

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, v. WASHINGTON WATER SUPPLY, INC., Respondent.	DOCKET UW-240079 ORDER 06
In the Matter of the Request of WASHINGTON WATER SUPPLY, INC., To Approve Tariff Revisions Regarding a Temporary Surcharge for Recovery of Purchased Water Expenses	DOCKET UW-230598 ORDER 07 INITIAL ORDER REJECTING TARIFF FILING; ASSESSING AND SUSPENDING PENALTIES

I. BACKGROUND

- 1* **Procedural Background.** On July 12, 2023, Washington Water Supply, Inc. (Washington Water or Company) filed with the Washington Utilities and Transportation Commission (Commission) a tariff revision in Docket UW-230598, that would allow the Company to collect a surcharge of \$60 per month from customers for recovery of purchased water expenses.

- 2 On January 22, 2024, Washington Water filed a tariff revision in Docket UW-240079 requesting approval to collect a surcharge of \$60 per month, for costs associated with well rehabilitation.
- 3 On February 22, 2024, the Commission issued Order 01/02, consolidating Dockets UW-230598 and UW-240079 and ordering that the recovery of well rehabilitation costs should be determined as part of a general rate case.
- 4 Specifically, the Commission agreed with Commission staff (Staff) that Order 01 in Docket UW-230598 had allowed Washington Water to collect a surcharge for expenses to haul water on the condition that:
- (a) The surcharge [would] expire on November 15, 2023,
 - (b) The Company file a general rate case with an effective date no later than February 15, 2024, and
 - (c) Per Washington Administrative Code (WAC) 480-110-455(4), the Company [submit various reports to the Commission] within 60 days of the end of each calendar quarter that the surcharge is in effect¹
- 5 On May 13, 2024, a prehearing conference was held in the consolidated docket before Administrative Law (ALJ) Judge Connor Thompson.
- 6 On May 30, 2024, Staff filed a complaint in the consolidated docket following investigation and pursuant to the Commission's Order 01 in Docket UW-230598.²
- 7 A second prehearing conference was scheduled and held on July 10, 2024, to reconcile the procedural schedule, allowing time for filing of testimony related to the complaint.
- 8 On February 18, 2025, the Commission held a virtual Public Comment Hearing before ALJ Thompson.
- 9 On March 25, 2025, Public Counsel filed Exhibit BR-1 in this Docket, detailing the public comments submitted. Public Counsel notes that there were 25 comments

¹ *WUTC v. Wash. Water Supp., Inc.*, Dockets UW-240079 & UW-230598, Order 01/02 (*consolidated*) at ¶ 13 referencing *In re Wash. Water Supp., Inc.*, Docket UW-230598, Order 01 at ¶¶ 7, 11 (Aug. 23, 2023).

² *In re Wash. Water Supp., Inc.*, Docket UW-230598, Order 01 at ¶ 10 (Aug. 23, 2023).

submitted, with 20 opposed, 2 in favor, and 3 undecided on approval of the Company's requested filing.³

10 On April 22, 2025, the Commission held an evidentiary hearing before ALJ Thompson.

11 **Party Representatives.** Kenneth W. Bagwell and Alysa Grimes, of Bagwell Law PLLC, represent Washington Water. Lisa Gafken and Cassandra Jones, Assistant Attorneys General, Olympia, Washington, represent Staff.

II. DISCUSSION AND DECISION

a. Surcharge and Rates

12 **Standard of Review.** The Legislature has entrusted the Commission with broad discretion to set rates for regulated industries. Anytime a regulated public service company files a request to change any rate or charge, the Commission may conduct a hearing to find if the proposed rates are reasonable and just.⁴ Pursuant to Revised Code of Washington (RCW) 80.28.020, whenever the Commission finds, after a hearing, that the rates charged by a utility are:

. . . unjust, unreasonable, unjustly discriminatory or unduly preferential, or in any wise in violation of the provisions of the law, or that such rates or charges are insufficient to yield a reasonable compensation for the service rendered, the commission shall determine the just, reasonable, or sufficient rates, charges, regulations, practices or contracts to be thereafter observed and in force, and shall fix the same by order.⁵

13 For proposed rates, as in this case, the Commission may enter an order under this same standard as if the proposed rates were already effective.⁶

³ Bench Exh. 1 at ¶ 5; *see also* UTC Matrix Attachment A & B.

⁴ RCW 80.04.130(1).

⁵ *See also* RCW 80.01.040(3) (providing that the Commission shall “[r]egulate in the public interest”).

⁶ *See* RCW 80.04.130(1).

- 14 As a general matter, the burden of proving that a proposed increase is just and reasonable is upon the public service company.⁷ The burden of proving that the presently effective rates are unreasonable rests upon any party challenging those rates.⁸
- 15 In this case, Washington Water and Staff generally agree on the standard of review, in that the Commission must set rates which are fair, just, and reasonable. However, Washington Water has proposed and continues to argue that in this case no adjustment to general rates or base rates is necessary.⁹ The Company argues that in the context of this case, a surcharge is more appropriate because the rehabilitation of the Echo Glen well, which caused the Company to file for a rate increase, was a “special expense.”¹⁰ In effect, this means that the Company is asking for a smaller, temporary increase to rates, only to recover costs associated with the Echo Glen well rehabilitation, and Staff is asking for a larger increase to general rates, making this case fairly unique.
- 16 Staff argues that the Commission is empowered, if after a hearing, it finds that rates and charges of a company or that the practices of the company are unjust, unreasonable, or unjustly discriminatory or preferential, or otherwise, violate the law, or that such rates or charges are insufficient to yield a reasonable compensation for the service rendered, to fix just, reasonable, or sufficient rates, regulations, and practices.¹¹ Staff relies on this statutory authority and the Commission’s prior Order 01, which required Washington Water to file a general rate case, to recommend an increase in base rates which exceeds the increase requested by Washington Water through a surcharge.
- 17 Turning to what the parties agree on, that rates must be fair, just, and reasonable, we find it helpful to define what is required in making such a determination. The meaning of what is just and reasonable is in large part defined in *Hope* and *Bluefield* and their progeny. Specifically, *Hope* instructs that the ratemaking process entails balancing investor and consumer interests, and “[f]rom the investor or company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of business.”¹² Just and reasonable rates “enable the company to operate successfully, to

⁷ RCW 80.04.130(1).

⁸ *WUTC v. Pacific Power and Light Company*, Cause No. U-76-18 (Dec. 29, 1976) (internal citations omitted).

⁹ See, e.g., Washington Water’s Brief at 9:10-13.

¹⁰ Washington Water’s Brief at 8:5-8.

¹¹ Staff’s Brief, at ¶ 95 citing RCW 80.28.020.

¹² *Fed. Power Comm’n v. Hope Nat. Gas*, 320 U.S. 591, 603 (1944).

maintain its financial integrity, to attract capital, and to compensate its investors for the risks assumed”¹³

- 18 Prior to *Hope*, *Bluefield* makes clear that ratemaking is not merely an exercise of policy decision making but evokes constitutional questions. In *Bluefield*, the Supreme Court held that “[r]ates which are not sufficient to yield a reasonable return on the value of the property used . . . [] to render the [utility] service are unjust, unreasonable and confiscatory, and their enforcement deprives the public utility company of its property in violation of the Fourteenth Amendment.”¹⁴
- 19 If the property owned by the utility company “has increased in value since it was acquired, the company is entitled to the benefit of such increase.”¹⁵ Based on the valuation of the public utility, the utility is entitled to rates that may permit it to earn a return equal to that of similar companies at the time and in the area, but the utility is not entitled to profits such as those realized or anticipated from highly profitable or speculative ventures.¹⁶ “The return should be reasonably sufficient to assure confidence in the financial soundness of the utility and should be adequate, under efficient and economical management, to maintain and support its credit and enable it to raise the money necessary for the proper discharge of its public duties.”¹⁷
- 20 Further, to meet the fair, just, and reasonable standard, rates set by the Commission in most circumstances must be cost-based, accounting for a revenue requirement allowing the company to recover its expected rate-year costs and afford it an opportunity to earn a reasonable return as contemplated by *Bluefield*.¹⁸
- 21 It is through this lens in which we must determine what is fair, just, and reasonable in this rather unusual case.
- 22 **Discussion.** Washington Water, in its initial filing, proposed to recover \$24,000 in the form of a surcharge, for rehabilitation of the Echo Glen well.¹⁹ On June 28, 2024, after

¹³ *Id.* at 605.

¹⁴ *Bluefield Water Works & Improvement Co. v. Public Serv. Comm’n*, 262 U.S. 679, 690 (1923).

¹⁵ *Id.* at 690.

¹⁶ *Id.* at 692-93.

¹⁷ *Id.* at 693.

¹⁸ *See, WUTC v. Puget Sound Energy*, Dockets UE-151871 & UG-151872, Order 06, ¶ 26 (Nov. 16, 2016); *see also, Wash. Att’y Gen.’s Office, Public Counsel Unit v. Wash. Utils. & Transp. Comm’n*, 4 Wn. App. 2d 657, 660-61, 423 P.3d 861 (2018).

