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May 25, 2010

VIA E-MAIL AND HAND DELIVERY

David Danner, Executive Director and Secretary Washington Utilities and Transportation Commission 1300 S. Evergreen Park Drive SW Olympia, WA 98504-7250

Re: Docket No. UW-091466 - Rainier View Water Company, Inc.

Dear Mr. Danner:

Rainier View is filing this very brief response to Bethel School District's filing which was received barely before 5:00 p.m. on May 24, 2010. Thus, a response on May 24, 2010, was not possible.

Just three basic comments are all that are necessary to demonstrate that the rate filing before the Commission is fair, just, reasonable and sufficient.

<u>Point 1</u>: For decades under the old rate design, the residential customers have been subsidizing Bethel School District. The new rate design removes some, but not all of that subsidy. The new rate design moves towards a more fair, more just and more reasonable rate design than has been present in the past.

<u>Point 2</u>: As set out in Staff's analysis, and as pointed out in my letter of May 20, 2010, Bethel School District uses an incredible amount of water during the summer months when school is not in session. Bethel can easily save twenty to twenty-five percent of its water bill by irrigating less. This does not mean the District must stop irrigating. If the District stops irrigating, it would save much more. Just reducing the amount of irrigation can save Bethel large sums of money.

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Point 3: Bethel spends a lot of time in its May 24, 2010, memo arguing that the rate structure would provide \$363,611 in additional annual revenue compared to the \$164,487 as stated in Rainier View's Customer Notice. This is an argument which is meant to distract, not to get to the real facts. As the Commission knows, the Company's filing is the starting point. The Commission Staff undertakes an audit and adjusts the Company's per books numbers through a series of restating and pro forma adjustments. The bottom line is that the rate structure that Rainier View originally filed in September would have produced an estimated \$5,238,898 in annual revenue. The current rate structure that is before the Commission is estimated to produce \$4,863,538 in annual revenue. The District fails to include this basic fact in its argument, apparently realizing it takes all the vitality out of its argument.

Conclusion: When all of the histrionics of the District are set aside, the bottom line is that the filing before the Commission produces a rate design that brings more fairness, more justness and more reasonableness to all of the customers served by Rainier View. The District has been subsidized by customers for years and will continue to be subsidized by other customers, just not to the same extent it has in the past. The District can control its water bill through its irrigation practices. The filing should be allowed to take effect.

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