

BURTON WATER COMPANY, INC
11507 105 PL SW
VASHON, WA 98070
 Phone 206-567-4688

January 28, 2006

IMPORTANT NOTICE -- BURTON WATER COMPANY RATE INCREASE

The Burton Water Company has filed for approval from the Washington Utilities and Transportation Commission to increase its rates. The proposed rates will increase revenues to the company by about \$16,000 per year; and if approved, will become effective March 1, 2006.

We had a raise in rates last April, so you are probably wondering why we would need another so soon.

Our reasons are given below:

Reason #1. Last January we asked for a rate increase of \$4 per month, the first since 1998. The Commission allowed us only \$2.70. We recently examined their calculations and found that they had used a figure for water usage in 2004 that was too high. This resulted in a high estimate of our earnings and led them to think that \$2.70 per month would be sufficient. The shortage of \$1.30 in our rate resulted in a loss of revenue of about \$6500.

Reason #2. Our water usage, as determined by the sum of all meter readings, decreased from 3.15 million cu ft in 2004 to 2.83 million cu ft in 2005. This resulted in a loss in revenue of about \$5800. This may be the result of your conservation measures, which we appreciate. Or, it could be due to the pattern of rainfall.

Reason #3. We increased our management pay from \$25 per hour to \$27.50, an increase of about \$5000.

Total of Reasons 1 to 3 is \$17,300. Our latest analysis shows a need for \$15,238.

NEW RATES PROPOSED

We propose increasing our basic rate by \$3.30 per month, from \$16.70 to \$20.00. Our loss of \$12,400 in 2005 cannot be recovered. All we can do is strive for a more realistic rate in the future. A comparison with other systems on Vashon Island shows our rates are about half as much. We encourage a note to the Commission showing your support or objections to the rate increase.

NEW RATES

Rate Schedule for charges (per month):

<u>Basic charge</u>	Current Monthly Minimum	Proposed Monthly Minimum
	\$ 16.70	\$ 20.00

The Ready-to-Serve charge and the charge for metered water remain the same. For most customers the result will be an increase in your 2-month billing by \$6.60.

If you have questions about the filing and how it will affect you, please call Gerry Garrison at 567-4688 or Jim Garrison at 463-0075, day or evening. If you have questions about the ratemaking process, you may contact the Commission at the following address:

Secretary, Washington Utilities and Transportation Commission	
1300 S Evergreen Park Dr.	or, call toll free 1-800-562-6150
PO Box 47250, Olympia, WA 98504-7250	or, e-mail to comments@wutc.wa.gov

The Commission encourages your written comments, either in favor or opposition, regarding this proposal. Comments must be submitted in writing or presented at the Commission's open meeting to be considered as part of the formal record. If you would like to be added to the Commission's mailing list to be notified of the open meeting date, please call the toll-free number listed above and leave your name and mailing address and the water company name and a description of the proposal you are interested in.

Burton Water Company, James K. Garrison, President