

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

WASHINGTON UTILITIES AND	)	DOCKET UW-101543
TRANSPORTATION COMMISSION,	)	
	)	ORDER 02
Complainant,	)	
	)	
v.	)	
	)	
OLYMPIC WATER AND SEWER,	)	
INC.,	)	ORDER GRANTING
	)	WITHDRAWAL AND
Respondent.	)	DISMISSING COMPLAINT
.....	)	

**BACKGROUND**

- 1 On September 15, 2010, Olympic Water and Sewer, Inc. (Olympic or Company) filed with the Washington Utilities and Transportation Commission (Commission) a revision to its currently effective Tariff WN U-2, designated as Second Revision of Sheet No. 22. The filing updates and increases the metered rates for various meter sizes.
  
- 2 On December 16, 2010, the Commission entered a Complaint and Order Suspending Tariff Revision pending an investigation to determine whether the revision is fair, just, reasonable and sufficient.
  
- 3 Staff's subsequent review of Olympic's books, records and supporting documents showed a large portion of the proposed rate increase resulted from the \$32,794 construction costs and \$18,500 in legal costs related to drilling Well No. 17 and the investigation of soil contamination discovered while drilling Well No. 17. Well No. 17 was unusable for production due to soil contamination discovered by Olympic during the drilling. Because investigation and remediation of the contamination costs are unknown and on-going, staff removed those costs from the rate case. Olympic revised its allocations from its parent company, reducing expenses by \$23,565. Staff adjusted interest expense to properly reflect rate base and federal and state taxes to properly reflect revenues.
  
- 4 The result of these adjustments is that the Company has not demonstrated it needs additional revenue.

- 5 On March 7, 2011, Olympic filed a petition in Docket UW-110436 requesting an accounting order authorizing deferred accounting treatment for costs associated with the drilling of Well No. 17, and the investigation and remediation of soil contamination discovered while drilling Well No. 17. Costs may include, but are not limited to, actual well drilling, consulting, engineering, legal fees, testing and other costs associated with the investigation and remediation of soil contamination discovered while drilling Well No. 17. Deferred accounting will preserve Olympic's ability to seek recovery of those costs at a later time.
- 6 On March 9, 2011, the Company requested to withdraw the rate case and staff concurs, that the Commission dismiss the Complaint and Order Suspending the Tariff Revision in Docket UW-101543 filed by Olympic on September 15, 2010, and allow Olympic to withdraw the tariff revision. The withdrawal letter filed by the Company is conditioned upon the Commission approving the accounting petition filed in this case and docketed under UW-110436. If the withdrawal is allowed rates for water service will remain unchanged.

### **FINDINGS AND CONCLUSIONS**

- 7 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, 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.*
- 8 (2) Olympic is a water company and a public service company subject to Commission jurisdiction.
- 9 (3) On March 9, 2011, the Company filed to withdraw the rate case conditioned upon the Commission approving the petition for accounting order filed in this case and docketed under UW-110436. If the withdrawal is allowed, the rates for water service will remain unchanged. Staff concurs, that the Commission dismiss the Complaint and Order Suspending the Tariff Revision in Docket UW-101543 filed by Olympic on September 15, 2010, and allow Olympic to withdraw the tariff revision.

- 10 (4) The Commission finds and concludes that Olympic should be allowed to withdraw its currently suspended tariff filing.
- 11 (5) This matter came before the Commission at its regularly scheduled meeting on March 24, 2011.

**O R D E R**

**THE COMMISSION ORDERS:**

- 12 (1) Olympic Water and Sewer, Inc.'s request to withdraw its tariff revision, filed in Docket UW-101543 on September 15, 2010, is granted.
- 13 (2) The Complaint and Order Suspending Tariff Revision in Docket UW-101543, dated December 16, 2010, is dismissed.

DATED at Olympia, Washington, and effective March 24, 2011.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PHILIP B. JONES, Commissioner