



# PREPROPOSAL STATEMENT OF INQUIRY

**CR-101 (June 2004)**  
(Implements RCW 34.05.310)  
Do **NOT** use for expedited rule making

**Agency:** Washington Utilities and Transportation Commission

**Subject of possible rule making:** The Utilities and Transportation Commission commences this rulemaking to consider rules within WAC 480-110 to improve the financial and managerial capacity of regulated water companies, provide incentives for companies to make appropriate investments and for viable companies or public entities to acquire struggling water systems that have the potential to be stabilized and improved through consolidation and investment. This rulemaking has been assigned Docket UW-143295.

**Statutes authorizing the agency to adopt rules on this subject:** RCW 80.01.040 and RCW 80.04.160

**Reasons why rules on this subject may be needed and what they might accomplish:** The commission regulates private water companies operating within Washington State that have 100 or more connections or if the utility charges more than \$557 a year per customer. Many of these companies find it difficult to generate sufficient revenue or raise enough capital to make and maintain capital improvements in the systems, comply with safe drinking water standards and be financially and managerially viable. To address the problem of under-investment in water systems, the commission is interested in developing rules to establish financial and managerial standards. The commission is also interested in developing regulatory incentives for companies to make equity investments in their water systems and for viable companies or public entities to acquire struggling water systems that have the potential to be stabilized and improved through consolidation and investment.

**Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:** The state Departments of Health and Ecology also have authority over water systems in the state, in particular governing safe drinking water standards and water rights. The commission will coordinate with the agencies in the rulemaking to ensure that the agencies are working cooperatively with affected water companies.

**Process for developing new rule (check all that apply):**

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe) The commission will ask for initial written comments, schedule one or more workshops, and will provide the opportunity for stakeholders to submit additional written comments on draft rules and proposed CR-102 rules prior to adoption.

**How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:**

Interested persons may file comments with the Executive Director and Secretary, Washington Utilities and Transportation Commission, P.O. Box 47250, 1300 S. Evergreen Park Drive, S.W., Olympia, Washington, 98504-7250; telephone (360) 664-1174; by facsimile (360) 586-1150, e-mail at records@utc.wa.gov, or through the UTC Web portal <http://www.utc.wa.gov/e-filing> by **5:00 p.m., Friday, October 24, 2014**. For specific information regarding opportunities for written comments and to ensure receipt of further information concerning this rulemaking, please see the attachment to this form.

**DATE**  
September 17, 2014

**NAME (TYPE OR PRINT)**  
Steven V. King

**SIGNATURE**

**TITLE**  
Executive Director and Secretary

**CODE REVISER USE ONLY**

OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
FILED

**DATE: September 17, 2014**  
**TIME: 8:33 AM**

**WSR 14-19-111**

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**  
**CR-101 - ATTACHMENT**  
**DOCKET UW-143295**

Interested persons may contact the Executive Director and Secretary, Washington Utilities and Transportation Commission, P. O. Box 47250, Olympia, Washington, 98504-7250, 360-664-1174 (Fax: 360-586-1150).

**WRITTEN COMMENTS AND STAKEHOLDER WORKSHOP**

Written comments may be submitted to the Commission at the address given above and should be filed with the Commission no later than 5:00 p.m., Friday, October 24, 2014, for consideration at the November 21, 2014, stakeholder workshop.

Electronic copies. The Commission requests that comments be provided in electronic format to enhance public access, for ease of providing comments, to reduce the need for paper copies, and to facilitate quotations from the comments. Comments may be submitted via the Commission's Web portal at [www.utc.wa.gov/e-filing](http://www.utc.wa.gov/e-filing) or by electronic mail to the Commission's Records Center at [records@utc.wa.gov](mailto:records@utc.wa.gov). Please include:

- The docket number of this proceeding (UW-143295)
- The commenting party's name
- The title and date of the comment or comments

An alternative method for submitting comments may be by mailing/delivering an electronic copy on a flash drive, compact disk, or 3 ½ inch, IBM-formatted, high-density disk, in .pdf Adobe Acrobat format or in Word 97 or later. Include all of the information requested above. The Commission will post on the Commission's web site all comments that are provided in electronic format. The web site is located at <http://www.utc.wa.gov/143295>. If you are unable to file your comments electronically or to submit them on a disk, the Commission will always accept a paper document.

Opportunity for further comment is anticipated. Information about the schedule and other aspects of the rulemaking, including comments, will be posted on the Commission's web site as it becomes available. If you wish to receive further information on this rulemaking you may (1) call the Commission's Records Center at 360-664-1234, (2) e-mail the Commission at [<records@utc.wa.gov>](mailto:records@utc.wa.gov), or (3) mail written comments to the address above to the attention of Steven V. King, Executive Director and Secretary. When contacting the Commission, please refer to Docket UW-143295 to ensure that you are placed on the appropriate service list. Questions may be addressed to Chris Rose (360) 664-1303 or e-mail at [crose@utc.wa.gov](mailto:crose@utc.wa.gov).

## NOTICE

**TO CONTINUE RECEIVING NOTICES AND INFORMATION ABOUT THIS RULEMAKING** -- The Commission wants to ensure its mailings are sent to persons who are interested in the topic and want to receive that information. **ANY PERSON WHO COMMENTS** will continue to receive notices and information. If you do not submit comments but wish to remain on the mailing list for this rulemaking, please advise the Records Center by any one of the following methods: (1) send a note with your name, address (or a copy of your mailing label), and telephone and fax numbers referencing Docket UW-143295, and the words "Please keep me on the mailing list"; or (2) E-mail your name, address, telephone and fax numbers, referencing Docket UW-143295, and the words "Please keep me on the mailing list" to <[records@utc.wa.gov](mailto:records@utc.wa.gov)>. Please note that all information in the mailings will be accessible through the Commission's Internet web site at <<http://www.utc.wa.gov/143295>>. **THOSE INTERESTED PERSONS WHO DO NOT RESPOND MAY NOT RECEIVE FURTHER MAILINGS OR INFORMATION ON THE RULEMAKING.**