

September 21, 2007

Chairman Mark Sidran
Commissioner Philip Jones
Commissioner Patrick Oshie
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, Washington 98504-7250

Re: Rosario Utilities – Rate Case (UW-070944) and Transfer to Washington Water Service (UW-071357)

Dear Chairman Sidran, Commissioner Jones and Commissioner Oshie:

This letter is in response to the September 17, 2007 observations of Michael P. Ireland, per his correspondence addressed to you.

As signers of the petition that was presented to Eastsound Sewer and Water Public Utility District (ESWPUD), we feel it is important for the Commissioners to be aware of the reasons that RU customers have rallied around this cause. Rosario Utilities (RU) customers, in general:

- 1) Have not felt well served under RU's management for many years and are not confident that Washington Water Service (WWS) will be an improvement
- 2) Are committed to local control and conservation of the island's water resource
- 3) Are pleased to be presented with a practical, workable water delivery option in the opportunity presented by annexation to ESWPUD

While we are pleased to hear that WWS would like to demonstrate its commitment to our community, we are, alas, extremely wary of the company's intentions. The residents of the Orcas Highlands Association (OHA) are facing an astonishing increase in water rates that many homeowners feel may be tied to the sale of the utility to WWS. Our vigorous, logical and sound arguments for cost equity between OHA and non-OHA residential users in the RU service area have fallen on deaf ears to this point. We see no reason to believe things will improve under new ownership, but are optimistic we would be given a fair hearing within a locally-held public utility district.

Sincerely,

Judith Leraas Cook, Orcas Highlands Association Board Member
Robert A. Cook
250 Switchback Road
Eastsound 98245
(360)376-5028