

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

In the Matter of the Application for the)	
Sale and Transfer of Stock)	
From Olympic Property Group LLC.)	DOCKET UW-010715
To)	
Port Ludlow Associates, LLC.)	ORDER GRANTING
)	APPLICATION FOR SALE
)	AND TRANSFER OF STOCK
)	AND TARIFF ADOPTION
.....)	
)	

BACKGROUND

- 1 On May 11, 2001, Olympic Property Group, LLC, (Olympic Property) and Port Ludlow Associates, LLC, (Port Ludlow Associates) filed an application pursuant to the provisions of chapter 80.12 RCW for sale and transfer of stock of Olympic Property. The company is located near Port Ludlow and serves approximately 1,266 customers in Jefferson County.

- 2 Port Ludlow Associates is a Washington limited liability corporation formed to act as a utility company and currently provides both water and sewer services in Port Ludlow.

- 3 The benefits of this acquisition of water company stock include expanded financial resources, and maintain the current 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 \$1,058,554. Port Ludlow Associates will acquire water company stock of Olympic Property for \$1,058,554, payable at closing.

- 4 As a result of this sale and transfer of water company stock, Port Ludlow Associates will maintain Olympic Property's water rates currently in effect and will be adopting the tariff of Olympic Property.

- 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 or as mutually agreed.

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) Olympic Property Group, LLC, is an investor-owned water company and Port Ludlow Associates, LLC will be an investor-owned water company and as such 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 company stock by Olympic Property Group, LLC, to Port Ludlow Associates, LLC 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, Olympic Property Group, LLC, is authorized to sell water company stock to Port Ludlow Associates, LLC 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 Port Ludlow Associates, LLC to continue applying pre-transfer rates without change, is approved to become effective with the effect of the transfer itself on June 14, 2001. Port Ludlow Associates 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 company stock authorized herein. For accounting purposes the bookkeeping records should be considered to be transferred and effective on the date as mutually agreed.
- 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