

**Exh. MY-1T
Docket UW-230997
Witness: Michael Young**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**WASHINGTON WATER SUPPLY,
INC.,**

Respondent.

DOCKET UW-230997

TESTIMONY IN SUPPORT

OF SETTLEMENT

**ON BEHALF OF STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

May 30, 2024

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1 I. INTRODUCTION

2

3 **Q. Please state your name and business address.**

4 A. My name is Michael Young and my business address is 621 Woodland Square Loop
5 SE, Lacey, Washington.

6

7 **Q. By whom are you employed and in what capacity?**

8 A. I am employed by the Washington Utilities and Transportation Commission
9 currently as Acting Section Manager for the Telecom, Water, and Transportation
10 section.

11

12 **Q. What is the purpose of your testimony?**

13 A. I offer testimony in support of the Full Settlement Stipulation (Settlement) filed by
14 the parties on May 30, 2024. This settlement addresses all disputed issues in this
15 adjudication. My testimony will describe why this settlement is consistent with the
16 public interest.

17

18 **Q. Please describe your professional qualifications.**

19 A. I have a bachelor's degree in accounting from Western Washington University. I
20 have worked for the state of Washington for 35 years, 24 of those years with the
21 Utilities and Transportation Commission, with the most recent 12 years in the Water
22 and Transportation section. I have served as the Section Manager, and Assistant
23 Director for the section, managing Staff's workload, training Staff, and conducting

1 formal and informal rate cases, as well as numerous other filings in several different
2 industries.

3
4 **II. TERMS OF SETTLEMENT**

5
6 **Q. Please detail the terms of the settlement.**

7 A. The settlement resolves all disputed issues in this matter. The terms include:

- 8 • **Recovery of the cost of trucked water:** The parties agree that the Company is
9 entitled to recover the cost of the trucked water. The Company incurred
10 \$21,269.90 to truck in water for customers on its Echo Glen water system
11 between June and September 2023. The Company collected \$7,560.00 in
12 surcharges approved by the Commission in Docket UW-230598, leaving
13 \$13,709.90 to be collected. The Company will collect the remaining amount
14 through a new surcharge, and Staff agrees that the remaining balance is
15 appropriate to be recovered through a surcharge.
- 16 • **Terms of the surcharge:** The parties agree that the Company will collect the
17 remaining trucked water expenses through a surcharge over six months. The
18 amount of the surcharge will be \$60.00 per customer for the first five months and
19 \$26.43 per customer for the sixth month. Customers will have the alternative
20 option to pay a one-time payment of \$326.43.

- 1 • **Filing of a new Cost Recovery Surcharge:** The parties agree that the Company
2 will file a revised Cost Recovery surcharge containing the language the parties
3 agreed upon as specified in the settlement.¹
4

5 **III. THE SETTLEMENT IS IN THE PUBLIC INTEREST**
6

7 **Q. Has Staff previously provided testimony on the issues included in the**
8 **settlement?**

9 A. No. The settlement in principle was reached before the Response Testimony
10 deadlines. Thus, Staff has not offered any other testimony in this docket.
11

12 **Q. Please describe the standard that must be met for the Commission to accept**
13 **settlement agreements.**

14 A. The Commission will approve a settlement if it is lawful, supported by an
15 appropriate record, and consistent with the public interest in light of all the
16 information available to the Commission.²
17

18 **Q. Is the settlement consistent with the public interest? If so, why?**

19 A. Staff believes that the settlement is in the public interest. The Commission's rules
20 allow water companies to collect a surcharge to pay for special expenses, such as
21 operating expenses that are independent and unique from normal operating expenses

¹ See paragraph 11 of the Settlement Stipulation and Agreement.

² WAC 480-07-750(2).

1 or that may be subject to large variations.³ A surcharge may fund up to one hundred
2 percent of the total cost of a project or expense.⁴ Staff has reviewed the Company's
3 books and supporting records and agrees that the expenses incurred by the Company
4 were necessary to the provision of water service. Staff also believes that it is
5 appropriate to allow the Company to collect in a surcharge the remainder of the
6 expense of the trucked water that was not recovered by the surcharge authorized in
7 Docket UW-230598. Allowing collection of the expenses through a surcharge of
8 \$60.00 per customer for the first five months and then \$26.43 per customer for the
9 sixth month ensures that there will not be an over-collection by the Company.

10
11 **Q. What action do you recommend the Commission take on the settlement?**

12 A. Based on the reasons provided above, Staff recommends the Commission approve
13 the Settlement as filed by the parties without condition. The Settlement is consistent
14 with the public interest and eliminates the cost of litigating the issues related to
15 recovery of the cost of water trucked in by the Company for the Echo Glen Water
16 System.

17
18 **Q. Does this conclude your testimony?**

19 A. Yes.

20

³ WAC 480-110-455(2).

⁴ *Id.*