960), but withdrew that proposal on May 22, 2008. Roche Harbor serves 525 customers on San Juan Island located in San Juan County.
- 2 On April 30, 2008, the Commission entered a Complaint and Order Suspending Tariff Revisions pending an investigation to determine whether the revisions are fair, just, reasonable and sufficient.
- 3 Staff reviewed Roche Harbor’s books, records and supporting documents and concluded Roche Harbor has a revenue deficiency of \$70,530 (22.9 percent). On May 22, 2008, Roche Harbor filed revised rates at the Staff’s recommended levels. Staff believes the proposed revised rates are fair, just, reasonable and sufficient based on Roche Harbor’s supporting documentation.

- 4 To allow customers the opportunity to comment on the revised rate design before determining whether the revisions are fair, just, reasonable, and sufficient, the commission, on May 28, 2008, continued the Complaint and Order Suspending Tariff Revisions and allowed the revised rate design to go into effect on June 1, 2008, on a temporary basis, subject to refund.
- 5 On May 29, 2008, commission staff sent every customer who commented on the filing a letter advising them of staff's recommended revised rates. Since May 29, 2008, the commission received two new customer comments. The new comments asked for clarification of rate design and water system expansion. Staff responded that the company had withdrawn its original proposal for a monthly surcharge and that all customers with new connections pay the company's facilities charges and connection charges to offset the capital costs and provide funds for upgrades directly benefiting the new customer.

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 the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including water companies. *RCW 80.01.040, RCW 80.04, RCW 80.08, RCW 80.12, RCW 80.16 and RCW 80.28.*
- 7 (2) Roche Harbor is a water company and a public service company subject to Commission jurisdiction.
- 8 (3) This matter came before the Commission at its regularly scheduled meeting on July 31, 2008.
- 9 (4) The tariff revisions presently under suspension are fair, just, reasonable and sufficient because records and supporting documents demonstrate that Roche Harbor has a revenue deficiency of \$70,530 (22.9 percent).
- 10 (5) After reviewing the tariff revisions Roche Harbor filed in Docket UW-080562 and giving due consideration, the Commission finds it is consistent with the public interest to dismiss the Complaint and Order Suspending Tariff Revisions in

Docket UW-080562, dated April 30, 2008, and allow the tariff revisions to Tariff WN U-01 to become effective on August 1, 2008.

ORDER

THE COMMISSION ORDERS:

- 11 (1) The Complaint and Order Suspending Tariff Revisions in Docket UW-080562, entered on April 30, 2008, is dismissed.
- 12 (2) The tariff revisions Roche Harbor Water System filed in this docket on March 31, 2008, shall become effective on August 1, 2008.

DATED at Olympia, Washington, and effective July 31, 2008.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner