

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADIA WATER LLC,

Respondent.

DOCKET UW-240151

ORDER 09

DENYING STAFF'S MOTION FOR
CLARIFICATION

I. BACKGROUND

- 1 **PROCEDURAL HISTORY.** On February 29, 2024, Cascadia Water, LLC (Cascadia Water or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its Tariff WN U-2 to be cancelled and superseded by Tariff WN U-3 for water service in Washington. The Company serves approximately 4,000 customers and characterized this filing as a general rate case (GRC) that would generate approximately \$1,788,793 (75 percent) in additional revenue and would have taken effect June 1, 2024. Cascadia Water cited cost recovery for capital improvements with a reasonable return as a basis for its requested rate increase. Cascadia Water's last GRC became effective July 1, 2021, in Docket UW-200979 with phased-in rates.¹
- 2 On May 13, 2024, Cascadia Water filed a Tariff Effective Date Extension Letter informing the Commission that the effective date of its proposed Tariff revision would be extended to July 1, 2024, to give Commission Staff (Staff)² sufficient time to review the filings and for Cascadia Water and Staff to schedule additional virtual customer outreach meetings. Cascadia Water and Staff agreed to a reduction in Cascadia Water's proposed revenue requirement to \$1,272,600, which would be divided between the Peninsula

¹ *WUTC v. Cascadia Water, LLC*, Docket UW-200979, Order 01 (June 28, 2021).

² In formal proceedings such as this, the Commission's regulatory staff participates like any other party, while the Commissioners make the decision. To ensure fairness, the Commissioners, the presiding administrative law judge, and the Commissioners' policy and accounting advisors do not discuss the merits of this proceeding with the regulatory staff, or any other party, without giving notice and opportunity for all parties to participate. See RCW 34.05.455.

System and Island/Mainland System at \$1,062,372 (51 percent) and Pelican Point at \$222,579 (76 percent).³

3 On June 28, 2024, the Commission entered Order 01, Complaint and Order Suspending
Tariff Revisions (Order 01) in this docket. In Order 01, the Commission found that the
tariff should be suspended for adjudication based upon the concerns raised by Cascadia
Water customers, Water Consumer Advocates of Olympic Peninsula (WCAOP), and the
Public Counsel Unit of the Washington Attorney General’s Office (Public Counsel).⁴

4 After mediation before Administrative Law Judge (ALJ) Amy Bonfrisco, Staff and
Cascadia Water (Settling Parties) ultimately reached a settlement in principle, and on
December 20, 2024, counsel for Cascadia Water informed the presiding officer and all
parties that the Settling Parties had reached a settlement in principle.

5 The Commission held public comment hearings on January 13 and 14, 2025.

6 On February 11, 2025, the Commission held an evidentiary hearing in this matter before
the Commissioners, with ALJs Harry Fukano and Jessica Kruszewski presiding.

7 On April 22, 2025, the Commission issued Order 06, Final Order Rejecting Settlement
Agreement.

8 On July 17, 2025, and July 18, 2025, the Commission convened an evidentiary hearing
before the Commissioners presided over by ALJs Harry Fukano and Jessica Kruszewski.

9 On September 30, 2025, the Commission entered Order 08, Final Order Rejecting Tariff
Filing; Authorizing and Requiring Compliance Filing (Order 08) which, among other
things, rejected Staff’s proposal to combine the Peninsula and Island Systems into a
single tariff.⁵

10 On October 9, 2025, Staff filed a Motion for Clarification (Motion) asking the
Commission to clarify “whether water systems and companies acquired after Cascadia
Water’s last rate case should be consolidated into tariffs absent a cost of service study
and cost benefit analysis”⁶ when Order 08 “combines newly acquired water companies
into Cascadia Water’s Peninsula and Island tariffs without either a cost of service study

³ *WUTC v. Cascadia Water LLC*, Docket UW-240151, Order 01 at 1 ¶ 2 (June 28, 2024).

⁴ *WUTC v. Cascadia Water, LLC*, Docket UW-240151, Order 01 (June 28, 2024).

⁵ *WUTC v. Cascadia Water, LLC*, Docket UW-240151, Order 08 (Sept. 30, 2025).

⁶ Staff’s Motion at 3 ¶ 7.

or cost benefit analysis.”⁷ Staff argued that this caused inconsistencies that Staff has sought to clarify.

11 On October 14, 2025, the Commission issued a Notice of Opportunity to Respond to Motion for Clarification, which set a deadline for responses for October 24, 2025.⁸

12 On October 24, 2025, the Company, Public Counsel, and the Water Consumer Advocates of Washington (WCAW) filed responses to Staff’s Motion. The Company argued that Order 08 does not contain inconsistencies and that Order 08 stated what type of evidence the Commission would need in the future to consolidate rates and that further clarification is not necessary. For these reasons, the Company asked the Commission to deny Staff’s Motion. Public Counsel argued that the Commission ordered that the Company would need to conduct a cost of service study in future rate cases, not in the current one with the newly acquired companies and argued that Staff’s Motion should be denied. WCAW similarly argued that Order 08 does not contain inconsistencies for the Commission to clarify.

