

IMPORTANT NOTICE

Date: March 30, 2015

Dear Burton Water Customer,

Burton Water Company (BWC) has filed for approval from the WUTC ("Commission") to increase its revenue by \$60,191 annually. If approved, the increase will take effect May 1, 2015. This is a general rate increase which will increase the base rate for all customers, including ready-to-serve customers, by \$6.18 per month. This will also increase Rate Block One from \$1.83 per hundred cubic feet (748 gallons) to \$3.63 per hundred cubic feet (748 gallons).

WUTC last approved new rates for Burton Water Company on February 26, 2011. In November of 2012, by allowing a \$5 per month Capital Improvement surcharge to expire, BWC reduced costs to the customers by that amount. This reduction resulted in a decrease in money available for capital improvements of \$24,900 annually. Since our last rate increase we have continued making substantial improvements to our system. Among them:

1. Replacing and enlarging 1740 feet of main water lines - 940 feet on the peninsula and 800 feet on 107th.
2. Adding 320 square feet to our shop/office facility and reorganizing and expanding our parts inventory.
3. Doing significant and long-deferred maintenance of our well field and pump house.
4. Complete rebuilding, rescreening and reroofing of one of our two main in-ground 35,000 gallon storage tanks.

These were capital-intensive upgrades which will benefit the system for many decades.

Overall costs to provide service, such as wages, electricity, taxes and other factors, have also increased and, as always, regulatory compliance costs continue to rise.

The chart below sets forth the rates that are currently charged and what charges would be if the rate request is approved. The \$60,191 additional revenue represents a 27% increase in total service revenue. The base rate for ¾" meter connections and ready-to-serve customers is increasing by 24.45% and the base rate for 1" meter customers is increasing by 14.69%. Rate Block One is increasing by 98%.

| | <u>Existing Rate</u> | <u>Proposed Rate</u> |
|----------------|----------------------|----------------------|
| ¾ inch meter | \$25.25 | \$31.43 |
| Ready-to-serve | \$25.25 | \$31.43 |
| 1 inch meter | \$42.08 | \$48.26 |
| Rate Block One | \$1.83/100 | \$3.63/100 |

The Commission has the authority to set rates that may vary from the Company's request, depending on the outcome 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 April 30, 2015. 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 by telephone. Call 360-664-1234 the day before the open meeting for instructions and to sign in. You can also comment by using the "Public Comment" feature at the commission's web site, at utc.wa.gov, or by using the contact information below.

Washington Utilities and Transportation Commission
1300 S Evergreen Park Drive SW
Post Office Box 47250
Olympia, WA 98504-7250
E-mail: comments@utc.wa.gov
Telephone: 1-888-333-WUTC (9882)

Customers are always welcome to visit our facilities to see what we've been up to; call Jim or Evan to schedule a tour. If you have any questions concerning this filing please call Burton Water Company at 206-463-0988 (Evan) or 206-463-0075 (Jim).

Sincerely,

Evan Simmons

Jim Garrison

Burton Water Company