

Water Companies

WAC 480-110-215 Exemptions from rules in chapter 480-110 WAC. (1) The commission may grant an exemption from the provisions of any rule in this chapter, if consistent with the public interest, with the purposes underlying regulation, and with applicable statutes.

(2) To request a rule exemption, a person must file with the commission a written request identifying the rule for which an exemption is sought and giving a full explanation of the reason for requesting the exemption ~~is requested~~.

(3) The commission will assign the request a docket number, if ~~needed~~ it does not arise in an existing docket, and will schedule the request for consideration at one of its regularly scheduled open meetings or, if appropriate under chapter 34.05 RCW, in an adjudication. The commission will notify the person requesting the exemption, and other interested persons, of the date of the hearing or open meeting when the commission will consider the request.

(4) In determining whether to grant the request, the commission may consider whether application of the rule would impose undue hardship on the petitioner, of a degree or a kind different from hardship imposed on other similarly situated persons, and whether the effect of applying the rule would be contrary to the purposes of the rule.

(45) The commission will enter an order granting or denying the request or setting it for hearing, pursuant to chapter 480-09 WAC.

WAC 480-110-275 Accounting and reporting requirements, and regulatory fees. (1) Water companies must use the uniform system of accounts (USOA) published by the National Association of Regulatory Utility Commissioners (NARUC). Information about the USOA regarding the version adopted and where to obtain it is set out in WAC 480-110-999, Adoption by reference. The USOA sets out the accounting requirements for class A, B, and C water companies.

Water companies are classified by revenues.

Class	Annual Gross Operating Revenue
A	\$1,000,000 or more
B	\$200,000 to \$999,999
C	Less than \$200,000

(2) A water company may use the accounting requirements for a higher class if it chooses.

(3) The commission will distribute an annual report form that each water company must complete and file with the commission for the prior calendar year. The company must file the annual report and pay its regulatory fee must be filed, and the company's regulatory fee paid, no later than May 1 of each year.

(4) **Special Reports.**

(a) **Financial transaction reports.** Twenty days prior to the transfer of cash, credit, or any pecuniary interest between a company, its subsidiaries, or its affiliates, the company must report to the commission the amount and the details of the transaction when:

(i) A single transaction amount exceeds five percent of prior calendar year gross operating revenue; or

(ii) A cumulative transaction amount for the prior twelve months exceeds five percent of prior calendar year gross operating revenue.

(b) **Annual subsidiary transaction report.** The annual subsidiary transaction report must summarize all transactions that occurred between the company and its subsidiaries during the period January 1 through December 31 of the preceding year. This report is due by June 1 of each year.

(c) **Annual affiliated interest transactions report.** Each company, as defined in WAC 480-146-240 that has a contract or arrangement with an affiliate, must summarize all transactions that occurred between the company and its affiliated interests during the period January 1 through December 31 of the preceding year. This report is due by June 1 of each year. The annual affiliated interest transactions report must include a corporate organization chart of the company and its affiliates and must contain the following information for each affiliate that had transactions with the company during the preceding year:

(i) A description of the products or services flowing between the company and any affiliated interest;

(ii) A description of the pricing basis or costing method and procedures for allocating costs for such products or services rendered, and the amount and accounts charged;

(iii) A description of the terms of any loans between the company and its affiliates and a listing of the year-end loan amounts and maximum loan amounts outstanding during the year;

(iv) A description of the terms and maximum amount of any debt guarantees by the company for any affiliate and a listing of the year-end debt amounts and maximum debt amounts outstanding during the year;

(v) A description of all exchanges of cash or credit between the company and its affiliates including the terms and amount of each exchange;

(vi) A detailed description of the activities of the affiliates with which the company has transactions;

(vii) A list of all common officers and directors of the affiliated interest company and the water company along with their titles in each organization; and

(viii) Appropriate financial information for each affiliated interest company including, but not limited to, a balance sheet and income statement.

The commission may request any additional information during its review of the company's annual affiliated interest transactions report.

(d) The company may submit the reports required in (b) and (c) of this subsection:

(i) As stand-alone reports; or

(ii) As part of the annual report required in subsection (3) of this section.

(e) The annual affiliated interest transactions report required in (c) of this subsection will supersede the reporting requirements contained in previous commission orders authorizing affiliated interest transactions pursuant to chapter 80.16 RCW.

~~(45) A written request for the extension of the time for filing the annual report can be made prior to May 1. The commission does not grant an extension of time for payment of regulatory fees.~~ **Additional reports.** This section does not supersede any reporting requirement specified in a commission order or limit the commission's ability to request additional information.