13 **PARTY REPRESENTATIVES.** Donna L. Barnett, Pamela J. Anderson, and Byron C. Starkey of Perkins Coie LLP represent the Company. Lisa W. Gafken, Assistant Attorney General, represents Commission Staff. Tad Robinson O’Neill, Jessica Johanson-Kubin, Alexandra Kory, and Robert Sykes, Assistant Attorneys General, represent Public Counsel. Kent E. Hanson represents WCAW.⁹

II. DISCUSSION AND DECISION

14 Pursuant to Washington Administrative Code (WAC) 480-07-835:

Any party may request that the commission clarify a final order by filing a motion for clarification within ten days after the commission serves the order. The purpose of such a motion is to ensure that the parties know their rights and responsibilities under the final order. An appropriate motion for clarification requests that the commission modify the final order or take other action to accomplish one or more of the following goals:

⁷ Staff’s Motion 4 ¶ 10.

⁸ *WUTC v. Cascadia Water, LLC*, Docket UW-240151, Notice of Opportunity to Respond (Octo. 14, 2025).

⁹ Stephen M. Todd also appeared in this proceeding for WCAW prior to and during the first evidentiary hearing.

- (a) Clarify the meaning of, or requirements in, the order so that the parties can accurately prepare compliance filings;
- (b) Make technical changes to reconcile the application of principle to data, resolve inconsistencies, or correct patent error without the need for parties to request reconsideration and without delaying post-order compliance; or
- (c) Correct typographical or other ministerial errors.¹⁰

Further,

[a] party may not file a motion for clarification that seeks to change an outcome with respect to one or more issues resolved by a final order, or that challenges a finding of fact or conclusion of law stated in the order. A party seeking such commission action must submit a petition for reconsideration pursuant to WAC 480-07-850.¹¹

15 Staff argues that Order 08 contains contradictions in that the Commission required a cost of service study and cost benefit analysis to consolidate the Island and Peninsula tariffs but combined Cascadia Water's newly acquired water companies without either.¹² Staff requests that the Commission clarify whether the newly acquired water systems should be consolidated into the Peninsula and Island water system tariffs without a cost of service study and cost benefit analysis.¹³ Staff further contends that by rejecting Staff's recommendation for a two-tariff system, the Commission ruled that a cost of service study would be necessary to determine whether rate discrimination would occur, and that the Commission used the same reasoning when declining to remove the Aquarius surcharge.¹⁴ Staff maintains that the Commission's decision to incorporate the newly acquired water systems into the existing tariff structure is inconsistent with the Commission's reasoning in rejecting Staff's proposal.¹⁵

¹⁰ WAC 480-07-835(1).

¹¹ WAC 480-07-835(2).

¹² Staff's Motion at 2-3 ¶¶ 4-6. Staff sought to clarify whether Aquarius Utilities LLC (Aquarius), Discovery Bay Village Water Inc. (Discovery Bay), Pederson Family, LLC (Pederson), and Northwest Water Services (Northwest Water) water systems should be consolidated into Cascadia Water's existing Peninsula and Island water systems.

¹³ Staff's Motion at 4 ¶ 11.

¹⁴ Staff's Motion at 2-3 ¶¶ 5-6.

¹⁵ Staff's Motion at 4 ¶ 10 (*citing* WAC 480-07-835).

- 16 The Company asserts that the purpose of clarification of a final order is to “ensure that the parties know their rights and responsibilities under the final order.”¹⁶ The Company maintains that Order 08 is not inconsistent and determined that consolidating the Peninsula and Island water systems into a single tariff was not supported by the record and described the evidence the Commission would require in a future rate case to consolidate the water systems into a single tariff.¹⁷ Cascadia Water further contends that “[n]o party challenged whether Aquarius, Discovery Bay, Pederson, and Northwest Water Systems were properly included in the Peninsula System and Island/Mainland System tariff schedules[.]”¹⁸
- 17 Public Counsel refers to its litigation position from briefing that the Commission should maintain the status quo of a three-tariff rate design and relies on the testimony of Stefan De Villiers which tracked the impacts of a three-tariff design and not a seven-tariff design.¹⁹ Public Counsel argues that Order 08 provided direction to Cascadia Water to conduct a cost of service study for future rate cases, and because Order 08 does not decide a future rate case, there is no ambiguity in the order.²⁰ Public Counsel supports this contention by referring to the parties’ positions during the litigation, specifically that Cascadia Water, Public Counsel, and WCAW “agreed that the Commission could or should order a three-tariff rate design with Peninsula and Island tariffs remaining separate[.]” and Staff argued for consolidation of the Island and Peninsula Tariffs.²¹ Because of the litigation positions of the parties, Public Counsel asserts that Order 08 should be interpreted to require consolidation of Cascadia Water’s newly acquired water systems into the three-tariff design, particularly because no party argued for a seven-tariff design, and that Order 08 does not disturb the decision to retain the Aquarius surcharge for Aquarius customers.²²
- 18 WCAW disagrees with Staff and argues that Order 08 required a cost of service study for future rate cases seeking consolidation, and that there was not sufficient time for the Commission to order a cost of service study during the litigation phase of this matter.²³ Although WCAW recognizes that the Commission had a “rational basis” for its decision

¹⁶ Cascadia Water’s Response at 4 ¶ 5 (*citing* WAC 480-07-835).

