

UW-041744 (AR)
10-13-04

HARBOR SPRINGS WATER COMPANY, INC.

8404 26TH Ave NW
Gig Harbor, WA 98335
(253) 851-5250

September 16, 2004

Carole J. Washburn
Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

RECEIVED
RECORDS MANAGEMENT
04 SEP 27 AM 10:01
STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

RE: Harbor Springs Water Company, Inc.. - Sale and Transfer to
East Gig Harbor Water District

Dear Secretary:


Enclosed you will find the joint application of the above-referenced sale and transfer application to include:

1. Application for transfer,
2. Copy of Instrument of Transfer,
3. Customer notice of sale and transfer of water system,
4. Name and address of new owner, which is a water district formed under Washington law and made owner of our water system by court order attached.

Since this water system(s) was the only water system(s) owned by our company and we do not intend to own any other water system(s) in the future, Harbor Springs Water Company, Inc. is asking to be removed from Commission regulation and to have its currently effective tariff cancelled.

If you have any question, please call me at 253.851-5250.

Sincerely


Enclosures as noted
Denny Lozner

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

In the Matter of the Application for the)
Sale and Transfer of Assets)
From) DOCKET _____
Harbor Springs Water Company, Inc.)
To)
East Gig Harbor Water District)
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.....)

BACKGROUND

1 Application is hereby made to the WUTC for an Order authorizing the transfer of
property under the provisions of chapter 80.12 RCW and chapter 480-143 WAC.

INTRODUCTION

2 Harbor Springs Water Company, Inc., is a Washington corporation formed to act as a
utility service company. Harbor Springs Water Company, Inc., located in Gig Harbor,
currently serves about 200 customers. The water systems to be transferred consist of
wells, pumps, transmission mains, reservoirs, hydrants, distribution mains, meters, and
appurtenances to serve the customers of the Harbor Springs Water Company, Inc.

3 The water systems are currently operating under a yellow operating permit issued by
the Washington State Department of Health and have no outstanding orders or letters
directing action.

4 As a result of this sale and transfer of water system assets, East Gig Harbor Water
District will maintain the water rates currently in effect until new rates are determined
by the district.

EXHIBITS

5 Pursuant to WAC 480-143-010 and WAC 480-143-020, please find attached the
following exhibits:

6 Exhibit 1 – Instrument of Transfer.

Denny Horner

- 7 Exhibit 2 – Harbor Springs Water Company, Inc.
Income Statement, Balance Sheet, Asset Listing, Depreciation Schedule, and Summary
of outstanding securities as of the final transfer date.
- 8 Exhibit 3 – Customer notice of sale and transfer of water system.

METHOD OF FINANCE

- 9 The purchase price for the water system and all associated assets was \$_____.

TRANSFER IS IN THE PUBLIC INTEREST

- 10 The benefits of this acquisition of water system assets include expanded financial
resources, in-house engineering, and water quality staff to provide all aspects of water
system repair and operations. The owners of Harbor Springs Water Company, Inc., no
longer desire to own and operate public water systems. Customers were notified of the
sale and transfer along with their most recent billings. The proposed transfer date was
effective date of July 30, 2004. This date is to coincide with company billing periods
and allows a mutually agreed closing date. For accounting purposes the bookkeeping,
records should be considered transferred and effective on that date.
- 11 As a result of the sale and transfer of assets, the water rates and service charges will not
change. Rainwater Company, Inc., will determine if any rate or charge will be changed
at a future date

PRAYER

- 12 Based on the foregoing, the Applicants request approval of their application respectfully
submitted this 16th day of August 2004.

Harbor Springs Water Company, Inc.

East Gig Harbor Water District


President

Board Member

FORM OF VERIFICATION FOR APPLICATION

STATE OF WASHINGTON
County of Pierce

Denny Lozner being first duly sworn, deposes and says that he/she is President of Harbor Springs Water Company, Inc., the applicant in the proceeding entitled above, that he/she has read the foregoing application and knows the contents thereof; that the same is true of his/her own knowledge, except as to matter which are therein stated on information or belief, and as to those matters he/she believes them to be true.



President
Denny Lozner

Subscribed and sworn to before me the 22nd day of September, 2004

Notary Public in and for the State of Washington, residing
At _____.