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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

WA 16

In the Matter of the Application by)
Fruitdale Heights Water Company for)
Allocation of Exclusive Territory to)
Provide Water Service, Pursuant to)
ORS 758.300 Through ORS 758.320.)

ORDER

DISPOSITION: APPLICATION GRANTED

On February 18, 2000, Fruitdale Heights Water Company (applicant) filed under Oregon Administrative Rule 860-036-0900 an application with the Public Utility Commission (Commission) for an allocation of exclusive territory for the provision of water service. Applicant is requesting allocation of the service territory it adequately and exclusively served on October 23, 1999. See ORS 758.300 and Section 2 to 4 Chapter 695, Oregon Laws 1999. The territory sought is described in the next paragraph. The Commission gave notice of the application on March 16, 2000, as required by Chapter 695, Oregon Laws 1999, Section 2(2). A request for hearing was filed by the City of Grants Pass on December 7, 2000, and subsequently withdrawn by agreement with Commission staff on July 25, 2001.

Applicant is an investor owned utility that provides water service to approximately 31 customers in the Fruitdale Heights subdivision, along Crestview Loop , Grants Pass, Oregon.

Based on its investigation, the Commission finds that the applicant was adequately and exclusively serving the territory described above and covered by the current service territory application on October 23, 1999.

FINDING OF FACTS

Merits of the Application

Staff's analysis of the company's application indicates that the company has met the criteria required to demonstrate that the company adequately and exclusively provided water service to its current service territory as required in OAR 860-036-0900 through OAR 860-036-0930.

The criteria are:

1) Service Quality

A Commission survey was sent to the thirty residential and one-commercial/industrial customers listed as current by the utility to determine the level of service quality being provided. Twenty-one customers responded. One complaint each was registered on water quality and courteous customer service. Three complaints were made about customer confidence in management/operator and timely resolution of service complaints. Four complaints were made about communication between utility and customers. Nine complaints were made about water pressure. Consumer Services did not record any complaints over the past two years. Explanatory letters on appropriate actions to be taken by the complainants were sent.

A preliminary rejection of the application was considered because of the water pressure complaints. However, follow-up correspondence to the nine customers requesting confirmation of the water pressure test results yielded no responses. Service quality is therefore assumed to be acceptable.

2) Water Quality

Oregon Health Division's monitoring and reporting records showed one violation of the coliform standard for insufficient reporting on December 1, 1999. This indicates acceptable water quality.

3) Water Capacity

Fruitdale's customer usage is not metered. Average daily demand is estimated to be approximately 30,000 gallons per day (gpd). Daily pumping capacity is 144,000 gpd. Assuming correct estimation, Fruitdale uses 21 percent of pumping capacity for average usage. Additionally, the system has 7,500 gallons of storage capacity. It appears that Fruitdale has sufficient capacity to provide adequate service to its customers.

- 4) **Technical Ability**
Lorren Gronewold is the certified owner/operator of Fruitdale and has twenty-five years of experience in water and wastewater industries.
- 5) **Exclusive Service**
Fruitdale serves the following territory within the city of Grants Pass: Fruitdale Heights subdivision; all houses on Crestview Loop (blocks 100 through 600); and the 2600 block of Cloverlawn Drive. Mr. Gronewold submitted a copy of the utility sale agreement, which contains a conveyance, transference, or assignment of any and all access easements and well water rights to him. However, a request for water rights documentation has still not been complied with (the June 29, 2000 response noted that the system is roughly fifty years old and documents are difficult to locate).
- 6) **Reasonable Rates**
Fruitdale charges \$24.00 per residence per month for water service. This amount is below the threshold established for rate regulation by the PUC.

OPINION

Jurisdiction

ORS 757.005 defines a public utility as “ any corporation, company, individual, association of individuals, or its lessees, trustees, or receivers that own, operates, manages or controls all or a part of any plant or equipment in this state for the production, transmission, delivery or furnishing of . . . water . . . directly or indirectly to or for the public.”

Applicable Law

The 1999 Oregon Legislature enacted ORS 758.300 through 758.320, which provide that all public water utilities must file an application with the Commission seeking an order designating the service territory that the utility served adequately and exclusively on October 23, 1999, as exclusive service territory.

On April 11, 2000, the Commission adopted rules (AR 370) governing the allocation of exclusive service territory to water utilities. Oregon Administrative Rules 860-036-0900 through OAR 860-036-0930 specify the service territory application requirements and processes necessary to meet the requirements of ORS 758.300 through ORS 758.320.

Disposition

Applicant has met the service territory requirements and processes set out in OAR 860-038-0900 through OAR 860-036-0930 and is entitled to the exclusive territory described in Appendix A.

CONCLUSIONS

1. The Company is a public utility subject to the service territory jurisdiction of the Public Utility Commission.
2. The utility meets the requirements set out in OAR 860-036-0900 through OAR 860-036-0930.
3. The Company meets the requirements of ORS 758.300 through ORS 758.320.
4. The Application should be granted.

ORDER

IT IS ORDERED that the application of Fruitdale Heights Water Company for exclusive service territory as allocated to the applicant and previously set forth in is granted.

Made, entered, and effective _____.

John Savage
 Director
 Utility Program

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements of OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070. A party to a hearing may appeal this order to a court pursuant to 756.580.

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Description of Fruitdale Heights Water Company's exclusive service territory:

In the Fruitdale Heights subdivision of Grants Pass, Oregon, all houses on Crestview Loop (blocks 100 through 600), and the 2600 block of Cloverlawn Drive.