

[Service Date June 7, 2011]

June 7, 2011

NOTICE OF OPPORTUNITY TO RESPOND
(Response to Staff's Motion to Reopen, Motion for Clarification, and Motion for
Reconsideration due June 17, 2011, by 3:00 p.m.)

RE: *In the Matter of Determining the Proper Carrier Classification of Lower, Inc. d/b/a Lower Corporation, a/k/a Lower Water Company and Iliad Inc. d/b/a Lower Water System, Docket UW-091006 and In the Matter of the Penalty Assessment Against Lower, Inc. in the Amount of \$10,500, Docket UW-110213, (consolidated)*

On May 18, 2011, the Washington Utilities and Transportation Commission (Commission) entered an Initial Order approving and adopting the partial stipulation between Lower, Incorporated (Lower or the Company) and the Commission's regulatory staff (Staff). In the partial stipulation, Lower acknowledged that its business is subject to the Commission's jurisdiction, and agreed to an initial order that required the Company to file its tariff and supporting documents in compliance with WAC 480-110-433(3). The Company filed its tariff and documentation in Docket UW-110871 on May 13, 2011. As a result, the Commission reduced the \$10,500 penalty by 20% based on the Company's representation that much of its revenue is composed of pass-through costs for the water it supplies and Lower's good faith in filing its tariff and supporting materials prior to entrance of the order.

On June 6, 2011, Staff filed a Motion to Reopen the Record, Motion for Clarification of the Initial Order, and Motion for Reconsideration of the Initial Order (Staff's Motions). Staff requests that the Commission reopen the record to allow further evidence regarding the tariff filing and supporting materials in Docket UW-110871, including evidence that Lower failed to include an income statement and balance sheet for its affiliated entity, Iliad, Inc. Staff also requests that the Commission clarify the Initial Order with respect to the filing in Docket UW-110871, and reconsider its decision to mitigate the

Company's penalty and require Lowper to file a 2010 income statement and balance sheet for its affiliate, Illiad, Inc.

Pursuant to WAC 480-07-825, -830, and -835, the Commission will provide the Company with ten days from the date of this notice to respond to Staff's Motions.

NOTICE IS GIVEN That any response to Staff's Motion to Reopen the Record, Motion for Clarification of the Initial Order, and Motion for Reconsideration of the Initial Order is due June 17, 2011, by 3:00 p.m.

Sincerely,

MARGUERITE E. FRIEDLANDER
Administrative Law Judge