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May 20, 2010

VIA E-MAIL AND HAND DELIVERY

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

Re: South Bainbridge Water Systems, Inc. – Docket No. UW-100785 -
Contract with Rehder

Dear Mr. Danner:

This letter is in response to a request for clarification from Commission Staff on the purpose of the seeking of a waiver of WAC 480-110-445(5). Under that rule, the Company is required to install the service connection to the property line, property corner or to a location on the property mutually agreed upon. While the Company and the customer can agree to locate a meter at some point along the service connection or at a different mutually agreed location, the property line is still deemed to be the point of delivery.

In this case, because of the topography, the Company is not willing to provide service and also have the requirement to be responsible for the line (which is called part of the service connection or a service line depending on who is responsible for it) up to the property line for three of the lots under development. The customer has agreed to be the party responsible for the line between the point of use (the residence) and the meter location for each of these lots, which is at an agreed location not on the property of the customer. In other words, the service connection is requested to be deemed to end at the meter and the service line, which is the responsibility of the customer, be deemed to begin at the meter and extend to the place of use.

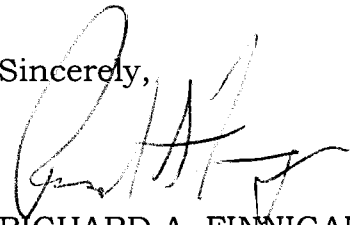
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To try to explain further, the Company's service connection will end at the meter and the property line will not be deemed to be the point of delivery, the meter will be deemed to be the point of delivery. That is the waiver that the Company seeks.

I trust this will clarify the request.

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard A. Finnigan', written over the word 'Sincerely,'.

RICHARD A. FINNIGAN

RAF/km

cc: Kathy Blossom (via e-mail)