Island Disposal Inc.

PO Box 990, Coupeville WA 98239 Phone: (360) 678-5701 Fax: (360) 678-3279

RATE INCREASE NOTICE FOR COMMERCIAL SERVICE

Dear Customer: May 31, 2012

Island Disposal Inc. has filed a request for a rate increase with the Washington Utilities and Transportation Commission (WUTC). The last general rate increase was approved by the WUTC April 1, 2008. Since that time the Company has experienced increases in operating cost in the areas of labor, employee benefits, fuel, parts and equipment amongst other categories which it now seeks to update in rates.

If approved, the proposed rates will become effective July 2, 2012. The rate per pick-up will increase as follows:

| | Proposed | | |
|---|--------------|-------------|---------------|
| | Current Rate | Increase | Proposed Rate |
| | Per Pick-up | Per Pick-up | Per Pick-up |
| 1-32 gallon can | 3.20 | .16 | 3.36 |
| 1 yard container, first pick-up | 32.04 | 1.58 | 33.62 |
| Each additional pick-up | 18.67 | .92 | 19.59 |
| 1.5 yard container, first pickup | 41.32 | 2.03 | 43.35 |
| Each additional pick-up | 27.73 | 1.36 | 29.09 |
| 2 yard container, first pick-up | 53.28 | 2.62 | 55.90 |
| Each additional pick-up | 36.35 | 1.79 | 38.14 |
| Other services not listed increase an average of 4.9% | | | |

If you have any questions regarding this increase, please contact Island Disposal, between 8:30 a.m. and 4:00 p.m. Monday through Friday.

The Commission has the authority to set final rates that may be either lower or higher 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 June 28, 2012. 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 Dr SW Post Office Box 47250 Olympia, WA 98504-7250 E-mail: comments@utc.wa.gov

Telephone: 1-888-333-WUTC (9882)

Sincerely, Management Island Disposal Inc.