

November 21, 2011

IMPORTANT NOTICE

Roche Harbor Water System has filed for approval from the Washington Utilities and Transportation Commission (commission) for an overall increase in its rates. If approved, the new rates will be effective on January 1, 2012.

The overall effect will produce an additional \$27,786 in annual revenue for the Company or an increase of 6.25% compared to 2010 revenues. The existing surcharge and treatment cost recovery charge remain in place at current rates. The table set out below shows the effect on the average customer's monthly bill based on average usage.

<u>Average Customer</u>	<u>Existing Monthly Bill</u>	<u>Proposed Monthly Bill</u>
Metered Customer	\$45.86	\$48.73

Below is a schedule that shows how the individual rates are proposed to change:

Base Rate

Meter Size	Existing Base Rate	Proposed Base Rate
5/8-inch	\$30.00	\$32.00
1-inch	\$50.10	\$53.44
1.5-inch	\$99.90	\$106.56
2-inch	\$159.90	\$170.56
3-inch	\$300.00	\$320.00
4-inch	\$501.00	\$533.44

Usage Rates

	Existing Rate	Proposed Rate
Block 1 0 - 5,000 gallons	\$2.75	\$2.92
Block 2 5,000 to 10,000 gallons	\$6.70	\$7.02
Block 3 Over 10,000 gallons	\$8.75	\$9.22

The Company's last general rate increase occurred in 2008. Operating costs have increased since that time for virtually all components of service such as treatment, taxes, wages and outside services.

If you have any questions about the proposed filing and how it will affect you, please call the Company at 360-378-3500.

The commission has the authority to set rates that may vary from the company's request, depending on the outcome 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 December 29, 2011. 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 by telephone. Call 360-664-1234 the day before the open meeting for instructions and to sign in. 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

Post Office Box 47250

Olympia, WA 98504-7250

E-mail: comments@utc.wa.gov

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

Sincerely,

Roche Harbor Water System