

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

WASHINGTON UTILITIES AND)	DOCKET NO. UW-030496
TRANSPORTATION)	
COMMISSION,)	ORDER NO. 01
)	
Complainant,)	
)	
v.)	
)	
Kayak Point Water Co., Inc.)	
)	COMPLAINT AND ORDER
Respondent.)	SUSPENDING TARIFF REVISIONS
.....)	

BACKGROUND

1 On April 11, 2003, Kayak Point Water Co., Inc. (Kayak Point Water or Company) filed with the Commission revisions to its currently effective Tariff WN U-1, designated as:

Second Revision Sheet No. 2 canceling First Revision Sheet No. 2;
 First Revision Sheet No. 5 canceling Original Sheet No. 5;
 First Revision Sheet No. 20 canceling Original Sheet No. 20;
 First Revision Sheet No. 13 canceling Original Sheet No. 13; and
 Original Sheets No. 23, 24, and 25.
 The stated effective date is May 12, 2003.

2 This filing adds language to its tariff to implement a Cross Connection Control Program and implementing charges for inspections. The Washington State Department of Health (DOH) has established rules and regulations (WAC 246-290-490) dealing with potential cross connection hazards in water systems. A cross connection hazard is a source of potential contamination to the public water supply that occurs from the customer’s own water pipes. In order to determine if such a hazard exists on the customer’s piping, each customer is

being sent a survey to gather information about each customer's piping and to allow the water company to evaluate the potential for backflow into public drinking water systems. Commercial customers will receive a mandatory on-site inspection for cross connection evaluation.

- 3 The filing would increase charges and rates for service provided by Kayak Point Water. Because those increases might injuriously affect the rights and interests of the public and Kayak Point Water has not demonstrated that the increases would result in rates that are fair, just and reasonable, the Commission suspends the tariff filing and will hold public hearings if necessary to determine whether the proposed increases are fair, just and reasonable.

FINDINGS AND CONCLUSIONS

- 4 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, regulations, practices, accounts, securities, and transfers of public service companies, including water companies. *RCW 80.01.040; Chapter 80.04 RCW; and Chapter 80.28 RCW.*
- 5 (2) Kayak Point Water is a water company and is a public service company subject to the jurisdiction of the Commission.
- 6 (3) This matter was brought before the Commission at its regularly scheduled meeting on April 30, 2003.
- 7 (4) The tariff revisions filed by Kayak Point Water on April 11, 2003, would increase charges and rates for service provided by Kayak Point Water, and might injuriously affect the rights and interest of the public.

- 8 (5) Kayak Point Water has not yet demonstrated that the tariff revisions would result in rates that are fair, just, and reasonable.
- 9 (6) In order to carry out the duties imposed upon the Commission by law, and as authorized in RCW 80.04.130, the Commission believes it is necessary to investigate Kayak Point Water's books, accounts, practices and activities; to make a valuation or appraisal of Kayak Point Water's property; and to investigate and appraise various phases of Kayak Point Water's operations.
- 10 (7) As required by RCW 80.04.130 (2), Kayak Point Water bears the burden of proof to show that the proposed increases are fair, just and reasonable.
- 11 (8) Kayak Point Water may be required to pay the expenses reasonably attributable and allocable to such an investigation to the extent the requirements for such payment are in accordance with the provisions of Chapter 80.20 RCW.

ORDER

THE COMMISSION ORDERS:

- 12 (1) The tariff revisions filed on April 11, 2003, are suspended.
- 13 (2) The Commission will hold hearings at such times and places as may be required.
- 14 (3) Kayak Point Water Co., Inc., must not change or alter the tariffs filed in this docket during the suspension period, unless authorized by the Commission.

- 15 (4) The Commission will institute an investigation of Kayak Point Water Co., Inc.'s books, accounts, practices, activities, property and operations as described above.
- 16 (5) Kayak Point Water Co., Inc., shall pay the expenses reasonably attributable and allocable to the Commission's investigation to the extent the requirements for such payment are in accordance with the provisions of Chapter 80.20 RCW.

DATED at Olympia, Washington, and effective this 30th day of April 2003.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner