Washington Water Service Company May 12, 2009

With the continuing economic pressures of higher costs and construction slow downs facing business today, Washington Water Service Company (WWSC) is not insulated against the sluggish economy. Therefore, WWSC has filed for approval from the Washington Utilities and Transportation Commission (UTC) to increase rates by \$1,874,923. The request, which was filed with the UTC on May 12, 2009, looks to increase the average bill for 1,000 cubic feet of use by approximately 30 cents per day.

WWSC understands and is sensitive to the impact of rate increases, which is why we are continually looking for ways to cut operating costs and operate as efficiently as possible while providing excellent customer service and a reliable water supply that meets all water quality standards.

However, since our last rate case in 2006, we have invested over \$4 million in auto-start generators, water treatment equipment, wells, water mains, and pumping equipment. The requested rate increase will allow us to continue to replace and improve the facilities and equipment necessary to provide you with reliable water service and meet increasingly stringent water quality standards. It will also enable us to retain qualified, well-trained personnel who are certified by the Washington State Department of Health and dedicated to providing the best customer service possible.

Increases in the costs of all areas of business operation, including laboratory testing fees, property taxes, transportation, and insurance costs, make up the balance of the requested increase.

If approved, the new rate would become effective June 26, 2009.

The proposed changes for our 3/4" meter classification are summarized as follows.

3/4" Metered Rate	CURRENT RATE	PROPOSED RATE
Base Rate - 0 c.f.	\$ 18.21	\$22.15
0 – 400 c.f. per 100 c.f.	1.65	2.10
401 – 1400 c.f. per 100 c.f.	1.75	2.30
1401+ c.f. per 100 c.f.	1.90	2.75
*Bill calculated on 1,000 c.f. consumption	\$ 35.31	\$ 44.35

^{*}Your actual bill will vary based on your consumption.

Our filing also requests authorization for a credit card transaction fee of \$1.25 for telephone payments; although we will continue to offer free auto-pay payment processing.

If you have questions about the filing and how it will affect you, please call WWSC at (253) 851-4060 or (877) 408-4060. You may also email your questions to input@wawater.com. Visit our website at www.wawater.com for status updates regarding the rate increase.

The UTC has the authority to set final rates which may be different from the requested increase, based on the results of their investigation. If you would like to comment on this filing, be added to the UTC's mailing list, or have questions about the ratemaking process, please use the contact information below. You may also comment in person at the UTC's open meeting in Olympia at 9:30 a.m. on June 25, 2009, or by using the "Public Comment" feature at the UTC Web site, at utc.wa.gov. The UTC is scheduled to act on this proposal at its open meeting on June 25, 2009. If you are unable to attend an open meeting in person, the UTC has a bridge line which enables you to participate or listen by telephone. Call 360-664-1234 the day before the open meeting for instructions.

Washington Utilities and Transportation Commission Post Office Box 47250, Olympia, WA 98504-7250

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Washington Water Service Company May 12, 2009

With the continuing economic pressures of higher costs and construction slow downs facing business today, Washington Water Service Company (WWSC) is not insulated against the sluggish economy. Therefore, WWSC has filed for approval from the Washington Utilities and Transportation Commission (UTC) to increase rates by \$1,874,923. The request, which was filed with the UTC on May 12, 2009, looks to increase the average bill for 1,000 cubic feet of use by approximately 28 cents per day.

WWSC understands and is sensitive to the impact of rate increases, which is why we are continually looking for ways to cut operating costs and operate as efficiently as possible while providing excellent customer service and a reliable water supply that meets all water quality standards.

However, since our last rate case in 2006, we have invested over \$4 million in auto-start generators, water treatment equipment, wells, water mains, and pumping equipment. The requested rate increase will allow us to continue to replace and improve the facilities and equipment necessary to provide you with reliable water service and meet increasingly stringent water quality standards. It will also enable us to retain qualified, well-trained personnel who are certified by the Washington State Department of Health (DOH) and dedicated to providing the best customer service possible.

Increases in the costs of all areas of business operation, including laboratory testing fees, property taxes, transportation, and insurance costs, make up the balance of the requested increase.

If approved, the new rate would become effective June 26, 2009.

The proposed changes for our multi unit meter classification are summarized as follows:

<u>Multi Unit</u>	CURRENT RATE	PROPOSED RATE
Base Rate – 0 c.f.	\$ 14.28	\$17.28
0 – 400 c.f. per 100 c.f.	1.65	2.10
401 – 1400 c.f. per 100 c.f.	1.75	2.30
1401 + c.f. per 100 c.f.	1.90	2.75
*Bill calculated on 1,000 c.f. consumption	\$ 31.38	\$ 39.48

^{*}Your actual bill will vary based on your consumption.

Our filing also requests authorization for a credit card transaction fee of \$1.25 for telephone payments; although we will continue to offer free auto-pay payment processing.

If you have questions about the filing and how it will affect you, please call WWSC at (253) 851-4060 or (877) 408-4060. You may also email your questions to input@wawater.com. Visit our website at www.wawater.com for status updates regarding the rate increase.

The UTC has the authority to set final rates which may be different from the requested increase, based on the results of their investigation. If you would like to comment on this filing, be added to the UTC's mailing list, or have questions about the ratemaking process, please use the contact information below. You may also comment in person at the UTC's open meeting in Olympia at 9:30 a.m. on June 25, 2009, or by using the "Public Comment" feature at the UTC Web site, at utc.wa.gov. The UTC is scheduled to act on this proposal at its open meeting on June 25, 2009. If you are unable to attend an open meeting in person, the UTC has a bridge line which enables you to participate or listen by telephone. Call 360-664-1234 the day before the open meeting for instructions.

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Washington Water Service Company May 12, 2009

With the continuing economic pressures of higher costs and construction slow downs facing business today, Washington Water Service Company (WWSC) is not insulated against the sluggish economy. Therefore, WWSC has filed for approval from the Washington Utilities and Transportation Commission (UTC) to increase rates by \$1,874,923. The request, which was filed with the UTC on May 12, 2009, looks to increase the average bill for 1,400 cubic feet of use by approximately 41 cents per day.

WWSC understands and is sensitive to the impact of rate increases, which is why we are continually looking for ways to cut operating costs and operate as efficiently as possible while providing excellent customer service and a reliable water supply that meets all water quality standards.

However, since our last rate case in 2006, we have invested over \$4 million in auto-start generators, water treatment equipment, wells, water mains, and pumping equipment. The requested rate increase will allow us to continue to replace and improve the facilities and equipment necessary to provide you with reliable water service and meet increasingly stringent water quality standards. It will also enable us to retain qualified, well-trained personnel who are certified by the Washington State Department of Health and dedicated to providing the best customer service possible.

Increases in the costs of all areas of business operation, including laboratory testing fees, property taxes, transportation, and insurance costs, make up the balance of the requested increase.

If approved, the new rate would become effective June 26, 2009.

