

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Request of)	DOCKET UW-070667
)	
MARBELLO WATER CO., INC.,)	ORDER 01
)	
Petitioner,)	
)	
For Less Than Statutory Notice in)	ORDER GRANTING LESS THAN
Connection with Tariff Revisions)	STATUTORY NOTICE
.....)	

BACKGROUND

- 1 On April 6, 2007, Marbello Water Co., Inc. (Marbello Water or Company), filed with the Commission revisions to its currently effective Tariff WN U-01, designated as:

 Second Revised Sheet No. 21 Canceling Substitute First Revised Sheet No. 21
 Fourth Revised Sheet No. 26 Canceling Substitute Third Revised Sheet No. 26.

- 2 On February 13, 2007, Marbello Water filed a general rate increase in Docket UW-070310 reflecting the pass through of an eight percent increase in the cost of water purchased from the city of Monroe. In addition, the Company filed for an increase reflecting the pass through of a seven and a half percent city utility tax on all revenue collected by the Company through its water sales.

- 3 At its March 28, 2007, open meeting, the Commission expressed its concern that the city's utility tax on the revenues of Marbello Water may not be lawful. The Commission directed its legal counsel to research the issue and provide an opinion as to the lawfulness of the city utility tax. Subsequently, it was found that the initial understanding of the impact of the city utility tax on the Company was incorrect. The city of Monroe's proposed seven and a half percent surcharge does not reflect a levy on Marbello Water's water utility business, as characterized by the Company in its filing, but rather it is a tax on the city of Monroe's own water service. The tax levy affects the Company only to the extent that the Company buys its water from the city.

- 4 RCW 80.36.110 and WAC 480-80-121 require a thirty-day notice prior to the effective date of the tariff. The tariff sheets bear an inserted effective date of May 7, 2007. This date recognizes statutory notice as required. The Company requests, however, less than statutory notice as permitted in WAC 480-80-122, and that the revisions become

effective May 1, 2007. Marbello Water stated the reason for less than statutory notice is that the revisions represent a reduction from the current rates. In addition, the Company's current tariff would incorrectly apply the city utility tax to all revenue. The pending revisions correct that error to apply the tax only to the wholesale cost of the Company's purchased water.

5 WAC 480-110-425 requires notification to customers of the increase sought in this filing. Granting the Company's less than statutory notice request requires an exemption from WAC 480-110-425. For the same reason stated for seeking less than statutory notice, the Company seeks an exemption from customer notice requirements as provided in WAC 480-110-215.

6 Since the proposed tariff revisions appear to be fair, just, and reasonable, and less than statutory notice is consistent with the public interest, it is appropriate that the Commission grant Marbello Water's request with an effective date of May 1, 2007.

FINDINGS AND CONCLUSIONS

7 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, regulations, practices, accounts, securities, and transfers of public service companies, including water companies. *RCW 80.01.040; RCW 80.04 and RCW 80.28.*

8 (2) Marbello Water is a water company and is a public service company subject to the jurisdiction of the Commission.

9 (3) Marbello Water is subject to the provisions of RCW 80.28.060 and WAC 480-80-121 requiring water companies to file changes in any rate or charge with thirty days' notice. For good cause shown, however, the Commission may allow changes without requiring thirty days' notice by order specifying the changes to be made and the time when it shall take effect. *WAC 480-80-122.*

10 (4) Marbello Water is subject to the provisions of WAC 480-110-425 requiring water companies to notify its customers with thirty days' notice. WAC 480-110-215 provides that the Commission may grant an exemption from the provisions of any

rule in WAC 480-110, if consistent with the public interest, the purposes underlying regulation and applicable statutes.

- 11 (6) This matter was brought before the Commission at its regularly scheduled meeting on April 27, 2007.
- 12 (7) After examination of the proposed tariff revisions filed by Marbello Water on May 7, 2007, and giving consideration to all relevant matters and for good cause shown, the Commission finds the proposed tariff revisions should become effective May 1, 2007.
- 13 (8) The Commission also finds the Company should be granted an exemption to the customer notice requirements in WAC 480-110-425.

ORDER

THE COMMISSION ORDERS:

- 14 (1) The request sought by Marbello Water Co., Inc., for less than statutory notice is granted.
- 15 (2) Marbello Water Co., Inc., is granted an exemption from WAC 480-110-425.

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

DATED at Olympia, Washington, and effective April 27, 2007.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Executive Secretary