



September 20, 2019

IMPORTANT NOTICE

Dear Water Customer,

This letter is to inform you that Northwest Water Services, LLC has requested to the Utilities and Transportation Commission (Commission) the consideration of a rate increase. If the Commission agrees with our request the new rates will go into effect November 1, 2019 and May 1, 2020. We are consolidating our tariffs so that all systems are being charged the same rate for the same level of service. This rate case is being done to allow us to continue to operate the systems in a sustainable way. The rates are increasing due to B&O taxes, labor costs, as well as repairs and maintenance costs. New pumps have been installed at all the systems in the past 12 months, the rebuilding of Pressure Reducing Vaults and updating communication between the pumps and the wells in several locations have all contributed to the need for the rate increase. The current rates have been in effect since 2017. These rates were set when the company was initially set up without the historical records of consumption and use. Based on more complete records over the past year as well as the need to replace aging infrastructure these rates are designed to reflect the cost of providing safe drinking water to your home. This rate case allows us to go to the bank to request loans for specific projects and show that the company can pay back those loans. If you have any questions about how this rate change may affect you, please call Northwest Water Services at 360-306-3692 or Water & Wastewater Services toll free at 800-895-8821.

Please disregard our earlier notice (Mailed February 26) about a surcharge request to add an additional \$4.52 to your water bill. This item has been re-evaluated and removed.

The Commission has consistently used Single Tariff Pricing since the early 1990s. Very simply, Single Tariff Pricing is the practice of setting a companywide single rate that applies to every customer, on different water systems, within a same customer class. Single Tariff Pricing distributes plant cost (rate base), system upgrades, operating and maintenance costs, and improvements for the entire water company equally across all customers.

The company revenue impact of this filing, based on a 2018/2019 test year, will be an annual increase of \$80,557. The average customer usage is 5174 gallons (692 cubic feet) per month and the average bill would increase by approximately \$8.00 per month starting November 1, 2019 and an additional \$7.00 starting May 1, 2020 based on our usage data. The revenue impact on each customer class affected is presented below for meter rates.

Current Rates Northwest Water Services (NWWS):

Meter Size	Monthly Base Rate	1st Block (gallons)	1st Usage Rate*	2nd Block (gallons)	2nd Usage Rate*	3rd Block (gallons)	3rd Usage Rate*
3/4 - Inch	\$35.00	0 – 5000	\$1.50	10,000	\$2.50	10,001	\$3.50
1 Inch	\$58.33	0-8,333	\$1.50	8,334	\$2.50	16,668	\$3.50

*per 1,000 gallons

Current Rates Silver Lake Water (SLW):

Meter Size	Monthly Base Rate	1st Block (gallons)	1st Usage Rate*	2nd Block (gallons)	2nd Usage Rate*	3rd Block (gallons)	3rd Usage Rate*
5/8 - Inch	\$35.00	0 – 6,000	\$1.00	6,001 – 12,000	\$2.00	Over 12,000	\$2.50
1 - Inch	\$87.50	0 – 15,000	\$1.00	15,001 – 30,000	\$2.00	Over 30,000	\$2.50

*per 1,000 gallons

Proposed Rates – All Customers - November 1, 2019 through April 30, 2020:

Meter Size	Monthly Base Rate	1st Block (cubic feet)	1st Usage Rate*	2nd Block (cubic feet)	2nd Usage Rate*	3rd Block (cubic feet)	3rd Usage Rate*
3/4 - Inch	\$43.00	0 – 802	\$1.00	803- 1,604	\$2.00	Over 1,604	\$2.50
1 - Inch	\$71.40	0 – 2005	\$1.00	2,006– 4011	\$2.00	Over 4,011	\$2.50

*per 100 Cubic Feet

Proposed Rates – All Customers - Starting May 1, 2020:

Meter Size	Monthly Base Rate	1st Block (cubic feet)	1st Usage Rate*	2nd Block (cubic feet)	2nd Usage Rate*	3rd Block (cubic feet)	3rd Usage Rate*
3/4 - Inch	\$43.00	0 – 521	\$2.06	522- 869	\$2.81	Over 869	\$3.37
1 - Inch	\$71.40	0 – 866	\$2.06	867– 1,443	\$2.81	Over 1,443	\$3.37

*per 100 Cubic Feet

Ancillary rates will be adjusted to the following:

Rule/Schedule#	Rule Description	Old Charges NWS/SLW	Proposed Charge
Rule 5	Disconnection Visit Charge (per visit)	\$68.50/\$25.00	\$68.50
Rule 6	Reconnection Charge (per visit)	\$68.50/\$25.00	\$137.00
Rule 11	Service Visit Charge	n/a/\$45.00	\$68.50/hr
Rule 14	Late Payment Charge of; 2% Unpaid Balance or Minimum Charge	2% or \$2.00/ 2% or \$1.00	2% or \$5 Minimum
Rule 20	Account Set-up Charge	n/a/\$17.50	\$35.00
Rule 21	NSF Charge (each check) Redeposit Fee	\$25.00/\$21.00 \$5.00	\$25.00
Rule 22	Water Availability Letter Charge	\$40.00/\$17.50	\$40.00
Rule 24	Backflow Assembly Testing and Inspection	\$68.50/hr	\$85.50/hr
Rule 28	Damage and Repair Clause		
	<i>Hourly Labor Charge</i>	\$68.50/hr	\$68.50/hr + Cost of Materials
	<i>After hours emergency labor charge</i>	\$102.00/hr	\$102.00/hr + Cost of Materials
	Schedule Description		
Schedule 1	Non metered rate service	\$45.00/\$48.79	\$48.79/Month
Schedule 1.5	Non metered rater service- Skagit River Colony	\$45.00/month	\$40.00/month
Schedule 4	Service Connection Charge	\$1,500.00	\$1,850.00
Schedule 8	Cross Connection Control	\$68.50/hr	\$85.50/hr
	<i>Installation by approved installer/Service visit/Premises inspection charge</i>		
Schedule 9	Water System Facilities Charge	\$4,800.00	\$6,500.00

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 using the "Submit a Comment," tool or by one of the following options:

Washington Utilities and Transportation Commission
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 Lacey, WA at 621 Woodland Square Loop SE, which is scheduled for 9:30 a.m. on October 24, 2019. You will have an opportunity to comment in person at this meeting.

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, you can participate by telephone by calling 360-664-1234 the day before the open meeting for instructions and to sign in. If you plan to attend the open meeting in person, please call the day before the open meeting to make sure this item is still on the agenda.

Staff may recommend rates that are significantly different than the company's proposal. 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 select it, then click on the memo for this filing. On the next page, click on "Documents." This will take you to a page with the memo and any associated attachments.

Sincerely,

Carol Rofkar & Kelly Wynn,
Owners, Northwest Water Services