

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	DOCKET UW-111789
TRANSPORTATION COMMISSION,)	
)	ORDER 02
Complainant,)	
)	
v.)	
)	
WASHINGTON WATER SERVICE)	ORDER DISMISSING COMPLAINT
COMPANY,)	AND ORDER SUSPENDING TARIFF
)	REVISIONS; ALLOWING REVISED
Respondent.)	TARIFF REVISIONS
.....)	

BACKGROUND

- 1 On October 11, 2011, Washington Water Service Company (Washington Water Service or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-1, designated as new revision WN U-2. The general rate case filing would have generated \$1,738,796 (21.8 percent) additional annual revenue. The filing was prompted by the Company not receiving the revenue expected from the last rate increase, increased operating costs, and additional capital investment. The Company serves approximately 15,800 residential customers on 197 water systems located in eight counties.
- 2 The filing also proposed an increase to the Company’s facilities charges and to create a Water Revenue Adjustment Mechanism (WRAM) to track revenue, create a Modified Cost Balancing Account (MCBA) to track expenses for purchased water and purchased power, and establish a deferred accounting methodology to automatically true-up rates annually. The Company withdrew all of these proposals.
- 3 On October 27, 2011, the Commission entered a Complaint and Order Suspending Tariff Revisions pending an investigation to determine whether the revisions are fair, just, reasonable and sufficient.
- 4 After review, Staff found the proposed rates would generate excessive revenues. Staff determined that the Company’s books and records supported a lower revenue requirement of \$1,636,381 (20 percent) additional annual revenue. Staff and the Company have agreed to a revised rate design that would generate the additional

\$1,636,381 revenue. All revised rates are equal to, or less than, the Company's original proposed rates.

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 the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including water companies. *RCW 80.01.040, RCW 80.04, RCW 80.08, RCW 80.12, RCW 80.16 and RCW 80.28.*
- 6 (2) Washington Water Service is a water company and a public service company subject to Commission jurisdiction.
- 7 (3) This matter came before the Commission at its regularly scheduled meeting on January 26, 2012.
- 8 (4) The tariff revisions presently under suspension are fair, just, reasonable and sufficient because the Company has demonstrated the need for additional annual revenue and for revision of the Company's rate structure.
- 9 (5) After reviewing the tariff revisions Washington Water Service filed in Docket UW-111789 and giving due consideration, the Commission finds it is consistent with the public interest to dismiss the Complaint and Order Suspending Tariff Revisions in Docket UW-111789, dated October 27, 2011, and allow the tariff revisions to Tariff WN U-2 to become effective on February 1, 2012.

ORDER

THE COMMISSION ORDERS:

- 10 (1) The Complaint and Order Suspending Tariff Revisions in Docket UW-111789, entered on October 27, 2011, is dismissed.
- 11 (2) The revised tariff revisions Washington Water Service Company filed in this docket on October 11, 2011 and January 17, 2012, shall become effective on February 1, 2012.

DATED at Olympia, Washington, and effective January 26, 2012.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner