

Date: January 19, 2011

Dear Burton Water Customer,

On October 20, 2010, the company filed for a general rate increase. The filing was suspended by the commission on November 10, 2010. Thereafter, commission staff proposed a new rate design. Commission staff and the company reached an agreement on the revenue requirement of \$50,162 per year and the company accepted the proposed rate design.

Staff's revised rate design is different from the company's originally proposed rate design. The company proposed to increase only the base rate. The revised rate design includes a small increase in the base meter charge and the ready-to-serve charge, and lowers the water usage blocks. This rate design shifts more revenue to water usage and helps to promote conservation.

The chart below compares the existing rates with the originally proposed rates and the agreed upon staff revised rates:

	<u>Existing Base Rate</u>	<u>Original Proposed Base Rate</u>	<u>Staff Revised Base Rate</u>
3/4 inch meter	\$21.59	\$33.39	\$25.25
Ready-to-serve	\$21.59	\$33.39	\$25.25
1 inch meter	\$36.06	\$47.86	\$42.08

No changes were proposed to usage rates in the company's filing in October. Under the agreement with staff the usage blocks will change as set out in the chart that follows: (CF = Cubic Feet)

Usage Rates	\$1.83	\$4.71	\$6.00
Existing Block 3/4"	0-2,500 CF	2,501-5,000 CF	>5,000 CF
Proposed Block 3/4"	0-1,000 CF	1,001-1,700 CF	>1,700 CF
Existing Block 1"	0-4,175 CF	4,176-8,350 CF	>8,350 CF
Proposed Block 1"	0-1,660 CF	1,661-2,820 CF	>2,820 CF

Depending on your usage, you may receive a higher or lower bill under staff's revised rate design than under the company's original proposal in October.

If you have any questions concerning this filing please call the company at 206-463-0075 to contact Jim Garrison or 206-463-0988 to talk with Evan Simmons. You can also leave comments and questions concerning the proposed rate design at this website: www.burtonwater.com.

The new proposed rate design has been allowed to go into effect on a temporary basis and is subject to refund if the commission determines different rates are appropriate.

The commissioners will consider whether staff's revised rates should become permanent at an open meeting in Olympia, which is scheduled for 9:30 a.m. on February 25, 2011. You will have an opportunity to comment in person at this meeting. If you are unable to attend the open meeting, the commission has a telephone line that enables you to participate or listen. Call (360) 664-1234 for instructions the day before the open meeting. You may also comment by using the "Public Comment" feature at the commission's website at utc.wa.gov or by using the contact information below.

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

Sincerely,

Jim Garrison and Evan Simmons
 Burton Water Company