

I am asking the UTC to remove the penalty that they have assessed because for the past year we have been working on turning the wells over to the residents.

On June 17th, 2014 I sent a letter out to all the residents letting them know that we are getting out of the water business and that we were deeding over the systems to the residents, (per talking with Jim Ward who advised me that I could do that.) I also sent the letter to the UTC and they never replied.

I soon found out that Kitsap PUD said that I have to give a year's notice and work with the residents on how to operate the systems which we are now in the process of.

The next communication I got from the UTC via Email was from John Cupp stating that the UTC was holding an open meeting for the residents in September to open the discussion? Bob and I called in on the Bridge line and it was clear that John Cupp or the commission didn't know why were under the UTC in the first place and it appeared that the UTC was unclear as to how to move forward. I have not heard from the UTC since. I did not receive my Annual Report for 2014 in the mail as I do every year, truly I felt that because I didn't get it was because we were going to cease water operation on June 17th, 2015 and the UTC was letting the PUD handle it.

Then first communication since that meeting was the letter assessing penalties for not submitting my annual report that was due by May 1st this letter was dated May 20th and assessed me for \$1,000.00. My company had a negative income of -\$798.00, not only do I not have the money to pay this fee, I did not do this intentionally. I have been struggling as to how this all is happening to us, all I wanted to do was to turn the system's that have value as they are a resource to the residents that use it.

On June 8th I received a letter from the UTC stating to us that we are requested to attend a Docket UW-143617 meeting to discuss our application to discontinue service and transfer ownership of my water company on June 11th, 2015. This is not enough notice for me to come from Port Ludlow to Olympia for an open meeting agenda, not even stating a time. I contacted Amy White regarding the letter and learned that this meeting is basically to deny our application, which I had no idea what that meant until she told me the application was our letter dated almost a year ago.

This whole situation is so overwhelming to us. I learned today that the UTC has been having regular conversations with some of the residents and the PUD and we knew nothing, how can we handle this situation without information. Everyone is talking but not talking with us. We have every intention of handling this the way that we need too but we need to be in the loop as to what is expected of us. Amy was the first person at the UTC to actually educate me on what is going on.

I know this letter has a lot of information and I don't mean to ramble on but my main point is that our annual report was never sent because we thought the UTC was out of the loop and we were somehow deregulated. I am praying that the UTC commission will understand and remove the penalty's as I sent my report in to Amy Andrews today via email after talking to her on the phone regarding what to do.

Thank you in advance for your consideration in the matter,

Sincerely, Robert and Cheri Thurston.