

Agenda Date: December 28, 2001  
Item Number:

**Docket:** UW-011572  
Company Name: Canterwood Water Company

Staff: Jim Ward, Regulatory Analyst  
Chris Vernon, Public Involvement Coordinator

**Recommendation:**

Allow the revised tariff revisions as filed by Canterwood Water Company, in Docket UW-011572, to become effective January 1, 2002.

**Discussion:**

On November 26, 2001, Canterwood Water Company, (Canterwood Water or Company) filed for general rates in the amount of approximately \$84,497 (55%) of additional revenue per year. On December 19, 2001, the Company revised the tariff for general rates to provide approximately \$52,500 (32%) of additional revenue per year. The Company serves approximately 529 customers east of Gig Harbor in Pierce County. The company's last rate increase was in 1990.

This filing is made to recover the cost of new capital improvements, update the water system plan, and cover increased operating cost. These increased costs include a new Satellite Management Agency (SMA) with Peninsula Light contract for daily operations and maintenance of the water system and increased electrical costs.

In addition to reducing the revenue requirement proposed by the company in its filing, the revised tariff will change the rate design by removing the 400 cubic feet allowance previously included in the base charge and adding several increasing cost rate blocks. The company hopes to encourage water conservation with this rate design and should see reduced electrical and maintenance cost with reduced water consumption.

The Commission has received several comments referring to this proposal.

Current, proposed and revised rates are provided below.

<u>Monthly Rate</u>	<u>Current</u>	<u>Proposed</u>	<u>Revised</u>
Metered Rate Service ¾ inch	\$ 17.50	\$ 18.00	\$ 15.00
1 inch	20.30	30.00	25.50
1 ½ inch	23.15	60.00	49.50
2 inch	44.50	96.00	79.50
3 inch	163.00	180.00	150.00
Consumption Rate	Per 100 cubic feet		
Includes 400 cubic feet			
401 to 1,400 cubic feet	\$ 0.40	N/A	N/A
Over 1,400 cubic feet	0.50	N/A	N/A
0 to 1,000 cubic feet	N/A	\$ 0.75	\$ 0.75
1,001-2,000 cubic feet	N/A	1.00	1.00
2,001-4,000 cubic feet	N/A	1.25	1.25
Over 4,000 cubic feet	N/A	1.50	1.50

Regulatory Services Staff has reviewed the Company's information to support the filing. Staff believes the revised rates are appropriate. Therefore, Staff recommends that the Commission allow the revised tariff revisions as filed by Canterwood Water Company, in Docket UW-011572, to become effective January 1, 2002.

Attachment (1)