

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

OLYMPIC WATER AND SEWER,
INC.,

Respondent.

DOCKET UW-230132

ORDER 01

COMPLAINT AND ORDER
SUSPENDING TARIFF REVISIONS;
ALLOWING RATES ON A
TEMPORARY BASIS SUBJECT TO
REFUND; AND GRANTING PORT
LUDLOW VILLAGE COUNCIL'S
PETITION TO INTERVENE

BACKGROUND

- 1 On February 24, 2023, Olympic Water and Sewer, Inc., (Olympic Water or Company) filed with the Washington Utilities and Transportation Commission (Commission) tariff revisions that, as originally filed, would have generated approximately \$187,015 (23.3 percent) additional annual revenue. The Company was ordered to file a general rate case in Docket UW-190160 with an effective date no later than May 1, 2023. On April 14, 2023, the Company filed a motion for continuance to extend the effective date of the general rate case to June 19, 2023, which was approved. The Company's last general rate increase was effective on June 21, 2021. The Company provides water service to approximately 1,740 customers in Jefferson County near Port Ludlow. The Company filed revised tariff pages on April 4, 2023.
- 2 Commission staff (Staff) reviewed the Company's documentation. Staff's review shows that the Company filed all the required documentation consistent with Commission rules and that the revised tariff pages filed on April 4, 2023, which include the revised rate design and blocks, are reasonable and required for the Company's operations. Staff recommends that the Commission take no action, allowing the tariffs to become effective by operation of law. The Company's proposed tariff revisions provide an effective date of June 19, 2023.
- 3 On June 9, 2023, the Port Ludlow Village Council (PLVC) filed a Petition to Intervene, requesting to participate in the proceeding. In the Petition to Intervene, PLVC states that

it is a non-profit corporation whose purpose is to promote and protect the interest of the Port Ludlow community. PLVC stated that it is concerned about the allocation of shared costs between the Company's water utility operations and its unregulated wastewater utility operations, as well as cost allocations between the Company and its other affiliates.

- 4 This matter came before the Commission at its regularly scheduled open meeting on June 15, 2023. The Commission heard comments from the Company and the Public Counsel Unit of the Washington Attorney General's Office (Public Counsel), as well as PLVC, which reiterated its concern about the adequacy of the Company's filings and Staff's lack of transparency regarding allocation determinations.

DISCUSSION AND DECISION

- 5 We agree with Staff that the proposed rates appear to be fair, just, reasonable, and sufficient, and that the Company should be authorized to collect those rates effective June 19, 2023, to recover its known costs. We are concerned, however, about the customer comments regarding transparency and are unable to conclude at this time whether the approved rates will ultimately be excessive and thus require a refund to the Company's customers. We therefore suspend Olympic Water's proposed tariff revisions but allow the proposed rates to become effective on June 19, 2023, on an interim basis, subject to refund, pending the Commission's final determination in this Docket.
- 6 Pursuant to RCW 80.04.130(1), the Commission suspends the tariff filing and will hold public hearings, if necessary, to determine whether the proposed increases are fair, just, reasonable, and sufficient.
- 7 We also grant PLVC's petition for intervention in this proceeding. PLVC is uniquely positioned to represent the interests of Olympic Water's customers and has raised important issues that deserve full consideration. PLVC has demonstrated in its Petition to Intervene and in its comments that it has a compelling interest in this case, both as a collective of customers and as a representative for residential customers of Olympic Water. We thus find that PLVC has a substantial interest in the subject matter and that its participation is in the public interest.¹

¹ WAC 480-07-355(3).

FINDINGS AND CONCLUSIONS

- 8 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, regulations, and practices of public service companies, including water companies.
- 9 (2) Olympic Water is a water company and a public service company subject to Commission jurisdiction.
- 10 (3) This matter came before the Commission at its regularly scheduled meeting on June 15, 2023.
- 11 (4) The tariff revisions Olympic Water filed on February 24, 2023, and revised on April 4, 2023, might injuriously affect the rights and interests of the public.
- 12 (5) Olympic Water has not yet sufficiently demonstrated that the tariff revisions would result in rates that are fair, just, reasonable, and sufficient.
- 13 (6) In order to carry out the duties imposed upon the Commission by law, the Commission believes it is necessary to investigate Olympic Water's books, accounts, practices, and activities; to make a valuation or appraisal of Olympic Water's property; and to investigate and appraise various phases of Olympic Water's operations.
- 14 (7) As required by RCW 80.04.130(4), Olympic Water bears the burden to prove that the proposed increases are fair, just, reasonable, and sufficient.
- 15 (8) Olympic Water's rates as filed on February 24, 2023, and revised on April 4, 2023, should be allowed to become effective on June 19, 2023, on an interim basis, subject to refund, pending the Commission's final order.
- 16 (9) Olympic Water may be required to pay the expenses reasonably attributable and allocable to such an investigation, consistent with RCW 80.20.020.
- 17 (10) PLVC has demonstrated that it has a substantial interest in this proceeding and that its participation is in the public interest. Accordingly, PLVC should be granted intervenor status.

ORDER

THE COMMISSION ORDERS:

- 18 (1) The tariff revisions Olympic Water and Sewer, Inc. filed on February 24, 2023,
and revised on April 4, 2023, are suspended.
- 19 (2) The tariff revisions filed on February 24, 2023, and revised on April 4, 2023, shall
become effective on June 19, 2023, on a temporary basis, subject to refund if the
Commission determines that different rates will be fair, just, reasonable, and
sufficient.
- 20 (3) The Commission will hold hearings at such times and places as may be required.
- 21 (4) Olympic Water and Sewer, Inc., must not change or alter the tariffs filed in this
Docket during the suspension period unless authorized by the Commission.
- 22 (5) The Commission will institute an investigation of Olympic Water and Sewer,
Inc.'s books, accounts, practices, activities, property, and operations as described
above.
- 23 (6) Olympic Water and Sewer, Inc., shall pay the expenses reasonably attributable
and allocable to the Commission's investigation consistent with RCW 80.20.020.
- 24 (7) Port Ludlow Village Council's Petition to Intervene is granted.

DATED at Lacey, Washington, and effective June 16, 2023.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chair

ANN E. RENDAHL, Commissioner

MILTON H. DOUMIT, Commissioner