Carole Washburn, Secretary Washington Utilities and Transportation Commission PO Box 47250 Olympia, WA 98504-7250

Dear Ms. Washburn:

Washington Water Service Company hereby requests permission to raise their rates. The proposed rates would increase revenues to the company by about \$1,874,923 annually. The last rate increase for Washington Water Service Company went into effect on September 28, 2006.

This request is to cover increased operating costs and generate a positive rate of return for the company. 2008 was a year of economic upheaval and Washington Water has not been insulated from these market conditions. We have experienced increased costs for transportation, property taxes and employee costs. Lab fees for sampling have increased as we continue to meet increasingly stringent water quality standards. Washington Water Service Company is committed to providing excellent customer service and meeting the highest of water quality standards. Additionally, we are requesting a portion of the expenses identified on our accounting petition filed under UW-072431.

The following documents are being submitted to support this filing:

- Tariff Cover Sheet No. 1, listing the counties where service is provided by Washington Water Service Company
- Tariff Index Page No. 2, update Sheet Titles and Sheet Nos.
- Rules and Regulations, updates and additions:

Sheet No. 7, Rule 7 Distribution Main Ext. - change

Sheet No. 9, Rule 11 Bills – change

Sheet No. 9, Rule 12 Deposit - change

Sheet No. 13, Rule 16 Rates - change

Sheet No. 17 Rule 21 – Convenience Fee – New

Sheet No. 17 Rule 22 - Landlord Reversion Agreement - New

Sheet No. 18 Rule 23 - Island Fee - New

- Tariff Sheet No. 20 thru 20.7 listing service areas
- Tariff sheets for rates affected by this rate increase request.

Sheet No.21 Schedule No. 1

Sheet No. 21.3 Schedule No. 1.3

Sheet No. 22 Schedule No. 2

Sheet No. 22.1 Schedule No. 2.1

Sheet No. 23 Schedule No. 3

Sheet No. 23.1 Schedule No 3.1 Sheet No. 23.2 Schedule No 3.2 Sheet No. 24 Schedule No. 4 Sheet No. 32.1 Schedule 12.1 Sheet No. 40 Schedule X

• Tariff sheets for discontinued or transferred rates.

Sylvia Lake Water Supply, Inc. Sheets 1, 2, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 20, 21 & 40

Rosario Utilities, LLC
Sheets 1, 2, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 20, 21, 22, 23, 24, 25, 30, 31, 40, 41, 42 & 45

- Summary page detailing each bill code, the current rate, the proposed rate, and the percent of increase or decrease.
- Schedule of Actual 2008 sales by bill code with calculations showing effect of proposed rate.
- Income Statement and Balance Sheet for the period ending 12/31/08.
- Balance Sheet for the period ending 12/31/07
- Rate Base Calculation, Rate of Return Calculation and proforma Income statement.
- Depreciation Schedule for period ending 12/31/08.
- Explanation of adjustments and supporting worksheets.
- Customer notices for all rate classes.

Please do not hesitate to call if you need any additional information. I can be reached toll free at (877) 408-4060.

Sincerely,

Charlene E. Pratt
Accounting Manager