The proposed changes for our 1" meter classification are summarized as follows.

1" Metered Rate	CURRENT RATE	PROPOSED RATE
Base Rate – 0 c.f.	\$26.56	\$32.12
0 – 800 c.f. per 100 c.f.	1.65	2.10
801 – 1800 c.f. per 100 c.f.	1.75	2.30
1801 + c.f. per 100 c.f.	1.90	2.75
*Bill calculated on 1,400 c.f. consumption	\$ 50.26	\$ 62.72

*Your actual bill will vary based on your consumption.

Our filing also requests authorization for a credit card transaction fee of \$1.25 for telephone payments; although we will continue to offer free auto-pay payment processing.

If you have questions about the filing and how it will affect you, please call WWSC at (253) 851-4060 or (877) 408-4060. You may also email your questions to input@wawater.com. Visit our website at www.wawater.com for status updates regarding the rate increase.

The UTC has the authority to set final rates which may be different from the requested increase, based on the results of their investigation. If you would like to comment on this filing, be added to the UTC's mailing list, or have questions about the ratemaking process, please use the contact information below. You may also comment in person at the UTC's open meeting in Olympia at 9:30 a.m. on June 25, 2009, or by using the "Public Comment" feature at the UTC Web site, at utc.wa.gov. The UTC is scheduled to act on this proposal at its open meeting on June 25, 2009. If you are unable to attend an open meeting in person, the UTC has a bridge line which enables you to participate or listen by telephone. Call 1-360-664-1234 the day before the open meeting for instructions.

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To view documents filed at the UTC in this case, visit the Water Section web page at utc.wa.gov/water and click on Washington Water Service Company under "Active Cases."

Washington Water Service Company May 12, 2009

With the continuing economic pressures of higher costs and construction slow downs facing business today, Washington Water Service Company (WWSC) is not insulated against the sluggish economy. Therefore, WWSC has filed for approval from the Washington Utilities and Transportation Commission (UTC) to increase rates by \$1,874,923. The request, which was filed with the UTC on May 12, 2009, looks to increase the average bill for 2,400 cubic feet of use by approximately 70 cents per day.

WWSC understands and is sensitive to the impact of rate increases, which is why we are continually looking for ways to cut operating costs and operate as efficiently as possible while providing excellent customer service and a reliable water supply that meets all water quality standards.

However, since our last rate case in 2006, we have invested over \$4 million in auto-start generators, water treatment equipment, wells, water mains, and pumping equipment. The requested rate increase will allow us to continue to replace and improve the facilities and equipment necessary to provide you with reliable water service and meet increasingly stringent water quality standards. It will also enable us to retain qualified, well-trained personnel who are certified by the Washington State Department of Health and dedicated to providing the best customer service possible.

Increases in the costs of all areas of business operation, including laboratory testing fees, property taxes, transportation, and insurance costs, make up the balance of the requested increase.

If approved, the new rate would become effective June 26, 2009.

The proposed changes for our 1½" meter classification are summarized as follows.

1 ½" Metered Rate	CURRENT RATE	PROPOSED RATE
Base Rate – 0 c.f.	\$32.92	\$40.09
0 - 800 c.f. per 100 c.f.	1.65	2.10
801 – 1800 c.f. per 100 c.f.	1.75	2.30
1801 + c.f. per 100 c.f.	1.90	2.75
*Bill calculated on 2,400 c.f. consumption	\$ 75.02	\$ 96.39

^{*}Your actual bill will vary based on your consumption.

Our filing also requests authorization for a credit card transaction fee of \$1.25 for telephone payments; although we will continue to offer free auto-pay payment processing.

If you have questions about the filing and how it will affect you, please call WWSC at (253) 851-4060 or (877) 408-4060. You may also email your questions to <u>input@wawater.com</u>. Visit our website at <u>www.wawater.com</u> for status updates regarding the rate increase.

The UTC has the authority to set final rates which may be different from the requested increase, based on the results of their investigation. If you would like to comment on this filing, be added to the UTC's mailing list, or have questions about the ratemaking process, please use the contact information below. You may also comment in person at the UTC's open meeting in Olympia at 9:30 a.m. on June 25, 2009, or by using the "Public Comment" feature at the UTC Web site, at https://doi.org/10.1007/june.25, 2009, or by using the "Public Comment" feature at the UTC Web site, at https://doi.org/10.1007/june.25, 2009, or by using the "Public Comment" feature at the UTC Web site, at https://doi.org/10.1007/june.25, 2009. If you are unable to attend an open meeting in person, the UTC has a bridge line which enables you to participate or listen by telephone. Call 360-664-1234 the day before the open meeting for instructions.

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Washington Water Service Company May 12, 2009

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WWSC understands and is sensitive to the impact of rate increases, which is why we are continually looking for ways to cut operating costs and operate as efficiently as possible while providing excellent customer service and a reliable water supply that meets all water quality standards.

However, since our last rate case in 2006, we have invested over \$4 million in auto-start generators, water treatment equipment, wells, water mains, and pumping equipment. The requested rate increase will allow us to continue to replace and improve the facilities and equipment necessary to provide you with reliable water service and meet increasingly stringent water quality standards. It will also enable us to retain qualified, well-trained personnel who are certified by the Washington State Department of Health and dedicated to providing the best customer service possible.

Increases in the costs of all areas of business operation, including laboratory testing fees, property taxes, transportation, and insurance costs, make up the balance of the requested increase.

If approved, the new rate would become effective June 26, 2009.

The proposed changes for our 2" meter classification are summarized as follows:

2" Metered Rate	CURRENT RATE	PROPOSED RATE
Base Rate – 0 c.f.	\$ 49.52	\$60.25
0 - 1200 c.f. per 100 c.f.	1.65	2.10
1201 – 2200 c.f. per 100 c.f.	1.75	2.30
2201 + c.f. per 100 c.f.	1.90	2.75
*Bill calculated on 2,800 c.f. consumption	\$ 98.22	\$124.95

*Your actual bill will vary based on your consumption.

Our filing also requests authorization for a credit card transaction fee of \$1.25 for telephone payments; although we will continue to offer free auto-pay payment processing.

If you have questions about the filing and how it will affect you, please call WWSC at (253) 851-4060 or (877) 408-4060. You may also email your questions to <u>input@wawater.com</u>. Visit our website at <u>www.wawater.com</u> for status updates regarding the rate increase.

The UTC has the authority to set final rates which may be different from the requested increase, based on the results of their investigation. If you would like to comment on this filing, be added to the UTC's mailing list, or have questions about the ratemaking process, please use the contact information below. You may also comment in person at the UTC's open meeting in Olympia at 9:30 a.m. on June 25, 2009, or by using the "Public Comment" feature at the UTC Web site, at utc.wa.gov. The UTC is scheduled to act on this proposal at its open meeting on June 25, 2009. If you are unable to attend an open meeting in person, the UTC has a bridge line which enables you to participate or listen by telephone. Call 360-664-1234 the day before the open meeting for instructions.

