

Agenda Date: February 22, 2024  
Item Number: A3

**Docket:** UW-230555  
Company: Summit View Water Works

Staff: Rachel Stark, Regulatory Services  
Mike Young, Regulatory Services  
Andrew Roberts, Consumer Protection

### **Recommendation**

Issue a Complaint and Order suspending the tariff revisions filed by Summit View Water Works on April 10, 2023, and set Docket UW-230555 for hearing.

### **Discussion**

On April 10, 2023, Summit View Water Works (Summit View or Company) filed with the Washington Utilities and Transportation Commission (Commission) tariff revisions that, as originally filed, would have generated \$206,300 (29.68 percent) in additional revenue.

The Company serves approximately 676 irrigation customers and 618 domestic customers in Benton County. The Company's last general rate case became effective January 1, 2019, for its irrigation customers; and November 1, 2018, for domestic customers with a three-year phase-in for domestic customers.

Summit View is seeking this increase due to increased operational expenses in both its irrigation and domestic operations. The Company seeks recovery of increased wage expenses, power, health insurance, facility operating repair, maintenance costs, and allocated expenses since its last general rate increase.

Since the Company first filed its general rate case, per the Company's request, the effective date has been extended four different times in order to continue to work with Commission Staff (Staff). The last two requests to extend the effective date was because Staff and the Company could not agree on the revenue requirement.

During Staff's review of the Company's workbooks, accounts, and supporting documents, Staff found that Summit View's request was not supported. The Company's model included netbook value of assets and did not offset for Contributions in Aid of Construction (CIAC) in its rate base. Instead it included CIAC as depreciable assets. After Staff adjusted rate base, which should have been counted as CIAC, Staff found Summit View is not due a rate increase. Staff and the Company have not come to agreement on the calculation of revenue requirement.

### **Customer Comments**

On September 25, 2023, the Company notified its customers of the proposed rate increase by mail. Staff received 20 consumer comments, all opposed to rate increase.

**General Comments**

The customers feel the proposed increase for both irrigation and domestic water is excessive. Customers state there was a significant increase approximately four years ago, and the Company is again requesting a significant increase. Several customers note they are on fixed incomes and cost of living only increases by up to 3 percent.

**Staff Response**

State law requires rates to be fair, just, reasonable, and sufficient to allow the Company to recover reasonable operating expenses and the opportunity to earn a reasonable return on its investment. Commission Staff perform a thorough review of rate filings to ensure that all rates and fees are appropriate.

**Conclusion**

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