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October 15, 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:

This matter was originally filed as a Petition for Accounting Order on November 10, 2009. At the request of Commission Staff, the Company agreed to withdraw a portion of the Petition related to a future construction project and an increase in the Supplemental Developer's Charge. That withdrawal of that component of the Petition occurred on August 27, 2010.

The purpose of this letter is to withdraw the remaining components of the Petition. The increase in the Supplemental Developer's Charge is something that would require Commission approval at some point in time. Because the Commission Staff had requested that the project be evaluated separately from the remainder of the Petition for Accounting Order, and the Company agreed to that approach, a more thorough review should have been undertaken to determine whether the remainder of the Petition needed Commission action.

In light of the Commissioners' concerns about whether there was anything for them to approve when this matter came before them at the Open Meeting of September 30, 2010, the Company has gone back and reviewed the remaining portion of the Petition in detail.

The three remaining components of the Accounting Petition consist of the Agreement with Lakewood Water District, a Wheeling Agreement with the City of Tacoma and a proposed mechanism for accounting for expenditures. The Agreements with Lakewood Water District and the City of Tacoma are not customer extension agreements and therefore do not need Commission approval under WAC 480-110-435(1). Further, these two contracts do not constitute contracts for the retail sale of regulated utility services to end-use customers under WAC 480-80-143(1). Nor can I find any other requirement for approval. In essence, what these two agreements do is allow the Company to obtain a source of water that can be reached through the Company's facilities via its existing intertie with the City of Tacoma, subject to making some upgrades to other facilities, all of which would be within the normal course of business. This is analogous to the purchase of a water right that allows service to additional customers.

In looking at the component of the Petition that relates to booking entries, the Company cannot find any indication that any of the proposed entries would have any impact on the Company or its customers from a ratemaking basis or from a federal income tax basis. Therefore, it does not appear that there is anything that requires Commission approval.

Because the mechanism was following an analogous procedure that was used when the Company entered into a water purchase agreement with the City of Tacoma, the Company assumed, along with Commission Staff, that this was the appropriate procedure. However, based upon the withdrawal of the portion of the Petition dealing with the increase in the Supplemental Developer's Charge, it does not appear now, after further analysis, that Commission approval is required.

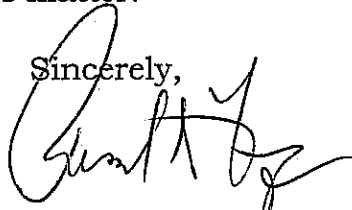
It is Rainier View's intent to continue moving forward on a basis where growth will pay for growth, to the fullest extent that it is within the Company's means to do that.

It is the Company's intent that the purchase of this "water right" will be made largely through CIAC. This is the acquisition of a capital asset that will be needed for future service. An exception is the charges from the City of Tacoma, when they occur, for wheeling water at some future date. These charges are more properly categorized as an operating expense since they relate directly to the delivery of water. However, that expense will be dealt with at the time it arises.

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Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard A. Finnigan". The signature is fluid and cursive, with a large initial "R" and "F".

RICHARD A. FINNIGAN

RAF/km

cc: Doug Fisher (via e-mail)
Gene Eckhardt (via e-mail)
Jim Ward (via e-mail)