

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

In the Matter of the Application of)	DOCKET UW-061118
)	
HARRISON-RAY WATER)	ORDER 01
COMPANY, INC.)	
)	
Applicant,)	
)	ORDER GRANTING APPLICATION
For the Sale and Transfer of Assets to)	FOR SALE AND TRANSFER OF
Harrison Water Company/Kiona, LLC)	ASSETS AND TARIFF ADOPTION
.....)	

BACKGROUND

- 1 On July 3, 2006, Harrison-Ray Water Company, Inc. (Harrison-Ray Water), and Harrison Water Company/Kiona, LLC (Harrison Water Kiona), filed an application for sale and transfer of assets pursuant to the provisions of Chapter 80.12 RCW.

- 2 Harrison-Ray Water is located at Pasco and serves approximately 434 customers in Benton and Franklin Counties. The water system transferred is the Kiona water system, has 219 customers, and is located in Benton County. The current owner of Harrison-Ray Water will continue to own and operate the water system known as Burbank located in Franklin County. After the death of one of the original partners the estates has sought to separate operation of the water system assets. This application and adopted tariff will be the final document of separation.

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

- 5 (3) Harrison Water Kiona is a Washington Limited Liability Company formed to act as a utility holding company.

- 6 (4) This matter was brought before the Commission at its regularly scheduled meeting on September 27, 2006.
- 7 (5) The companies stated the benefits of this sale and transfer of water system assets include local ownership. The sale to Harrison Water Kiona will shift ownership to a local businessman. In addition, the current staff of Harrison-Ray Water will continue to operate and maintain the water system. Harrison-Ray Water notified its effected customers of the sale and transfer in an earlier mailing.
- 8 (6) All parties of the estate and current water company have agreed that the assets and systems should be separated. No price or terms were established, as no purchase or sale will take place. The assets and systems will simply be separated; no compensation will be paid. The water systems were combined under one tariff and operation when the water systems were regulated.
- 9 (7) Staff has reviewed the books and records to determine that no changes have occurred. Staff recommends authorization of the sale and transfer of assets from Harrison-Ray Water to Harrison Water Kiona.
- 10 (8) As a result of this sale and transfer of water system assets, Harrison Water Kiona will maintain Harrison-Ray Water's water rates currently in effect and will adopt, under its own name, the tariff of Harrison-Ray Water.
- 11 (9) The proposed transfer and tariff adoption will have an effective date of October 1, 2006. This date is to coincide with Company's billing periods and allows a mutually agreed transfer 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-061118 by Harrison-Ray Water on July 3, 2006, and giving due consideration, the Commission finds that Application of the Sale and Transfer of water system assets by Harrison-Ray Water to Harrison Water Kiona 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. 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 Harrison Water Company/Kiona, LLC, to continue applying pre-transfer rates without change, is approved to become effective with the effect of the transfer itself on October 1, 2006.
- 17 (3) Harrison Water Company/Kiona, LLC, must file with the Commission within 30 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 October 1, 2006.
- 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 Harrison-Ray Water Company, Inc., 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 September 27, 2006.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Executive Secretary