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August 13, 2009

VIA E-MAIL

Mr. Jim Ward
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, WA 98504-7250

Re: Docket No. UW-091051 - Burton Water Company, Inc.

Dear Mr. Ward:

This letter will respond to your Data Request 4.

1. During the last rate case, the company noted outside accounting at $2,658. During this last test period (one year later) the company noted $8,240 for outside accounting work. Please provide a detailed explanation of what outside accounting service is done for the company and why this amount of cost increase is reasonable?

RESPONSE: In the past, much of the accounting work was performed by Gerald Garrison and was included in his salary expense. Because of concerns about the manner in which the books of the Company were kept that were expressed in the last rate case, the decision was made to move much of the accounting work to outside accountants. That is a change that will continue for the foreseeable future. This accounts for the difference in the outside accounting work between the last rate case and this rate case.

2. In review of the general ledger under Dues and Fees, one item titled Chamber of Commerce is listed for $150.00. Please explain how this benefits customers and why it should be allowed as an expense.

RESPONSE: The Company belongs to the Chamber of Commerce as a way of demonstrating to its customers that the Company is a responsible member of the community and abides by high business ethic standards.

3. Please provide a copy of the property tax statement for the 9 acre lot that the 1996 tank and house sit on. Please provide the calculations and justification for the allocation of property tax between the water company and the owner's personal tax burden.

RESPONSE: What was done is that Mr. Jim Garrison contacted the Assessor's Office and asked for a description of the basis for their assessment. He was provided with a breakdown of the assessment on the tank and other buildings and facilities. He then took the assessment on the land and assigned the water facilities as occupying one-half of one acre and then applied the rest of the assessment on that percentage. Mr. Garrison requested a written confirmation from the Assessor's Office. He asked for a written confirmation of this information and was told by the Assessor's Office that they would not provide one. Presumably, if Commission Staff contacts the Assessor's Office, they will confirm the methodology and the basis that Mr. Garrison used for allocation.

4. Please provide a schedule showing last year (2008) as compared to this year (2009) that demonstrates the company's increase wage expense by 3 % as requested in pro forma adjustment P5. Please provide this schedule for the last six months of 2008 and the first six months of 2009.

RESPONSE: Given the Company's revenue stream, the Company is beginning the wage increase effective August, 2009. The proforma adjustment does reflect the level of wages that will be in effect at the time the new rates are in effect.

Please let me know if you have any questions.

Sincerely,

RICHARD A. FINNIGAN

RAF/km

cc: Jim Garrison (via e-mail)
Evan Simmons (via e-mail)
Barb O'Block (via e-mail)