¹⁷ Cascadia Water’s Response at 4 ¶¶ 5-6.

¹⁸ Cascadia Water’s Response at 5 ¶ 7.

¹⁹ Public Counsel’s Response at 3-4 ¶¶ 5-6 (*citing* Brief of Public Counsel at 52 ¶ 96; De Villiers, Exh. SDV-16T at 29:15 – 34:20).

²⁰ Public Counsel’s Response at 5 ¶ 9.

²¹ Public Counsel’s Response at 5-6 ¶ 10.

²² Public Counsel’s Response at 5-6 ¶¶ 10-11.

²³ WCAW’s Response at 2-3 ¶¶ 5-6.

in Order 08, WCAW does not oppose additional clarification from the Commission on the issue raised by Staff.²⁴ Ultimately WCAW agrees with Public Counsel that Order 08 is not inconsistent, and the decision to require a cost of service study in a future rate case was based upon evidence in the record regarding economic and equitable factors.²⁵

19 We agree with Public Counsel that the intent of Order 08 was to require a cost of service study and cost benefit analysis in a future rate case if further consolidation of the two western area tariffs, the Peninsula and Island tariffs, was at issue. In Order 08, the Commission was concerned that Staff’s proposed consolidation of the Peninsula tariff and Island tariff, and removal of the Aquarius surcharge, would result in potentially discriminatory rates based on the arguments raised by Public Counsel and WCAW.²⁶ While Staff argued in testimony and at hearing that there were good policy reasons to consolidate the Peninsula and Island tariffs, no party argued that the existing three-tariff structure would result in discriminatory rates, and, other than Staff, no other party opposed a three-tariff structure.²⁷

20 Moreover, the Commission has previously considered, and rejected, a proposal to consolidate the Peninsula and Island tariffs as part of a prior rate case for Cascadia Water, indicating there are meaningful distinctions between the two tariff groups that warrant specific rate treatment.²⁸ Although the Commission appreciates Staff’s policy arguments regarding single tariff pricing and agrees that “single tariff pricing is, as a general matter, beneficial to all customers,”²⁹ the record developed in this proceeding does not compel a conclusion that maintaining the preexisting two western area tariffs would result in discriminatory rates. While the Commission is receptive to future proposals for further consolidation for Cascadia Water’s tariffs, that proposal should be supported by a more developed record and additional analysis to demonstrate that such consolidation will not be discriminatory.

21 The Commission further agrees with Public Counsel that permitting limited consolidation while simultaneously requiring a cost of service study for a future case is not so inconsistent as to require clarification. As noted above, the Commission previously

²⁴ WCAW’s Response at 3 ¶ 7.

²⁵ WCAW’s Response at 4 ¶ 9.

²⁶ *WUTC v. Cascadia Water, LLC*, Docket UW-240151, Order 08 at 46 ¶¶ 117-118 (Sept. 30, 2025).

²⁷ Sevall, Exh. SS-7T at 5:13-15, 14:1-3; Sevall, Exh. SS-1T at 2:18-19, 3:1-3; Sevall, TR. Vol. 6 at 388:14-24.

²⁸ See *WUTC v. Cascadia Water, LLC*, Docket UW-200979, Order 01 at 3 ¶ 12 (June 21, 2021) (declining to approve single tariff pricing for the Island and Peninsula water system groups).

²⁹ *WUTC v. Cascadia Water, LLC*, Docket UW-200979, Order 01 at 3 ¶ 12 (June 21, 2021).

approved of two separate western area tariffs for Cascadia Water, and Order 08 maintains that prior distinction while allowing consolidation of newly acquired systems into that preexisting structure. The only exception was for Pelican Point, which all parties agreed should be maintained as a separate tariff. For these reasons, we find that Order 08 is not inconsistent and that further clarification is not warranted.

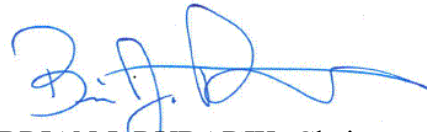
III. ORDER

THE COMMISSION ORDERS:

- 22 (1) Commission Staff's Motion for Clarification is Denied.

DATED at Lacey, Washington, and effective November 26, 2025.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



BRIAN J. RYBARIK, Chair



ANN E. RENDAHL, Commissioner



MILTON H. DOUMIT, Commissioner