

# Rolf C. Nedelmann

P.O. Box 1090  
Eastsound, WA 98245  
Phone: 360-376-3953  
Mobile: 360-317-6666  
E-mail: nedelmann@rockisland.com  
09-20-2007

Washington Utility & Transportation Commission  
P.O. Box 47250  
Olympia, WA 98504-7250

**Subject: General Rate Filing UW-070944**

Ladies and Gentlemen:

My wife and I are property owners living on Orcas Island. We are water customers of Rosario Utilities and follow with a great deal of interest the process, the correspondence and proposals dealing with the current water rate changes and sale of Rosario Utilities to new owners.

I also happen to be the immediate past president of the Rosario Property Owners Association, a group that has had previous dealings with your commission on water rates a few years ago, and so I have a good background on the water rate history in the Rosario Utility area.

Frankly, commissioners, what I now see in the current rate filing case, is of great concern to my wife and me. Specifically, the following issues raise serious questions:

1. The change of water rights ownership to a wholly-owned subsidiary and subsequent sale of 10 acre feet at an inflated price of \$10,000 per acre foot when a water rights appraisal firm assessed that value in the range of \$1,500 per acre foot. How can the WU&TC stand by with a nod of approval that the inflated price be included in the new water rate?
2. There is the matter of imprudence dealing with the Hydroxyl water treatment plant built with significant cost overruns and financing that was not paid back. The unpaid balances are now slated to be included in the new water rates. This is preposterous! Rosario Utilities should be held to pay for its own mistakes rather than have the water customers pay for them. How can the WU&TC stand by with a nod of approval?

Among other things, WU&TC's mission is to ensure essential consumer protection through fair rates, compliance with service quality and equitable business practice standards. Comments like these, and surely others you have received from property owners in our region, are not comfortable for you commissioners. You probably would like to see us go away. Instead, we would like to point out where we feel that you are amiss in your duty to fairness and the need to look after the people who pay the taxes that pay your compensation.

Yours sincerely,

Rolf C. Nedelmann