



H & R Waterworks, Inc.

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IMPORTANT NOTICE July 11, 2005

Tariff Filing

The company has filed for approval from the Washington Utilities and Transportation Commission (WUTC) to revise its general water rates (tariff). If approved, the new tariff rate will become effective on September 1, 2005.

The Reason for this Tariff Filing

This general filing is to put into effect a single rate tariff rate for the entire consolidated company and allow recovery of its full cost of operations. In February of 2005 the Commission approved the company request to merge and then adopt the individual tariffs of each of its former affiliated water companies. The Company has now determined its overall revenue requirement and expenses. While the average monthly water bill will increase by four dollars, some will go up, while others will go down. Conservation of our water resources is an important goal of the company, thus we will retain a two-tier consumption charge.

Rate Schedule (Note: each cubic foot is equal to 7.48 gallons of water).

Flat Rate per month per customer or connection	\$40.61
Minimum Monthly Rate- Metered Rate per customer or connection	
3/4 " service	\$27.30
1" service	\$47.26
3" service	\$273.00
Consumption Charge per cubic foot, up to 1000 cubic feet	\$0.0125
Consumption Charge per cubic foot, over 1000 cubic feet	\$0.0165
Ancillary Charges	
Late Payment Fee	\$3.50
Account Setup Fee	\$15.00
NSF Fee	\$15.00
Access to Premise/ Service Visit Charge	\$25.00
Ready To Serve	\$8.50
Reconnection / Disconnection Fee	\$25.00

All tariff rates are subject to the state public utility tax of 5.029%

If You Have Questions or Comments

If you have questions about the proposed filing and how it will affect you, or about your current rates, please call us (360) 357-3277. If you have questions about the rate making process, you may contact the Washington Utilities and Transportation Commission at the following address: WUTC, 1300 S. Evergreen Park Drive S.W., P.O. Box 47250, Olympia, WA 98504-7250; 1-800-562-6150 (toll free) or by e-mail: comments@wutc.wa.gov.

If you would like to comment on this proposal, it is important for you to do so now. Comments must be submitted in writing or presented at the commission's open meeting to be considered part of the formal record. The commission encourages your written comments, either supporting or opposing, regarding this proposal. All open meetings are held in Olympia, Washington. If you would like to be added to the commission's mailing list to be notified of the open meeting date, please call the toll-free number listed above and leave your name and complete mailing address.

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Stephen L. Harrington, WDM 3, MBA
General Manager