

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	DOCKET UW-111789
TRANSPORTATION)	
COMMISSION,)	ORDER 01
)	
Complainant,)	
)	
v.)	
)	
WASHINGTON WATER SERVICE)	
COMPANY,)	
)	COMPLAINT AND ORDER
Respondent.)	SUSPENDING TARIFF REVISIONS
.....)	

BACKGROUND

- 1 On October 11, 2011, Washington Water Service Company, (Washington Water or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-1, designated as Tariff WN U-2. The stated effective date is November 10, 2011. This complete revision updates language and requests an increase in rates and charges.
- 2 The filing is prompted by the Company not receiving the revenue expected from the last rate increase, increased operating costs, and additional capital investment. The Company serves 15,820 residential customers on 197 water systems located in eight counties. The proposed effective date is November 10, 2011. The Company’s last general rate change was July 30, 2009.
- 3 The filing also proposes to create a Water Revenue Adjustment Mechanism (WRAM) to track revenue, create a Modified Cost Balancing Account (MCBA) to track expenses for purchased water and purchased power, and establish a deferred accounting methodology to automatically true-up rates annually. The Company’s proposal can be considered a full decoupling mechanism.
- 4 In this filing, Washington Water would increase charges and rates for service by approximately \$1,738,796 or 21.8 percent. Because those increases might injuriously affect the rights and interests of the public and Washington Water has not demonstrated that the increases would result in rates that are fair, just, reasonable and sufficient, the

Commission suspends the tariff filing and will hold public hearings, if necessary, to determine whether the proposed increases are fair, just, reasonable and sufficient.

FINDINGS AND CONCLUSIONS

- 5 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including water companies.
RCW 80.01.040, RCW 80.04, RCW 80.08, RCW 80.12, RCW 80.16 and RCW 80.28.
- 6 (2) Washington Water is a water company and a public service company subject to Commission jurisdiction.
- 7 (3) This matter came before the Commission at its regularly scheduled meeting on October 27, 2011.
- 8 (4) The tariff revisions Washington Water filed on October 11, 2011, would increase charges and rates for service provided by Washington Water, and might injuriously affect the rights and interest of the public.
- 9 (5) Washington Water has not yet demonstrated that the tariff revisions would result in rates that are fair, just, reasonable and sufficient.
- 10 (6) In order to carry out the duties imposed upon the Commission by law, and as authorized in RCW 80.04.130, 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.
- 11 (7) As required by RCW 80.04.130(4), Washington Water bears the burden of proof to show that the proposed increases are fair, just, reasonable and sufficient.
- 12 (8) Washington Water may be required to pay the expenses reasonably attributable and allocable to such an investigation, consistent with RCW 80.20.

ORDER

THE COMMISSION ORDERS:

- 13 (1) The tariff revisions Washington Water Service Company filed on October 11,
2011, are suspended.
- 14 (2) The Commission will hold hearings at such times and places as may be required.
- 15 (3) Washington Water Service Company must not change or alter the tariffs filed in
this docket during the suspension period, unless authorized by the Commission.
- 16 (4) The Commission will institute an investigation of Washington Water Service
Company's books, accounts, practices, activities, property and operations as
described above.
- 17 (5) Washington Water Service Company shall pay the expenses reasonably
attributable and allocable to the Commission's investigation, consistent with
RCW 80.20.

DATED at Olympia, Washington, and effective October 27, 2011.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner