

## NOTICE OF RATE INCREASE

Date: April 16, 2010

South Bainbridge Water System, Inc. has filed for approval from the Washington Utilities and Transportation Commission for an increase in basic service rates. The filing is expected to generate approximately \$128,500 in additional revenue on an annual basis. If approved, the rates would become effective June 1, 2010.

This filing is designed to allow the Company to cover its costs of operation. Costs are increasing such as the cost of insurance, property tax, power costs and payroll. The increase represents approximately a 20% increase in overall revenues. The proposal is to increase the base rate and keep usage rates the same as they are today. The increase in the base rate represents approximately a 32% increase to that rate. The table set forth below sets out what the rates are today and as proposed.

	<u>Current</u> <u>Per Month</u>	<u>Proposed</u>
Base Rate with 0 cubic feet	\$25.75	\$34.18
0 to 800 cubic feet, per 100 cubic feet	.94	.94
801 to 1,200 cubic feet, per 100 cubic feet	1.55	1.55
1,201 to 1,800 cubic feet, per 100 cubic feet	4.04	4.04
1,801 to 3,200 cubic feet, per 100 cubic feet	5.39	5.39
Over 3,200 cubic feet, per 100 cubic feet	6.61	6.61
Non-Metered Customers	29.55	37.98

Ready to serve customer rates will increase from \$25.75 to \$34.18 per month.

If you have any questions about the proposed filing and how it will affect you, please call the Company at 842-4299.

The commission has the authority to set final rates that may vary from the company's request, depending on the results of its investigation. Commission staff will make a recommendation to the commissioners at an open meeting in Olympia, which is scheduled for 9:30 a.m. on May 27, 2010. You will have an opportunity to comment in person at this meeting. If you are unable to attend the open meeting, the commission has a bridge line which enables you to participate or listen by telephone. Call 360-664-1234 for instructions the day before the open meeting. You can also comment by using the "Public Comment" feature at the commission's Web site at [utc.wa.gov](http://utc.wa.gov) or by using the contact information below.

Washington Utilities and Transportation Commission  
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P.O. Box 47250, Olympia, WA 98504-7250  
E-mail: [comments@utc.wa.gov](mailto:comments@utc.wa.gov)  
Telephone: 1-888-333-WUTC (9882)

Sincerely,

South Bainbridge Water System, Inc.