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8 **WASHINGTON UTILITIES AND TRANSPORTATION**  
9 **COMMISSION,**

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12 **COMPLAINANT,**

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14 **VS.**

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16 **ROCHE HARBOR WATER SYSTEM, INC.**

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18 **RESPONDENT.**  
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21 **DOCKET NO. UW-042132**

22  
23 **DIRECT TESTIMONY**

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25 **OF**

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27 **BRENT SNOW**

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29 **ON BEHALF OF**

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31 **ROCHE HARBOR WATER SYSTEM, INC.**  
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36 **June 7, 2005**  
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**Q. Please state your name, business address and business title.**

A. My name is Brent Snow. My address is 333 Lagoon Lane, Roche Harbor, WA 98250. My business title for Roche Harbor Resort is General Manager. I am also an officer of Roche Harbor Water System.

**Q. What is the purpose of your testimony?**

A. The purpose of my testimony is to express the perspective of Roche Harbor Resort on the filing made by Roche Harbor Water System.

**Q. What is that perspective?**

A. Roche Harbor Resort is the owner of Roche Harbor Water System. In addition, Roche Harbor Resort is the chief customer of Roche Harbor Water System. As a result of this relationship, the Resort is very sensitive to the perception that non-Resort water customers might have about the way in which Roche Harbor Water System is managed by the Resort.

In particular, we want to dispel any possible perception that the Resort is using the Water System to subsidize the Resort's expansion.

**Q. Are there expansions to the Resort under way or being planned?**

A. Yes. The Resort is planning a major expansion in what is called the Village. These will be single family residences needing a three-quarter inch connection per residence. These will be either seasonally occupied homes or full time residences. The Resort believes it is important that the existing customers understand that they

1 are not subsidizing the construction and sales of these homes through the water  
2 rates that they pay.

3 **Q. Have you discussed these plans with Mr. Gibbs?**

4 A. Yes. Mr. Gibbs and I have had very extensive discussions about the Resort's plans  
5 and how those plans may affect the Water System. In the course of those  
6 discussions, we realize that the Resort's expansion will be the equivalent of  
7 approximately ninety percent of the future expansion of the Water System. Within  
8 our existing service area there are 55 non-Resort outstanding water connection  
9 obligations. There are up to 527 potential water connections on property owned by  
10 the Resort. This highlighted the need to be sensitive about the manner in which  
11 future expansion comes about. Our goal is to manage the Water System in such a  
12 way that the costs of operation are covered and to finance expansion in a way that is  
13 as neutral as possible to existing customers.

14 **Q. Will any of the future expansion benefit existing customers?**

15 A. Of course it will. There is bound to be some incremental value to making a system  
16 stronger and more reliable. In addition, some of the existing storage facilities will  
17 be replaced by much larger storage facilities. Putting a new storage facility in place  
18 that replaces a deteriorating storage facility obviously benefits existing customers.  
19 However, just because the existing customers receive an incremental benefit does  
20 not change the fact that the expansion is being undertaken primarily to benefit  
21 future connections.

1       **Q. Do you have any observations about this hearing process?**

2       A. Yes. I find it incredibly strange that where the customer that is going to pay ninety  
3       percent of the future charges in the form of the Improvement Charge supports the  
4       tariff change, the company is still forced to go through this very expensive process.

5       **Q. Does that complete your testimony at the present time?**

6       A. Yes.