PEDERSEN FAMILY LLC

6793 Old Olympic Highway – Sequim, Washington 98382

IMPORTANT NOTICE

January 17, 2014

Pedersen Family LLC is filing for a water rate increase with the Washington Utilities and Transportation Commission (UTC). The UTC will consider our information on the reasons for a rate increase. The additional annual revenue generated from this increase would be \$20,160. If approved, the rates will become effective on February 20, 2014.

If you received a rate increase letter dated December 20, 2013, please DISREGUARD. UTC staff did not believe the previously proposed rate increase filing was appropriate.

We have not applied for a rate increase in over a decade; the reason for this rate increase is to recover costs that have exceeded our revenues. This includes adjusting for the ever-increasing costs of labor, testing, insurance, and operations (i.e. electricity, maintenance, postage, telephone, transportation, etc.). The proposed rates are also to promote overall water conservation. Below is a comparison of current and proposed rates:

Service	Current Rate	Proposed Rate
Flat rated, unmetered service	\$15.00	\$23.00
3/4" Metered Base Rate	\$8.00	\$16.00
Tier 1, 0 - 500 cubic feet	\$0.35	\$0.50
Tier 2, > 500 cubic feet	\$0.55	\$0.80
Installation of Approved Backflow	N/A	Labor & Materials
Service Visit Charge	N/A	\$30.00
Late Payment Charge	N/A	2% or \$1.00
NSF Check Charge	N/A	\$12.00
Water Availability Letter	N/A	\$10.00
Backflow Assembly Testing and Inspection	N/A	Labor & Materials
Damage and Repair Charge	Labor & Materials	Labor & Materials
Service Connection Fee (for new connections)	\$300.00	\$500.00

Additionally, in compliance with the Department of Health, customers shall be asked to complete a cross connection control survey, and, if deemed necessary, install and maintain a backflow assembly to comply with cross connection control regulations.

The UTC 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. UTC staff will make a recommendation to the commissioners at an open meeting in Olympia, which is scheduled for 9:30 a.m. on February 14, 2014. You will have an opportunity to comment in person at this meeting. The UTC 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 are unable to attend the open meeting, the commission has a bridge line which enables you to participate by telephone. Call (360) 664-1234 the day before the open meeting for instructions and to sign in. You can also comment by using the "Submit a Comment" feature at the commission's web site, at utc.wa.gov, or by using the contact information below.

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)

Sincerely, Pedersen Family LLC 6793 Old Olympic Highway Sequim, WA 98382 (360) 683-5873