

SERVICE DATE

MAY 04 1999

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION.)	
)	DOCKET UW-990519
Complainant,)	
)	FIRST SUPPLEMENTAL
vs.)	ORDER CORRECTING ORDER
)	APPROVING TARIFF
American Water Resources, Inc.)	REVISIONS
)	
Respondent.)	
)	

An examination of the commission's order dated April 28, 1999, in this docket shows the need to issue an amended order reflecting the deletion of Nisqually Highlands Generator Surcharge reflected in Second Revision of Sheet No. 17.6, canceling First Revision of Sheet No. 17.6 and correcting the Tolmie Estates Generator Surcharge to \$5.33 per month.

On March 31, 1999, American Water Resources, Inc., filed with the Commission revisions to its currently effective Tariff WN U-1. The tariff sheets effected are designated as:

Second Revision of Sheet No. 17.4, canceling First Revision of Sheet No. 17.4,

Second Revision of Sheet No. 17.5, canceling First Revision of Sheet No. 17.5.

This filing by American Water Resources, Inc., (American Water) is for a general rate increase of \$6,445 (1%) annually, in the form of surcharges under RCW 80.28.022. American Water serves approximately 1,873 active customers in six counties.

The company is requesting these surcharges to cover the costs of emergency generators for those systems that the majority of voting customers, by survey responses, requested. American Water will install the generators. The customers of Tolmie Estates and Pit Water voted by simple majority to self-charge a surcharge for emergency generators. These emergency generators will be used by these water systems only during local power outages. Surcharge collections will be used for a bank loan repayment.

The annual per customers' revenue impact of this filing will be approximately \$63.96 for Tolmie Estates and \$161.04 for Pit Water. The surcharges are to apply to only the two listed water systems. The surcharges will expire May 1, 2004, or upon recovery of the loan principal (\$24,000), plus interest and taxes, whichever comes first.

<u>Monthly Rate Schedule</u>	<u>Current</u>	<u>Proposed</u>
Tolmie Estates Generator Surcharge	--	\$ 5.33
Pit Water Generator Surcharge	--	\$ 13.42

The funds received as a result of the customer survey results for emergency generators surcharges will be deposited into a separate reserve account exclusively for the purpose of making electrical emergency power improvements identified as part of the company's capital improvements requested by customers. This separate reserve account shall be listed on all company financial records and shall be considered a cash asset account (NARUC account #127). Expenditures from the reserve account shall be treated as customer contributions for rate-making purposes. American Water has agreed to provide quarterly reports of funds received and expended.

FINDINGS

THE COMMISSION FINDS:

1. American Water Resources, Inc., a Washington business, is a public service company subject to the jurisdiction of this Commission under the provisions of Title 80 RCW.
2. As to form, the application herein, meets the requirements of Title 80 RCW and the rules and regulations of the Commission adopted pursuant thereto.
3. It appears, upon investigation, that the tariffs for emergency generators surcharges are reasonable and consistent with the public interest and should therefore be approved.

O R D E R

THE COMMISSION ORDERS:

1. Subject to the conditions of this order, it is hereby authorized that the filing herein filed March 31, 1999, shall become effective May 1, 1999.

2. The annual per customers' revenue impact of this filing will be approximately \$63.96 for Tolmie Estates and \$161.04 for Pit Water. The surcharges are to apply to only the two listed water systems. The surcharges will expire May 1, 2004, or upon recovery of the loan principal (\$24,000), interest charges and taxes, whichever comes first.

3. The funds received as a result of the emergency generators surcharges will be deposited into a separate reserve account exclusively for the purpose of making electrical power capital improvements identified as part of the company's water system plan approved by the Department of Health. This separate reserve account shall be listed on all company financial records and shall be considered a cash asset account (NARUC account #127). Expenditures from the reserve account shall be treated for rate-making purposes as customer contributions.

4. The company will submit to the Commission quarterly reports of the separate reserve account. This report shall consist of Commission staff approved Quarterly Report form. Quarterly reports are to be filed 45 days following the last billing date of each quarter, starting with the quarter ended June 30, 1999, and continuing until notified by Commission staff letter to be no longer necessary.

5. This order shall in no way affect the authority of this Commission over rates, service, or accounts, evaluations, estimates, or determination of cost or any matters whatsoever that may come before it, nor shall anything herein be construed as an acquiescence in any estimate or determination of cost or any valuation of property claimed or asserted.

DATED at Olympia, Washington, this 3rd day of May, 1999.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION


 MARILYN SHOWALTER, Chairwoman


 RICHARD HEMSTAD, Commissioner