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Washington Water Service Company May 12, 2009

With the continuing economic pressures of higher costs and construction slow downs facing business today, Washington Water Service Company (WWSC) is not insulated against the sluggish economy. Therefore, WWSC has filed for approval from the Washington Utilities and Transportation Commission (UTC) to increase rates by \$1,874,923. The request, which was filed with the UTC on May 12, 2009, looks to increase the average bill for 5,600 cubic feet of use by approximately \$64.41 per month.

WWSC understands and is sensitive to the impact of rate increases, which is why we are continually looking for ways to cut operating costs and operate as efficiently as possible while providing excellent customer service and a reliable water supply that meets all water quality standards.

However, since our last rate case in 2006, we have invested over \$4 million in auto-start generators, water treatment equipment, wells, water mains, and pumping equipment. The requested rate increase will allow us to continue to replace and improve the facilities and equipment necessary to provide you with reliable water service and meet increasingly stringent water quality standards. It will also enable us to retain qualified, well-trained personnel who are certified by the Washington State Department of Health and dedicated to providing the best customer service possible.

Increases in the costs of all areas of business operation, including laboratory testing fees, property taxes, transportation, and insurance costs, make up the balance of the requested increase.

If approved, the new rate would become effective June 26, 2009.

The proposed changes for our 3"meter classification are summarized as follows:

<u>3" Metered Rate</u>	CURRENT RATE	PROPOSED RATE
Base Rate – 0 c.f.	\$ 166.20	\$202.01
0 – 4000 c.f. per 100 c.f.	1.65	2.10
4001 – 5000 c.f. per 100 c.f.	1.75	2.30
5001 + c.f. per 100 c.f.	1.90	2.75
*Bill calculated on 5,600 c.f. consumption	\$ 261.10	\$325.51

*Your actual bill will vary based on your consumption.

Our filing also requests authorization for a credit card transaction fee of \$1.25 for telephone payments; although we will continue to offer free auto-pay payment processing.

If you have questions about the filing and how it will affect you, please call WWSC at (253) 851-4060 or (877) 408-4060. You may also email your questions to input@wawater.com. Visit our website at www.wawater.com for status updates regarding the rate increase.

The UTC has the authority to set final rates which may be different from the requested increase, based on the results of their investigation. If you would like to comment on this filing, be added to the UTC's mailing list, or have questions about the ratemaking process, please use the contact information below. You may also comment in person at the UTC's open meeting in Olympia at 9:30 a.m. on June 25, 2009, or by using the "Public Comment" feature at the UTC Web site, at utc.wa.gov. The UTC is scheduled to act on this proposal at its open meeting on June 25, 2009. If you are unable to attend an open meeting in person, the UTC has a bridge line which enables you to participate or listen by telephone. Call 360-664-1234 the day before the open meeting for instructions.

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Committed Service - Standby May 12, 2009

With the continuing economic pressures of higher costs and construction slow downs facing business today, Washington Water Service Company (WWSC) is not insulated against the sluggish economy. Therefore, WWSC has filed for approval from the Washington Utilities and Transportation Commission (UTC) to increase rates by \$1,874,923. The request, which was filed with the UTC on May 12, 2009, looks to increase your bill by 24 cents per day.

WWSC understands and is sensitive to the impact of rate increases, which is why we are continually looking for ways to cut operating costs and operate as efficiently as possible while providing excellent customer service and a reliable water supply that meets all water quality standards.

However, since our last rate case in 2006, we have invested over \$4 million in auto-start generators, water treatment equipment, wells, water mains, and pumping equipment. The requested rate increase will allow us to continue to replace and improve the facilities and equipment necessary to provide you with reliable water service and meet increasingly stringent water quality standards. It will also enable us to retain qualified, well-trained personnel who are certified by the Washington State Department of Health (DOH) and dedicated to providing the best customer service possible.

Increases in the costs of all areas of business operation, including laboratory testing fees, property taxes, transportation, and insurance costs, make up the balance of the requested increase.

If approved, the new rate would become effective June 26, 2009.

The proposed changes for our committed service-standby classification are summarized as follows:

CURRENT RATE

PROPOSED RATE

Un-metered flat rate

\$ 15.00

\$22.15

Our filing also requests authorization for a credit card transaction fee of \$1.25 for telephone payments; although we will continue to offer free auto-pay payment processing.

If you have questions about the filing and how it will affect you, please call WSSC at (253) 851-4060 or (877) 408-4060. You may also email your questions to input@wawater.com. Visit our website at www.wawater.com for status updates regarding the rate increase.

The UTC has the authority to set final rates which may be different from the requested increase, based on the results of their investigation. If you would like to comment on this filing, be added to the UTC's mailing list, or have questions about the ratemaking process, please use the contact information below. You may also comment in person at the UTC's open meeting in Olympia at 9:30 a.m. on June 25, 2009, or by using the "Public Comment" feature at the UTC Web site, at https://doi.org/10.1007/june-10.2009/. The UTC is scheduled to act on this proposal at its open meeting on June 25, 2009. If you are unable to attend an open meeting in person, the UTC has a bridge line which enables you to participate or listen by telephone. Call 360-664-1234 the day before the open meeting for instructions.

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Un-metered Residential Rate May 12, 2009

With the continuing economic pressures of higher costs and construction slow downs facing business today, Washington Water Service Company (WWSC) is not insulated against the sluggish economy. Therefore, WWSC has filed for approval from the Washington Utilities and Transportation Commission (UTC) to increase rates by \$1,874,923. The request, which was filed with the UTC on May 12, 2009, looks to increase your bill by 16 cents per day.

WWSC understands and is sensitive to the impact of rate increases, which is why we are continually looking for ways to cut operating costs and operate as efficiently as possible while providing excellent customer service and a reliable water supply that meets all water quality standards.

However, since our last rate case in 2006, we have invested over \$4 million in auto-start generators, water treatment equipment, wells, water mains, and pumping equipment. The requested rate increase will allow us to continue to replace and improve the facilities and equipment necessary to provide you with reliable water service and meet increasingly stringent water quality standards. It will also enable us to retain qualified, well-trained personnel who are certified by the Washington State Department of Health and dedicated to providing the best customer service possible.

Increases in the costs of all areas of business operation, including laboratory testing fees, property taxes, transportation, and insurance costs, make up the balance of the requested increase.

If approved, the new rate would become effective June 26, 2009.

The proposed changes for our un-metered classification are summarized as follows:

CURRENT RATE

\$35.00

PROPOSED RATE

\$40.00

Un-metered flat rate

Our filing also requests authorization for a credit card transaction fee of \$1.25 for telephone payments; although we will continue to offer free auto-pay payment processing.

