

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of

SEA VIEW WATER, LLC,

Applicant,

For the Sale and Transfer of Assets to
CASCADIA WATER, LLC

DOCKET UW-180629

ORDER 01

ORDER GRANTING APPLICATION
FOR SALE AND TRANSFER OF
ASSETS; ADOPTING TARIFF

BACKGROUND

- 1 On July 17, 2018, Sea View Water, LLC (Sea View Water or Company) and Cascadia Water, LLC (Cascadia Water) (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).
- 2 Sea View Water serves 190 customers near Oak Harbor on Whidbey Island in Island County. The Company’s system is known as Sea View Water (ID#79245N). Cascadia Water is purchasing the assets of Sea View Water and a 20-acre lot associated with Sea View Water to be used as a future well site.
- 3 The Companies explained several benefits of the sale and transfer of assets. First, Cascadia Water desires to own and operate water systems on an ongoing basis and Sea View Water’s current owners no longer desire to own and operate the water system. Second, Cascadia Water will be able to bring economies-of-scale benefits to the Company in certain areas, such as billing, collecting, and insurance. Cascadia has performed a review as outlined in the Application that focuses on whether there is “no harm” to Sea View Water customers and “no harm” to Cascadia’s parent company, Northwest Natural Water, LLC. Finally, Cascadia Water has performed operations and billing, and its staff is familiar with the Company’s operations.
- 4 Sea View Water notified its customers of the sale and transfer of assets by mail on September 4, 2018. Cascadia Water 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 October 15, 2018.

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.”¹ The Commission
also looks to the new Company’s financial and managerial fitness to run the operations.²

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 exceeds 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
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) Sea View Water is an investor-owned water company and is a public service
company subject to Commission jurisdiction.

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

11 (4) Sea View Water notified its customers of the sale and transfer of assets by mail on
September 4, 2018.

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.*

- 12 (5) Cascadia Water will acquire the water system assets of Sea View Water.
- 13 (6) As a result of this sale and transfer of water systems assets, Cascadia Water will adopt Sea View Water's rates into its tariff rates.
- 14 (7) This matter was brought before the Commission at its regularly scheduled meeting on October 11, 2018.
- 15 (8) The proposed transfer and tariff rate adoption will have an effective date of October 15, 2018. For accounting purposes, the Company's accounting records will be transferred and effective on October 15, 2018.
- 16 (9) The Application meets the requirements of RCW 80.12 and the rules and regulations of the Commission. WAC 480-143.
- 17 (10) After reviewing the Application Sea View Water filed in Docket UW-180629 on July 17, 2018, and giving due consideration, the Commission finds that the Application of the Sale and Transfer of Assets by Sea View Water to Cascadia Water 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 Sea View Water, LLC, to Cascadia Water, LLC consistent with the joint Application filed on July 17, 2018, 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 Cascadia Water, LLC's adoption of the tariff of Sea View Water, LLC, to be effective on the date of the transfer, October 11, 2018.
- 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. Nor 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 Sea View Water, LLC, and Cascadia Water, LLC to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective October 11, 2018.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner

JAY M. BALASBAS, Commissioner