

February 10, 2012

### IMPORTANT NOTICE

We are planning ahead and want you to be involved. Rainier View just completed a rate case at the Washington Utilities and Transportation Commission (WUTC). As part of that proceeding, Rainier View was directed by the WUTC to file another rate case no later than April 15, 2013. Rainier View was further directed by the WUTC that in the next rate filing, the company must propose a rate design that reduces or eliminates the difference in the way that residential customers and non-residential customers are charged.

This may mean a significant increase in your base rate. Set out below is a table that sets out the existing base rates and an **estimate** of what a new base rate **might** be in the next rate filing.

Meter Size	Current Base Rate	Estimated New Base Rate
3/4-inch or smaller	\$13.90	\$13.90
1-inch	\$17.75	\$34.75
1 1/2-inch	\$38.00	\$69.50
2-inch	\$48.00	\$112.20
3-inch	\$66.00	\$208.50
4-inch	\$88.00	\$347.50
6-inch	\$130.00	\$600.00

This is based on revenue requirements in UW-111399. The estimate can and will vary depending upon final revenue requirement.

Usage rates for the 3rd usage block would also change. The current estimate has no change to the 1<sup>st</sup> and 2<sup>nd</sup> usage blocks. The **estimate** of how usage rates **might** change is from \$1.50 to \$5.00 per 100 cubic feet or fraction thereof for the 3rd usage block. For your information, usage blocks now in use are as follows:

Meter Size	1st Block (cubic feet)	2nd Block (cubic feet)	3rd Block (cubic feet)
3/4-inch or smaller	0-600	601-3,000	Over 3,000
1-inch	0-1,500	1,501-7,500	Over 7,500
1 1/2-inch	0-3,000	3,001-15,000	Over 15,000
2-inch	0-4,800	4,801-24,000	Over 24,000
3-inch	0-9,000	9,001-45,000	Over 45,000
4-inch	0-15,000	15,001-75,000	Over 75,000
6-inch	0-30,000	30,001-150,000	Over 150,000

Since this possible proposal could significantly affect you, we wanted you to be aware as early as possible. The estimate is only an estimate. It is not a guarantee that Rainier View will file at that level nor is it a lid on what Rainier View may file. In addition, the commission may want to use a different rate design. The commission rate design may include smaller usage blocks which would also affect customer rates. This is an estimate provided solely so you can see what might happen and plan accordingly. Customers will have the opportunity to comment to the commission during the April 2013 rate case.

If this estimate holds, the result would mean that the amounts paid by non-residential customers as a whole would increase by approximately 30% or \$232 per customer on an annual basis. However, individual customer results will differ depending on usage and size of meter. You can use information from your bills to calculate how things may change for your operation.

We are interested in hearing from you. You can contact us by writing Rainier View Water Company, PO Box 44427, Tacoma, WA 98448, Attn: Doug Fisher. You can always call our Customer Service Office between 8:00 and 5:00 at 253-537-6634, option 3.