¹⁹ *WUTC v. Washington Water Supply, Inc.*, Dockets UW-240079/UW-230598, Order 01/02 at ¶ 5 (Feb. 22, 2024).

being ordered to file a general rate case consistent with Order 01 in Docket UW-230598, the Company amended its rate request. In its cover letter to the Commission, the Company states it “is filing a general rate case to request a surcharge of \$3.18 per month per customer for fifteen years to recover costs incurred” for the Echo Glen well rehabilitation.²⁰ Throughout the duration of this proceeding, the Company has maintained that it does not believe an increase in general rates is needed and has maintained that implementing a surcharge is appropriate.²¹

- 23 In support of its position, the Company argues there is no evidence its current base rate is unjust or unreasonable, and that there is no evidence that the current rates fail to provide sufficient compensation for services rendered.²² On the latter point, the Company notes it was able to pay for over 200,000 gallons of trucked water²³ and the Echo Glen well rehabilitation.²⁴
- 24 The Company’s owner, John Poppe argues that the current base rate of \$43.25 per month was reviewed and approved by the Commission in 2001 and appears to argue that if the Company must submit a general rate case, the Company asks the Commission to approve the rate approved in 2001.²⁵
- 25 As for the surcharge, Poppe argues that the well rehabilitation was a “special expense” outside of and unique from normal operating expenses, of which surcharges are intended to provide recovery for.²⁶
- 26 Staff asserts that the Company failed to file a general rate case as required by Commission order, and therefore Staff had to request information to evaluate and calculate rates for the Company’s operations.²⁷ Using the information gathered, Staff submitted testimony addressing the Company’s operating expenses, rate base, and

²⁰ Dockets UW-240079/UW-230598, Cover Letter (Jun. 28, 2024). *See*, Docket UW-230598, Order 01 at ¶ 7, *see also* Dockets UW-240079/UW-230598, Order 01/02 at ¶ 10 (Discussing the Commission requirement that the Company file a general rate case, in part due to the fact that a general rate case had not been filed since 2001).

²¹ Washington Water’s Brief at 9:10-13.

²² Washington Water’s Brief at 6:1-14.

²³ Poppe, Exh. WWS-6T at 14:7-8; Exh. WWS-11.

²⁴ Poppe, Exh. WWS-1T at 2:17-18.

²⁵ Poppe, Exh. WWS-1T at 1:22-25; 2:25-26.

²⁶ Poppe, Exh. WWS-1T at 3:1-6.

²⁷ Leggett, Exh. JL-1T at 2:3-11.

revenue requirement, which ultimately resulted in Staff making a recommendation to increase base rates.²⁸

27 In its initial testimony, Staff witness Jeanine Leggett recommended increasing the Company's monthly flat rate from \$43.25 to \$54.00 per customer per month.²⁹ Additionally Staff recommended making the following adjustments to the Company's revenue requirement:

- i. Adjusting the Company's revenue and tariff to include ready to serve charges;
- ii. Removing for general rates the cost of trucked in water for the Echo Glen system;
- iii. Removing contractual accounting expenses;
- iv. Normalizing the cost of tree removal;
- v. Adjusting the Company's Depreciation Expense; and
- vi. Adjusting revenue sensitive items such as Utility Excise Tax, Bad Debt, and Regulatory Expenses.³⁰

28 In support of its recommendation to increase the Company's rates, Staff argues that the Commission "must set rates based on what is fair, just, reasonable, and sufficient..."³¹ Staff takes issue with the Company's assertion that all systems are running properly given the issues with the Echo Glen system and point to evidence that the Company's "rate is so low that Washington Water has been operating at a loss for at least ten years, to a tune of about \$25,000 to \$30,000 of loss each year."³²

29 Staff also argues that the cost of running a business have increased over time and that by failing to increase rates in roughly 25 years, the Company "has deprived itself of resources to make capital improvements and earn a reasonable return on investment."³³

²⁸ Leggett, Exh. JL-1T at 2:11-13.

²⁹ Leggett, Exh. JL-1T at 3:9-10.

³⁰ Leggett, Exh. JL-1T at 2:17 – 3:5.

³¹ Staff's Brief, at ¶ 109.

³² Poppe, Tr. 81:5-7; 81:13-17.

³³ Staff's Brief, at ¶ 112-13.

Staff states that it is also concerned with the Company's ability to fund additional improvements.

- 30 Washington Water argues that Staff's proposed rates are not supported by the evidence and are potentially erroneous due to Staff assigned having only two years of experience at the Commission.³⁴ Further, Poppe argues that "customers are happy with their rates. All of [the Company's] water systems are running properly. Everything is paid for. The Company does not need an additional \$9 per customer per month. This would be a hardship for many of [the Company's] customers."³⁵
- 31 **Decision.** First, it is worth noting that this case presents a unique set of circumstances. It is rare that a Company not only requests the Commission approve a rate lower than what Staff believes is just and reasonable – although it has occurred at least in the context of a Company agreeing to forego some portion of increased revenue – but also apparently chooses to not file a rate case for more than twenty years.
- 32 While the Commission appreciates the Company's apparent desire to keep rates low because customers are "happy with their rates," the evidence in this case suggests that the rates currently charged by the Company are unreasonably less than what is "sufficient to assure confidence in the financial soundness of the utility and should be adequate, under efficient and economical management, to maintain and support its credit and enable it to raise the money necessary for the proper discharge of its public duties."³⁶
- 33 Specifically, the Company states that it has operated "at a loss for at least ten years, to a tune of about \$25,000 to \$30,000 of loss each year."³⁷ Further, Washington Water argues that the fact that it paid for 200,000 gallons of trucked water and paid \$24,000 for the well rehabilitation demonstrates that the Company is solvent.³⁸ However this argument is weakened by the admission that Poppe utilized his personal deferred comp account to pay for the well rehabilitation.³⁹
- 34 *Hope* and *Bluefield* require that the interests of customers and the company be balanced and that from the utility side of the equation rates should be sufficient to allow "the company to operate successfully, to maintain its financial integrity, to attract capital, and

³⁴ Washington Water's Brief at 6:15 – 8:4.

³⁵ Poppe, Exh. WWS-14T at 4:22-27.

³⁶ *Bluefield Water Works & Improvement Co.*, 262 U.S. at 693.

³⁷ Poppe, Tr. 81:5-7; 81:13-17.

³⁸ Washington Water's Brief at 6:1-14 *citing* Poppe, Exh. WWS-6T at 14:7-8; Exh. WWS-11; and Poppe, Exh. WWS-1T at 2:17-18.

³⁹ Poppe, Tr. at 127:15-20.

to compensate its investors for the risks assumed”⁴⁰ While generally such cases and Commission precedent focus on the ability of a company to attract capital so as to compensate investors, they also speak to financial integrity to operate successfully and to enable “the proper discharge of its public duties.”⁴¹

35 On this point, Staff is correct that determining the rate needed to ensure proper discharge of public duties means that the Commission must also consider whether rates are sufficient for the Company “to remain solvent and provide safe and adequate drinking water.”⁴² And while Washington Water is able to pay its bills, does not have debt, and does not desire a rate increase, it is unclear that should another well issue occur on Echo Glen or perhaps in any other system, that Washington Water can consistently rely on funds from Poppe’s retirement to fund capital projects.⁴³ Further, Staff’s argument that companies should come in more often for rate increases carries some weight.⁴⁴ This presiding officer agrees that rate shock can and should be avoided and if more frequent rate cases are needed to avoid such shock, then they should be pursued more often.⁴⁵

36 While current ownership may not desire a rate increase, it is not entirely clear what capital investments may be needed in the near future and whether the Company will be able to finance those projects considering this is a small company which has been operating at a substantial loss for at least 10 years. It is known that the Company must continue to install meters, which are costly, and other capital projects may arise during the time period in which installations must be completed in accordance with a meter installation compliance schedule agreement with the Department of Health (DOH).⁴⁶ Certainly one could perceive a situation where several large projects must be completed in a short period of time across multiple systems all while the Company must complete meter installations on which it is behind.⁴⁷ Even if such a situation does not occur, it is

⁴⁰ *Hope Nat. Gas*, 320 U.S. at 605.

⁴¹ *Hope Nat. Gas*, 320 U.S. at 605 and *Bluefield Water Works & Improvement Co.*, 262 U.S. at 693.

⁴² Young, Exh. MY-10T at 13:3-11.

⁴³ See, Poppe, Tr. at 127:15-20.

⁴⁴ See, Staff’s Brief, at ¶¶ 110-13.

⁴⁵ However, it is not consistent with nor necessarily in the public interest to create perverse incentives for utility companies to constantly invest and grow rate base, resulting in seemingly constant rate increases. There should in fact be a balance and growth in rate base should generally be limited to that which is required to provide safe, sufficient, and reliable service.

⁴⁶ See, Exh. MY-11T at 1, 4-5.

