

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

SUNCADIA WATER COMPANY, LLC,

Petitioner,

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

DOCKET UW-220433

ORDER 01

GRANTING ACCOUNTING
PETITION

BACKGROUND

- 1 On June 10, 2022, Suncadia Water Company, LLC, (Suncadia or Company) filed with the Washington Utilities and Transportation Commission (Commission) a Petition seeking an Accounting Order under WAC 480-07-370(3) (Petition) authorizing Suncadia to defer the costs and interest into an deferred accounting account 186 to recover costs from the increase in regulatory fees for Class 1 utilities that became effective July 1, 2022.
- 2 In its Petition, Suncadia asserts the need to set up deferred accounting for an increase in cost of regulatory fees paid. The increase in the 2022 annual regulatory fee per SB 5634 is not captured by the Company's current rates and would require the Company to bear this increase absent an accounting deferral or a new rate case. As such, the Company requests to account for the recovery of these costs with interest at the published FERC rate.
- 3 Commission staff (Staff) recommends granting the Petition for the accounting order authorizing the use of deferred accounting treatment of costs subject to the following provisions:
 1. Deferred costs will be amortized over a pre-determined period that Staff and Suncadia agree to and will commence on the effective date of Suncadia's pending or next general rate case.
 2. Any deferred costs will be included in separate sub-account of 186.
 3. The deferral amount will be the actual amount of regulatory fee increase not captured in the Company's current rates.

4. No interest shall be accrued at this time; this can be further reviewed at the time of the Company's next general rate case because these conditions satisfy the obligation to rate payers to keep rates fair, just, reasonable, and sufficient.

DISCUSSION

4 WAC 480-07-370(3) allows companies to file petitions, including authorization for the deferral of certain costs and associated interest into a deferral account. Given that this cost is a necessary increase in operational costs that is not accounted for in the Company's current rates, deferring these costs is appropriate. We agree with Staff's recommendation that the Company will not collect interest on the deferred costs. Accordingly, we grant the Petition subject to the conditions listed in paragraph 3 above.

FINDINGS AND CONCLUSIONS

- 5 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property, and affiliated interests of public service companies, including water companies.
- 6 (2) Suncadia is a water company and a public service company subject to Commission jurisdiction.
- 7 (3) WAC 480-07-370(1)(b), allows companies to file petitions including that for which Suncadia seeks approval.
- 8 (4) Staff has reviewed the Petition in Docket UW-220433 including related work papers.
- 9 (5) The proposed accounting order Suncadia's requests is reasonable and should be granted, subject to the following conditions:
 1. Deferred costs will be amortized over a pre-determined period that Staff and Suncadia agree to and will commence on the effective date of Suncadia's pending or next general rate case.
 2. Any deferred costs will be included in separate sub-account of 186.
 3. The deferral amount will be the actual amount of regulatory fee increase not captured in the Company's current rates.

4. No interest shall be accrued at this time; this can be further reviewed at the time of the next general rate case because these conditions satisfy the obligation to rate payers to keep rates fair, just, reasonable, and sufficient.
- 10 (6) This matter came before the Commission at its regularly scheduled meeting on July 28 ,2022.
- 11 (7) After reviewing Suncadia’s Petition filed in Docket UW-220433 on June 10, 2022, and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the Petition filed should be granted, subject to the conditions listed in paragraph 3.

ORDER

THE COMMISSION ORDERS:

- 12 (1) Suncadia Water Company’s, LLC, Petition for deferred accounting for recovery of increased regulatory fees is granted.
- 13 (2) This authorization is subject to the following conditions:
1. Deferred costs will be amortized over a pre-determined period that Staff and Suncadia Water Company, LLC, agree to and will commence on the effective date of Suncadia Water Company’s, LLC, pending or next general rate case.
 2. Any deferred costs will be included in separate sub-account of 186.
 3. The deferral amount will be the actual amount of regulatory fee increase not captured in the Suncadia Water Company’s, LLC, current rates.
 4. No interest shall be accrued at this time; this can be further reviewed at the time of the next general rate case because conditions satisfy the obligation to rate payers to keep rates fair, just, reasonable, and sufficient.
- 14 (3) This Order shall not affect the Commission’s authority over rates, services, accounts, valuations, estimates, or determination of costs, on any matters that may come before it. Nor shall this Order granting Petition be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.

- 15 (4) The Commission retains jurisdiction over the subject matter and Suncadia Water Company, LLC, to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective July 28, 2022.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

AMANDA MAXWELL
Executive Director, and Secretary