

UW-042121 (AT)  
12-29-04

**The Water Company of Washington, LLC.**  
PO Box 1  
East Olympia, WA 98540  
(360) 357-3277

December 2, 2004

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

RECEIVED  
RECORDS MANAGEMENT  
04 DEC -2 PM 2:17  
STATE OF WASH.  
UTIL. AND TRANSP.  
COMMISSION

RE: **The Water Company of Washington, LLC. - Sale and Transfer  
Tall Timber Water Systems, LLC**


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. The Water Company of Washington, LLC. Income Statement, Balance Sheet, Asset Listing, Depreciation Schedule, and Summary of outstanding securities,
4. Tall Timber Water Systems, LLC Income Statement, Balance Sheet, Asset Listing, Depreciation Schedule, and Summary of outstanding securities,
5. Adoption of Tariff Notice,
6. Customer notice of sale and transfer of water system.

If you have any question, please call me at 360-357-3277

Sincerely

  
Stephen L. Harrington  
General Manager

Enclosures as noted

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION  
COMMISSION

In the Matter of the Application for	)	
the Sale and Transfer of Assets	)	
From	)	DOCKET _____
Tall Timber Water Systems, LLC	)	
To	)	
The Water Company of	)	APPLICATION FOR SALE
Washington, LLC.	)	AND TRANSFER OF
	)	ASSETS AND TARIFF
	)	ADOPTION
	)	

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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        Tall Timber Water Systems, LLC is a Washington corporation formed to act as a utility service company. The Water Company of Washington, LLC. located in Tumwater, currently owns several water systems serving over 300 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 Tall Timber Water Systems, LLC

3        The water systems are currently operating under a green 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, The Water Company of Washington, LLC. will maintain Tall Timber Water Systems, LLC water rates currently in effect and will be adopting the tariff of Tall Timber Water Systems, LLC.

**EXHIBITS**

- 5 Pursuant to WAC 480-143-120 and WAC 480-143-130, please find attached the following exhibits:
- 6 Exhibit 1 – Instrument of Transfer.
- 7 Exhibit 2 – Water Company 1 – Tall Timber Water Systems, LLC  
Income Statement, Balance Sheet, Asset Listing, Depreciation Schedule, and  
Summary of outstanding securities.
- 8 Exhibit 3 – Water Company 2 – The Water Company of Washington, LLC.  
Income Statement, Balance Sheet, Asset Listing, Depreciation Schedule, and  
Summary of outstanding securities.
- 9 Exhibit 4 – Adoption of Tariff Notice.
- 10 Exhibit 5 – Customer notice of sale and transfer of water system(s).

**METHOD OF FINANCE**

- 11 There is no purchase price for the water system assets as this sale and transfer is made on a merger basis. The merged assets will be owned pro-rata by the current members of The Water Company of Washington, LLC .

**TRANSFER IS IN THE PUBLIC INTEREST**

- 12 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 Tall Timber Water Systems, LLC 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 tariff adoption bears an effective date of January 1, 2005. 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.

- 13 The current staff of Tall Timber Water Systems, LLC has been retained to continue operations and maintenance of the water systems under the leadership of The Water Company of Washington, LLC.
- 14 As a result of the sale and transfer of assets, the water rates and service charges will not change. The Water Company of Washington, LLC. will adopt the full tariff of Tall Timber Water Systems, LLC, without change at any rate or charge contained therein as occasioned by this transfer.

**PRAYER**

- 15 Based on the foregoing, the Applicants request approval of their application respectfully submitted this 1<sup>st</sup> day of January 2005.

The Water Company of  
Washington, LLC.

  
General Manager

Tall Timber Water Systems, LLC

  
General Manager

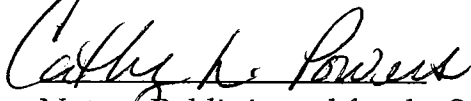
FORM OF VERIFICATION FOR APPLICATION

STATE OF WASHINGTON  
County of Thurston

Stephen L. Harrington being first duly sworn, deposes and says that he is General Manager of The Water Company of Washington, LLC., the applicant in the proceeding entitled above, that he has read the foregoing application and knows the contents thereof; that the same is true of his own knowledge, except as to matter which are therein stated on information or belief, and as to those matters he believes them to be true.

  
\_\_\_\_\_  
General Manager

Subscribed and sworn to before me the 29<sup>th</sup> day of November, 2004



Notary Public in and for the State of Washington, residing

At 6200 34<sup>th</sup> Ave SE Hacey WA 98503

Adoption Notice

ADOPTION OF TARIFFS, ETC.

THE WATER COMPANY OF WASHINGTON, LLC.

