



# Aquarius Utilities, LLC

"At Your Service"

Diamond Point • Island Lake • Lynch Cove • Agate West

March 25, 2016

Mr. Steven King, Executive Director  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
1300 South Evergreen Park Drive S.W.  
Olympia, WA 98504-7250

Re: Aquarius Utilities, LLC  
Proposed Surcharge Adjustment

Dear Mr. King:

Enclosed is a proposed surcharge filing with an effective date of May 1, 2016. An adjustment is sought in the amount of the Drinking Water State Revolving Fund surcharge granted by the commission in August 2008 under Docket #UW-081416. The adjustment is requested to fund the shortfall in collected surcharge revenues which has occurred since the original surcharge amount was approved.

The original (2008) surcharge amount was based on robust growth in the Company's customer base, which was reasonably based on historical growth rates of the previous five years. However, actual growth rates to date have been much slower, due to (1) the economic recession and housing market collapse; (2) slower rate of adding new service connections, including removal of some existing connections; and (3) gradual depletion of affordable building sites for new homes. As a consequence, collected surcharge revenues have not and are not keeping pace with the annual DWSRF loan payments. At the current surcharge rate with updated customer growth rates, available loan funds will be exhausted in 2017, and by 2028, the pay-off year, the loan fund account is projected to show a deficit of \$170,000.

The revenue impact of this filing, based on a 2015 test year, will be an annual increase in surcharge revenues of \$19,200, over current revenue of \$95,847. The surcharge would increase by \$1.70, from \$8.70 to \$10.40 per month per customer. The average customer bill including the surcharge would increase from \$61.91 to \$63.61 (2.7%). This filing will affect all retail customers of the Company in all of its service areas. A summary of existing and proposed rates is as follows:

	Existing	Proposed
Monthly Surcharge Amount	\$8.70	\$10.40

Phone 360-779-1565  
Fax 360-779-4189  
MyWaterCompany@AOL.com

23411 Rhododendron Lane NW  
PO Box 1085  
Poulsbo, WA 98370

STATE OF WASH  
UTIL. AND TRANSP  
COMMISSION  
RECEIVED  
FINANCIAL MANAGEMENT  
2016 MAR 25 AM 11:15



# Aquarius Utilities, LLC

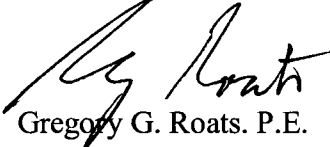
*"At Your Service"*

Diamond Point • Island Lake • Lynch Cove • Agate West

Attached is a copy of the customer notice, tariff page, existing and proposed surcharge collection/ loan repayment schedules, and supporting documentation.

If you have any questions concerning this filing, please contact me by phone or e-mail.

Very truly yours,

  
Gregory G. Roats, P.E.  
General Manager

Phone 360-779-1565  
Fax 360-779-4189  
MyWaterCompany@AOL.com

23411 Rhododendron Lane NW  
PO Box 1085  
Poulsbo, WA 98370