If you have questions about the filing and how it will affect you, please call WWSC at (253) 851-4060 or (877) 408-4060. You may also email your questions to input@wawater.com. Visit our website at www.wawater.com for status updates regarding the rate increase.

The UTC has the authority to set final rates which may be different from the requested increase, based on the results of their investigation. If you would like to comment on this filing, be added to the UTC's mailing list, or have questions about the ratemaking process, please use the contact information below. You may also comment in person at the UTC's open meeting in Olympia at 9:30 a.m. on June 25, 2009, or by using the "Public Comment" feature at the UTC Web site, at utc.wa.gov. The UTC is scheduled to act on this proposal at its open meeting on June 25, 2009. If you are unable to attend an open meeting in person, the UTC has a bridge line which enables you to participate or listen by telephone. Call 360-664-1234 the day before the open meeting for instructions.

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Sylvia Lake Water System May 12, 2009

With the continuing economic pressures of higher costs and construction slow downs facing business today, Washington Water Service Company (WWSC) is not insulated against the sluggish economy. Therefore, WWSC has filed for approval from the Washington Utilities and Transportation Commission (UTC) to increase rates by \$1,874,923. The request, which was filed with the UTC on May 12, 2009, looks to increase the average bill for 1,000 cubic feet of use by approximately 30 cents per day.

WWSC understands and is sensitive to the impact of rate increases, which is why we are continually looking for ways to cut operating costs and operate as efficiently as possible while providing excellent customer service and a reliable water supply that meets all water quality standards.

Per Washington Administrative Code (WAC) 246-290-495 Metering Requirements; a water meter has been installed on your service line that provides water to your home. WAC 246-290-495 requires that all water sources and service be metered no later than July 1, 2016. Service meters are a key to a successful water use efficiency and conservation program and greatly assist WWSC with tracking water leakage. Currently you are being charged a flat rate for water service each month. Upon approval of our rate increase, we will begin billing for water service based on actual metered consumption, using the ¾" metered rates listed below. You can visit our website for information regarding meters, how they are read and how to locate leaks within a service line.

The requested rate increase will allow us to continue to replace and improve the facilities and equipment necessary to provide you with reliable water service and meet increasingly stringent water quality standards. It will also enable us to retain qualified, well-trained personnel who are certified by the Washington State Department of Health and dedicated to providing the best customer service possible.

Increases in the costs of all areas of business operation, including laboratory testing fees, property taxes, transportation, and insurance costs, make up the balance of the requested increase.

If approved, the new rate would become effective June 26, 2009.

The proposed changes are summarized as follows.

	CURRENT RATE	¾" - METERED RATE	PROPOSED RATE
Un-metered flat rate	\$ 32.00	Base Rate – 0 c.f.	\$22.15
		0 – 400 c.f. per 100 c.f.	2.10
		401 – 1400 c.f. per 100 c.f.	2.30
		1401 – 99999 c.f. per 100 c.f.	2.75
		Bill Calculated on 1,000 c.f. consumption	\$44.35

^{*}Your actual bill will vary based on your consumption.

Our filing also requests authorization for a credit card transaction fee of \$1.25 for telephone payments; although we will continue to offer free auto-pay payment processing.

If you have questions about the filing and how it will affect you, please call WWSC at (253) 851-4060 or (877) 408-4060. You may also email your questions to input@wawater.com. Visit our website at www.wawater.com for status updates regarding the rate case.

The UTC has the authority to set final rates which may be different from the requested increase, based on the results of their investigation. If you would like to comment on this filing, be added to the UTC's mailing list, or have questions about the ratemaking process, please use the contact information below. You may also comment in person at the UTC's open meeting in Olympia at 9:30 a.m. on June 25, 2009, or by using the "Public Comment" feature at the UTC Web site, at https://doi.org/10.1036/nc.2009/. The UTC is scheduled to act on this proposal at its open meeting on June 25, 2009. If you are unable to attend an open meeting in person, the UTC has a bridge line which enables you to participate or listen by telephone. Call 360-664-1234 the day before the open meeting for instructions.

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Ready to Serve Service May 12, 2009

With the continuing economic pressures of higher costs and construction slow downs facing business today, Washington Water Service Company (WWSC) is not insulated against the sluggish economy. Therefore, WWSC has filed for approval from the Washington Utilities and Transportation Commission (UTC) to increase rates by \$1,874,923. The request, which was filed with the UTC on May 12, 2009, looks to increase your bill by 23 cents per month.

WWSC understands and is sensitive to the impact of rate increases, which is why we are continually looking for ways to cut operating costs and operate as efficiently as possible while providing excellent customer service and a reliable water supply that meets all water quality standards.

When approved, all WWSC customers will be billed the same base fee and tiered usage charges. Customers living on Orcas Island will also have an Island Fee included in their bill in the amount of \$37.75 per month in addition to the metered rate. The Island Fee is being introduced to offset higher operating costs associated with the higher chemical costs at \$40,362 and the higher cost of labor at \$100,741 required to have certified staff available 24 hours a day – 7 days a week in compliance with Washington State Department of Health regulations (DOH). These costs are over and above what we normally experience to operate a system of this size due to the surface water treatment and limited access to the Island.

WWSC has invested over \$4 million in auto-start generators, water treatment equipment, wells, water mains, and pumping equipment company- wide with approximately \$125,000 being invested on Orcas Island to date in pipe replacement, valve replacements and treatment plant improvements. The requested rate increase will allow us to continue to replace and improve the facilities and equipment necessary to provide you with reliable water service and meet increasingly stringent water quality standards. It will also enable us to retain qualified, well-trained personnel who are certified by the DOH and dedicated to providing the best customer service possible.

Increases in the costs of all areas of business operation, including laboratory testing fees, property taxes, transportation, and insurance costs, make up the balance of the requested increase.

If approved, the new rate would become effective June 26, 2009.

The proposed changes for our committed service-standby classification are summarized as follows:

CURRENT RATE

PROPOSED RATE

Committed Service Standby rate

\$ 21.92

\$22.15

Our filing also requests authorization for a credit card transaction fee of \$1.25 for telephone payments; although we will continue to offer free auto-pay payment processing.

If you have questions about the filing and how it will affect you, please call WSSC at (253) 851-4060 or (877) 408-4060. You may also email your questions to input@wawater.com. Visit our website at www.wawater.com for status updates regarding the rate increase.

The UTC has the authority to set final rates which may be different from the requested increase, based on the results of their investigation. If you would like to comment on this filing, be added to the UTC's mailing list, or have questions about the ratemaking process, please use the contact information below. You may also comment in person at the UTC's open meeting in Olympia at 9:30 a.m. on June 25, 2009, or by using the "Public Comment" feature at the UTC Web site, at utc.wa.gov. The UTC is scheduled to act on this proposal at its open meeting on June 25, 2009. If you are unable to attend an open meeting in person, the UTC has a bridge line which enables you to participate or listen by telephone. Call 360-664-1234 the day before the open meeting for instructions.

