
IMPORTANT NOTICE

Date: October 20, 2010

Dear Burton Water Customer,

Burton Water Company has filed for approval from the Washington Utilities and Transportation Commission to increase its rates \$58,785.00 annually. This is a general rate increase that will increase the base rate for all customers, including ready-to-serve customers by \$11.80 per month.

There are several reasons why Burton Water Company needs this rate increase. The current rates became effective February 1, 2010. These rates represented a 17% increase over previous rates and were expected to result in a revenue increase of \$34,000.00. Company books and predictions indicate the company will actually increase revenue by \$20,000.00 or about 13%.

In addition to this shortfall, the company needs to replace its existing two computers and billing software. The company anticipates spending \$10,000.00-\$12,000.00 updating the billing system.

New rules and fee increases, by regulating agencies, continue to come along. King County Right-of-Way permits have risen dramatically. Main replacement permits that we used to get for a minimum amount of preparation time and a fee of \$200.00 are now costing us thousands of dollars to prepare.

The new Cross Connection Control Program, which the company is required to implement, is proving expensive. In order to insure safe drinking water we must comply with these regulations. These programs are for your protection and benefit but they do add additional costs.

Burton Water Company has traditionally had the lowest water rates of the seven major water providers on Vashon. The company is proud of this tradition and is working hard to contain costs where possible while still protecting water quality and safeguarding your health.

The chart below sets forth the proposed rates.

	<u>Existing Base Rate</u>	<u>Proposed Base Rate</u>
3/4 inch meter	\$21.59	\$33.39
Ready-to-serve	\$21.59	\$33.39
1 inch meter	\$36.06	\$47.86

If you have any questions concerning this filing please call the company at 206-463-0075 to contact Jim Garrison or 206-463-0988 to talk with Evan Simmons. If you wish to review the company profit and loss statements and the company balance sheet please visit our web site at www.burtonwater.com. We also encourage you to leave comments and questions concerning the upcoming rate case at this website.

The commission has the authority to set final rates that may be either lower or higher 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 November 10, 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 or by using the contact information below.

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

Sincerely,

Jim Garrison and Evan Simmons
Burton Water Company