

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of
HARRISON-RAY WATER
COMPANY,
Applicant,

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

DOCKET UW-210021

ORDER 01

APPROVING APPLICATION FOR
SALE AND TRANSFER OF ASSETS
AND ADOPTING TARIFF

BACKGROUND

- 1 On January 8, 2021, Great Basin Water Co Burbank LLC (Great Basin - Burbank) 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 - Burbank is purchasing the assets of Harrison-Ray Water Company (Harrison-Ray Water or Company; collectively with Great Basin - Burbank, Companies). Harrison-Ray Water serves 211 customers near Burbank in Walla Walla County. The Company's system is known as Harrison-Ray Water (DOH ID# 314776).
- 3 Great Basin - Burbank explains several benefits of the sale and transfer of assets. First, Great Basin - Burbank desires to own and operate water systems on an ongoing basis and Harrison-Ray Water's current owners no longer desire to own and operate the water system. Second, Great Basin - Burbank will be able to bring economies-of-scale benefits to the Company in certain areas, such as billing, collecting, and insurance. Great Basin - Burbank performed a review as outlined in its Application that looks at "no harm" to Harrison-Ray Water customers and "no harm" to Great Basin's parent company, Great Basin Water. Finally, Great Basin - Burbank has performed operations and billing, and its staff is familiar with the Company's operations.
- 4 Harrison-Ray Water notified its customers of the sale and transfer of assets in a mailing on January 12, 2021. Great Basin - Burbank 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-Ray Water is an investor-owned water company and is a public service
company subject to Commission jurisdiction.
- 10 (3) Great Basin - Burbank is an investor-owned water company and is a public
service company subject to Commission jurisdiction.
- 11 (4) Harrison-Ray Water notified its customers of the sale and transfer of assets in a
mailing on January 12, 2021.
- 12 (5) Great Basin - Burbank will acquire the water system assets of Harrison-Ray
Water.

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.*

- 13 (6) As a result of this sale and transfer of water systems assets, Great Basin - Burbank will adopt Harrison-Ray Water 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-Ray Water filed in Docket UW-210021 on January 8, 2021, and giving due consideration, the Commission finds that the Application of the Sale and Transfer of Assets by Harrison-Ray Water to Great Basin - Burbank 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-Ray Water Company, to Great Basin Water Co Burbank 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 Burbank LLC's adoption of the tariff of Harrison-Ray Water Company, 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-Ray Water Company, and Great Basin Water Co Burbank 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