



## WASHINGTON WATER SERVICE

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DRAFT NOTICE FOR UTC REVIEW

### IMPORTANT NOTICE – EAST PIERCE

Washington Water Service Company (“WWSC”) has filed for approval from the Washington Utilities and Transportation Commission (“UTC”) to increase revenues needed to provide a reliable, high-quality water supply. The filing requests an increase of \$3,741,069 in annual revenue in the third year of its proposed multi-year rate plan, which is a 50.83% increase over 2020. If approved, the new rates would become effective October 15, 2021.

Legacy Rainer View’s last general rate increase was effective September 1, 2019 and was based on 2018 capital and operating expenses. Rainer View, now known as East Pierce, was purchased by Washington Water Service Company (“WWSC”) in mid-2020 and current rates were maintained. As a condition of the acquisition, the Company committed to filing this rate case within one year of closing<sup>1</sup> and proposing a multi-step process to gradually decrease the rate disparity between East Pierce customers and current Washington Water customers. The Company was also directed to minimize the year-to-year impact on East Pierce customers.

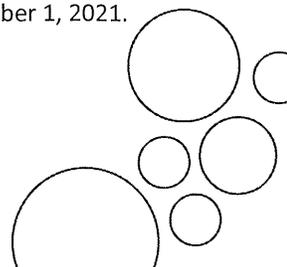
East Pierce current rates, both base and volumetric, are significantly lower than current rates for legacy Washington Water systems, with higher tier breakpoints. WWSC is proposing to increase rates to cover higher operating expenses and earn a return on invested capital. The proposed rates will also incrementally reduce the cubic feet included in the first and second blocks to achieve parity with legacy Washington Water customers. Washington Water is proposing to institute the proposed increase and consolidation of tiers through a series of limited increases over the next three years.

If approved, the new Phase 1 rates will become effective October 15, 2021, Phase 2 rates will become effective October 15, 2022 and Phase 3 rates will become effective October 15, 2023.

The tables below show the present and proposed rate structure.

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<sup>1</sup> On June 3, 2021 the Commission approved a request to extend the filing date to no later than September 1, 2021.



**Table 1A: Residential Service - Existing Rates**

Meter Size	Base Rate	1st Block (cubic feet)	1st Usage Rate <sup>2</sup>	2nd Block (cubic feet)	2nd Usage Rate <sup>2</sup>	3rd Block (cubic feet)	3rd Usage Rate <sup>2</sup>
3/4-inch <sup>3</sup>	\$ 14.90	0 - 600	\$ 1.13	601 - 3,000	\$ 1.30	Over 3,000	\$ 2.49
1-inch	\$ 24.83	0 - 1,500	\$ 1.13	1,501 - 7,500	\$ 1.30	Over 7,500	\$ 2.49
1 ½-inch	\$ 49.67	0 - 3,000	\$ 1.13	3,001 - 15,000	\$ 1.30	Over 15,000	\$ 2.49
2-inch	\$ 79.47	0 - 4,800	\$ 1.13	4,801 - 24,000	\$ 1.30	Over 24,000	\$ 2.49
3-inch	\$ 149.00	0 - 9,000	\$ 1.13	9,001 - 45,000	\$ 1.30	Over 45,000	\$ 2.49
4-inch	\$ 248.33	0 - 15,000	\$ 1.13	15,001 - 75,000	\$ 1.30	Over 75,000	\$ 2.49
6-inch	\$ 496.67	0 - 30,000	\$ 1.13	30,001-150,000	\$ 1.30	Over 150,000	\$ 2.49
Ready to Serve	\$ 14.90	-	-	-	-	-	-
Flat	\$ 28.68	-	-	-	-	-	-

**Table 1B: Residential Service - Existing Rates**

**(for residential customer with 1 inch or smaller for the period from May 1 to September 30)**

Meter Size	Base Rate	1st Block (cubic feet)	1st Usage Rate <sup>2</sup>	2nd Block (cubic feet)	2nd Usage Rate <sup>2</sup>	3rd Block (cubic feet)	3rd Usage Rate <sup>2</sup>
3/4-inch <sup>3</sup>	\$14.90	0 - 600	\$ 1.13	601 - 3,000	\$ 1.30	Over 3,000	\$ 5.00
1-inch	\$24.83	0 - 1,500	\$ 1.13	1,501 - 3,000	\$ 1.30	Over 3,000	\$ 5.00

**Table 2A: Residential Service - Proposed Rates Phase 1**

**All usage rates based on per 100 cubic feet or fraction thereof. Subject to updates for customer growth and usage impacts.**

Meter Size	Base Rate	1st Block (cubic feet)	1st Usage Rate <sup>2</sup>	2nd Block (cubic feet)	2nd Usage Rate <sup>2</sup>	3rd Block (cubic feet)	3rd Usage Rate <sup>2</sup>
3/4-inch <sup>3</sup>	\$ 18.93	0 - 600	\$ 1.19	601 - 2,800	\$ 1.45	Over 2,800	\$ 2.49
1-inch	\$ 31.55	0 - 1,335	\$ 1.19	1,336 - 6,230	\$ 1.45	Over 6,230	\$ 2.49
1 ½-inch	\$ 63.10	0 - 2,670	\$ 1.19	2,670 - 12,460	\$ 1.45	Over 12,460	\$ 2.49
2-inch	\$ 100.96	0 - 4,272	\$ 1.19	4,273 - 19,936	\$ 1.45	Over 19,936	\$ 2.49
3-inch	\$ 189.30	0 - 8,010	\$ 1.19	8,011 - 37,380	\$ 1.45	Over 37,380	\$ 2.49
4-inch	\$ 315.50	0 - 13,350	\$ 1.19	13,351 - 62,300	\$ 1.45	Over 62,300	\$ 2.49
6-inch	\$ 631.00	0 - 26,700	\$ 1.19	26,701 - 124,600	\$ 1.45	Over 124,600	\$ 2.49
Ready to Serve	\$ 18.93	-	-	-	-	-	-
Flat	\$ 34.05	-	-	-	-	-	-

<sup>2</sup> Based on per 100 cubic feet or fraction thereof.

<sup>3</sup> 3/4" or smaller.

**Table 2B: Residential Service - Proposed Rates Phase 1**  
**(for residential customer with 1 inch or smaller for the period from May 1 to September 30)**  
**Subject to updates for customer growth and usage impacts.**

Meter Size	Base Rate	1st Block (cubic feet)	1st Usage Rate <sup>4</sup>	2nd Block (cubic feet)	2nd Usage Rate <sup>4</sup>	3rd Block (cubic feet)	3rd Usage Rate <sup>4</sup>	Summer Block (cubic feet)	Summer Usage Rate <sup>4</sup>
3/4-inch <sup>5</sup>	\$18.93	0 - 600	\$ 1.19	601 - 2,800	\$ 1.45	2,801 - 3,000	\$ 2.49	Over 3,000	\$ 5.00
1-inch	\$31.55	0 - 1,335	\$ 1.19	1,336 - 3,000	\$ 1.45	Over 3,000	\$ 5.00		

**Table 3A: Residential Service - Proposed Rates Phase 2**  
**Subject to updates for customer growth and usage impacts.**

Meter Size	Base Rate	1st Block (cubic feet)	1st Usage Rate <sup>4</sup>	2nd Block (cubic feet)	2nd Usage Rate <sup>4</sup>	3rd Block (cubic feet)	3rd Usage Rate <sup>4</sup>
3/4-inch <sup>5</sup>	\$ 22.24	0 - 600	\$ 1.32	601 - 2,400	\$ 1.74	Over 2,400	\$ 2.49
1-inch	\$ 37.06	0 - 1,170	\$ 1.32	1,171 - 4,680	\$ 1.74	Over 4,680	\$ 2.49
1 ½-inch	\$ 74.14	0 - 2,340	\$ 1.32	2,341 - 9,360	\$ 1.74	Over 9,360	\$ 2.49
2-inch	\$ 118.62	0 - 3,744	\$ 1.32	3,745 - 14,976	\$ 1.74	Over 14,976	\$ 2.49
3-inch	\$ 222.40	0 - 7,020	\$ 1.32	7,021 - 28,080	\$ 1.74	Over 28,080	\$ 2.49
4-inch	\$ 370.66	0 - 11,700	\$ 1.32	11,701 - 46,800	\$ 1.74	Over 46,800	\$ 2.49
6-inch	\$ 741.34	0 - 23,400	\$ 1.32	23,401 - 93,600	\$ 1.74	Over 93,600	\$ 2.49
Ready to Serve	\$ 22.24	-	-	-	-	-	-
Flat	\$ 39.63	-	-	-	-	-	-

**Table 3B: Residential Service - Proposed Rates Phase 2**  
**(for residential customer with 1 inch or smaller for the period from May 1 to September 30)**  
**Subject to updates for customer growth and usage impacts.**

Meter Size	Base Rate	1st Block (cubic feet)	1st Usage Rate <sup>5</sup>	2nd Block (cubic feet)	2nd Usage Rate <sup>5</sup>	3rd Block (cubic feet)	3rd Usage Rate <sup>5</sup>	Summer Block (cubic feet)	Summer Usage Rate <sup>5</sup>
3/4-inch <sup>5</sup>	\$22.24	0 - 600	\$ 1.32	601 - 2,400	\$ 1.74	2,401 - 3,000	\$ 2.49	Over 3,000	\$ 5.00
1-inch	\$37.06	0 - 1,170	\$ 1.32	1,170 - 3,000	\$ 1.74	Over 3,000	\$ 5.00		

<sup>4</sup> Based on per 100 cubic feet or fraction thereof.

