

ILIAD WATER COMPANY, LLC.
1107 S. Bailey St.
Seattle, WA 98108
(206) 764-3842

October 21, 2016

IMPORTANT NOTICE

Iliad Water Company LLC, is filing with the Washington Utilities and Transportation Commission for a general rate increase. If approved, the new rates will become effective on January 1, 2017. The reason for the increase is to reflect the actual costs of operation for the water systems. Historically, the revenues produced from existing rates have not covered the cost of operation and an authorized return on investment. In the past, operations have been at a loss and there have been some bills that have gone unpaid. This year the company has an operating loss of over \$200,000 in expenses through August 31. As a result, a significant increase in rates is needed. This is not something the company takes lightly. However, the company cannot provide good service to you if it is constantly operating at a loss.

The change in rates will, in theory, produce an estimated \$318,300 in additional revenue. This represents 143 percent increase in the company's revenue.

The increase in your rates is as follows:

Water System	Current Monthly Rate	New Rate	Percent Increase
Alderlake	\$46.50	\$82.65	77.7
Cascade Crest	\$35.75	\$82.65	131.2
Cherry Creek	\$32.85	\$82.65	151.6
Fragaria Landing	\$25.00	\$82.65	230.6
Hunt I & II	\$32.85	\$82.65	151.6
Lowper	\$62.12	\$82.65	33
Marbello	\$30.00	\$82.65	175.5
Northwest	\$33.15	\$82.65	149.3
Stavis I	\$44.20	\$82.65	87
Sunwood Graham	\$30.00	\$82.65	175.5

The company is proposing that all systems have the same rate. Commission Staff requested that the company use a unitary rate and the company agreed to do so. Note that in addition, all rates are subject to an additional charge of state public utility tax of 5.029 percent.

The commission has the authority to set final rates that may be lower or higher than the company's request, depending on the outcome of its investigation. You can submit comments by going to www.utc.wa.gov and clicking "Submit a Comment," or by one of the following options:

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250, Olympia, WA 98504-7250
E-mail: comments@utc.wa.gov
Telephone: 1-888-333-WUTC (9882)

Commission staff will make a recommendation to the commissioners at an open meeting in Olympia, which is scheduled for 9:30 a.m. on December 22, 2016, and you will have an opportunity to comment in person at this meeting. If you are unable to attend the open meeting, you can participate by telephone by calling 360-664-1234 the day before the open meeting for instructions and to sign in.

A memo containing the staff recommendation will be available on the commission website about three days prior to the open meeting. To view the memo, go to utc.wa.gov. Click on the link near the bottom that says "Documents." Under "Open Meetings," click on "Agendas, meeting minutes, orders." When the open meeting date (see above) appears, click on the memo for this filing. This will take you to a page with the memo and any associated attachments. You will be given an option to open or save the document you choose.

The commission is committed to providing reasonable accommodation to participants with disabilities. If you need reasonable accommodation, please contact the commission at (360) 664-1132 or human_resources@utc.wa.gov.

If you have further questions about the proposed filing and how it will affect you, please call the Company at 206-282-4200 or 800-928-3750.

Sincerely,
Iliad Water Company, LLC.