

Agenda Date: May 11, 2017  
Item Number: A1

**Docket:** UW-161035  
Company Name: H&R Waterworks, Inc.

Staff: Jim Ward, Regulatory Analyst  
John Cupp, Consumer Protection

### **Recommendation**

Issue an Order Granting Withdrawal and Dismissing Complaint in Docket UW-161035 and requiring that the company, on a quarterly basis, provide staff with monthly water usage data, by meter, for each of the water systems exceeding 95 percent of their annual withdrawal limits as established by the Department of Ecology.

### **Background**

On August 29, 2016, H&R Waterworks, Inc. (H&R Waterworks or company) filed with the Utilities and Transportation Commission (commission) a tariff revision adding Rule 21 which implements a Water Budget program for water use and conservation. The program establishes water usage budgets for each customer in a service area where water usage threatens to exceed the company's water rights. Conservation rates would be implemented and flow restrictors would be installed for customers exceeding their budgeted usage amounts by more than 50 percent per billing period. The company serves 4,115 customers on various systems in Thurston, Mason, Kitsap, Pierce, Lewis, and King Counties.

On October 27, 2016, the commission suspended this filing pending further review. On December 30, 2016, the company filed to extend the effective date of Rule 21 until April 1, 2017.

On March 29, 2017, the Commission heard from the company, customers, and commission staff. Staff's recommendation was to set the matter for hearing. During discussions it was suggested to engage in mediation with company, customers, and commission staff to resolve remaining issues.

On March 31, 2017, the company requested to withdraw the filing for water budgets under Rule 21. Staff agrees with allowing withdrawal of the filing for water budgets, however staff does have one stipulation.

1. On a quarterly basis, the company will provide staff with monthly water usage data, by meter, for each of the water systems exceeding 95 percent of their annual withdrawal limits as established by the Department of Ecology.

Additionally, the company filed for a conservation rate to be applied during the months of May 1 through October 31 of each year (Docket UW-170216). The conservation rate will apply to water systems that are within 95 percent of annual water rights as established by Department of Ecology. The conservation rate will replace the third block usage rate as shown in the table below. Refer to Memo 01 in Docket UW-170216 for additional information related to the conservation rate and staff's review and recommendation.

**Rates**

<b>Monthly Rate</b>	<b>Current Rate</b>	<b>Proposed Rate</b>
Block 3 over 2,000 cubic feet	2.81**	\$5.00**

\*Applies May 1 - October 31.

\*\* Per 100 cubic feet

**Customer Comments**

Customers were not provided notice of this request for withdrawal, however comments up to now have been substantial on this filing, and most were opposed to water budgets or other restrictions on their water use by the company. Customers were notified appropriately of the conservation rate filing.

**Recommendation**

Issue an Order Granting Withdrawal and Dismissing Complaint in Docket UW-161035, with one stipulation.