

May 19, 2016

Steven King, Executive Director Washington Utilities and Transportation Commission Post Office Box 47250 Olympia, WA 98504-7250

Subject:

Suncadia Water Company, LLC, General Rate Case

Ref: UW 401246

Dear Mr. King,

Enclosed are updated tariff sheets for the Suncadia Water Company general rate case. Revisions to the existing tariff were previously submitted on March 16, 2016. After reviewing the rate case calculations UTC staff has recommended and requested changes; these changes are reflected in the updated tariff sheets attached as follows:

- Sheet 1 (Second Revision Sheet No. 1 Cancelling First Revision Sheet No. 1). Minor typographical changes have been made to this sheet from what was previously submitted.
- Sheet 14 (Third Revision of Sheet No. 14 cancelling Second Revision Sheet No. 14). The charges for dedicated fire lines are changed from what was previously submitted. All of the metered rates and fire line charges are changed from what was previously approved in a prior rate case.
- Sheet 15 (Third Revision of Sheet No. 15 cancelling Second Revision Sheet No. 15.) The consumption charge in the third consumption tier has been changed from what was previously submitted. All of the consumption rates for the tiers are changed from what was previously approved in a prior rate case.
- Sheet 16 (Third Revision of Sheet No. 16 cancelling Second Revision Sheet No. 16.). The monthly rate for Ready To Serve Service has been changed from what was previously submitted, and is changed from what was previously approved in a prior rate case.

A summary of the proposed changes is as follows:

Customer Class	Existing Monthly Base Charge	Proposed Monthly Base Charge	Percentage Change	
Residential, Standard Meters				
1-inch meter	\$ 36.00	\$ 38.00	Just over 1% per year for the last 5 years (+6% total)	
Commercial, Standard Meters	2			
1-inch meter	\$ 36.00	\$ 38.00	Same as above	
1 1/2-inch meter	\$ 72.00	\$ 76.00	Same as above	
2-inch meter	\$ 115.20	\$ 121.60	Same as above	
3-inch meter	\$ 216.00	\$ 228.00	Same as above	
4-inch meter	\$ 360.00	\$ 380.00	Same as above	

	ed Fire Lines ercial only)							
1-inch \$		3.91	\$ 10.75		+175%			
		\$ 1	2.50	\$ 34.39		+175%		
3-inch \$		\$ 2	23.44	\$ 64.50		+175%		
4-inch \$		\$ 3			\$ 107.46		+175%	
6-inch \$		\$ 7	'8.13	\$ 214.91		+175%		
8-inch \$ 1		\$ 12	25.00 \$ 34		.86		+175%	
Consum	ption Charges	l	1	<u> </u>				
			Existing Usage Charge		Proposed Usage Charge		Percentage Change	
1-inch Usage, 0 to 8000 gallons			\$ 2.00 per 1000 gallons		\$ 2.20 per 1000 gallons		Appx. 2% per year for the last 5 years (+10% total)	
	Usage, 8001 to 28,000 gallons		\$ 3.80 per 1000 gallons		\$ 4.30 per 1000 gallons		Just under 3% per year for the last 5 years (+13% total)	
	28,001 + gallons		\$ 5.60 per 1000 gallor		\$ 7.43 1000 gallons		Just under 3% per year for the last 5 years (+33% total)	
Other me	eter sizes are change	ed bas	ed on standard mete	er equiva	alents.			
					-			
Monthly Ready-To- Serve Charge Existing: \$ 21.00						7% per year for st 5 years (44% total)		

In total, based on study year data the changes amount to an increase in operating revenue of approximately \$241,268 (25.4%) per the UTC spreadsheet although the increase will be less if the tiered rates result in significant water conservation.

Revised pages of the tariff are provided with this letter. Changed sections of the document are underlined or otherwise noted. Mr. Gary Kittleson is authorized to sign the tariff and I have the authority to submit tariff revisions on behalf of the Company.

Thank you

Cape Powers

Director of Utilities

Attachments: Revised Tariff sheets (4 total)