

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of

SUNCADIA WATER COMPANY, LLC

For an Accounting Order Authorizing
Deferred Accounting Treatment for Rate
Case Expenses in its General Rate Case,
Docket No. UW-250159

DOCKET NO. UW-250248

AMENDED PETITION

- 1 Pursuant to WAC 480-07-370(3)(b), Suncadia Water Company (“Suncadia Water” or the “Company”) petitions the Washington Utilities and Transportation Commission (the “Commission”) for an order authorizing the deferred accounting treatment for any rate case expenses incurred in the Company’s pending general rate case, Docket No. UW-250159. Suncadia Water seeks to defer such expenses from the date of this filing going forward, and to track and preserve them for separate ratemaking treatment in Docket No. UW-250159 where the Company will file a proposal to amortize such costs and their prudence will be reviewed.
- 2 In support of this Petition, Suncadia Water states as follows:

I. NAME OF PETITIONER

- 3 Suncadia Water is a water company and public service company doing business in the State of Washington and is subject to the regulatory authority of the Commission as to its rates, service, facilities, and practices. Its full name and mailing address for the purposes of this proceeding are: Suncadia Water Company, LLC, P.O. Box 457, Cle Elum, Washington 98922.

II. COMMUNICATIONS

4 Communications regarding this Petition should be addressed to:

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III. SUPPORT FOR PETITION

A. Legal Authority

5 The Commission is vested by statute with the authority to regulate, among other things, the rates and accounts of public service companies, including water companies.¹ WAC 480-07-370(1)(b) allows public service companies to file petitions, including petitions for deferred accounting.² The Commission grants petitions for deferred accounting where “good cause” is shown.³

B. Factual Background

6 On March 7, 2025, Suncadia Water filed a general rate case, to which the Commission assigned Docket No. UW-250159. The Company did not include any rate case expense in its filing.

¹ RCW 80.01.040, RCW 80.04.160, RCW 80.28.020; *see also In the Matter of the Petition of Washington Water Service Company, Petitioner, For An Accounting Order to Defer Severe Weather Expenditure*, Docket UW-072431, Order 01 (May 15, 2008).

² *See* UW-072431, Order 01 ¶ 8.

³ UW-072431, Order 01 ¶ 12.

The Company, however, may need to incur rate case expenses to prosecute its rate case before the Commission, particularly if the case is suspended for hearing and involves very active litigants. Given the small size of Suncadia Water, rate case expenses can be very impactful to the utility. As such, Suncadia Water requests in this Petition to defer such expenses from the date of this filing going forward plus interest at the published Federal Energy Regulatory Commission (“FERC”) rate and to track and preserve them for separate ratemaking treatment in Docket No. UW-250159 where the Company will file a proposal to amortize such costs and their prudence will be reviewed.

C. Reasons for Deferral

- 7 Suncadia Water requested in its general rate case, Docket No. UW-250159, that new rates become effective on May 1, 2025, and subsequently agreed to extend that effective date to June 1, 2025. Suncadia Water believes that such date will provide Commission staff (“Staff”) adequate time to audit the Company’s books and records and its general rate proceeding filing.
- 8 However, in the event that the general rate case docket is suspended for adjudication, Suncadia Water could incur substantial rate case expenses to prosecute its rate case, particularly if the case is suspended for hearing and involves active litigants. Due to the unpredictable nature of such circumstances that are beyond the Company’s control, Suncadia Water requests to recover rate case expenses that it incurs in Docket No. UW-250159 plus interest at the published FERC rate through deferral accounting. If this Petition is approved, Suncadia Water will track and preserve those costs for separate ratemaking treatment in Docket No. UW-250159 where the Company will file a proposal to amortize such costs and their prudence will be reviewed.

9 For these reasons, Suncadia Water respectfully requests to recover rate case expenses incurred to prosecute its rate case, Docket No. UW-250159, plus interest at the published FERC rate through deferred accounting.

D. Estimated Amounts Subject to Deferral

10 It is difficult for Suncadia Water to estimate the amounts to be deferred under this Petition because the magnitude of its rate case expenses will depend largely on whether this general rate case involves active litigants. Based upon the recent experience of an affiliate, however, Suncadia Water estimates that if the case is suspended for hearing it would incur at least \$175,000 in rate case expenses in its Docket No. UW-250159.

E. Proposed Accounting

11 Beginning from the date of this filing, Suncadia Water proposes to account for the costs of its rate case expenses by recording the deferral in a regulatory asset account in Account 186. In the absence of approval of deferral accounting, Suncadia Water would record the amounts in account 401, which is an Operating Expense account, affecting the Company's income statement.

IV. RELIEF REQUESTED

12 Suncadia Water requests authorization to defer the costs of its rate case expenses in Docket No. UW-250159 plus interest at the published FERC rate, as described above. If the Commission grants this Petition, Suncadia Water will track and preserve its rate case expenses for separate ratemaking treatment in Docket No. UW-250159 where the Company will file a proposal to amortize such costs and their prudence will be reviewed.

13 WHEREFORE, the Company respectfully requests that the Commission enter an order approving deferred accounting treatment for its rate case expenses in Docket No. UW-250159, as described in this Petition.

Dated this 10th day of April 2025.

Respectfully Submitted,

SUNCADIA WATER COMPANY, LLC

/s/ Eric W. Nelsen

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