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)

Washington Water Service Company

May 12, 2009

With the continuing economic pressures of higher costs and construction slow downs facing business today, Washington Water Service Company (WWSC) is not insulated against the sluggish economy. WWSC has filed for approval from the Washington Utilities and Transportation Commission (UTC) to increase rates by \$1,874,923.

While the majority of our customers will be seeing an increase in their rates, bring the Rosario customers who have service through a 1 ½ inch meter into our uniform rate structure will allows us to reduce the current rates for this classification. The request, which was filed with the (UTC) on May 12, 2009, looks to decrease the average bill for 7,141 cubic feet of use by approximately \$482.09 per month.

WWSC understands and is sensitive to the impact of rate increases, which is why we are continually looking for ways to cut operating costs and operate as efficiently as possible while providing excellent customer service and a reliable water supply that meets all water quality standards.

When approved, all WWSC customers will be billed the same base fee and tired usages charges. Customers living on Orcas Island will also have an Island Fee included in their bill in the amount of \$68.33 per month in addition to the metered rates listed below, which has been included in the increase calculation above. The Island Fee is being introduced to offset higher operating costs associated with the higher chemical costs at \$40,362 and the higher cost of labor at \$100,741 required to have certified staff available 24 hours a day – 7 days a week in compliance with Washington State Department of Health regulations (DOH). These costs are over and above what we normally experience to operate a system of this size due to the surface water treatment and limited access to the Island.

Your bill is currently being calculated and billed based on gallons registered through your meter. We are in the process of changing out meters on the Island and will be installing meters that register cubic feet. This is being done to accommodate our new automatic meter reading system. Once rates have been approved, you will be billed based on cubic feet as shown below in the proposed rate structure. Cubic foot meters are an industry and company wide standard. In converting gallons to cubic feet, you divide the gallons by 7.48. Although the tariff shows billing in per 100 cubic feet, your actual bill will be billed per cubic foot of water and not rounded to nearest 100 cubic foot.

WWSC has invested over \$4 million in auto-start generators, water treatment equipment, wells, water mains, and pumping equipment company- wide with approximately \$125,000 being invested on Orcas Island to date in pipe replacement, valve replacements and treatment plant improvements. The requested rate increase will allow us to continue to replace and improve the facilities and equipment necessary to provide you with reliable water service and meet increasingly stringent water quality standards. It will also enable us to retain qualified, well-trained personnel who are certified by the DOH and dedicated to providing the best customer service possible.

Increases in the costs of all areas of business operation, including laboratory testing fees, property taxes, transportation, and insurance costs, make up the balance of the requested increase.

If approved, the new rate would become effective June 26, 2009.

The proposed changes for our 1½" meter classification are summarized as follows:

1 1/2 " Metered Rate - Gallons	CURRENT RATE	1 1/2 " Metered Rate - Cubic Feet	PROPOSED RATE
Base Rate – 0 gallons	\$ 72.99	Base Rate – 0 c.f.	\$ 40.91
0 to 19,980 gal per 100 gal	0.83	0 – 800 c.f. per 100 c.f.	2.10
19,981 -59,940 gal per 100 gal	1.56	801 – 1800 c.f. per 100 c.f.	2.30
59,941gal + per 100 gal	1.87	1801 + c.f. per 100 c.f.	2.75
Island Fee	0.00	Island Fee	68.33
*Bill calculated on 7,141 c.f. cons.	*\$760.41		*\$278.32

*Your actual bill will vary based on your consumption.

Our filing also requests authorization for a credit card transaction fee of \$1.25 for telephone payments; although we will continue to offer free auto-pay payment processing with no fee.

If you have questions about the filing and how it will affect you, please call WWSC at (253) 851-4060 or (877) 408-4060. You may also email your questions to input@wawater.com. Visit our website at www.wawater.com for status updates regarding the rate increase.

The UTC has the authority to set final rates which may be different from the requested increase, based on the results of their investigation. If you would like to comment on this filing, be added to the UTC's mailing list, or have questions about the ratemaking process, please use the contact information below. You may also comment in person at the UTC's open meeting in Olympia at 9:30 a.m. on June 25, 2009, or by using the "Public Comment" feature at the UTC Web site, at http://www.utc.wa.gov. The UTC is scheduled to act on this proposal at its open meeting on June 25, 2009. If you are unable to attend an open meeting in person, the UTC has a bridge line which enables you to participate or listen by telephone. Call (360) 664-1234 the day before the open meeting for instructions.

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Washington Water Service Company Rosario Hillside Condos _One and a half inch Meter

May 12, 2009

With the continuing economic pressures of higher costs and construction slow downs facing business today, Washington Water Service Company (WWSC) is not insulated against the sluggish economy. WWSC has filed for approval from the Washington Utilities and Transportation Commission (UTC) to increase rates by \$1,874,923. The request, which was filed with the (UTC) on May 12, 2009, creates a multi-unit classification. In this classification the average annualized bill for 27,628 cubic feet of use will be \$1,341.00, per month. Currently you are being billed under the 1 1/2" metered rate where your annualized average monthly bill is \$3,604.99 for the same amount of water. Your account will be updated upon approval of the rates by the UTC to bill out under the new multi-unit rate classification.

WWSC understands and is sensitive to the impact of rate increases, which is why we are continually looking for ways to cut operating costs and operate as efficiently as possible while providing excellent customer service and a reliable water supply that meets all water quality standards.

When approved, all WWSC customers will be billed the same base fee and tired usages charges. Customers living on Orcas Island will also have an Island Fee included in their bill in the amount of \$29.45 per month per equivalent residential user (ERU) in addition to the metered rates listed below, which has been included in the increase calculation above. The Island Fee is being introduced to offset higher operating costs associated with the higher chemical costs at \$40,362 and the higher cost of labor at \$100,741 required to have certified staff available 24 hours a day – 7 days a week in compliance with Washington State Department of Health regulations (DOH). These costs are over and above what we normally experience to operate a system of this size due to the surface water treatment and limited access to the Island.

Your bill is currently being calculated and billed based on gallons registered through your meter. We are in the process of changing out meters on the Island and will be installing meters that register cubic feet. This is being done to accommodate our new automatic meter reading system. Once rates have been approved, you will be billed based on cubic feet as shown below in the proposed rate structure. Cubic foot meters are an industry and company wide standard. In converting gallons to cubic feet, you divide the gallons by 7.48. Although the tariff shows billing in per 100 cubic feet, your actual bill will be billed per cubic foot of water and not rounded to nearest 100 cubic foot.

WWSC has invested over \$4 million in auto-start generators, water treatment equipment, wells, water mains, and pumping equipment company- wide with approximately \$125,000 being invested on Orcas Island to date in pipe replacement, valve replacements and treatment plant improvements. The requested rate increase will allow us to continue to replace and improve the facilities and equipment necessary to provide you with reliable water service and meet increasingly stringent water quality standards. It will also enable us to retain qualified, well-trained personnel who are certified by the DOH and dedicated to providing the best customer service possible.

