

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

SUNCADIA WATER COMPANY, LLC

For an Accounting Order Authorizing
Deferred Accounting Treatment for the
Increase in Regulatory Fee Costs

DOCKET NO. UW-_____

PETITION

1 Pursuant to WAC 480-07-370(3)(b), Suncadia Water Company (“Suncadia Water” or the
“Company”) petitions the Washington Utilities and Transportation Commission (the
“Commission”) for an order authorizing the deferred accounting treatment for the increase in
the regulatory fee costs that are not currently in rates. Suncadia Water seeks to defer these
costs from June 10, 2022 going forward, to track and preserve them for separate ratemaking
treatment. The Company will file a proposal to amortize the deferred costs where the
prudence of these costs will be reviewed.

2 In support of this Petition, Suncadia Water states as follows:

I. NAME OF PETITIONER

3 Suncadia Water is a water company and public service company doing business in the State
of Washington and is subject to the regulatory authority of the Commission as to its rates,
service, facilities, and practices. Its full name and mailing address for the purposes of this
proceeding are:

II. COMMUNICATIONS

4 Communications regarding this Petition should be addressed to:

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III. SUPPORT FOR PETITION

A. Legal Authority

5 The Commission is vested by statute with the authority to regulate, among other things, the rates and accounts of public service companies, including water companies.¹ WAC 480-07-370(1)(b) allows public service companies to file petitions, including petitions for deferred accounting.² The Commission grants petitions for deferred accounting where “good cause” is shown.³

B. Factual Background

6 On March 24, 2022, SB 5634 was enacted. SB 5634 increases the regulatory annual fee rate from 0.02 percent to 0.04 percent. As a result of the increase, Suncadia Water requests in this petition to defer the incremental amount for regulatory annual fees not captured in its last general rate case.

¹ RCW 80.01.040, RCW 80.04.160, RCW 80.28.020; *see also In the Matter of the Petition of Washington Water Service Company, Petitioner, For An Accounting Order to Defer Severe Weather Expenditure*, Docket UW-072431, Order 01 (May 15, 2008).

² *See* UW-072431, Order 01 ¶ 8.

³ UW-072431, Order 01 ¶ 12.

C. Reasons for Deferral

7 Suncadia Water supports the increased regulatory annual fee and believes the additional
funding to the Commission will benefit its customers. However, the increase in the 2022
regulatory annual fee will not be captured by the Company's rates and would require the
Company to bear this increase, but for a deferral application or filing a new rate case. While
the amounts deferred may not be significant, Suncadia Water seeks authorization to defer
these costs because the increase in annual fees is not a regularly scheduled event, which
makes planning for the fee increase difficult to align with ordinary rate case planning, and
because it is appropriate policy to provide for a pass through of the WUTC regulatory annual
fee. For this reason, Suncadia Water respectfully requests to recover the incremental costs
through deferred accounting.

8 As a result of the increase, Suncadia Water requests in this reauthorization to defer the
incremental amount for annual fees not captured in its last general rate case, representing the
increase in SB 5634.

D. Estimated Amounts Subject to Deferral

9 Suncadia Water estimates that around \$3,300 will be recorded in the deferred account for the
12-month period subsequent to this Application.

E. Proposed Accounting

10 Beginning on June 10, 2022, and until Suncadia Water's next general rate case effective date,
the Company proposes to account for the costs associated with the incremental increase in
the annual WUTC regulatory fee by recording the deferral in Account 186. In the absence of
approval of deferral accounting, Suncadia Water would record the amounts in account 408, an
"other tax" account affecting the Company's income statement.

IV. RELIEF REQUESTED

11 Suncadia Water requests authorization to defer the regulatory annual fee, as described above,
plus interest at the published FERC rate.

12 WHEREFORE, the Company respectfully requests that the Commission enter an order
approving deferred accounting treatment for the regulatory annual fee, as described in this
Petition.

Dated this 10th day of June 2022.

Respectfully Submitted,

/s/ Adam Rue _____

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