Exhibit A

Cascadia System Comparison

Future Improvements

And Their Impact on Peninsula Consumers

A Single Tariff Rate UW200979

That Will Cause Harm to Peninsula Consumers

Rick Smith

Vicki Colburn

June 4, 2021

V1

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Introduction

Greg Hammond, Lead Regulatory Analyst with the Washington UTC on UW200979, created an Excel model named Cascadia System Comparison. The goal of that model was to prove whether it is in the best interest of the two Peninsula water systems, Estates and Monterra, to have a separate tariff rate or be combined/consolidated with Cascadia's twelve water systems on Whidbey Island under one single tariff rate. As with any model, it is important to start with accurate underlying assumptions and input data.

An Excel model is a **spreadsheet that makes quantitative estimates or predictions based on a set of underlying assumptions**. Businesses often succeed or fail based on the accuracy of their predictions about the future. So how do we ensure that the underlying assumptions are correct? Should estimates be used when more accurate assumptions are available?

Cascadia System Comparison (Model A)

Mr. Hammond presented his Cascadia System Comparison model at the second virtual meeting with attendees from Cascadia, NW Natural, the UTC, the DOH, the AG's Public Council, Estates consumers and other interested parties. He created this model partly in response to our challenge to prove us right or wrong... that the single tariff rate theory was NOT in the best interest of Estates Peninsula consumers. The existing UTC rate case model was not designed to answer such a business question. The new model requires two assumptions. The original assumptions are:

- 1) That Cascadia will invest only \$500,000 in Whidbey Island systems in 2021:
- 2) That Cascadia will invest \$1,700,000 on the Estates water system in 2021.

We do not know the source of these assumptions. Mr. Hammond stated that the \$500,000 was an estimate. Despite our requests for the supporting detail for these assumptions, that detail has not been provided for either number. That \$1,700,000 investment assumption was *for Estates only*. Model A, including these "future" assumptions, was presented by the rate staff to the Commissioners and others. At the Commissioners open meeting, this investment of \$1,700,000 was referred to many times as though it were fact. The concern for this investment's impact on Estates consumers led the Commissioners to believe it would be best to be consolidated under one single tariff rate.

The following model is what Mr. Hammond presented. The model shows that the current per customer, additional per customer and total per customer are all lower for the Peninsula than they would be if combined. The future numbers show a higher "Avg per Customer after Future Improvements" for the Peninsula customers than either Island or combined. It also shows higher future rate increases for the Peninsula. These numbers were derived from the two assumptions above.

The model only produces accurate results if both assumptions are accurate.

Current				i
		Peninsula	Island	Combined
	Current Revenue (ignoring ancill.)	\$ 188,676	\$ 421,462	\$ 610,138
	GRC Additional Revenue	\$ 103,682	\$ 221,848	\$ 325,530
	Total Revenue	\$ 292,358	\$ 643,310	\$ 935,668
	Percent Increase	54.95%	52.64%	53.35%
	Customer Count	661	1,113	1,774
	Current Per Customer	\$ 23.79	\$ 31.56	\$ 28.66
	Additional Per Customer	\$ 13.07	\$ 16.61	\$ 15.29
	Total Per Customer	\$ 36.86	\$ 48.17	\$ 43.95
Future				
	Future Improvements (est.)	\$ 1,700,000	\$ 500,000	\$ 2,200,000
	Annual Depreciation	\$ 50,490	\$ 14,850	\$ 65,340
	Annual Return (9.45%)	\$ 160,650	\$ 47,250	\$ 207,900
	Total Future Rev. Req.	\$ 503,498	\$ 705,410	\$ 1,208,908
	Total Revenue Increase	72%	10%	29%
Avg. po	er Cust. after Future Improvements	\$ 63.48	\$ 52.82	\$ 56.79
	Future Rate Increase	\$ 26.62	\$ 4.65	\$ 12.84

Model A

A model like this allows the designer to play "What if" with the model. If you change the data you enter into it, you get different results. Anyone who understands Excel well, will know what happens to those final two rows if you change the assumptions relating to future improvements.

Assumptions Based on Planned Future Improvements (Model B)

This document presents additional accurate assumptions that prove just the opposite of model A. The Peninsula systems are far better off with their own tariff rate and should NOT be combined with Whidbey systems. Our assumptions come from published sources. For Whidbey Island, the detailed investments come from Cascadia's own 2020 Water System Plan (WSP). The WSP is a forward looking planning document. This document is a DOH requirement and to date, Cascadia has invested ~\$65,000 in its development. In the July 4, 2020 case study, it states: "Currently, Culley Lehman is in the process of a master plan that outlines upgrades over the next two to five years." Thus, what is in the WSP is relative to this rate case and this document.

The assumption needed for the Peninsula systems comes from Jocelyne Gray, DOH SW Regional Engineer and her Asset Inventory forms for Estates and Monterra. In 2018, the DOH implemented a more in depth asset management discussion in the WSP. Similar asset inventories for the Whidbey Island systems can be found in Appendix O of the WSP. Ms. Gray stated "Asset inventories should be based on system records, operator knowledge of the system, sanitary survey results, and any enforcement issues. The draft asset inventories I did for Estates and Monterra were based on the previous sanitary surveys so they are incomplete snapshots of the systems." DOH advises that both Estates and Monterra are due for sanitary inspections sometime this summer. At that time, a more up to date assessment of both systems will be available.

While the \$1,700,000 investment number used in Model A was just for the Estates system, our realistic numbers are for BOTH the Estates and Monterra systems. The source for the following investment numbers is provided on page 27 of this document.

Our two assumptions are:

- 1) That Cascadia planned to invest \$5,109,500 in Whidbey Island systems in 2021.
- 2) That Cascadia may invest only \$719,000 in the Peninsula Estates and Monterra systems in 2021.

When you apply these assumptions in Model B, you will find that it is NOT in the best interest of the Peninsula systems to be combined/consolidated with the Whidbey Island Systems under a single tariff rate. Compare the last two lines in yellow from Model B to Model A.

Current				
		Peninsula	Island	Combined
	Current Revenue (ignoring ancill.)	\$ 188,676	\$ 421,462	\$ 610,138
	GRC Additional Revenue	\$ 103,682	\$ 221,848	\$ 325,530
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	Total Per Customer	\$ 36.86	\$ 48.17	\$ 43.95
Future				
	Future Improvements (est.)	\$ 719,000	\$ 5,109,500	\$ 5,828,500
	Annual Depreciation	\$ 21,354	\$ 151,752	\$ 173,106
	Annual Return (9.45%)	\$ 67,946	\$ 482,848	\$ 550,793
	Total Future Rev. Req.	\$ 381,658	\$ 1,277,910	\$ 1,659,568
	Total Revenue Increase	31%	99%	77%
Avg. pe	er Cust. after Future Improvements	\$ 48.12	\$ 95.68	\$ 77.96
	Future Rate Increase	\$ 11.26	\$ 47.51	\$ 34.01

Model B

Where Did We Get the Improvements Needed for Whidbey Island?

The list of improvements for Whidbey Island came from Cascadia's Water System Plan (WSP). The UTC and DOH have a copy of the WSP and access to the data presented in this document. Perhaps someone should ask the rate staff why they chose not to use the contents of the forward looking WSP planning document in their model requiring future planned investments. **Replacing the estimated** \$500,000 with \$5,109,500 reverses the results of that model.

If anyone had read the 1,118-page WSP document, they too would have found table 3.25 that is included in this document. (Table 3.25 begins on page 66 of the WSP and continues through page 81.) The DOH has the WSP document as does the UTC, and of course, Cascadia. But most people outside of these organizations do not have the WSP document. One reason for this is that the file size

is 283 MB, which is too large to share by email. We asked Cascadia for the WSP but were told it was not ready for public review, and the DOH had the initial draft.

It was through the DOH's online document request program that we received a copy of the draft version from the NW Region DOH. We also received a copy of Jennifer Kropack's review of the WSP. Ms. Kropack is the Regional Planner-Island, NW Region, DOH. That review includes additional investments that need to be made on the Whidbey Island water systems. Those investments are not in this document because there were no estimated costs associated with those investments. The Del Bay system was not included in the WSP. The Peninsula's Estates and Monterra systems are not included in the WSP. Culley Lehman, Cascadia's General Manager, stated that the reason that the Estate system was not in the WSP was the WSP was already under development prior to the acquisition of the Estates system. An update to the initial draft WSP was due to the NW DOH on April 5th, 2021. When I last inquired on 5/25/21, it has yet to arrive.

Where did the Peninsula's Investments Come From?

To derive the assumptions needed for the Peninsula, we turned to the emails from Culley Lehman and the Asset Inventories provided by Jocelyne Gray, SW Regional Engineer for the DOH. We included in our list, any asset that was past its calculated remaining life – regardless of the fact that all of the assets are currently operating with no issues. Existing assets have a condition rating of 5 or below on a scale of 10. 10 requires replacement. This is explained on page 31 of this document.

When you change the assumptions that drive the Cascadia System Comparison model, you change the results. This document demonstrates that.

Facts and Findings Based on the Contents of this Document

- With accurate assumptions, the Cascadia System Comparison model provides proof that it is NOT in the best interest of Peninsula consumers to be combined/consolidated under one tariff rate with Cascadia's twelve water systems on Whidbey Island.
 - a. If consolidated under one rate with the Whidbey Island systems and asked to pay our part of **their** investments we will be paying 62% more. (48.12-77.96) (see Model B)
 - b. If consolidated under one rate with the Whidbey Island systems, we will see a 202% *increase* in our future rate. (11.26-34.01) (see Model B)
- 2. Model A, as presented to the Commissioners, contains assumptions that to our knowledge, do not have any supporting details. We requested the supporting details more than once.
- 3. Assumptions for Model B presented in this document for Whidbey Island systems come from table 3.25 of Cascadia's own forward-looking planning document, the Water System Plan (WSP) of 2020.
- 4. Assumptions for Model B presented in this document for the two Peninsula systems come from the DOH's Asset Inventory forms.
- 5. If consolidated under one rate, Peninsula consumers will be paying for the improvements on Whidbey Island that have been planned for over three years. Yet not one person from the UTC, Cascadia, or NW Natural has mentioned these significant investments as detailed in the WSP. Those investments will drive additional rate increases.
- 6. If we replace ALL of the assets in the Estates and Monterra facilities for \$1,421,202, and invest \$5,109,500 in Whidbey Island in 2021, Model C shows it is **NOT** in our best interest of Peninsula consumers to be combined/consolidated under one tariff rate with Whidbey Island's twelve water systems.
- 7. The investment projection for Whidbey Island is \$10,143,000 over the next 9 years. If we replace ALL of the assets in the Estates and Monterra facilities for \$1,421,202, and invest \$10,143,000 in the Island systems in one year, Model D shows it is still **NOT** in the best interest of Peninsula consumers to be combined/consolidated under one rate with Whidbey Island's twelve water systems.
- 8. Not one model with the accurate assumptions derived from the WSP and the DOH Asset Inventories shows consolidation under a single tariff rate to be good for Peninsula consumers.
- 9. If all twelve water systems on Whidbey Island are combined with the two on the Peninsula, we will lose transparency to the supporting data we need to do comparisons such as this one.

Whidbey Island Investments from the WSP

	Cascadia WSP 2020	Immed	diate / Near Term	Mediu	ım Range	
				202	2-2030	
1	W&B Waterworks	\$	1,898,000	\$	2,880,000	
2	Sea View Water	\$	591,000	\$	1,320,000	
3	Beachcomber	\$	225,000			
4	Cal Waterworks	\$	735,000		691500	
5	TEL Company 1	\$	335,000		117000	
6	TEL Company 3	\$	321,500		25000	
7	TEL Company 4	\$	228,000			
8	TEL Company 5	\$	174,000			
9	TEL Company 6	\$	174,000			
10	TEL Company 10	\$	224,000			
11	TEL Company 11	\$	204,000			
		\$	5,109,500	\$	5,033,500	\$ 10,143,000
12	Del Bay is not in WSP					
13	Estates is not in the WSP					
14	Monterra is not in the WSP					

Supporting detail begins on page 11.

Peninsula Investments

Peninsula Water Systems

Supporting detail begins on page 27.

Model A with its Original Assumptions

How it was originally presented

Current				!
		Peninsula	Island	Combined
	Current Revenue (ignoring ancill.)	\$ 188,676	\$ 421,462	\$ 610,138
	GRC Additional Revenue	\$ 103,682	\$ 221,848	\$ 325,530
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	Future Improvements (est.)	\$ 1,700,000	\$ 500,000	\$ 2,200,000
	Annual Depreciation	\$ 50,490	\$ 14,850	\$ 65,340
	Annual Return (9.45%)	\$ 160,650	\$ 47,250	\$ 207,900
	Total Future Rev. Req.	\$ 503,498	\$ 705,410	\$ 1,208,908
	Total Revenue Increase	72%	10%	29%
Avg. p	er Cust. after Future Improvements	\$ 63.48	\$ 52.82	\$ 56.79
	Future Rate Increase	\$ 26.62	\$ 4.65	\$ 12.84

Model A

Model B Based on the WSP and DOH Asset Inventories

Current				
		Peninsula	Island	Combined
	Current Revenue (ignoring ancill.)	\$ 188,676	\$ 421,462	\$ 610,138
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Avg. pe	er Cust. after Future Improvements	\$ 48.12	\$ 95.68	\$ 77.96
	Future Rate Increase	\$ 11.26	\$ 47.51	\$ 34.01

Model B

Note the differences in the two bottom lines.

Does this represent all of the investments needed? No.

As you read through the following, please keep in mind that these totals are far from being the final investment numbers. We have learned through our conversations with the DOH that the distribution network (underground) is one of the most expensive investments in an aging water system. We have many miles of infrastructure on the Island in 12 systems. We have only a few miles here on the Peninsula. It would be nice to have the total lengths for comparison, but that is another project. All prices quoted for waterlines are low and outdated based on Mark Mazeski's comment below.

On 5/21/2021, Mark Mazeski, Regional Planner for SW DOH has stated "We are seeing a strong uptick in cost with pipe and labor shortages, combined with strong demand for new construction. The City of Tumwater just turned in a WSP with 2020 figures. Their engineer estimates new 6" pipe installation runs \$250/ft and 8" at \$275/ft. This comes out to \$1,320,000/mile for 6" pipe and that was before the 2021 cost explosion hit."

Example of Distribution Investments from the WSP

W&B Waterworks #1 (the largest water system)

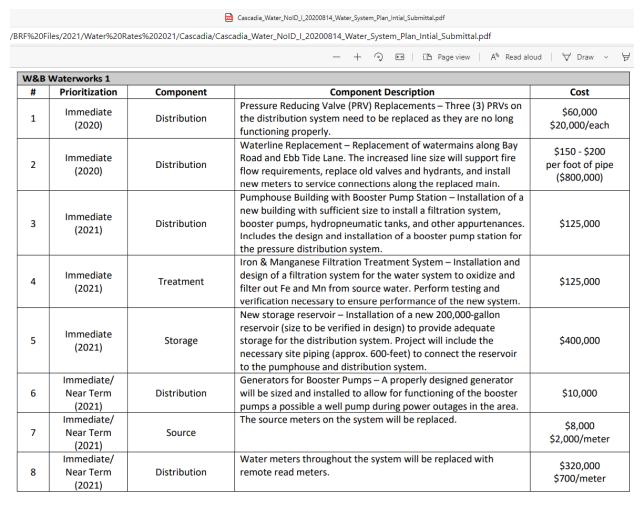
The distribution system is almost exclusively served by gravity which provides the pressure to meet the peak hour demand throughout the system. The majority of the system can also support the requisite fire flow demands of 500-gpm for residential neighborhoods in Island County. Some of the existing hydrants in the distribution system are located on water lines that are 4-inches or smaller. These hydrants are not able to supply the 500 gallons per minute required for domestic fire flow in Island County. These waterlines are older, are in need of replacement, and upsizing to meet current code requirements. The Capital Improvement Projects list has prioritizing the replacement of the water mains along Ebb Tide Lane and Bay Road out on the southwest end of the distribution system. The system has three pressure reducing valves installed to reduce the system pressures at the lower elevations in the service area. The three pressure reducing valves have exceeded their anticipated useful life and should be replaced in the near future.

(Comment: Estates lines are 8", 6" and 4". We have a few hydrants, but the residential areas in Blue Ribbon Farms POA are 4". We have identified areas for 4-6 additional fire hydrants including the entrance to the county park and Five Acre School.)

