ORDER NO. 04-039

ENTERED JAN 23 2004

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OF OREGON

AR 405

| In the Matter of Rule Amendments to |) | |
|-------------------------------------|---|-------|
| Division 037 Relating to Wastewater |) | ORDER |
| Utilities |) | |

DISPOSITION: RULES AMENDED

On May 14, 2001, the Public Utility Commission initiated this rulemaking proceeding. On May 15, 2001, the Commission filed the Notice of Proposed Rulemaking and Statement of Need and Fiscal Impact with the Secretary of State. Notice of the proposed rulemaking was published in the *Oregon Bulletin* on June 1, 2001.

Due to the addition of new rules and other substantive changes to the docket, on November 14, 2003, the Commission filed a new Notice of Proposed Rulemaking and Statement of Need and Fiscal Impact with the Secretary of State. Notice of the proposed rulemaking was published in the *Oregon Bulletin* on December 1, 2003. Interested persons were given until December 22, 2003, to file written comments or request a hearing. No comments were filed and no hearing was requested.

The purpose of the rulemaking is to modify and clarify language in the existing rules, change the phrase *water/wastewater utility* to *wastewater utility*, add definitions, update the Commission's telephone numbers and address, and implement five new rules. Three new rules are the result of recommendations made by the Water Issues Steering Committee in its report to the Commission, August 2002. They address compliance enforcement by regent appointment, acquisition adjustments, and accounting treatment of Contributions in Aid of Construction.

AR 405 also repeals two rules. The first is a service territory rule that is not applicable to wastewater utilities. The second rule is a customer service credit for inadequate wastewater service. This rule is replaced with 2003 new legislation (HB

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2227) that authorizes PUC to directly fine wastewater companies up to \$500 for inadequate service.

On January 6, 2004, the Commission deliberated this matter at its regular meeting and entered the decisions set out in this order.

ORDER

IT IS ORDERED that:

- 1. The modifications to the rules as set forth in Appendix A, attached to and made part of this order, are adopted.
- 2. The amended rules shall become effective upon filing with the Secretary of State.

Made, entered, and effective ______.

Lee Beyer Chairman John Savage Commissioner

Ray Baum Commissioner

A person may petition the Commission for the amendment or repeal of a rule pursuant to ORS 183.390. A person may petition the Court of Appeals to determine the validity of a rule pursuant to ORS 183.400.