

Agenda Date: April 28, 2004
Item Number:

Docket: UW-040659
Company Name: Roche Harbor Water System

Staff: Jim Ward, Regulatory Analyst

Recommendation:

Issue a Complaint and Order Suspending the Tariff Revisions filed by Roche Harbor Water System, in Docket UW-040659.

Discussion:

On April 9, 2004, Roche Harbor Water System, (Roche Harbor or Company) filed to change several charges and to implement new charges. The Company serves approximately 370 residential customers on San Juan Island.

The Company states that this filing has several purposes.

1. Change Rule 5 for reconnection and discontinuance of service.
2. Establish base charge for upsized meter services.
3. Removes flat rate service from tariff.
4. Removes fire flow service from tariff.
5. Establish service connection charge for upsized meter services.
6. Establish facilities growth charge for upsized meter service.
7. Establish ready to serve rate for this customer class.

Part of this filing is to include a new facilities growth charge to recover the costs of growth for new facilities. Based on the Company's comprehensive water system plan, two projects need to be accomplished in the near future. One is the Pearl Island water line, which has an estimated cost of \$45,000. This has been revised down from the original costs stated in the water plan of \$102,000. The second is the construction of the additional barn tank at a cost of approximately \$222,000.

The Commission received two letters opposed to the ready-to-serve charge. Customers believe the company is attempting to add costs to customers that do not use any water. Customers stated that they would be glad to pay their fair share when they activate water service with Roche Harbor. Consumer Affairs has received one complaint, a dispute in which the customer alleges his service connection is not installed per the company's tariff. Staff is investigating. Current and proposed rates and charges are provided below.

		Monthly Meter Rate	Service Connection	Facilities Charge	Facilities Growth
Metered Rate Service	Proposed	Proposed	Proposed	Proposed	Proposed
3/4 inch meter	Existing	\$ 25.00	\$ 1,500	\$ 3,500	\$ 3,000
1 inch meter		\$ 41.75	\$ 2,505	\$ 5,845	\$ 5,010
1.5 inch meter		\$ 83.25	\$ 4,995	\$ 11,655	\$ 9,990

2 inch meter	\$ 133.25	\$ 7,995	\$ 18,655	\$ 15,990
3 inch meter	\$ 250.00	\$ 15,000	\$ 35,000	\$ 30,000
4 inch meter	\$ 417.50	\$ 25,050	\$ 58,450	\$ 50,100

<u>Monthly Rate</u>	<u>Current</u>	<u>Proposed</u>
Ready To Serve	N/A	\$ 15.00

<u>Ancillary Charges</u>	<u>Current</u>	<u>Proposed</u>
Reconnection	\$ 35.00	\$ 85.00
Disconnect Visit	\$ 25.00	\$ 53.50
Service Visit	\$ 30.00	\$ 53.50
Cross Connection Control Site Visit	\$ 25.00	\$ 53.50
Cross Connection Control Inspection	\$ 25.00	\$ 53.50 per hour

Commission Staff has requested additional information to support this rate filing. That data request is still outstanding and Commission Staff cannot determine if the tariff revisions filed are appropriate and the Company has not yet demonstrated that the proposed rates are fair, just, and reasonable.

Therefore, Staff recommends that the Commission issue a Complaint and Order Suspending the Tariff Revisions filed by Roche Harbor Water System, in Docket UW-040659.