

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of	)	DOCKET UW-152049
	)	
DESERT CANYON UTILITY	)	ORDER 01
COMPANY,	)	
	)	ORDER GRANTING APPLICATION
Applicant,	)	FOR SALE AND TRANSFER OF
	)	STOCK; ADOPTING TARIFF
For the Sale and Transfer of Stock to	)	
AB GOLF, LLC	)	
.....	)	

**BACKGROUND**

- 1 On October 27, 2015, Desert Canyon Utility Company (Desert Canyon or the Utility) and AB Golf, LLC, represented by Donald Barth (AB Golf) filed with the Washington Utilities and Transportation Commission (Commission) an Application for Sale and Transfer of Stock pursuant to the provisions of RCW 80.12.
  
- 2 Desert Canyon’s service area is located near Orondo in Douglas County. The water system serves approximately 90 residential customers, two irrigation-only orchard customers and an irrigation supply to a golf course.
  
- 3 AB Golf, LLC, is currently a water customer of Desert Canyon Utility Company. AB Golf will be acquiring the stock of Desert Canyon for \$750,000.
  
- 4 AB Golf assumes the regulatory obligations of the purchased Utility. If the Commission approves the sale and transfer of Desert Canyon stock to AB Golf, AB Golf will be subject to any obligations the Commission imposed on Desert Canyon.
  
- 5 AB Golf agrees to assume and maintain the rates and charges of Desert Canyon. In recognition of the stock purchase and change in ownership, AB Golf has filed a tariff adoption notice on October 27, 2015.

### FINDINGS AND CONCLUSIONS

- 6 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including water companies. RCW 80.01.040, RCW 80.04, RCW 80.08, RCW 80.12, RCW 80.16 and RCW 80.28.
- 7 (2) Desert Canyon is an investor-owned water company and is a public service company subject to Commission jurisdiction.
- 8 (3) Desert Canyon notified its customers of the stock sale and transfer in a mailing on October 30, 2015.
- 9 (4) AB Golf desires to own and operate the water systems on an ongoing basis. Desert Canyon's current owners no longer desire to own and operate the water system.
- 10 (5) AB Golf will acquire the company stock of Desert Canyon for \$750,000.
- 11 (6) As a result of this sale and transfer of company stock, AB Golf will adopt Desert Canyon's tariff.
- 12 (7) This matter was brought before the Commission at its regularly scheduled meeting on November 25, 2015.
- 13 (8) The proposed transfer and tariff adoption will have an effective date of December 1, 2015. This date coincides with Desert Canyon's billing periods. For accounting purposes, the Utility's accounting records will be transferred and effective on that date.
- 14 (9) Pursuant to RCW 80.12.020 and WAC 480-143-170, the Commission has determined that applicants in a transaction of this sort must "at least demonstrate

no harm to the public interest.”<sup>1</sup> The Commission also looks to the new company’s financial and managerial fitness to run the operations.<sup>2</sup> The Commission believes the applicants have shown there are substantial benefits to the transfer.

- 15 (10) In this Docket, the Commission neither approves nor disapproves the reasonableness of any fees, charges, rates, purchase price, or accounting allocations involved with the transaction. The Commission reserves the right to review those fees, charges, rates, or accounting allocations in a future rate proceeding.
- 16 (11) The application meets the requirements of RCW 80.12 and the rules and regulations of the Commission. WAC 480-143.
- 17 (12) After reviewing the application Desert Canyon and AB Golf filed in Docket UW-152049 on October 27, 2015, and giving due consideration, the Commission finds that the Application of the Sale and Transfer of Stock by Desert Canyon to AB Golf is consistent with, and demonstrates no harm to, the public interest and should be approved.

### **ORDER**

#### **THE COMMISSION ORDERS:**

- 18 (1) The Commission authorizes the Sale and Transfer of the stock of Desert Canyon Utility Company to AB Golf, LLC, consistent with the joint application in accordance with RCW 80.12.020. No material change, revision, or amendment to the joint application and agreement shall become effective without the Commission’s prior written approval.

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<sup>1</sup> *In Re Application of PacifiCorp & Scottish Power, LLC*, Docket UE-981627, Third Supplemental Order on Prehearing Conference at 2-3 (April 2, 1999).

<sup>2</sup> *Id.*

- 19       (2)     The Commission approves the adoption of the tariffs of Desert Canyon Utility Company by AB Golf, LLC, to be effective with the effective date of the transfer itself: December 1, 2015.
- 20       (3)     AB Golf, LLC acknowledges that the books and records of Desert Canyon Utility Company will not change as a result of the sale and transfer of stock.
- 21       (4)     This Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates, or determination of costs, on any matters that may come before it. Nor shall this Order granting Petition be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.
- 22       (5)     The Commission retains jurisdiction over the subject matter and Desert Canyon Utility Company to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective November 25, 2015.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING, Executive Director and Secretary