

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

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| WASHINGTON UTILITIES AND |) | |
| TRANSPORTATION |) | DOCKET UW-143116 |
| COMMISSION, |) | |
| |) | |
| Complainant, |) | ORDER 01 |
| |) | |
| v. |) | |
| |) | |
| WASHINGTON WATER |) | |
| SERVICE COMPANY |) | COMPLAINT AND ORDER |
| |) | SUSPENDING TARIFF |
| Respondent. |) | |
| |) | |

BACKGROUND

- 1 On August 13, 2014, 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-2, with a proposed effective date of September 25, 2014. The tariff revisions would generate \$1,501,610 (15.9 percent) additional annual revenue. The filing addresses increases in transportation and employee costs, property taxes, and a \$2.6 million new plant investment. The Company provides water service to approximately 16,450 customers on 196 water systems in eight counties. Washington Water’s last general rate increase was effective February 1, 2012.
- 2 Commission Staff (Staff) reviewed the filing and notes that the Company has reduced costs in several areas, including employee compensation, customer billing, use of electronic notices, and extending vehicle service lives. Other costs, however, such as Department of Health fees, property taxes, and additional capital investments, have increased.
- 3 Staff recommends suspending the filing because the company has not responded to Staff’s data requests, and therefore has not yet demonstrated it needs additional revenue, or that the proposed rates are fair, just, reasonable, and sufficient.

DISCUSSION AND DECISION

4 The Commission agrees with Staff's findings that Washington Water has not yet demonstrated that the proposed tariff revisions would result in rates that are fair, just, reasonable, and sufficient. The Commission, therefore, suspends the tariff filing for investigation and further proceedings to make that determination.

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, and accounts of public service companies, including water companies.
- 6 (2) Washington Water is a water company and a public service company subject to Commission jurisdiction.
- 7 (3) On August 13, 2014, Washington Water filed a proposed general rate increase that would generate \$1,501,610 (15.9 percent) in additional annual revenue.
- 8 (4) Washington Water has not yet demonstrated that the tariff revisions would result in rates that are fair, just, reasonable, and sufficient.
- 9 (5) The Commission should investigate Washington Water's accounts, practices, and activities, and should investigate and appraise various phases of the Company's operations to determine whether the proposed tariff revisions would result in rates that are fair, just, reasonable, and sufficient.
- 10 (6) Washington Water bears the burden of proof to show that the proposed increases are fair, just, reasonable, and sufficient.

ORDER

THE COMMISSION ORDERS:

- 11 (1) The tariff revisions filed by Washington Water Service Company on
August 13, 2014, are suspended.
- 12 (2) Washington Water Service Company must not change or alter the tariffs filed
in this docket during the suspension period, unless authorized by the
Commission.
- 13 (3) The Commission will institute an investigation of Washington Water Service
Company's books, accounts, practices, activities, and operations as described
above, and may hold hearings at such times and places as may be required.

DATED at Olympia, Washington, and effective September 24, 2014.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

JEFFREY D. GOLTZ, Commissioner