

UW-051336 (T)
12-28-05

Marple & Marple, Inc., P.S.
CERTIFIED PUBLIC ACCOUNTANTS

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August 25, 2005

Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

RECEIVED
RECORDS MANAGEMENT
05 SEP -6 AM 8:24
STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

Re: Application for Rate Increase

Ladies & Gentlemen:

Attached is an application for rate increase for Southgate Water Systems, Inc.

The filing is being made to increase revenue to provide funds for increased operating costs and capital equipment additions.

We are requesting that the basic fee be increased from \$48 to \$55 per month and that the rate for each 1,000 gallons used in excess of 45,000 gallons up to 60,000 per month be increased from 30¢ to \$1.50 and for each 1,000 gallons in excess of 60,000 per month the rate be increased to \$3.00.

The new rates are projected to add to total annual revenue as shown below:

Basic fee increase of <u>\$7.00</u> per month for 44 users would provide an increase in annual gross revenue of	\$ 3,696
The increase in the usage charge per 1,000 gallons used in excess of 45,000 gallons up to 60,000 based on 2004 use would be	1,236
The increase in the usage charge per 1,000 gallons in excess of 60,000 gallons based on 2004 would be	<u>9,694</u>
Total estimated increase in general gross revenue	<u>\$14,626</u>

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Would you please review the application and let us know if the rate increase is approved or let us know if you need any additional information. Thank you for your assistance.

Very truly yours,

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a series of loops and a horizontal line extending to the right.

Robert E. Marple

REM/tk

Enclosure