

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Removal from  
Commission Regulation of

NEWAUKUM WATER SYSTEM, INC.

DOCKET UW-170153

ORDER 01

ORDER REMOVING COMPANY  
FROM REGULATION AND  
CANCELING TARIFF

**BACKGROUND**

- 1 On March 6, 2017, Newaukum Water System, Inc. (Newaukum or Company) filed a Petition for De-regulation (Petition). The Company recently reduced its monthly customer charges below the jurisdictional threshold of \$557 in average annual revenue per customer. The reduced rates became effective on March 1, 2017. The Company serves 23 customers near Auburn in King County.
- 2 In its Petition, the Company explains that it wishes to sell and transfer all of its assets to a non-regulated professional water company, Community Water System, LLC (Community Water). Community Water requires removal from regulation as a condition of the sale and transfer. Additionally, none of the current board members have indicated a willingness to serve on Newaukum's current board of directors beyond June 1, 2017.
- 3 Staff has reviewed the Company's filing and finds that removing the Company from regulation is in the Company's and its customers' best interests. Accordingly, Staff recommends the Commission grant Newaukum's Petition.

**DISCUSSION**

- 4 RCW 80.04.010(30)(e) provides that a water company cannot be removed from regulation except with Commission approval. We agree with Staff's recommendation and find that removing Newaukum from regulation is consistent with the public interest. In addition to the fact that Newaukum is now below the threshold for regulation, the Company will be purchased by an experienced water service company that provides water service by contract operations. Accordingly, we grant Newaukum's Petition to be removed from regulation.

**FINDINGS AND CONCLUSIONS**

- 5 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including water companies.
- 6 (2) Newaukum is a water company and a public service company subject to Commission regulation.
- 7 (3) On March 6, 2017, Newaukum filed with the Commission a Petition requesting to be removed from Commission regulation.
- 8 (4) This matter came before the Commission at its regularly scheduled meeting on March 29, 2017.
- 9 (5) After reviewing the information gathered in the investigation, and giving due consideration, the Commission finds it in the public interest to remove Newaukum from regulation and to cancel its tariff.

**ORDER**

**THE COMMISSION ORDERS:**

- 10 (1) Newaukum Water System, Inc. is no longer subject to Commission jurisdiction under RCW 80.04.110.
- 11 (2) Newaukum Water System, Inc. is removed from Commission regulation, and its current tariff WN U-1 is canceled as of the effective date of this Order.

DATED at Olympia, Washington, and effective March 29, 2017.

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner