

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

In the Matter of the Application of)	DOCKET NO. UW-030662
)	
W. B. Water Works)	ORDER NO. 01
)	
Applicant,)	ORDER GRANTING
)	APPLICATION FOR SALE AND
For the Sale and Transfer of Assets)	TRANSFER OF ASSETS AND
to Lehman Enterprises, Inc.)	TARIFF ADOPTION
.....)	

BACKGROUND

- 1 On September 16, 2002, W. B. Water Works, (WB Water or Company) and Lehman Enterprises, Inc., (Lehman Enterprises), filed an application for sale and transfer of assets pursuant to the provisions of Chapter 80.12 RCW.

- 2 WB Water is located near Freeman on Whidbey Island and serves approximately 383 customers in Island County.

FINDINGS AND CONCLUSIONS

- 3 (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.*

- 4 (2) WB Water is an investor-owned water company and is a public service company subject to the jurisdiction of the Commission under the provisions of Chapter 80.12 RCW.

- 5 (3) This matter was brought before the Commission at its regularly scheduled meeting on May 28, 2003.
- 6 (4) The companies stated the benefits of this acquisition of water system assets include the consolidation with seven other water systems owned by Lehman Enterprises and will provide economies of scale. Lehman Enterprises is newly regulated by this Commission. WB Water notified its customers of the sale and transfer in a mailing on May 5, 2003.
- 7 (6) Lehman Enterprises will acquire the water system assets of WB Water in the exchange of stock in Lehman Enterprises.
- 8 (7) Staff recommended authorization of the sale and transfer of assets from WB Water to Lehman Enterprises.
- 9 (8) As a result of this sale and transfer of water system assets, Lehman Enterprises will maintain WB Water's water rates currently in effect and will adopt the tariff of WB Water.
- 10 (9) The proposed transfer and tariff adoption will have an effective date of June 10, 2003. 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.
- 11 (10) 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.

- 12 (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.*
- 13 (12) After review of the application filed in Docket UW-030662 by WB Water on September 16, 2002, and giving due consideration, the Commission finds that Application of the Sale and Transfer of water system assets by WB Water to Lehman Enterprises is consistent with the public interest and should be authorized.

ORDER

THE COMMISSION ORDERS:

- 14 (1) The Commission hereby 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.
- 15 (2) The tariff adoption filed in conjunction with the application, allowing Lehman Enterprises, Inc., to continue applying pre-transfer rates without change, is approved to become effective with the effect of the transfer itself on June 10, 2003.
- 16 (3) Lehman Enterprises, Inc., 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 for accounting purposes shall be June 10, 2003.

- 17 (3) 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 (4) The Commission retains jurisdiction over the subject matter and W. B. Water Works, to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective this 28th day of May, 2003.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner