

UW-042123 (AT)
12-29-04

The Water Company of Washington, LLC.

**PO Box 1
East Olympia, WA 98540
(360) 357-3277**

December 2, 2004

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

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

**RE: The Water Company of Washington, LLC. - Sale and Transfer
Meadows Water System, LLC.**

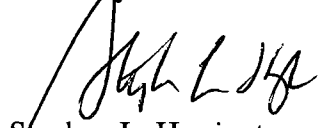
Dear Secretary:

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. Meadows Water System, 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 _____
Meadows Water System, LLC.)	
To)	
The Water Company of)	APPLICATION FOR SALE
Washington, LLC.)	AND TRANSFER OF
)	ASSETS AND TARIFF
)	ADOPTION
)	

.....

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 Meadows Water System, 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 Meadows Water System, 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 Meadows Water System’s water rates currently in effect and will be adopting the tariff of Meadows Water System, 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 – Meadows Water System, 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 Meadows Water System, 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 Meadows Water System, 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 Meadows Water System, 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 1st day of January 2005.

The Water Company of
Washington, LLC.



General Manager

Meadows Water System, LLC.



General Manager

FORM OF VERIFICATION FOR APPLICATION

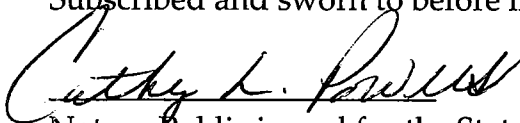
STATE OF WASHINGTON

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 29th day of November, 2004


Notary Public in and for the State of Washington, residing
At 16900 34th Ave SE Hacey WA 98503

Adoption Notice

ADOPTION OF TARIFFS, ETC.

THE WATER COMPANY OF WASHINGTON, LLC.

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 Meadows Water System, LLC, Inc., 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

Transfer Authorized

By Order No. _____

Tariff Pages Adopted

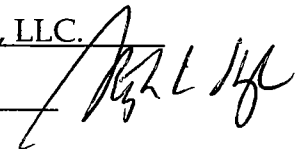
1 through 35

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



Meadows Water System, LLC
INCOME STATEMENT
TRANSFER OF PROPERTY
For the Period January - September 2004

Account	No.	Account Name	Water	Other	Total
	(a)	(b)	(c)	(d)	(e)
REVENUES					
1	400	Operating Revenue Accounts	\$ 249,870.54	\$	\$ 249,870.54
2	471	Miscellaneous Revenue Accounts			0.00
3	474	Other Revenue Accounts			0.00
4		Utility Operating Revenue	\$ 249,870.54	\$ 0.00	\$ 249,870.54
EXPENSES					
5	401	Operating Expense Accounts	110,891.47		110,891.47
6	403	Depreciation Expense	32,670.00		32,670.00
7	406	Amortization Expense			0.00
8	408	Other Tax & License	14,861.03		14,861.03
9	409	Income Taxes			0.00
10		Utility Operating Expense	\$ 158,422.50	\$ 0.00	\$ 158,422.50
11		Utility Operating Income (Loss)	\$ 91,448.04	\$ 0.00	\$ 91,448.04
OTHER INCOME AND DEDUCTIONS					
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	64.42		64.42
15	421	Nonutility Income			0.00
16		Total Other Income	\$ 64.42	0.00	64.42
Other Deductions:					
17	426	Miscellaneous Nonutility Expenses			0.00
18	427	Interest Expense	(60,308.93)		(60,308.93)
19	433	Extraordinary Income/Deduction			0.00
20		Total Other Deductions	\$ (60,308.93)	0.00	(60,308.93)
21		Net Income (Loss)	\$ 31,203.53	\$ 0.00	\$ 31,203.53

Meadows Water System, LLC
COMPARATIVE BALANCE SHEET
TRANSFER OF PROPERTY
As of September 30, 2004

Account		PRIOR TO	AFTER
No.	Account Name	TRANSFER	TRANSFER
(a)	(b)	(c)	(d)
ASSETS:			
1	101-105 Utility Plant	\$ 1,068,193.19	\$ _____
2	108 Less: Accumulated Depreciation	281,289.00	_____
3	110 Accumulated Amortization	_____	_____
4	114 Utility Plant Acquisition Adjustment	_____	_____
5	Net Utility Plant	\$ 786,904.19	\$ _____
6	124 Utility Investments	_____	_____
7	127 Special funds (Surcharges, Facility Charges)	21,663.80	_____
8	131 Cash	17,734.40	_____
9	141 Customer Accounts Receivable	27,853.94	_____
10	151 Plant Materials and Supplies	_____	_____
11	162 Prepayments	4,626.00	_____
12	186 Other Deferred Debits	18,733.00	_____
13	Other Assets (Specify) <u>Retirement Receivable</u>	236.00	_____
14	Total Assets	\$ 877,751.33	\$ _____
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	(92,115.54)	_____
19	Total Equity Capital	\$ (92,115.54)	\$ _____
20	224 Long-Term Debt	839,570.64	_____
21	231 Accounts Payable	35,138.37	_____
22	232 Notes Payable	30,000.00	_____
23	235 Customer Deposits	_____	_____
24	236 Accrued Taxes	_____	_____
25	253 Other Deferred Credits	1,668.00	_____
26	265 Miscellaneous Operating Reserves	_____	_____
27	271 Contributions In Aid Of Construction (CIAC)	65,983.86	_____
28	272 Less: Accumulated Amortization Of CIAC	(2,494.00)	_____
29	Other Liabilities (Specify) _____	_____	_____
30	Total Liabilities	\$ 969,866.87	\$ _____
31	Total Equity Capital and Liabilities	\$ 877,751.33	\$ _____

Meadows Water System, 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	127,417.00	_____	_____	127,417.00
4	304 Structures and Improvements	21,798.00	_____	_____	21,798.00
5	305 Tanks and Reservoirs	135,807.67	_____	_____	135,807.67
6	306 Lake, River and other intakes	_____	_____	_____	0.00
7	307 Wells and Springs	74,758.49	_____	_____	74,758.49
8	309 Supply Mains	152,582.00	_____	_____	152,582.00
9	310 Power Generation Equipment	_____	_____	_____	0.00
10	311 Pumping Equipment	76,740.07	_____	_____	76,740.07
11	320 Water Treatment Equipment	_____	_____	_____	0.00
12	330 Reservoirs and Standpipes	_____	_____	_____	0.00
13	331 Transmission / Distribution Mains	276,817.55	_____	_____	276,817.55
14	333 Services	_____	_____	_____	0.00
15	334 Meters and Meter Installation	198,017.01	_____	_____	198,017.01
16	335 Hydrants	_____	_____	_____	0.00
17	339 Other Plant and Misc Equipment	_____	_____	_____	0.00
18	340 Office Furniture and Equipment	4,255.40	_____	_____	4,255.40
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	\$ 1,068,193.19	\$ 0.00	\$ 0.00	\$ 1,068,193.19

Meadow Water System, 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	59,458.00			xxx	59,458.00
4	304 Structures and Improvements	xxx	5,449.00			xxx	5,449.00
5	305 Tanks and Reservoirs	xxx	24,601.00			xxx	24,601.00
6	306 Lake, River and other intakes	xxx				xxx	0.00
7	307 Wells and Springs	xxx	16,304.00			xxx	16,304.00
8	309 Supply Mains	xxx	30,515.00			xxx	30,515.00
9	310 Power Generation Equipment	xxx				xxx	0.00
10	311 Pumping Equipment	xxx	20,272.00			xxx	20,272.00
11	320 Water Treatment Equipment	xxx				xxx	0.00
12	330 Reservoirs and Standpipes	xxx				xxx	0.00
13	331 Transmission / Distribution Mains	xxx	71,401.00			xxx	71,401.00
14	333 Services	xxx				xxx	0.00
15	334 Meters and Meter Installation	xxx	50,494.00			xxx	50,494.00
16	335 Hydrants	xxx				xxx	0.00
17	339 Other Plant and Misc Equipment	xxx				xxx	0.00
18	340 Office Furniture and Equipment	xxx	2,795.00			xxx	2,795.00
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		\$ 281,289.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 281,289.00

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	56,833.00	1,377,488.92
3	110 Accumulated Amortization		3,967.00
4	114 Utility Plant Acquisition Adjustment		(72,838.70)
5	Net Utility Plant	\$ 251,301.35	\$ 2,527,297.11
6	124 Utility Investments		0.00
7	127 Special funds (Surcharges, Facility Charges)		21,663.80
8	131 Cash	26,151.93	70,374.10
9	141 Customer Accounts Receivable	4,890.16	80,408.47
10	151 Plant Materials and Supplies		0.00
11	162 Prepayments	1,062.00	9,221.50
12	186 Other Deferred Debits		19,133.00
13	Other Assets (Specify)	11,863.00	38,546.61
14	Total Assets	\$ 295,268.44	\$ 2,766,644.59
EQUITY CAPITAL AND LIABILITIES:			
15	201-204 Capital Stock Issued	\$	\$ 156,004.00
16	211 Other Paid In Capital		198,592.47
17	214-215 Retained Earnings		14,572.76
18	218 Proprietary Capital	66,230.35	171,599.26
19	Total Equity Capital	\$ 66,230.35	\$ 540,768.49
20	224 Long-Term Debt	216,422.34	1,752,434.40
21	231 Accounts Payable	5,365.46	107,622.73
22	232 Notes Payable		30,000.00
23	235 Customer Deposits		0.00
24	236 Accrued Taxes	4,730.29	31,086.43
25	253 Other Deferred Credits		1,668.00
26	265 Miscellaneous Operating Reserves		0.00
27	271 Contributions In Aid Of Construction (CIAC)		329,085.45
28	272 Less: Accumulated Amortization Of CIAC		(35,620.91)
29	Other Liabilities (Specify) Other Payables	2,520.00	9,600.00
30	Total Liabilities	\$ 229,038.09	\$ 2,225,876.10
31	Total Equity Capital and Liabilities	\$ 295,268.44	\$ 2,766,644.59

**MEADOWS WATER SYSTEM, 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

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