

ILIAD Water Company LLC

1107 S. Bailey St.
Seattle, WA 98108
(206) 764-3345

May 30, 2018

IMPORTANT NOTICE

Iliad Water Company, LLC is filing with the Washington Utilities and Transportation Commission for a rate increase. If approved, the new rates will become effective on July 1, 2018. The reason for the increase is that the two water suppliers for the Lower and Marbello Water Systems have increased their rates for wholesale water. The supplier for Marbello is the City of Monroe and the supplier for Lower is the Clallam County PUD. The proposed rate increase is a pass-through of the expense and is not something Iliad Water Company, LLC makes any money on.

The Commission generally follows the "unitary" rate theory. This means that although an event does not affect all water systems, the cost is spread amongst Iliad's entire customer base. While this event is on the Lower and Marbello Water Systems, a well might go out on another system this summer. That cost would be picked up by all customers including the Lower and Marbello customers. This is a sharing of risk approach which should benefit all customers in the long run.

The change in rates will, in theory, produce an estimated **\$24,246.00** in additional revenue. This represents 3.53% percent increase in the company's gross revenues.

The proposed increase to your base rate is as follows:

Alderlake, Lower, Marbello & Northwest	Current Monthly Base Charge	New Rate	Percent Increase
5/8" Base Meter	\$44.00	\$46.25	5.01%
1" Base Meter	\$110.00	\$112.25	2.05%
1 1/2" Base Meter	\$220.00	\$222.25	1.01%
Sunwood Graham			
5/8" Base Meter	\$35.00	\$37.25	6.43%
1" Base Meter	\$87.50	\$89.75	2.57%
1 1/2" Base Meter	\$175.00	\$177.25	1.29%
All Other Water Systems			
5/8" Base Meter	\$40.00	\$42.25	5.63%
1" Base Meter	\$100.00	\$102.25	2.25%
1 1/2" Base Meter	\$200.00	\$202.25	1.13%
Ready To Serve Fee - All Systems	\$40.00	\$42.25	5.63%

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 June 28, 2018, 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 Iliad Water Company, LLC at 206-764-3345 or 800-928-3750.

Sincerely,

Iliad Water Company, LLC.