

October 9, 2001

Virgil R. Fox, President
American Water Resources, Inc.
921 B Middle Fork Road
Onalaska, WA 98570

RE: Docket No. UW-000405
Assessment of Costs of Investigation

Dear Mr. Fox:

RCW 80.20.020 states that the Washington Utilities and Transportation Commission (Commission) can assess American Water Resources, Inc. (AWR) the costs of the investigation in Docket No. UW-000405, but can not require AWR to pay more than one percent of its gross operating income within any calendar year. Pursuant to RCW 80.20.020, this letter is the Commission's notice to American Water Resources, Inc., (AWR) of its opportunity to tell the Commission why AWR should not pay any, or pay a reduced amount, of the Commission's costs incurred in the investigation in Docket No. UW-000405.

The Commission has calculated that the reasonably attributable and allocable expenses of the investigation in Docket No. UW-000405, through March 2001, amount to \$12,872.16. The calculations of the maximum amount the Commission can require AWR to pay in calendar year 2001 follows:

| | | |
|--------------------------------|---|-------------------|
| 2000 Annual Report Revenue | | \$836,607.00 |
| Maximum Assessment Rate (1%) | x | <u>0.01</u> |
| Maximum Assessment for 2001 | | \$8,366.07 |
| Case Cost (UW-000405) | | \$12,872.16 |
| Maximum Assessment 2001 | | \$8,366.07 |

AWR may file written comments or file a written request to make oral comments to the Commissioners within FIFTEEN (15) days of the date of this letter. Any response must be received by the Washington Utilities and Transportation Commission, Post Office Box 47250, Olympia, Washington 98504-7250, within FIFTEEN (15) days of the date of this letter.

Mr. Virgil Fox
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If you have any questions, please contact Gene Eckhardt, Assistant Director of Water and Transportation at 664-1249.

Sincerely,

CAROLE J. WASHBURN
Executive Secretary