

Agenda Date: July 10, 2002
Item Number: Utilities 2

Docket: UW-020823
Company Name: Kala Point Utility Company

Staff: Jim Ward, Regulatory Analyst
Penny Hansen, Public Involvement Coordinator
John Cupp, Consumer Program Specialist

Recommendation:

Grant the Less than Statutory Notice (LSN) treatment of Tariff Revision as filed by Kala Point Utility Company, in Docket UW-020823, to become effective July 15, 2002.

Discussion:

On June 24, 2002, Kala Point Utility Company, (Kala Point or Company) filed for a general rate increase of \$8,514 (4.6 percent) of annual revenue. This filing is to implement a surcharge of \$1.50 per month per customer to repay a loan. This loan will be for a period of three years and carries a nine percent interest rate. The Company serves approximately 470 customers south of Port Townsend in Jefferson County.

This filing includes the possible components in the company's action plans to address the production loss of well #3. The estimated cost includes investigation, cleaning, testing, and replacement of the pump in well #3.

WAC 480-80-070 requires thirty days' notice prior to the effective date of the tariff. The tariff sheet bears an inserted effective date of August 1, 2002. This date recognizes statutory notice as required. The Company requests, however, that statutory notice be waived as authorized in WAC 480-80-240, and that the revision become effective July 15, 2002. The company is requesting LSN treatment due to the serious nature of the pump failure at the start of summer.

Kala Point Utility Company will maintain detailed records for all costs related to the upgrade of well #3. A detailed report of this cost data will be submitted to Commission Staff within 30 days of the end of the upgrade period.

The Commission has received some comments regarding this proposal. Current and proposed rates are provided below.

<u>Monthly Rate</u>	<u>Current</u>	<u>Proposed</u>
Capital Improvement Surcharge *	N/A	\$ 1.50

*Expires July 31, 2005 or upon collection of \$22,500 plus interest

The Company has demonstrated that the proposed rates are fair, just, and reasonable. Therefore, Staff recommends that the Commission Grant the Less than Statutory Notice (LSN) treatment of Tariff Revision as filed by Kala Point Utility Company, in Docket UW-020823, to become effective July 15, 2002.