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March 31, 2017

VIA E-FILING

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

Re: UW- 161035 – Withdrawal of Filing

Dear Mr. King:

After serious reflection on the testimony given and questions asked during the open meeting held on March 29, 2017, the company is withdrawing its Conservation Rule 21 filing in Docket UW-161035. This step is not taken lightly. However, given the range of viewpoints and positions advanced at the open meeting, the company is concerned that a formal process, even if taken through initial mediation or third-party led settlement discussions, will be overly expensive for the company.

The company, as it indicated at the open meeting, will participate with customer representatives and, if available, Commission Staff in additional efforts to address customer concerns. The company's preference is for the parties to participate in informal discussions to try to reach some level of agreement. Although, as recognized by Chairman Danner and Commissioner Rendahl it is not likely that perfect consensus can be reached. The company is hopeful that additional attempts to educate itself and others on the necessity for and the mechanics of establishing conservation practices and budgets may bring the company and customers closer.

The company believes such process could culminate in tariff language which is workable, achieves a stated goal of not exceeding our water right and is understood by all involved. This does not mean everyone will agree on a formulaic methodology, individual quantities which fall out of the formula or costs for conservation.

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In the interim, the economic approach of a conservation rate which has been used by other water companies in the recent past is being submitted by the company for adoption in April. The company would appreciate Staff and Commission support for adoption of this interim approach. Thank you.

Sincerely,

RICHARD A. FIŃNIGAN

RAF/cs

cc: Client (via e-mail) Commission Staff (via e-mail)