

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

In the Matter of the Penalty Assessment	)	DOCKET UW-060985
Against	)	
	)	
PARKLAND WATER SYSTEM, INC.,	)	ORDER 03
	)	
in the Amount of \$100.00	)	
	)	ORDER DENYING MITIGATION
.....	)	

- 1 **Penalty:** On June 30, 2006, the Washington Utilities and Transportation Commission (Commission) assessed a penalty in the amount of \$100 against Parkland Water System, Inc., (Parkland Water) for one violation of WAC 480-110-505, which requires water companies to file annual reports with the Commission no later than May 1 of each year.
  
- 2 **Request for Hearing:** On July 6, 2006, Parkland Water filed an application for mitigation and request for hearing. On July 26, 2006, the Commission Staff (Staff) filed its response to the application for mitigation and request for hearing.
  
- 3 **Brief Adjudicative Proceeding:** On October 11, 2006, the Commission issued a notice of brief adjudication and scheduled the hearing for November 1, 2006. The hearing convened, as scheduled, and Parkland Water and Staff presented testimony.
  
- 4 **Commission Decision:** At hearing, Parkland Water admitted that it did not file the annual report. Parkland Water asserted that it should not have to file an annual report because of the size of the water system. Parkland Water serves seven customers for an average fee of approximately \$40 per month. Parkland Water alleged that maintenance of the water system and electrical bills require the expenditure of all revenue received from customers. Parkland Water argued the annual report form was designed for much larger utilities and that there are insufficient funds to hire accountants and other experts to aid in the completion of an annual report. Parkland Water contended that filing an annual report is “fodder for the bureaucrats” because the annual report does not request “readily available data that serves a utilitarian function.”

- 5 Staff asserted that Parkland Water was not singled out for compliance with the regulation; all regulated water companies must file an annual report by May 1 of each year. In addition, Staff asserted that assistance in completing the annual report is available, if requested. Staff contended that current revenue information may demonstrate that Parkland Water no longer needs to be regulated. Staff argued that Parkland Water did not request assistance in completing its annual report or in evaluating whether it needed to be regulated. However, Staff asserted that Parkland Water has a history of noncompliance with this regulation since 1998 and argued that the request for mitigation should be denied.
- 6 The Commission concludes that Parkland Water did not present good cause to mitigate the penalty assessment. The applicable regulation, WAC 480-110-505, requiring water companies to file annual reports by a date certain, is mandatory. Parkland Water admitted that it did not comply with the regulation but argued that it shouldn't have to comply because the regulation is unreasonable and burdensome. Neither Parkland Water nor any other regulated water company has the discretion to evaluate whether or not a particular statute or regulation meets its standard of reasonableness and then comply only with the ones with which it concurs. Parkland Water must comply with all applicable statutes, regulations, and orders.
- 7 As an aside, WAC 480-110-505 performs a highly "utilitarian function" from the perspective of Parkland Water. The data in the annual report provides the information necessary to determine whether Parkland Water remains subject to the Commission's jurisdiction. Both in its response to Parkland Water's request for hearing and during the hearing, Staff offered Parkland Water technical assistance in the completion of its annual report and, based on the data in that report, the evaluation of whether Parkland Water remains subject to the Commission's jurisdiction. Parkland Water is encouraged to avail itself of that opportunity for assistance.
- 8 The request for mitigation of the penalty assessment is denied. Parkland Water must remit its payment of the penalty by November 13, 2006, or the Commission may consider additional enforcement action.

9 It is so ordered.

DATED at Olympia, Washington, and effective November 2, 2006.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

PATRICIA CLARK  
Administrative Law Judge