

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

In the Matter of the Application of)	DOCKET UW-060124
)	
Quail Run Water Company,)	ORDER 01
)	
)	
)	ORDER REMOVING COMPANY
Requesting Removal from)	FROM REGULATION AND
Commission Regulation)	CANCELING TARIFF
.....)	

BACKGROUND

- 1 On December 2, 2004, H & R Waterworks, Inc., purchased the assets and took over operation and ownership of Quail Run Water Company. On February 9, 2005, the Commission approved the sale and transfer of assets to H & R Waterworks, Inc. H & R Waterworks, Inc.'s office is located in Tumwater and serves approximately 2,888 customers on 115 water systems in Thurston, Mason, Lewis, Kitsap, and Pierce counties.
- 2 On January 20, 2006, the company filed an application to be removed from regulation and to cancel its current tariff. After Commission investigation, Quail Run Water Company is determined to no longer provide regulated water service. The Commission can remove a water company from regulation under the provisions of RCW 80.04.010. A water company cannot be removed from regulation except with the approval of the Commission. Removing Quail Run Water Company, from regulation will be consistent with the public interest, because the water systems are now operated and owned by H & R Waterworks, Inc., which is also regulated by the Commission.

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 80.28 RCW; Chapter 80.08 RCW and Chapter 80.12 RCW.*
- 4 (2) Quail Run Water Company is an investor-owned water company and is a public service company subject to the jurisdiction of the Commission.

- 5 (3) H & R Waterworks, Inc., is an investor-owned water 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 February 22, 2006.
- 7 (5) From all indications, it appears to be in the public interest to grant the request of
removal from regulation and canceling the corresponding tariff.

ORDER

THE COMMISSION ORDERS:

- 8 (1) Quail Run Water Company is hereby determined not to be jurisdictional pursuant
to the Commission Staff investigation and documents filed with the Commission.
- 9 (2) Quail Run Water Company is removed from regulation by this Commission and
its current Tariff WN U-2 is cancelled as of the effective date 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 February 22, 2006.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Executive Secretary