

4 American Water has not yet demonstrated that the proposed charges are fair, just, and
reasonable. It appearing that the filing herein would provide charges and rates for
water service rendered by respondent and that the rights and interests of the public
might be injuriously affected thereby, it is the decision of the Commission to suspend
the operation of the above filing pending such hearing or hearings and decision
thereon.

5 The Commission deems it necessary, in order to carry out the duties imposed upon it
by law, to investigate the books, accounts, practices and activities of respondent; to
make an evaluation or appraisal of the property of respondent; and to investigate and
appraise various phases of the operation of respondent. Respondent may be required
to pay the expenses reasonably attributable and allocable to such investigation to the
extent the requirement for such payment may be in accordance with the provisions of
chapter 80.20 RCW.

FINDINGS

- 6 (1) American Water Resources, Inc., is an investor-owned water company and a
public service company subject to the jurisdiction of the Commission.
- 7 (2) The tariff revision filed by American Water Resources, Inc. on June 14, 2001,
would increase charges and rates for service provided and might injuriously
affect the rights and interests of the public.
- 8 (3) Respondent has not demonstrated that the increase rates and charges in its
tariff revision would results in rates that are fair, just, and reasonable.
- 9 (4) As required by RCW 80.04.130, American Water Resources, Inc. bears the
burden of proof to show that the proposed increases are fair, just, and
reasonable.
- 10 (5) In order to carry out the duties imposed upon the Commission by law, and as
authorized in RCW 80.20.20, the Commission believes it necessary to
investigate the Respondent's books, accounts, practices and activities; to make
a valuation or appraisal of Respondent's property; and to investigate and
appraise various phases of Respondent's operations. Respondent may be
required to pay the expenses reasonably attributable and allocable to such
investigation to the extent the requirement for such payment may be in
accordance with the provisions of chapter 80.20 RCW.

ORDER

11 IT IS THEREFORE ORDERED:

- 12 (1) The operation of the above tariff filing, filed June 14, 2001, is hereby
suspended.
- 13 (2) A hearing or hearings, on the Commission's own motion, will be held at such
times and places as may be required.
- 14 (3) No change or alteration will be made in the tariff filing filed herein, during the
period of suspension, unless authorized by the Commission.
- 15 (4) An investigation is hereby instituted by the Commission.
- 16 (5) Respondent may be required to pay the expenses reasonably attributable and
allocable to such investigation to the extent the requirement for such payment
may be in accordance with the provisions of chapter 80.20 RCW.

DATED at Olympia, Washington, and effective this 11th day of July, 2001.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner