

Agenda Date: September 28, 2011
Item Number: A2

Docket: UW-111573
Company Name: Solmar Water System, Inc.

Staff: Jim Ward, Regulatory Analyst
Pam Smith, Consumer Protection Staff

Recommendation

Grant the application for Sale and Transfer of Stock and Adoption of Tariff as filed by Solmar Water System, Inc., on August 16, 2011, to become effective September 29, 2011.

Discussion

On August 16, 2011, Solmar Water System, Inc. (Solmar or company) filed with the Washington Utilities and Transportation Commission (commission) an application for sale and transfer of stock pursuant to the provisions of RCW 80.12. Solmar's service area is located near Sequim in Clallam County. Solmar serves 302 customers. The company's system is known as Solmar Water System (Department of Health ID # 81315).

The company and new shareholders cite several benefits arising from the sale and transfer:

- The new shareholders live and work in the local area and plan to own and operate the water systems on a long-term basis.
- One of the new shareholders is a licensed civil engineer and will provide her expertise to the day to day operations of the water system.
- The opening of a new office in the Carlsborg area to better serve customers.

The new shareholders will acquire all of the water system stock of Solmar for \$275,000. As a result of this sale and transfer of stock, the new shareholders will adopt Solmar's existing tariff. Under the proposed sale and transfer the rates will remain the same.

Commission staff has completed its review of the utility's supporting documents, books and records. Additionally, staff has met with both new shareholders and discussed the water system, water company and their interest in owning and operating both. Staff believes the new shareholders have the financial background for business operations and more specifically water system operations that will provide them the ability to manage Solmar and be responsible for public water service. Solmar has demonstrated that the proposed sale and transfer is in the public interest.

Customer Comments

On August 31, 2011, the company notified its customers of the proposed sale and transfer by mail. No comments were received. Customers were notified that they may access documents pertinent to the sale and transfer on the commission's website, and that they may contact Pam Smith at 1-888-333-WUTC (9882) or psmith@utc.wa.gov with questions or concerns.

Conclusion

Grant the application for Sale and Transfer of Stock and Adoption of Tariff as filed by Solmar Water System, Inc., on August 16, 2011, to become effective September 16, 2011.