



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

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December 27, 2022

**NOTICE OF ITEM TO BE HEARD AT THE COMMISSION'S REGULARLY
SCHEDULED OPEN MEETING**

(Set for Thursday, January 26, 2023, at 9:30 a.m.)

and

NOTICE OF OPPORTUNITY TO FILE ALTERNATIVE ACCOUNTING PETITION

RE: Regulatory Fee Increases for Regulated Water Companies, Docket U-220963

TO ALL REGULATED WATER COMPANIES:

During the 2022 session, the legislature passed Senate Bill 5634, which amended Revised Code of Washington (RCW) 80.24.010 to update the level at which the Washington Utilities and Transportation Commission (Commission) assesses regulatory fees for utility companies, including investor-owned water companies.¹ Specifically, the statute increased annual regulatory fees to 0.1 percent of the first \$50,000 of gross operating revenue plus 0.4 percent of any gross operating revenue in excess of \$50,000. To implement this change, the Commission will consider proposed regulatory fee increases for water companies at its regularly scheduled open meeting on January 26, 2023. **Regulatory fees will not increase for water companies with gross operating revenue of \$50,000 or less.**

Commission staff (Staff) recognize that current water company rates do not reflect any fee increase the Commission may approve. Accordingly, Staff intends to propose that the Commission, on its own motion, authorize water companies to establish deferral accounts to track the difference between the regulatory fees currently recovered in rates and any approved increased fee amounts for a period of up to three years, which will preserve the companies'

¹ On October 28, 2022, the Commission amended its procedural rules in Docket U-220271 to reflect this statutory change. Among other rules, Washington Administrative Code (WAC) 480-110-505 was amended to incorporate the revised fee amounts for regulated water companies.

ability to seek recovery of the fee difference in a future general rate case.² **Companies do not need to file an accounting petition to take advantage of this option. If the Commission adopts Staff's recommendation, companies that wish to seek recovery of the fee difference should create a deferral account before January 31, 2023, to track these amounts for potential recovery in their next general rate case.** Staff are available to discuss how accounting deferral accounts operate and provide technical assistance to create a deferral account. For accounting technical assistance, please contact Laycee Willis at laycee.willis@utc.wa.gov or (360) 664-1300.

In the alternative, water companies may file individual accounting petitions to preserve their ability to seek recovery of the fee difference in a future proceeding. Any such petition should be filed prior to January 31, 2023, to preserve deferred amounts for the full calendar year 2023.

OPEN MEETING

The Commission will hear Staff's proposal to (1) increase regulatory fees for water companies and (2) authorize those companies to create deferral accounts to track any increased fee amounts for up to three years at its regularly scheduled open meeting on **Thursday, January 26, 2023, beginning at 9:30 a.m.** The Commission's open meetings are conducted virtually via Zoom. To attend the open meeting by telephone, please call 1-253-215-8782 then enter Conference ID 849 3120 1231 and Passcode 268412. To attend via Zoom, please use the following link: <https://utc-wa-gov.zoom.us/j/84931201231?pwd=b0JrOTlwV3RPWDd6bFEvbkgwL1RHQT09>.

Comments may be submitted in advance of the open meeting via the Commission's web portal at www.utc.wa.gov/e-filing. If you are unable to submit documents via the portal, you may submit your comments by email to the Commission's Records Center at records@utc.wa.gov. Comment submissions should include:

- The docket number of this proceeding (Docket U-220963).
- The commenting party's name.
- The title and date of the comment or comments.

If you are unable to file your comments electronically the Commission will accept a paper document by mail.

² Under WAC 480-07-370(3)(a), the Commission may undertake an action that would be the proper subject of a party's petition without receiving a petition from the party. The Commission will provide written notice and allow for appropriate process, as it does here, when it acts in the absence of a party's petition.

If you have any questions, please contact Amy Andrews, Deputy Director, at (360) 664-1228 or amy.andrews@utc.wa.gov.

AMANDA MAXWELL
Executive Director and Secretary