

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

In the Matter of the Application of)	DOCKET UW-050846
)	
Sea View Water Company)	ORDER NO. 01
)	
Applicant,)	ORDER GRANTING
)	APPLICATION FOR SALE AND
For the Sale and Transfer of Assets)	TRANSFER OF ASSETS AND
to Sea View Water, LLC)	TARIFF ADOPTION
.....)	

BACKGROUND

- 1 On June 2, 2005, Sea View Water Company and Sea View Water, LLC, filed an application for sale and transfer of assets of Sea View water system DOH WFI# 77148 pursuant to the provisions of Chapter 80.12 RCW.

- 2 Sea View Water Company's office is located in Oak Harbor and serves approximately 190 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) Sea View Water Company is an investor-owned water company and is a public service company subject to the jurisdiction of the Commission.

- 5 (3) Sea View Water, LLC, is a Washington corporation (UBI # 602-490-405) formed to act as a utility holding company and is a public service company subject to the jurisdiction of the Commission.
- 6 (4) This matter was brought before the Commission at its regularly scheduled meeting on June 29, 2005.
- 7 (5) The companies stated the benefits of this acquisition of water company assets include local ownership. The sale to Sea View Water, LLC, shifts ownership to a local business organization and consolidates business interest. The current owner of the Sea View water system no longer desires to own and operate the water system. Sea View Water Company notified its customers of the sale and transfer in a mailing on May 20, 2005. Sea View Water, LLC, followed up with a notice and letter of introduction.
- 8 (6) The purchase price for the water company assets will be \$82,734 with \$4,000 payable at closing and the remaining amount carried as a promissory note. Sea View Water, LLC, calculates the current rate base of the Sea View Water system as of May 1, 2005, to be approximately \$72,734.
- 9 (7) Staff has advised Sea View Water, LLC, that absent a showing of commensurate benefits, acquisition adjustments are not included in rate base for inclusion in rates. Staff recommends authorization of the sale and transfer of assets from Sea View Water Company to Sea View Water, LLC
- 10 (8) As a result of this sale and transfer of water system assets, Sea View Water, LLC, will maintain Sea View Water Company's water rates and charges currently in effect and will adopt the tariff of Sea View Water Company.

- 11 (9) The proposed transfer and tariff adoption will have an effective date of June 29, 2005. This date is to coincide with the current billing period and allows a mutually agreed closing date. For accounting purposes the accounting records should be transferred and effective on July 1, 2005.
- 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-050846 by Sea View Water Company on June 2, 2005, and giving due consideration, the Commission finds that Application of the Sale and Transfer of the Sea View water system assets by Sea View Water Company to Sea View Water, LLC, 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 Sea View Water, LLC, to continue applying pre-transfer rates without change, is approved to become effective with the effect of the transfer itself on June 29, 2005. Sea View Water, LLC, must file with the Commission within sixty days after the effective date of this Order to incorporate the adopted tariff in its own tariff consistent with its adoption of Sea View Water Company's tariff.
- 17 (3) Sea View Water, LLC, must file with the Commission within sixty 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 assets authorized herein. The effective date for accounting purposes shall be July 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 Sea View Water Company 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 29th day of June, 2005.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Secretary