Increases in the costs of all areas of business operation, including laboratory testing fees, property taxes, transportation, and insurance costs, make up the balance of the requested increase.

If approved, the new rate would become effective June 26, 2009.

The proposed changes for our 1 ½" metered rate classification that is converting to a multi-unit meter classification are summarized as follows:

1 1/2"Metered Rate - Gallons	CURRENT RATE	Multi-Unit - Cubic Feet	PROPOSED RATE
Base Rate – 0 gallons	\$ 72.99	Base Rate – 0 c.f.	\$ 17.28 (\$241.00)
0 to 19,980 gal per 100 gal	0.83 (\$164)	0 – 400 c.f. per 100 c.f.	2.10 (\$8.00)
19,981 – 59,940 gal per 100 gal	1.56 (\$625)	401 – 1400 c.f. per 100 c.f.	2.30 (\$23.00)
59,941 gal + per 100 gal	1.87 (2,743.00)	1401 + c.f. per 100 c.f.	2.75 (\$720.00)
Island Fee	0.00	Island Fee	29.45 (\$349)
*Average annulized cost for 27,628 c.f. /206,658 gallons.	*\$3,604.99		*\$1,341.00

*Your actual bill will vary based on your consumption.

Our filing also requests authorization for a credit card transaction fee of \$1.25 for telephone payments; although we will continue to offer free auto-pay payment processing with no fee.

If you have questions about the filing and how it will affect you, please call WWSC at (253) 851-4060 or (877) 408-4060. You may also email your questions to <u>input@wawater.com</u>. Visit our website at <u>www.wawater.com</u> for status updates regarding the rate increase.

The UTC has the authority to set final rates which may be different from the requested increase, based on the results of their investigation. If you would like to comment on this filing, be added to the UTC's mailing list, or have questions about the ratemaking process, please use the contact information below. You may also comment in person at the UTC's open meeting in Olympia at 9:30 a.m. on June 25, 2009, or by using the "Public Comment" feature at the UTC Web site, at http://www.utc.wa.gov. The UTC is scheduled to act on this proposal at its open meeting on June 25, 2009. If you are unable to attend an open meeting in person, the UTC has a bridge line which enables you to participate or listen by telephone. Call (360) 664-1234 the day before the open meeting for instructions.

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Washington Water Service Company

May 12, 2009

With the continuing economic pressures of higher costs and construction slow downs facing business today, Washington Water Service Company (WWSC) is not insulated against the sluggish economy. WWSC has filed for approval from the Washington Utilities and Transportation Commission (UTC) to increase rates by \$1,874,923.

While the majority of our customers will be seeing an increase in their rates, bringing the Rosario customers who have service through a 1 inch meter into our uniform rate structure will allows us to reduce the current rates for this classification. The request, which was filed with the Washington Utilities and Transportation Commission (UTC) on May 12, 2009, looks to decrease the average bill for 3,476 cubic feet of use by approximately \$204.06 per month.

WWSC understands and is sensitive to the impact of rate increases, which is why we are continually looking for ways to cut operating costs and operate as efficiently as possible while providing excellent customer service and a reliable water supply that meets all water quality standards.

When approved, all WWSC customers will be billed the same base fee and tired usages charges. Customers living on Orcas Island will also have an Island Fee included in their bill in the amount of \$54.74 per month in addition to the metered rates listed below, which has been included in the increase calculation above. The Island Fee is being introduced to offset higher operating costs associated with the higher chemical costs at \$40,362 and the higher cost of labor at \$100,741 required to have certified staff available 24 hours a day – 7 days a week in compliance with Washington State Department of Health regulations (DOH). These costs are over and above what we normally experience to operate a system of this size due to the surface water treatment and limited access to the Island.

Your bill is currently being calculated and billed based on gallons registered through your meter. We are in the process of changing out meters on the Island and will be installing meters that register cubic feet. This is being done to accommodate our new automatic meter reading system. Once rates have been approved, you will be billed based on cubic feet as shown below in the proposed rate structure. Cubic foot meters are an industry and company wide standard. In converting gallons to cubic feet, you divide the gallons by 7.48. Although the tariff shows billing in per 100 cubic feet, your actual bill will be billed per cubic foot of water and not rounded to nearest 100 cubic foot.

WWSC has invested over \$4 million in auto-start generators, water treatment equipment, wells, water mains, and pumping equipment company- wide with approximately \$125,000 being invested on Orcas Island to date in pipe replacement, valve replacements and treatment plant improvements. The requested rate increase will allow us to continue to replace and improve the facilities and equipment necessary to provide you with reliable water service and meet increasingly stringent water quality standards. It will also enable us to retain qualified, well-trained personnel who are certified by the DOH and dedicated to providing the best customer service possible.

Increases in the costs of all areas of business operation, including laboratory testing fees, property taxes, transportation, and insurance costs, make up the balance of the requested increase.

If approved, the new rate would become effective June 26, 2009.

The proposed changes for our 1" meter classification are summarized as follows:

1" Metered Rate - Gallons	CURRENT RATE	1" Metered Rate - Cubic Feet	PROPOSED RATE
Base Rate – 0 gallons	\$ 36.61	Base Rate – 0 c.f.	\$ 32.77
0 – 10,020 gal per 100 gal	0.83	0 – 800 c.f. per 100 c.f.	2.10
10,021 - 30,060 gal per 100 gal	1.56	801 – 1800 c.f. per 100 c.f.	2.30
30,061 + per 100 gal	1.87	1801 + c.f. per 100 c.f.	2.75
Island Fee	0.00	Island Fee	54.74
*Bill calculated on 3,476 c.f. cons.	*\$369.06		*\$165.00

*Your actual bill will vary based on your consumption.

Our filing also requests authorization for a credit card transaction fee of \$1.25 for telephone payments; although we will continue to offer free auto-pay payment processing.

If you have questions about the filing and how it will affect you, please call WWSC at (253) 851-4060 or (877) 408-4060. You may also email your questions to input@wawater.com. Visit our website at www.wawater.com for status updates regarding the rate increase.

The UTC has the authority to set final rates which may be different from the requested increase, based on the results of their investigation. If you would like to comment on this filing, be added to the UTC's mailing list, or have questions about the ratemaking process, please use the contact information below. You may also comment in person at the UTC's open meeting in Olympia at 9:30 a.m. on June 25, 2009, or by using the "Public Comment" feature at the UTC Web site, at https://doi.org/10.1007/june.25, 2009, or by using the "Public Comment" feature at the UTC Web site, at https://doi.org/10.1007/june.25, 2009. If you are unable to attend an open meeting in person, the UTC has a bridge line which enables you to participate or listen by telephone. Call (360) 664-1234 the day before the open meeting for instructions.

