

Deer Meadows Water Co., Inc.
42205 Miles Creston Road North
Davenport, WA 99122
509-725-0337

IMPORTANT NOTICE

November 22, 2008

We have asked the Washington Utilities and Transportation Commission to approve an application to increase rates \$215,307 (172%) annually. The average customer, using 5,000 gallons per month will see a monthly increase of \$31.75. Deer Meadows Golf Course / restaurant and motel which has been the biggest consumers of water will see a larger increase of \$120 monthly, and up depending on usage. If approved, the new rates will become effective January 20, 2009.

The need for an increase is due to increased costs of supplies, power, labor, laboratory fees and the increase of fees collected by various state regulatory agencies. Also, as the system ages (It began operating in 1992), more maintenance and repairs are required.

Attached is a comparison sheet of current and proposed rates. The proposed rates were arrived at by the Engineering Firm of T D & H as per Deer Meadows Water Co., Inc. request. Deer Meadows Water Co., Inc. operated at a loss in 2007 and the Water Co. agrees with the recommendations of the firm. The complete study done by T D & H can be reviewed online on the commission's water page at: www.utc.wa.gov/water in the active case list..

If you would like to comment on this filing, be added to the commission's mailing list, or have questions about the rate making process, please use the contact information below. You may also comment in person at the commission's open meeting in Olympia at 9:30 am on December 23, 2008, or by using the "Public Comment" feature at the commission's web site at <http://www.utc.wa.gov>.

The commission is scheduled to make a decision at its open meeting on January 15, 2009. If you are unable to attend an open meeting in person, the commission has a bridge line which enables you to participate of listen by telephone. Call 360-664-1234 for instructions the day before the open meeting

Washington Utilities and Transportation Commission
Post Office Box 47250, Olympia, WA 98504-7250
E-mail: comments@utc.wa.gov
Telephone: 1-888-333-WUTC (9882)

RATE COMPARISON

MONTHLY RATE	CURRENT RATE	PROPOSED RATE
Residential (3/4" meter) Base Rate (5,000 gal allowance)	\$ 28.00	N/A
Residential Use greater than 5,000 gal per 1,000 gal	\$ 0.35	N/A
Residential (3/4" meter) Base Rate	N/A	\$ 54.50
Residential: 0-5KG (\$/KG)	N/A	\$ 1.05
Residential: 5KG-10KG (\$/KG)	N/A	\$ 1.90
Residential: >10KG (\$/KG)	N/A	\$ 3.20
Restaurant/Motel (4" meter) Base Rate	N/A	\$115.00
Restaurant/Motel: 0-10KG (\$/KG)	N/A	\$ 0.30
Restaurant/Motel: 10KG-50KG (\$/KG)	N/A	\$ 0.75
Restaurant/Motel: >50KG (\$/KG)	N/A	\$ 1.50
Golf Course (6" meter) Flat Rate	\$500.00	N/A
Golf Course (6" meter) Base Rate	N/A	\$500.00
Golf Course: 0-1MG (\$/MG)	N/A	\$100.00
Golf Course: 1-5MG (\$/MG)	N/A	\$325.00
Golf Course: >5MG (\$/MG)	N/A	\$410.00

KG = 1,000 Gallons MG = Million Gallons

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