

Important Notice for Washington Water Customers

Washington Water Service (Washington Water) charges customers for the true costs to provide water utility service; as such, it has filed for approval from the Washington Utilities and Transportation Commission (UTC) to *decrease* revenues needed to provide a reliable, high-quality water supply. The filing requests a decrease of \$625,101 in annual revenue from 2020. If approved, the new, lower rates would become effective October 15, 2021.

Washington Water’s last general rate increase became effective December 1, 2018 and was based on 2017 capital and operating expenses. Since 2017, the utility has made numerous water system upgrades at a cost of \$8.0 million, including:

- Consolidation of Seacliff and Peacock Hill water systems, involving 1,700 linear feet of 8” pipeline; the interconnection provides for increased reliability between the first and third largest systems
- Customer care and billing software upgrade to provide improved customer service and technical capabilities
- Treatment plant upgrades to improve in water quality
- Deployment of Geographic Information System (GIS) mapping and operations manuals to field teams
- Replacement of well infrastructure to improve reliability and efficiency of the water supply

The filing reflects increases in materials, equipment, depreciation expense due to the addition of new facilities, and increases in personnel costs. However, in the face of rising costs, we have worked diligently to control expenses wherever possible to help keep water rates affordable. The main factor driving the decrease in rates is the acquisition of the East Pierce system in 2020, which allows for shared costs to be spread over a larger number of customers.

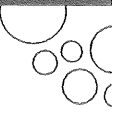
The tables below show the present and proposed rate structure.

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
¾-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
1½-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	—	—	—	—	—	—
Flat	\$ 60.52	—	—	—	—	—	—

¹ Based on per 100 cubic feet or fraction thereof

² ¾" or smaller



Residential Service—Proposed 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
¾-inch ²	\$ 23.60	0–600	\$ 3.55	601–1,600	\$ 4.57	Over 1,600	\$ 5.62
1-inch	\$ 39.33	0–1,000	\$ 3.55	1,001–2,667	\$ 4.57	Over 2,667	\$ 5.62
1½-inch	\$ 78.67	0–2,000	\$ 3.55	2,001–5,333	\$ 4.57	Over 5,333	\$ 5.62
2-inch	\$ 125.87	0–3,200	\$ 3.55	3,201–8,533	\$ 4.57	Over 8,533	\$ 5.62
3-inch	\$ 236.00	0–6,000	\$ 3.55	6,001–16,000	\$ 4.57	Over 16,000	\$ 5.62
4-inch	\$ 393.33	0–10,000	\$ 3.55	10,001–26,667	\$ 4.57	Over 26,667	\$ 5.62
6-inch	\$ 786.67	0–20,000	\$ 3.55	20,001–53,333	\$ 4.57	Over 53,333	\$ 5.62
Ready to Serve	\$ 23.60	—	—	—	—	—	—
Flat	\$ 57.80	—	—	—	—	—	—

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 investigation. Commission staff will make a recommendation to the commissioners at an open meeting, which is scheduled for Thursday, October 14, 2021. You will have an opportunity to provide your comments at this meeting. The UTC building is closed to the public until further notice, so this open meeting 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 commission'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 email at input@wawater.com.

Sincerely,

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