

ORDER NO. 02-416

ENTERED JUN 24 2002

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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 857/UW 54

In the Matter of)	
)	ORDER
FIRST ON THE HILL WATER)	
COMPANY)	
)	
Request for Owner to provide)	
Documentation Supporting a Claim on)	
Surplus Funds.)	

DISPOSITION: STAFF'S REQUEST GRANTED

On June 25, 1997, the Public Utility Commission of Oregon (PUC or Commission) issued Order No. 97-240, which specified interim operating instructions for continued water service to First Hill Water Inc.'s (First Hill) customers pending a more permanent resolution. The water service problems were resolved in October, 2000, when the City of Bend began providing First Hill customers water service, ending the need for the interim operating agreement. The revenue collected while the interim operating agreement was in place generated surplus funds. Pursuant to Order No. 01-151, these funds are now held in trust by the Commission and are deposited in an interest-bearing account pending disbursement.

In correspondence dated December 24, 2001, the Commission notified parties, interested persons, and former customers of First Hill Water, Inc., that staff had developed a disbursement schedule based upon the total amount paid per customer between June, 1997 and October, 2000. Anyone who disagreed with staff's surplus funds disbursement proposal and believed s/he had a valid claim to the funds was instructed to file a claim form and supporting documentation by February 23, 2002.

Darrell and Vicki Lee, the owners of First Hill Water, Inc, filed the only claim form received by PUC. The Lees allege that they are entitled to receive \$125,000 from surplus funds generated during the time period the Commission contracted for the operation and administration of the water system under an Interim Operating Agreement (IOA). The Lees did not provide any supporting documentation with their claim.

At its June 18, 2002, Public Meeting, the Commission adopted the facts in staff's memorandum and approved staff's recommendation that the Commission notify Darrell and Vicki Lee, owners of First Hill Water, Inc., to provide substantive documentation supporting their claim for surplus funds associated with the Interim Operating Agreement for First Hill Water, Inc. within 30 days. If supporting documentation is provided, staff shall review the documentation and, within 45 days of receipt, report back with its recommendations to the Commission at a regularly scheduled Public Meeting. If no supporting documentation is provided within 30 days, staff will notify the Commission in writing as such and recommend the Commission approve an immediate disbursement of the funds to the customers of First Hill Water, Inc., whose water service payments generated such funds.

ORDER

IT IS ORDERED that:

1. Within 30 days of the date of this order, Darrell and Vicki Lee shall provide documentation supporting their claim for surplus funds associated with the Interim Operating Agreement for First Hill Water, Inc, as described in Appendix A.
2. If supporting documentation is provided, staff shall review the documentation and report back with its recommendations to the Commission at a regularly scheduled Public Meeting within 45 days of receipt.

3. If no supporting documentation is provided within 30 days of the date of this order, staff will notify the Commission in writing as such and recommend the Commission approve an immediate disbursement of the funds to the customers of First Hill Water, Inc., whose water service payments generated such funds.

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.