



July 3, 2008

David W. Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
Post Office Box 47250
Olympia, WA 98504-7250

2008 JUL -3 PM 2: 14

Dear Mr. Danner,

Enclosed is a requested revised tariff for the Suncadia Water Company, LLC ("Suncadia Water") to be effective August 3, 2008. This is the second step of a two-step process recommended by the WUTC staff for Suncadia Water. The initial filing simply recognized the \$35/month flat rates that have been in place since November 2005, when Suncadia Water's first residential customers began receiving service. Those rates have no relationship to the water system's costs; they were simply intended by Suncadia Water to be a temporary placeholder until the system was sufficiently constructed that we could develop and justify a true cost recovery rate. This filing is intended to create—for the first time—rates that recover the used and useful portion of the water system's costs in an equitable manner.

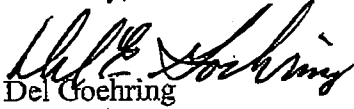
In addition to the revised tariff, we are enclosing a copy of all three customer notices that have been sent to Suncadia Water customers. Finally, enclosed with this filing is an "Explanation of General Rate Request" document that, along with a printout of the rate model, justifies and explains the rates contained in the revised tariff. The Explanation of General Rate Request includes a formal request for a waiver from WAC 480-175-375 (3), through which we request that Suncadia Water be permitted to estimate consumption charges during the winter months when meter reading is not feasible.

As part of this filing, we commit to updating the rate model and preparing an updated filing beginning in February 2010, after we have a year-and-a-half of meter data and accounting statements from the test year 2009. In the meantime, we believe that it is important to move now toward a full cost recovery rate, so that homeowners who are newly connecting to the water system can have a reasonably close idea of what rates to expect.

As the Senior Vice President – Finance and Administration for Easton Ridge Investors, LLC, the managing member of Suncadia, LLC, who is the sole member of Suncadia Water Company, LLC, I am authorized to sign the tariff.

Thank you for your consideration of this request. If you have questions, we would be happy to provide clarifications or further analysis.

Sincerely,



Del Goehring
Senior Vice President - Finance and Administration
Suncadia, LLC
dgoehring@suncadia.com

Enclosures:

- First Revision Tariff sheets
- Copy of May 15 customer notice, June 5 customer notice update, and July 2 customer notice update
- Explanation of General Rate Request
- Copy of Suncadia Tariff Model