

March 31, 2005

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

RE: Joint Sale and Transfer

Washington Water Service Company – Purchase of Property, Bucklin Water System ID #66936L, Foss Road Water System ID #63918X, Johanson Water System ID #36782F, Northwood Water System ID #62100E, and Phelps Road Water System ID #63210W from Gamble Bay Water, Inc.

Dear Secretary:

Enclosed you will find a joint application for Washington Water Service Company to acquire the following Water Systems from Gamble Bay Water, Inc.:

Bucklin Water System ID #66936L, Foss Road Water System ID #63918X, Johanson Water System ID #36782F, Northwood Water System ID #62100E, and Phelps Road Water System ID #63210W.

To complete this package the following have been enclosed:

- 1) Application for Transfer (with Exhibits)
- 2) Copy of customer notice
- 3) Adoption of Gamble Bay Water, Inc. Tariff

The Service area will be amended, upon approval of this Transfer, to include the Bucklin ID #66936L, Foss Road ID #63918X, Johanson ID #36782F, Northwood ID #62100E, and Phelps Road ID #63210W Water Systems only.

The customer notices were sent by first class mail on March 25, 2005. If you have any question, please call me at (253) 851-3422 ext. 1109.

Sincerely,

Cathy Thorne  
Regulatory Affairs Manager

Cc: Michael Ireland, President  
Stan Ferraro, Vice President, Regulatory Matters

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of Joint Application )  
 For Sale and Transfer of Assets, ) DOCKET NO. \_\_\_\_\_  
 From )  
**Gamble Bay Water, Inc.** )  
 To )  
**Washington Water Service Company** ) APPLICATION  
 )  
 .....)

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

INTRODUCTION

The water systems to be transferred consist of wells, pumps, reservoirs, distribution mains, meters, and appurtenances to serve the customers on the Bucklin ID #66936L, Foss Road ID #63918X, Johanson ID #36782F, Northwood ID #62100E, and Phelps Road ID #63210W Water Systems which are located in Kitsap County.

The water systems include the normal service, storage and distribution facilities to serve the customers of the systems.

EXHIBITS

Pursuant to WAC 480-143-110 and WAC 480-143-130, attached hereto are the following Exhibits:

- Exhibit 1 - Instrument of Transfer , signed copy will be provided by April 15, 2005
- Exhibit 2 - Washington Water Service Company – Income Statement and Comparative Balance Sheet

METHOD OF FINANCE

The total purchase price for the Water Systems is \$ 1.00. Washington Water Service Company will assume the State Revolving Fund Loan (SRF) \$ 311,343.89 and RMK Investment Loans as follows

Olsen 1992 Loan	\$ 3,558.12
Water System Plan Loan 2003	\$15,925.53
Johansen well surcharge	\$ 1,961.78
Total	\$21,445.44

TRANSFER IS IN THE PUBLIC INTEREST

The owners of Gamble Bay Water, Inc. no longer desire to own public water systems. This transfer of property is in the public interest because it places the water systems with a water purveyor that desires to own and operate water systems on an ongoing basis. The acquiring purveyor is the largest Investor Owned Water Company in the State of Washington and is part of the fourth largest Investor Owned water company in the United States.

As a result of the sale and transfer, the water rates charged to customer will not change at this time. Washington Water Service Company will adopt the current rates of Gamble Bay Water, Inc..

PRAYER

Based on the foregoing, the Applicants request approval of their application Respectfully submitted this \_\_\_\_\_.

Washington Water Service Company

Gamble Bay Water, Inc.

\_\_\_\_\_  
Michael Ireland, President

\_\_\_\_\_  
Michael Knapp, President

**FORM OF VERIFICATION FOR APPLICATION**

STATE OF WASHINGTON  
County of Pierce

Michael Ireland being first duly sworn, deposes and says that he is the President of Washington Water Service Company, 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.

\_\_\_\_\_  
Michael Ireland, President

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2005

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