

EXHIBIT 11

SPIC Response to UTC Staff Data Request 6 And Supplemental Response

How SPIC acquires new customers

Docket UW-121408
UTC Staff Data Request Nos. 1-21 to Sandy Point

UTC STAFF DATA REQUEST NO. 6:

Please explain how Sandy Point Improvement Company obtains new customers for water service, including persons who take service at a location previously served by the company (e.g., a person buys a home previously served with water by the company).

RESPONSE:

Both Class A and Class C shares are appurtenant to real property and are only transferrable as incident to the sale or other transfer of such real property. Shareholders may also request and sign up for a limited use connection, i.e., non-residential, metered use of a vacant lot for a maximum average of 12.2 gallons per day. Historically, distribution of new service connections to existing unserved Class A or Class C shareholder lots has been done by lottery. A lottery for new service connections was implemented in 1996 and in 2006 (currently being implemented).

In 2010 and 2011, Sandy Point also obtained two new customers through exempt well consolidation for property owners who had failing single family permit exempt wells within Sandy Point's service area, following verification of water supply deficiencies, decommissioning of existing wells, Department of Ecology and Department of Health approval, and payment of latecomer fees.

Witnesses knowledgeable about and who can respond to questions concerning the response may include those witnesses identified in response to Data Request No. 21.4, individuals identified in the responses provided and documents produced, and others to be determined.

Prepared by: Joseph A. Rehberger
(360) 787-5057
Dated: February 1, 2013

Docket UW-121408
UTC Staff Data Request Nos. 6 and 23 to Sandy Point

UTC STAFF DATA REQUEST NO. 6:

Please explain how Sandy Point Improvement Company obtains new customers for water service, including persons who take service at a location previously served by the company (e.g., a person buys a home previously served with water by the company).

SUPPLEMENTAL RESPONSE:

Sandy Point supplements its response to Data Request No. 6 as follows:

By way of supplementation, Sandy Point further responds that the Company provides water service consistent with its service policies. Sandy Point's water service area and service policies are described in Section 2 of Sandy Point's State of Washington Department of Health Water System Plan. Sandy Point's water service area includes three subareas, Sandy Point Shores, Neptune Heights, and Sandy Point Heights. A complete copy of the Water System Plan is provided in response to Data Request No. 10, previously produced. In the recent past, Sandy Point has been restricted by its water rights and Water System Plan from obtaining new customers through any expansion of its customer base. When additional water service connections have become available, Sandy Point has offered new connections through a lottery system. As set forth in its Water System Plan, at this time, Sandy Point does not have plans to expand its water service area beyond its present boundaries.

Please also see response to Data Request No. 6 contained in Respondent Sandy Point Improvement Company's Response to WUTC Staff Data Requests Nos. 1-21 dated February 1, 2013.

Sandy Point does not interpret this data request as requesting specific details of how Sandy Point may have obtained new customers for water service in the past. For example, as referenced in Section 2 of Sandy Point's Water System Plan, in the 1970s, Sandy Point entered into agreements with the Lummi Indian Tribe and the Indian Health Service to provide water service to certain Lummi tribal properties and residences. Additionally, as described in Sandy Point's response to Data Request No. 3, a 1965 Sale Agreement required the purchasers to provide water service to all present customers of the water system and all owners of property in certain platted tracts.

Witnesses knowledgeable about and who can respond to questions concerning the response may include those witnesses identified in response to Data Request No. 21.4 and 23, individuals identified in the responses provided and documents produced, and others to be determined.

Prepared by: Joseph A. Rehberger
(360) 787-5057

Dated: February 14, 2013

Docket UW-121408
UTC Staff Data Request Nos. 6 and 23 to Sandy Point

UTC STAFF DATA REQUEST NO. 23:

Identify each person or persons answering or providing information or documents with respect to your response to each UTC Staff data request, identifying the number(s) of the data request answered or for which information or documents were provided. This is a continuing request.

SUPPLEMENTAL RESPONSE:

Data Request No. 6:

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