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ATTY GEN DIV
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DENNIS BURKE

November 24, 2008

Ms Sally Brown
Assistant Attorney General
Utilities and Transportation Division
P.O. Box 40128
Olympia, WA 98504 - 0128

Annual Report Penalty Assessment UW - 081083

Dear Ms Brown:

I am in receipt of your letter of November 19, 2008 requesting a penalty payment of \$100 from Parkland Water System. Parkland Water System does not currently have the funds to pay a \$100 penalty. Parkland Water System is the smallest water company in the state of Washington and should not be regulated by Utilities and Transportation. We have seven customers. The fees collected are sufficient to pay the electrical bill and maintenance on the system including physical maintenance, water testing, meter reading, and customer billing. The subject annual report was submitted and is in your possession. So you know the total revenues of the water company. Since new water tanks were installed this summer there are currently no reserve funds available to pay a penalty. We do not wish to increase the rates on our retired fixed income customers.

We are requesting mitigation of the penalty. However, if you are unwilling or unable to mitigate the penalty we will have no other choice than to appear in court. We will then seek to be relieved of Utilities and Transportation jurisdiction. Please advise as to the course of action you prefer.

Sincerely,


Dennis A. Burke
Parkland Water Company