Supporting Detail for Whidbey Island

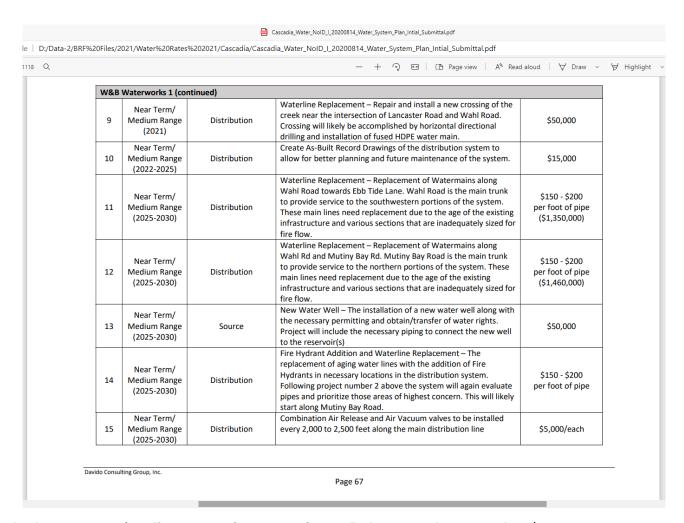
WB Waterworks

For WB Waterworks, we have \$1,898,000 for 1-9 below. They are all immediate to near term 2021 needs.



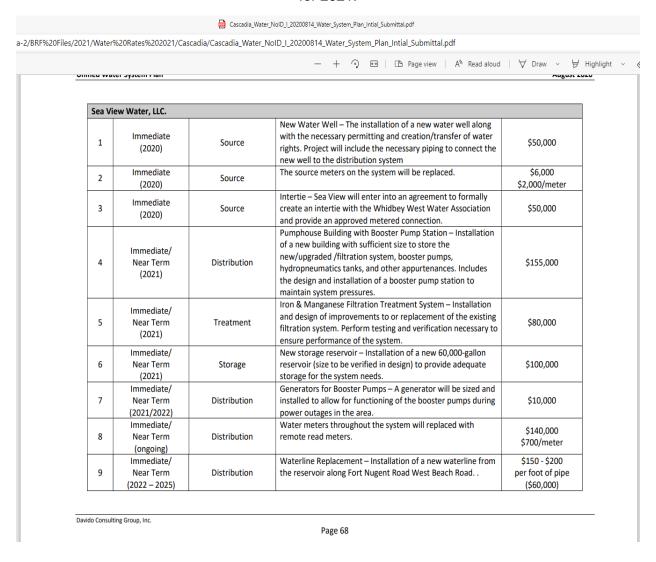
avido Consulting Group, Inc.

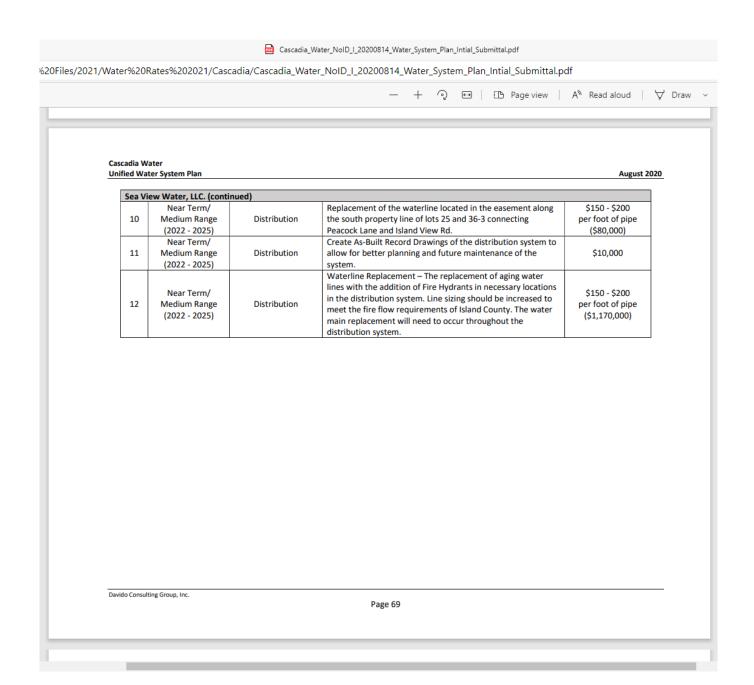
Page 66



In the near term/medium range (2022-2030), 10-15 above, we have another \$2,880,000.

For Sea View Water, we have \$591,000 for 1-8 below. They are all intermediate to near term needs for 2021.





In the near term, medium range from 2022-2025, 9-12 above, we have another \$1,320,000.

Davido Consulting Group, Inc

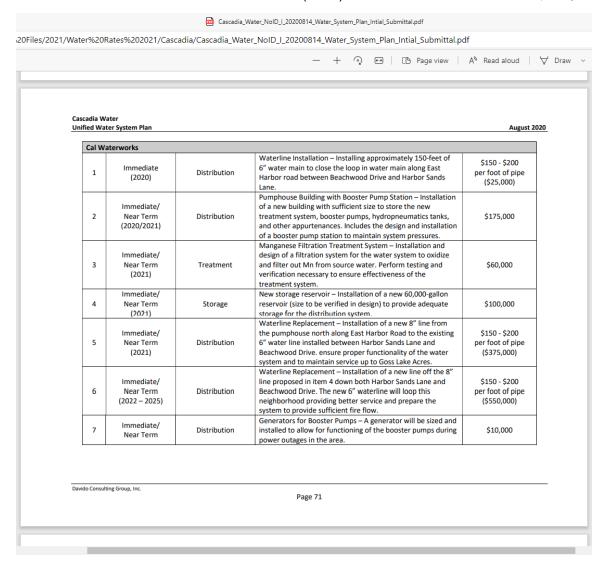
1-7 below (Immediate/Near Term) \$225,000 Beachcomber H20 Cascadia_Water_NoID_I_20200814_Water_System_Plan_Intial_Submittal.pdf ${\tt ~20Files/2021/Water\%20Rates\%202021/Cascadia/Cascadia_Water_NoID_I_20200814_Water_System_Plan_Intial_Submittal.pdf}$ A[№] Read aloud ₩ Draw Cascadia Water **Unified Water System Plan** August 2020 Beachcomber H₂0 Company New storage reservoir - Installation of a new 35,000-gallon Immediate reservoir (size to be verified in design) to provide adequate \$75,000 1 Storage (2021) storage for the pressure portion of the distribution system. Reservoir site piping improvements – Revised design and Immediate/ configuration of the piping at the reservoir sites to allow the 2 Distribution pressure and gravity portions of the system to function jointly \$10,000 Near Term providing additional reliability and necessary redundancy in (2021) the distribution system. Booster Pump Station – Installation of new booster pumps, Immediate hydropneumatics tanks, and other appurtenances for the 3 Distribution \$25,000 (2025) distribution system. Includes the design of a booster pump station to maintain system pressures. Generators for Booster Pumps - A properly designed Immediate/ generator will be sized and installed to allow for functioning \$10,000 4 Distribution Near Term of the booster pumps during power outages in the area. The source meters on the system will be replaced in the Immediate/ \$4,000 5 Source immediate to medium range with new and accurate master Near Term \$2,000/meter meters. Immediate/ \$91,000 Water meters throughout the system will be replaced from 6 Distribution the immediate to medium range with remote read meters. \$700/meter Near Term Create As-Built Record Drawings of the distribution system to Near Term/ allow for better planning and future maintenance of the 7 Distribution \$10,000 Medium Range system. Waterline Replacement – The distribution system Medium Range/ infrastructure is aging, and water mains should be replaced in \$150 - \$200 Distribution Long Term a timely manner as leaks increase. Water mains should be per foot of pipe increased to 6" or 8" lines to provide adequate flow.

