

Agenda Date: March 29, 2006
Item Number: A3

Docket: UW-060343
Company Name: Iliad Water Service, Inc.

Staff: Danny Kermode, Regulatory Analyst

Recommendation:

Issue a Complaint and Order Suspending the Tariff Revision filed by Iliad Water Service, Inc., in Docket UW-060343.

Discussion:

Iliad Water Service, Inc., is a regulated water company that serves approximately 72 customers on three water systems. Its three systems are located in Kitsap, Snohomish, and Pierce Counties.

On March 1, 2006, Iliad Water Service, Inc., filed with the commission a tariff that proposes to assess each of the 39 customers on its Alder Lake Community Water System a one-time charge of \$3,405 for the costs associated with costs to install a water chlorination system. The proposed tariff includes an option for customers to obtain a personal loan to finance the one-time assessment from a third party lender. The private financing of the one-time assessment would charge customers obtaining the loan 11% interest over ten years, plus an origination fee of three to five percent of the loan principal.

The Alder Lake Community System is located in southern Peirce County near the town of Elbe.

The commission received comments from four customers. One customer was opposed to any surcharge. Three customers are not opposed to a surcharge, but have questions about the fairness of the surcharge amount.

Staff has requested additional information from the company to complete its investigation and audit of the proposed charge and is still reviewing information already provided by the company.

Conclusion

The company has not yet demonstrated that the proposed assessment is fair, just, and reasonable. Therefore, staff recommends that the commission issue a Complaint and Order Suspending the Tariff Revision filed by Iliad Water Service, Inc., in Docket UW-060343.