

Agenda Date: November 16, 2001  
Item Number:

**Docket:** UW-011422  
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 Contract filed by Stroh's Water Company, Inc., in Docket UW-011422.

**Discussion:**

On October 22, 2001, Stroh's Water Company, Inc., (Stroh's Water or Company) filed a contract with FGH Associates, LLC for water service, fire hydrant installation and 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 Contributions 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. The storage tank has been installed and work is underway for the booster pumping station and pump house. The company expects to complete this project in January, 2002. Since all plant is not yet 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. Construction monies will be from various sources including Contributions In Aid of Construction funds, equity investment and this proposed one-time fire flow charge (\$15,000). This charge is in addition to any other cost involved in providing water service and fire flow capacity.

This contract includes the cost for installation of fire hydrant (\$13,775), the company's tariff connection charges and taxes (\$960) and the proposed fire flow charge (\$15,000). The Commission received no customer comments on this filing.

The Company has not yet demonstrated that the proposed rate is fair, just, reasonable, and sufficient or that the fire flow capacity is available and used and useful. Therefore, Staff recommends that the Commission Issue a Complaint and Order Suspending the Contract filed by Stroh's Water Company, Inc., in Docket UW-011422.