



Suncadia Water Company

July 7, 2021

VIA ELECTRONIC FILING

Mark L. Johnson, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, Washington 98503

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COMMISSION

RE: U-200281 – Suncadia Water Company, LLC Response to Notice of Opportunity to File Written Comments

Suncadia Water Company, LLC (“Suncadia Water” or the “Company”) provides this response to the Notice of Opportunity to File Written Comment, served by the Washington Utilities and Transportation Commission (the “Commission” or “UTC”) in this docket on June 25, 2021, on the proposed term sheet of Commission staff (“Staff”) titled “UTC Staff Water Utility Options COVID-19 Recovery” (the “Staff Proposed Term Sheet” or “Appendix B”).

Suncadia Water appreciates this opportunity to provide written comments, and also will be available to participate at the Commission’s next regularly scheduled open meeting on July 8, 2021, at which the Staff Proposed Term Sheet will come before the Commission.

The Company is aware that the Commission entered Order 03 in this docket on May 18, 2021, adopting the Third Revised Term Sheet focused on regulated electric and gas companies (the “Electric and Gas Term Sheet”). Suncadia Water has reviewed the Staff Proposed Term Sheet along-side the Electric and Gas Term Sheet, and notices that Staff has made several appropriate modifications to the Staff Proposed Term Sheet to reflect differences between the electric and gas industries and the water industry (e.g., omitting the sections on additional funding for customer programs and arrearage management plans; modifying the timing of reporting requirements; reducing the amount and type of data to be reported; observing that data may be collected by billing cycle which may differ from a monthly period). The Company, therefore, is generally supportive of Staff’s recommendations outlined in the Staff Proposed Term Sheet, and looks forward to participating at the water industry stakeholders’ group meetings in July and/or August to discuss the specific language in, and requirements of, the Staff Proposed Term Sheet. Further, Suncadia Water supports Staff’s recommendation that the Company work with the Commission’s regulatory and consumer protection staff to ensure appropriate transition plans and consumer protections are in place for the Company.

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There is one particular provision of Appendix B that the Company does not support in its current form. Specifically, Section A, paragraph 3.e.ii requires that Staff “open an informal complaint” following the utility’s mandatory prior notification to Staff of any disconnection for “up to 12 months after the disconnection Resumption Date,” and that the utility “must halt the disconnection process for that customer account until commission staff notifies the company they can proceed.” Footnote 2 to paragraph 39 of the Commission’s Order 03 in this docket notes that “[p]ursuant to WAC 480-90-128(10) [applicable to gas companies] and WAC 480-100-128(10) [applicable to electric companies], a utility may not disconnect service while a customer is pursuing any remedy or appeal provided by these rules or while engaged in discussions with the utility’s representatives or with the commission.” WAC 480-110-355(3)(h) applies this same prohibition to water companies. The Commission explained its rationale for this safeguard in paragraph 39 of Order 03 as follows: “This additional step will add a layer of consumer protection that allows the Commission to intervene on behalf of the most marginalized ratepayers prior to a service interruption. Vulnerable consumers, a disproportionate number of whom are BIPOC, must be protected from losing access to essential services, and we take our role in that process very seriously.”

Suncadia Water takes its role in that process very seriously as well. The Company agrees that some process should be in place for a water utility to notify Staff of an impending disconnection of service. Suncadia Water, however, is concerned that it (and, quite honestly, Staff) may not be able to keep pace with potentially hundreds of simultaneous informal complaint processes across all regulated utilities. At last check, Suncadia Water has 79 customers over 120 days past due on their bills, 43 customers between 91-120 days past due on their bills, 28 customers between 61-90 days past due on their bills and 62 customers between 30-60 days past due on their bills. To be clear: Disconnection is a last resort for the Company. Suncadia Water has offered payment plan arrangements to its customers throughout the pandemic, as it has extended in numerous communications and on its homepage of www.suncadiautilities.com; but, to date, no customer of Suncadia Water has agreed to enter into a payment plan arrangement. Focusing just on its customers over 120 days past due on their bills, Suncadia Water’s limited office staff of 1 (and Staff’s limited personnel) potentially could have the administrative burden of handling nearly 80 informal customer complaint processes at the same time. In this particular instance involving water utilities, the form of consistency with provisions applicable to electric and gas utilities should not outweigh the substance of getting customers on payment plan arrangements and avoiding disconnection.

Suncadia Water is very much willing and able to engage its customers – and Staff – in finding payment plan solutions before the last resort of disconnection occurs. The Company would support a process that does not trigger the indefinite duration of WAC 480-110-355(3)(h) and that expressly defines the time period during which Staff’s review would apply. For example, the Commission could require a water utility to notify Staff on the same date that the water utility issues a disconnection notice to a customer and to engage the customer and

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Staff from that date until the act of disconnection occurs pursuant to the Commission's regulations and the utility's tariff. Otherwise, the Company is concerned that the informal complaint process may never end, leaving the situation unresolved and not appropriately motivating the customer to enter into a payment plan arrangement.

Suncadia Water appreciates this opportunity to provide its comments on this important matter.

Respectfully Submitted,

/s/ Tim Smith

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