

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of	)	DOCKET UW-050669
	)	
Herman Suess	)	ORDER NO. 01
	)	
Applicant,	)	ORDER GRANTING
	)	APPLICATION FOR SALE AND
For the Sale and Transfer of Assets	)	TRANSFER OF ASSETS AND
to Pattison Water Company	)	TARIFF ADOPTION
.....	)	

**BACKGROUND**

- 1     On May 2, 2005, Herman Suess and Pattison Water Company filed an application for sale and transfer of assets of M&R water system DOH WFI# 00956J pursuant to the provisions of Chapter 80.12 RCW.
- 2     Herman Suess’s office is located in Olympia and the water system serves approximately 33 customers in Thurston County. The company consists of one water system as shown in the application and adopted tariff. This application only relates to the M&R water system.
- 3     Previously the M&R water system was owned by Trident Utilities, LLC and was known as M&R Water Lady Dawn Estates water system. Under Trident Utilities, LLC ownership, the M&R water system was part of its regulated tariff. Recently this water system was repossessed by the former owner due to default of loan payments. This repossession and transfer of assets was not filed with the Commission and no tariffs were adopted or created. The former owner, Herman Suess, does not desire to own or operate water systems. Herman Suess is selling the water system to Pattison Water Company. Trident Utilities, LLC has released ownership and operation and provided a quit claim deed to Herman Suess to that effect.

## FINDINGS AND CONCLUSIONS

- 4 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, rules, regulations, practices, accounts, securities, and transfers of public service companies, including water companies. *RCW 80.01.040; Chapter 80.04 RCW; Chapter 80.12 RCW and Chapter 80.28 RCW.*
- 5 (2) Trident Utilities, LLC is an investor-owned water company and is a public service company subject to the jurisdiction of the Commission.
- 6 (3) Herman Suess is an individual and would be an investor-owned water company and a public service company subject to the jurisdiction of the Commission.
- 7 (4) Pattison Water Company is a Washington corporation formed to act as a utility holding company and is a public service company subject to the jurisdiction of the Commission.
- 8 (5) This matter was brought before the Commission at its regularly scheduled meeting on June 15, 2005.
- 9 (6) The companies stated the benefits of this acquisition of water company assets include local ownership. The sale to Pattison Water Company, shifts ownership to a local business organization and consolidates business interest. The current owner (Herman Suess) of the M&R water system no longer desires to own and operate the water system. Herman Suess notified its customers of the sale and transfer in a mailing on March 25, 2005. Pattison Water Company followed up with a notice and letter of introduction April 27, 2005, and April 28, 2005, respectfully.

- 10 (7) The purchase price for the water system assets will be \$10,000 payable at closing. Pattison Water Company calculates the current rate base of the M&R Water system as of May 1, 2005, to be approximately \$10,000. M&R water system serves approximately 33 customers in Thurston County.
- 11 (8) Staff has advised Pattison Water Company that absent a showing of commensurate benefits, acquisition adjustments are not included in rate base for inclusion in rates. Staff recommends authorization of the sale and transfer of assets from Herman Suess to Pattison Water Company
- 12 (9) As a result of this sale and transfer of water system assets, Pattison Water Company, will maintain Trident Utilities, LLC's water rates and charges currently in effect and will adopt the tariff of Trident Utilities, LLC as it relates to the M&R water system.
- 13 (10) The proposed transfer and tariff adoption will have an effective date of June 16, 2005. This date is to coincide with Company's billing periods and allows a mutually agreed closing date. For accounting purposes the accounting records should be transferred and effective on June 1, 2005.
- 14 (11) In this docket, the Commission neither approves nor disapproves the reasonableness of any fees, charges, rates, purchase price, or accounting allocations involved with the proposed arrangement and reserves the right to review those fees, charges, rates, or accounting allocations in a future rate proceeding.
- 15 (12) The application meets the requirements of Chapter 80.12 RCW and the rules and regulations of the Commission adopted pursuant thereto.  
*Chapter 480-143 WAC.*

- 16 (13) After review of the application filed in Docket UW-050669 by Herman Suess on May 2, 2005, and giving due consideration, the Commission finds that Application of the Sale and Transfer of the M&R water system assets by Herman Suess to Pattison Water Company, is consistent with the public interest and should be authorized.

### ORDER

#### THE COMMISSION ORDERS:

- 17 (1) The Commission authorizes the Sale and Transfer 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.
- 18 (2) The tariff adoption filed in conjunction with the application, allowing Pattison Water Company, to continue applying pre-transfer rates without change, is approved to become effective with the effect of the transfer itself on June 16, 2005. Pattison Water Company must file with the Commission within sixty days after the effective date of this Order to incorporate the adopted tariff in its own tariff consistent with its adoption of Trident Utilities, LLC's tariff.
- 19 (3) Pattison Water Company must file with the Commission, within sixty days after the effective date of this Order, the journal entries by which it proposes to record on its books the transfer of water company assets authorized herein. The effective date for accounting purposes shall be June 1, 2005.

- 20 (4) This Order shall in no way affect the authority of this Commission over rates, services, accounts, valuations, estimates, or determination of costs, or any matters whatsoever that may come before it, nor shall anything herein be construed as acquiescence in any estimate or determination of costs, or any valuation of property claimed or asserted.
- 21 (5) The Commission retains jurisdiction over the subject matter and Herman Sues 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 Olympia, Washington, and effective this 15<sup>th</sup> day of June, 2005.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Secretary