

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

WASHINGTON UTILITIES AND)	DOCKET UW-110917
TRANSPORTATION COMMISSION,)	
)	ORDER 02
Complainant,)	
)	
v.)	
)	
SUNCADIA WATER COMPANY,)	ORDER DISMISSING COMPLAINT
LLC,)	AND ORDER SUSPENDING TARIFF
)	REVISIONS; ALLOWING TARIFF
Respondent.)	REVISIONS
.....)	

BACKGROUND

- 1 On March 25, 2011, Suncadia Water Company, LLC (Suncadia or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-1, designated as: Second Revised Sheet No. 2, Canceling First Revised Sheet No. 2; Second Revised Sheet No. 6, Canceling First Revised Sheet No. 6; Original sheet No. 6.1; Second Revised Sheet No. 9, Canceling First Revised Sheet No. 9; Second Revised Sheet No. 14, Canceling First Revised Sheet No. 14; Second Revised Sheet No. 15, Canceling First Revised Sheet No. 15; Original Sheet No. 15.1; and, Second Revised Sheet No. 16, Canceling First Revised Sheet No. 16.
- 2 Suncadia filed a general rate case filing that would generate \$159,341 (22.1 percent) additional annual revenue. The Company also requests, through a separate surcharge, recovery of \$7,168 (less than one percent) as a true-up of water usage resulting from deferred accounting treatment approved in the Company’s last general rate case in Docket UW-081226. The Company’s last general rate case became effective December 1, 2008. The Company serves 1,154 customers (327 metered, 827 ready-to-serve) near Cle Elum, in Kittitas County.
- 3 On May 26, 2011, the Commission entered a Complaint and Order Suspending Tariff Revisions pending an investigation to determine whether the revisions are fair, just, reasonable and sufficient.
- 4 Staff’s review of the supporting information found the proposed rates would generate excessive revenues. Staff determined that the Company’s books and records support a lower revenue requirement of \$45,919 (6.5 percent) additional annual revenue. Staff and

the Company have agreed to a revised rate design that would generate the additional \$45,919 revenue. When compared to the Company's proposal, the revised rates lower the ready-to-serve and base charges, and also reduce usage rates associated with two of the three usage blocks. For the twelve-month test period, resulting monthly charges incurred by customers using the revised rates are less than monthly charges that customers would have paid using the proposed rates that were filed by the Company with the Commission and noticed to customers.

- 5 On August 11, 2011, the Company filed revised rates at Staff-recommended levels, designated as substitute sheets for: Second Revised Sheet No. 14, Canceling First Revised Sheet No. 14; Second Revised Sheet No. 15, Canceling First Revised Sheet No. 15; Original Sheet No. 15.1; and, Second Revised Sheet No. 16, Canceling First Revised Sheet No. 16
- 6 Commission Staff has completed its review of the Company's supporting financial documents, books and records. Staff's review shows that the expenses are reasonable and required as part of the Company's operation, and the Company's financial information supports the revised revenue requirement and the revised rates and charges are fair, just, reasonable, and sufficient.
- 7 In the 2008 rate case, Suncadia proposed to use 2007 water purchased from Cle Elum to calculate the usage charge for all potable water customers. Many customers believed this data was not representative of usage amounts and the Commission approved a true-up methodology. Suncadia has now reconciled the usage data and provided a true-up accounting of water usage and revenue generated. Suncadia has determined that it under collected revenues based on the actual usage. Suncadia is now seeking to recover \$7,168 from rate payers.
- 8 Staff has reviewed the true-up mechanism and agrees the Water Usage True-up rate, as filed by Suncadia Water Company, LLC on March 25, 2011, is appropriate and should become effective September 1, 2011, to expire after collection of \$7,168 or after the expiration date of August 31, 2012.

FINDINGS AND CONCLUSIONS

- 9 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates,

rules, 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.*

- 10 (2) Suncadia is a water company and a public service company subject to Commission jurisdiction.
- 11 (3) This matter came before the Commission at its regularly scheduled meeting on August 25, 2011.
- 12 (4) The tariff revisions presently under suspension, as revised on August 11, 2011, are fair, just, reasonable and sufficient because Staff has reviewed the books and records and found a revised revenue requirement of \$45,919 (6.5 percent) is appropriate. Suncadia has agreed to the revised revenue requirement and filed revised rates. Staff's review also found the proposed Water Usage True-up rate, as filed on March 25, 2011, is appropriate and should become effective September 1, 2011, to expire after collection of \$7,168 or after the expiration date of August 31, 2012.
- 13 (5) After reviewing the tariff revisions Suncadia filed in Docket UW-110917 on March 25, 2011, as revised on August 11, 2011, and giving due consideration, the Commission finds it is consistent with the public interest to dismiss the Complaint and Order Suspending Tariff Revisions in Docket UW-110917, dated May 26, 2011, and allow the tariff revisions to Tariff WN U-1 to become effective on September 1, 2011.

ORDER

THE COMMISSION ORDERS:

- 14 (1) The Complaint and Order Suspending Tariff Revisions in Docket UW-110917, entered on May 26, 2011, is dismissed.
- 15 (2) The general rate case tariff revisions filed by Suncadia Water Company, LLC, on March 25, 2011, as revised on August 11, 2011, shall become effective on September 1, 2011.

- (3) The Water Usage True-up tariff revisions Suncadia Water Company, LLC filed in this docket on March 25, 2011, shall become effective on September 1, 2011. The Water Usage True-up rates will expire after collection of \$7,168 or after the expiration date of August 31, 2012.

DATED at Olympia, Washington, and effective August 25, 2011.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PHILIP B. JONES, Commissioner