

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

WASHINGTON UTILITIES AND)	DOCKET UW-143181
TRANSPORTATION)	
COMMISSION,)	ORDER 01
)	
Complainant,)	
)	
v.)	
)	
NEWAUKUM WATER SYSTEM,)	
)	
Respondent.)	COMPLAINT AGAINST RATES
.....)	

BACKGROUND

- 1 On March 18, 2014, Newaukum Water System (Newaukum or Company) filed with the Washington Utilities and Transportation Commission (Commission) its initial tariff filing pursuant to a settlement agreement with Commission Staff (Staff) entered in Docket UW-132281 and approved by the Commission on March 11, 2014. The settlement agreement arose from a Staff investigation and complaint to determine whether the Company was subject to Commission jurisdiction, issued on January 21, 2014.

- 2 Newaukum’s initial tariff, filed in Docket UW-140445, became effective on March 20, 2014. The Company serves 23 customers near Auburn in King County.

- 3 Staff’s initial review of the Company’s financial information in Docket UW-140445 showed that the Company’s current rates may generate more revenue than the Company requires to pay reasonable operating expenses and earn a reasonable return, and therefore may be unjust and unreasonable.

- 4 Staff has discussed a new tariff filing regarding general rates with Newaukum’s president and the Company’s consultant – Northwest Water Systems. The Company’s consultant agreed to file a general rate case prior to June 10, 2014. No filing has been received from the Company as of September 1, 2014.

COMPLAINT

- 5 The Commission, on its own motion, and through its Staff, alleges as follows:

- (1) On March 18, 2014, Newaukum filed with the Commission its initial tariff filing pursuant to a settlement agreement with Staff in Docket UW-132281.
- (2) Newaukum's initial tariff, filed in Docket UW-140445, became effective March 20, 2014. The Company serves 23 customers near Auburn in King County.
- (3) Staff's initial review of the Company's financial information in Docket UW-140445 showed that the Company's current rates may generate more revenue than the Company requires to pay reasonable operating expenses and earn a reasonable return. Thus, Newaukum's rates may be unjust and unreasonable.

PARTIES

6 The Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including water companies.

7 Respondent Newaukum is a water company subject to regulation by the Commission pursuant to RCW 80.01.040(3) and RCW 80.04.010.

JURISDICTION

8 The Commission has jurisdiction over this matter pursuant to RCW 80.01.040, RCW 80.04.110, RCW 80.28, including but not limited to RCW 80.28.010, RCW 80.28.020, RCW 34.05, and chapter 480-07 WAC.

STATEMENT OF FACTS

9 The Commission, through its Staff, realleges paragraphs 1 through 3, above.

CAUSE OF ACTION

10 The Commission, through its Staff, realleges paragraphs 1 through 3, above.

- 11 RCW 80.04.110 allows the Commission to file a complaint against a water company challenging the reasonableness of the Company's schedules of rates or charges.
- 12 RCW 80.28.020 requires the Commission to set rates that are just, reasonable, and sufficient whenever the Commission determines that the existing rates charged are unjust, unreasonable, or insufficient.
- 13 As a result of Staff's initial review of financial information for the Company, Staff believes that the Company's current rates may generate more revenue than the Company requires to pay reasonable expenses and earn a reasonable return. Thus, Newaukum's rates may be unjust and unreasonable, in which case the Commission should require Newaukum to make a new tariff filing reducing its rates.
- 14 THEREFORE, the Commission commences an adjudicative proceeding pursuant to RCW 80.04.110, RCW 80.28.020, RCW 34.05, and WAC 480-07 for the following purposes:
1. To determine whether Newaukum's current rates and charges provide the Company with an excessive return.
 2. To determine whether the Commission should set new rates and charges for Newaukum and require Newaukum to file revised tariffs that reflect those new rates and charges.
 3. To determine whether Newaukum should be required to refund to customers any portion of rates charged after the effective date of this complaint against rates and order.
 4. To make any other determinations and enter orders as may be just and reasonable.

DATED at Olympia, Washington, and effective September 11, 2014.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

JEFFREY D. GOLTZ, Commissioner