

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

WASHINGTON WATER SUPPLY, INC.,

Respondent.

DOCKET UW-230997

SETTLEMENT STIPULATION AND
AGREEMENT

I. INTRODUCTION

1 This Settlement Stipulation and Agreement (“Settlement”) is entered into by and between all parties in this case, namely Washington Water Supply, Inc. (WWS), and the regulatory staff of the Washington Utilities and Transportation Commission (“Commission Staff”).¹ These parties are hereinafter collectively referred to as “Settling Parties” and individually as “Settling Party.”

2 Because this Settlement is entered into by all of the parties, and it resolves all issues in the case, it is a “full settlement,” as that term is defined in WAC 480-07-730(1).

3 This Settlement is subject to review and disposition by the Washington Utilities and Transportation Commission (“Commission”). The Settlement is effective on the date

¹ In formal proceedings, such as this, the Commission’s regulatory staff participates like any other party, while the Commissioners make the decision. To assure fairness, the Commissioners, the presiding administrative law judge, and the Commissioners’ policy and accounting advisors do not discuss the merits of this proceeding with the regulatory staff, or any other party, without giving notice and opportunity for all parties to participate. *See* RCW 34.05.455.

executed except that Section III of the Settlement is effective on the date of the Commission order approving it (unless the Commission establishes a different date).

II. BACKGROUND

4 The Echo Glen Water System (Echo Glen) well supply has been gradually decreasing over the last few years and the well was in need of repair or replacement. WWS was aware of the decline. WWS contracted with Valley Well and Pump to rehabilitate the well. The work was delayed due to a Valley Well and Pump employee's medical issues, but the well was rehabilitated in September 2023.

5 In May 2023, WWS had well capacity issues and started to purchase water to be trucked in and added to the water system in June 2023. According to invoice statements from Water Buffalo Inc., the Company purchased water from June 2, 2023 until September 25, 2023.

6 On July 12, 2023, WWS filed with the Commission a tariff revision² to include a surcharge of \$60 per month for the recovery of purchased water expenses due to well issues and high summer usage on the Echo Glen Water System. The Commission issued Order 01 in Docket UW-230598 which granted WWS a surcharge in the amount of \$60.00 per month per customer to become effective August 15, 2023, and expire on November 15, 2023.

7 On December 8, 2023, WWS filed with the Commission a tariff revision in the current docket to include a surcharge of \$60 per month for the recovery of the remaining un-recovered costs of purchased water. Commission Staff determined that WWS would over-collect if it charged Echo Glen customers \$60 per month for six months by approximately \$1,410. To prevent over-collecting, Commission Staff recommended that the company charge \$54.40 each month for six months, or a one-time surcharge of \$326.40. WWS disagreed, and the Commission suspended the filing as recommended by Staff.

² Docket UW-230598.

III. AGREEMENT

8 The Settling Parties agree to the below terms as the basis for settling the issues in this docket. Commission Staff and WWS agree that these terms are consistent with the public interest and should be approved without condition by the Commission.

A. WWS is entitled to recover the cost of trucked water.

9 WWS incurred \$21,269.90 to truck in water for customers on its Echo Glen water system between June and September 2023. WWS collected \$7,560.00 in surcharges approved by the Commission in Docket UW-230598, leaving \$13,709.90 to be collected. WWS’s proposes to collect the remaining amount through a new surcharge, and Staff agrees that the remaining balance is appropriate to be recovered through a surcharge.

B. WWS will collect the surcharge over six months.

10 WWS agrees that it will collect the remaining trucked water expense through a surcharge of \$60.00 per customer for the first five months and \$26.43 per customer for the sixth month, as shown in the table below. Customers may have the option to pay a one-time payment of \$326.43. The effective date of the surcharge will be 10 days after the Commission enters an order approving this settlement.

\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$26.43
Month 1	Month 2	Month 3	Month 4	Month 5	Month 6

C. WWS will file a new Cost Recovery Surcharge to reflect this agreement.

11 WWS agrees that it will file a revised Cost Recovery Surcharge with the following language to reflect the agreed-upon surcharge:

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Cost Recovery Surcharge

Availability

This schedule is available in all Water Service Areas served by the Utility and at the Utility's option and capability to maintain Department of Health's standards of quantity and quality.

Applicable

Applicable to any connection or customer on the Echo Glenn water system, DFI#27510D

Conditions

The charge for this service is not subject to cancellation or reduction for seasonal or temporary periods, unless seasonal rates apply per this tariff. This charge will be the monthly minimum bill for this class of service and will be in addition to other charges as provided in this tariff.

This surcharge is to fund the cost incurred of delivered water for the period June through September 2023, in order to maintain water quality and quantity that meets Department of Health drinking water standards.

Surcharge to expire after six months or upon recovery of **\$13,710**.

Surcharge may be paid at the customer's option in a one-time payment of **\$326.43** per connection or customer.