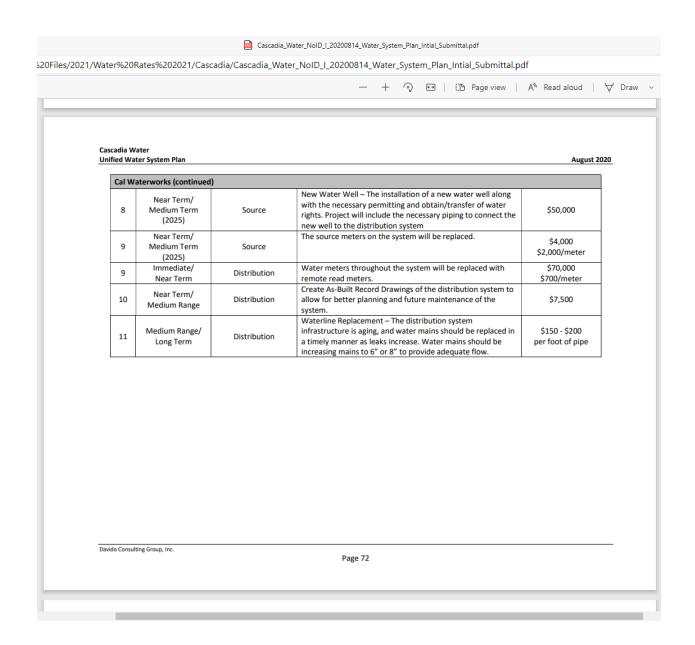
Page 70

Cal Waterworks items 1-5 below

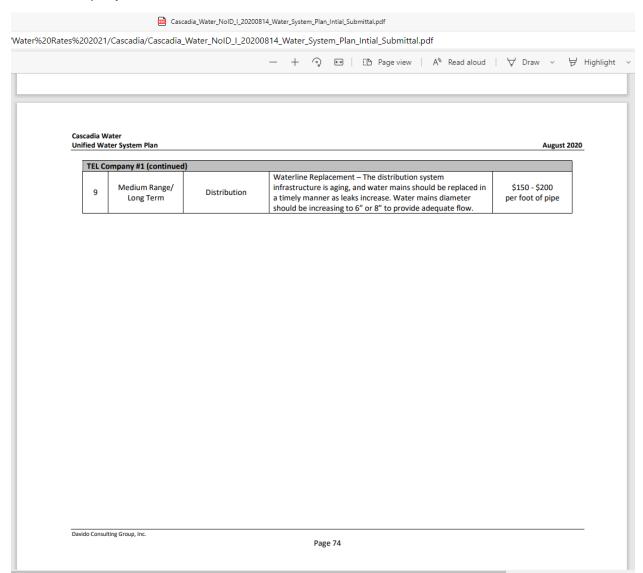
(2021) Immediate/Near Term

\$735,000





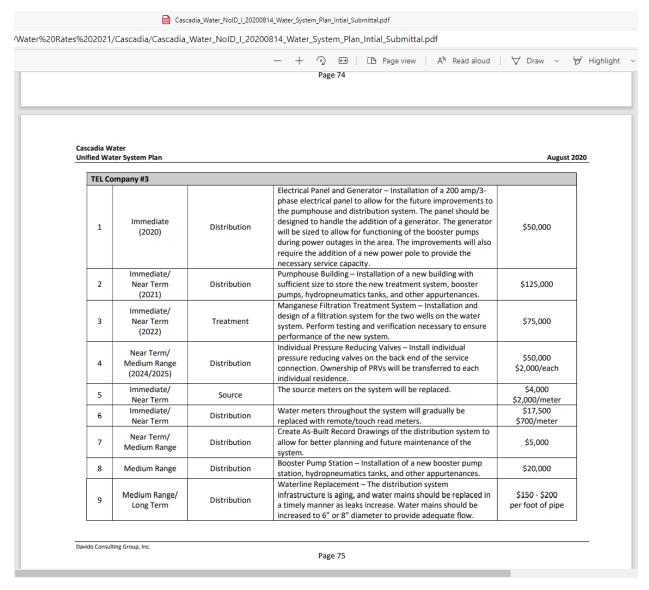
TEL Company #1 1-4 below Intermediate/Near Term (2021) \$335,000 Cascadia_Water_NoID_I_20200814_Water_System_Plan_Intial_Submittal.pdf .20Files/2021/Water%20Rates%202021/Cascadia/Cascadia_Water_NoID_I_20200814_Water_System_Plan_Intial_Submittal.pdf □ Draw Cascadia Water Unified Water System Plan August 2020 TEL Company #1 Electrical Panel and Generator - Installation of a new 200amp electrical panel with generator connection to allow for Immediate 1 Distribution \$15,000 the future improvements to the pumphouse. The generator (2020)will be sized and installed to allow for functioning of the booster pumps during power outages in the area Pumphouse Building with Booster Pump Station – Installation Immediate/ of a new building with sufficient size to store the new 2 Near Term Distribution \$100,000 treatment system, booster pumps, hydropneumatics tanks, (2021)and other. Arsenic and Manganese Treatment System - Installation and design of a filtration system to reduce concentration of Immediate/ arsenic from source water produced from Well #8. Treatment 3 Near Term Treatment to also provide capacity to reduce the manganese \$120,000 (2021) concentration of water produced from Well #1. Includes testing and verification necessary to ensure effectiveness of the new system. Immediate/ New storage reservoir - Installation of a new 70,000-gallon 4 reservoir (size to be verified in design) to provide adequate \$100,000 Near Term Storage (2021)storage for the system. New Water Well – The installation of a new water well along Immediate/ with the necessary permitting and obtain/transfer of water Near Term rights. Project will include the necessary piping to connect the 5 Source \$50,000 (2022) new well to the distribution system. Well to replace well at pumphouse 1 but to be located near Well 2. Near Term/ \$4,000 The source meters on the system will be replaced. 6 Source \$2,000/meter Medium Term Near Term/ Water meters throughout the system will gradually be \$55,000 7 Distribution \$700/meter Medium Term replaced with remote read meters. Create As-Built Record Drawings of the distribution system to Near Term/ Distribution allow for better planning and future maintenance of the 8 \$8,000 Medium Range system. Davido Consulting Group, Inc. Page 73



TEL Company 3

Immediate/Near Term 1-6 below

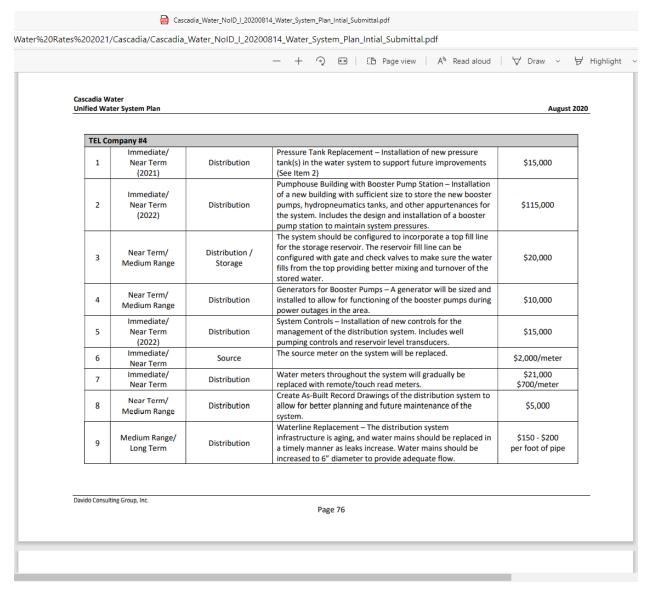
\$321,500

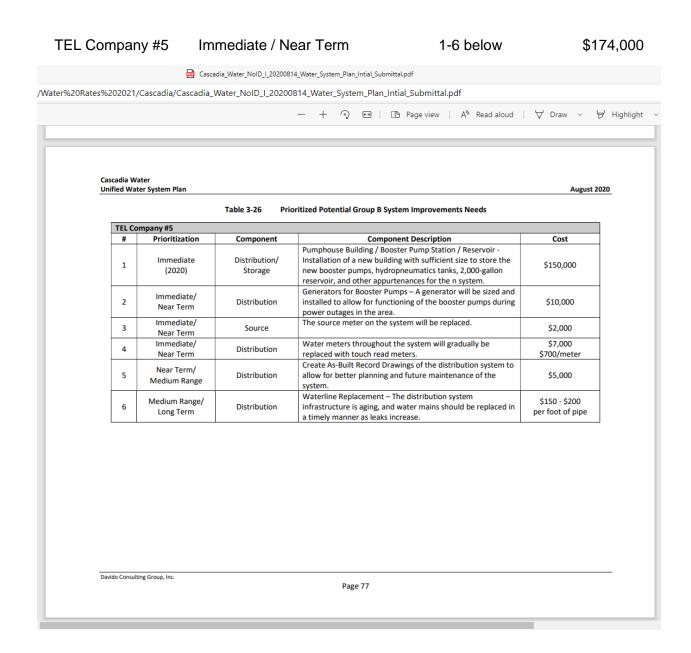


TEL Company #3 Near Term/Medium Range 7-9 above \$25,000

TEL Company #4 Immediate/Near Term 1-8 below

\$228,000





TEL Company #6 Immediate / Near Term 1-6 below \$174,000 Cascadia_Water_NoID_I_20200814_Water_System_Plan_Intial_Submittal.pdf $/Water\%20 Rates\%202021/Cascadia/Cascadia_Water_NoID_I_20200814_Water_System_Plan_Intial_Submittal.pdf and the property of th$ — + • □ □ | □ Page view | A Read aloud | ♥ Draw ∨ Highlight V Cascadia Water **Unified Water System Plan** August 2020 TEL Company #6 Pumphouse Building / Booster Pump Station / Reservoir -Installation of a new building with sufficient size to store the Immediate Distribution/ new booster pumps, hydropneumatics tanks, 2,000-gallon \$150,000 (2021)Storage reservoir, and other appurtenances for the distribution system. Generators for Booster Pumps - A properly designed Immediate/ 2 Distribution generator will be sized and installed to allow for functioning \$10,000 Near Term of the booster pumps during power outages in the area. Immediate/ The source meter on the system will be replaced with a new 3 \$2,000 Source and accurate master-meter. Near Term An evaluation of all meters shall be performed. Water meters Immediate/ \$7,000 4 Distribution throughout the system will gradually be replaced with touch \$700/meter Near Term read meters. Create As-Built Record Drawings of the distribution system to Near Term/ 5 Distribution allow for better planning and future maintenance of the \$5,000 Medium Range Waterline Replacement - The distribution system \$150 - \$200 Medium Range/ 6 Distribution infrastructure is aging, and water mains should be replaced in Long Term per foot of pipe a timely manner as leaks increase. Davido Consulting Group, Inc. Page 78

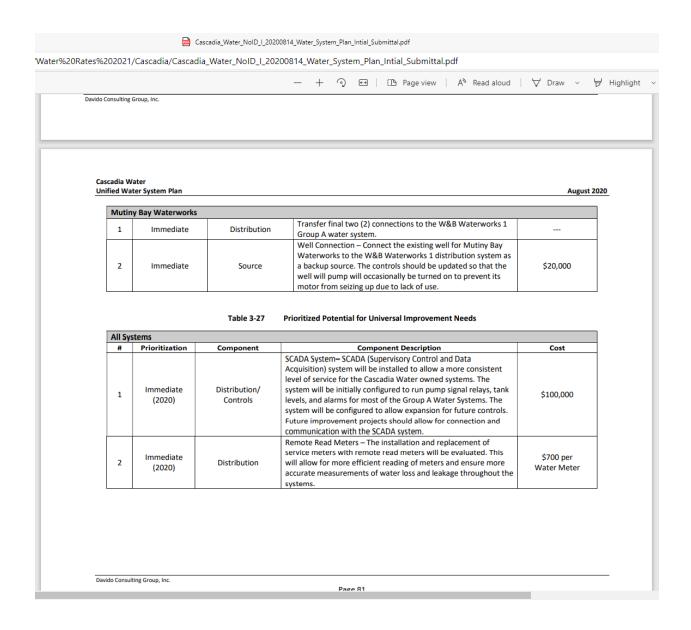
TEL Company #10 Immediate/Near Term (2021) 1-7 below \$224,000 Cascadia_Water_NoID_I_20200814_Water_System_Plan_Intial_Submittal.pdf $Water\%20 Rates\%202021/Cascadia/Cascadia_Water_NoID_I_20200814_Water_System_Plan_Intial_Submittal.pdf$ □ Draw ∨ ₩ Highlight Cascadia Water **Unified Water System Plan** August 2020 TEL Company #10 Pumphouse Building / Booster Pump Station / Reservoir -Immediate/ Installation of a new building with sufficient size to store the Distribution/ \$150,000 1 Near Term new booster pumps, hydropneumatics tanks, 5,000-gallon Storage (2021) reservoir, other appurtenances for the distribution system, and a nitrate treatment system if constructed. New Source or Nitrate Treatment - The existing source has Immediate/ elevated nitrate levels that should be evaluated to see if an Source/ 2 alternative well location can be identified. If a new well site \$50,000 Near Term Treatment (2021) isn't viable, a new treatment system will need to be designed, installed, and verified. Generators for Booster Pumps – A properly designed Immediate/ 3 Distribution generator will be sized and installed to allow for functioning \$10,000 Near Term of the booster pumps during power outages in the area Immediate/ The source meter on the system will be replaced with a new 4 \$2,000 Source Near Term and accurate master-meter. An evaluation of all meters shall be performed. Water meters Immediate/ \$7,000 5 Distribution throughout the system will gradually be replaced from the Near Term \$700/meter immediate to medium range with touch read meters. Waterline Replacement - The distribution system Medium Range/ \$150 - \$200 6 Distribution infrastructure is aging, and water mains should be replaced in Long Term per foot of pipe a timely manner as leaks increase. Create As-Built Record Drawings of the distribution system to Near Term/ 7 Distribution allow for better planning and future maintenance of the \$5,000 Medium Range system. Davido Consulting Group, Inc. Page 79

TEL Company #11 Immediate/Near Term 1-7 Below \$204,000 Cascadia_Water_NoID_I_20200814_Water_System_Plan_Intial_Submittal.pdf Water%20Rates%202021/Cascadia/Cascadia_Water_NoID_I_20200814_Water_System_Plan_Intial_Submittal.pdf — + • Page view | A Read aloud | ♥ Draw Cascadia Water **Unified Water System Plan** August 2020 TEL Company #11 Pumphouse Building / Booster Pump Station / Reservoir -Installation of a new building with sufficient size to store the Distribution/ new treatment/filtration system, booster pumps, \$150,000 1 Immediate Storage hydropneumatics tanks, 5,000-gallon reservoir, and other appurtenances for the distribution system. Iron & Manganese Filtration Treatment System – Installation and design of a filtration system for the water system to Immediate/ 2 oxidize and filter out Fe and Mn from source water. Perform \$30,000 Treatment Near Term testing and verification necessary to ensure performance of the new system. Generators for Booster Pumps - A properly designed Immediate/ 3 Distribution generator will be sized and installed to allow for functioning \$10,000 Near Term of the booster pumps during power outages in the area. Immediate/ The source meter on the system will be replaced with a new 4 Source \$2,000 Near Term and accurate master-meter. An evaluation of all meters shall be performed. Water meters Immediate/ \$7,000 5 Distribution throughout the system will gradually be with touch read Near Term \$700/meter meters. Waterline Replacement - The distribution system Medium Range/ \$150 - \$200 6 Distribution infrastructure is aging, and water mains should be replaced in Long Term per foot of pipe a timely manner as leaks increase. Create As-Built Record Drawings of the distribution system to Near Term/ 7 Distribution allow for better planning and future maintenance of the \$5,000 Medium Range system. Davido Consulting Group, Inc. Page 80

Mutiny Bay Waterworks & All Systems

Mutiny Bay Waterworks 1-2 Below Immediate (2020) \$20,000

All Systems 1-2 Below Immediate (2020) \$100,000



Investments Planned for the Peninsula

In the past, a number of Estates residents have asked for a list of the improvements for Estates and Monterra. The following two emails are examples of the responses we received from Cascadia. No dollar estimates were included:

Hi Rick, Thanks for your email.

There are not two different plans – there is one Comprehensive Water System Plan (listed in the proposed rate case with the UTC). This Plan is currently being reviewed by the Dept of Health, Public Health, Dept of Ecology, and the UTC (rates and regulatory division, not the Consumer Protection division). This Plan was already under development prior to our acquisition of the Estates System, so while universal improvements proposed in the Plan will apply to Estates, we will be filing a separate addendum to include Estates-specific capital projects into the Plan. This was supposed to have occurred prior to the onset of COVID-19, which has significantly delayed the process.

