

February 15, 2008

Ms. Carol Washburn
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98504-7250

Subject: Olympic Water & Sewer, Inc. General Rate Filing, Tariff WN-U2

Dear Ms. Washburn,

Enclosed please find a general rate filing for Olympic Water & Sewer, Inc. (Olympic Water & Sewer), PWSID #68700L. The requested effective date of this filing is April 22, 2008, to coincide with Olympic Water & Sewer's billing cycle. Included in this request for a general rate increase (Sheet No. 22 of their currently effective tariff), Olympic Water & Sewer is also submitting a change to the language on Sheet No. 13 to reflect the removal of discussion of the "base allowance" in Rule 16.

This tariff filing is proposed to affect water rates for monthly water service. The proposed adjustment is anticipated to generate \$258,905 in additional annual revenue for Olympic Water & Sewer, representing a 50% increase over current rates. Olympic Water & Sewer has not increased its rates since 1992. The last tariff change that affected rates was in 1994, at which point the rates were reduced. The currently proposed tariff change is necessary due to increases in operating costs including labor and benefits, power, fuel, and testing. Customer notice was mailed to all customers via first class mail on Monday, February 11, 2008.

The following information is included with this letter in compliance with WAC 480-07-530:

- 1) Revised tariff pages – Sheets 13 and 22
- 2) A copy of the customer notice
- 3) Workpapers
- 4) CD of digital workpaper files

Should you have any questions about this filing or about this letter, please contact me at (360) 570-7266.

Sincerely,



Herta Fairbanks
Senior Financial Analyst

Cc: Larry Smith, OWSI
Diana Smeland, OWSI

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