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October 12, 2010

VIA E-FILING

David Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, WA 98504-7250

Re: Docket No. UW-091770 - Rainier View Water Company, Inc.

Dear Mr. Danner:

By letter dated October 12, 2010, that was filed earlier today, I provided an explanation concerning certain aspects of Rainier View's Petition for Accounting Order. In reviewing that letter, I realized that the response was incomplete and I apologize for that.

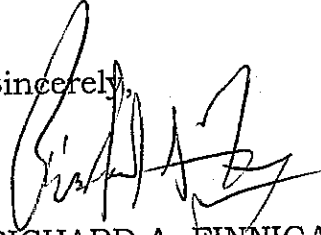
As stated in the letter, the contributions that are collected from developers are not taxable as income and therefore do not have an effect on the income tax return. What I was trying to say, but garbled, is that the asset that was acquired under the City of Tacoma contract is an asset that is classified as a contract right and therefore the expenditure of the funds that were collected through CIAC does not create an asset that is depreciable. That is also what will happen with the Lakewood agreement. The asset will be classified as the acquisition of a contract right and will not be depreciable for federal income tax purposes.

That also brings into view another question that was asked about the Petition for Accounting Order. The question was whether the Company is acquiring a property interest in the pipeline that is being built. The answer is no. The cost of construction of the pipeline is being used as a measure of part of what Rainier View should pay to acquire the right to receive water from Lakewood; the functional equivalent of paying for the acquisition of a water right of 2 million gallons per day.

David Danner
October 12, 2010
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Again I apologize for the incomplete description contained in the earlier letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard A. Finnigan', written in a cursive style.

RICHARD A. FINNIGAN

RAF/km

cc: Doug Fisher (via e-mail)
Gene Eckhardt (via e-mail)
Jim Ward (via e-mail)
Chairman Goltz (via e-mail)
Commissioner Oshie (via e-mail)
Commissioner Jones (via e-mail)