



**PORT LUDLOW**  
ASSOCIATES LLC

September 16, 2010

Mr. Dave Danner  
Washington Utilities and Transportation Commission  
P.O. Box 47520  
1300 S. Evergreen Park Drive S.W.  
Olympia, WA 98504-7250

**Subject: Olympic Water and Sewer, Inc, General Rate Filing, Tariff WN-U2**

Dear Mr. Danner,

Enclosed please find a general rate filing for Olympic Water and Sewer, Inc. (OWSI), PWSID # 68700L. The requested effective date of this filing is October 20, 2010 to coincide with OWSI's billing cycle.

This tariff filing is proposed to affect water rates for monthly water service. The proposed adjustment is intended to generate \$182,097 in additional annual revenue, representing a 25% increase compared to current rates. All classes of service will be affected. OWSI's last rate increase was in 2008. The proposed tariff change is necessary due to increases in operating costs including repair and maintenance, employee medical, water rights processing, and administrative services. Customer notice has been approved by UTC Consumer Affairs is scheduled to be mailed to customers via first class mail on Thursday, September 16.

The following information is included with this letter in compliance with WAC 480-07-530

- 1) Second Revision of Tariff Sheet No. 22 replacing First Revision Sheet No. 22
- 2) Customer notice
- 3) Workpapers
  - a. Results of Operations Worksheet including:
    - Calculations of all restating and pro forma adjustments
    - Calculation of the revenue impact of proposed rates
    - Usage statistics
  - b. Depreciation schedule
  - c. Balance Sheet and Income Statement
- 4) 2009 B&O Tax Filing Worksheets by month

Should you have any questions about this filing or this letter, please contact me at (360) 437-8246, email 'lsmith@portludlowassociates.com'.

Sincerely,

Larry Smith  
President, Olympic Water and Sewer, Inc

Cc: Herta Fairbanks, HDR