

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

In the Matter of the Application for the)	
Sale and Transfer of Assets)	
From Mainland View Manor)	DOCKET UW-010689
Maintenance Company, Inc.)	
To)	ORDER GRANTING
Washington Water Service Company)	APPLICATION FOR SALE
)	AND TRANSFER OF ASSETS
)	AND TARIFF ADOPTION
)	
.....)	

BACKGROUND

- 1 On March 28, 2001, Mainland View Manor Maintenance Company, Inc., (Mainland View Manor) and Washington Water Service Company, Inc., (Washington Water Service) filed an application pursuant to the provisions of chapter 80.12 RCW for sale and transfer of assets of Mainland View Manor. The company is located in South Seattle and serves approximately 150 customers on six water systems in Kitsap County. The water systems are Mainland View Manor, ID#472480; Clear Creek Estates, ID#47431K; Look Out Point, ID#000451; Silver Springs Estates, ID#79275E; Skookum Ranch, ID#08585A; and Hideaway Heights, ID#086766.

- 2 Washington Water Service is a Washington corporation formed to act as a utility holding company. Washington Water Service, located in Seattle, currently owns two operating districts serving over 15,000 customers.

- 3 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 transfer appears to be consistent with the public interest. Customers were notified of the sale and transfer along with their May billings. Current rate base is calculated to be approximately \$130,000. Washington Water Service Company will acquire water system assets of Mainland View Manor for \$130,000, payable at closing.

- 4 As a result of this sale and transfer of water system assets, Washington Water Service Company will maintain Mainland View Manor's water rates currently in effect and will be adopting the tariff of Mainland View Manor.

- 5 The proposed tariff adoption bears an effective date of June 14, 2001. 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 to be transferred and effective on that date.

- 6 This Commission neither approves nor disapproves the reasonableness of any fees, charges, rates, purchase price, or accounting allocations involved with the proposed arrangement and reserves the right to review those fees, charges, rates, or accounting allocations in a future rate proceeding.

FINDINGS

- 7 (1) Mainland View Manor Maintenance Company, Inc., and Washington Water Service Company are investor owned water companies and are public service companies subject to the jurisdiction of the Commission under the provisions of chapter 80.12 RCW.
- 8 (2) As to form, the application meets the requirements of chapter 80.12 RCW and the rules and regulations of the Commission adopted pursuant thereto.
- 9 (3) The sale and transfer of water system assets by Mainland View Manor Maintenance Company, Inc., to Washington Water Service Company is reasonable and consistent with the public interest and should therefore be approved.

ORDER

10 THE COMMISSION ORDERS:

- 11 (1) After the effective date of this order and subject to the provisions herein, Mainland View Manor Maintenance Company, Inc., is authorized to sell water system assets to Washington Water Service Company under the terms and conditions of the proposed agreement filed as an exhibit in the joint application.
- 12 (2) No material change, revision, or amendment to the joint application and agreement shall become effective without the Commission's prior written approval.
- 13 (3) The tariff adoption filed in conjunction with the application, allowing Washington Water Service Company to continue applying pre-transfer rates without change, is approved to become effective with the effect of the transfer itself on June 14, 2001. Washington Water Service Company must file with the Commission within 60 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 of the transfer of the bookkeeping records for accounting purposes shall be June 14, 2001.

- 14 (4) The reasonableness of any fees, charges, rates, purchase price, or accounting allocations involved in carrying out the provisions of ordering paragraph No. 1 of this Order are neither approved nor disapproved in this proceeding.
- 15 (5) This order shall in no way affect the authority of this Commission over rates, services, accounts, evaluations, estimates, or determination of cost or any matters whatsoever that may come before it, nor shall anything herein be construed as an acquiescence in any estimate or determination of cost or any valuation of property claimed or asserted.

DATED at Olympia, Washington, and effective this 13th day of June, 2001.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner