

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of  
  
BETHEL WATER COMPANY, LLC,  
  
Applicant,  
  
For the Sale and Transfer of Assets to  
WATER OF BETHEL, LLC

DOCKET UW-200384

ORDER 01

GRANTING APPLICATION FOR  
SALE AND TRANSFER OF ASSETS;  
ADOPTING TARIFF

**BACKGROUND**

- 1 On April 28, 2020, Bethel Water Company, LLC, (Bethel Water or Company) and Water of Bethel, LLC, (Water of Bethel) (collectively, the Companies) filed with the Washington Utilities and Transportation Commission (Commission) an application for sale and transfer of assets pursuant to the provisions of RCW 80.12 (Application) and a tariff adoption notice to adopt the existing rates of Bethel Water.
- 2 Bethel Water serves 207 customers near Spanaway in Pierce County. The Company's system is known as Bethel Water (ID#05948M). Water of Bethel intends to acquire the water system assets of Bethel Water for \$10.00 and other good and valuable considerations paid. If the Commission approves the sale and transfer of Bethel Water to Water of Bethel, Water of Bethel will be subject to any previous obligations the Commission imposed on Bethel Water.
- 3 The Companies explained several benefits of the sale and transfer of assets. First, Water of Bethel desires to own and operate water systems on an ongoing basis and Bethel Water's current owners no longer desire to own and operate the water system. Second, Water of Bethel will be able to bring economies of scale benefits to the Company in certain areas, such as billing, collecting, and insurance. Finally, Water of Bethel has performed operations and billing, and its staff is familiar with the Company's operations.
- 4 Bethel Water notified its customers of the sale and transfer of assets in a mailing on May 1, 2020. Water of Bethel 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 June 1, 2020.

5 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.”<sup>1</sup> The Commission  
also looks to the new company’s financial and managerial fitness to run the operations.<sup>2</sup>

6 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 grant the Companies’ Application.

### DISCUSSION

7 We agree with Staff’s recommendation and approve the Application. Based on Staff’s  
review, it appears the transaction meets the “no harm” standard and will be in the public  
interest. We note that this Order approves only the sale and transfer of assets, and it  
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) Bethel Water is an investor-owned water company and is a public service  
company subject to Commission jurisdiction.

10 (3) Water of Bethel is an investor-owned water company and is a public service  
company subject to Commission jurisdiction.

11 (4) Bethel Water notified its customers of the sale and transfer of assets in a mailing  
on May 1, 2020.

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<sup>1</sup> *In Re Application of Monterra, Inc. and Cascadia Water, LLC*, Docket UW-190116, Order 01, approving application for Sale and Transfer of Assets: Adopting Tariff and Approving Corporate Restructuring at 7 (April 11, 2019).

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

- 12 (5) Water of Bethel will acquire the water system assets of Bethel Water for \$10.00 and other good and valuable considerations paid.
- 13 (6) As a result of this sale and transfer of water systems assets, Water of Bethel will bring Bethel Water under its tariff rates.
- 14 (7) This matter was brought before the Commission at its regularly scheduled meeting on May 21, 2020.
- 15 (8) The proposed transfer and tariff rate adoption will have an effective date of June 1, 2020. For accounting purposes, the Company's accounting records will be transferred and effective on June 1, 2020.
- 16 (9) The application meets the requirements of RCW 80.12 and the rules and regulations of the Commission, including the provisions of WAC 480-143.
- 17 (10) After reviewing the Application Bethel Water filed in Docket UW-200384 on April 28, 2020, and giving due consideration, the Commission finds that the Application of the Sale and Transfer of Assets by Bethel Water to Water of Bethel 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 Bethel Water Company, LLC, to Water of Bethel, LLC, consistent with the joint application filed on April 28, 2020, 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 Water of Bethel, LLC's adoption of the tariffs of Bethel Water Company, LLC, to be effective on the date of the transfer, June 1, 2020.
- 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. No shall this Order 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 Bethel Water Company, LLC, and Water of Bethel, 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 May 21, 2020.

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**MARK L. JOHNSON**  
Executive Director and Secretary