

Agenda Date: September 28, 2007
Item Number: D2

Docket: UW-071357
Company Names: Rosario Utilities, LLC
Washington Water Service Company

Staff: Jim Ward, Regulatory Analyst
John Cupp, Regulatory Analyst
Lynda Johnson, Consumer Program Specialist
Chris Mickelson, Regulatory Analyst

Recommendation

Approve the joint application by Rosario Utilities, LLC, and Washington Water Service Company for the sale and transfer of assets in Docket UW-071357, effective October 1, 2007.

Also attached are the memoranda staff had prepared for the August 29, 2007, and September 12, 2007, open meetings.

Background

At the August 29, open meeting, the commission deferred Docket UW-071357 to the September 12, open meeting to allow customers of Rosario Utilities, LLC (Rosario or company), the opportunity to examine staff documents and materials relating to the joint application by Rosario and Washington Water Service Company (Washington Water) for the sale and transfer of assets in Docket UW-071357 originally filed on June 22, and to ask questions and make comments relating to this filing.

Discussion

In addition to posting over 60 documents and materials related to the general rate increase request and this filing, staff received specific customer comments and questions on the sale and transfer. The majority of customer comments are to the effect that the commission should delay the sale and transfer approval 1) until all rate case issues finalized; 2) until Rosario determines it has enough water; and 3) so as not to impair annexation efforts by a group of customers. Staff's analysis and response to customer comments and questions are included as an attachment to the memorandum in Docket UW-070944. Staff has also posted its analysis and responses to customer comments and questions to the commission's web site for customers to access prior to the September 26, open meeting.

Conclusion

Customers have commented on the sale and transfer of Rosario to Washington Water and the commission should consider all information, including any additional customer comments, in deciding whether to approve the sale and transfer. Staff has not altered its original recommendation to the commission provided in the attached memorandum of August 29, as a result of any additional customer comments and questions received.

The benefits of this sale include an operator/owner (the largest in the state) wanting to be in the water utility business, professional water system management, in-house engineering, additional financial resources and economies of scale for some expense categories, such as billing, collecting, and insurance. Ownership of the resort and water company will be separate.

Specifically, staff recommends that the commission:

Approve the joint application by Rosario Utilities, LLC, and Washington Water Service Company for the sale and transfer of assets in Docket UW-071357, effective October 1, 2007.

Attachments:

Attachment A - Staff Memorandum August 29, 2007, Open Meeting

Attachment B – Staff Memorandum September 12, 2007, Open Meeting