

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of

PEDERSEN FAMILY, LLC,

Applicant,

For the Sale and Transfer of Assets to
CASCADIA WATER, LLC

DOCKET UW-220900

ORDER 01

GRANTING APPLICATION FOR
SALE AND TRANSFER OF ASSETS;
ADOPTING TARIFF

BACKGROUND

- 1 On November 30, 2022, Pedersen Family, LLC, (Pedersen or Company) and Cascadia Water, LLC, (Cascadia) (collectively, the Companies), filed with the Washington Utilities and Transportation Commission (Commission) a joint Application for sale and transfer of assets pursuant to the provisions of RCW 80.12 (Application).
- 2 Pedersen serves 230 customers in Clallam County. The Company seeks to sell three of the four water systems listed in its tariff. The water systems named in the Application are known as Dungeness Bay Plat Water System (ID# 20300E), Jamestown on Wilcox Lane Water System (ID# 06344V), and Pedersen Family Group B Water System (ID# AC321).
- 3 Pedersen will continue to operate the SkyRidge Club House Water System (ID# AA575F), which operates a single well used for the SkyRidge golf course.
- 4 The Companies explain several benefits of the sale and transfer of assets. First, Cascadia desires to own and operate water systems on an ongoing basis and Pedersen's current owners no longer desire to own and operate the water systems. Second, Cascadia will be able to bring economies of scale benefits to the Company in certain areas, such as customer service, maintenance, investment, and management. Cascadia performed a review outlined in the Application, submitting that there is "no harm" to Pedersen's customers and "no harm" to Cascadia customers or Cascadia's parent company, Northwest Natural Gas Company.

5 Cascadia submitted a notice to customers for the sale and transfer of assets dated
November 30, 2022.¹ Cascadia states that the transaction does not include an acquisition
adjustment and that it will not include the cost of the acquisition in future rate cases.

6 Commission staff (Staff) has reviewed the Application and determined that the
Companies have sufficiently demonstrated there are substantial benefits to the transfer.
Accordingly, Staff recommends the Commission grant the Companies' Application.

DISCUSSION

7 Pursuant to RCW 80.12.020 and WAC 480-143-170, applicants proposing a property
transfer transaction must "at least demonstrate no harm to the public interest."² The
Commission also looks to the new Company's financial and managerial fitness to run the
operations.³

8 We agree with Staff's recommendation and approve the Application. Based on Staff's
review, it appears the transaction meets the "no harm" standard and is in the public
interest. We note that this Order approves only the sale and transfer of assets, and neither
approves nor disapproves the reasonableness of the purchase price or any fees, charges,
rates, or accounting allocations related to the transaction. The Commission reserves the
right to review those fees, rates, or accounting allocations in a future rate proceeding.

FINDINGS AND CONCLUSIONS

9 (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.

10 (2) Pedersen is an investor-owned water company and is a public service company
subject to Commission jurisdiction.

11 (3) Cascadia is an investor-owned water company and is a public service company
subject to Commission jurisdiction.

¹ 220900-Cascadia-Pedersen-Acquisition-Exh-8-11-30-22.pdf

² *In Re Application of PacifiCorp & Scottish Power, LLC*, Docket UE-981627, Third
Supplemental Order on Prehearing Conference at 2-3 (April 2, 1999).

³ *Id.*

- 12 (4) Pedersen notified its customers of the sale and transfer of assets in a mailing on
November 30, 2022.
- 13 (5) Cascadia will acquire the three water systems assets of Pedersen.
- 14 (6) As a result of this sale and transfer of water systems assets, Cascadia will adopt
Pedersen's rates into its tariff rates.
- 15 (7) This matter was brought before the Commission at its regularly scheduled
meeting on January 12, 2023.
- 16 (8) The proposed transfer and tariff rate adoption will have an effective date of the
Transfer Date. For accounting purposes, the Company's accounting records will
be transferred and effective on February 1, 2023.
- 17 (9) The application meets the requirements of RCW 80.12 and the rules and
regulations of the Commission. WAC 480-143.
- 18 (10) After reviewing the Application Cascadia filed in Docket UW-220900 on
November 30, 2022, and giving due consideration, the Commission finds that the
Application of the Sale and Transfer of Assets by Pedersen to Cascadia is
consistent with, and demonstrates no harm to, the public interest and should be
approved.

ORDER

THE COMMISSION ORDERS:

- 19 (1) The Commission authorizes the Sale and Transfer of the assets of Pedersen
Family, LLC, to Cascadia Water, LLC, consistent with the joint application filed
on November 30, 2022, and consistent 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.
- 20 (2) The Commission approves Cascadia Water, LLC's adoption of the tariffs of
Pedersen Family, LLC, to be effective on the date of the transfer, February 1,
2023.

- 21 (3) This Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates, or determination of costs, on any matters that may come before it. Nor shall this Order be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.
- 22 (4) The Commission retains jurisdiction over the subject matter and Pedersen Family, LLC, and Cascadia Water, LLC, 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 Lacey, Washington, and effective January 12, 2023.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

AMANDA MAXWELL
Executive Director and Secretary