<sup>5</sup> 3/4" or smaller.

**Table 4A: Residential Service - Proposed Rates Phase 3****Subject to updates for customer growth and usage impacts.**

Meter Size	Base Rate	1st Block (cubic feet)	1st Usage Rate <sup>7</sup>	2nd Block (cubic feet)	2nd Usage Rate <sup>7</sup>	3rd Block (cubic feet)	3rd Usage Rate <sup>7</sup>
3/4-inch <sup>6</sup>	\$ 23.60	0 - 600	\$ 1.76	601 - 2,000	\$ 2.15	Over 2,000	\$ 2.78
1-inch	\$ 39.33	0 - 1,000	\$ 1.76	1,001 - 3,333	\$ 2.15	Over 3,333	\$ 2.78
1 ½-inch	\$ 78.67	0 - 2,000	\$ 1.76	2,001 - 6,667	\$ 2.15	Over 6,667	\$ 2.78
2-inch	\$ 125.87	0 - 3,200	\$ 1.76	3,200 - 10,667	\$ 2.15	Over 10,667	\$ 2.78
3-inch	\$ 236.00	0 - 6,000	\$ 1.76	6,000 - 20,000	\$ 2.15	Over 20,000	\$ 2.78
4-inch	\$ 393.33	0 - 10,000	\$ 1.76	10,000 - 33,333	\$ 2.15	Over 33,333	\$ 2.78
6-inch	\$ 786.67	0 - 20,000	\$ 1.76	20,000 - 66,667	\$ 2.15	Over 66,667	\$ 2.78
Ready to Serve	\$ 23.60	-	-	-	-	-	-
Flat	\$ 45.58	-	-	-	-	-	-

**Table 4B: Residential Service - Proposed Rates Phase 3****(for residential customer with 1 inch or smaller for the period from May 1 to September 30)****Subject to updates for customer growth and usage impacts.**

Meter Size	Base Rate	1st Block (cubic feet)	1st Usage Rate <sup>7</sup>	2nd Block (cubic feet)	2nd Usage Rate <sup>7</sup>	3rd Block (cubic feet)	3rd Usage Rate <sup>7</sup>	Summer Block (cubic feet)	Summer Usage Rate <sup>7</sup>
3/4-inch <sup>6</sup>	\$23.60	0 - 600	\$ 1.76	601 - 2,000	\$ 2.15	2,001 - 3,000	\$ 2.78	Over 3,000	\$ 5.00
1-inch	\$39.33	0 - 1,000	\$ 1.76	1,001 - 3,000	\$ 2.15	Over 3,000	\$ 5.00		

The UTC has the authority to set final rates that are either lower or higher than the company's request and approve or deny the proposed SRM 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 [Weekday], [Month and Day], 2021. You may comment in person at this meeting. The UTC is committed to providing reasonable accommodation to participants with disabilities. If you need reasonable accommodation, please contact the commission at (360) 664-1132 or [human\\_resources@utc.wa.gov](mailto:human_resources@utc.wa.gov).

If you are unable to attend the open meeting, the commission has a telephone line that enables you to participate or listen. Call (360) 664-1234 for instructions the day before the open meeting. You may also comment by using the "Submit a Comment" feature at the commission's web site at [www.utc.wa.gov](http://www.utc.wa.gov) or by using the contact information below.

Washington Utilities and Transportation Commission  
1300 S Evergreen Park Drive SW

<sup>6</sup> 3/4" or smaller.

<sup>7</sup> Based on per 100 cubic feet or fraction thereof.

Post Office Box 47250  
Olympia, WA 98504-7250  
Email: [comments@utc.wa.gov](mailto:comments@utc.wa.gov)  
Telephone: 1-888-333-WUTC (9882)

If you have any questions about the proposed filing and how it will affect you, please give our Customer Service Department a call toll free at (877) 408-4060 or email us at [input@wawater.com](mailto:input@wawater.com).

Sincerely,

Washington Water Service Company  
PO Box 336  
Gig Harbor, WA 9835