ENTERED JAN 29 2002

This is an electronic copy. Attachments may not appear. BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

WA 49

In the Matter of the Application of REDWOOD)	
HEIGHTS WATER COMPANY, INC., for)	ORDER
allocation of current service territory.)	

DISPOSITION: APPLICATION GRANTED

On March 21, 2000, Redwood Heights Water Company, Inc. (Redwood), applied for an allocation of exclusive territory for water service provision. Notice was published in the Grants Pass newspaper, and the City of Grants Pass (the City) requested a contested case hearing. A public comment hearing was held in Grants Pass on April 26, 2001. On July 25, 2001, Redwood agreed that its application is subject to the City's final plat agreement, which provides for a City takeover when the City is ready to do so. The City then withdrew its request for a contested case hearing.

Sections 2 to 4, chapter 695, Oregon Laws 1999, provide in relevant part:

Sec. 2. (1)(a) A water utility providing water service shall make application within 120 days of the effective date of this 1999 Act [October 23, 1999] to the Public Utility Commission for an order designating the territory that it served adequately and exclusively on the effective date of this 1999 Act as its exclusive service territory. * * *

* * * * *

(5) The commission may make such investigations respecting an application for the designation of exclusive service territory as the commission deems proper, including physical examination and evaluation of the facilities and systems of the applicant, estimates of their operating costs and revenues, and studies of such other information as the commission deems relevant.

* * * * *

Commission Staff investigated the company on six criteria: service quality; water quality; water capacity; technical ability; exclusive land right; and reasonable rates. Staff filed its findings with the Administrative Hearings Division of the Commission on December 6, 2001. Staff's memorandum, attached as Appendix A and incorporated herein by reference, addresses each of the criteria and concludes that Redwood's application should be approved, subject to the City's final plat agreement.

We have reviewed Appendix A and agree with Staff that the application should be approved, subject to the City's final plat agreement.

ORDER

IT IS ORDERED that the application of Redwood Heights Water Company, Inc., for allocation of exclusive service territory is granted, subject to the final plat agreement with the City of Grants Pass.

Made, entered, and effective ______.

Roy Hemmingway Chairman Lee Beyer Commissioner

Joan H. Smith Commissioner

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 in 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(2). A party may appeal this order to a court pursuant to applicable law.