

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

WASHINGTON WATER SUPPLY, INC.,

Respondent.

DOCKETS UW-240079 and
UW-230598 (*consolidated*)

COMMISSION STAFF'S RESPONSE
TO RESPONDENT'S MOTION TO
SEVER DOCKETS UW-240079 AND
UW-230598

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

I. INTRODUCTION

1 Washington Water Supply, Inc. (WWS) moves to sever Docket UW-240079 and Docket UW-230598. The Utilities and Transportation Commission entered an order on February 22, 2024, suspending the tariff revision filed in Docket UW-240079 and consolidating that docket with UW-230598. The Commission should deny WWS's motion. Any factual error made in the February 22, 2024 order is harmless, and the Commission's decision to consolidate the dockets should not be disturbed.

II. RELIEF REQUESTED

2 Staff respectfully requests that the Commission deny WWS's motion to sever Docket UW-240079 and Docket UW-230598.

III. STATEMENT OF FACTS

3 WWS operates the Echo Glenn water system in Maple Valley.¹ In Docket
UW-230598, the Commission authorized WWS to charge a surcharge of \$60.00 per month
to cover the cost of purchased water from August 15, 2023 through November 15, 2023.²
The Commission also required WWS to file a rate case with an effective date no later than
February 15, 2024, and to file certain financial reports.³ WWS has not filed a general rate
case or the required financial reports.⁴

4 On December 8, 2023, WWS filed tariff pages to re-institute the \$60.00 surcharge in
Docket UW-230997. That docket has been suspended and the Commission will hold a
prehearing conference on March 25, 2024.⁵

5 On January 22, 2024, WWS made a third filing related to the Echo Glenn water
system. In Docket UW-240079, WWS filed tariff pages requesting a surcharge to recover
capital costs incurred to rehabilitate the Echo Glenn well.⁶ WWS submitted its filing through
the UTC's online filing portal and requested an effective date of September 1, 2024.⁷
Commission Staff requested that the Commission suspend the new docket and consolidate it
with Docket UW-230598 because Commission ordered WWS to file a rate case in Docket
UW-230598, and the rates requested in Docket UW-240079 would be more appropriately

¹ *Wash. Utils. & Transp. Comm'n v. Wash. Water Supply, Inc.*, Dockets UW-230598 and UW-240079 (consolidated), Order 01 and 02, Complaint and Order Suspending Tariff Revisions; Consolidating Dockets, ¶ 1 (Feb. 22, 2024)(hereinafter Order 01).

² Order 01, ¶ 2.

³ *Id.*

⁴ <https://www.utc.wa.gov/casedocket/2023/230598/docsets>

⁵ Order 01, ¶ 4; *Wash. Water Supply, Inc. v. Wash. Utils. & Transp. Comm'n*, Docket UW-230997, Notice of Prehearing Conference (Feb. 28, 2024).

⁶ Order 01, ¶ 5.

⁷ *Wash. Utils. & Transp. Comm'n v. Wash. Water Supply, Inc.*, Dockets UW-230598 and UW-240079 (consolidated), Respondent's Motion to Sever Dockets UW-240079 and UW-230598, 2 (March 5, 2024).

considered in the context of general rates rather than a surcharge.⁸ The Commission considered Docket UW-240079 at its February 22, 2024 open meeting and granted Staff's request to suspend and consolidate.⁹

6 The background section of Order 01 states that WWS provided notice to customers of its request in Docket UW-240079.¹⁰ Staff's open meeting memo states, "The Company submitted a draft customer notice to be sent on February 1, 2024. *However, the notice has not yet been sent.* No additional customer comments have been received by the Commission."¹¹ Whether customer notice was provided was not discussed in the discussion and decision section or the findings and conclusions section of Order 01, indicating that customer notice was not a material fact in the Commission's decision to suspend and consolidate the Docket with Docket UW-230598.¹²

7 Docket UW-230997 was not consolidated with Docket UW-230598 and UW-240079.¹³

IV. STATEMENT OF ISSUES

8 Should the Commission deny WWS's motion when any factual error was harmless and the Commission properly exercised its discretion to consolidate dockets?

