

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of)	DOCKET UW-032146
)	
THOMAS WATER SERVICE, INC.,)	ORDER NO. 01
)	
Applicant,)	
)	
For the Sale and Transfer of Assets)	ORDER GRANTING
to Meadow Ridge Homeowner’s)	APPLICATION FOR SALE AND
Association)	TRANSFER OF ASSETS
.....)	

BACKGROUND

- 1 On December 30, 2003, Thomas Water Service, Inc., (Thomas Water or Company) and Meadow Ridge Homeowner’s Association (the “Association”) filed a joint application for sale and transfer of assets pursuant to the provisions of Chapter 80.12 RCW.
- 2 Thomas Water is located at Arlington and serves approximately 65 customers in Snohomish County. The system is also known as the Meadow Ridge Water System.
- 3 The Association passed a resolution of the board of directors of the Meadows Ridge Homeowner’s Association by unanimous written consent in lieu of special meeting, to provide water service to a former nonmember. That water customer has been designated an ex-officio member of the Association, entitled to the same rights as all other members of the Association to vote on all water service related matter (including Board election) and to receive water service subject to any rules and regulations for water service adopted by the Association.

FINDINGS AND CONCLUSIONS

- 4 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, rules, regulations, practices, accounts, securities, and transfers of public service companies, including water companies. *RCW 80.01.040; Chapter 80.04 RCW; Chapter 80.12 RCW and Chapter 80.28 RCW.*
- 5 (2) Thomas Water is an investor-owned water company and is a public service company subject to the jurisdiction of the Commission.
- 6 (3) The Association, a non-profit corporation is the Homeowner's Association for the lots of the Plat of Meadow Ridge. The Association will provide water service to only its members. Homeowner Associations that provide water service to only their members are not subject to jurisdiction of this Commission under *WAC 480-110-255(2)(e)/ Chapter 480-110 WAC.*
- 7 (4) This matter was brought before the Commission at its regularly scheduled meeting on January 28, 2004.
- 8 (5) Thomas Water and the Association state the benefits of this acquisition of water system assets include the shift of ownership to the members served. The current owners of Thomas Water no longer desire to own and operate the water system. Thomas Water notified its customers of the sale and transfer in a mailing on December 30, 2003.
- 9 (6) The Association will acquire the water system assets of Thomas Water for \$150,000 payable at closing.

- 10 (7) Staff recommended the Commission authorize the sale and transfer of assets from Thomas Water to the Association.
- 11 (8) As a result of this sale and transfer of water system assets, the Association will maintain water rates pursuant to its articles, by-laws, and covenants to operate.
- 12 (9) The proposed transfer will have an effective date of January 31, 2004. This date is to coincide with Company's billing periods and allows a mutually agreed closing date. For accounting purposes the accounting records should be transferred and effective on that date.
- 13 (10) In this docket, the 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.
- 14 (11) The application meets the requirements of Chapter 80.12 RCW and the rules and regulations of the Commission adopted pursuant thereto.
Chapter 480-143 WAC.
- 15 (12) After review of the application filed in Docket UW-032146 by Thomas Water on December 30, 2003, and giving due consideration, the Commission finds that Application of the Sale and Transfer of water system assets by Thomas Water to the Association is consistent with the public interest and should be authorized.

ORDER

THE COMMISSION ORDERS:

- 16 (1) The Commission authorizes the Sale and Transfer 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.
- 17 (2) This Order shall in no way affect the authority of this Commission over rates, services, accounts, valuations, estimates, or determination of costs, or any matters whatsoever that may come before it, nor shall anything herein be construed as acquiescence in any estimate or determination of costs, or any valuation of property claimed or asserted.
- 18 (5) The Commission retains jurisdiction over the subject matter and Thomas Water Service, Inc., to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective this 28th day of January, 2004.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Secretary