Universal improvements proposed in the Plan include increasing the security at each well site (i.e. fencing, gates, etc). Other universal improvements are SCADA (system monitoring) and new Master Meters; these projects have already been installed. The current standby generator at Estates is only powerful enough to run one booster pump, and not adequate enough to run well pumps or additional booster pumps for fireflow. The standby generator projects for Estates is in the works, with the projected completion date of early spring, which is why it's already factored in to this rate case. The existing reservoirs at Estates are below ground, so we will also be proposing to install an above-ground reservoir, which is more suitable as a replacement to the existing underground reservoirs due to the fact that the underground reservoirs are more susceptible to leaking water out as well as contaminants getting in, and the inability to monitor either one based on the underground location. We're also looking into the potential of drilling a new well at Estates, due to the age of the existing wells.

Neither the Water System Plan or the Estates addendum are at the Customer Review stage. Before we can send you a copy, approval must be received from the regulatory agencies I listed above.

Please let me know if you have any other questions. Thanks,
Culley

Culley Lehman

General Manager 360-661-7781 www.cascadiawater.com



From: Cascadia Water < info@cascadiawater.com>
Date: Tuesday, December 22, 2020 at 3:05 PM

To: J D < <u>duersty@gmail.com</u>> **Subject:** RE: Notice clarification

Hi Josh,

Thanks for your email. Most of the improvements included on the notice (which I listed below) apply to Estates, with the exception of the new well at TEL 10. Your backup generator is not installed yet, but is in process and scheduled for early 2021 and therefore included in this rate case. We mentioned in the notice installing new equipment throughout several well sites, which includes Estates: a new well pump was installed within the last year after the existing pump failed. We also upgraded and repaired main line valves throughout the Estates system, and installed new master meters at Estates' well heads.

- Installing a new online billing system, which allows our customers to pay online, pay with credit/debit cards (as customers have requested), set up AutoPay (another important customer request), and view their account history.
- Increasing staff, which helps facilitate faster customer service responses, improved system maintenance and quicker system repairs.
- Installing a SCADA (telemetry) system, which allows our operators to view and monitor the water system in real time which is critical to ensuring safe system operations.
- Installing new submersible pumps, booster pumps, pressure tanks, and control boxes throughout several well sites, helping to ensure reliable water is delivered to our customers.
- Installing standby generators at a majority of the systems, with the target of having 100% installation completed by spring 2021. The new generators minimize service disruptions due to power outages, often experienced by residents during the winter storm season. (The standby generator for Estates is in the works to be installed by spring 2021.)
- Completing our replacement of the master meters at the well sites for each of the systems. This allows us to more accurately track the water that is pumped throughout the system, which in effect helps prevent unnecessary leakage
- We also are exploring wireless read meters for a portion of the Estates water system, because flooding in the area makes meter reading nearly impossible for several months of the year

Please keep in mind that the rates proposed in the notice are just what we are requesting. We'll be going through an extensive 3-month long audit process where the UTC staff will validate usage history/financial data to determine rates that are fair and reasonable to apply among our customer base. They will then present their findings at the open meeting (March 25th) to the Commission, who will then approve, deny, or amend the rates that UTC staff has recommended.

Please let me know if you have any other questions, or if I can help clarify anything else. Thanks,
Culley



Investments For Fstates and Monterra from the DOH

We turned to two documents from Jocelyne Gray, SW Regional Engineer, DOH. They include lists of the current assets and their replacement costs for Estates and Monterra. While the condition rating/assessment did not show anything needing immediate replacement for either well system, we decided to *replace everything that has outlived its calculated remaining life...* even if it was still working. The total of those two numbers is for Greg Hammond's model.

Two items below noted with an *, are not in Ms. Gray's Asset Inventory. The Magnesium filtration was added to provide a solution to the Magnesium issue raised at the previous Commissioner's meeting. A larger more powerful generator was also added to the list.

The following list is for Estates with two wells:

1.	Above ground reservoirs (200,000 gal W&B)		403,175
2.	Magnesium filtration and treatment system*		60,000
3.	Well 2 (new well)		25,000
4.	Well pump 1		10,000
5.	Well pump 2		10,000
6.	Booster Pump 1, 5 hp, 100 gpm		1,000
7.	Booster Pump 2, 5 hp, 100 gpm		1,000
8.	Booster pump 3, 5 hp, 100 gpm		1,000
9.	Fireflow pump, 10 hp, 250 gpm		3,000
10.	Oilless air compressor for hyrdopneumatic tanks		200
11.	Well 1 source meter		450
12.	Well 2 source meter		450
13.	Electrical Panel and Controls		20,000
14.	Generator*		60,000
		Total	\$ 595,275

The following list is for Monterra with two wells:

1	North well #2		\$25,000
١.			
2.	South well #1		\$25,000
3.	North well pump		\$10,000
4.	South well pump		\$10,000
5.	Fire pump 500 gpm		\$ 3,000
6.	Source meter		\$ 1,000
7.	Electrical controls and panel		\$20,000
8.	New auto start generator (not on the list)		\$30,000
		Total	\$ 124,000

Peninsula Water Systems

Estates \$ 595,000 Monterra \$ 124,000 \$ 719,000

Asset Inventory for Estates

From Jocelyne Gray, SW Regional Engineer, DOH

Estates Inc, 08166	4/2	9/2021	(Connecti	Number		367	Total Equity:	\$168,753	Coi	nnection Fee:	\$460			eserves:	\$17.87
			(Oomicon	ono, En	00 010.j.		Equity.			1 66.		Annual	\$\$ to Re	eserves:	\$78,699
								Reserv	e Cash	Applied:		Paymen	ts over 1	1 years:	\$865,402
Current Year: 2021		Calculated Re	placemen	t Life				Calcu	lated E	quity			Re	Replacement Cost	
Asset and Description	Install Date	Est. Effective Life	Condition Rating	Critical Number	Calc Remain Life	Original Cost	Book Value Original \$\$	Replacment Cost	Infl. Rate	Accum Loss of Value (Dep)	Debt and Grants	Equity	Cash Replace ?	Saving Acc't Interest	Future Cost
	Year	Years	1 to 10 Tab A	1 to 5 Tab A	Years	Cost \$	Value \$	Cost \$	%	Loss \$\$	Value \$	Value \$	х	%	Value \$
Well 1	1982	40	5	1	0.5	\$10,000	\$396	\$25,000	3.0%	\$24,688		\$313	x		\$25,372
Well 2	1972	40	7	2	000	\$10,000	\$0	\$25,000	3.0%	\$25,000		\$0	x		\$25,000
Well 1 Pump	1982	25	5	1	000	\$5,000	\$0	\$10,000	3.0%	\$10,000		\$0	x		\$10,000
Well 2 Pump	1983	25	7	2	000	\$5,000	\$0	\$10,000	3.0%	\$10,000		\$0	x		\$10,000
Tank 1, 30kgal	1972	60	5	4	5.5	\$30,000	\$11,705	\$60,000	3.0%	\$54,500		\$5,500	x		\$70,592
Tank 2, 150kgal	1981	60	5	1	10.0	\$150,000	\$81,551	\$300,000	3.0%	\$250,000		\$50,000	x		\$403,175
Small Hydropneumatic Tank, 940 gal	1982	40	2	4	1.0	\$2,000	\$150	\$9,300	3.0%	\$9,079		\$221	x		\$9,565
Large Hydropneumatic Tank, 1300	1982	40	2	3	1.0	\$2,000	\$150	\$11,000	3.0%	\$10,739		\$261	x		\$11,313
Booster Pump 1, 5 HP, 100 gpm	1982	25	2	1	000	\$500	\$0	\$1,000	3.0%	\$1,000		\$0	x		\$1,000
Booster Pump 2, 5 HP, 100 gpm	1982	25	2	1	000	\$500	\$0	\$1,000	3.0%	\$1,000		\$0	х		\$1,000
Booster Pump 3, 5 HP, 100 gpm	1982	25	2	2	000	\$500	\$0	\$1,000	3.0%	\$1,000		\$0	x		\$1,000
Fire Flow Pump, 10 HP, 250 gpm	1982	25	2	4	000	\$1,500	\$0	\$3,000	3.0%	\$3,000		\$0	х		\$3,000
Oilless air compressor for hyrdopneumatic tanks	1982	15	2	2	000	\$125	\$0	\$200	3.0%	\$200		\$0	x		\$200
4-inch PVC water mains (2000 linear feet)	1983	60	5	3	11.0	\$4,000	\$2,255	\$6,500	3.0%	\$5,308		\$1,192	x		\$8,998
6-inch PVC water mains (4000 linear feet)	1983	60	5	2	11.0	\$9,000	\$5,073	\$76,000	3.0%	\$62,067		\$13,933	х		\$105,202
Well 1 source meter	1990	15	2	4	000	\$250	\$0	\$450	3.0%	\$450		\$0	x		\$450
Well 2 source meter	1990	15	2	4	000	\$250	\$0	\$450	3.0%	\$450		\$0	х		\$450
367 Service meters 5/8"x3/4"	2014	15	1	4	8.0	\$45,625	\$29,927	\$182,500	3.0%	\$85,167		\$97,333	х		\$231,186
Electrical panel and controls	1972	25	2	1	000	\$15,000	\$0	\$20,000	3.0%	\$20,000		\$0	x		\$20,000
Generator	1982	25	3	4	000	\$20,000	\$0	\$60,000	3.0%	\$60,000		\$0	х		\$60,000
									3.0%						