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Washington Water Service Company Rosario Hillside Condos Two inch Meter

May 12, 2009

With the continuing economic pressures of higher costs and construction slow downs facing business today, Washington Water Service Company (WWSC) is not insulated against the sluggish economy. WWSC has filed for approval from the Washington Utilities and Transportation Commission (UTC) to increase rates by \$1,874,923. The request, which was filed with the (UTC) on May 12, 2009, creates a multi-unit classification. In this classification the average annualized bill for 5,082cubic feet of use will be \$503.00, per month. Currently you are being billed under the 2" metered rate where your annualized average monthly bill is \$534.20 for the same amount of water. Under the new multi-unit structure you will see a small decrease. Your account will be updated upon approval of the rates by the UTC to bill out under the new multi-unit rate classification.

WWSC understands and is sensitive to the impact of rate increases, which is why we are continually looking for ways to cut operating costs and operate as efficiently as possible while providing excellent customer service and a reliable water supply that meets all water quality standards.

When approved, all WWSC customers will be billed the same base fee and tired usages charges. Customers living on Orcas Island will also have an Island Fee included in their bill in the amount of \$29.45 per month per equivalent residential user (ERU) in addition to the metered rates listed below, which has been included in the increase calculation above. The Island Fee is being introduced to offset higher operating costs associated with the higher chemical costs at \$40,362 and the higher cost of labor at \$100,741 required to have certified staff available 24 hours a day – 7 days a week in compliance with Washington State Department of Health regulations (DOH). These costs are over and above what we normally experience to operate a system of this size due to the surface water treatment and limited access to the Island.

Your bill is currently being calculated and billed based on gallons registered through your meter. We are in the process of changing out meters on the Island and will be installing meters that register cubic feet. This is being done to accommodate our new automatic meter reading system. Once rates have been approved, you will be billed based on cubic feet as shown below in the proposed rate structure. Cubic foot meters are an industry and company wide standard. In converting gallons to cubic feet, you divide the gallons by 7.48. Although the tariff shows billing in per 100 cubic feet, your actual bill will be billed per cubic foot of water and not rounded to nearest 100 cubic foot.

WWSC has invested over \$4 million in auto-start generators, water treatment equipment, wells, water mains, and pumping equipment company- wide with approximately \$125,000 being invested on Orcas Island to date in pipe replacement, valve replacements and treatment plant improvements. The requested rate increase will allow us to continue to replace and improve the facilities and equipment necessary to provide you with reliable water service and meet increasingly stringent water quality standards. It will also enable us to retain qualified, well-trained personnel who are certified by the DOH and dedicated to providing the best customer service possible.

Increases in the costs of all areas of business operation, including laboratory testing fees, property taxes, transportation, and insurance costs, make up the balance of the requested increase.

If approved, the new rate would become effective June 26, 2009.

The proposed changes for our 2" metered rate classification that is converting to a multi-unit meter classification are summarized as follows:

2"Metered Rate - Gallons	CURRENT RATE	Multi-Unit - Cubic Feet	PROPOSED RATE
Base Rate – 0 gallons	\$ 219.20	Base Rate – 0 c.f.	\$ 17.28 (\$138.00)
0 to 60,000 gal per 100 gal	0.83 (\$315)	0 – 400 c.f. per 100 c.f.	2.10 (\$8.00)
60,001 – 180,000 gal per 100 gal	1.56	401 – 1400 c.f. per 100 c.f.	2.30 (\$23.00)
180,001 gal + per 100 gal	1.87	1401 + c.f. per 100 c.f.	2.75 (\$99.00)
Island Fee	0.00	Island Fee	29.45 (\$235)
*Average annualized cost for	*\$534.20		*\$503.00
5,082 c.f. /38,016 gallons.			

*Your actual bill will vary based on your consumption.

Our filing also requests authorization for a credit card transaction fee of \$1.25 for telephone payments; although we will continue to offer free auto-pay payment processing with no fee.

If you have questions about the filing and how it will affect you, please call WWSC at (253) 851-4060 or (877) 408-4060. You may also email your questions to input@wawater.com. Visit our website at www.wawater.com for status updates regarding the rate increase.

The UTC has the authority to set final rates which may be different from the requested increase, based on the results of their investigation. If you would like to comment on this filing, be added to the UTC's mailing list, or have questions about the ratemaking process, please use the contact information below. You may also comment in person at the UTC's open meeting in Olympia at 9:30 a.m. on June 25, 2009, or by using the "Public Comment" feature at the UTC Web site, at http://www.utc.wa.gov. The UTC is scheduled to act on this proposal at its open meeting on June 25, 2009. If you are unable to attend an open meeting in person, the UTC has a bridge line which enables you to participate or listen by telephone. Call (360) 664-1234 the day before the open meeting for instructions.

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Washington Water Service Company Orcas Highlands

May 12, 2009

With the continuing economic pressures of higher costs and construction slow downs facing business today, Washington Water Service Company (WWSC) is not insulated against the sluggish economy. WWSC has filed for approval from the Washington Utilities and Transportation Commission (UTC) to increase rates by \$1,874,923. The request, which was filed with the (UTC) on May 12, 2009, creates a multi-unit classification. In this classification the average annualized bill for 53,173 cubic feet of use will be \$498.84, per month. Currently you are being billed under the 2" metered rate where your annualized average monthly bill is \$6,959.8 for the same amount of water. Your account will be updated upon approval of the rates by the UTC to bill out under the new multi-unit rate classification.

WWSC understands and is sensitive to the impact of rate increases, which is why we are continually looking for ways to cut operating costs and operate as efficiently as possible while providing excellent customer service and a reliable water supply that meets all water quality standards.

When approved, all WWSC customers will be billed the same base fee and tired usages charges. Customers living on Orcas Island will also have an Island Fee included in their bill in the amount of \$29.45 per month per equivalent residential user (ERU) in addition to the metered rates listed below, which has been included in the increase calculation above. The Island Fee is being introduced to offset higher operating costs associated with the higher chemical costs at \$40,362 and the higher cost of labor at \$100,741 required to have certified staff available 24 hours a day – 7 days a week in compliance with Washington State Department of Health regulations (DOH). These costs are over and above what we normally experience to operate a system of this size due to the surface water treatment and limited access to the Island.

Your bill is currently being calculated and billed based on gallons registered through your meter. We are in the process of changing out meters on the Island and will be installing meters that register cubic feet. This is being done to accommodate our new automatic meter reading system. Once rates have been approved, you will be billed based on cubic feet as shown below in the proposed rate structure. Cubic foot meters are an industry and company wide standard. In converting gallons to cubic feet, you divide the gallons by 7.48. Although the tariff shows billing in per 100 cubic feet, your actual bill will be billed per cubic foot of water and not rounded to nearest 100 cubic foot.

