

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

WASHINGTON UTILITIES AND)	DOCKET UW-110892
TRANSPORTATION)	
COMMISSION,)	
)	ORDER 01
Complainant,)	
)	
v.)	
)	COMPLAINT AGAINST RATES
LOWPER, INCORPORATED,)	
)	
Respondent.)	
)	
.....)	

1 The Washington Utilities and Transportation Commission (Commission), on its own motion, and through its Staff, alleges as follows:

BACKGROUND

2 On May 13, 2011, Lowper, Incorporated (Lowper or Company), filed with the Commission an initial tariff and supporting financial information in Docket UW-110871. The tariff became effective May 14, 2011. The Company serves seven customers on a water system located near Sequim in Clallam County.

3 Lowper filed its initial tariff and supporting financial information pursuant to Order 03 issued in Docket UW-091006 that determined Lowper’s operations are subject to the Commission’s jurisdiction.

4 Staff’s initial review of the Company’s financial information filed in Docket UW-110871 shows 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, Lowper’s rates may be unjust and unreasonable.

5 Staff has issued a data request seeking additional information regarding the initial tariff filing and the Company’s rates and charges, but has not yet received a response.

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. [RCW 80.01.040](#), [RCW 80.04](#), [RCW 80.08](#), [RCW 80.12](#), [RCW 80.16](#) and [RCW 80.28](#).
- 7 Respondent Lowerper 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 80.04.210](#), [RCW 80.28](#), including but not limited to [RCW 80.28.010](#), [RCW 80.28.020](#), [RCW 34.05](#), and chapter 480-07 WAC.

CAUSE OF ACTION

- 9 [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.
- 10 [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.
- 11 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, Lowerper's rates may be unjust and unreasonable, in which case the Commission should require Lowerper to make a new tariff filing reducing rates.

12 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 Lowper'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 Lowper and require Lowper to file revised tariffs that reflect those new rates and charges.
3. To determine whether Lowper should be required to refund to customers any portion of rates charged after the effective date of this order.
4. To make any other determinations and enter orders as may be just and reasonable.

DATED at Olympia, Washington, and effective June 14, 2011.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PATRICK J. OSHIE, Commissioner