

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Removal from
Commission Regulation of

H&R WATERWORKS, INC.,

Requesting Removal from Commission
Regulation

DOCKET UW-171026

ORDER 01

ORDER REMOVING COMPANY
FROM REGULATION; CANCELING
TARIFF AFTER TRANSFER TO
WATER DISTRICT

BACKGROUND

- 1 On October 1, 2017, Public Utility District No. 1 of Thurston County purchased the assets and took over operation and ownership of H&R Waterworks, Inc. (H&R Waterworks or Company). On October 4, 2017, H&R Waterworks filed notice for the transfer of ownership of the water system assets owned by H&R Waterworks to Public Utility District No. 1 of Thurston County. H&R Waterworks seeks to remove itself from regulation and to cancel its tariff. The Company provides water service to over 4,110 customers on various systems in Thurston, Mason, Kitsap, Pierce, Lewis, and King Counties.
- 2 As a result of a Staff investigation, the Washington Utilities and Transportation Commission (Commission) finds that H&R Waterworks no longer provides regulated water service. Pursuant to RCW 80.04.010, the Commission may remove a water company from regulation. A water company cannot be removed from regulation without the Commission's approval. Removing H&R Waterworks from regulation is consistent with the public interest because the water systems are now operated and owned by Public Utility District No. 1 of Thurston County, which is not subject to Commission jurisdiction.
- 3 H&R Waterworks has outstanding compliance items under the following docket numbers.

Dockets:

UW-002051	Cedar Shores Surcharge for capital improvements
UW-121710	Surcharge for Group B Water System License
UW-161035	Monthly Water Use Data reporting
UW-170216	Conservation Rate Tariff reporting

Based on the Company's removal from regulation, these compliance items will no longer be required and should be canceled and closed.

FINDINGS AND CONCLUSIONS

- 4 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property, and affiliated interests of public service companies, including water companies.
- 5 (2) H&R Waterworks is an investor-owned water company and a public service company subject to Commission jurisdiction.
- 6 (3) The transfer of assets of H&R Waterworks to Public Utility District No. 1 of Thurston County is exempt from Commission regulation under RCW 80.12.020 and RCW 36.96.010 and is not subject to Commission jurisdiction.
- 7 (4) This matter came before the Commission at its regularly scheduled meeting on October 26, 2017.
- 8 (5) After reviewing the information gathered in the investigation, and giving due consideration, the Commission finds it in the public interest to grant H&R Waterworks' request for removal from regulation and to cancel the corresponding tariff.

ORDER

THE COMMISSION ORDERS:

- 9 (1) H&R Waterworks, Inc. is no longer subject to Commission jurisdiction under RCW 80.04.110.
- 10 (2) H&R Waterworks, Inc., is removed from regulation by this Commission and its current tariff WN-U 02 is canceled as of the effective date of this Order.
- 11 (3) Compliance issues under the following Dockets UW-002051, UW-121710, UW-161035 and UW-170216 are canceled and closed.

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 October 26, 2017.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING, Executive Director and Secretary