



WASHINGTON WATER SERVICE

P.O. Box 336
Gig Harbor, WA 98335 Tel: (877) 408-4060

DRAFT NOTICE FOR UTC REVIEW

IMPORTANT NOTICE FOR WASHINGTON WATER CUSTOMERS

Washington Water Service (Washington Water) charges customers for the true costs to provide safe, clean, and reliable water utility service; as such, we have filed an application with the Washington Utilities and Transportation Commission (UTC) to increase revenues needed to continue providing a reliable, high-quality water supply. The filing requests an increase of \$577,273 in annual revenue from 2022 to spread the costs of investments in the water system infrastructure over time. If approved, the new rates would become effective July 14, 2023.

Washington Water's last general rate increase became effective December 1, 2018 and was based on 2017 capital and operating expenses. Since then, the utility has made numerous water system upgrades at a cost of \$6.0 million, such as:

- Treatment for naturally occurring arsenic and well improvements in the Biscay Villa Water System
- New limestone treatment plant to remove lead and copper in the Winddrift Water System
- Electrical and booster pump upgrades to improve fire flow in the Raft Island Water System
- A new well in Peacock Hill that produces 275 gallons of water per minute
- 1,200 feet of 4-inch water main in the Minterbrook Water System to increase reliability and water quality
- 1,100 feet of 4-inch water main in the Evergreen Shore Water System to prevent water loss
- 700 feet of 4-inch water main in the Black Lake Estates Water System to reduce leaks

The filing also reflects cost increases in materials, equipment, depreciation expenses due to the addition of new facilities, a newly proposed conservation program, and increases in personnel costs. However, in the face of rising costs, we continue to work diligently to control expenses wherever possible and help keep water rates affordable.

The tables below show the present and proposed rate structure.

Residential Service - Existing Rates

Meter Size	Base Rate	1st Block (cubic feet)	1st Usage Rate ¹	2nd Block (cubic feet)	2nd Usage Rate ¹	3rd Block (cubic feet)	3rd Usage Rate ¹
3/4-inch ²	\$ 23.60	0 - 600	\$ 3.85	601 - 1,600	\$ 4.95	Over 1,600	\$ 6.10
1-inch	\$ 39.33	0 - 1,000	\$ 3.85	1,001 - 2,667	\$ 4.95	Over 2,667	\$ 6.10
1 ½-inch	\$ 78.67	0 - 2,000	\$ 3.85	2,001 - 5,333	\$ 4.95	Over 5,333	\$ 6.10
2-inch	\$ 125.87	0 - 3,200	\$ 3.85	3,201 - 8,533	\$ 4.95	Over 8,533	\$ 6.10
3-inch	\$ 236.00	0 - 6,000	\$ 3.85	6,001 - 16,000	\$ 4.95	Over 16,000	\$ 6.10
4-inch	\$ 393.33	0 - 10,000	\$ 3.85	10,001 - 26,667	\$ 4.95	Over 26,667	\$ 6.10
6-inch	\$ 786.67	0 - 20,000	\$ 3.85	20,001 - 53,333	\$ 4.95	Over 53,333	\$ 6.10
Ready to Serve	\$23.60	-	-	-	-	-	-

¹ Based on per 100 cubic feet or fraction thereof

² 3/4" or smaller

Meter Size	Base Rate	1st Block (cubic feet)	1st Usage Rate ¹	2nd Block (cubic feet)	2nd Usage Rate ¹	3rd Block (cubic feet)	3rd Usage Rate ¹
Flat	\$ 60.52	-	-	-	-	-	-

Residential Service - Proposed Rates

Meter Size	Base Rate	1st Block (cubic feet)	1st Usage Rate ³	2nd Block (cubic feet)	2nd Usage Rate ³	3rd Block (cubic feet)	3rd Usage Rate ³
3/4-inch ⁴	\$ 24.72	0 - 600	\$ 3.59	601 - 2,000	\$ 5.39	Over 2,000	\$ 7.18
1-inch	\$ 42.02	0 - 1,112	\$ 3.59	1,113 - 3,855	\$ 5.39	Over 3,855	\$ 7.18
1 ½-inch	\$ 81.58	0 - 2,223	\$ 3.59	2,224 - 7,709	\$ 5.39	Over 7,709	\$ 7.18
2-inch	\$ 131.02	0 - 3,557	\$ 3.59	3,558 - 12,334	\$ 5.39	Over 12,334	\$ 7.18
3-inch	\$ 247.20	0 - 6,670	\$ 3.59	6,671 - 23,127	\$ 5.39	Over 23,127	\$ 7.18
4-inch	\$ 412.82	0 - 11,117	\$ 3.59	11,118 - 38,545	\$ 5.39	Over 38,545	\$ 7.18
6-inch	\$ 823.18	0 - 22,233	\$ 3.59	22,234 - 77,089	\$ 5.39	Over 77,089	\$ 7.18
Ready to Serve	\$ 24.72	-	-	-	-	-	-
Flat	\$ 63.04	-	-	-	-	-	-

The UTC has the authority to set final rates that are either lower or higher than the company's request, depending on the results of its analysis. UTC staff will make a recommendation to the commissioners at an open meeting, which is scheduled for Thursday, July 13, 2023. You will have an opportunity to provide your comments at this meeting, which will be conducted remotely. If you intend to listen or participate, call 360-664-1234 at least one day before the open meeting for instructions and to sign in.

You may also comment by using the "Submit a Comment" feature at the UTC's web site at www.utc.wa.gov or by using the contact information below.

Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250
Email: comments@utc.wa.gov
Telephone: 888-333-WUTC (9882)

If you have any questions about the proposed filing and how it will affect you, please contact our Customer Service Department toll-free at 877-408-4060 or via email at customerservice@wawater.com.

Sincerely,

Washington Water Service
P.O. Box 336
Gig Harbor, WA 98335

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