Charge

Each connection or customer:

\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$26.43
Month 1	Month 2	Month 3	Month 4	Month 5	Month 6

D. The Settling Parties agree that this settlement can be considered on a paper record.

12

The Settling Parties will submit supporting testimony along with this Settlement explaining their support for the settlement. Unless the Commission has questions for the Settling Parties necessitating a hearing, the Settling Parties agree that the settlement may be considered without a hearing and on a paper record. If the Commission requires a hearing,

the Settling Parties will provide witnesses who will be able to testify regarding the terms of the settlement and each Settling Party's views.

IV. GENERAL PROVISIONS

13 Entire Agreement. This Settlement is the product of negotiations and compromise amongst the Settling Parties and constitutes the entire agreement of the Settling Parties. Accordingly, the Settling Parties recommend that the Commission adopt and approve the Settlement in its entirety as a full resolution of contested issues in this docket. This Settlement will not be construed against any Settling Party on the basis that it was the drafter of any or all portions of this Settlement. This Settlement supersedes any and all prior oral and written understandings and agreements on such matters that previously existed or occurred in this proceeding, and no such prior understanding or agreement or related representations will be relied upon by the Settling Parties to interpret this Settlement or for any other reason.

14 Confidentiality of Negotiations. The Settling Parties agree that this Settlement represents a compromise in the Settling Parties' positions. As such, conduct, statements and documents disclosed during the negotiation of this Settlement are not admissible in this or any other proceeding and will remain confidential. Notwithstanding the foregoing, the Settlement itself and its terms do not fall within the scope of this confidentiality provision, and each Settling Party is free to publicly disclose the basis for its own support of the Settlement.

15 Precedential Effect of Settlement. The Settling Parties enter into this Settlement to avoid further expense, uncertainty, inconvenience, and delay. The Settling Parties agree that this Settlement Agreement does not serve to bind the Commission when it considers any

other matter not specifically resolved by this Settlement in future proceedings. Nothing in this Settlement compels any Settling Party to affirmatively intervene or participate in a future proceeding.

16 Positions Not Conceded. In reaching this Settlement, the Settling Parties agree that no Settling Party concedes any particular argument advanced by that Settling Party or accedes to any particular argument made by any other Settling Party. Nothing in this Settlement (or any testimony, presentation or briefing supporting this Settlement) shall be asserted or deemed to mean that a Settling Party agreed with or adopted another Settling Party's legal or factual assertions in this proceeding. The limitations in this paragraph will not apply to any proceeding to enforce the terms of this Settlement or any Commission order adopting this Settlement in full.

17 Manner of Execution. This Settlement is executed when all Settling Parties sign the Settlement. A designated and authorized representative may sign the Settlement on a Settling Party's behalf. The Settling Parties may execute this Settlement in counterparts. If the Settlement is executed in counterparts, all counterparts shall constitute one agreement. A Settlement signed in counterpart and sent by facsimile or emailed as a pdf is as effective as an original document. A faxed or emailed signature page containing the signature of a Settling Party is acceptable as an original signature page signed by that Settling Party. Each Settling Party shall indicate the date of its signature on the signature page. The date of execution of the Settlement will be the latest date indicated on the signature page(s).

18 Approval Process and Support of Settlement. Each Settling Party agrees to support in this proceeding the terms and conditions of this Settlement as a full and final resolution of all contested issues between them in the above-captioned docket. Each Settling Party agrees

to support the Settlement during the course of whatever proceedings and procedures the Commission determines are appropriate for approval of the Settlement.

19 Commission Approval with Conditions. In the event the Commission approves this Settlement, but with conditions not proposed in this Settlement, the provisions of WAC 480-07-750(2)(b) will apply. The Settling Parties will have ten (10) business days to seek reconsideration and/or file a letter with the Commission accepting or rejecting each such condition. If, in such a timely filed letter, a Settling Party rejects a condition, this Settlement is deemed rejected and void and the Settling Parties will jointly and promptly request the Commission convene a prehearing conference to address procedural matters, including a procedural schedule for resolution of the case at the earliest possible date.

20 Commission Rejection. In the event the Commission rejects this Settlement, the provisions of WAC 480-07-750(2)(c) will apply. In that event, the Settling Parties agree to jointly and promptly request the Commission convene a prehearing conference to address procedural matters, including a procedural schedule for resolution of the case at the earliest possible date.

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DATED this 15th day of May 2024.

ROBERT W. FERGUSON
Attorney General

Washington Water Supply, Inc.

By: *Lisa W. Gafken*
Lisa W. Gafken
Cassandra Jones
Assistant Attorney General
Counsel for Washington Utilities and
Transportation Commission Staff

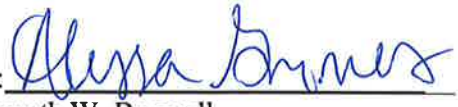
By: See attached
Kenneth W. Bagwell
Alysa M. Grimes
Counsel for Washington Water Supply,
Inc.

DATED this 13th day of May 2024.

ROBERT W. FERGUSON
Attorney General

Washington Water Supply, Inc.

By: _____
Lisa W. Gafken
Cassandra Jones
Assistant Attorney General
Counsel for Washington Utilities and
Transportation Commission Staff

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