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Hereby adopts, ratifies, and makes its own in every respect, as if the same had been originally filed by it, all tariffs, rules, notices, concurrences, provisions, authorities, powers of attorney or whatsoever other instruments filed with the Washington Utilities and Transportation Commission or its predecessors by Tall Timber Water Systems, LLC, prior to January 1, 2005, the beginning of its possession. By this notice, it also adopts and ratifies all supplements or amendments to any of the above tariffs, etc., which have heretofore been filed with the Washington Utilities and Transportation Commission or its predecessors.

Tariff Revision Adopted:

WN U - 1

Tariff Pages Adopted

1 through 35

Transfer Authorized

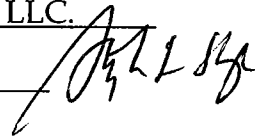
By Order No. \_\_\_\_\_

Issued November 25, 2004 Effective January 1, 2005

Issued by THE WATER COMPANY OF WASHINGTON, LLC.

By Stephen L. Harrington Title General Manager

Address 3242 Capitol Blvd., Suite B, Tumwater WA 98501



**Tall Timber Water Systems, LLC**  
**INCOME STATEMENT**  
**TRANSFER OF PROPERTY**  
**For the Period January - September 2004**

Account	No.	Account Name	Water	Other	Total
	(a)	(b)	(c)	(d)	Company (e)
<b>REVENUES</b>					
1	400	Operating Revenue Accounts	\$ 278,284.38	\$	\$ 278,284.38
2	471	Miscellaneous Revenue Accounts			0.00
3	474	Other Revenue Accounts	13,533.04		13,533.04
4		Utility Operating Revenue	\$ 291,817.42	\$ 0.00	\$ 291,817.42
<b>EXPENSES</b>					
5	401	Operating Expense Accounts	164,221.18		164,221.18
6	403	Depreciation Expense	34,335.00		34,335.00
7	406	Amortization Expense			0.00
8	408	Other Tax & License	19,644.97		19,644.97
9	409	Income Taxes			0.00
10		Utility Operating Expense	\$ 218,201.15	\$ 0.00	\$ 218,201.15
11		Utility Operating Income (Loss)	\$ 73,616.27	\$ 0.00	\$ 73,616.27
<b>OTHER INCOME AND DEDUCTIONS</b>					
Other Income:					
12	414	Gain (Loss) From Disposition Of Plant			0.00
13	415-416	Jobbing and Contract Work			0.00
14	419	Interest & Dividend Income			0.00
15	421	Nonutility Income			0.00
16		Total Other Income	\$ 0.00	0.00	0.00
Other Deductions:					
17	426	Miscellaneous Nonutility Expenses			0.00
18	427	Interest Expense	(20,908.93)		(20,908.93)
19	433	Extraordinary Income/Deduction			0.00
20		Total Other Deductions	\$ (20,908.93)	0.00	(20,908.93)
21		Net Income (Loss)	\$ 52,707.34	\$ 0.00	\$ 52,707.34

**Tall Timber Water Systems, LLC**  
**COMPARATIVE BALANCE SHEET**  
**TRANSFER OF PROPERTY**  
**As of September 30, 2004**

Account No.	Account Name	PRIOR TO TRANSFER	AFTER TRANSFER
(a)	(b)	(c)	(d)
ASSETS:			
1	101-105 Utility Plant	\$ 1,143,034.55	\$ _____
2	108 Less: Accumulated Depreciation	317,717.00	_____
3	110 Accumulated Amortization	_____	_____
4	114 Utility Plant Acquisition Adjustment	_____	_____
5	Net Utility Plant	\$ 825,317.55	\$ _____
6	124 Utility Investments	_____	_____
7	127 Special funds (Surcharges, Facility Charges)	_____	_____
8	131 Cash	9,388.47	_____
9	141 Customer Accounts Receivable	8,148.14	_____
10	151 Plant Materials and Supplies	_____	_____
11	162 Prepayments	4,140.00	_____
12	186 Other Deferred Debits	_____	_____
13	Other Assets (Specify) <u>Intangibles</u>	11,580.51	_____
14	Total Assets	\$ 858,574.67	\$ _____
EQUITY CAPITAL AND LIABILITIES:			
15	201-204 Capital Stock Issued	\$ _____	\$ _____
16	211 Other Paid In Capital	_____	_____
17	214-215 Retained Earnings	_____	_____
18	218 Proprietary Capital	87,277.04	_____
19	Total Equity Capital	\$ 87,277.04	\$ _____
20	224 Long-Term Debt	479,125.46	_____
21	231 Accounts Payable	101,964.15	_____
22	232 Notes Payable	_____	_____
23	235 Customer Deposits	_____	_____
24	236 Accrued Taxes	_____	_____
25	253 Other Deferred Credits	_____	_____
26	265 Miscellaneous Operating Reserves	_____	_____
27	271 Contributions In Aid Of Construction (CIAC)	207,487.93	_____
28	272 Less: Accumulated Amortization Of CIAC	(17,279.91)	_____
29	Other Liabilities (Specify) _____	_____	_____
30	Total Liabilities	\$ 771,297.63	\$ _____
31	Total Equity Capital and Liabilities	\$ 858,574.67	\$ _____



