

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,
Complainant,

v.

NEWAUKUM WATER SYSTEM, INC.,
Respondent.

DOCKET UW-143181
(Consolidated)

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,
Complainant,

v.

NEWAUKUM WATER SYSTEM, INC.,
Respondent.

DOCKET UW-143330
(Consolidated)

FULL SETTLEMENT AGREEMENT

I. INTRODUCTION

1 This Full Settlement Agreement (Agreement) is entered into by both parties to this proceeding for the purpose of resolving all issues raised in dockets UW-143181 and UW-143330. The two dockets share nearly identical issues of fact and law, and the Parties propose this Agreement as a full settlement of all issues in both dockets. This Agreement is subject to approval by the Washington Utilities and Transportation Commission (Commission) and is not effective before such approval is granted.

II. PARTIES

2 The parties to this Agreement are Newaukum Water System, Inc. (Newaukum or
Company) and the Staff of the Washington Utilities and Transportation Commission
(Staff) (collectively, “the Parties”).

III. BACKGROUND

A. Procedural History

3 On September 11, 2014, the Commission entered Order 01 in Docket UW-143181
setting forth a complaint against Newaukum’s rates and alleging that the Company’s rates
may be excessive.

4 On September 15, 2014, Newaukum filed a petition in Docket UW-143330
requesting to be removed from Commission jurisdiction.

5 On October 28, 2014, the Commission entered Order 02 in Docket UW-
143181 consolidating the above-captioned dockets, established a procedural schedule,
and set these matters over for hearing to begin on May 5, 2015.

6 On January 13, 2015, the Commission entered Order 03 in Docket UW-
143181 denying the Company’s petition to remove it from the Commission’s
jurisdiction.

B. Settlement Discussions and Resolution

7 Subsequent to the Commission’s Order 03, the Parties have engaged in settlement
discussions, and reached a full and complete settlement of the issues presented in this
docket consistent with WAC 480-07-730(1). The Parties understand and agree that this
Agreement will be presented to the Commission for its approval.

8 In the interests of expediting the orderly disposition of this docket, the Parties
therefore adopt the following Agreement which is entered into by the Parties voluntarily
to resolve matters regarding rates and charges for water service.

9 The Parties submit this settlement and request that the Commission schedule a
hearing concerning this Agreement at its earliest opportunity.

IV. AGREEMENT

A. **Revenue Requirement**

10 The Parties agree that the Company's annual revenue requirement shall be
\$12,672.

B. **Rate Design**

11 The Parties agree that the Company's annual revenue requirement shall be spread
equally to all customers, resulting in a monthly charge of \$48.00 per customer.

C. **Company to File New Tariff**

12 The Company shall file with the Commission, by February 27, 2015, a new tariff
with an effective date of April 1, 2015, consistent with the terms of this Agreement. The
Parties understand and agree that this filing is necessary to the Commission's approval of
this Agreement, and this matter will be scheduled to be heard by the Commission only
after the new tariff filing has been made by the Company.

V. MISCELLANEOUS PROVISIONS

13 The Parties agree to support the terms and conditions of this Agreement as a
resolution of all issues regarding rates and charges for water service to Newaukum's
customers. Accordingly, the Parties recommend that the Commission adopt and approve
Section IV of this Agreement in its entirety.

14 The Parties shall cooperate in submitting this Agreement promptly to the Commission for approval as set forth in Section IV above, and shall cooperate in developing any additional supporting documentation as may be required by the Commission. The Parties agree to support this Agreement before the Commission, and recommend that the Commission issue a final order adopting Section IV of this Agreement in its entirety.

15 In the event the Commission rejects Section IV of this Agreement, the Parties will adhere to the procedural schedule set forth in Order 02 of Docket UW-143181 as modified January 6, 2015. In the event the Commission accepts Section IV of this Agreement upon conditions not proposed herein, each Party reserves the right, upon written notice to the Commission and all other parties to this proceeding within five (5) days of the Commission order, to withdraw from this Agreement. If either Party exercises its right of withdrawal, this Agreement shall be void and of no effect.

16 By executing this Agreement, no Party shall be deemed to have approved, admitted, or consented to the facts, principles, methods, accounting adjustments, or theories employed in arriving at the terms of this Agreement and except to the extent expressly set forth in this Agreement, no Party shall be deemed to have agreed that this Agreement is appropriate for resolving any issues in any other proceeding. No Party shall represent that any of the facts, principles, methods, or theories employed by any Party in arriving at the terms of this Agreement are precedents in any other proceeding.

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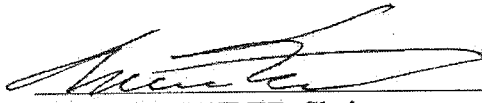
This Agreement may be executed in counterparts, through original and/or facsimile signature, and each signed counterpart shall constitute an original document.

DATED this 24th day of February 2015.

ROBERT W. FERGUSON
Attorney General

NEWAUKUM WATER SYSTEM.
INC.

BRETT P. SHEARER
Assistant Attorney General
Counsel for Washington Utilities and
Transportation Commission Staff



MAURICE KURTZ, Chairman
Newaukum Board of Directors

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This Agreement may be executed in counterparts, through original and/or facsimile signature, and each signed counterpart shall constitute an original document.

DATED this 26th day of February 2015.

ROBERT W. FERGUSON
Attorney General



BRETT P. SHEARER
Assistant Attorney General
Counsel for Washington Utilities and
Transportation Commission Staff

NEWAUKUM WATER SYSTEM.
INC.

MAURICE KURTZ, Chairman
Newaukum Board of Directors