**Capacity Charge**

In addition to charging monthly rates on all households, King County also charges for each new connection to the wastewater system to help offset the added impacts of population growth on the system. The charge is linked to the cost of excess capacity of existing facilities, and is assessed monthly for 15 years to households or businesses with new connections to the sewer. Unlike the monthly rates, the capacity charge is billed directly by King County to the individual household or business. The County’s current capacity charge is $10.50 per month per customer—the maximum allowed by state law.

The terms of existing state law will provide an increasingly restrictive limitation on future capacity charge levels that can be assessed under the Executive’s Preferred Plan. To enable King County to capture an equitable share of future costs through capacity charges, this plan proposes that the County continue its recent legislative initiatives to attain greater flexibility in setting these charges and working with our customers in refining the capacity charge program, and to ensure that growth pays for growth.

The rates projected in this plan assume the existing capacity charge authority under state law. Right now the capacity charge is $10.50, but this may drop as low as $7.00 if changes are not made to existing state law. If the County is successful in changing the state legislation and having a higher capacity charge which reflects the true cost of growth, the corresponding monthly rates will be somewhat lower than what is shown in this plan.

**FIGURE 11 – Projected Monthly Wholesale Rates (without inflation)**

**FIGURE 12 – Projected Monthly Wholesale Rates (with inflation)**