

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

SUMMIT VIEW WATER WORKS, LLC

Respondent.

DOCKET UW-240589

FULL SETTLEMENT
AGREEMENT OF COMMISSION
STAFF AND SUMMIT VIEW
WATER WORKS, LLC

I. INTRODUCTION

1 This Full Settlement Agreement is entered into pursuant to WAC 480-07-730(1) in order to resolve all issues raised between Summit View Water Works, LLC (“Summit View” or “the Company”) and Staff related to the tariff filing of Summit View in this proceeding. This Full Settlement Agreement recommends that the Commission approve an increase to Summit View’s annual revenue requirement of \$325,000 per year. The Parties also recommend the Commission adopt a series of conditions, below. The Parties have included the new Tariff WN U-2, replacing Summit View’s currently effective Tariff WN U-2.

II. BACKGROUND

2 Summit View is a class B water company regulated by the Commission under RCW Title 80. It provides both domestic drinking water and irrigation water service near Kennewick, Washington in Benton County.

3 On July 31, 2024, Summit View filed a new version of its currently effective Tariff WN U-2 that would increase the Company’s yearly revenue by approximately \$514,000. This filing also included pre-filed direct testimony from the Company. The Commission suspended this

filing by Order 01 on September 25, 2024. A Pre-Hearing Conference was held on October 18, 2024. Order 02, the Pre-Hearing Conference procedural schedule, and Order 03, the Protective Order, were both issued October 21, 2024.

III. AGREEMENT AND RECOMMENDATIONS

4 The Parties stipulate to the following terms and conditions as a complete resolution of the issues raised in this case.

A. Revenue Increase

5 Summit View's annual revenue requirement will increase by \$325,000. The Company has incurred \$112,368 in rate case costs attributable to this case, which has been included within the total revenue requirement above and amortized over five years. Any rate case costs not yet amortized at the time of the next rate case filing will be properly included in any resolution to that filing for future recovery of unamortized amounts, in addition to that filing's rate case costs. Rate design will allocate 80 percent of the increase in costs to irrigation customers and 20 percent of the increase to domestic customers.

B. New Irrigation Billing Option

6 Summit View will provide a new billing option for irrigation customers, to be offered alongside Summit View's other billing options for irrigation customers. Customers will have the option to subscribe to irrigation services using monthly payments in addition to the company's other billing options. The monthly subscription model will include terms preventing customers from cancelling the subscription during the subscribed period. As irrigation services are based on a flat fee base per acre of land irrigated, this ensures all customers pay the same total rate regardless of which payment plan is used. The subscription will allow for cancellation of any future periods during the current billing period.

C. Future Filing Conditions

7 Next, Summit View agrees to the following conditions for its next general rate case initial filing as part of this settlement:

1. Should Eagle Butte Vineyards, an affiliate of Summit View, exist during the test year of the next rate case, Summit View will submit evidence demonstrating that Eagle Butte Vineyards was properly charged at irrigation tariff rates for its entire acreage.
2. Summit View will submit a representative sample of manager time tracking demonstrating hours worked for Summit View and affiliate companies. As part of this settlement agreement, Staff and the Company have agreed to a template for that time tracking, which is submitted as BS-2 of this filing.
3. Summit View will submit its next rate case with a filing date no later than January 1, 2027.

D. Additional Rate Case Expenses

8 Should Public Counsel exercise its right to oppose this settlement, Summit View may recover additional rate case expenses specifically incurred due to that opposition and due to the need to support this Full Settlement Agreement before the Commission as a Settling Party. Summit View will submit evidence as part of its compliance filing for these expenses that these expenses were incurred solely due to Public Counsel's opposition and the need to support this Full Settlement Agreement before the Commission as a Settling Party in the face of any opposition from Public Counsel.

IV. MISCELLANEOUS PROVISIONS

9 The Parties agree to support the terms and conditions of this Full Settlement Agreement as a resolution of all issues raised by this filing. Accordingly, the Parties recommend that the Commission adopt and approve Section III of this Full Settlement Agreement in its entirety, including the Attachments.

10 The Parties shall cooperate in submitting this Full Settlement Agreement promptly to the Commission for approval of Section III above and shall cooperate in developing any additional supporting documentation as may be required by the Commission. The Parties agree to support the Full Settlement Agreement throughout this proceeding, provide witnesses to sponsor the Full Settlement Agreement at a Commission hearing should the Commission deem such a hearing appropriate, and recommend that the Commission issue a final order adopting Section III of Full Settlement Agreement in its entirety.

11 In the event the Commission rejects Section III of the Full Settlement Agreement, the provisions of WAC 480-07-750(2)(b) shall apply. In the event the Commission accepts Section III of the Full Settlement Agreement upon conditions not proposed herein, each Party reserves the right, upon written notice to the Commission and all other parties to this proceeding within five (5) days of the Commission order, to withdraw from this Full Settlement Agreement. If either Party exercises its right of withdrawal, this Full Settlement Agreement shall be void and of no effect, and the Parties agree to cooperate in development of a procedural schedule that concludes this proceeding at the earliest possible date.

12 By executing this Full Settlement Agreement, no Party shall be deemed to have approved, admitted, or consented to the facts, principles, methods, accounting adjustments, or theories employed in arriving at the terms of this Full Settlement Agreement and except to the

extent expressly set forth in this Full Settlement Agreement, no Party shall be deemed to have agreed that this Full Settlement Agreement is appropriate for resolving any issues in any other proceeding. No Party shall represent that any of the facts, principles, methods, or theories employed by any Party in arriving at the terms of this Full Settlement Agreement are precedents in any other proceeding.

13 This Full Settlement Agreement may be executed in counterparts, through original and/or facsimile signature, and each signed counterpart shall constitute an original document.

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

ROBERT W. FERGUSON
Attorney General

/s/ Colin O'Brien, WSBA No. 60946
Assistant Attorney General
Office of the Attorney General
Utilities and Transportation Division
P.O. Box 40128
Olympia, WA 98504-0128
(360) 586-6413
colin.obrien@atg.wa.gov

Dated: November 21, 2024

SUMMIT VIEW WATER WORKS, LLC

/s/ Michael S. Howard
Williams, Kastner & Gibbs PLLC
601 Union Street, Suite 4100
Seattle, WA 98101-2380
mhoward@williamskastner.com

Dated: November 21, 2024