

WAC 480-07-530 General rate proceeding filings—Water companies and Class B telecommunications companies. General rate proceeding filings by water companies and Class B telecommunication companies as defined in WAC 480-120-034 must include the information described in this section. The company must file all required documents in electronic form consistent with the requirements in WAC 480-07-140. A party may file a document with locked, hidden, or password protected cells only if such restricted access is necessary to protect the information within the cells from public disclosure. The party must identify each locked, hidden, or password protected cell and must designate such cells, as well as any other information the party contends is confidential under RCW 80.04.095 or otherwise protected from public disclosure, in compliance with the requirements in WAC 480-07-160 and any applicable protective order. The party must make such information accessible to all persons who have signed the protective order or are otherwise entitled to access the information including, but not necessarily limited to, commission staff. The filing must include the following:

- (1) **Cover letter.** The cover letter must:
 - (a) Provide a description of the filing and the requested rate change in understandable terms;
 - (i) Explain any technical terms and otherwise use common terms to describe the filing so the public can easily understand its impact;
 - (ii) Define any acronyms before they are used in the text of the letter;
 - (b) State why the company is requesting a rate change (e.g., to recover higher costs for water testing);
 - (c) Describe each service that the filing impacts and the dollar and percentage change for each service as well as the net impact of all changes on the company's total regulated revenue.
- (2) **Tariff.** The company's initial filing must include the company's proposed tariff sheets. Sections that are narrative, e.g., that contain rules or notes, must be in legislative format, i.e., with strike-through to indicate any material to be deleted or replaced and underlining to indicate any material to be inserted. Changes to tariff sections that are tabular, e.g., charts containing rates and charges, must be marked with appropriate tariff symbols consistent with the requirements in WAC 480-80-105.
- (3) **Customer notice.** A copy of the notice the company mailed to customers.
- (4) **Work papers.** Work papers must support the company's rate change request and, at a minimum, must include the following:
 - (a) A calculation of the total revenues the company is realizing at its present rates and the total revenues the company would realize at the requested rates by each class affected.
 - (b) A balance sheet and statement of revenues and expenses.
 - (c) A depreciation schedule.
 - (d) A schedule showing any adjustments proposed to the statement of revenues and expenses, including any restating adjustments or pro forma adjustments, and the effect of any adjustments on the proposed rates.
 - (e) An explanation of all restating adjustments and pro forma adjustments that the company proposes, specifying all relevant assumptions, and including specific references to charts of accounts, financial reports, studies, and all similar records on which the company relied in preparing its initial filing.

(i) Restating adjustments adjust the booked operating results for any defects or infirmities in actual recorded results, which can distort test period earnings. Restating adjustments are also used to adjust from an as-recorded basis to a basis that the commission accepts for determining rates. Examples of restating adjustments are adjustments to remove prior period amounts, to eliminate below-the-line items that were recorded as operating expenses in error, to adjust from book estimates to actual amounts, and to eliminate or to normalize extraordinary items recorded during the test period.

(ii) Pro forma adjustments give effect for the test period to all known and measurable changes that are not offset by other factors. The work papers must identify dollar values and underlying reasons for each proposed pro forma adjustment.

(iii) Restating and pro forma adjustments must be calculated as the variance from the booked operating results.

(f) Usage or other statistics verifying test year revenues and proposed revenues.

(g) For water companies, the public water system identification number the Washington department of health has assigned for each system that the new rates will affect.

(h) A schedule showing separation of revenues and expenses between regulated and nonregulated operations.

(i) Information about every transaction with an affiliated interest or subsidiary that directly or indirectly affects the proposed rates, including a full description of the relationship, the terms and amount of the transaction, the length of time the relationship has been ongoing, and an income statement and balance sheet for every affiliated entity.

[Statutory Authority: RCW 80.01.040 and 80.04.160. WSR 18-18-041 (Docket A-130355, General Order R-592), § 480-07-530, filed 8/29/18, effective 9/29/18; WSR 03-24-028 (General Order R-510, Docket No. A-010648), § 480-07-530, filed 11/24/03, effective 1/1/04.]