



STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • TTY (360) 586-8203

VIA US MAIL AND E-MAIL

August 4, 2010

Robert P. Fakkema
Crosswoods Water Company, Inc.
840 SE 8th Avenue, Suite 102
Oak Harbor, WA 98277

RE: Tariff Revision

Dear Mr. Fakkema:

On July 29, 2010, Crosswoods Water Company, Inc., filed with the Utilities and Transportation Commission a tariff revision. The filing has been docketed under UW-101332.

The filing did not include information required by the Commission. Specifically, the filing must include the following:

- Support material for general rate increase required by WAC 480-07-530 and WAC 480-80-105. Explanatory tariff markings showing tariff changes are not shown in the filing;
- A calculation of the revenue impact of proposed rates by each customer class, as required in WAC 480-07-530(4);
- Work papers explaining both restating and pro forma adjustments as required in WAC 480-07-430(4);
- Information about every transaction with an affiliated interest or subsidiary as required in WAC 480-07-530(4).

See attached document showing required corrections as well as areas that need more detailed information.

WAC 480-07-141 states that the Commission may reject a filing if it is insufficient or defective. Therefore, the company's request filed on July 29, 2010, is rejected in its entirety. However, be advised that the company may re-file a complete filing reflecting the new issue and effective dates.



Letter to Mr. Robert Fakkema
Crosswoods Water Company, Inc.
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Please include the docket number UW-101323 on any future correspondence for this filing.

If you have any questions, please contact Amy White at awhite@utc.wa.gov or at (360) 664-1247.

Sincerely,



DAVID W. DANNER
Executive Director and Secretary

cc: Amy White

Attachment: filing checklist

General rates
 Add \$3.50 or \$5.50

Surcharge
 Add \$4.00 or \$3.65

<p>1. Cover letter which must: (a) Provide a description of the filing, and the requested action, in understandable terms. Technical terms are acceptable but descriptions must use common terms so the public can easily understand the impact of the filing. Acronyms, if used, must be defined before they are used in the text of the letter.</p>	<p><u>WAC 480-07-530 1(a)</u> through <u>WAC 480-07-530 1(c)</u></p>	<p>Yes</p> <p>\$8,073</p> <p>No % amount of increase shown</p> <p>The cover letter seeks an increase of \$3.50 per month in first paragraph but \$5.30 in subsequent paragraph</p>	<p>Yes</p> <p>Not shown</p> <p>No % amount of increase shown</p> <p>The cover letter seeks an increase of \$4.00 a month in first paragraph but \$3.65 in subsequent paragraph</p>	
<p>(b) The cover letter must state why the filing is being made (e.g., increased costs for water testing).</p>	<p><u>WAC 480-07-530 (b)</u></p>	<p>Yes</p>	<p>Yes</p>	
<p>(c) The cover letter must describe each service that is impacted and the dollar and percentage change for each service as well as the net impact of all changes on the company's total regulated revenue.</p>	<p><u>WAC 480-07-530 (c)</u></p>	<p>Yes for individual customer. However, overall dollar increase effect and percentage are not stated.</p>	<p>Yes for individual customer. However, overall dollar increase effect and percentage are not stated.</p>	
<p>2. Revised tariff pages The proposed tariff must include explanatory markings (as described in WAC 480-80-105) to highlight proposed changes.</p>	<p><u>WAC 480-07-530(2)</u> <u>WAC 480-80-105</u></p>	<p>Yes.</p> <p>Revision numbers are incorrect.</p> <p>No explanatory markings as required in WAC 480-80-105.</p> <p>Corrected tariff pages scanned and emailed to company.</p>	<p>Tariff page filed but did not update existing Original Sheet 24 (Schedule 4)—inserted a contradictory new “Sheet No. 1 (Schedule 6). No explanatory markings. Corrected tariff pages scanned and emailed back to company.</p>	
<p>3. Customer Notice. A copy of the notice mailed to customers must be included.</p>	<p><u>WAC 480-07-530(3)</u></p>	<p>Yes</p> <p>Notice still needs to have open meeting date inserted.</p>	<p>Yes</p>	
<p>4. Work papers The supporting work papers for the test period including:</p>		<p>No</p>	<p>No</p>	
<p>(a) A calculation of the revenue impact of proposed rates by each class affected;</p>	<p><u>WAC 480-07-530 (4)</u></p>	<p>No</p>	<p>Yes</p>	
<p>(b) Balance sheet and statement of revenues and expenses;</p>	<p><u>WAC 480-07-530 (4)</u></p>	<p>Yes</p>	<p>Yes</p>	
<p>(c) Depreciation schedule;</p>	<p><u>WAC 480-07-530 (4)</u></p>	<p>Yes</p>	<p>Yes</p> <p>New assets not reflected</p>	

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(d) Adjustments proposed including a schedule showing adjustments to the statement of revenues and expenses, including any restating adjustments and/or pro forma adjustments including the effect of proposed rates.	<u>WAC 480-07-530 (4)</u>	Yes	Yes	
(e) Work papers that explain both restating and pro forma adjustments that the company proposes, specifying all relevant assumptions, and including specific references to charts of accounts, financial reports, studies, and all similar records relied on by the company in preparing its filing, and its supporting testimony and exhibits.	<u>WAC 480-07-530 (4)</u>	No Staff needs contracts on on the following: <ul style="list-style-type: none"> • Contractual system maintenance • Contractual billing • Contractual treatment Also, analysis and more information on: <ul style="list-style-type: none"> • Chlorine costs • Power cost increase • Tools and supplies increase • Office rent • Accounting services • Telephone 	NA	
(f) Usage statistics verifying test year revenues and proposed revenues.	<u>WAC 480-07-530 (4)</u>	Yes Base charge increase only—why no use charge change?	NA Additional flat charge	
(g) Public water system identification number assigned by the Washington department of health for each system that the new rates will affect.	<u>WAC 480-07-530 (4)</u>	Yes	Yes	
(h) Schedule showing separation of revenues and expenses between regulated and non-regulated operations.	<u>WAC 480-07-530 (4)</u>	NA	NA	
(i) Information about every transaction with an affiliated interest or subsidiary that directly or indirectly affects the proposed rates. This information must include: A full description of the relationship, terms and amount of the transaction, the length of time the relationship has been ongoing, and an income statement and balance sheet for every affiliated entity.	<u>WAC 480-07-530 (4)</u>	No	No Shareholder loan for new plant.	

Crosswoods Water Company
Does not meet requirements as outlined below.
127 customers on meters

UW-101332

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Affiliated interest WAC 480-110-575

Transactions that occur between the company and its affiliated interests, and the company and its subsidiaries. Affiliated interest is every corporation owning five percent or more of the voting securities of such public service company and doing business with the person or corporation.

Securities WAC 480-110-525

Before a water company issues stocks, evidence of ownership, or other evidences of indebtedness must file with the commission notice.