⁴⁷ See, Exh. BR-2. The Company states there are 17 residences that are not metered for the Echo Glen water system despite its agreement with DOH to complete required meter installations before the end of 2026. See, Exh. MY-11T at 1, 4-5.

not immediately clear that the Company has the capital necessary to comply with its agreement to complete meter installation by the end of 2026 with DOH.⁴⁸

- 37 Accordingly, the evidence supports a finding that current rates are not sufficiently providing compensation to ensure the Company can successfully operate in a manner consistent with its duties to the public. With this, the Commission finds that the surcharge proposed by the Company would be and is insufficient to rectify the Company's revenue shortfall and that rates should be in a manner consistent – but not identical to – Staff's recommended revenue requirement. This Order will address specific adjustments to the revenue requirement below.
- 38 Before moving on, the Commission notes that opting to order Washington Water to increase its base rates over adopting the Company's proposed surcharge is not solely due to the surcharge failing to address the unjust compensation received by the Company. As mentioned in Order 01/02 and argued by Staff in briefing, WAC 480-110-455 describes that surcharges are intended to fund (1) future water utility plant, (2) current water utility plant as required by the Department of Health or the Department of Ecology, and (3) special expenses, which are operating expenses independent and unique from normal operating expenses.⁴⁹
- 39 Staff argues that a surcharge, as defined by WAC 480-110-455(2), does not fit the expenses of repairing the Echo Glen well.⁵⁰ The well rehabilitation has occurred and was financed by the Company's ownership – for which there is no loan – and therefore it would not be for future utility plant.⁵¹ While DOH was monitoring the Echo Glen situation, the rehabilitation was not ordered by DOH.⁵² Finally, the expense was for well rehabilitation which Staff correctly categorizes as a capital expense or capital project and not an operating expense.⁵³ Accordingly, to approve the surcharge in this scenario would be straining the interpretation of WAC 480-110-455, and the expenses are better suited for recovery through base rates.
- 40 Finally, Washington Water seems to believe that the Commission is working to coerce the Company into selling the business through the complaint and forcing a rate case. While the presiding officer cannot speak for Staff, the Company's assertions are contrary

⁴⁸ See, Young, Tr. 215:18 – 216:23.

⁴⁹ *WUTC v. Wash. Water Supply, Inc.*, Dockets UW-230598/UW-240079, Order 01/02 at ¶ 14 citing WAC 480-110-455; see also Staff's Brief, at ¶ 123.

⁵⁰ Staff's Brief, at ¶ 124.

⁵¹ See, *id.*

⁵² See, *id.*

⁵³ See, *id.*

to what this Order should achieve. Part of what makes small water companies attractive targets for consolidation is that they often do not come in for rate cases as often as they should.⁵⁴ Because of this delay between rate cases, “consolidators” see an opportunity where infrastructure may be aged, and the time between rate cases only provides additional justification for pursuing new projects to build rate base. By updating rates to allow the Company a fair return, this incentive diminishes. The fair return will also enable the Company to pursue capital projects to maintain safe, sufficient, and reliable service as needed.

b. Adjustments

41 **Discussion.** As mentioned above, Staff recommended six adjustments to Washington Water’s revenue requirement, and after hearing suggested two more.

42 Staff recommends:

- i. Adjusting the Company’s revenue and tariff to include ready-to-serve charges;
- ii. Removing for general rates the cost of trucked in water for the Echo Glen system;
- iii. Removing contractual accounting expenses;
- iv. Normalizing the cost of tree removal;
- v. Adjusting the Company’s Depreciation Expense; and
- vi. Adjusting revenue sensitive items such as Utility Excise Tax, Bad Debt, and Regulatory Expenses.⁵⁵

43 Further, in Staff’s Brief, Staff recommends the Commission consider disallowing some or all of the rental expenses between Washington Water and Kitsap Industrial Group, because the Company failed to disclose the affiliate relationship until very late in the process.⁵⁶ Staff also recommends in reply to Bench Request 4 and Washington Water’s

⁵⁴ While there is certainly no magic number, 25 years is likely too long while every two to three years is likely not ideal either.

⁵⁵ Leggett, Exh. JL-1T at 2:17 – 3:5.

⁵⁶ Staff’s Brief, at ¶¶ 114-17.

responses to Bench Request 3, that the Commission allow the Company partial recovery of its rate case expenses for legal representation.⁵⁷

- 44 Among the six recommendations made by Staff before hearing, the Company contests all but the second.⁵⁸ Accordingly, the other adjustments will be addressed below as well as those proposed post-hearing. We agree with the Company and Staff that the surcharge for trucked water should not be included in base rates, but to the extent it remains effective, it should remain in effect and on the general ledger until the surcharge ends.

Ready-To-Serve

- 45 **Discussion.** Regarding ready-to-serve customers, Staff recommends inclusion of ready-to-serve revenue of \$519.00 annually for the one ready-to-serve connection.⁵⁹ However, the Company argues against inclusion of ready-to-serve connections, because it does not have any ready-to-serve connections.⁶⁰ At hearing, Staff argues that Poppe stated, “[i]t’s ready to go, so when they want to build, they can connect up and include it in their building permit. If they went through and applied for their building permit today, I would have to say the water is available”⁶¹ Staff argues this statement suggests there is a ready-to-serve connection, and the Company should be collecting revenue.⁶²
- 46 While the Company did testify as quoted above, the quote appears to be mistakenly missing important context. Specifically, immediately prior to stating the above, Poppe testified that he did not have a ready-to-serve customer, “[t]hat one customer had bought into the system[,] [b]ut there’s a lot of work to be done for ready-to-serve.”⁶³ Further, Poppe testified the Company did not believe the property was ready-to-serve because if the Company were to charge them, “it obligates the Company to provide water.”⁶⁴
- 47 **Decision.** Here, while Staff is correct that ready-to-serve charges are intended to fund work done to make a location truly ready-to-serve, it is not clear that this property or lot will actually take service from Washington Water. Further, it is not clear that this connection is ready-to-serve, as the evidence suggests a significant amount of work

⁵⁷ Staff’s Brief, at ¶¶ 118-21.

⁵⁸ Poppe, WWS-14T at 3:14 – 4:20.

⁵⁹ Leggett, Exh. JL-18XR at 2.

⁶⁰ Poppe, Exh. WWS-14T at 3:15-18.

⁶¹ Poppe, Tr. 93:3-9.

⁶² Staff’s Brief, at ¶ 102.

⁶³ Poppe, Tr. 91:14-24.

⁶⁴ Poppe, Tr. 93:3.

would be needed to provide service. From the Company's testimony, it appears this lot has been unbuilt since before the Company's last rate case and significant work would need to be done for the Company to provide service.⁶⁵ There is no evidence supporting implementing a ready-to-serve charge at this time based upon this, and this issue appears to be one created through a misunderstanding between the Company and Staff on terminology.⁶⁶ However, we do agree with Staff that such a charge should be included in the tariff, so that the Company can charge the customer if the location becomes ready-to-serve. Accordingly, the Company shall include a ready-to-serve charge in its tariff filed in response to this Order, so that such a charge is available and in tariff.

Accounting Expenses

- 48 Staff recommends removing expenses related to contractual accounting services, noting that the information provided to support accounting services included checks without information as to what expenses were paid, what services were provided, which business entity the services were provided for, and because no written agreement was provided.⁶⁷
- 49 The Company argues accounting expenses should not be disallowed, noting that it provided invoices and checks.⁶⁸ The Company argues that contrary to Staff's assertions, a contract is not required between the Company and its accountant and that it has provided sufficient evidence to justify inclusion of the expense.⁶⁹
- 50 Staff argues that the Company has failed to explain why it paid the amounts listed or that the amounts were necessary for providing water service.⁷⁰ Because of the lack of information on the invoices, check memos, and the lack of contract, Staff argues it has insufficient information to make a prudence determination.⁷¹

⁶⁵ Poppe, Tr. 91:14 – 93:9.

⁶⁶ *Id.*

⁶⁷ Leggett, Exh. JL-1T at 9:1-3; Leggett, Tr. 152:6-16; 152:20 – 153:9. Staff also notes that invoices were included but they were not from the test year and contained no detail as to what services were provided. *See*, Leggett, Tr. 151:11-24.

⁶⁸ Washington Water's Brief at 7:4-14 *citing* Exh. JL-13XR at 9, 132, 133, 188, 244, 287, 382, 571, 652 (showing checks written for accounting services) and Exh. JL-18XR at 249-83 (showing invoices from accountant to Washington Water during 2024, which the Company notes is beyond the test year).

⁶⁹ Washington Water's Brief at 7:4-14.

⁷⁰ Staff's Brief, at ¶ 105.

⁷¹ *Id.*

- 51 **Decision.** While Washington Water’s invoices and lack of written contracts leave much to be desired in the way of determining the prudence of accounting expenses, a complete disallowance of accounting expenses is inappropriate. As Washington Water states, it did provide invoices and checks showing it paid for accounting services billed to Washington Water.⁷² While the invoices provided are for 2024, the invoices from 2024 show services provided for “Tax prep 2023” and “UTC filing 2023” in the amounts of \$400.00 and \$420.00, respectively.⁷³ It is apparent that these expenses were at least charged and paid for in furtherance of the provision of water service. The remaining invoices lack sufficient detail to determine if any service was provided or if there is merely an ongoing retainer being paid. Further, it is not apparent that any of those charges were incurred or stem from work done for the test year. Accordingly, revenue for accounting services should be limited to \$820.00 for services provided at this time, as the tax preparation and UTC annual report filings are annually recurring expenses that the Company will reasonably incur in a given year. Should the Company wish to collect additional revenue for accounting services, it should either enter into a written contract showing a clear nexus between the expenses paid and service in furtherance of provision of the public service, or work with its accountant to have more information provided on invoices as to what services are being rendered for the Company.

Normalizing Tree Removal

- 52 Staff argues that the expenses for tree removal be normalized over a five-year period consistent with the Commission’s recent decision in TG-230778.⁷⁴ The Company disagrees and argues that the tree removal and care across its systems is fairly consistent and ongoing, and that Staff should have asked for additional information.⁷⁵
- 53 **Decision.** While it is conceivable that tree care is an ongoing expense for the Company, the Company did not provide sufficient evidence for Staff and the Commission to consider regarding the recurrence of these expenses. It appears that in the test year, the removal of a tree contributed substantially to accounting expenses, and such a removal is, by definition, a one-time expense. Accordingly, we agree with Staff and find that the tree

⁷² Washington Water’s Brief at 7:4-14 *citing* Exh. JL-13XR at 9, 132, 133, 188, 244, 287, 382, 571, 652 (showing checks written for accounting services) and Exh. JL-18XR at 249-83 (showing invoices from accountant to Washington Water during 2024).

⁷³ *See, e.g.*, Exh. JL-18XR at 273.

⁷⁴ Staff’s Brief, at ¶ 106, *see WUTC v. Murrey’s Disposal Co.*, Docket TG-230778, Order 08 at ¶ 119 (Nov. 1, 2024).

⁷⁵ Poppe, Exh. WWS-14T at 4:8-11.

care expenses should be normalized over a five-year period to mitigate the significance of the rate impact.⁷⁶

Depreciation and Taxes

- 54 Staff further recommends the Company's depreciation expense and revenue sensitive items – such as taxes – be adjusted to conform with water ratemaking principals and the model Staff uses for calculating rates.⁷⁷ The Company disagrees with both recommendations, stating there is no showing as to why the Staff's model is preferable to the Company's and that it does not agree with the Staff's tax related recommendations.⁷⁸
- 55 **Decision.** The evidence on these two adjustments supports Staff's recommendations. The model used by Staff includes the depreciation used in this case, is prescribed by the American Water Works Association, and is the same used on all water cases at the Commission.⁷⁹ The Company has not provided a reason as to why the Commission should deviate from this normal and prescribed model. The same is true for revenue sensitive items. The Company presents no substantive argument to rebut Staff's position, and the adjustment should be made according to Staff's recommendation.

Rents to Affiliate

- 56 In Staff's Brief, Staff notes that it did not initially recommend an adjustment for the Company's rental expenses.⁸⁰ However, through testimony at the hearing, it came to light that Kitsap Industrial Group is owned by Poppe and is therefore an affiliate which should have been disclosed to the Commission.⁸¹ Staff argues that although the rental expenses are probably reasonable, the Commission should consider whether to disallow all or a portion of the expense for late disclosure.⁸² Alternatively, Staff recommends that the Commission should at the very least "direct the Company to comply with WAC 480-07-530 and file for Commission approval of the arrangement per RCW 80.16.020."⁸³
- 57 **Decision.** While disallowance of the rental expenses does not appear warranted at this time, particularly given Staff's position that said expenses are likely reasonable, this

⁷⁶ See, *WUTC v. Murrey's Disposal Co.*, Docket TG-230778, Order 08 at ¶ 119 (Nov. 1, 2024).

⁷⁷ Leggett, Exh. JL-1T at 10:9 – 12:6; Leggett, Exh. JL-19X at 31.

⁷⁸ Poppe, Exh. WWS-14T at 4:12-19.

⁷⁹ Leggett, Exh. JL-1T at 10:18-20; Leggett, Tr. 154:20 – 155:6.

⁸⁰ Staff's Brief, at ¶ 114.

⁸¹ Staff's Brief, at ¶¶ 114-15 *citing* RCW 80.16.020.

⁸² Staff's Brief, at ¶ 117.

⁸³ *Id.*

relationship should have been disclosed pursuant to RCW 80.16.020 and WAC 480-07-530. Accordingly, the expenses are provisionally approved subject to the Company complying with WAC 480-07-530 and filing for Commission approval of the arrangement within 90 days of this Order.

Rate Case Expenses and Legal Fees

- 58 In filing its rebuttal testimony to the complaint proceeding in this docket, the Company noted that it had incurred over \$22,000 in legal fees that should be addressed either through the general rate case or surcharge.⁸⁴ In response, Staff testified that legal fees are necessary and are a normal cost of doing business, and agrees with the principal that some legal fees should be recoverable in rates.⁸⁵ Staff also notes that the Company did not request legal fees in relation to the surcharge, but \$1,500 was included in his income statement and that was included in Staff's initial calculation of the increase to general rates.⁸⁶
- 59 Following the evidentiary hearing, the presiding officer requested an update as to legal fees and an assessment from both the Company and Staff as to what level of legal fees would be appropriate to include in rates. In response, the Company submitted that it has incurred \$48,707.94 in legal fees and asked that all legal fees be recoverable in rates.⁸⁷
- 60 Staff argues that the Company is seeking \$40,979.50 in legal fees, and notes that while rate case expenses are generally recoverable, the Commission may disallow rate case costs not in the ratepayers' interest.⁸⁸ Staff argues that regardless of the amount recovered, the amount should be recovered from all customers and amortized.⁸⁹ Further, Staff notes that normal rate case expense for a company the size of Washington Water ranges between \$3,000 to \$5,000.⁹⁰
- 61 Staff, after reviewing the Company's response to the bench requests, recommends removing costs associated with a rate case filing because the Company filed a surcharge

⁸⁴ Poppe, Exh. WWS-6T at 18:15-18.

⁸⁵ Young, Exh. MY-10T at 13:16-20.

⁸⁶ Young, Exh. MY-10T at 13:20 – 14:6.

⁸⁷ Washington Water's Brief at 24:13-21 *citing* WWS Response to Bench Request No. 3. The Commission notes WWS Response to Bench Request No. 3, legal fees total \$47,838.44 and Staff argues the total is \$40,979.50. Staff's Brief, at ¶ 118.

⁸⁸ Staff's Brief, at ¶ 119.

⁸⁹ *Id.*

⁹⁰ *Id. citing* Young, Tr. 214:23 – 215:8.

and those the Company is not seeking to recover.⁹¹ Staff recommends a total of \$32,096 be included in rates and amortized over a period of at least five years, resulting in an annual expense of \$6,419.⁹²

- 62 **Decision.** Having reviewed the invoices submitted, including those submitted after Staff provided its response to Bench Request 4, we agree with Staff's assessment that adjustments should be made to the invoiced amounts. As Staff notes, a portion of the legal fees were identified in the Company's response to Bench Request 3(c) as not being sought for recovery.⁹³ Additionally, a portion of those fees were related to a separate docket. With the Company's supplement of invoices for March 2025 and May 2025⁹⁴, the invoices submitted show the Company incurred approximately \$54,779 in expenses in total.⁹⁵ While the Company stated in its response to Bench Request 3 that it was seeking to recover \$40,979, it did supplement its response with additional invoices in response to Bench Request 4.⁹⁶
- 63 In assessing which costs should be allowed in rates, we generally agree with Staff that expenses related to UW-230997, invoice billing adjustments from the revenue requirement summary sheet, and a portion of general rate case expenses should be disallowed.⁹⁷ However, we do not agree that all costs allocated solely towards Docket UW-240079, and one half of the costs allocated towards this consolidated docket aside from the costs contained in the final invoice, should be disallowed.⁹⁸ Rather, it is more appropriate to disallow those costs in the manner recommended by Staff up until the point that the Company filed its newest surcharge request in July of 2024.⁹⁹ After that point in time, many of the UW-240079 costs are allocated towards rebuttal of Staff's position and it becomes far too unclear as to which portion – if any – of the costs dedicated to the consolidated dockets should be disallowed.
- 64 Making these adjustments, and accounting for the addition of the March and May 2025 invoices, we find that the Company incurred \$54,779 in legal expenses, of which \$9,843, should be disallowed, and \$44,936 should be amortized over ten years and recoverable in

⁹¹ Staff's Brief, at ¶ 120.

⁹² Staff's Brief, at ¶¶ 120-21.

⁹³ Staff's Response to Bench Request No. 4.

⁹⁴ See WWS Response to Bench Request No. 4 and "WWS-WP-5-20-25" p. 40-41 and p. 52.

⁹⁵ See, Attachment 2 of this Order.

⁹⁶ WWS Response to Bench Request No. 3(c) and attached "Summary" of charges.

⁹⁷ See, Staff's Response to Bench Request No. 4.

⁹⁸ See, Staff's Response to Bench Request No. 4.

⁹⁹ See, Attachment 2 of this Order.

rates. To be clear, we agree with Staff in its assessment that the underlying reason for disallowance is because the Company did not file a general rate case as required by Commission order – and had the Company done so in a timely manner, much of the costs would not have been incurred. Said differently, the decision to disregard a Commission order resulted in costs. When such a decision is made by the management of any regulated company, one cannot say that the costs were prudently incurred.

- 65 Accordingly, \$44,936 should be included for recovery in rates. We also agree with Staff that it is appropriate to amortize these expenses, but over a ten-year period. The amortization will reduce and mitigate the increase to customers and is consistent with how the Commission has treated such expenses in the past.

c. Summary of Revenue Requirement

- 66 Having found that an increase in base rates is appropriate and having made determinations regarding the adjustments to revenue recommended by Staff, we find that the Company's annual revenue requirement should be set at \$94,712, or \$13,716 in additional annual revenue. To generate this additional annual revenue requirement, we determine that the monthly flat rate charges which the Company uses to bill its 139 customers should be set to \$56.77. A detailed schedule of the Commission's determination can be found in Attachment 1 to this Order.

d. Complaint and Penalties

- 67 **Discussion.** The second component of this proceeding originated when the Commission ordered Staff to initiate a complaint against Washington Water.¹⁰⁰ On May 30, 2024, Staff issued a Complaint following the Commission's directions after having reviewed the information related to the Open Meeting, from the Company, and from the Department of Health. The Complaint alleges five causes of action as follows:

- i. Washington Water violated RCW 80.28.010(2) by failing to furnish and supply such service, instrumentalities and facilities as shall be safe, adequate and efficient, and in all respects just and reasonable during the period that Echo Glen was subject to a Boil Water Advisory.
- ii. Washington Water violated RCW 80.28.010(11) by failing to repair the Echo Glen well in a timely manner.

¹⁰⁰ *In re Request of Wash. Water Supply, Inc.*, Docket UW-240079, Order 01 at ¶ 10 (Feb. 22, 2024).

- iii. Washington Water violated WAC 480-110-415(1) by failing to install meters to measure the volume of water delivered to the remaining direct service connections requiring meters.
- iv. Washington Water violated Order 01 from Docket UW-230598 by failing to file a general rate case no later than January 15, 2024, with an effective date of February 15, 2024.
- v. Washington Water violated Order 01 from Docket UW-230598 by failing to file reports for each calendar quarter the trucked water surcharge was in effect.

68 Staff notes that the first through third causes of action relate to water quality and safety, while the fourth and fifth relate to compliance with Commission Order 01.¹⁰¹ This Order addresses each cause of action below.

First Cause of Action

69 For the first cause of action, Staff argues that RCW 80.28.010(2) requires “every water company shall use instrumentalities and facilities to furnish and supply safe, adequate, and efficient water service.”¹⁰² Staff witness Mike Young provides testimony that beginning on July 5, 2023, Echo Glen system customers were under a boil water advisory that lasted for three months.¹⁰³

70 According to Staff, DOH learned about the need for boil water advisory when it received an email from a customer stating water was “out again” at Echo Glen.¹⁰⁴ After an inquiry about the outage, Washington Water confirmed the outage was due to a water transfer from truck to the reservoir and that an advisory email was sent to customers.¹⁰⁵ DOH requested that Washington Water coordinate with DOH “prior to lifting.”¹⁰⁶

¹⁰¹ Staff’s Brief, at ¶ 13.

¹⁰² Staff’s Brief, at ¶ 14.

¹⁰³¹⁰³ Young, Exh. MY-1T at 8:1-5. Young notes that “boil water [advisories are] a notice to customers required by the federal Environmental Protection Agency when a water system is unable to maintain appropriate water pressure...” and to avoid actual or potential E. coli contamination. Young, Exh. MY-10T at 6:6-13; Exh. MY-1T at 8:7-10.

¹⁰⁴ Poppe, Exh. WWS-7 at 15.

¹⁰⁵ Poppe, Exh. WWS-7 at 14.

¹⁰⁶ Poppe, Exh. WWS-7 at 14.

- 71 On August 7, 2023, DOH sent a letter affirming the need to coordinate with DOH prior to lifting the boil water advisory.¹⁰⁷ After DOH received no response, DOH sent a follow up email stating “[y]ou must coordinate with DOH prior to lifting a Boil Water Advisory per WAC 246-290-71001.”¹⁰⁸
- 72 Staff argues that Washington Water disregarded the need to coordinate with DOH prior to lifting the boil water advisory¹⁰⁹ and that the Company suggested the boil water advisory was optional because the system never tested positive for bacteria.¹¹⁰
- 73 Further, Staff argues that the length of the boil water advisory caused hardship for customers, particularly on their ability to meet daily needs, economic needs, to care for pets and livestock, and caused concerns over whether there was sufficient water for fire suppression.¹¹¹ Staff argues that the length of time the boil water advisory was in place and the hardships caused to customers give rise to a statutory violation.¹¹² Staff recommends the Commission fine the Company \$75 for each alleged violation, for a total of \$4,275.¹¹³
- 74 Washington Water argues that the evidence does not support the conclusion that the Company violated RCW 80.28.010(2), and that Staff’s reliance on the length of the boil water advisory and customer notices are misplaced.¹¹⁴ Washington Water makes several arguments against the first cause of action, namely that (1) Staff’s conclusions are based on opinion and not statute, rule, or precedent,¹¹⁵ (2) the length of the advisory was beyond the Company’s control,¹¹⁶ (3) the Company was not required to comply with WAC 480-110-425,¹¹⁷ (4) Staff has failed to show any customers failed to receive notice

¹⁰⁷ Young, Exh. MY-2 at 23-24.

¹⁰⁸ Young, Exh. MY-2 at 30 (emphasis in original).

¹⁰⁹ Poppe, Exh. WWS-6T at 8:14-20.

¹¹⁰ Poppe, Exh. WWS-6T at 7:13 – 8:7.

¹¹¹ Staff’s Brief, at ¶ 24 *citing e.g.*, Young, Exh. MY-1T at 10:5-13; Poppe, Exh. WWS-10 at 11.

¹¹² Staff’s Brief, at ¶¶ 22-28.

¹¹³ Young, Exh. MY-10T at 19:1-2.

¹¹⁴ *See*, Young, Exh. MY-1T at 8-12 (discussing the length of the boil water advisory and customer notices).

¹¹⁵ Washington Water’s Brief at 10:6 – 11:19.

¹¹⁶ Washington Water’s Brief at 11:20 – 12:11.

¹¹⁷ Washington Water’s Brief at 12:12 – 14:7.

of the boil water advisory,¹¹⁸ and (5) the Company provided safe, adequate, and sufficient service given the circumstances.¹¹⁹

- 75 **Decision.** The first cause of action alleges Washington Water violated RCW 80.28.010(2) by failing to furnish and supply such service, instrumentalities and facilities as shall be safe, adequate and efficient, and in all respects just and reasonable during the period that Echo Glen was subject to a Boil Water Advisory. RCW 80.28.010(2) states that “[e]very ... water company shall furnish and supply such service, instrumentalities and facilities as shall be safe, adequate and efficient, and in all respects just and reasonable.” Staff alleges Washington Water disregarded the need to coordinate with DOH prior to lifting the boil water advisory¹²⁰ and that the Company suggested the boil water advisory was optional because the system never tested positive for bacteria.¹²¹ Staff alleges that the disregard for coordinating with DOH, combined with an alleged failure to provide proper notice to customers and the length of the boil water advisory and the hardship caused for customers, give rise to a statutory violation.¹²²
- 76 The Company makes a variety of arguments and asserts that its actions did not give rise to a statutory violation. First, the Company asserts that Staff’s finding of a violation is based on opinion and not on legal precedent.¹²³ The Company notes that Staff admits that the presence of a boil water advisory itself does not give rise to a statutory violation, and that the number of violations is arbitrary in that Staff alleges the violation began one month into the boil water advisory.¹²⁴ The Company argues that allegations based solely on opinions of Staff leaves the law open to subjectivity and prevents uniform application, which then makes enforcement unreasonable and unjust.¹²⁵
- 77 The Company also argues that it was not required to comply with WAC 480-110-425 when providing notice of the boil water advisory. Specifically, the Company argues that Staff’s position that the Company should have printed notices and distributed them leads to an absurd result and that notices for boil water advisories are not governed by WAC

¹¹⁸ Washington Water’s Brief at 14:8 – 15:14.

¹¹⁹ Washington Water’s Brief at 15:15 – 17:10.

¹²⁰ Poppe, Exh. WWS-6T at 8:14-20.

¹²¹ Poppe, Exh. WWS-6T at 7:13 – 8:7.

¹²² Staff’s Brief, at ¶¶ 22-28 *citing e.g.*, Young, Exh. MY-1T at 10:5-13; Poppe, Exh. WWS-10 at 11.

¹²³ Washington Water’s Brief at 10:7-13.

¹²⁴ Washington Water’s Brief at 10:14 – 11:13.

¹²⁵ Washington Water’s Brief at 11:14-19.

480-110-425.¹²⁶ On the notice issue, the Company also argues that there is no evidence to support that notice was not sent to all customers.¹²⁷ The Company notes that Ms. Cline – a contractor for the Company – sent the notice to the 53 unique email addresses and that there are 42 customers – arguing Staff has not confirmed whether that list includes all customers or not and therefore has not carried its burden on this point.¹²⁸

78 Finally, the Company argues that it did provide safe, adequate, and efficient service given the circumstances and that the overall length of the boil water advisory was beyond its control. As for the length of the advisory, the Company argues it contracted for the work to be completed by the end of May 2023, and had the well driller not been injured and the driller performed as contracted, there wouldn't have been a boil water advisory.¹²⁹ The Company notes it and the contracted driller attempted to find another driller, but no others were available and no other company was willing to perform the work.¹³⁰ The Company further argues in support of its position that it did provide safe, adequate, and efficient service, that it trucked in over 200,000 tons of water, notified customers, complied with the boil water advisory, and never had water test positive for bacteria.¹³¹ The Company also argues that some customers did not heed requests to conserve water – and this further strained the situation.¹³²

79 Taking these arguments together, the evidence does not support finding a statutory violation for the first cause of action. However, we disagree with the Company on a fundamental point that requires further discussion. First, the language of RCW 80.28.010(2) is broad and can encompass a vast number of situations. Accordingly, it is reasonable and necessary that the Commission, in its expertise, may rely on a fact specific inquiry on a case-by-case basis of whether there was a statutory violation. Here, it is within the realm of reasonableness to determine that a one month boil water advisory did not give rise to a statutory violation – but that months two and three give rise to a statutory violation given the circumstances. On the other hand, there are situations where a one month boil water advisory may give rise to a statutory violation. Each situation is

¹²⁶ Washington Water's Brief at 12:13 – 14:18.

¹²⁷ Washington Water's Brief at 14:8 – 15:7.

¹²⁸ Washington Water's Brief at 15:8-14.

¹²⁹ Washington Water's Brief at 12:4-12.

¹³⁰ *Id.*

¹³¹ Washington Water's Brief at 16:11 – 17:8.

¹³² *Id.*

unique, and the Commission must consider whether the Company's actions surrounding the boil water advisory were safe, adequate, and sufficient.¹³³

80 This is truly a close call. Staff is correct generally that a three-month boil water advisory in its opinion, and likely the opinion of customers and the general public, is unreasonable and may ordinarily give rise to a statutory violation. However, there are several circumstances unique to this case that lead to the conclusion that the Company did take every reasonable step it could to provide safe, adequate, and efficient services, facilities, and instrumentalities. Primarily, the injury to the driller, which delayed the work, and the inability to find another driller willing to do the work is beyond the Company's control.¹³⁴ Had that injury not occurred, it appears as though this entire matter may have been avoided. Next, the Company appears to have timely notified customers, taken steps to truck in water as needed, and never had a positive test for bacteria.¹³⁵

81 While we also agree with Staff that the Company should have and failed to better coordinate with DOH in lifting the advisory, this itself was addressed by DOH and corrected by the Company. Taking all of the circumstances together, it appears as though the Company acted reasonably and in the public interest in taking steps to provide safe, adequate, and efficient services given the circumstances. While the services provided may have been lacking, and been in place for far too long, it does not appear that the Company necessarily could have done anything differently and there were factors beyond its control that exacerbated the unfortunate situation. Finally, while we agree that the Company did not commit a statutory violation as alleged, we do note that the Company's attempt to shift blame to customer usage is not helpful and is not part the finding that the Company did not violate RCW 80.28.010(2).

Second Cause of Action

82 For its second cause of action, Staff argues Washington Water failed to proactively or timely address maintenance and repairs with the Echo Glen well which resulted in catastrophic failure.¹³⁶ In support of the second cause of action, Staff points to customer communications indicating the system experienced periodic outages and low-pressure for years.¹³⁷

¹³³ RCW 80.28.010(2).

¹³⁴ Washington Water's Brief at 12:4-12.

¹³⁵ Washington Water's Brief at 16:11 – 17:8.

¹³⁶ Staff's Brief, at ¶ 29 citing Young, Exh. MY-1T at 14:17-20.

¹³⁷ Young, Exh. MY-10T at 8:13-17.

- 83 Staff argues that despite the Company’s contention it learned of the issues during the summer of 2022, the Company knew “replacement or rehabilitation was needed for years and obtained estimates in August 2021 and May 2022 for well replacement.”¹³⁸ After a customer meeting in the summer of 2022, the Company began to pursue well rehabilitation and obtained a bid in February of 2023.¹³⁹ Ultimately, because of a delay in finalizing the contract negotiations and an injury to the driller, the well rehabilitation was not completed until September 2023.¹⁴⁰
- 84 Staff argues that the two years it took to resolve the issues with the Echo Glen well, from August 2021 through September 2023, is unreasonable.¹⁴¹ Staff further argues that the Company’s choice to operate at a loss for ten or more years likely contributed to the delay and resulted in the Company failing to timely address the well issues.¹⁴² Because of these alleged failures, Staff recommends violations of RCW 80.28.010(11) be measured based on the time the Company was required to truck in water, resulting in 121 violations.¹⁴³ Staff recommends the Commission fine the Company \$50 for each violation, for a total of \$6,050.¹⁴⁴
- 85 The Company argues that RCW 80.28.010(11) does not apply to customers, and that the Company cannot violate the statute based on impact to customers.¹⁴⁵ Specifically, the Company argues that RCW 80.28.010 uses the word customer 28 times, and that if the Legislature had intended for customers to be included in RCW 80.28.010(11), it would have included reference to customers, and further, that “customers” and “the public” cannot be read to be synonymous under the statute.¹⁴⁶
- 86 Further, the Company argues that for the second cause of action, Staff relies on customer complaints submitted to DOH and to the Commission, but that the DOH complaints are not included in the record and the complaints submitted to the Commission were decided

¹³⁸ Staff’s Brief, at ¶ 31 *citing* Poppe, Exh. WWS-7 at 22; Young, Exh. MY-2 at 9.

¹³⁹ Young, Exh. MY-1T at 4:18 – 5:3, 14:5-6; Exh. MY-2 at 6; Poppe, Exh. WWS-7 at 52.

¹⁴⁰ Young, Exh. MY-2 at 2.

¹⁴¹ Staff’s Brief, at ¶¶ 34-38.

¹⁴² Staff’s Brief, at ¶¶ 36-37.

¹⁴³ Staff’s Brief, at ¶ 38.

¹⁴⁴ Young, Exh. MY-10T at 19:3-4.

¹⁴⁵ Washington Water’s Brief at 18:9-20.

¹⁴⁶ Washington Water’s Brief at 18:21 – 19:13.

in favor of the Company.¹⁴⁷ Accordingly, the Company argues the complaints should not be afforded weight in determining whether penalties are warranted now.¹⁴⁸

87 Finally, the Company argues that the Echo Glen well was rehabilitated in a timely fashion given the circumstances. Specifically, the Company notes that while customers did complain to DOH in June 2022, there were no other complaints until June 2023, and no complaints prior to May 2023 at the Commission.¹⁴⁹ Further, the Company notes that an inspection in 2022 showed the casing was in good shape and that the well produced enough water to meet demand in cooler weather and there were no outages during cooler months.¹⁵⁰ The Company argues that it began looking for companies willing to rehabilitate the well, but did not find a company willing to do the work and complete negotiations until May 2023.¹⁵¹ The Company argues that these factors demonstrate it timely repaired the well given the circumstances.

88 **Decision.** Staff's second cause of action alleges the Company violated RCW 80.28.010(11) when it failed to proactively or timely address maintenance and repairs with the Echo Glen well which resulted in catastrophic failure. RCW 80.28.010(11) states that "every ... water company shall construct and maintain such facilities in connection with the manufacture and distribution of its product, or provision of its services, as will be efficient and safe to its employees and the public." The Company makes three arguments against finding a violation of RCW 80.28.010(11). The Company's first argument is that Staff's complaint alleges a violation based on impacts to customers and that RCW 80.28.010(11) does not apply to or otherwise contemplate impacts to customers. The Company's second argument is that Staff's reliance on complaints to the Commission and DOH are either missing from the record or were closed after findings made in favor of the Company. Finally, the Company argues that it timely made repairs to rehabilitate Echo Glen well.

89 The Company is incorrect in its assertion that RCW 80.28.010(11) does not apply in this situation and its arguments regarding complaints to DOH and the Commission are misplaced and unpersuasive. RCW 80.28.010(11) does not specifically mention customers, but customers are inevitably the members of the public most impacted by the Company's ability to comply with RCW 80.28.010(11). However, as with the analysis

¹⁴⁷ Washington Water's Brief at 19:14-23.

¹⁴⁸ *Id.*

¹⁴⁹ Young, Exh. MY-2 at Attachment 3; Poppe, Exh. WWS-10.

¹⁵⁰ Poppe, Exh. WWS-6T at 11:20 – 12:3, 14:9-20.

¹⁵¹ Washington Water's Brief at 20:14-20.

related to the first cause of action, here too we believe that a fact specific, case-by-case assessment is required.

90 Accordingly, it is on the Company's third argument that we find no violation of RCW 80.28.010(11). While Staff is generally correct that the issues with the well should have ideally been addressed sooner to avoid failure of the Echo Glen well, the evidentiary record supports that the Company made efforts to address known issues with the well in a manner that at the time were prudent and considered customer wants and input. Namely, the Company began reaching out to licensed drillers for well replacement estimates in 2022.¹⁵² During that same time period, the Company met with customers to discuss the options – to replace or rehabilitate the well – with rehabilitation being the more affordable and customer preferred option.¹⁵³ Further, the Company inspected the well in 2022 and as a result believed that while repairs were needed, there is no indication that failure was imminent.¹⁵⁴ The Company indicates it identified and began working on negotiations with Valley Pump in the fall of 2022, and ultimately hired them to complete the job.¹⁵⁵ Finally, after hiring Valley Pump – which the Company contends was the only company willing to rehabilitate the well, a point that Staff does not contest – the driller for the Company was injured and the work was delayed. But for the injury to the driller, it is unclear as to whether trucked water would have been needed and over what time.

91 While the parties disagree over whether the Company knew of issues with the Echo Glen well in 2021 or 2022, and also disagree over when Valley Pump was “hired,” the record supports that when complaints were submitted in 2022, the Company took reasonable steps to resolve the issues, and continued to work on a resolution without any material lapse in time. Further, the record supports that extenuating circumstances outside of the Company's control exacerbated the issues with Echo Glen. While we agree with Staff that we would have liked to see the issue resolved more quickly, the evidence in the record does not support the conclusion that the Company failed to proactively or timely address the issues with the Echo Glen well and therefore we do not find that Washington Water violated RCW 80.28.010(11).

Third Cause of Action

92 For its third cause of action, Staff argues Washington Water violated WAC 480-110-415(1) for not installing meters to measure the volume of water delivered to 21 direct

¹⁵² Poppe, Exh. WWS-7 at 52-53; Exh. WWS-6T at 12:4-13.

¹⁵³ Poppe, Exh. WWS-6T at 12:9 – 13:4.

¹⁵⁴ Poppe, Exh. WWS-6T at 11:20 – 12:3.

¹⁵⁵ Poppe, Exh. WWS-6T at 13:5 – 14:3 *citing* Exh. WWS-7.

service customers.¹⁵⁶ Under WAC 246-290-496, water systems like the Echo Glen system were required to install service meters by January 22, 2017. Staff argues that per WAC 480-110-415, if a “water company chooses to or is required to install meters,” the must be installed and in working order.¹⁵⁷

- 93 Staff argues, and Washington Water does not contest, that Echo Glen is a system required to install meters pursuant to WAC 246-290-496 and accordingly WAC 480-110-415(1).¹⁵⁸ Staff notes that while the Company has installed some meters, there are still 17 connections without a meter in 2025.¹⁵⁹
- 94 While Staff recognizes that the Company has a verbal agreement with DOH to install 5 meters per year, Staff argues that the Company has not met its obligation to install the meters required and if it had, nearly all meters would now be installed.¹⁶⁰ Staff recommends the Commission find 17 violations of WAC 480-110-415(1) for each missing meter and order the Company to complete the meter installations before January 1, 2026. Staff recommends a fine of \$150 per violation, suspending any penalty for the violations until January 1, 2026, and waiving the penalty for any subsequent meters installed.¹⁶¹
- 95 In response, the Company argues that WAC 480-110-415(1) does not require water companies to install meters, but only requires that when meters are installed, that they be in working order.¹⁶² Further, the Company argues that the Commission has no authority to enforce WAC 246-290-496, and notes that DOH – which has enforcement authority under WAC 246-290-496 – has not penalized the Company and has an agreement in place with the Company regarding installations.¹⁶³
- 96 **Decision.** For the third cause of action, we generally agree with Staff. The Company argues that WAC 246-290-496 is unenforceable by the Commission, and that WAC 480-110-415 does not require meters to be installed or give the Commission authority to

¹⁵⁶ Young, Exh. MY-1T at 16:11 – 18:18.

¹⁵⁷ Staff’s Brief, at ¶ 40.

¹⁵⁸ Staff’s Brief, at ¶¶ 39-40.

¹⁵⁹ Staff’s Brief, at ¶ 40 *citing* Young, Exh. MY-1T at 17:11-13, *see also* Washington Water’s Response to Bench Request No. 2.

¹⁶⁰ Staff’s Brief, at ¶¶ 42-43 *citing* Young, Exh. MY-11 at 5.

¹⁶¹ Young, Exh. MY-10T at 19:5-17.

¹⁶² Washington Water’s Brief at 21:15 – 22:14.

¹⁶³ Washington Water’s Brief at 22:15 – 23:8.

require meters be installed.¹⁶⁴ While the Company is correct that the enforcement authority under WAC 246-290-496 lies with DOH, it is incorrect in its argument that the Commission lacks authority to require companies to install meters broadly.

- 97 RCW 80.28.030(1) broadly allows the Commission to order improvement in the “storage, distribution or supply of water, or in the methods employed by such ... water company” as deemed efficient, adequate, just and reasonable. RCW 80.28.030(2) requires that the Commission consult and coordinate with DOH in ordering such improvements. Further, RCW 80.28.040(1) provides that the Commission shall fix “reasonable rules, regulations, measurements or the standard thereof, practices, acts or service to be thereafter furnished...” to remedy any rules, regulations, measurements, practices, acts or services found unjust, unreasonable, improper, insufficient, inefficient or inadequate.¹⁶⁵
- 98 While neither party specifically briefs the impact of these statutes, the statutes give broad authority for the Commission to order a company to take actions to improve its distribution system, services, acts, and measurement, which would be inclusive of metering.¹⁶⁶ Further, the Company is required by DOH rules to install meters pursuant to WAC 246-290-496. Similarly, WAC 480-110-425(1)(a)(ii) states that water companies must “install water meters that are in working order and accurately measure water flow.” While the Company argues this merely implies that meters must be in working order, it fails to recognize that the rule requires installation of said meters and that those meters be in working order.
- 99 Accordingly, we find the Company has violated WAC 480-110-425(1)(a)(ii) for failing to install meters that are in working order at 17 connections. However, because RCW 80.28.030 and RCW 80.28.040 each contemplate consultation and coordination with DOH in ordering improvements to water systems, including metering, and because Washington Water has an agreement – oral or otherwise – in place with DOH regarding the installation of those meters, we do not find that the Commission should require meters be installed on a separate timeline. Rather, we find that the Company should be penalized \$150 for each violation of WAC 480-110-425, but that the penalty should be suspended until December 31, 2026, which coincides with the current deadline for the Company to install meters under its agreement with DOH. Beginning January 1, 2027, any meter not installed will result in the penalty amount associated therewith becoming due and payable. Should DOH and the Company agree on a separate timeline for meter installation, the Company shall notify the Commission within 60 days of such agreement,

¹⁶⁴ Washington Water’s Brief at 22:15 – 23:8.

¹⁶⁵ RCW 80.28.040(2)-(3) also discuss consultation and coordination with DOH or the department of ecology as appropriate.

¹⁶⁶ See, RCW 80.28.030 & RCW 80.28.040.

and the suspension of the penalty under this order shall be adjusted accordingly. To effectuate compliance with this finding, Washington Water shall be required to file with the Commission a summary and certification of meters installed on or before January 1, 2027.

Fourth and Fifth Causes of Action

- 100 For its fourth cause of action, Staff alleges that Washington Water violated Order 01 in Docket UW-230598 when the Company failed to file a general rate case on or before January 15, 2024. Staff argues that instead of filing a general rate case, the Company filed for another surcharge for trucked water expenses in Docket UW-230997.¹⁶⁷ The Company then filed for a third surcharge related to the Echo Glen rehabilitation in Docket UW-240079.¹⁶⁸
- 101 Staff argues that while the Company suggests it attempted to file a general rate case, the Company concedes it did not do so.¹⁶⁹ Staff notes that even after being given an extension to file a general rate case, the Company's testimony and filing on June 27, 2024, the Company continued to request a surcharge in this docket.¹⁷⁰ Staff recommends the Commission find one violation and fine the Company \$1,000.¹⁷¹
- 102 For its fifth cause of action, Staff argues that Washington Water failed to file any surcharge reports pursuant to Order 01 in Docket UW-230598 and WAC 480-110-455(4).¹⁷² Staff argues that the Company failed to file any of the required reports, and recommends the Commission find two violations and fine the Company \$500 each, or \$1,000 in total.¹⁷³
- 103 In response the Company argues that Staff was attempting to impose dates, terms, and conditions on the Company's tariffs that the Company could not agree to.¹⁷⁴ Further, the Company alleges that it understood the second trucked water surcharge would be approved without contest, and that when it wasn't, the Company did not need to uphold

¹⁶⁷ Staff's Brief, at ¶ 47.

¹⁶⁸ Staff's Brief, at ¶ 48.

¹⁶⁹ Poppe, Exh. WWS-6T at 17:4-26.

¹⁷⁰ See, Poppe, Exh. WWS-1T.

¹⁷¹ Young, Exh. MY10T at 19:18-19.

¹⁷² Young, Exh. MY-1T at 4-8, 20:23 – 21:2.

¹⁷³ Young, Exh. MY-10T at 19:20-22.

¹⁷⁴ Washington Water's Brief at 23:14-24:2.

its obligations under Order 01.¹⁷⁵ Finally, the Company argues that it told Staff it could not file the reports until it closed its books at the end of the year.¹⁷⁶

- 104 **Decision.** Staff is correct that the Company violated Order 01 by failing to file a general rate case and submit reports, otherwise required by WAC 480-110-455(4). The Company does not strongly contest the fourth or fifth causes of action other than to make reference to its belief that Staff was trying to bind the Company into some unsavory conditions, that it shouldn't be held to its obligations in Order 01 because its second surcharge for trucked water was not immediately approved, and it couldn't submit required reports until closing its books. None of the Company's arguments are compelling.
- 105 Further, Staff is correct that these violations are "serious and harmful."¹⁷⁷ Staff is correct that "[c]ompanies are expected to comply with regulatory requirements, including orders of the Commission."¹⁷⁸ Staff is also correct that the violations appear intentional and that the Company failed to correct the situation, although it was given ample time and multiple opportunities to do so.¹⁷⁹ Washington Water unequivocally failed to comply with the conditions of Order 01 in Docket UW-230598 when it continually failed to or refused to file a rate case and submit the reports required by Order 01 and WAC 480-110-455(4).
- 106 Further, and of additional concern, the Companies argument against the fourth and fifth causes of action rests on a vague notion that Order 01 was somehow a negotiated contract between the Commission and the Company, where the Company believed the Commission would approve subsequent surcharge filings, and if it did not, the Company was then somehow excused from complying with the conditions of Order 01.¹⁸⁰ This shows a deep misunderstanding of the Commission and its role. Orders of the Commission issued through the open meeting process, such as Order 01 in this case, may involve negotiations between Staff and a Company before it gets to the open meeting. However, the Commission and the Commissioners are not entering into a contract whereby a Company may unilaterally deem conditions waived when it issues orders. Rather, the Commission takes into consideration the recommendations of Staff and companies, but ultimately may in its discretion adopt, reject, or modify the recommendations, add conditions, or take other action as it deems appropriate. Those

¹⁷⁵ Washington Water's Brief at 24:2-8.

¹⁷⁶ Poppe, Exh. WWS-6T at 18:21-25.

¹⁷⁷ Staff's Brief, at ¶ 58.

¹⁷⁸ *Id.*

¹⁷⁹ Staff's Brief, at ¶¶ 62, 69.

