

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

In the Matter of the Application for     )  
the Sale and Transfer of Assets         )  
From Clear Water, Inc.                 ) DOCKET UW-021425  
To                                             )  
Washington Water Service             ) ORDER GRANTING  
Company, Inc.                             ) APPLICATION FOR SALE AND  
                                                  ) TRANSFER OF ASSETS AND  
                                                  ) RATE ADOPTION  
                                                  )  
.....                                         )

**BACKGROUND**

- 1       On November 1, 2002, Clear Water, Inc., (Clear Water) and Washington Water Service Company, Inc., (Washington Water Service) filed an application pursuant to the provisions of Chapter 80.12 RCW for sale and transfer of assets of Clear Water, Inc. The water system owned by Clear Water is commonly called Cascade Highlands North Water and is located in South Prairie area of Pierce County and serves approximately 23 customers.
  
- 2       Washington Water Service is a Washington corporation formed to act as a utility holding company. Washington Water Service, located in Gig Harbor, currently owns two operating districts serving over 17,000 customers.
  
- 3       The benefits of this acquisition of water system assets include expanded financial resources, in-house engineering, and 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 November 2002 billings. Current rate base is calculated to be approximately \$23,000. Washington Water Service will acquire water system assets of Clear Water, Inc. for \$23,000, payable at closing.

4 As a result of this sale and transfer of water system assets, Washington Water Service will maintain Clear Water's water rates currently in effect. Previously Clear Water billed its customers on a bi-monthly basis. Starting December 1, 2002 Washington Water Service will begin billing monthly for all services.

5 The proposed rate adoption bears an effective date of December 2, 2002. 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.

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) Clear Water, Inc., and Washington Water Service are investor owned water companies and 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 system assets (Cascade Highlands North) by Clear Water, Inc., to Washington Water Service 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, Clear Water, Inc. is authorized to sell water system assets to

Washington Water Service Company, Inc. 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 rate adoption filed in conjunction with the application, allowing Washington Water Service Company, Inc. to continue applying pre-transfer rates without change, is approved to become effective with the effect of the transfer itself on December 2, 2002. Washington Water Service Company, Inc. 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 system assets authorized herein. The effective date of the transfer of the bookkeeping records for accounting purposes shall be December 2, 2002.
- 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 27th day of November 2002.

WASHINGTON UTILITIES AND TRANSPORTATION  
COMMISSION

CAROLE J. WASHBURN  
Secretary