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January 28, 2009

Mr. David Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, WA 98504-7250

Re: South Bainbridge Water System, Inc. – Fifth Revision of Sheet No.
21 Canceling Fourth Substitute Revision of Sheet No. 21; Second
Revision of Sheet No. 21.1 Canceling First Substitute Revision of
Sheet No. 21.1

Dear Mr. Danner:

Enclosed you will find the original and three copies of the above-referenced tariff sheets. The purpose of this filing is to initiate a general rate increase. The Company's costs of operation far exceed its revenues and is the reason for this filing.

Importantly, the Company is requesting interim rate relief with temporary rates put into place subject to refund. The Company requests that interim rates producing approximately \$7,000.00 per month be established. This level of interim rates will allow the Company to be able to pay its bills in a timely manner. Attached are samples of NSF notices that the Company has received. These do not constitute all of the NSF notices. In addition, the Company's owners have been foregoing portions of their salary since the Company's revenues do not allow it to meet expenses on a current basis. The interim rates would be set at an increase of \$5.72 per month and would apply to all of the base rates and the Ready to Serve charge. The base rates include the base rate for metered service, master metered service and additional charges for master metered service.

Turning to the general filing that accompanies this letter, the proposal would increase all rates by 47.73%. This applies across the board to all of the

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base rates, the Ready to Serve charge and each of the measured usage blocks. For example, the base rate increases from \$20.00 to \$29.55 and the initial usage block increases from \$0.70 per 100 cubic feet to \$1.03 per 100 cubic feet. A copy of the Customer Notice that has been sent this day to the Company's customers is attached. The only difference between the form of the Notice that is attached and the Notice sent by the Company is that the attachment is not on the Company's letterhead. That Notice includes information delineating both the existing rates and proposed rates that would be produced by this filing.

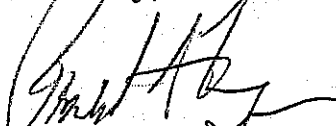
The net effect of the filing would produce additional revenue in the amount of \$225,804. Work papers showing results of operations and all restating and proforma adjustments are attached. A last minute adjustment in the work papers produces a revenue requirement of \$248,917. However, the customer notice stated \$225,804 and the rate filing is expected to produce \$225,804 in additional revenue.

The Company requests that the 2007 Annual Report filed with the Commission constitute the balance sheet and statement of revenues and expenses required by rule. All other work papers are available upon request. To the extent that anything is not filed with this cover letter that is otherwise required by WAC 480-07-530, the Company requests waiver of that filing requirement.

The undersigned has authority to file tariff sheets on behalf of the Company.

Thank you for your consideration of this request.

Sincerely,



RICHARD A. FINNIGAN

RAF/km
Enclosures

cc: Kathy Blossom (via e-mail, w/o encl.)