**Tall Timber Water Systems, LLC**  
**WATER UTILITY PLANT (101-105)**  
**TRANSFER OF PROPERTY**  
**As of September 30, 2004**

Account		Balance			Balance
No.	Account Name	PRIOR TO	Additions	Retirements	AFTER
(a)	(b)	(c)	(d)	(e)	(f)
1	301 Organization	\$ _____	\$ _____	\$ _____	\$ 0.00
2	302 Franchises	_____	_____	_____	0.00
3	303 Land and Water Rights	50,240.00	_____	_____	50,240.00
4	304 Structures and Improvements	236,174.27	_____	_____	236,174.27
5	305 Tanks and Reservoirs	_____	_____	_____	0.00
6	306 Lake, River and other intakes	_____	_____	_____	0.00
7	307 Wells and Springs	121,256.45	_____	_____	121,256.45
8	309 Supply Mains	29,873.41	_____	_____	29,873.41
9	310 Power Generation Equipment	_____	_____	_____	0.00
10	311 Pumping Equipment	290,854.21	_____	_____	290,854.21
11	320 Water Treatment Equipment	223,087.26	_____	_____	223,087.26
12	330 Reservoirs and Standpipes	45,025.50	_____	_____	45,025.50
13	331 Transmission / Distribution Mains	35,143.43	_____	_____	35,143.43
14	333 Services	_____	_____	_____	0.00
15	334 Meters and Meter Installation	68,039.49	_____	_____	68,039.49
16	335 Hydrants	_____	_____	_____	0.00
17	339 Other Plant and Misc Equipment	15,209.75	_____	_____	15,209.75
18	340 Office Furniture and Equipment	28,130.78	_____	_____	28,130.78
19	341 Transportation Equipment	_____	_____	_____	0.00
20	343 Tools and Equipment	_____	_____	_____	0.00
21	345 Power Operated Equipment	_____	_____	_____	0.00
22	348 Other Tangible Plant	_____	_____	_____	0.00
	Water System Plan	_____	_____	_____	0.00
23	101 Utility Plant Total	\$ 1,143,034.55	\$ 0.00	\$ 0.00	\$ 1,143,034.55

Tall Timber Water Systems, LLC  
ACCUMULATED DEPRECIATION OF NON-CONTRIBUTED PLANT  
TRANSFER OF PROPERTY  
As of September 30, 2004

Account No. (a)	Account Name (b)	Company Service Life (c)	Accumulated Balance PRIOR TO Transfer (d)	Additions (e)	Retirements (f)	Yearly Depreciation (g)	Accumulated Balance AFTER Transfer (h)
1	301 Organization	xxx	\$	\$	\$	\$ xxx	\$ 0.00
2	302 Franchises	xxx				xxx	0.00
3	303 Land and Water Rights	xxx	22,159.00			xxx	22,159.00
4	304 Structures and Improvements	xxx	39,128.00			xxx	39,128.00
5	305 Tanks and Reservoirs	xxx				xxx	0.00
6	306 Lake, River and other intakes	xxx				xxx	0.00
7	307 Wells and Springs	xxx	22,330.00			xxx	22,330.00
8	309 Supply Mains	xxx	6,968.00			xxx	6,968.00
9	310 Power Generation Equipment	xxx				xxx	0.00
10	311 Pumping Equipment	xxx	136,187.00			xxx	136,187.00
11	320 Water Treatment Equipment	xxx	27,842.00			xxx	27,842.00
12	330 Reservoirs and Standpipes	xxx	4,175.00			xxx	4,175.00
13	331 Transmission / Distribution Mains	xxx	2,842.00			xxx	2,842.00
14	333 Services	xxx				xxx	0.00
15	334 Meters and Meter Installation	xxx	22,245.00			xxx	22,245.00
16	335 Hydrants	xxx				xxx	0.00
17	339 Other Plant and Misc Equipment	xxx	6,773.00			xxx	6,773.00
18	340 Office Furniture and Equipment	xxx	27,068.00			xxx	27,068.00
19	341 Transportation Equipment	xxx				xxx	0.00
20	343 Tools and Equipment	xxx				xxx	0.00
21	345 Power Operated Equipment	xxx				xxx	0.00
22	348 Other Tangible Plant	xxx				xxx	0.00
	Water System Plan	xxx				xxx	0.00
23	101 Utility Plant Total		\$ 317,717.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 317,717.00