Note: NONE of these items are ranked at condition level 10, which means replace. We chose to replace them ALL to get a high number to plug into Greg Hammond's model.

Asset Inventory Guidelines

A-1	Condition Assessment		
Condition	Description	Maintenance Level	Condition
Rating	-		Multiplier
1	Good/Expected Condition	Normal Preventive	1
2	Min on Defeate Only	Maintenance (PM)	0.95
3	Minor Defects Only	Normal PM, Minor	8.0
		Contract	
<u>4</u> 5	 Moderate Deterioration	Maintenance (CM)	0.7 0.5
	Moderate Deterioration	Normal PM, Major	0.35
<u>6</u> 7	Significant Deterioration	CM Major repair,	0.35
8		rehabilitate	0.1
9	Virtually Unserviceable	Rehab unlikely	0.05
10	Unserviceable	Replace	0.03
10	Offserviceable	Replace	U
A-2	Critical Number		
Critical	_		
Number	<u>'</u>	escription	
1	The water system would essen This asset has no backup and must be in place as well as fun- pump failure; single reservoir f violation of the Safe Drinking V	is so important that an e ding to replace it. Exam ailure; anything that cou	emergency plan ple: Single well
2	This asset would have a seriou however, procedures could fix Example: Two wells and prima in panels fail: backflow assemblat could be repaired; single coulve failure.	the problem within a rea ry wellpump fails; Elect oly did not pass testing;	asonable time. rical compents key pipe failure
3	The condition of this asset cau costs to your utility. Examples: rolling stock; leaks in piping; o	deteriorating buildings	, equipment and
4	This asset's condition or failure customers via reduced service complaints. Examples: excess hydrants not working so flushi program.	, outages, or minor taste ive leaks, valves frozen ng cannot be done; poc	e or odor partway closed, or billing
5	These assets have been in sermay not be well known. Evalua determination made as to what	tion should take place a	

Asset inventory for Monterra

From Jocelyne Gray, SW Regional Engineer, DOH

Monterra, ID 55990	4/3	0/2021	(Connecti	Number ons, ER		188	Total Equity:	\$106,787	Cor	nnection Fee:	\$568		R	er Unit to eserves:	\$0.00
			•	,	,		17					Annual	\$\$ to R	eserves:	\$0
								Reserve	e Cash	Applied:		Payme	nts over	0 years:	
Current Year: 2021		Calculated Re	eplacemer	t Life				Calcu	lated E	quity			Re	placeme	nt Cost
Asset and Description RCAC V13	Install Date	Est. Effective Life	Condition Rating	Critical Number	Calc Remain Life	Original Cost	Book Value Original \$\$	Replacment Cost	Infl. Rate	Accum Loss of Value (Dep)	Debt and Grants	Equity	Cash Replace ?	Saving Acc't Interest	Future Cost
	Year	Years	1 to 10 Tab A	1 to 5 Tab A	Years	Cost \$	Value \$	Cost \$	%	Loss \$\$	Value \$	Value \$	х	%	Value \$
North Well - Well 2	1979	40	5	2	000	\$10,000	\$0	\$25,000		\$25,000		\$0			\$25,000
South Well - Well 1	1971	40	5	1	000	\$10,000	\$0	\$25,000		\$25,000		\$0			\$25,000
North Well Pump	1979	25	5	2	000	\$5,000	\$0	\$10,000		\$10,000		\$0			\$10,000
South Well Pump	1972	25	5	1	000	\$5,000	\$0	\$10,000		\$10,000		\$0			\$10,000
Storage Tank 75k gall	1984	60	5	4	11.5	\$75,000	\$14,375	\$150,000		\$121,250		\$28,750			\$150,000
Hydropneumatic Tanks, 750 gal each (2)	1984	40	2	3	2.9	\$1,800	\$128	\$8,500		\$7,894		\$606			\$8,500
Booster Pump 140 gpm	1984	40	2	1	2.9	\$500	\$36	\$1,000		\$929		\$71			\$1,000
Fire Pump 500 gpm	1984	25	2	4	000	\$1,500	\$0	\$3,000		\$3,000		\$0			\$3,000
Oilless air compressor for hydropneumatic	2016	15	2	2	9.5	\$125	\$79	\$200		\$73		\$127			\$200
PVC Water Mains	1984	60	5	3	11.5	\$9,000	\$1,725	\$76,000		\$61,433		\$14,567			\$76,000
Source meter	1990	15	2	4	000	\$250	\$0	\$1,000		\$1,000		\$0			\$1,000
Service Meters 5/8"x3/4"	2016	15	1	4	10.0	\$2,500	\$1,667	\$94,000		\$31,333		\$62,667			\$94,000
Electrical controls and panel	1971	25	2	1	000	\$15,000	\$0	\$20,000		\$20,000		\$0			\$20,000

Note: NONE of these items are ranked at condition rating 10, which means replace. The highest is 5. Per the guidelines on P. 26, level 5 is moderate deterioration requiring preventive maintenance. For simplicity... all assets with a calculated remaining life of 0 were replaced purely to get a number to plug into Greg Hammond's model.

Cascadia System Comparison Model Results

Estimated Assumptions

Current				
		Peninsula	Island	Combined
	Current Revenue (ignoring ancill.)	\$ 188,676	\$ 421,462	\$ 610,138
	GRC Additional Revenue	\$ 103,682	\$ 221,848	\$ 325,530
	Total Revenue	\$ 292,358	\$ 643,310	\$ 935,668
	Percent Increase	54.95%	52.64%	53.35%
	Customer Count	661	1,113	1,774
	Current Per Customer	\$ 23.79	\$ 31.56	\$ 28.66
	Additional Per Customer	\$ 13.07	\$ 16.61	\$ 15.29
	Total Per Customer	\$ 36.86	\$ 48.17	\$ 43.95
Future				
	Future Improvements (est.)	\$ 1,700,000	\$ 500,000	\$ 2,200,000
	Annual Depreciation	\$ 50,490	\$ 14,850	\$ 65,340
	Annual Return (9.45%)	\$ 160,650	\$ 47,250	\$ 207,900
	Total Future Rev. Req.	\$ 503,498	\$ 705,410	\$ 1,208,908
	Total Revenue Increase	72%	10%	29%
Avg. po	er Cust. after Future Improvements	\$ 63.48	\$ 52.82	\$ 56.79
	Future Rate Increase	\$ 26.62	\$ 4.65	\$ 12.84

Model A

Accurate Assumptions Based on the WSP and DOH Asset Inventories

Current								
		Peninsula		Island		Combined		
	Current Revenue (ignoring ancill.)	\$	188,676	\$	421,462	\$	610,138	
	GRC Additional Revenue	\$	103,682	\$	221,848	\$	325,530	
	Total Revenue	\$	292,358	\$	643,310	\$	935,668	
	Percent Increase		54.95%		52.64%		53.35%	
	Customer Count		661		1,113		1,774	
	Current Per Customer	\$	23.79	\$	31.56	\$	28.66	
	Additional Per Customer	\$	13.07	\$	16.61	\$	15.29	
	Total Per Customer	\$	36.86	\$	48.17	\$	43.95	
Future								
	Future Improvements (est.)	\$	719,000	\$	5,109,500	\$	5,828,500	
	Annual Depreciation	\$	21,354	\$	151,752	\$	173,106	
	Annual Return (9.45%)	\$	67,946	\$	482,848	\$	550,793	
	Total Future Rev. Req.	\$	381,658	\$	1,277,910	\$	1,659,568	
	Total Revenue Increase		31%		99%		77%	
Avg. p	er Cust. after Future Improvements	\$	48.12	\$	95.68	\$	77.96	
	Future Rate Increase	\$	11.26	\$	47.51	\$	34.01	

Model B

Future Projections Using Two Sets of Assumptions (Models C & D)

The Water System Plan (WSP) contained medium range 2022-2030 investments totaling \$5,033,500. The total investment through 2030 was projected to be \$10,043,000. But Mr. Hammond's model was not designed to look forward 10 years. So for the last two comparisons, we used two sets of assumptions (C & D).

