

**PUBLIC UTILITY COMMISSION OF OREGON
INTEROFFICE CORRESPONDENCE**

DATE: May 25, 2016

TO: Patrick Power, Administrative Hearings

FROM: Celeste Hari, Water Division

SUBJECT: Status Report UM 1769, Mountain Home Water District

Mountain Home Water District (the Company) applied for Commission approval to abandon its small water system located in West Linn, Oregon. In its application, the Company requested to terminate service as of June 30, 2016, however, it may not abandon service without Commission approval.

Staff and three of the four customers met on May 23, 2016 to view the water system and discuss options for the future provision of water. In the course of that meeting, Staff reassured customers that service would remain in place unless and until the Commission has made a determination regarding the application.

There are four customers who are on this system. Two customers previously made plans to drill a new well for shared use between them, and they are moving forward with the shared well regardless of the Commission's decision in this case. One of these two customers was present at the meeting.

The two remaining customers attended the meeting and are also the Intervenors in this case. At the May 23, 2016 meeting, Staff, customers and the Company discussed several alternatives for the provision of water to each customer. At the close of this meeting, it seemed likely that the Company and Intervenors would be able to reach agreement on future provision of water service.

In light of this development, Staff does not feel that the case will need to set a full procedural schedule at this time. The Parties anticipate that a settlement will be reached in this case, and Staff expects to submit a stipulation and supporting testimony or briefing for Commission consideration.