

**BEFORE THE WASHINGTON  
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADIA WATER, LLC

Respondent.

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DOCKET UW-240151

**CROSS-EXAMINATION EXHIBIT OF RACHEL STARK  
ON BEHALF OF THE  
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL  
PUBLIC COUNSEL UNIT**

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**EXHIBIT RS-\_\_X**

Staff Discovery Response to WCAW DR 47

**February 6, 2025**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION  
STAFF RESPONSE TO DATA REQUEST

DATE PREPARED: January 10, 2025 DOCKET: UW-240151 REQUESTER: WCAW		WITNESS: Rachel Stark RESPONDER: Rachel Stark TELEPHONE: 360-664-1272
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**DATA REQUEST NO. 47:**

**Introduction to WCAC DR 32-64.** These data requests refer to and incorporate by reference the following TESTIMONY OF RACHEL STARK Exh. RS -1T, p. 4.

**“Q.** How does Staff determine whether a cost or expense was prudently incurred?

**A.** Staff follows established regulatory principles and considers whether the company acted reasonably based on what the company knew, or should have known, at the time it made the decision to incur the cost. To do so, Staff looks at, among other things, whether the expense was necessary, whether the company considered alternatives, and whether the company documented its decision-making process for later review”.

These data requests relate to whether Staff applied the standard above to each of the 14 projects Cascadia identifies as “major”. See CJL 1T pp. 9-10 (hereinafter “Cascadia’s major capital improvements”. These data requests speak to all Staff efforts, not just those of Ms. Stark.

Please describe all alternatives Staff concluded Cascadia considered as to each of Cascadia’s major capital improvements, including the nature of the alternative, the cost of the alternative, and the impact such alternative would have on consumer rates.

**RESPONSE:**

See Staff’s Response to WCAW’s Data Request No. 45.

One of the alternatives considered was an underground well versus an above ground well. The advantages of an above ground well outweigh the costs. Underground wells make it harder for the Company to determine leaks in the reservoir and could lose water and reduce fire flow at the same time. For an above ground reservoir the Company can physically see any repairs needed and inspections will be easier to conduct. Additionally, water loss would be physically seen if there is an issue with the above ground reservoir. Staff also considered that, according to DOH for the same reasons just discussed, underground reservoirs are no longer considered the standard.

Other alternatives that Staff considered for various system improvements are listed in Cascadia witness Culley Lehman’s Direct Testimony, Exhibit CJL-1T. Examples are:

- Del Bay watermain replacement and consolidation with W&B Waterworks No. 1 project. Lehman, Exhibit CJL-1T at 12:1-8

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- CAL Waterworks – distribution system loop at Beachwood Drive. Lehman, Exhibit CJL-1T at 13:8-11
- CAL Waterworks – reservoir replacement and booster pump improvements. Lehman, Exhibit CJL-1T at 14:21-23 and 15:1-2
- W&B Waterworks #1 – watermain replacement and PRV vault to Mutiny Lane. Lehman, Exhibit CJL-1T at 16:11-16
- Estates – reservoir, booster pumps, and treatment. Lehman, Exhibit CJL-1T at 21:1-15
- Sea View – source development. Lehman, Exhibit CJL-1T at 24:18-21
- Diamond Point – chlorination system. Lehman, Exhibit CJL-1T at 26:4-10
- Generators – multiple systems. Lehman, Exhibit CJL-1T at 28:19-20 and 29:1-2

Regarding impact on consumer rates, we set rates based on the revenue requirement which is spread across all customers. New or higher costs may result in increased rates. However, it is not only about the cost, Staff reviews for prudence. We do not have a separate analysis for the impact these alternatives could have had on rates.