We utilized the projected investments in the WSP for Whidbey Island over the next 9 years.

To derive a number for the Peninsula, all assets in both systems were replaced.

Estates				Monterra			
	Well 1	\$	25,372		North Well - Well 2	\$	25,000
	Well 2 Well 1 Pump		25,000 10,000 10,000 70,592		\$ \$ \$ \$	25,000 10,000 10,000 150,000	
Well 2 Pump Tank 1, 30kgal		\$					
		\$					
	Tank 2, 150kgal	\$	403,175	Hydropneumation	c Tanks, 750 gal each (2)	\$	8,500
Sma	all Hydropneumatic Tank, 940 gal	\$	9,565		Booster Pump 140 gpm	\$	1,000
La	arge Hydropneumatic Tank, 1300	\$	11,313		Fire Pump 500 gpm	\$	3,000
	Booster Pump 1, 5 HP, 100 gpm	\$	1,000	Oilless air compressor	for hydropneumatic tanks	\$	200
	Booster Pump 2, 5 HP, 100 gpm	\$	1,000		PVC Water Mains	\$	76,000
	Booster Pump 3, 5 HP, 100 gpm	\$	1,000		Source meter	\$	1,000
F	Fire Flow Pump, 10 HP, 250 gpm		3,000		Service Meters 5/8"x3/4"	\$	94,000
Oilless air compressor for		\$	200	Ele	\$	20,000	
4-inc	ch PVC water mains (2000 linear	\$	8,998				
6-ind	ch PVC water mains (4000 linear	\$	105,202			\$	423,700
	Well 1 source meter	\$	450				
	Well 2 source meter	\$	450				
	367 Service meters 5/8"x3/4"	\$	231,186				
	Electrical panel and controls	\$	20,000		Estates	\$	997,502
	Generator	\$	60,000		Monterra	\$	423,700
		\$	997,502		Total	\$	1,421,202

Model (C): Replacing all assets on the Peninsula

Assumptions:

- 1) That Cascadia planned to invest \$5,109,500 in Whidbey Island systems in 2021.
- 2) That Cascadia replaced all assets in the Peninsula Estates and Monterra systems in 2021.

Current				
		Peninsula	Island	Combined
	Current Revenue (ignoring ancill.)	\$ 188,676	\$ 421,462	\$ 610,138
	GRC Additional Revenue	\$ 103,682	\$ 221,848	\$ 325,530
	Total Revenue	\$ 292,358	\$ 643,310	\$ 935,668
	Percent Increase	54.95%	52.64%	53.35%
	Customer Count	661	1,113	1,774
	Current Per Customer	\$ 23.79	\$ 31.56	\$ 28.66
	Additional Per Customer	\$ 13.07	\$ 16.61	\$ 15.29
	Total Per Customer	\$ 36.86	\$ 48.17	\$ 43.95
Future				
	Future Improvements (est.)	\$ 1,421,202	\$ 5,109,500	\$ 6,530,702
	Annual Depreciation	\$ 42,210	\$ 151,752	\$ 193,962
	Annual Return (9.45%)	\$ 134,304	\$ 482,848	\$ 617,151
	Total Future Rev. Req.	\$ 468,872	\$ 1,277,910	\$ 1,746,782
	Total Revenue Increase	60%	99%	87%
Avg. p	er Cust. after Future Improvements	\$ 59.11	\$ 95.68	\$ 82.05
	Future Rate Increase	\$ 22.25	\$ 47.51	\$ 38.10

Model C

Model (D): Maximum One Year Investment (to See the Results of the Model)

(the model does not allow the investment to be spread out over 10 years.)

Assumptions:

- 1) Although nearly impossible, Cascadia invests \$10,143,000 in Whidbey Island systems in 2021.
- 2) Just as unlikely, Cascadia invests \$1,421,202 in the Peninsula systems in 2021, replacing all assets.

Current				1
		Peninsula	Island	Combined
	Current Revenue (ignoring ancill.)	\$ 188,676	\$ 421,462	\$ 610,138
	GRC Additional Revenue	\$ 103,682	\$ 221,848	\$ 325,530
	Total Revenue	\$ 292,358	\$ 643,310	\$ 935,668
	Percent Increase	54.95%	52.64%	53.35%
	Customer Count	661	1,113	1,774
	Current Per Customer	\$ 23.79	\$ 31.56	\$ 28.66
	Additional Per Customer	\$ 13.07	\$ 16.61	\$ 15.29
	Total Per Customer	\$ 36.86	\$ 48.17	\$ 43.95
Future				
	Future Improvements (est.)	\$ 1,421,202	\$ 10,143,000	\$ 11,564,202
	Annual Depreciation	\$ 42,210	\$ 301,247	\$ 343,457
	Annual Return (9.45%)	\$ 134,304	\$ 958,514	\$ 1,092,817
	Total Future Rev. Req.	\$ 468,872	\$ 1,903,071	\$ 2,371,942
	Total Revenue Increase	60%	196%	154%
Avg. p	er Cust. after Future Improvements	\$ 59.11	\$ 142.49	\$ 111.42
	Future Rate Increase	\$ 22.25	\$ 94.32	\$ 67.47

Model D

Facts and Findings Based on the Contents of this Document

- With accurate assumptions, the Cascadia System Comparison model provides proof that it is NOT in the best interest of Peninsula consumers to be combined/consolidated under one tariff rate with Cascadia's twelve water systems on Whidbey Island.
 - a. If consolidated under one rate with the Whidbey Island systems and asked *to pay our* part of **their** investments we will be paying 62% more. (48.12-77.96) (see Model B)
 - b. If consolidated under one rate with the Whidbey Island systems, we will see a 202% *increase* in our future rate. (11.26-34.01) (see Model B)
- 2. Model A, as presented to the Commissioners, contains assumptions that to our knowledge, do not have any supporting details. We requested the supporting details more than once.
- 3. Assumptions for Model B presented in this document for Whidbey Island systems come from table 3.25 of Cascadia's own forward-looking planning document, the Water System Plan (WSP) of 2020.
- 4. Assumptions for Model B presented in this document for the two Peninsula systems come from the DOH's Asset Inventory forms.
- 5. If consolidated under one rate, Peninsula consumers will be paying for the improvements on Whidbey Island that have been planned for over three years. Yet not one person from the UTC, Cascadia, or NW Natural has mentioned these significant investments as detailed in the WSP. Those investments will drive additional rate increases.
- 6. If we replace ALL of the assets in the Estates and Monterra facilities for \$1,421,202, and invest \$5,109,500 in Whidbey Island in 2021, Model C shows it is **NOT** in our best interest of Peninsula consumers to be combined/consolidated under one tariff rate with Whidbey Island's twelve water systems.
- 7. The investment projection for Whidbey Island is \$10,143,000 over the next 9 years. If we replace ALL of the assets in the Estates and Monterra facilities for \$1,421,202, and invest \$10,143,000 in the Island systems in one year, Model D shows it is still **NOT** in the best interest of Peninsula consumers to be combined/consolidated under one rate with Whidbey Island's twelve water systems.
- 8. Not one model with the accurate assumptions derived from the WSP and the DOH Asset Inventories shows consolidation under a single tariff rate to be good for Peninsula consumers.
- 9. If all twelve water systems on Whidbey Island are combined with the two on the Peninsula, we will lose transparency to the supporting data we need to do comparisons such as this one.