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STATE OF WASH  
UTIL AND TRANSP  
COMMISSION

September 4, 2007

Washington Utilities and Transportation Commission  
P.O. Box 47250  
1300 S. Evergreen Park Dr. SW  
Olympia, WA 98504-7250

Docket # UW-070944

Dear Sirs:

Due to the fact that the Washington Utilities and Transportation Commission (WUTC) rescheduled the Rosario Utilities (RU) hearing, we are submitting the following testimony because we cannot be in Olympia on September 12, 2007. As you know, this hearing is being held to determine the efficacy of the rate adjustment currently requested by RU, to be imposed on its users. As residents of the Orcas Highlands (OHA), and thus RU customers, we are registering our strenuous objections to the proposed increase for the following reasons:

- 1) OHA buys water in bulk from RU. Under the proposed rate structure, OHA users would be charged significantly more for so doing. The reason given by WUTC staff is that the pipes that carry the water to OHA are larger than those in Rosario. This is wrong. Bulk, or commodity, purchases have historically been significantly cheaper than individual---or boutique---ones. Penalizing OHA for buying bulk makes no sense to us.
- 2) OHA owns and maintains its own water infrastructure, and takes full responsibility for its repair and maintenance---the only homeowners association to do so that is serviced by RU. This arrangement has always been agreeable, and should be allowed to continue. According to the proposed rate structure, OHA users will be required to pay for repair and maintenance of other users and meter sizes. This recommended change, too, is wrong.
- 3) When reviewing the usage rates for OHA, WUTC staff was told that, during 2007, OHA had significantly lowered the amount of water it purchased from RU--nearly 50% less water was used through July 2007 than during the same period of 2006. This is due to the fact that OHA found and repaired a major leak in its system. Based on these more accurate usage figures, OHA should be assessed the same rate for water as is the Rosario Property Owners Association.

In summation, the rate increase recommended for OHA users (over 90 percent) is egregious. The OHA is a homeowners' association----not a corporate entity. As such, it

should be assessed no more than any other residential user within the RU system. Because it is buying 'bulk', common sense would dictate that it should receive a cost advantage. It should certainly not be penalized for bulk water purchases.

For these reasons we are going on record objecting to the proposed rate increase under consideration by the WUTC. This rate increase is neither fair nor equitable and it should not be approved without further consideration on behalf of OHA.

Sincerely,

*Robert A. Cook*

*Judith Leraas Cook*

Robert A. Cook  
Judith Leraas Cook, Orcas Highlands Association Board Member  
250 Switchback Road  
Eastsound, Washington 98245-8595