

Southgate Water Systems, Inc.
100 N. Fruitland St., Suite C
Kennewick, WA 99336
February 16, 2010

Washington State Utilities
and Transportation Records Center
P. O. Box 47250
1300 S. Evergreen Park SW
Olympia, WA 98504

RECEIVED
STATE OF WASH
UTILITY DIVISION
2010 FEB 25 AM 8:08

Re: Water Rate Tariff Filing for
Ready to Serve Service

Ladies and Gentlemen:

Southgate Water Systems, Inc. is filing the request for approval for the addition to their tariff of the Ready to Serve Service attached (Original Sheet No. 23) to be effective April 1, 2010. There should be No impact to the company since the revenue was collected and included in gross revenue.

The annual fee is only applicable to four lots that have been purchased and are vacant until the owner decides to build a residence. Southgate understood other water districts were charging approximately \$200. Since the lots have not connected to the system, it was felt that \$40 per month would be too high. The depreciated book value of the water system at 12-31-08 was \$212,928. Based on 60 customers, this would allocate \$3,549 per customer. Using 6% on capital this would result in \$213 per year for reimbursement where no other services are provided. This would indicate the \$200 amount fee would be reasonable.

The fee has been in effect since 12-1-2008. Southgate was unaware that this was required to be included in the tariff. We noticed this in December 2009 and submitted a written request to the WUTC to determine if this needed to be added.

Please let us know if you need any additional information to process this application. The company currently has four customers that would be in this category.

Thank you for your assistance.

Very Truly Yours,




Robert E. Marple

REM/tk

Enclosures

Approved:



Gerald Manuel
President, Southgate Water Systems, Inc.