

From: Bruce Schmitz [mailto:bruce_schmitz@msn.com]
Sent: Tuesday, September 21, 2010 1:41 PM
To: Ward, Jim (UTC)
Cc: Phil Otness
Subject: WUTC Docket Number 101543

Dear Mr. Ward,

I understand that you are a Regulatory Analyst for Water Companies regulated by the WUTC. I am writing on behalf of the Port Ludlow Village Utilities Committee which provides the community interface with Olympic Water and Sewer, Inc.(OWSI) which provides water and sewer service for our community.

On September 15, 2010 OWSI filed with WUTC for an increase in water rates (WUTC Docket Number 101543). I have found this filing on the WUTC web site but the site contains none of the financial data which is to accompany any request for rate increases. The letter of transmittal to WUTC by OWSI indicates that such data was submitted. In order for our community to analyze and comment on the proposed rate increase we need to see and review the financial information submitted by OWSI. Can you tell me why this data is not a part of the docket material or where I may obtain a copy of the financial reports? I also note that this application is not listed as one of the active applications on the WUTC web site even though the application has been filed, a public meeting scheduled for 10/14 and closure is scheduled for 10/20.

In the application submitted by OWSI they have indicated to the Port Ludlow community that one of the reasons for the increase is costs associated with fuel contamination at a new well site and the costs of drilling a new well. Does WUTC allow capital costs such as these to be included in annual expenses or must they be amortized over the projected life of the well? It would appear to us that OWSI may be trying to expense these expenses as they occur resulting in a significant increase in their operating expenses. As you may know from applications for rate increases that OWSI submitted in 2006 and 2008, they will have requested or received increases that total almost 100% over the last four years. This would appear to us in the community to be very excessive and we trust that WUTC will conduct a thorough review of the latest request especially in view of the rate increases received in 2006 and 2008.

We also understand that OWSI is required to submit annual reports to WUTC covering their operations. I cannot find on the WUTC web site any reports beyond 2007. Has OWSI submitted reports for 2008 and 2009 and if so how may I obtain a copy of them? I thank you in advance for responding to this request.

If you are not the person to answer these questions could you please direct me to the correct individual.

Yours truly,

Bruce Schmitz
Port Ludlow Village Council Utilities Committee