

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

In the Matter of the Application of)	DOCKET UW-050504
)	
GAMBLE BAY WATER, INC.,)	ORDER NO. 01
)	
Applicant,)	ORDER GRANTING
)	APPLICATION FOR SALE AND
For the Sale and Transfer of Assets)	TRANSFER OF ASSETS AND
to T&T Professional Services)	TARIFF ADOPTION
.....)	

BACKGROUND

- 1 On March 31, 2005, Gamble Bay Water, Inc. (Gamble Bay Water or Company) and T&T Professional Services, filed an application for sale and transfer of assets pursuant to the provisions of Chapter 80.12 RCW.
- 2 The water systems owned by Gamble Bay Water and that are part of this application include Piper Water System ID #00887P, Pinewood Water System ID #45507P, and Lightmoor Court Water System ID #66934K, and are located mainly in the Bremerton, Poulsbo areas and serve approximately 22 customers.

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) Gamble Bay Water is an investor-owned water company and is a public service company subject to the jurisdiction of the Commission.

- 5 (3) T&T Professional Services is a company formed to act as a utility holding company.
- 6 (4) This matter was brought before the Commission at its regularly scheduled meeting on April 27, 2005.
- 7 (5) The companies stated the benefits of this acquisition of water system assets include local ownership. The sale to T&T Professional Services will shift ownership to a local businessman. The current owners of Gamble Bay Water no longer desire to own and operate the water systems. Gamble Bay Water notified its customers of the sale and transfer in a mailing on March 25, 2005.
- 8 (6) Staff calculates the current rate base for the water system to be approximately zero (\$0.00). T&T Professional Services will acquire the water system assets of Gamble Bay Water for zero (\$0.00) and no assumption of any debt.
- 9 (7) Staff has advised T&T Professional Services that absent a showing of commensurate benefits, acquisition adjustments are not included in rate base for inclusion in rates. Staff recommended authorization of the sale and transfer of assets from Gamble Bay Water to T&T Professional Services.
- 10 (8) As a result of this sale and transfer of water system assets, T&T Professional Services will maintain Gamble Bay Water's water rates currently in effect and will adopt the tariff of Gamble Bay Water.
- 11 (9) The proposed transfer and tariff adoption will have an effective date of May 1, 2005. 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.

- 12 (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.
- 13 (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.
- 14 (12) After review of the application filed in Docket UW-050504 by Gamble Bay Water on March 31, 2005, and giving due consideration, the Commission finds that Application of the Sale and Transfer of water system assets by Gamble Bay Water to T&T Professional Services is consistent with the public interest and should be authorized.

ORDER

THE COMMISSION ORDERS:

- 15 (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.

- 16 (2) The tariff adoption filed in conjunction with the application, allowing T&T Professional Services to continue applying pre-transfer rates without change, is approved to become effective with the effect of the transfer itself on May 1, 2005. T&T Professional Services must file with the Commission within sixty (60) days after the effective date of this Order its initial tariff that is consistent with its adoption of Gamble Bay Water, Inc.'s tariff.
- 17 (3) T&T Professional Services must file with the Commission within sixty (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 May 1, 2005.
- 18 (4) 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.
- 19 (5) The Commission retains jurisdiction over the subject matter and Gamble Bay Water, Inc., to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective this 27th day of April, 2005.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner