

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of
HARRISON WATER
COMPANY/KIONA, LLC,
Applicant,

For the Sale and Transfer of Assets to
GREAT BASIN WATER CO
KIONA LLC

DOCKET UW-210020

ORDER 01

APPROVING APPLICATION FOR
SALE AND TRANSFER OF ASSETS
AND ADOPTING TARIFF

BACKGROUND

- 1 On January 8, 2021, Great Basin Water Co Kiona LLC (Great Basin - Kiona) filed with the Washington Utilities and Transportation Commission (Commission) an application for sale and transfer of assets pursuant to the provisions of Title 80.12 RCW (Application).
- 2 Great Basin - Kiona is purchasing the assets of Harrison Water Company/Kiona, LLC (Harrison Water Company/Kiona or Company; collectively with Great Basin - Kiona, Companies). Harrison Water Company/Kiona serves 260 customers near Benton City in Benton County. The Company's system is known as Harrison Water Company/Kiona (DOH ID# 10724 H).
- 3 Great Basin - Kiona explains several benefits of the sale and transfer of assets. First, Great Basin - Kiona desires to own and operate water systems on an ongoing basis and Harrison Water Company/Kiona's current owners no longer desire to own and operate the water system. Second, Great Basin - Kiona will be able to bring economies-of-scale benefits to the Company in certain areas, such as billing, collecting, and insurance. Great Basin - Kiona performed a review as outlined in its Application that looks at "no harm" to Harrison Water Company/Kiona customers and "no harm" to Great Basin's parent company, Great Basin Water. Finally, Great Basin - Kiona has performed operations and billing, and its staff is familiar with the Company's operations.
- 4 Harrison Water Company/Kiona notified its customers of the sale and transfer of assets in a mailing on January 12, 2021. Great Basin - Kiona filed with the Commission the journal entries by which it proposes to record on its books the transfer of water system

assets authorized herein. The effective date for accounting purposes will be January 1, 2021.

5 Commission staff (Staff) has reviewed the application and determined that the
Companies have sufficiently demonstrated there are substantial benefits to the transfer.
Accordingly, Staff recommends the Commission approve the Application.

DISCUSSION

6 Pursuant to RCW 80.12.020 and WAC 480-143-170, applicants proposing a transaction
of this sort must “at least demonstrate no harm to the public interest.”¹ The Commission
also looks to the new Company’s financial and managerial fitness to run the operations.²

7 We agree with Staff’s recommendation and approve the Application. We find that the
transaction exceeds the “no harm” standard and is consistent with the public interest. We
note that this Order approves only the sale and transfer of assets, and neither approves nor
disapproves the reasonableness of the purchase price or any fees, charges, rates, or
accounting allocations related to the transaction. The Commission reserves the right to
review those fees, rates, or accounting allocations in a future rate proceeding.

FINDINGS AND CONCLUSIONS

- 8 (1) The 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.
- 9 (2) Harrison Water Company/Kiona is an investor-owned water company and is a
public service company subject to Commission jurisdiction.
- 10 (3) Great Basin - Kiona is an investor-owned water company and is a public service
company subject to Commission jurisdiction.
- 11 (4) Harrison Water Company/Kiona notified its customers of the sale and transfer of
assets in a mailing on January 12, 2021.

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

² *Id.*

- 12 (5) Great Basin - Kiona will acquire the water system assets of Harrison Water Company/Kiona.
- 13 (6) As a result of this sale and transfer of water systems assets, Great Basin - Kiona will adopt Harrison Water Company/Kiona' rates into its tariff rates.
- 14 (7) This matter was brought before the Commission at its regularly scheduled meeting on February 25, 2021.
- 15 (8) The proposed transfer and tariff rate adoption will have an effective date of February 25, 2021. For accounting purposes, the Company's accounting records will be transferred and effective on January 1, 2021.
- 16 (9) The Application meets the requirements of RCW 80.12 and the rules and regulations of the Commission. See Chapter 480-143 WAC.
- 17 (10) After reviewing the Application Harrison Water Company/Kiona filed in Docket UW-210020 on January 8, 2021, and giving due consideration, the Commission finds that the Application of the Sale and Transfer of Assets by Harrison Water Company/Kiona to Great Basin - Kiona 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 assets of Harrison Water Company/Kiona, LLC, to Great Basin Water Co Kiona LLC, consistent with the joint application filed on January 8, 2021, and consistent 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.
- 19 (2) The Commission approves Great Basin Water Co Kiona LLC's adoption of the tariff of Harrison Water Company/Kiona, LLC, to be effective on the date of the transfer, February 25, 2021.
- 20 (3) 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. This Order shall not be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.

- 21 (4) The Commission retains jurisdiction over the subject matter and Harrison Water Company/Kiona, LLC, and Great Basin Water Co Kiona LLC, to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective February 25, 2021.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON
Executive Director and Secretary