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February 29, 2012

David Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
Attn.: Records Center
P.O. Box 47250
1300 S. Evergreen Park Dr. SW
Olympia, WA 98504-7250

RE: Peninsula Sanitation Service, Inc., G-011
Submission of Tariff No. 16/General Rate Increase

Dear Mr. Danner:

On behalf of Peninsula Sanitation Service, Inc., G-011, I am now enclosing a general rate increase request. This proposed increase is necessary to offset increasing general operating expenses, including (amongst numerous other factors), wages, maintenance and fuel. If approved by the Commission, affected rates would increase the company's overall regulated revenues by approximately 31.5%, or \$627,952.

Notably, this is the first general rate increase filing since the last general rate increase was approved and effective on January 1, 1993 in Docket TG-921361. In that corresponding time period, consumer prices have increased by approximately 59.32% according to the United States Department of Labor website.¹ Moreover, in its recent Order *In re the Matter of the Delegation to the Secretary of the Commission pursuant to RCW 80.01.030 and Fuel Surcharge Inquiry*, Dockets A-042090 and T-101661 (April 2011), the Commission noted that only companies whose current rates were established within three years prior to an application for a temporary fuel surcharge would generally be eligible for such. While a transition period for the remainder of that calendar year was authorized, that period has now expired. Indeed, while dramatically increasing fuel costs are a factor in light of the Commission's decision in Docket T-101661, clearly, other cost attrition factors for almost two decades compel this general rate increase filing, as demonstrated by the accompanying workpapers.

The company also now requests an exemption from the filing requirements of WAC 480-07-520 (c) as to the monthly reporting intervals, submitting instead, quarterly income statements for the test period. A quarterly summary of the income statement is included in the Excel File titled "Peninsula Sanitation –Work papers 9-30-2011.xls", tab Consolidate P&L. Quarterly Compiled Financial Statements are included with this filing identified as PSS & PSW Quarterly Financial

¹ For example, the consumer price index average for calendar year 1992 reflected there appears to have been 139.7, while the consumer price index average for 2011 was 222.557.

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Statements.PDF. Because the Company currently compiles financial reports quarterly, conversion and compiling of monthly income statements extrapolated from the quarterly income statements would create an expensive hardship for the company and unnecessarily delay this general rate increase filing.

Pursuant to Commission rules at WAC 480-70-271, a copy of this transmittal letter is being mailed to the Chairman of Pacific County Commissioners and to the Mayors of Ilwaco and Long Beach, WA. A copy of this letter is also being sent to the Chinook Observer for publication.

The company will provide a proposed customer notice to all affected customers to be sent on or before March 30, 2012.

If there are any questions regarding this filing, please contact Weldon T. Burton, CPA, telephone number is 360-727-3643, fax number 360-727-7637 and email wtpdx@gmail.com.

Yours truly,



Weldon T. Burton CPA

cc: Jay Alexander
Diane Carter
Chairman, Pacific County Commissioners
Mayor-City of Ilwaco, WA
Mayor-Long Beach, WA
Chinook Observer