

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Compliance of

STROH'S WATER COMPANY INC.,

Petitioner,

Seeking Tariff revisions.

DOCKET UW-220084

ORDER 01

AUTHORIZING TARIFF
REVISION SUBJECT TO
CONDITIONS

BACKGROUND

1 On January 31, 2022, Stroh's Water Company Inc. (Stroh's or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its Tariff WN-U3 that adds language and rates back into its tariff previously approved by the Commission but inadvertently removed by the Company in a subsequent filing. The following proposed language and rates were inadvertently removed:

In addition to the regular monthly minimum of \$17.75, the minimum for multiple dwelling units shall be \$17.75 for the second unit, \$15.50 per unit for the third and each unit thereafter.

2 Stroh's explains that the proposed language was inadvertently removed from its tariff during an administrative correction, and that the Commission had previously approved these rates and language in Docket UW-070982. The language would allow the Company to bill additional charges to a customer who has additional connections "behind the meter." These rates are a flat monthly amount for each additional connection on the customer side of the meter. Stroh's also states the removal or disallowance of this rate and language would prevent the Company from earning the revenue requirement authorized by the Commission in Docket UW-070982.

3 Commission staff (Staff) reviewed the tariff revisions and agrees that the proposed tariff revision should be approved until the Company files its next general rate case, and that the Company should be required to file a general rate case with an effective date no later than May 1, 2023. Staff confirmed the language was allowed in the last general rate case the Company filed in 2007 and acknowledges that inadvertently removing a rate through an administrative correction of a tariff could harm the Company. Therefore, Staff recommends the language be allowed to remain for up to 12 months to allow the

Company time to prepare a general rate filing where this issue can be addressed. Stroh's agrees with this recommendation.

DISCUSSION

4 We agree with Staff and approve the tariff revision filed on January 31, 2022, and require the Company to file a general rate case with an effective date no later than May 1, 2023.

5 The current Commission practice is that one-meter equals one customer.¹ Typical rate design has usage rates that allow a company to recover the costs of all water that flows through the meter, whether it serves one, two, three, or 100 individuals. However, Stroh's current rate design including the rates for customers behind the meter that were allowed in Stroh's 2007 rate case.² Because its rates for customers "behind the meter" have been allowed through a rate process, we agree it is most appropriate to address this issue using the same process to set rates that are fair, just, reasonable, and sufficient.

6 Considering the rate was previously allowed through the Commission's rate making process and that disallowing the rate may negatively impact the Company's revenue requirement authorized by the Commission in the Company's last general rate case, we agree the appropriate action is to allow Stroh's to continue the historical practice of billing additional rates for connections behind the meter until we are able to address this issue in the Company's next general case. Allowing for a 12-month historical test period strikes a balance between immediate removal of a historic rate design and allowing such a practice to remain in place indefinitely.

7 Therefore, we approve the tariff filed on January 31, 2022, and require the Company to file a general rate case with an effective date no later than May 1, 2023.

FINDINGS AND CONCLUSIONS

8 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including water companies.

¹ *Burton Water Company, Inc*, Order 01 Approving Settlement, January 5, 2021, Docket UW-200081

² Docket UW-070982.

- 9 (2) Stroh's is engaged in the business of providing water services within the state of Washington and is a public service company subject to Commission jurisdiction.
- 10 (3) Stroh's and Staff have agreed the Company shall file a general rate case within 12 months with an effective date no later than May 1, 2023.
- 11 (4) This matter came before the Commission at its regularly scheduled meeting on April 14, 2022.
- 12 (5) After reviewing the proposed tariff revisions filed by Stroh's on January 31, 2022, the Commission finds that allowing the proposed revisions to become effective by operation of law will result in rates that are fair, just, reasonable, and sufficient.

ORDER

THE COMMISSION ORDERS:

- 13 (1) The tariff filed on January 31, 2022, by Stroh's Water Company, Inc., is approved and will become effective by operation of law.
- 14 (2) Stroh's Water Company Inc. must file a general rate case with an effective date no later than May 1, 2023.
- 15 (3) The Commission retains jurisdiction over the subject matter and Stroh's Water Company Inc. to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective April 14, 2022.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

AMANDA MAXWELL
Executive Director and Secretary