



WASHINGTON WATER SERVICE COMPANY

June 13, 2007

Carole Washburn, Executive 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, Rosario Water System
ID#74270 from Rosario Utilities LLC.

Dear Secretary:

Enclosed you will find a joint application for Washington Water Service Company to acquire the Rosario Water System with Washington State Department of Health Office ID #74270 from Rosario Utilities LLC.

To complete this package the following have been enclosed:

- 1) Application for Transfer (with Exhibits)
- 2) Copy of customer notice
- 3) Adoption of Rosario Utilities LLC. Tariff

The customer notices were sent by first class mail on June 7, 2007. If you have any question, please call me at (253) 851-3422 ext. 1109.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael P. Ireland".

Michael P. Ireland
President

Cc: Rosario Utilities LLC

In the Matter of Joint Application)
 For Sale and Transfer of Assets,) DOCKET NO. _____
 From)
Rosario Utilities LLC)
 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 system to be transferred consist of surface water diversion, surface water treatment plant, pumps, reservoirs, distribution mains, meters, and appurtenances to serve the customers on the Rosario Water System which are located on Orcas Island in San Juan County.

The water system includes the normal service, storage and distribution facilities to serve the customers of the systems together with surface water collection and treatment facilities.

EXHIBITS

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

- Exhibit 1 - Instrument of Transfer, Asset Purchase Agreement
- Exhibit 2 - Washington Water Service Company – Income Statement and Comparative Balance Sheet

METHOD OF FINANCE

The total purchase price for the Water Systems is \$ 948,132.47 less amount owed on the State Revolving Fund Loan. Washington Water Service Company will assume the State Revolving Fund Loans (SRF) #03-65103-046 & SRF Loan #03-65103-047 \$

TRANSFER IS IN THE PUBLIC INTEREST

The owners Rosario Utilities LLC and The parent company Oly Rose are divesting all their interest in the Rosario Resort and water system and no longer desire to own this public water system. 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.

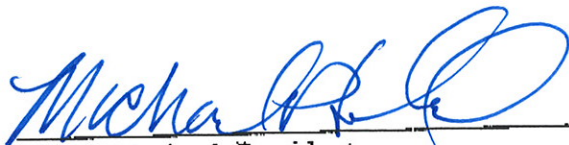
As a result of the sale and transfer, the water rates charged to customer will not change at this time. Washington Water Service Company will adopt the current rates of Rosario Utilities LLC.

PRAYER

Based on the foregoing, the Applicants request approval of their application respectfully submitted this June 13, 2007.

Washington Water Service Company

Rosario Utilities LLC


Michael Ireland, President


Chris Vierthaler, Manager

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

Michael Ireland, President

Subscribed and sworn to before me this ^{Lm} 13th day of June, 2007

Linda Martin

Notary Public in and for the State of Washington, residing
At Kitsap County 10/19/08



Rosario Utilities LLC
1400 Rosario Way, Eastsound, Washington 98245
(360) 376-2700

IMPORTANT NOTICE

June 1, 2007

Rosario Utilities LLC has asked the Washington Utilities and Transportation Commission (UTC) for permission to transfer ownership and operation of the Rosario water system to Washington Water Service Company. This transfer of ownership is contingent upon approval by the UTC.

Your water rates and proposed rate increase will not change as a result of the acquisition.

Washington Water Service Company was formed in October of 1999 with the acquisition of Harbor Water Co., Inc. and South Sound Utility Co., Inc. Harbor and South Sound have been in the water business for 30 years each. Washington Water Service currently owns or operates over two hundred and fifty seven water systems in seven counties, servicing over 20,000 homes. In the event this transfer is approved by the UTC, we anticipate the transition will be very smooth.

If you have any questions about how this sale may affect you, please call:

Rosario Utilities
(360) 376-2700 or
Washington Water Service Company
Toll free 1- (877) 408-4060

E-mail address: www.wawater.com

The UTC holds an open meeting in Olympia on all transfer requests. If you would like to be notified of the meeting date, you may call the UTC at (800) 562-6150. If you cannot attend the meeting on this proposal and would like your comments reflected in the formal record, you may write to the UTC at the following address:

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

E-mail address: Comments@utc.wa.gov

Or use the "Public Comment" feature on the UTC's web site: www.utc.wa.gov

Adoption Notice

ADOPTION OF TARIFFS, ETC.

Washington Water Service Company hereby adopts, ratifies, and makes its own in every respect, as if the same had been originally filed by it, all tariffs, rules, notices, concurrence, provisions, authorities, power of attorney or whatsoever other instruments filed with the Washington Utilities and Transportation Commission or its predecessor by Rosario Utilities LLC. July 15, 2007 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.

Tariffs Adopted

Transfer Authorized by:

Rosario Utilities LLC.

Order No. _____

Issued , 2007

Effective July 15, 2007

Issued By: Washington Water Service Company

By: Michael P. Ireland Title: President

Address: P.O. Box 336, Gig Harbor, WA 98335
14519 Peacock Hill Ave. NW
Gig Harbor, WA 98332