

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of) DOCKET UW-150742
)
GREEN MOUNTAIN H2O,) ORDER 01
)
 Applicant,) ORDER GRANTING APPLICATION
) FOR SALE AND TRANSFER OF
For the Sale and Transfer of Assets to) ASSETS; ADOPTING TARIFF
KALAMA WATER, LLC)
.....)

BACKGROUND

- 1 On May 6, 2015, Green Mountain H2O (Green Mountain or the Utility) and Kalama Water, LLC (Kalama or the company) (collectively, the companies), filed with the Washington Utilities and Transportation Commission (Commission) an Application for Sale and Transfer of Assets for three water systems pursuant to the provisions of RCW 80.12.
- 2 Green Mountain’s service area related to the three water systems are located near the City of Kalama in Cowlitz County. Green Mountain’s three water systems have seven customers. The Utility’s three water systems are known as Columbia Crest 3, the View Phase 1, and the View Phase 2 (ID# AA979D, AB059E, and AB1624, respectively).
- 3 Kalama was organized to own the three water systems purchased from Green Mountain and owns no other water systems. The company acquired the three water systems from Green Mountain for zero dollars.
- 4 The purchasing utility assumes the regulatory obligations of the purchased Utility. If the Commission approves the sale and transfer of Green Mountain to Kalama, Kalama will be subject to any obligations the Commission imposed on Green Mountain.
- 5 Kalama agrees to assume and maintain the rates and charges of Green Mountain. Kalama filed a tariff adoption notice on July 22, 2015, and on September 1, 2015, filed a new tariff in the company’s name assuming and maintaining Green Mountain’s rates and tariff practices.

FINDINGS AND CONCLUSIONS

- 6 (1) The Washington Utilities and Transportation 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. RCW 80.01.040, RCW 80.04, RCW 80.08, RCW 80.12, RCW 80.16 and RCW 80.28.
- 7 (2) Green Mountain is an investor-owned water company and is a public service company subject to Commission jurisdiction.
- 8 (3) Kalama is a public service company subject to Commission jurisdiction.
- 9 (4) Green Mountain notified its customers of the sale and transfer in a mailing on November 1, 2014.
- 10 (5) Kalama desires to own and operate the water systems on an ongoing basis. Green Mountain's current owner no longer desires to own and operate the water systems.
- 11 (6) Kalama will acquire the three water system assets of Green Mountain for zero dollars.
- 12 (7) As a result of this sale and transfer of water system assets, Kalama will adopt Green Mountain's tariff.
- 13 (8) This matter was brought before the Commission at its regularly scheduled meeting on September 10, 2015.
- 14 (9) The proposed transfer and tariff adoption will have an effective date of September 11, 2015. This date coincides with Green Mountain's billing periods. For accounting purposes, the utility's accounting records will be transferred and effective on that date.

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- 15 (10) Pursuant to RCW 80.12.020 and WAC 480-143-170, the Commission has determined that applicants in 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 The Commission believes the applicants have shown there are substantial benefits to the transfer.
- 16 (11) In this Docket, the Commission neither approves nor disapproves the reasonableness of any fees, charges, rates, purchase price, or accounting allocations involved with the transaction. The Commission reserves the right to review those fees, charges, rates, or accounting allocations in a future rate proceeding.
- 17 (12) The application meets the requirements of RCW 80.12 and the rules and regulations of the Commission. WAC 480-143.
- 18 (13) After reviewing the application Green Mountain filed in Docket UW-150742 on May 6, 2015, and giving due consideration, the Commission finds that the Application of the Sale and Transfer of Assets by Green Mountain to Kalama is consistent with, and demonstrates no harm to, the public interest and should be approved.

ORDER

THE COMMISSION ORDERS:

- 19 (1) The Commission authorizes the Sale and Transfer of the Assets of Green Mountain H2O to Kalama Water, LLC consistent with the joint application in accordance 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.

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.*

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- 20 (2) The Commission approves Kalama Water, LLC's adoption of the tariffs of Green Mountain H2O, to be effective with the effective date of the transfer itself: September 11, 2015.
- 21 (3) Kalama Water, LLC must file with the Commission within 90 days after the effective date of this Order, 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 shall be September 11, 2015.
- 22 (4) 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 granting Petition be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.
- 23 (5) The Commission retains jurisdiction over the subject matter and Green Mountain H2O, and Kalama Water, LLC to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective September 10, 2015.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING, Executive Director and Secretary