

BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)	DOCKET NO. UW-040414
TRANSPORTATION COMMISSION,)	
)	ORDER NO. 04
Complaint,)	
)	
v.)	ORDER ACCEPTING
)	STIPULATION; DETERMINING
SJM WATER SERVICES, INC.,)	JURISDICTION; AND REQUIRING
)	FILING OF TARIFF AND
Respondent.)	SUPPORTING DOCUMENTATION
.....)	

1 ***Synopsis:** This Commission accepts the stipulation of the parties, finds that SJM Water Services, Inc. is subject to Washington Utilities and Transportation Commission jurisdiction, and requires SJM Water Services, Inc., to file a tariff and supporting financial data.*

2 **Nature of the Proceeding.** The Washington Utilities and Transportation Commission (Commission) initiated a special proceeding pursuant to RCW 80.04.015 to determine whether SJM Water Services, Inc. (SJM) is subject to regulation under Chapter 80.28 RCW and WAC 480-110-255, and if so, to require it to comply with the statutes and rules that govern a jurisdictional water company.

3 **Appearances.** Richard Finnigan, attorney, Olympia, Washington represents SJM. Jonathan Thompson, Assistant Attorney General, Olympia, Washington, represents the Commission’s regulatory staff (“Commission Staff” or “Staff”).

MEMORANDUM

4 **Background.** SJM is a water company that serves customers in King County,
Washington. The two primary issues in this case are: 1) whether the
5 Commission has jurisdiction over SJM's operations pursuant to RCW 80.04.010
and WAC 480-110-255; and, if so, 2) whether rates SJM charges for its service are
fair, just, reasonable and sufficient pursuant to RCW 80.28.020.

6 The Commission's jurisdiction over water companies is triggered under WAC
480-110-255 when a company serves 100 or more customers, or receives annual
average revenue per customer of \$429. SJM appears to meet the requirement for
jurisdiction by virtue of a September 2003 rate change that resulted in a metered
base rate of \$32.85 plus a \$0.04 per cubic foot of usage above 750 cubic feet. The
rate change appears to have caused the annual average revenue per customer to
rise to \$1,097, and thus to exceed the \$429 jurisdictional threshold.

7 **Stipulation of the parties.** At the prehearing conference convened on July 15,
2004, the parties presented a stipulation that is attached to this Order as
Appendix A. The parties stipulate as follows:

- To entry of an order, pursuant to RCW 80.04.015, requiring SJM to file an initial tariff on or before July 30, 2004;
- The initial tariff filing will be accompanied by SJM's 2003 financial data, customer count and, to the extent available, water usage data;
- SJM submits to Commission jurisdiction for purposes of the entry of the order described above;

- SJM will be subject to enforcement of the order to file a tariff and supporting documentation through penalties issued under the normal process for pursuing such penalties against public service companies.

8 The parties further agreed that the docket would remain open to allow Commission Staff to review the filed tariff and supporting documentation. After review of the tariff, Staff could move to dismiss the complaint; go forward to establish different rates than those in the tariff; go forward to establish rates if SJM fails to file a tariff; or seek penalties if SJM fails to file a tariff or supporting documentation as required.

9 **Discussion and decision.** The Commission is persuaded that it is reasonable to accept, and does accept, the stipulation of the parties which appears to be fully supported by the facts recited. Proceeding in this way will avoid the need for litigation on the issue of jurisdiction and will conserve the resources of the company and the Commission. Furthermore, it will facilitate a speedy review to determine whether SJM's water rates are fair, just, reasonable and sufficient.

ORDER

10 THE COMMISSION Accepts the stipulation attached as Appendix A to this Order, incorporates the stipulation by reference, and orders SJM Water Services, Inc. to file a tariff on or before July 30, 2004, in compliance with the requirements or WAC 480-110-295(3)(a) through (d). This tariff filing will be considered a subsequent filing under WAC 480-07-880(2).

11 The Commission retains jurisdiction over the subject matter and the parties to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective this 19th day of July, 2004.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner

NOTICE TO PARTIES: This is a final order of the Commission. In addition to judicial review, administrative relief may be available through a petition for reconsideration, filed within 10 days of the service of this order pursuant to RCW 34.05.470 and WAC 480-07-850, or a petition for rehearing pursuant to RCW 80.04.200 or RCW 81.04.200 and WAC 480-07-870.

APPENDIX A