

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

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|--------------------------|---|-------------------------|
| WASHINGTON UTILITIES AND |) | DOCKET UW-090839 |
| TRANSPORTATION |) | |
| COMMISSION, |) | ORDER 01 |
| |) | |
| Complainant, |) | |
| |) | |
| v. |) | |
| |) | |
| CRISTALINA, LLC, |) | |
| |) | |
| Respondent. |) | COMPLAINT AGAINST RATES |
| |) | |

BACKGROUND

1. On April 8, 2009, Cristalina, LLC (Cristalina or Company) filed with the Washington Utilities and Transportation Commission (Commission) a revision to its currently effective Tariff WN U-1, designated as First Revision Sheet No. 24, cancelling Original Sheet No. 24. That filing was made in Docket UW-090516.
2. Cristalina filed the surcharge tariff to service a \$555,000 Drinking Water State Revolving Fund (DWSRF) loan approved by the Public Works Board (PWB). Proceeds from the loan will be used for capital improvement projects. The Company serves 84 customers in King County. The Commission approved the surcharge effective June 1, 2009, in Docket UW-090516.
3. Staff's initial review of the Company's financial information in Docket UW-090516 showed that the Company's current rates may generate more revenue than the Company requires to pay reasonable operating expenses and earn a reasonable return. Thus, Cristalina's rates may be unjust and unreasonable.
4. Staff has discussed a new tariff filing regarding general rates with Cristalina's owner. The owner had agreed to file a general rate case prior to the May 28, 2009, open meeting of the Commission. The Commission has not received a filing from the Company as of June 25, 2009.

COMPLAINT

5. The Commission, on its own motion, and through its Staff, alleges as follows:

PARTIES

6. The Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including water companies. [RCW 80.01.040](#), [RCW 80.04](#), [RCW 80.08](#), [RCW 80.12](#), [RCW 80.16](#) and [RCW 80.28](#).
7. Respondent Cristalina is a water company subject to regulation by the Commission pursuant to [RCW 80.01.040\(3\)](#) and [RCW 80.04.010](#).

JURISDICTION

8. The Commission has jurisdiction over this matter pursuant to [RCW 80.01.040](#), [RCW 80.04.110](#), [RCW 80.04.210](#), [RCW 80.28](#), including but not limited to [RCW 80.28.010](#), [RCW 80.28.020](#), [RCW 34.05](#), and chapter 480-07 WAC.

STATEMENT OF FACTS

9. The Commission, through its Staff, realleges paragraphs 1 to 3 above.

CAUSE OF ACTION

10. The Commission, through its Staff, realleges paragraphs 1 to 3 above.
11. [RCW 80.04.110](#) allows the Commission to file a complaint against a water company challenging the reasonableness of the Company's schedules of rates or charges.
12. [RCW 80.28.020](#) requires the Commission to set rates that are just, reasonable, and sufficient whenever the Commission determines that the existing rates charged are unjust, unreasonable, or insufficient.
13. As a result of Staff's initial review of financial information for the Company, Staff believes that the Company's current rates may generate more revenue than the Company requires to pay reasonable expenses and earn a reasonable return. Thus, Cristalina's rates may be unjust and unreasonable, in which case the Commission should require Cristalina to make a new tariff filing reducing rates.

14. THEREFORE, the Commission commences an adjudicative proceeding pursuant to RCW 80.04.110, RCW 80.28.020, RCW 34.05, and WAC 480-07 for the following purposes:
1. To determine whether Cristalina's current rates and charges provide the Company with an excessive return.
 2. To determine whether the Commission should set new rates and charges for Cristalina and require Cristalina to file revised tariffs that reflect those new rates and charges.
 3. To determine whether Cristalina should be required to refund to customers any portion of rates charged after the effective date of this order.
 4. To make any other determinations and enter orders as may be just and reasonable.

DATED at Olympia, Washington, and effective June 25, 2009.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner