

IMPORTANT NOTICE

Date: May 24, 2018

Dear Burton Water Customer,

Burton Water Company (BWC) has filed for approval from the WUTC ("Commission") to increase its revenue by \$85,353 annually. If approved, the increase will take effect July 1, 2018. This is a general rate increase. The rate increases are set forth in the table below. WUTC last approved new rates for Burton Water Company on May 14, 2015.

Overall costs to provide service, such as wages, taxes and other factors, have increased and, as always, regulatory compliance costs continue to rise. The Tax Cuts and Jobs Act of 2017 eliminated the lowest corporate tax bracket so BWC's taxes are actually going up. The largest item contributing to the new rates is a new franchise fee from King County. King County wants to charge BWC "rent" to use the public right-of-way from our mains. This item alone increases the need for more revenue by \$34,039.

A portion of the new revenue will be used to put in place some items required by the Department of Health and designed to better protect the wells, such as a coliform monitoring plan and chlorination.

The chart below sets forth the rates that are currently charged and what charges would be if the rate request is approved. The \$85,353 additional revenue represents a 33.8% increase in total service revenue. The base rate for ¾" meter connections and ready-to-serve customers are increasing by 33.3% and the base rate for 1" meter customers is increasing by 33.6%. Rate Block One is increasing by 58.4%.

	<u>Existing Rate</u>	<u>Proposed Rate</u>
¾ inch meter per month	\$29.75	\$39.65
Ready-to-serve	\$29.75	\$39.65
1 inch meter per month	\$49.58	\$66.22
Rate Block One (usage up to 1,000 cu ft for ¾ inch customers and 1,660 cubic feet for 1 inch customers)	\$2.57/100 cubic feet	\$4.07/100 cubic feet

The Commission has the authority to set rates that may vary from the Company's request, depending on the outcome of its investigation. 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. 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 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 "Public 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
Post Office Box 47250
Olympia, WA 98504-7250
E-mail: comments@utc.wa.gov
Telephone: 1-888-333-WUTC (9882)

Customers are always welcome to visit our facilities to see what we've been up to; call Jim or Evan to schedule a tour. If you have any questions concerning this filing please call Burton Water Company at 206-463-0988 (Evan) or 206-463-0005 (Jim).

Sincerely,

Evan Simmons

Jim Garrison

Burton Water Company