

Crosswoods Water Company, Inc.

P.O. Box 1075

Oak Harbor, WA 98277

Tel/Fax 360-675-5104 or 360-675-8248

COPY

IMPORTANT NOTICE

August 13, 2010

After nearly 40 years of operations the Crosswoods Water System has installed a hypochlorination system in order to comply with Department of Health regulations. The final cost for the installation is \$25,462 and the estimated increase in operations due to treatment system management and testing is \$8,073 annually.

The company is in the process of filing a request for the approval of a surcharge by the Utilities and Transportation Commission (commission) to cover the installation of the treatment system as well as a tariff rate increase to cover the increased cost of operations. The surcharge would be a temporary 5 year rate of \$3.80 per user per month and the increase in the base rate cost will be \$5.30 per user per month. This surcharge is set to expire on September 30, 2015 or upon recovery of \$25,462 loan principal plus interest charges and state excise taxes, whichever occurs first. If approved, the rate increase and surcharge will be effective on October 1, 2010 and reflect on your monthly usage bill.

Following is a comparison of the current and proposed rates:

<u>Monthly Rates</u>	<u>Current Rate /100 cu. ft.</u>	<u>Proposed Rate</u>
Base Rate per month	\$ 13.85	\$ 19.15
0 - 500 cu. ft.	\$ 1.00	\$ 1.00
>500 cu. ft.	\$ 1.35	\$ 1.35
5 year surcharge		\$ 3.80

If you have any questions about the filing and how it will affect you, please call Crosswoods Water Co. at 360-675-5104 or 360-675-8248.

The commission has the authority to set final rates that may vary from the company's request, depending on the results of its investigation. Commission staff will make a recommendation to the commissioners at an open meeting in Olympia, which is scheduled for 9:30 a.m. on September 30, 2010. You will have an opportunity to comment in person at this meeting. If you are unable to attend the open meeting, the commission has a bridge line which enables you to participate or listen by telephone. Call 360-664-1234 for instructions the day before the open meeting. You can also comment by using the "Public Comment" feature at the commission's Web site at utc.wa.gov, or by using the contact information below.

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250, Olympia, WA 98504-7250
E-mail: comments@utc.wa.gov
Telephone: 1-888-333-WUTC (9882)

Sincerely,

Crosswoods Water Co., Inc.

R.P. Fakkema, Sec.