

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

WASHINGTON UTILITES AND TRANSPORTATION COMMISSION,)	
)	DOCKET UW-020307
Complainant,)	
)	COMPLAINT AND ORDER
vs.)	SUSPENDING TARIFF
)	REVISIONS, AND
Rosario Utilities, LLC,)	INSTITUTING
)	INVESTIGATION
Respondent.)	
.....)	

BACKGROUND

- 1 On March 12, 2002, Rosario Utilities, LLC, (Rosario Utilities or Company) filed tariff revisions with the Commission designated as:
 - 4th Revision of Sheet No. 2 canceling 3rd Revision of Sheet No. 2,
 - 3rd Revision of Sheet No. 21 canceling 2nd Revision of Sheet No. 21,
 - 2nd Revision of Sheet No. 23 canceling 1st Revision of Sheet No. 23,
 - 2nd Revision of Sheet No. 23.1 canceling 1st Revision of Sheet No. 23.1,
 - 2nd Revision of Sheet No. 25 canceling 1st Revision of Sheet No. 25,
 - 2nd Revision of Sheet No. 26 canceling 1st Revision of Sheet No. 26,
 - 2nd Revision of Sheet No. 27 canceling 1st Revision of Sheet No. 27,
 - Original Sheet No. 27.1 and
 - 1st Revision of Sheet No. 31 canceling Original Sheet No. 31,

- 2 The Company requested a general rate increase of approximately \$164,000 (157 percent) of additional revenue per year. The company serves approximately 253 residential and vacation units, the Rosario Resort and Cascade Harbor Inn near East Sound on Orcas Island in the San Juan Islands. Part of the customer base is served through master meters to two homeowner's associations.

- 3 The Company has determined that operating the new water treatment plant has increased the overall expenses of the company. The company is seeking this rate change to recover the increased cost of operating the water treatment plant to include water testing, electrical power, property tax, labor, and chemicals. Additionally, the company contends that other operating expenses such as materials and maintenance, office rent and supplies, and transportation have also increased since the company's last rate case in 1999.

4 Rosario Utilities has not yet demonstrated that the proposed charges are fair, just, and reasonable. It appearing that the filing herein would provide charges and rates for water service rendered by respondent and that the rights and interests of the public might be injuriously affected thereby, it is the decision of the Commission to suspend the operation of the above filing pending such hearing or hearings and decision thereon.

5 The Commission deems it necessary, in order to carry out the duties imposed upon it by law, to investigate the books, accounts, practices and activities of respondent; to make an evaluation or appraisal of the property of respondent; and to investigate and appraise various phases of the operation of respondent. Respondent may be required to pay the expenses reasonably attributable and allocable to such investigation to the extent the requirement for such payment may be in accordance with the provisions of chapter 80.20 RCW.

FINDINGS

- 6 (1) Rosario Utilities, LLC, is an investor-owned water company and a public service company subject to the jurisdiction of the Commission.
- 7 (2) The tariff revisions filed by Rosario Utilities, LLC, on March 12, 2002, would increase charges and rates for service provided and might injuriously affect the rights and interests of the public.
- 8 (3) Respondent has not demonstrated that the increased rates and charges in its tariff revisions would result in rates that are fair, just, and reasonable.
- 9 (4) As required by RCW 80.04.130, Rosario Utilities, LLC, bears the burden of proof to show that the proposed increases are fair, just, and reasonable.
- 10 (5) In order to carry out the duties imposed upon the Commission by law, and as authorized in RCW 80.20.20, the Commission believes it is necessary to investigate the Respondent's books, accounts, practices and activities; to make a valuation or appraisal of Respondent's property; and to investigate and appraise various phases of Respondent's operations. Respondent may be required to pay the expenses reasonably attributable and allocable to such investigation to the extent the requirement for such payment may be in accordance with the provisions of chapter 80.20 RCW.

ORDER

11 IT IS THEREFORE ORDERED:

- 12 (1) The operation of the above tariff filing, filed March 12, 2002, is hereby
suspended.
- 13 (2) A hearing or hearings, on the Commission's own motion, will be held at such
times and places as may be required.
- 14 (3) No change or alteration will be made in the tariff filing filed herein, during the
period of suspension, unless authorized by the Commission.
- 15 (4) An investigation is hereby instituted by the Commission.
- 16 (5) Respondent may be required to pay the expenses reasonably attributable and
allocable to such investigation to the extent the requirement for such payment
may be in accordance with the provisions of chapter 80.20 RCW.

DATED at Olympia, Washington, and effective this 10th day of April, 2002.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner