



WASHINGTON WATER SERVICE

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UW-230645

VIA E-FILING

Ms. Amanda Maxwell, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503
August 7, 2023

Received
Records Management
Aug 8, 2023

Re: Washington Water Service Company – Petition for Deferred Accounting Treatment for PFAS Program

Dear Ms. Maxwell,

The purpose of this petition is to seek an order from the Washington Utilities and Transportation Commission (“UTC” or “Commission”) authorizing the deferred accounting treatment for PFAS-related costs incurred by Washington Water Service Company (“Washington Water” or “Company”). The following will provide background and a discussion of the request.

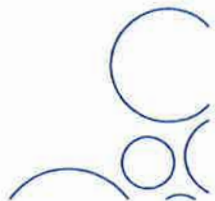
Background

Effective January 1, 2022, the Washington Department of Health (“DOH”) established State Action Levels (SALs) for five PFAS compounds.¹ The DOH requires Group A community and non-transient non-community (“NTNC”) water systems to begin monitoring for PFAS beginning January 1, 2023. Group B systems are regulated by local health jurisdictions (e.g., county public health agencies), which must adopt regulations no less stringent than those of the DOH. Washington Water will be sampling all of its Group A and Group B wells. Included in this request is a proposed initial PFAS monitoring expense amount of approximately \$600,000. Washington Water also anticipates a capital program to mitigate the effects of PFAS, where appropriate. The EPA is expected to finalize the MCL for PFAS by the end of 2023 with a three-year compliance period, meaning water systems must comply by December 31, 2026. The estimated PFAS capital program costs will not be known until all required testing is complete and the PFAS MCL is published by the EPA.

Discussion

During recent settlement discussions between Washington Water, UTC Staff and Public Counsel in Docket UW-230236, the Company indicated it would be initiating a proceeding

¹ For the purposes of this letter, “PFAS” includes all pre and polyfluoroalkyl substances contemplated under both state and federal drinking water rulemakings and/or regulations.



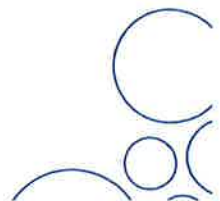


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to address ongoing PFAS activities and compliance with an eventual PFAS MCL. PFAS has not been addressed in the Washington Water's general rate case, therefore, PFAS-related costs are not included in the Company's current revenue requirement. Washington Water is testing approximately 400 Group A wells and 100 Group B wells for PFAS. Depending on the results of the testing, Washington Water may be required to monitor for PFAS more frequently (e.g., quarterly or annually) at locations approaching or exceeding the SALs. In fact, Washington Water is already required to monitor approximately 200 locations on an accelerated frequency. Furthermore, Washington Water may need to implement capital improvements or other acceptable mitigation measures based on monitoring results to ensure public health and safety and compliance with EPA and DOH drinking water regulations. Washington Water requests deferred accounting treatment for sampling, testing and monitoring expenses, capital program costs, funds obtained from third parties and carrying costs relating to PFAS. Recently, parties in Docket UW-230236 also agreed Washington Water should apply a carrying cost on the deferred accounting balance of prime rate plus 2% interest. Washington Water requests this same level of carrying cost be applied to costs in the PFAS account.

If Washington Water's request for deferred accounting treatment for PFAS is approved, the Company will track any applicable PFAS costs in the account, which will remain active until Washington Water is authorized to recover the amounts by the UTC.

This filing affects all water systems operated by the Company, including Public Water System Identification Numbers 52976B, 64144N, 03658C, 01695Q, 01826P, 010276, 172419, 01463N, 22751W, 367917, 36802J, 04896P, 056404, 071646, 26071R, 029534, 52801U, AA316G, 66936L, 81357L, 01016D, 01363J, 013642, 016290, 01862N, 03314W, 108086, 55631J, 11887T, 11914K, 14001T, 002533, 63381B, 47431C, 138554, 27091B, 35363W, 04863C, 15999F, 37654N, 07675L, 03014, 30049R, 03463T, 17100L, 18650L, 10340E, 02845R, 02348N, 24163J, 07167Q, 63918X, 152961, 109911, 04613U, 04614B, 39944X, 362419, 362332, 00561P, AD392P, AA608G, 01625X, 29810X, 05086F, 31001N, 08359U, 018868, 086766, 10440K, 33677F, 33695Y, 33969M, AA260K, AA440J, AA498F, AA718E, 343754, 01425N, 05664P, 06705V, 36274L, 03591N, 572146, 216250, 36782F, 02860P, 43065E, 021174, 22572N, 552100, 44965N, 011069, 46658P, 471249, 25994X, 022368, 05954U, 05957C, AA771E, AA772J, AA7739, AA774E, 02075H, 48030D, 00045L, 57464Q, AA208E, 50075J, 472480, 017843, 11695R, 17690K, 01621V, 527407, 551750, 54740B, 552501, AB470J, AB471F, AB472C, AB474H, 06839U, 63215F, 133014, 00587A, 01333R, 29921U, 657451, 66146U, 66215N, 01095Y, 66637Q, 66727L, 63210W, 68065U, 705505, 70760N, 054736, 04323P, 14730Y, 285511, 71610A, 71727A, AA131P, 727765, 036252, 73975Y, 74130C, 74270J, 74364F, 09490D, 05081W, 03961D, 74743Y, 02244F, 751541, 644149, 03317E, 76633P, 76658T,





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204815, 473843, 78618W, 79275E, 31527X, 239116, 08586A, 013262, 03687M, 83424J, 84618N, 84683W, 848980, 862506, 44231X, 91470N, 01018E, 438871, 202767, 17127Q, 59991Q, 967287, 010234, AC228E, 049451, 03160V, 05980, 08760Y, 30321, 45061H, 20003L, 36176H, 29345M, 77147E, 35336N, 50225H, 06081Y, 59588K, 63479B, 67397Y, 700007, 70001Q, 72975W, 73620P, 743716, 19601W, 77960C, 23651U, 25707W, 42931P, 82844H, and 353545.

If there are any questions concerning this filing, please do not hesitate to contact me.

Yours Truly,

A handwritten signature in blue ink, appearing to read "Matt Brown", with a long horizontal flourish extending to the right.

Matt Brown, P.E.
General Manager, WWSC