WWSC has invested over \$4 million in auto-start generators, water treatment equipment, wells, water mains, and pumping equipment company- wide with approximately \$125,000 being invested on Orcas Island to date in pipe replacement, valve replacements and treatment plant improvements. The requested rate increase will allow us to continue to replace and improve the facilities and equipment necessary to provide you with reliable water service and meet increasingly stringent water quality standards. It will also enable us to retain qualified, well-trained personnel who are certified by the DOH and dedicated to providing the best customer service possible.

Increases in the costs of all areas of business operation, including laboratory testing fees, property taxes, transportation, and insurance costs, make up the balance of the requested increase.

If approved, the new rate would become effective June 26, 2009.

The proposed changes for our 2" metered rate classification that is converting to a multi-unit meter classification are summarized as follows:

2"Metered Rate - Gallons	<u>CURRENT RATE</u>	Multi-Unit - Cubic Feet	PROPOSED RATE
Base Rate – 0 gallons	\$ 219.20	Base Rate - 0 c.f.	\$ 17.28 per unit (\$1,866.24)
0 to 60,000 gal per 100 gal	0.83 (\$498.6)	0 – 400 c.f. per 100 c.f.	2.10 (\$8.00)
60,001 – 180,000 gal per 100 gal	1.56 (\$1,872)	401 – 1400 c.f. per 100 c.f.	2.30 (\$23.00)
180,001 gal + per 100 gal	1.87 (\$4,070)	1401 + c.f. per 100 c.f.	2.75 (\$1,421)
Island Fee	0.00	Island Fee	29.45 Per unit (\$3,180.60)
Average annualized consumption 53,177 CF (397,763 GAL)	*\$6,659.8		* \$6,498.84

*Your actual bill will vary based on your consumption.

Our filing also requests authorization for a credit card transaction fee of \$1.25 for telephone payments; although we will continue to offer free auto-pay payment processing.

If you have questions about the filing and how it will affect you, please call WWSC at (253) 851-4060 or (877) 408-4060. You may also email your questions to input@wawater.com. Visit our website at www.wawater.com for status updates regarding the rate increase.

The UTC has the authority to set final rates which may be different from the requested increase, based on the results of their investigation. If you would like to comment on this filing, be added to the UTC's mailing list, or have questions about the ratemaking process, please use the contact information below. You may also comment in person at the UTC's open meeting in Olympia at 9:30 a.m. on June 25, 2009, or by using the "Public Comment" feature at the UTC Web site, at http://www.utc.wa.gov. The UTC is scheduled to act on this proposal at its open meeting on June 25, 2009. If you are unable to attend an open meeting in person, the UTC has a bridge line which enables you to participate or listen by telephone. Call (360) 664-1234 the day before the open meeting for instructions.

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WASHINGTON WATER SERVICE COMPANY



NOTICE OF RATE INCREASE

Washington Water Service Company

May 12, 2009

With the continuing economic pressures of higher costs and construction slow downs facing business today, Washington Water Service Company (WWSC) is not insulated against the sluggish economy. Therefore, WWSC has filed for approval from the Washington Utilities and Transportation Commission (UTC) to increase rates by \$1,874,923. The request, which was filed with the UTC on May 12, 2009, looks to increase the average annualized, monthly bill by approximately 38 cents per day.

WWSC understands and is sensitive to the impact of rate increases, which is why we are continually looking for ways to cut operating costs and operate as efficiently as possible while providing excellent customer service and a reliable water supply that meets all water quality standards.

When approved, all WWSC customers will be billed the same base fee and tired usages charges. Customers living on Orcas Island will also have an Island Fee included in their bill in the amount of \$37.75 per month in addition to the metered rates listed below, which has been included in the increase calculation above. The Island Fee is being introduced to offset higher operating costs associated with the higher chemical costs at \$40,362 and the higher cost of labor at \$100,741 required to have certified staff available 24 hours a day – 7 days a week in compliance with Washington State Department of Health regulations (DOH). These costs are over and above what we normally experience to operate a system of this size due to the surface water treatment and limited access to the Island.

Your bill is currently being calculated and billed based on gallons registered through your meter. We are in the process of changing out meters on the Island and will be installing meters that register cubic feet. This is being done to accommodate our new automatic meter reading system. Once rates have been approved, you will be billed based on cubic feet as shown below in the proposed rate structure. Cubic foot meters are an industry and company wide standard. In converting gallons to cubic feet, you divide the gallons by 7.48. Although the tariff shows billing in per 100 cubic feet, your actual bill will be billed per cubic foot of water and not rounded to nearest 100 cubic foot.

WWSC has invested over \$4 million in auto-start generators, water treatment equipment, wells, water mains, and pumping equipment company- wide with approximately \$125,000 being invested on Orcas Island to date in pipe replacement, valve replacements and treatment plant improvements. The requested rate increase will allow us to continue to replace and improve the facilities and equipment necessary to provide you with reliable water service and meet increasingly stringent water quality standards. It will also enable us to retain qualified, well-trained personnel who are certified by the DOH and dedicated to providing the best customer service possible.

Increases in the costs of all areas of business operation, including laboratory testing fees, property taxes, transportation, and insurance costs, make up the balance of the requested increase.

If approved, the new rate would become effective June 26, 2009.

The proposed changes for our 3/4" meter classification are summarized as follows:

3/4 Metered Rate - Gallons	CURRENT RATE	3/4" Metered Rate - Cubic Feet	PROPOSED RATE
Base Rate – 0 gallons	\$ 21.92	Base Rate – 0 c.f.	\$ 22.15
0 to 6,000 gal per 100 gal	0.83	0 – 400 c.f. per 100 c.f.	2.10
6,001 -18,000 gal per 100 gal	1.56	401 – 1400 c.f. per 100 c.f.	2.30
18,000 + per 100 gal	1.87	1401 + c.f. per 100 c.f.	2.75
Island Fee	0.00	Island Fee	37.75
*Bill calculated on 486 c.f. cons.	*\$50.98		*\$ 69.86

^{*}Your actual bill will vary based on your consumption.

Our filing also requests authorization for a credit card transaction fee of \$1.25 for telephone payments; although we will continue to offer free auto-pay payment processing.

If you have questions about the filing and how it will affect you, please call WWSC at (253) 851-4060 or (877) 408-4060. You may also email your questions to input@wawater.com. Visit our website at www.wawater.com for status updates regarding the rate increase.

The UTC has the authority to set final rates which may be different from the requested increase, based on the results of their investigation. If you would like to comment on this filing, be added to the UTC's mailing list, or have questions about the ratemaking process, please use the contact information below. You may also comment in person at the UTC's open meeting in Olympia at 9:30 a.m. on June 25, 2009, or by using the "Public Comment" feature at the UTC Web site, at https://doi.org/10.1007/june-10.2009/. The UTC is scheduled to act on this proposal at its open meeting on June 25, 2009. If you are unable to attend an open meeting in person, the UTC has a bridge line which enables you to participate or listen by telephone. Call 360-664-1234 the day before the open meeting for instructions.

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)