

BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION

In re Petition for Exemption by

OLYMPIC WATER & SEWER, INC.,

Petitioner.

DOCKET NUMBER: UW-_____

PETITION OF OLYMPIC WATER & SEWER,
INC., FOR EXEMPTION FROM
WASHINGTON ADMINISTRATIVE CODE
SECTION 480-110-375

I. INTRODUCTION

1 In accordance with Washington Administrative Code (WAC) 480-110-215, WAC 480-07-110, and WAC 480-07-370(3), Olympic Water and Sewer, Inc. (OWSI) petitions the Washington Utilities and Transportation Commission (the “Commission”) to issue an order approving a partial exemption from WAC 480-110-375, which Commission Staff interprets to mandate the paper mailing of customer bills. OWSI requests permission to continue providing electronic bills to customers who have opted into that billing method while continuing to mail paper bills to those customers who have not.

2 OWSI’S name and address as follows:

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3 OWSI is the water and wastewater provider for residential and commercial properties in the Port Ludlow Master Planned Resort community. The OWSI water system delivers water to over 1,790 customers.

4 The water system serves many residences that are the customers’ second homes or vacation rentals. Many such customers have opted for paperless (e-mail only) billing, while others continue to receive paper bills via the United States Postal Service. In total, 476 customers have “opted in” to paperless billing only. 1,314 customers continue to receive paper bills in the mail.

II. OWSI'S EXEMPTION REQUEST

5 WAC 480-110-375, "Form of bills," states, in part:

(1) Customer bills must:

- (a) Be issued at intervals not to exceed three months and identify if the water company is billing in arrears or advance;*
- (b) Show a reference to the applicable rate schedule;*
- (c) Identify and show each separate charge as a line item;*
- (d) Show the total amount of the bill;*
- (e) Include enough information that, together with tariff rates, the customer can calculate his or her bill (a copy of the tariff is available for review at company or from the commission upon request);*
- (f) Show the date the bill becomes delinquent if not paid. The minimum specified time must be fifteen days after the bill's mailing date, if mailed from within the state of Washington, or eighteen days if mailed from outside the state of Washington, after the bill's mailing date.*

A customer may request to pay by a certain date that is not the normally designated payment date when showing good cause. Good cause may include, but is not limited to, adjustment of a billing cycle to parallel receipt of income. The preferred payment date must be prior to the next invoice date.

- (g) Include the water company's name, business address, and telephone number and/or emergency telephone number by which a customer may contact the company;*
- (h) If the customer is metered, include the current and previous meter readings, the current read date, and the number and kind of units consumed;*
- (i) Show taxes and any tax percentage rate that the taxes are computed from. Taxes must be totaled to show a total taxed amount. Upon request, the company must provide a detail of the computation of the tax amount. Taxes, as used here, represent municipal occupation, business and excise taxes that have been levied by a municipality against the company, and are being passed on to the customer as a part of the charge for water service; and*
- (j) Clearly identify when a bill has been estimated.*

6 UTC Staff interprets this section to require water companies to mail paper bills to customers. OWSI respectfully disagrees. The regulation specifies the content that must be included in each bill; it does not require that water companies send them in a specific medium. The absence of specific language requiring paper delivery indicates that the regulation does not preclude electronic billing. While the term "mailing date" in subsection

(1)(f)—and the reference to the bill being sent from either in or out of the State—could imply physical mail, this subsection provides only for the minimum period for a bill to become delinquent. It does not purport to mandate or prohibit a form or method of sending the bill. Moreover, as other state agencies have acknowledged elsewhere in the WAC, the term “mail” can be read as interchangeable with the term “send,” which includes, in addition to paper mail, “email or other electronic services.” WAC 192-100-037 (Employment Security Department).

7 However, to the extent that the Commission agrees with Staff’s interpretation of WAC 480-110-375, OWSI respectfully requests an exemption from this requirement to allow the continuation of paperless billing for customers who have voluntarily opted in.

8 OWSI previously advised Commission Staff of OWSI’s intention to amend its tariff to include language providing for customer election to receive paperless billing only. However, Commission staff responded that it did not believe that this could be accomplished through a tariff amendment, and that OWSI must separately petition the Commission for a rule exemption.

9 The Commission has jurisdiction to grant this Petition under RCW 80.01.040, chapter 80.28 RCW, and Commission rules. WAC 480-110-215 provides that the Commission may grant an exemption from the provisions of any rule in chapter 480-110 WAC as set forth in WAC 480-07-110. WAC 480-07-110(1) provides that the Commission “may grant an exemption from, or modify the application of, any of its rules in individual circumstances if the exemption or modification is consistent with the public interest, the purposes underlying regulation, and applicable statutes.”

A. Public Interest

10 Granting this exemption aligns with the public interest by supporting customer preferences, enhancing accessibility, promoting environmental sustainability, and reducing operational costs. The exemption would not compromise the transparency or accuracy of billing information, as electronic bills will contain all required details as specified in WAC 480-110-375.

11 Over 400 of OWSI’s customers have voluntarily opted for paperless billing, indicating a clear preference for electronic communication among a large subset of OWSI’s customers. Paperless billing is particularly convenient for customers who are owners of second homes and vacation rentals in OWSI’s service area, as these customers may not be present at those addresses to timely receive paper bills.

12 Paperless billing reduces paper waste, aligning with the UTC's environmental sustainability goals.

13 The reductions in paper usage and mailing costs from paperless billing are significant and occur each billing cycle. This allows OWSI to allocate resources more efficiently, benefiting all customers.

B. Undue Hardship

14 UTC enforcement of a paper mailing requirement would place an undue hardship on OWSI by increasing operational costs and administrative burdens without a clear regulatory mandate or purpose. These costs would include both the added and unnecessary cost of mailing bills to customers who do not want them, and the cost, at this late stage in the billing cycle, of changing OWSI's billing system to send paper bills to those customers.

15 Further, the administrative costs and inefficiencies of sending both paperless and paper bills to the same customers would place an undue burden and hardship on OWSI, such that if this Petition is denied, OWSI would likely return to paper billing only, despite the clear preference of those customers that have voluntarily opted in to paperless billing as their preference.

16 This hardship is different from those faced by other similarly situated water systems that may have greater resources for administrative expenses and staffing, and may not have a significant number of customers with a strong preference for paperless billing, including a large number of customers receiving service at residences where they are only occasionally present.

III. CONCLUSION

17 Based on the foregoing, OWSI respectfully requests that the Commission grant an exemption from the purported paper mailing requirement of WAC 480-110-375. This exemption will allow OWSI to continue providing efficient and environmentally friendly billing options to its customers.

DATED this 14th day of January 2025.

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