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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

WA 57

In the Matter of the Sun Country)
Water Inc. Application for Allocation)
of Exclusive Territory to Provide)
Water Service, Pursuant to ORS)
758.300 Through ORS 758.320.)

ORDER

DISPOSITION: APPLICATION GRANTED

On March 13, 2000, Sun Country Water Inc. (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 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 an investor owned utility that provides water service to approximately 99 customers in Sections 10, 11, 14, 15, 22, and 23 Township 17 S, Range 11 E, W.M., within Deschutes County, 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 a record of four complaints filed in 1994 regarding rate increases, on Sun Country. Using the standard sampling technique, Commission surveys were sent to seventy-nine of the ninety-nine customers listed as current customers by the utility to determine the level of service quality being provided. Fifty-three responses were received. Tabulation of the fourteen below average or unacceptable responses follows.

	Below Average	Unacceptable
Water Pressure	9	
Courteous Customer Service	2	1
Timely and Accurate Billings	3	1
Customer Confidence in Management/Operator	2	2
Communication Between Utility and Customers	1	1
Timely Resolution of Service Complaints	1	1

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

2) Water Quality

The Oregon Health Division website showed five violations from June 1993 through April 2002. In 1993 there was an acute violation of the maximum contamination levels for fecal coliform/E. Coli. The 2000 violation was a test reading above the maximum contamination level for coliform. The remaining recorded violations were for failure to report coliform testing results. Staff views this record as not precluding approval of the application.

3) Water Capacity

Sun Country is a metered system with average daily demand of 49,918 gallons. Peak daily demand is 111,490 gallons. Sun Country Rock owns well water rights, under permits G-6710 and G-13551, with a maximum daily capacity of 576,000 gallons. A 60,000-gallon reservoir provides storage for the system. This setup appears adequate.

4) Technical Ability

The system's owners/operators have conducted all normal operations, including meter installation/reading, office functions, water testing, etc. since 1975. There is a licensed operator who provides mechanical assistance when needed.

4) Exclusive Service

Sun Country submitted copies of warranty deeds for the well and storage sites, and an easement to access the pump house.

5) Reasonable Rates

The average monthly charges per customer for the two years listed in the application were \$27.19 and \$28.37.

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 Sun Country Water Inc. 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

ORDER NO. 02-688

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.