

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	DOCKET UW-110436
TRANSPORTATION COMMISSION,)	
)	
Complainant,)	ORDER 03
)	
v.)	
)	COMPLAINT AND ORDER
OLYMPIC WATER AND SEWER,)	SUSPENDING TARIFF
INC.,)	REVISIONS
)	
Respondent.)	
)	
.....)	

BACKGROUND

- 1 Olympic Water and Sewer, Inc. (Olympic or Company) provides water service to approximately 1,600 customers near Port Ludlow in Jefferson County. The Washington Utilities and Transportation Commission (Commission) last approved a general rate increase for the Company effective May 22, 2008.

- 2 On March 7, 2014, Olympic filed with the Commission a proposed general rate increase that would generate \$52,125 (7.8 percent) additional annual revenue. The proposed increase is a surcharge filed pursuant to Order No. 1 previously issued in this docket, which granted deferred accounting treatment of certain costs associated with (1) drilling Well No. 17 and (2) the investigation and remediation of contamination discovered while drilling that well in April 2009. The Company proposes to impose a surcharge of \$2.70 per month for a period of approximately three years, expiring on June 30, 2017, or upon recovery of \$165,059.

- 3 The Company notified its customers of the proposed rate increase on March 7, 2014.

- 4 Commission Staff has not yet completed its review of the Company’s filing, books and records. Commission Staff has also not yet determined the prudence and reasonableness of the Company’s expenditures, appropriate assignment of liability and responsibility to the various parties, the amount of costs, if any, reasonably allocated to water customers, or the appropriate amortization, and rate recovery, of those costs.

- 5 Staff recommends that the Commission issue a complaint and order suspending the Company’s proposed tariff revisions.

DISCUSSION

6 Olympic has not yet demonstrated that its proposed tariff revisions would ultimately
result in rates that are fair, just, reasonable, and sufficient. Therefore, 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.

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 and affiliated interests of public service
companies, including water companies.
- 8 (2) Olympic Water and Sewer, Inc., is a water company and a public service
company subject to Commission jurisdiction.
- 9 (3) The tariff revisions Olympic Water and Sewer, Inc., filed on March 7, 2014,
would increase charges and rates for service presently provided by the Company
in Jefferson County.
- 10 (4) This matter came before the Commission at its regularly scheduled meeting on
April 10, 2014.
- 11 (5) Olympic Water and Sewer, Inc., has not yet demonstrated that the tariff revisions
would ultimately result in rates that are fair, just, reasonable and sufficient.
- 12 (6) The Commission believes it is necessary to investigate the Company's books,
accounts, practices and activities, and to investigate and appraise various phases
of the Company's operations.
- 13 (7) Olympic Water and Sewer, Inc., bears the burden of proof to show that the
proposed increases are just, reasonable and sufficient.

ORDER

THE COMMISSION ORDERS:

- 14 (1) The tariff revisions Olympic Water and Sewer, Inc., filed on March 7, 2014, are
suspended.
- 15 (2) The Commission will hold hearings at such times and places as may be required.

- 16 (3) 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.
- 17 (4) The Commission will institute an investigation of Olympic Water and Sewer, Inc.'s books, accounts, practices, activities and operations as described above.

DATED at Olympia, Washington, and effective April 10, 2014.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

JEFFREY D. GOLTZ, Commissioner