

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,  Complainant,  v.  WASHINGTON WATER SUPPLY, INC.,  Respondent.	DOCKET UW-230997  ORDER 01  COMPLAINT AND ORDER SUSPENDING TARIFF REVISIONS
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**BACKGROUND**

- 1 On July 12, 2023, Washington Water Supply, Inc., (Washington Water or Company) filed with the Washington Utilities and Transportation Commission (Commission) a tariff revision in Docket UW-230598 to include a surcharge of \$60 per month for the recovery of purchased water expenses due to well issues and high summer usage on the Echo Glenn water system located in Maple Valley. The total number of customers on the Echo Glenn water system is 42 connections. At the time, the system was on a Boil Water Advisory and taking steps to rehabilitate the well.
  
- 2 On August 10, 2023, the Commission issued Order 01 in Docket UW-230598 that allowed the surcharge in the amount of \$60.00 per month to become effective August 15, 2023, subject to the following conditions:
  - (1) the surcharge will expire on November 15, 2023,
  - (2) the Company file a general rate case with an effective date no later than February 15, 2024, and
  - (3) per WAC 480-110-455(4), the Company report to the Commission within 60 days of the end of each calendar quarter that the surcharge is in effect:
    - i. Quarter beginning balance.

- ii. Amounts received, detailed by source (i.e., customer billing, customer one-time payments, or interest earned on amounts held in accounts).
- iii. Amounts spent, detailed by project or type of expense.
- iv. Quarter ending balance; and,
- v. Reconcile the bank balance to the general ledger.

3 The Company has completed well rehabilitation and ceased trucking water in September 2023. The system is no longer on a Boil Water Advisory.

4 On December 8, 2023, the Company filed tariff pages to re-institute the \$60.00 per month surcharge for a period of six months or until it collects \$13,710.00 whichever occurs first, to collect for the remainder of water trucking costs.

5 Commission Staff (Staff) reviewed the Company's documentation. Staff's review shows that original surcharge did not provide sufficient recovery and that an additional surcharge is in order, but Staff's calculation shows that the amount of the surcharge should be reduced to \$54.40 for six months to avoid overcollection. Staff reported its calculations to the Company.

6 On December 27, 2023, the Company informed Staff that it disagrees with Staff's review and would not file revised tariff pages for the suggested rate.

7 Staff recommends that the Commission suspend the revised tariff and set the matter for adjudication due to the difference in amount requested by the Company and that supported by Staff's calculations.

8 This matter came before the Commission at its regularly scheduled open meeting on January 11, 2024. The Commission heard additional comments from Staff, which reiterated its recommendation. Staff noted that sometimes the Company relied on one customer to provide notice to others. The Commission also heard comments from two Washington Water customers. One customer expressed frustration that the Company had not repaired the well earlier and that it sought to recover costs for trucking water from customers. The customer received notice of the proposed surcharge by email. Another customer requested assistance from state agencies to secure their water supply, noting the difficulties of drilling new wells.

### DISCUSSION AND DECISION

9 While we agree with Staff that a surcharge is warranted, the tariff should be suspended for adjudication as to the proper amount. Overcollection of the proven costs would injuriously affect the rights and interests of the Company's customers. The Commission therefore suspends the tariff filing for investigation and further proceedings to make a final determination as to the proper amount.

10 This suspension does not affect the Company's obligation to file a general rate case as ordered in Docket UW-230598; it likewise does not alter any obligation on Staff's part to initiate a complaint against the Company for its failure to maintain the Echo Glen system and provide safe, clean drinking water as required by RCW 80.28.030. We further encourage Staff to consider bringing such a complaint in light of the customer comments noted above. The Commission may, at its discretion, choose to consolidate those dockets, once initiated, with this Docket if it should find that the common issues outweigh the interest of maintaining separate evidentiary records.

### FINDINGS AND CONCLUSIONS

11 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, regulations, and practices of public service companies, including water companies.

12 (2) Washington Water is a water company and a public service company subject to Commission jurisdiction.

13 (3) This matter came before the Commission at its regularly scheduled meeting on January 11, 2024.

14 (4) The tariff revisions Washington Water filed on December 8, 2023, might injuriously affect the rights and interests of the public.

15 (5) Washington Water has not yet sufficiently demonstrated that the tariff revisions would result in rates that are fair, just, reasonable, and sufficient.

16 (6) In order to carry out the duties imposed upon the Commission by law, the Commission believes it is necessary to investigate Washington Water's books, accounts, practices, and activities; to make a valuation or appraisal of Washington Water's property; and to investigate and appraise various phases of Washington Water's operations.

- 17 (7) As required by RCW 80.04.130(4), Washington Water bears the burden to prove that the proposed increases are fair, just, reasonable, and sufficient.
- 18 (8) Washington Water's rates as filed on December 8, 2023, should be suspended.
- 19 (9) Washington Water may be required to pay the expenses reasonably attributable and allocable to such an investigation, consistent with RCW 80.20.020.

**ORDER**

**THE COMMISSION ORDERS:**

- 20 (1) The tariff revisions Washington Water Supply, Inc. filed on December 8, 2023, are suspended.
- 21 (2) The Commission will hold hearings at such times and places as may be required.
- 22 (3) The Commission will institute an investigation of Washington Water Supply, Inc.'s books, accounts, practices, activities, property, and operations as described above.
- 23 (4) Washington Water Supply, Inc. shall pay the expenses reasonably attributable and allocable to the Commission's investigation consistent with RCW 80.20.020.

DATED at Lacey, Washington, and effective January 11, 2024.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chair

ANN E. RENDAHL, Commissioner

MILTON H. DOUMIT, Commissioner