

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of

T & T PROFESSIONAL SERVICES, aka  
WATER AND WASTEWATER  
MANAGEMENT SERVICES, LLC

Applicant,

For the Sale and Transfer of Assets to  
PIPER WATER SYSTEM  
HOMEOWNERS ASSOCIATION

DOCKET UW-160252

ORDER 01

ORDER GRANTING APPLICATION  
FOR SALE AND TRANSFER OF  
ASSETS AND REMOVAL OF PIPER  
WATER SYSTEM FROM  
REGULATION

**BACKGROUND**

- 1 On February 26, 2016, T & T Professional Services aka Water and Wastewater Management Services, LLC (T & T Services) and Piper Water System Homeowners Association (Piper HOA) (collectively, the Companies), filed with the Washington Utilities and Transportation Commission (Commission) a joint Application for Sale and Transfer of Assets pursuant to the provisions of RCW 80.12 (Application).
- 2 T & T Service's water customers are located on Bainbridge Island in Kitsap County. T & T Services has nine customers on the Piper Water System. The utility's system is known as Piper water system (Department of Health ID#00887P).
- 3 On January 20, 2016, the customers of the Piper water system filed with the Secretary of State to form the Piper Water System Homeowners Association (Piper HOA). The Piper HOA is owned by and serves the residents of the piper water system. The Application is submitted to transfer the water system assets to the customers who formed the Piper HOA for the purpose of owning and operating the water system.
- 4 The Piper water system is in need of upgrades and improvements. The residents and customers of the Piper Water System will be able to minimize the cost by funding projects to serve water to themselves.
- 5 As a result of this transfer of assets and Commission staff's (Staff) investigation, the Washington Utilities and Transportation Commission (Commission) finds that Piper

Water System no longer provides regulated water service. The Commission may remove a water system from regulation under RCW 80.04.010. A water system cannot be removed from regulation without the Commission's approval. Removing Piper Water System from regulation is consistent with the public interest because the water system is now operated and owned by the Piper HOA, which is not subject to Commission jurisdiction.

### 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.
- 7 (2) T & T Services is an investor-owned water company and is a public service company subject to Commission jurisdiction.
- 8 (3) Piper HOA is a Washington non-profit corporation and is not subject to Commission jurisdiction.
- 9 (4) T & T Services notified its customers of the sale and transfer in a mailing on February 23, 2016.
- 10 (5) The Companies describe several benefits of this sale and transfer of assets, one of which is that Piper HOA desires to own and operate the water system that serves them on an ongoing basis. T & T Services' current owners no longer desire to own and operate the water system. Piper HOA will be self-directed by the owners who will also be the customers.
- 11 (6) Piper HOA will acquire the water system assets of T & T Services at no cost.
- 12 (7) The transfer of assets of T & T Services to Piper is exempt from Commission regulation under RCW 80.12.020 and is not subject to Commission jurisdiction
- 13 (8) As a result of this sale and transfer of water system assets, Piper HOA will set its own rates and charges for service.

- 14 (9) This matter was brought before the Commission at its regularly scheduled meeting on March 10, 2016.
- 15 (10) The proposed transfer of assets will have an effective date of March 15, 2016. This date coincides with T & T Services' mid-period billing cycle. For accounting purposes, the utility's accounting records will be transferred and effective on that date.
- 16 (11) 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.
- 17 (12) 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.
- 18 (13) The Application meets the requirements of RCW 80.12 and the rules and regulations of the Commission. WAC 480-143.
- 19 (14) After reviewing the Application T & T Services filed in Docket UW-160252 on February 26, 2016, and giving due consideration, the Commission finds that the Application of the Sale and Transfer of Assets by T & T Services to Piper HOA is consistent with, and demonstrates no harm to, the public interest and should be approved.

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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.*

**ORDER**

**THE COMMISSION ORDERS:**

- 20 (1) The Commission authorizes the Sale and Transfer of the assets of T & T Professional Services aka Water and Wastewater Management Services, LLC to Piper Water System Homeowners Association 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.
- 21 (2) The Commission approves T & T Professional Services aka Water and Wastewater Management Services, LLC's removal of tariff sheets dealing with Piper Water System from the tariffs of T & T Services to be effective with the effective date of the transfer itself: March 15, 2016.
- 22 (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. 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.
- 23 (4) The Commission retains jurisdiction over the subject matter and T & T Professional Services aka Water and Wastewater Management Services, LLC to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective March 10, 2016.

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

ANN E. RENDAHL, Commissioner