

# 2019-2023 Wholesale Water Southwest Rate Surcharge

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Seattle Public  
Utilities



City of Seattle

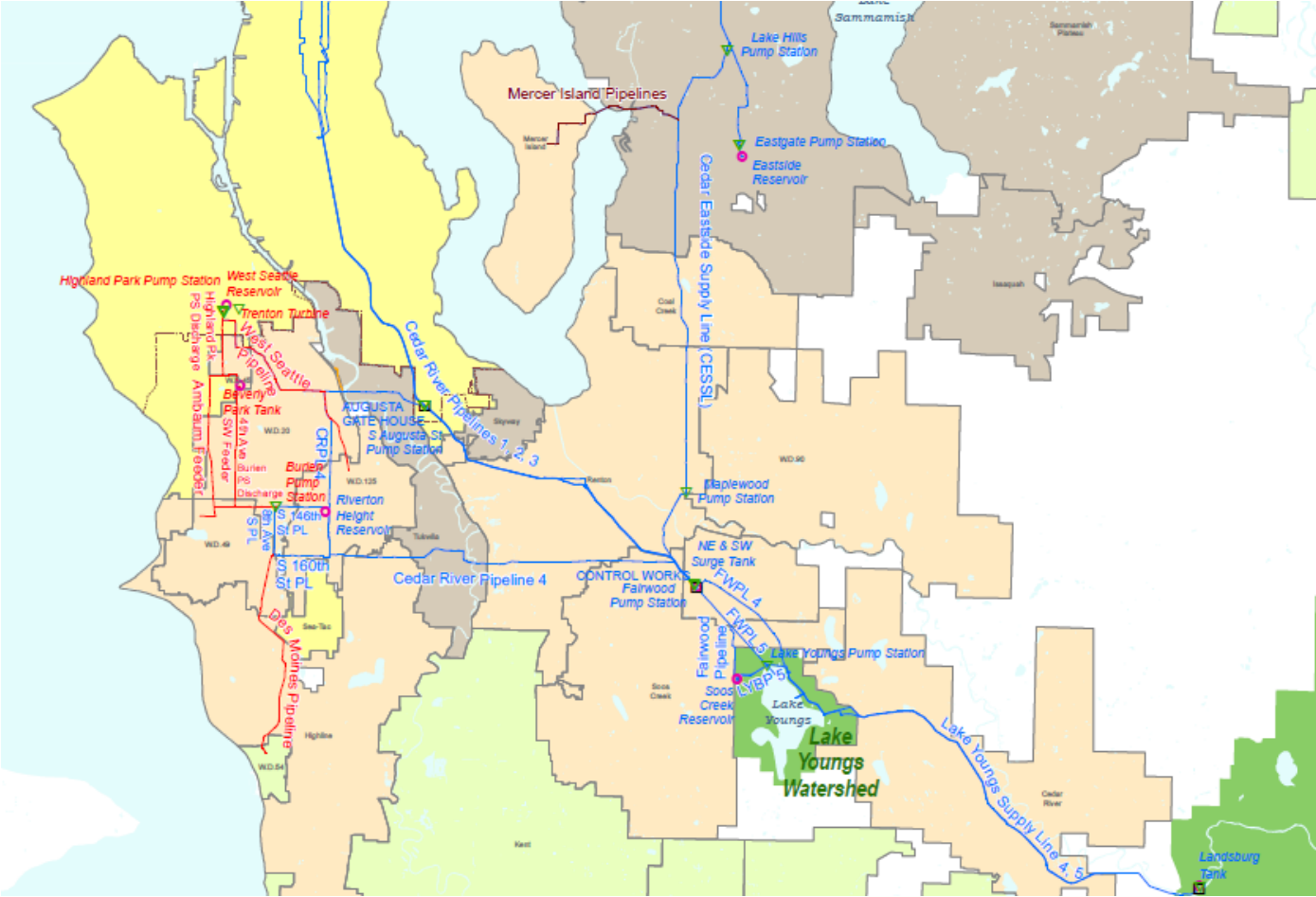
# Seattle's Wholesale Water Customers

- Seattle sells water on a wholesale basis to over 20 suburban cities and utility districts
- Wholesale cost allocation and rate setting is detailed in water supply contracts that run through 2062
  - Under contracts, annual costs and revenues are compared, and a running balance of over- or under-collection is maintained
  - Surplus or deficit is taken into account next time rates are set

# Southwest Wholesale Surcharge

- Council adopted the majority of wholesale water rates in 2017
- The Southwest subregional surcharge was delayed until 2018 due to changes in metering equipment needed to complete the rate study
- This surcharge pays for the additional infrastructure needed to deliver water to five wholesale customers not reached by Seattle's regional water system

# Southwest Subregion



# Proposed Southwest Surcharge

The Southwest surcharge is decreasing due to several factors:

- Past over-collection has resulted in a surplus of revenues as compared to allocated costs
- Decrease in demand that had been incorporated into 2018 rates now delayed past 2023

2018 Rate	Proposed 2019-2023 Rate	Annual Impact
\$0.16 / ccf	\$0.07 / ccf	\$380k/year decrease

# Southwest Rate Surcharge

Questions?