

H & R WATERWORKS, INC.

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September 1, 2005

Mr. Gene Eckhardt
Assistant Director, WUTC
1300 S. Evergreen Park Dr
PO Box 47250
Olympia WA 98504-7250

RE: Docket UW-051062
Suspension Order dated August 31, 2005

Dear Mr. Eckhardt:

In response to the Complaint and Order Suspending Tariff Revisions issued by the Commission on August 31, 2005 the company responds with the following information.

According to the Order it is the company's burden to prove that the proposed increases are fair, just and reasonable. We submit that of the several issues raised by customers during the Open Public Meeting hearing that only two require a response by the company.

First there is the issue of the reasonableness of the proposed rates vis-à-vis the current individual company rates adopted by the company. We agree with the staff position on uniform rates throughout the company regardless of the location of an individual system. It is current Commission policy, has been the policy and it is our opinion that this case should move to approval under the current Commission policy. As presented by staff at hearing, the proposed rates are fair, just and reasonable. To not approve this tariff and proposed rates effective September 1, 2005 would otherwise injure the company.

Second, there is the request for seasonal rates or part time rates. Again we agree with the staff position and current policy of the Commission regarding the assumed transfer of costs to other full rate paying customers through a reduction in regular monthly rates to seasonal or part time rates. We suggest instead that if customers chose to have service disconnected for periods of non-use that they request the company to shut off the service and restore when it is needed again. Under proposed tariff and proposed rates, at the request of the customer, there would be a service visit fee to turn off and turn on the service at \$25.00 each. Or

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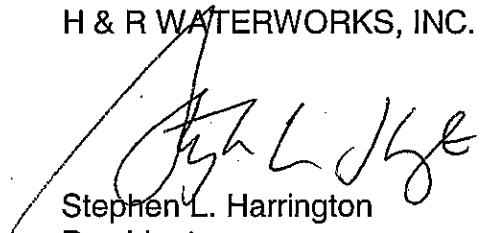
in the alternative, at the discretion of the customer, the customer may simply choose to pay the minimum monthly base rate to have water available at all times. In this instance there would be no consumption, hence only a bill for the monthly minimum.

Each of the other issues, save jurisdiction, raised during and after the public meeting and hearing, such as developer agreements, water quality testing, cost of living in relation to ability to pay, rates of other water companies vs. ours, transfers, mergers and consolidations, and hydrants are clearly not within the purview or jurisdiction of the Commission for review and therefore as stated earlier should not have any bearing on this tariff filing.

We request that staff prepare a memo to the Commission calling for rescinding the current suspension order and for approval of the tariff as presented at the next regular meeting of the Commission with an effective date of September 1, 2005.

If there is any additional information required, please contact me. Thank you.

H & R WATERWORKS, INC.



Stephen L. Harrington
President