

Olympic Water and Sewer, Inc.
70 Breaker Lane
Port Ludlow, WA 98365

IMPORTANT NOTICE

March 15, 2023

OLYMPIC WATER AND SEWER INC. RATE ADJUSTMENT

As directed by the Washington Utilities and Transportation Commission (WUTC) in the Filtration and Chlorination Surcharge DOCKET UW-190160 ORDER 01 8. (h) April 11, 2019, within one year after the project (Filtration and Chlorination) is completed and on-line, the Company must file a general rate case. This would allow the Company to recover its portion of the project through general rates, and would enable the Commission to analyze the Company's books, records, and allocations between its affiliates.

As a result of the rate review OWSI has filed for approval from the WUTC to increase rates by 23.3% or \$187,017 in annual revenue. If approved, the rates will be effective on April 17, 2023, which is the beginning of the May/June billing cycle.

OWSI asked for and was granted an extension so as to use calendar year 2022 expenses as the test year for the general rate case

REASON FOR INCREASE:

OWSI has experienced an increased demand in chemical usage and manpower due to the filtration and chlorination project as was expected. Those are not the only expenses realized in the test year of 2022. Increased repair and maintenance due to an aging infrastructure that has resulted in failure of galvanized water service lines and fittings has become more prominent over the last year. Replacement, rehabilitation, and addition to existing production wells has become a priority over the last year as looking towards the future growth and efficiency of existing wells has become a priority. Retaining operators has resulted in increased wages in a difficult time to find qualified staffing. Finally inflation is affecting OWSI. In 2022 there were multiple increases in cost to chlorine and other chemicals that OWSI was not subject to purchasing at the quantities that are now required with chlorination of the distribution system required.

THE NEW RATES:

Meters will be read and bills produced bimonthly. The following table is a monthly comparison of the current and proposed rates per cubic foot (cu.ft.) of water.

Rate Comparison for Most Customers

3/4 x 5/8 inch meter

	Current		Proposed	
Base Rate		\$19.25		\$22.50
Usage Block 1	0-1000 cu.ft.	\$0.027	0-1000 cu.ft.	\$0.0357
Usage Block 2	1001-1800 cu.ft.	\$0.034	1001-1800 cu.ft.	\$0.050
Usage Block 3	Over 1800 cu.ft.	\$0.044	Over 1801 cu.ft.	\$0.060

An example of how the rates would affect a customer's bimonthly bill as follows:

- A customer that uses 1,000 cubic feet of water a month (2,000 bimonthly) would see an increase in their bimonthly bill of \$3.25 (19.25 increases to 22.50 for one month) for the base rate
- Plus an \$8.70 increase in usage rates (1000 x .0357 as compared to the existing rate 1000 x .027).
- The bimonthly bill for water would increase from \$92.50 to \$116.40.

QUESTIONS AND COMMENTS: If you have questions about the proposed filing and how it will affect you, please call the Olympic Water and Sewer, Inc. 360-437-2101 or 360-437-8349. Alternatively customers can leave comments and questions via email at owsi@portludlowassociates.com. The Commission has the authority to set final rates that may be either lower or higher than the company's request, depending on the results of its investigation. You can comment on the case 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
Post Office Box 47250
Olympia, WA 98504-7250
E-mail: comments@utc.wa.gov
Telephone: 1-888-333-WUTC (9882)

Commission Staff will make a recommendation to the Commissioners at an open meeting which is scheduled for 9:30 a.m. on April 13. You will have an opportunity to provide your comments at this meeting. This open meeting will be conducted remotely. If you intend to listen or participate, call 360-664-1234 at least a day before the open meeting for instructions and to sign in. The WUTC is committed to providing reasonable accommodations for participants with disabilities. If you need reasonable accommodations to participate in this open meeting please contact the Commission at 1-888-333-9882 or email at Consumer@utc.wa.gov.

Sincerely,

Diana Smeland
President
Olympic Water and Sewer Inc.

Please see chart on next page.

Proposed Monthly Charges

Base Rates and Volumetric Usage Charges Per Cubic Foot of Water

Meter Size	Meter Size Factor	Base Rate	1st Block (cu. ft.)	1st Block Usage Rate	2nd Block (cu. ft.)	2nd Block Usage Rate	3rd Block (cu. ft.)	3rd Block Usage Rate
3/4 -inch	1.00	\$ 22.50	0-1,000	\$ 0.0357	1,001-1,800	\$ 0.050	Over 1,800	\$ 0.060
1-inch	1.67	\$ 37.58	0-1,670	\$ 0.0357	1,670-3,006	\$ 0.050	Over 3,006	\$ 0.060
1 1/2- inch	3.33	\$ 74.93	0-3,330	\$ 0.0357	3,330-5,994	\$ 0.050	Over 5,994	\$ 0.060
2-inch	5.33	\$ 119.93	0-5,330	\$ 0.0357	5,330-9,594	\$ 0.050	Over 9,594	\$ 0.060
3-inch	10.00	\$ 225.00	0-10,000	\$ 0.0357	10,000-18,000	\$ 0.050	Over 18,000	\$ 0.060

Note: 1 Cubic Foot of Water is Equal to 7.48 Gallons

Existing Monthly Charges

Base Rates and Volumetric Usage Charges Per Cubic Foot of Water

Meter Size	Meter Size Factor	Base Rate	1st Block (cu. ft.)	1st Block Usage Rate	2nd Block (cu. ft.)	2nd Block Usage Rate	3rd Block (cu. ft.)	3rd Block Usage Rate
3/4 -inch	1.00	\$ 19.25	0-1,000	\$ 0.027	1,001-1,800	\$ 0.034	Over 1,800	\$ 0.044
1-inch	1.67	\$ 32.15	0-1,670	\$ 0.027	1,670-3,006	\$ 0.034	Over 3,006	\$ 0.044
1 1/2- inch	3.33	\$ 64.10	0-3,330	\$ 0.027	3,330-5,994	\$ 0.034	Over 5,994	\$ 0.044
2-inch	5.33	\$ 102.60	0-5,330	\$ 0.027	5,330-9,594	\$ 0.034	Over 9,594	\$ 0.044
3-inch	10.00	\$ 192.50	0-10,000	\$ 0.027	10,000-18,000	\$ 0.034	Over 18,000	\$ 0.044

Note: 1 Cubic Foot of Water is Equal to 7.48 Gallons