

Agenda Date: March 27, 2002
Item Number: 2E

Docket: UW-020107
Company Name: Burton Water Company

Staff: Jim Ward, Regulatory Analyst
Penny Hansen, Public Involvement Coordinator

Recommendation:

Allow the tariff revisions as filed by Burton Water Company, and require reporting, in Docket UW-020072, to become effective April 1, 2002.

Discussion:

On February 1, 2002, Burton Water Company, (Burton Water or Company) filed for general rates in the form of a surcharge in the amount of approximately \$24,840 (24%) of revenue per year. The company's water system plan continues to provide for replacement of aging and inadequate transmission piping and provide for an additional storage tank. The proposed surcharge will become effective at the same time the current \$4.50 surcharge will expire. The expiring surcharge was used to partially fund a storage tank located on SW 238th street. The Company serves approximately 414 customers in the central part of Vashon Island located in King County.

This filing is made as part of the company's approved water system plan to replace infrastructure. The surcharge funds will go into a reserve account as authorized by RCW 80.28.022 and pay directly for the improvements. This replacement includes four major sections of transmission piping. The piping replenishments will upgrade old 2-inch to 6-inch size piping with modern 6-inch and 8-inch PVC piping, and should allow more flow and higher pressures in many parts of the water system. After all piping replacements are complete, the company will add a new 150,000 gallon storage tank near the current well field. In addition to the surcharge request, the tariff revisions will add several ancillary charges as shown below. Plant purchased with surcharge funds will be considered Contribution In Aid of Construction.

The Commission has received one letter opposing the rate increase and one letter endorsing the company in its efforts.

Current and proposed rates are provided below.

<u>Monthly Rate</u>	<u>Current Proposed</u>	
1996 Surcharge	\$ 4.50	Remove April 1, 2002
2002 Surcharge*	N/A	\$ 5.00

* Surcharge to expire on December 31, 2012 or upon recovery of \$165,000 in principal, whichever

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occurs first.

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Ancillary Charges	<u>Current Proposed</u>	
Late Payment	N/A	2% Unpaid Balance
Account Set-up	\$ 5.00	\$ 10.00
NSF Check charge	N/A	5.00
Water Availability Letter	N/A	8.00

Regulatory Services Staff has reviewed the Company's information to support the filing. Staff believes the proposed rates are appropriate. Therefore, Staff recommends that the Commission allow the tariff revisions as filed by Burton Water Company, and require reporting, in Docket UW-020072, to become effective April 1, 2002.