

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

WA 65

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

ORDER

DISPOSITION: APPLICATION GRANTED

On February 22, 2000, Gilchrist Water Company LLC (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 Appendix A. The Commission gave notice of the application on March 1, 2001, as required by Chapter 695, Oregon Laws 1999, Section 2(2). No requests for hearing were filed.

Applicant is a homeowners association that provides water service to approximately 111 customers in the area near Highway U.S. 97 near the Gilchrist School in Gilchrist, Oregon.

Based on its investigation, the Commission finds that the applicant was adequately and exclusively serving the territory described in Appendix A 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

The Commission Consumer Services Division had no record of complaints on Gilchrist. Commission surveys were sent to 86 of the 111 customers listed as current customers by the utility, using the standard statistical sampling method, to determine the level of service quality provided. Thirty-six responses were received with six registering the following complaints:

	Below Average	Unacceptable
Water Pressure	1	
Timely and Accurate Billings	1	1
Customer Confidence in Management/Operator	3	1
Communication Between Utility and Customers	3	
Timely Resolution of Service Complaints	1	

Explanatory letters on the required procedure for consumer complaints were sent.

2) Water Quality

The Oregon Department of Human Services Drinking Water Program's website listed eight coliform reporting insufficiency violations from October 1991 through October 2000. No enforcement action was taken.

3) Water Capacity

Gilchrist is an unmetered system with a daily pumping capacity of 1,111,665 gallons per day. Ground water rights U-112, U-116, and U-392 allow a maximum pumping capacity of 1,434,823 gallons per day. There is also a 200,000-gallon reservoir. Given the single complaint on water pressure, it appears that there is sufficient supply for the customer base.

4) Technical Ability

The Gilchrist operator holds certifications as a Water Distribution 1, Cross Connection Inspector, and Backflow Tester. He also has twenty-one years of

experience in water system operations. An external corporation handles billing and collection.

5) Exclusive Service

A copy of the 1997 bill of sale to Gilchrist for the three wells and associated equipment (pumps, lines, pipes, fitting, connections and accessories) was submitted.

6) Reasonable Rates

The average rates shown on the application for 1998 and 1999 were \$33.95 and \$44.59 per customer per month.

OPINION

Jurisdiction

ORS 757.005 defines a public utility as “ any corporation, company, individual, association of individuals, or its lessees, trustees or receivers, that owns, 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.”

ORS 758.300 defines a water utility as " any corporation, company, individual or association of individuals, or its lessees, trustees or receivers, that owns, 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, whether or not such plant or equipment or part thereof is wholly within any town or city. ‘Water utility’ does not include a municipal corporation.”

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 Gilchrist Water Company LLC for exclusive service territory as allocated to the applicant and set forth in Appendix A 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

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

APPENDIX A

Description of Gilchrist Water Company LLC's exclusive service territory:

USC&GS of Crescent Quadrangle Oregon Klamath County Topographic map of Section 19; South $\frac{1}{4}$ of Section 18; West $\frac{1}{4}$ of Section 20; and SW $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 17 Township 24 South Range 9 East W.M. (except for the football and baseball field for Klamath County School District Gilchrist School)