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THOMAS E. KELLY

Interests

April 7, 2008

Washington Utilities and Transportation Commission
P. O. Box 47250
Olympia, WA 98504-7250

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MANAGEMENT
2008 APR -8 AM 9:47
STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

Gentlemen:

Re: Application for Rate Increase
Roche Harbor Water System

Please accept this letter as a formal objection and protest to Roche Harbor Water System's (RHWS) application to increase basic service rates and to impose a monthly Maintenance Charge on consumers served.

To my knowledge RHWS has applied for more rate increases and generally been granted same in the past 10 years than any other utility in San Juan County. The 40% requested increase in base rates by RHWS is excessive, unwarranted and unjustified and will impose a financial burden and hardship on many residents and possibly a few existing but certainly any prospective small business owners.

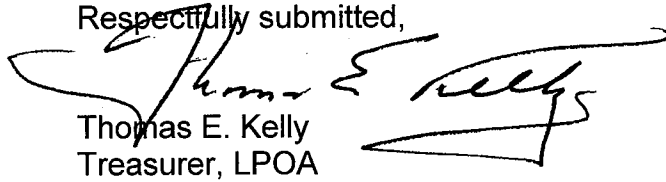
To hire additional personnel is ridiculous for this small local utility. Within the past few years RHWS hired a well known, successful contractor and independent businessman as a full-time employee to handle maintenance, monitoring and testing. Not that much has changed to justify another full-time employee – except for empire building.

RHWS for the past several years has failed to comply with water quality standards although they consistently apply for rate increases to operate and ostensibly improve the system and the quality of the water. The water delivered is still sub-standard and is unfit as a reliable potable water source. Almost everyone endearingly refers to our water as "Roche Harbor sludge" and buys bottled water for drinking. We still bathe in the sludge, wash clothes and use it to irrigate our plants.

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This unreasonable proposed increase is opposed by all members of the Lagoon Park Condominium Owners Association (LPOA) and we would anticipate many others in the Roche Harbor water district served by and forced (for lack of another source) to use the smelly Roche Harbor sludge.

Respectfully submitted,



Thomas E. Kelly
Treasurer, LPOA

IMPORTANT NOTICE

Date: March 28, 2008

Roche Harbor Water System has filed for approval from the Washington Utilities and Transportation Commission for an increase in basic service rates. If approved, the changes will take effect May 1, 2008.

The table set out below shows the changes in rate under the filing.

<u>Service</u>	<u>Existing Rate</u>	<u>Proposed Rate</u>
Monthly Charge ¾" meter	\$25.00	\$30.00
Monthly Charge 1" meter	\$41.75	\$50.10
Monthly Charge 1.5" meter	\$83.25	\$99.90
Monthly Charge 2" meter	\$133.25	\$159.90
Monthly Charge 3" meter	\$250.00	\$300.00
Monthly Charge 4" meter	\$417.00	\$501.00
Usage up to 5,000 gallons	\$1.80 per 1,000 gallons	\$3.50 per 1,000 gallons
Usage over 5,000 and under 10,000 gallons	\$5.10 per 1,000 gallons	\$7.50 per 1,000 gallons
Usage over 10,000 gallons	\$7.90 per 1,000 gallons	\$10.50 per 1,000 gallons

The increase in rates is approximately forty percent above existing rates and will generate approximately \$123,460.00 in additional revenue. The reason for the increase is to cover increased operating costs, such as gasoline costs, cover increased water testing expenses and to allow the Company to hire an additional employee to assist with maintenance, monitoring and testing.

The Company is also proposing a \$5.00 per month Maintenance Charge. This money would be used to fund replacements for portions of the Company's distribution system. Expenditures made from funds raised from the Maintenance Charge would only take place if approved by a newly created Consumer Board consisting of five consumer representatives from various portions of the water system.

If you have any questions about the proposed filing and how it will affect you, please call the Company at (360) 378-3500. If you would like to comment on this filing, be added to the commission's mailing list, or have questions about the ratemaking process, please use the contact information below. You may also comment in person at the commission's open meeting in Olympia at 9:30 a.m. on April 10, 2008, or by using the "Public Comment" feature at the commission's web site, at <http://www.wutc.wa.gov>. The commission is scheduled to make a decision at its open meeting on April 30, 2008. If you are unable to attend an open meeting in person, the commission has a bridge line which enables you to participate or listen by telephone. Call 360-664-1234 for instructions the day before the open meeting.

Washington Utilities and Transportation Commission
Post Office Box 47250, Olympia, WA 98504-7250
E-mail: comments@wutc.wa.gov
Telephone: 1-800-562-6150

Sincerely,

Roche Harbor Water System