The Water Company of Washington, LLC  
 COMPARATIVE BALANCE SHEET  
 TRANSFER OF PROPERTY  
 As of September 30, 2004

Account	No.	Account Name	PRIOR TO TRANSFER	AFTER TRANSFER
	(a)	(b)	(c)	(d)
ASSETS:				
1	101-105	Utility Plant	\$ 308,134.35	\$ 3,981,591.73
2	108	Less: Accumulated Depreciation	<u>56,833.00</u>	<u>1,377,488.92</u>
3	110	Accumulated Amortization	<u></u>	<u>3,967.00</u>
4	114	Utility Plant Acquisition Adjustment	<u></u>	<u>(72,838.70)</u>
5		Net Utility Plant	<u>\$ 251,301.35</u>	<u>\$ 2,527,297.11</u>
6	124	Utility Investments	<u></u>	<u>0.00</u>
7	127	Special funds (Surcharges, Facility Charges)	<u></u>	<u>21,663.80</u>
8	131	Cash	<u>26,151.93</u>	<u>70,374.10</u>
9	141	Customer Accounts Receivable	<u>4,890.16</u>	<u>80,408.47</u>
10	151	Plant Materials and Supplies	<u></u>	<u>0.00</u>
11	162	Prepayments	<u>1,062.00</u>	<u>9,221.50</u>
12	186	Other Deferred Debits	<u></u>	<u>19,133.00</u>
13		Other Assets (Specify)	<u>11,863.00</u>	<u>38,546.61</u>
14		Total Assets	<u>\$ 295,268.44</u>	<u>\$ 2,766,644.59</u>
EQUITY CAPITAL AND LIABILITIES:				
15	201-204	Capital Stock Issued	\$	\$ 156,004.00
16	211	Other Paid In Capital	<u></u>	<u>198,592.47</u>
17	214-215	Retained Earnings	<u></u>	<u>14,572.76</u>
18	218	Proprietary Capital	<u>66,230.35</u>	<u>171,599.26</u>
19		Total Equity Capital	<u>\$ 66,230.35</u>	<u>\$ 540,768.49</u>
20	224	Long-Term Debt	<u>216,422.34</u>	<u>1,752,434.40</u>
21	231	Accounts Payable	<u>5,365.46</u>	<u>107,622.73</u>
22	232	Notes Payable	<u></u>	<u>30,000.00</u>
23	235	Customer Deposits	<u></u>	<u>0.00</u>
24	236	Accrued Taxes	<u>4,730.29</u>	<u>31,086.43</u>
25	253	Other Deferred Credits	<u></u>	<u>1,668.00</u>
26	265	Miscellaneous Operating Reserves	<u></u>	<u>0.00</u>
27	271	Contributions In Aid Of Construction (CIAC)	<u></u>	<u>329,085.45</u>
28	272	Less: Accumulated Amortization Of CIAC	<u></u>	<u>(35,620.91)</u>
29		Other Liabilities (Specify) Other Payables	<u>2,520.00</u>	<u>9,600.00</u>
30		Total Liabilities	<u>\$ 229,038.09</u>	<u>\$ 2,225,876.10</u>
31		Total Equity Capital and Liabilities	<u>\$ 295,268.44</u>	<u>\$ 2,766,644.59</u>

**TALL TIMBER WATER SYSTEMS, LLC  
3242 Capitol Blvd S, Suite B  
Tumwater, WA 98501  
(360) 357-3277**

November 29, 2004

**IMPORTANT NOTICE**

The Water Company of Washington LLC, has requested permission from the Washington Utilities and Transportation Commission (WUTC) for the transfer of ownership and operation of the Meadows Water System, LLC water company.

This transfer of ownership is being completed to allow The Water Company of Washington LLC to consolidate what had been seven separate regulated companies and one unregulated company into one, more manageable company. The Water Company of Washington was formed three years ago to allow us to own and operate several water companies and systems. This sale and transfer should be transparent to you our valued customer. We will continue to use the same phone number, office staff, field staff, and extension array of water specialty equipment to serve you and other customers. The proposed effective date of this transfer, if approved, would be January 1, 2005.

The Meadows Water System LLC will no longer own or operate a regulated water system and has asked permission to be deregulated.

Your **current water rates, charges, and services will not change** because of this water system sale and transfer. Any future changes will be the responsibility of The Water Company of Washington LLC.

If you have any questions about how this merger/sale may affect you, please call:

The Water Company of Washington LLC  
PO Box 1  
East Olympia, WA 98540  
360-357-3277 or toll free 1-(888) 357-3276

If you have questions about the transfer process and deregulation of the former company you may contact the WUTC at the following address:

Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, WA 98504-7250  
1-800-562-6150 or [comments@wutc.wa.gov](mailto:comments@wutc.wa.gov)

Only written comments or comments presented at an open meeting to the WUTC may become part of the record.