

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

WASHINGTON WATER SERVICE  
COMPANY,

Respondent.

DOCKET UW-180592

ORDER 01

COMPLAINT AND ORDER  
SUSPENDING TARIFF REVISION

**BACKGROUND**

- 1 On July 2, 2018, Washington Water Service Company (Washington Water Service or Company) filed with the Washington Utilities and Transportation Commission (Commission) a revision to its currently effective Tariff 2, designated as Sheet No. 1, Sheet No. 20, Sheet No. 22 – 29, and Sheet No. 31. The stated effective date is August 1, 2018. The Company is proposing a general rate increase to recover increased operating costs and to address recent tax issues arising from the Tax Cuts and Jobs Act of 2017.
- 2 Commission staff (Staff) has not yet completed its review of the Company's supporting financial documents, books, and records. Staff states that the Company's financial information provided to the Commission does not support the requested revenue requirement and the proposed rates and charges. Staff and the Company will continue to work together to review financial records and determine an appropriate revenue requirement and appropriate rates and charges.

**DISCUSSION**

- 3 In this filing, Washington Water Service would increase charges and rates for service by approximately \$1.6 million, or 13.8 percent. Because those increases might injuriously affect the rights and interests of the public and Washington Water Service 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 rate increase is consistent with the public interest.

### FINDINGS AND CONCLUSIONS

- 4 (1) The 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.
- 5 (2) Washington Water Service is a water company and a public service company subject to Commission jurisdiction.
- 6 (3) This matter came before the Commission at its regularly scheduled meeting on July 26, 2018.
- 7 (4) The tariff revision Washington Water Service filed on July 2, 2018, would increase charges and rates for service provided by Washington Water Service, and might injuriously affect the rights and interest of the public.
- 8 (5) Washington Water Service has not yet demonstrated that the tariff revision would result in rates that are fair, just, reasonable and sufficient.
- 9 (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 Service's books, accounts, practices and activities; to make a valuation or appraisal of Washington Water Service's property; and to investigate and appraise various phases of Washington Water Service's operations.
- 10 (7) As required by RCW 80.04.130(4), Washington Water Service bears the burden of proof to show that the proposed increases are fair, just, reasonable and sufficient.
- 11 (8) Washington Water Service may be required to pay the expenses reasonably attributable and allocable to such an investigation, consistent with RCW 80.20.

**ORDER**

**THE COMMISSION ORDERS:**

- 12 (1) The tariff revision Washington Water Service Company filed on July 2, 2018, is  
suspended.
- 13 (2) The Commission will hold hearings at such times and places as may be required.
- 14 (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.
- 15 (4) The Commission will institute an investigation of Washington Water Service  
Company's books, accounts, practices, activities, property and operations as  
described above.
- 16 (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 July 26, 2018.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner

JAY M. BALASBAS, Commissioner