V. EVIDENCE RELIED UPON

9 Staff relies upon the documents on file in this docket.

⁸ Order 01, ¶¶ 8-11.

⁹ Order 01, ¶¶ 12-13.

¹⁰ Order 01, ¶ 6.

¹¹ *Wash. Water Supply, Inc. v. Wash. Utils. & Transp. Comm'n*, Docket UW-240079, Staff Open Meeting Memo, 3 (Feb. 22, 2024) (hereinafter Staff Memo) (emphasis added).

¹² Order 01, ¶¶ 13-25.

¹³ Order 01, ¶ 32.

VI. ARGUMENT

10 WWS's motion should be denied because it does not establish that the Commission should sever the consolidated dockets.

A. The Commission should not disturb its decision to consolidate Docket UW-230598 and Docket UW-240079.

11 WWS argues that Docket UW-240079 and Docket UW-230598 cannot be consolidated because the earlier docket was closed when the Commission issued its order in Docket UW-230598 allowing the \$60.00 surcharge to cover the cost of purchased water. While the docket is reflected as closed on the Commission's website, the Commission ordered WWS to file financial reports and file a general rate case. While WWS has not filed the required financial reports, those reports would have been filed in Docket UW-230598. Moreover, the Commission continues to retain jurisdiction over the final order it entered on August 10, 2023.¹⁴

12 The underlying issue is whether the rates sought by WWS in Docket UW-240079 is appropriate as a surcharge or as part of general rates. The Commission previously ordered WWS to file a general rate case, but the Company has not yet done so. The Commission may exercise its discretion to consolidate dockets that present common or related issues when it is in the public interest to do so. The public interest standard is met here because the Commission needs to be able to fully examine the proposed surcharge, including whether the surcharge consists of expenses that are more appropriately included in general rates. Thus, the Commission is justified in consolidating Docket UW-240079 with Docket

¹⁴ *Wash. Utils. & Transp. Comm'n v. Wash. Water Supply, Inc.*, Docket UW-230598, Order 01, Allowing Rates to go into Effect, subject to Conditions; Granting Exemption from Rule (Aug. 10, 2023).

UW 230598 to allow for a comprehensive examination of WWS's request in a broader context.

13 Order 01 appears to contain a factual error when it states that WWS provided customer notice of the proposed tariff revisions in Docket UW-240079. Whether customer notice was provided was not a material fact in the Commission's decision to suspend and consolidate. As such, it does not provide justification to sever the two dockets.

14 WWS seems to argue that it did not submit its tariff revision for Commission approval, but rather it was intended as a discussion draft.¹⁵ This intention was not clear. WWS presented a cover letter, tariff language, draft customer notice, and workpapers to the Commission's Records Center through the online filing portal. At that point, the proposed tariff revision was assigned Docket UW-240079, triggering the Commission's review process. This review process culminates in a Commission decision to allow, reject, or modify the Company's proposed course of action. The Commission did not make a factual error in processing the tariff revision as it was presented as a company request for authority to modify its tariff. If WWS does not intend to seek approval of the tariff revisions presented in Docket UW-240079, the Company may seek to withdraw its filing.

B. WWS's argument that Docket UW-230997 should not be consolidated with Docket UW-240079 is unnecessary because Docket UW-230997 has not been consolidated and is proceeding separately.

15 Order 01 only consolidated Dockets UW-230598 and UW-240079. The Commission did not consider consolidating Docket UW-230997 with the other WWS dockets.

Commission Staff recognizes that Docket UW-230997 is proceeding on its own schedule

¹⁵ Respondent's Motion to Sever, 2-3.

and did not request that that docket be consolidated with the other two dockets. The Commission should disregard WWS's argument regarding consolidation of Docket UW-230997 as unnecessary.

VII. CONCLUSION

16 Staff recommends that the Commission deny WWS's motion for the reasons stated above.

DATED this 12th day of March 2024.

Respectfully submitted,

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