

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	DOCKET UW-143181
TRANSPORTATION COMMISSION,)	(<i>Consolidated</i>)
)	
Complainant,)	
)	ORDER 04
v.)	
)	
NEWAUKUM WATER SYSTEM,)	
INC.,)	
)	
Respondent.)	
.....)	
In the Matter of the Petition of)	DOCKET UW-143330
)	(<i>Consolidated</i>)
NEWAUKUM WATER SYSTEM,)	
INC.,)	ORDER 03
)	
Petitioner,)	
)	
Seeking Removal from Commission)	INITIAL ORDER APPROVING
Jurisdiction)	SETTLEMENT AGREEMENT
.....)	

BACKGROUND

- 1 On September 11, 2014, the Washington Utilities and Transportation Commission (Commission) entered Order 01 in Docket UW-143181, which sets forth the Commission’s Complaint against Newaukum Water System, Inc.’s (Newaukum or Company) rates and charges, alleging they may be excessive.

- 2 On September 15, 2014, Newaukum Water System, Inc. (Newaukum or Company) filed a petition in Docket UW-143330 requesting to be removed from Commission jurisdiction. The Commission convened a prehearing conference in both proceedings on October 23, 2014, consolidated the dockets, and adopted a procedural schedule that included an evidentiary hearing set for May 5, 2015. On January 6, 2015, the Commission issued a Notice of Revised Procedural Schedule and Notice of Hearing set for June 18, 2015.

- 3 On February 26, 2015, the Commission's regulatory staff (Staff)¹ filed a settlement agreement on behalf of the parties (Settlement Agreement) and requested the Commission schedule a settlement hearing to discuss the parties' proposed Settlement Agreement and provide a final opportunity for public comment.
- 4 On March 23, 2015, the Commission conducted a hearing on the Settlement Agreement. Henry Kelley, a Newaukum customer, expressed strong support for the Agreement. Mr. Kelley commended Staff and the Company for fairly resolving the issues in both dockets. No other members of the public appeared or submitted comments.
- 5 The parties agree that the Company's annual revenue requirement is \$12,672. The parties further agree that the Company's annual revenue requirement will be divided equally among all customers, resulting in a monthly charge of \$48 per customer.
- 6 On February 27, 2015, Newaukum filed with the Commission a new tariff with an effective date of April 1, 2015, consistent with the terms of the Settlement Agreement.
- 7 Brett Shearer, Assistant Attorney General, Olympia, Washington, represents the Staff. Maurice Kurtz, Chairman, Auburn, Washington, represents Newaukum.

DISCUSSION AND DECISION

- 8 WAC 480-07-750(1) states in part: "The commission will approve settlements when doing so is lawful, the settlement terms are supported by an appropriate record, and when the result is consistent with the public interest in light of all the information available to the commission." Thus, the Commission considers the individual components of the Settlement Agreement under a three-part inquiry, asking:

- Whether any aspect of the proposal is contrary to law.
- Whether any aspect of the proposal offends public policy.
- Whether the evidence supports the proposed elements of the Settlement Agreement as a reasonable resolution of the issue(s) at hand.

¹ In formal proceedings, such as this, the Commission's regulatory staff participates like any other party, while the Commissioners make the decision. To assure fairness, the Commissioners, the presiding administrative law judge, and the Commissioners' policy and accounting advisors do not discuss the merits of the proceeding with the regulatory staff, or any other party, without giving notice and opportunity for all parties to participate. *See* RCW 34.05.455.

The Commission must determine one of three possible results:

- Approve the proposed settlement without condition.
- Approve the proposed settlement subject to conditions.
- Reject the proposed settlement.

9 We approve the Settlement Agreement without condition. The Settlement Agreement reflects Staff's determination after reviewing the data provided by Newaukum that the tariff pages filed by the Company on February 27, 2015, do not result in an excessive return, and that Newaukum's rates are fair, just, reasonable, and sufficient. The terms of the Settlement Agreement are not contrary to law or public policy and reasonably resolve all issues in this proceeding. Given these factors, we find the Settlement Agreement is consistent with the public interest and should be approved as filed.

ORDER

THE COMMISSION ORDERS:

- 10 (1) The Settlement Agreement is approved without condition, is attached as Exhibit A to, and incorporated into, this Order, and is adopted as the final resolution of the disputed issues in this docket.
- 11 (2) The tariff revision filed by Newaukum Water System, Inc. on February 27, 2015, became effective on April 1, 2015.
- 12 (3) The Commission retains jurisdiction to effectuate the terms of this Order.

Dated at Olympia, Washington, and effective April 2, 2015.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

RAYNE PEARSON
Administrative Law Judge

NOTICE TO PARTIES

This is an Initial Order. The action proposed in this Initial Order is not yet effective. If you disagree with this Initial Order and want the Commission to consider your comments, you must take specific action within the time limits outlined below. If you agree with this Initial Order, and you would like the Order to become final before the time limits expire, you may send a letter to the Commission, waiving your right to petition for administrative review.

WAC 480-07-825(2) provides that any party to this proceeding has twenty (20) days after the entry of this Initial Order to file a *Petition for Administrative Review*. What must be included in any Petition and other requirements for a Petition are stated in WAC 480-07-825(3). WAC 480-07-825(4) states that any party may file an *Answer* to a Petition for review within ten (10) days after service of the Petition.

WAC 480-07-830 provides that before entry of a Final Order any party may file a Petition to Reopen a contested proceeding to permit receipt of evidence essential to a decision, but unavailable and not reasonably discoverable at the time of hearing, or for other good and sufficient cause. No Answer to a Petition to Reopen will be accepted for filing absent express notice by the Commission calling for such answer.

RCW 80.01.060(3) provides that an Initial Order will become final without further Commission action if no party seeks administrative review of the Initial Order and if the Commission fails to exercise administrative review on its own motion.

One copy of any Petition or Answer filed must be served on each party of record with proof of service as required by WAC 480-07-150(8) and (9). An original and **five (5)** copies of any Petition or Answer must be filed by mail delivery to:

Attn: Steven V. King, Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

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Exhibit A

Settlement Agreement