



# Washington

Water and wastewater utilities in Washington fall under several rate setting regulatory systems.

Commission-regulated utilities	
Noncommission-regulated utilities	

## Commission-Regulated Utilities

The **Washington Utilities and Transportation Commission** (WUTC) regulates private wastewater companies and water companies that have 100 or more connections or that charge more than \$557 a year per customer.<sup>374</sup> The WUTC does not regulate government-owned utilities.<sup>375</sup> Commission-regulated utilities can request approval from the WUTC to provide reduced rates to “low-income senior customers and low-income customers.”<sup>376</sup> Under the same provision, “expenses and lost revenues as a result of these discounts shall be included in the company’s cost of service and recovered in rates to other customers.” Of additional importance, **Wash. Rev. Code § 80.28.100** prohibits private water and wastewater companies from granting any special rate or rebate, or from receiving greater or less compensation from any person than is received from any other person for “doing a like or contemporaneous service with respect thereto under the same or substantially similar circumstances or conditions,” except as authorized in **Title 80** (above) of the statutes. Furthermore, **Wash. Rev. Code § 80.28.090** prohibits any private water and wastewater company from granting any undue or unreasonable preference or advantage to any customer or from subjecting any customer to any undue or unreasonable prejudice or disadvantage.

Thus, despite the prohibitions against commission-regulated utilities granting discriminatory rates or granting preferences or advantages to certain customers, **Wash. Rev. Code § 80.28.068** appears to give commission-regulated utilities express authorization to implement low-income customer assistance programs (CAPs) funded by rate revenues, so long as the WUTC grants them an exception to do so.

374. “Water,” Washington Utilities and Transportation Commission.

375. The WUTC also does not regulate homeowner associations or persons providing water to their tenants as part of the business of renting or leasing.

376. **Wash. Rev. Code § 80.28.068**. The statute specifically addresses an “electrical or gas company,” but it also provides for any “other party to a general rate case hearing” and its chapter title is “Gas, Electrical, and Water Companies.” Id.

<b>State Population (2016):</b>	7,288,000
<b>Median Annual Household Income (2015):</b>	\$61,062
<b>Poverty Rate (2015):</b>	13.3%
<b>Typical Annual Household Water and Wastewater Expenditures (2015):</b>	\$853
Washington has 2,265 community water systems (CWS), of which 1,620 are privately owned and 2,145 serve populations of 10,000 or fewer people.	
Washington has 247 publicly owned treatment works facilities (POTWs), of which 175 treat 1 MGD or less.	
625,241 people are served by privately owned CWS; 6,565,075 are served by government-owned CWS; and 5,928,671 are served by POTWs.	
<b>Estimated Long-Term Water and Wastewater Infrastructure Needs:</b>	\$13.2 billion

*Sources: U.S. Census Bureau, 2016 Population Estimate & 2011–2015 American Community Survey 5-Year Estimates; 2016 EFC Rates Survey; U.S. Environmental Protection Agency, 2016 Safe Drinking Water Information System, 2011 Drinking Water Infrastructure Needs Survey, and 2012 Clean Watersheds Needs Survey. See Appendix C for more details.*

## Noncommission-Regulated Utilities

Government-owned utilities, which are not regulated by the WUTC, are granted explicit authority to implement low-income CAPs funded by rate revenues.<sup>377</sup>

Furthermore, the eligibility requirements for these programs are not defined by statute, which means that government-owned utilities can select their own criteria to determine which customers may access assistance.<sup>378</sup>

377. **Wash. Rev. Code § 74.38.070**. See also **Wash. Rev. Code § 35.92.020(5)** (for city and municipal-owned utilities), **§ 35.67.020(5)** (for city wastewater services), **§ 36.94.140(4)** (for counties).

378. However, to ensure uniformity in its determinations, the government-owned utilities or governing board of the area should set definitions that the utility can follow when determining eligibility. See “**Utility Discounts and Financial Assistance Programs**,” Municipal Research and Services Center.

Cities, towns, and counties can also waive connection or tap fees for low-income customers, “pursuant to a program established by ordinance.”<sup>379</sup> Furthermore, water and wastewater districts can adjust or delay rates for low-income customers, but they must publish such rates in their district and must offer the adjusted or delayed rates to all low-income customers in their service area.<sup>380</sup>

Thus, Washington statutes provide explicit authority for government-owned utilities to offer low-income CAPs funded by rate revenues, subject to various structural or procedural rules.

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379. Wash. Rev. Code § 35.92.380, § 36.94.370.

380. Wash. Rev. Code § 57.08.014. In addition, government-owned utilities may allow deferred payment plans to customers with temporary financial difficulties, and water and wastewater authorities have statutory permission to solicit voluntary donations. See Wash. Rev. Code § 54.52.010, § 57.46.010.