

PATTISON WATER COMPANY, INC.

PO Box 3374 • Lacey, WA 98509-3374 • (360) 412-1252 • Fax (360) 412-0677

January 27, 2009,

Ms. Carol Washburn
Executive Secretary
Washington Utilities and Transportation Commission
1300 Evergreen Park Drive South West
P. O. Box 47250
Olympia WA 98504-7250

RECEIVED
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
2009 JAN 27 PM 4:43

RE: Non Standard Connections for City of Lacey

Dear Ms. Washburn,

Please find enclosed two copies of two agreements between Pattison Water Company, Inc. and the City of Lacey (a municipality). Also enclosed is the map showing the location of the service installations and a cost analysis of the 1 ½" Service-Connection in Madrona Estates. For the service connection we are charging the cost of time and materials. The Connection in Courtney Place will be performed by the City of Lacey crew per their request, so we are proposing to charge them a Facilities Charge and a nominal fee for preparing this contract and inspection of the project. The water from these meters will be used infrequently to wash down the interior of the community septic tanks in the Courtney Place subdivision and the Madrona Estates subdivision. In both subdivisions, Pattison Water Company serves the water, and Lacey serves with sewer service. Because the usage will be infrequent, and we believe the annual usage will be substantially less than a typical residence, we have proposed to charge a facilities charge that is ½ of a residential ERU. Since our current residential facilities charge is \$1,200.00, our proposal is to charge \$600.00 per service installation.

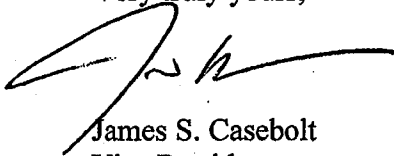
We propose to bill Lacey on an annual basis (per their request) at the end of the year. The proposed annual rate of \$196.20 is the same minimum rate that we currently charge our residential customers if they were to be billed annually. We further propose to bill for water usage at the rate of \$1.00 per 100cf or portion thereof. The contract specifies that Pattison Water Company and the Utilities and Transportation Commission shall review these rates on a biennial basis in January of odd years. The purpose of the review will be to determine that the rates are fair, just, reasonable and sufficient.

We recognize that the Pattison Water Company Tariff specifies a rate for 1 ½" meters. We believe that the purpose and anticipated annual usage of these proposed meters is significantly different than the usual application for a meter of this size. We anticipate that annual usage will be less than 1,000cf per meter. This level of annual usage is significantly less than most customers with meters of this size. We therefore believe that this proposed

rate is a fair and just rate. We propose that these rates will go into effect one month from the day that the agreement has been signed by both parties, which is February 27, 2009. Lacey has reviewed this contract and agrees to the terms therein.

Questions regarding this submittal can be directed to me at (360) 412-1252, or jcasebolt@comcast.net.

Very truly yours,

A handwritten signature in black ink, appearing to read 'J. Casebolt', with a long horizontal flourish extending to the right.

James S. Casebolt
Vice President