



## H & R WATERWORKS, INC.

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### IMPORTANT NOTICE

March 31, 2008

The company has filed with the state Utilities and Transportation Commission to increase the minimum monthly water rates and to modify the current consumption rates to further promote conservation. Also the company seeks approval to conduct testing on customer cross connection control equipment. If approved, the changes will become effective on June 1, 2008.

Since the last rate filing in 2005, the company has experienced notable expense increases for fuel, insurance, water quality testing and operations. Total annual revenue would increase by \$225,839 or 14.2% over 2007. The "average metered customer" uses 1,020 cubic feet per month or 254 gallons per day year round. Half of the monthly water bills issued to customers in 2007 were for less than 641 cubic feet per month or 160 gallons per day. A lower consumption rate has been filed for these customers. Several hundred customers routinely use much more than the "average" consumption year round. Since conservation is a company and statewide goal, our pricing structure is designed to encourage conservation for average and above average usage consumers.

#### Proposed Monthly Rate Schedule – Residential, Commercial & Apartment Customers

<u>Item</u>		<u>Current Rates</u>	<u>Proposed Rates</u>
Minimum Metered Rate	¾"	\$23.55	\$27.80
	1"	\$39.33	\$47.26
	1 ½"	\$ NA	\$91.74
	2"	\$ NA	\$147.34
	3"	\$235.50	\$278.00
Base Flat Rate (Unmetered)		\$36.85	\$42.25
Consumption			
Per 1 cubic foot up to 1000 cf.		\$0.0125	\$0.0120 per cu. ft. up to 650 c.f.
Per 1 cubic foot over 1000 cf.		\$0.0165	\$0.0180 per cu. ft. over 650 c.f.
Apartment Flat Rate		\$18.50	\$21.00

#### Ancillary Charges

<u>Item</u>	<u>Current Rate</u>	<u>Proposed</u>
Annual Backflow Assembly Test*	\$ NA	\$2.25 per month

\*Charge only applies to customers with a backflow assembly. This charge is to cover company's cost of testing backflow assemblies and making minor repairs. Backflow assemblies are required based on information supplied in your customer survey responses and/or inspection by staff. These protective devices are required where there is potential for contamination of the public water supply through your connection due to a loss of system pressure.

**If You Have Questions or Comments** If you have questions about the proposed filing and how it will affect you, please call us at 360-357-3277. The commission has the authority to set final rates that may vary from the company's request, depending on the results of its investigation. To comment on this filing, be added to the commission's mailing list, or ask questions about the ratemaking process, please use the contact information below. You may also comment in person at the commission's open meeting in Olympia at 9:30 a.m. on April 30, 2008, or by using the "Public Comment" feature at the commission's web site, at <http://www.utc.wa.gov/comment>. The commission is scheduled to make a decision at its open meeting on May 28. If you are unable to attend an open meeting in person, the commission has a bridge line that enables you to participate or listen by telephone. Call 360-664-1234 for instructions the day before the open meeting.

Washington Utilities and Transportation Commission  
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 Telephone: 1-800-562-6150

**H & R Waterworks, Inc.**

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