



IMPORTANT NOTICE

Suncadia Water Company, LLC (“Suncadia Water” or “the Company”), on January 20, 2022, filed for approval from the Washington Utilities and Transportation Commission (“UTC” or “the Commission”) to increase rates as shown in the table below over three phases, effective May 1, 2022, November 1, 2022, and May 1, 2023.

Background

NW Natural Water of Washington acquired Suncadia Water in February 2020. Suncadia Water serves over 1,500 connections throughout the year in a resort community which is located in Cle Elum, central Washington. Suncadia Water’s current rates became effective more than five (5) years ago (Docket UW-160379).

Purpose of General Rate Proceeding Filing

The purpose of this filing is to recover costs associated with water service on the Company’s rate tariffs filed with the Commission. Suncadia Water is seeking cost recovery in rates because current revenues are insufficient to cover the ongoing cost of continuing to provide service that is safe, adequate and efficient, and in all respects just and reasonable, while allowing an opportunity for a reasonable return on the Company’s needed capital investment.

Since its acquisition by NW Natural Water of Washington, Suncadia Water has made substantial investments in its water system and completed several key infrastructure projects that enhance service and benefit our customers. To date, this includes:

- Launching a new billing system, which allows our customers to receive letter-size bills, set up AutoPay and paperless billing, view their entire account history, and pay online.
- Installing a Geographic Information System (GIS), which reduces the time needed to find and repair leaks, resulting in much shorter water shut-off times.
- Installing a cloud-based SCADA (telemetry) system, which allows our operators to view and monitor the water system in real-time – which is critical to ensuring safe system operations.
- Installing automated meter reading (AMR) water meters that allow our operators to quickly and accurately collect meter readings, leaving more time for system maintenance and preventative maintenance to ensure uninterrupted water supply to our customers.
- Installing a “Rave Alert System,” which gives us the ability to quickly and easily notify our customers of any service interruptions, boil water orders, scheduled system maintenance, and other events.

Mailing Address: 531 Rope Rider Drive, Cle Elum, WA 98922
Physical Address: 770 Suncadia Trail, Cle Elum, WA, 98922
Phone: (509)649-6370 Fax: (509)649-6251
water@suncadia.com

OFFICE HOURS
8:00 AM TO 4:00 PM DAILY

- Installing water infrastructure for new developments in Tumble Creek, which will help support water quality for all of our Tumble Creek customers while reducing the amount of system flushing required to replace old water with fresh water in the distribution system. Moreover, water waste due to system flushing will be reduced as water turn-over in our Tumble Creek tank and water system will increase because of the higher demand.

We are also in the process of updating our Water System Plan (WSP), which looks at all aspects of the water system including system needs and how the system currently operates to continue providing safe and reliable drinking water to our customers. The Water System Plan is required by the Washington Department of Health.

Description of Filing and Requested Rate Change

Suncadia Water has decided, in this particular case, to seek to recover its investment and necessary incremental operating expenses by phasing in new rates over a one-year period, beginning May 1, 2022, without recovering the time value of money prior to the rate effective date. By phasing in rates over that period, Suncadia Water will mitigate the initial rate impact of this request by smoothing the rate change over the course of one year.

As shown in the table below, each of the three phases will implement approximately one-third of the necessary revenue increase above the \$1,568,680 of annual revenues that we collected during the test period in this general rate proceeding.

Listed at the end of this Notice are Suncadia Water’s current rates and rate structure, Suncadia Water’s proposed Phase 1, Phase 2 and Phase 3 rates and rate structure, and the resulting average monthly bills.

The table below shows the timing and percent incremental increase for each phase. Suncadia Water will mail reminder Notices to you before the Phase 2 and Phase 3 rate changes become effective.

Phase	Effective Date	Additional Revenue	Percent Incremental Increase
1	May 1, 2022	\$268,571	17.1%
2	November 1, 2022	\$241,303	13.1%
3	May 1, 2023	\$241,303	10.3%

The UTC has the authority to set final rates that may be either lower or higher from the Company’s request, depending on the results of its investigation. Commission staff will make a recommendation to the Commissioners at an open meeting which is scheduled for 9:30 am on Thursday, April 14, 2022. The UTC building is closed to the public until further notice. This open meeting will be conducted remotely. If you intend to listen or participate, call 360-664-1234 for instructions and sign in at least a day before the open meeting. Accommodation and translation services are available; please email communications@utc.wa.gov to request.

You can also comment by using the “Submit a Comment” feature at the Commission’s Web site at www.utc.wa.gov or by using the contact information below.

Washington Utilities and Transportation Commission
Post Office Box 47250
Olympia, WA 98504-7250
E-mail: comments@utc.wa.gov
Telephone: 1-888-333-WUTC (9882)

If you have any questions about the Company’s filing or how it may affect you, please feel free to reach out to me at the contact information below.