¹⁸⁰ Washington Water's Brief at 24:2-8.

orders are binding on the companies regulated by the Commission. Moving forward, Washington Water must comply with Commission orders. Given the circumstances, the willfulness of the violations, and the blatant disregard for Commission orders, penalties are not only warranted, but substantial penalties are warranted.¹⁸¹ This Order adopts Staff's recommendation and finds Washington Water violated Order 01, and should be fined \$1,000 for one violation of failing to file a general rate case and \$500 for each violation of WAC 480-110-455(4), for a total of \$2,000 as it relates to these causes of action.

III. FINDINGS OF FACT

- 107 (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.
- 108 (2) Washington Water is a water company and a public service company subject to Commission jurisdiction.
- 109 (3) On January 22, 2024, Washington Water filed a tariff revision in Docket UW-240079 requesting approval to collect a surcharge of \$60 per month, for costs associated with well rehabilitation.
- 110 (4) On February 22, 2024, the Commission suspended the surcharge filing, issued Order 01/02, and consolidated Dockets UW-230598 and UW-240079.
- 111 (5) On May 30, 2024, Commission staff (Staff) filed a complaint in the consolidated docket following investigation and pursuant to the Commission's Order 01 in Docket UW-230598.
- 112 (6) Washington Water's filing submitted on June 28, 2024, did not include a filing for a general rate case.
- 113 (7) Washington Water has been operating at a loss for ten or more years, averaging \$25,000 to \$30,000 of loss annually.
- 114 (8) Washington Water's ownership borrowed from their deferred compensation account to pay for Echo Glen well upgrades.

¹⁸¹ See generally, *In re Matter of the Enforcement Policy of the WUTC*, Docket A-120061 (Jan 7, 2023).

- 115 (9) Washington Water will incur additional expenses in the near future to install meters on the Echo Glen system.
- 116 (10) A surcharge for Echo Glen well rehabilitation expenses will not materially improve the Company's financial situation.
- 117 (11) Washington Water does not currently have any customers that are ready-to-serve.
- 118 (12) Washington Water has incurred \$820 of verifiable accounting expenses, but has not provided evidence to support additional amounts.
- 119 (13) Tree removal is a one time expense, but tree care and maintenance related to tree care is a reoccurring expense.
- 120 (14) Rents paid by Washington Water appear reasonable but the Company has not filed the required affiliated transaction reports pursuant to RCW 80.16.020 and WAC 480-07-530.
- 121 (15) Washington Water has incurred significant legal expenses related to this matter, a portion of which is recoverable.
- 122 (16) Washington Water took reasonable steps to remedy the issues with the Echo Glen well.
- 123 (17) Washington Water provided notice to its customers of the boil water advisory.
- 124 (18) Washington Water trucked over 200,000 tons of water when the Echo Glen well failed.
- 125 (19) The injury to the driller Washington Water hired to complete well rehabilitation caused a material delay in the rehabilitation and was outside the control of Washington Water.
- 126 (20) Washington Water has not installed 17 meters on the Echo Glen water system.
- 127 (21) Washington Water has an agreement in place with the Department of Health to install meters on the Echo Glen water system.
- 128 (22) Washington Water is required to install 17 meters on the Echo Glen water system.
- 129 (23) Washington Water did not file a general rate case in this Docket.
- 130 (24) Washington Water did not file reports with the Commission as required by law and Commission order.

IV. CONCLUSIONS OF LAW

- 131 (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.
- 132 (2) Washington Water is a water company and a public service company subject to Commission jurisdiction.
- 133 (3) Washington Water's revenues and the evidence in this case show that Washington Water's rates are not fair, just, reasonable, and sufficient for Washington Water to carry out its duties to the public and its customers, we find that the Company's annual revenue requirement should be set at \$94,712, or \$13,716 in additional annual revenue.
- 134 (4) Washington Water's base rates should be raised consistent with this Order to ensure that the Company is able to provide safe, adequate, efficient, and sufficient service to its customers.
- 135 (5) Washington Water does not currently have any customers that are ready-to-serve, but there is an existing connection which may become ready-to-serve, and Washington Water should include a ready-to-serve rate on in its tariff.
- 136 (6) Washington Water did not provide invoices to support all of its accounting expenses and all but \$820 should be disallowed in accordance with this Order.
- 137 (7) Staff's adjustment for and normalization of tree removal and care expenses is appropriate and should be approved.
- 138 (8) Staff's treatment of depreciation and taxes is consistent with Commission precedent and revenue should be adjusted consistent with Staff's recommendations.
- 139 (9) Washington Water's rental expenses should be approved provisionally, subject to the Company complying with WAC 480-07-530 and filing for Commission approval of the arrangement between the Company and its affiliate within 90 days of this Order.
- 140 (10) Washington Water incurred significant legal expenses in this matter, a portion of which are normal and necessary for provision of service.

- 141 (11) The revenue requirement should be adjusted to reflect Washington Water incurred \$44,936 in recoverable legal fees, and that amount should be amortized over 10 years.
- 142 (12) The record in this matter does not support that Washington Water violated RCW 80.28.010(2), because the Company took reasonable and prudent steps to provide safe, adequate, and efficient services and facilities given the circumstances.
- 143 (13) The record in this matter does not support a finding that Washington Water violated RCW 80.28.010(11), because it took reasonable and continuous steps to remedy the known issues with the Echo Glen well and was otherwise delayed by circumstances beyond Company control.
- 144 (14) Washington Water is required by Department of Health and Commission rules to install meters on the Echo Glen water system and has failed to install 17 meters.
- 145 (15) The Commission has the authority to order improvements such as meter installation.
- 146 (16) The Commission should require Washington Water to install the remaining 17 meters on the Echo Glen water system before January 1, 2027, consistent with Washington Water's agreement with the Department of Health.
- 147 (17) The Commission should penalize Washington Water \$150 for each of the 17 violations of WAC 480-110-425, with the penalty being suspended through December 31, 2026, and then waived for each meter installed on or before that date.
- 148 (18) Washington Water should be required to file with the Commission any agreement with the Department of Health altering the timeline for meter installation.
- 149 (19) Washington Water failed to comply with Order 01 in Docket UW-230598 when it failed to file a general rate case and reports required by Order 01 and Commission rule.
- 150 (20) Washington Water should be penalized \$1,000 for its willful failure to file a general rate case with the Commission.
- 151 (21) Washington Water should be penalized \$500 for each of the two violations for failing to file reports with the Commission as required by Order 01.

V. ORDER

THE COMMISSION ORDERS:

- 152 (1) The proposed tariff revisions filed by Washington Water Supply, Inc., for recovery of costs for the rehabilitation of the Echo Glen well, through a surcharge, and suspended by prior Commission order, are rejected.
- 153 (2) Washington Water Supply, Inc., is authorized and required to make compliance filings in this docket including all tariff sheets that are necessary and sufficient to effectuate the terms of this Order.
- 154 (3) Washington Water Supply, Inc., is authorized and required to file the agreement or description of its arrangement with affiliates, including those it currently pays rent to, consistent with WAC 480-07-530 within 90 days of this Order.
- 155 (4) Washington Water Supply, Inc., is authorized and required to file in this docket, a description and certification of all meters installed on the Echo Glen system on or before January 1, 2027.
- 156 (5) Washington Water Supply, Inc. is assessed a penalty of \$1,000 for violating Order 01 in Docket UW-230598, with said penalty being due and payable within 90 days of this Order.
- 157 (6) Washington Water Supply, Inc., is assessed a penalty of \$1,000 for its two violations of Order 01 in Docket UW-230598, or \$500 per violation, for failure to file reports required by WAC 480-110-455(4), and said penalty is due and payable within 90 days of this Order.
- 158 (7) Washington Water is assessed a penalty of \$150 for each of the 17 violations of WAC 480-110-425, with the penalty being suspended through December 31, 2026, and then waived for each meter installed on or before that date.
- 159 (8) The Commission Secretary is authorized to accept filings that comply with the requirements of this Order.
- 160 (9) The Commission retains jurisdiction to effectuate the terms of this Order.

DATED at Lacey, Washington, and effective June 30, 2025.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

/s/ Connor A. Thompson
CONNOR THOMPSON
Administrative Law Judge

NOTICE TO PARTIES

This is an Initial Order. The action proposed in this Initial Order is not yet effective. If you disagree with this Initial Order and want the Commission to consider your comments, you must take specific action within the time limits outlined below. If you agree with this Initial Order, and you would like the Order to become final before the time limits expire, you may send a letter to the Commission, waiving your right to petition for administrative review.

WAC 480-07-610(7) provides that any party to this proceeding has twenty-one (21) days after the entry of this Initial Order to file a *Petition for Review*. What must be included in any Petition and other requirements for a Petition are stated in WAC 480-07-610(7)(b). WAC 480-07-610(7)(c) states that any party may file a *Response* to a Petition for review within seven (7) days after service of the Petition.

WAC 480-07-830 provides that before entry of a Final Order any party may file a Petition to Reopen a contested proceeding to permit receipt of evidence essential to a decision, but unavailable and not reasonably discoverable at the time of hearing, or for other good and sufficient cause. No Answer to a Petition to Reopen will be accepted for filing absent express notice by the Commission calling for such answer.

RCW 80.01.060(3) provides that an Initial Order will become final without further Commission action if no party seeks administrative review of the Initial Order and if the Commission fails to exercise administrative review on its own motion.

Any Petition or Response must be electronically filed through the Commission's web portal as required by WAC 480-07-140(5). Any Petition or Response filed must also be electronically served on each party of record as required by WAC 480-07-140(1)(b).