Sincerely,

/s/ Tim Smith

Tim Smith
General Manager
Suncadia Water Company, LLC
P.O. Box 457
Cle Elum, WA 98922
Telephone: 509.649.6370
Email: water@suncadiautilities.com

CURRENT RATES, RATE STRUCTURE AND AVERAGE MONTHLY BILL

Meter Size	Base Rate (mo.)	1st Block Size (gal.)	1st Block Rate¹	2nd Block Size (gal.)	2nd Block Rate	3rd Block Size (gal.)	3rd Block Rate	Avg. Monthly Bill
1"	\$38.00	8,000	\$2.20	8,001-28,000	\$4.30	Over 28,000	\$7.43	\$59.55
1.5"	\$76.00	16,000	\$2.20	16,001 – 56,000	\$4.30	Over 56,000	\$7.43	\$1,212.38
2"	\$121.60	25,600	\$2.20	25,601-89,600	\$4.30	Over 89,600	\$7.43	\$257.84
3"	\$228.00	48,000	\$2.20	48,001-168,000	\$4.30	Over 168,000	\$7.43	\$505.40
4"	\$380.00	80,000	\$2.20	80,001-280,000	\$4.30	Over 280,000	\$7.43	\$1,497.57

¹ Usage rates for the 1st Block, the 2nd Block and the 3rd Block are shown per 1,000 gallons.

PROPOSED RATES, RATE STRUCTURE AND AVERAGE MONTHLY BILL²

Phase 1 Rates, Rate Structure and Average Monthly Bill (effective May 1, 2022)

Meter Size	Base Rate	1st Block Size (gal.)	1st Block Rate	2nd Block Size (gal.)	2nd Block Rate	3rd Block Size (gal.)	3rd Block Rate	Avg. Monthly Bill
1"	\$38.00	5,000	\$3.50	5,001-18,000	\$5.52	Over 18,000	\$8.00	\$77.14
1.5"	\$76.00	10,000	\$3.50	10,001-36,000	\$5.52	Over 36,000	\$8.00	\$1,415.03
2"	\$121.60	16,000	\$3.50	16,001-57,600	\$5.52	Over 57,600	\$8.00	\$333.23
3"	\$228.00	30,000	\$3.50	30,001-108,000	\$5.52	Over 108,000	\$8.00	\$653.01
4"	\$380.00	50,000	\$3.50	50,001-180,000	\$5.52	Over 180,000	\$8.00	\$2,160.66
Ready to Serve	\$30.20							\$30.20

Phase 2 Rates, Rate Structure and Average Monthly Bill (effective November 1, 2022)

Meter Size	Base Rate	1st Block Size (gal.)	1st Block Rate	2nd Block Size (gal.)	2nd Block Rate	3rd Block Size (gal.)	3rd Block Rate	Avg. Monthly Bill
1"	\$44.00	5,000	\$4.00	5,001-18,000	\$6.14	Over 18,000	\$9.00	\$88.08
1.5"	\$88.00	10,000	\$4.00	10,001-36,000	\$6.14	Over 36,000	\$9.00	\$1,593.24
2"	\$140.80	16,000	\$4.00	16,001-57,600	\$6.14	Over 57,600	\$9.00	\$377.94
3"	\$264.00	30,000	\$4.00	30,001-108,000	\$6.14	Over 108,000	\$9.00	\$740.00
4"	\$440.00	50,000	\$4.00	50,001-180,000	\$6.14	Over 180,000	\$9.00	\$2,437.38
Ready to Serve	\$30.20							\$30.20

² For the purpose of Rule 28 (Water Leak Procedures) of its Tariff, the Company is proposing to increase the pass-through consumption rate from \$0.467 per 1,000 gallons to \$0.738 per 1,000 gallons.

Phase 3 Rates, Rate Structure and Average Monthly Bill (effective May 1, 2023)

Meter Size	Base Rate	1st Block Size (gal.)	1st Block Rate	2nd Block Size (gal.)	2nd Block Rate	3rd Block Size (gal.)	3rd Block Rate	Avg. Monthly Bill
1"	\$45.00	5,000	\$4.50	5,001-18,000	\$8.26	Over 18,000	\$10.00	\$99.87
1.5"	\$90.00	10,000	\$4.50	10,001-36,000	\$8.26	Over 36,000	\$10.00	\$1,800.31
2"	\$144.00	16,000	\$4.50	16,001-57,600	\$8.26	Over 57,600	\$10.00	\$448.77
3"	\$270.00	30,000	\$4.50	30,001-108,000	\$8.26	Over 108,000	\$10.00	\$883.62
4"	\$450.00	50,000	\$4.50	50,001-180,000	\$8.26	Over 180,000	\$10.00	\$2,858.40
Ready to Serve	\$30.20							\$30.20