

ORDER NO. 02-757

ENTERED OCT 22 2002

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**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

WA 68

In the Matter of College Park Water )  
Corporation 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 9, 2000, College Park Water Corporation (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 February 23, 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 154 customers in and near the College Park subdivision in the northeast Salem, Oregon area.

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 section recorded eleven complaints on College Park from eight customers during the period from August 2000 through September 2002. These complaints were satisfactorily resolved with the exception of a complaint opened August 13, 2002. The customer stated that the residence had low water pressure and College Park would not respond. Using the standard sampling technique, Commission surveys were sent to 110 of the 154 customers listed as current customers by the utility to determine the level of service quality being provided. 54 responses were received with 40 complainants. Tabulation of the below average or unacceptable responses follows.

	<b>Below Average</b>	<b>Unacceptable</b>
Water Quality	11	6
Water Pressure	19	14
Courteous Customer Service	6	13
Timely and Accurate Billings	2	1
Customer Confidence in Management/Operator	8	13
Communication Between Utility and Customers	15	14
Timely Resolution of Service Complaints	13	18

The water pressure, and timely resolution of service complaints categories show dissatisfaction levels of 21% and 20% respectively. Both complaint levels trigger a conditional approval order. With the exception of timely and accurate billings, there is a pattern of significant customer dissatisfaction. Explanatory letters on the required procedures for consumer complaints were sent. It should be noted that effective September 10, 2002; there was a change in ownership of this entity.

- 2) **Water Quality**  
The Oregon Department of Human Services Drinking Water Program website showed seven violations from July 1993 through April 1999. There were five coliform reporting insufficiencies and two failures to perform initial tap sampling for lead and copper. The recorded enforcement actions showed two returns to compliance of the lead and copper rule in 1994.
- 3) **Water Capacity**  
All of College Park's customers are residential and the system is unmetered. Average demand is estimated at 33,600 gallons per day (gpd). The utility has water right 61378 to a well that has a 290,843-gpd maximum pumping capacity and a 2,000-gallon storage tank. It appears that there is sufficient capacity to provide adequate service to its customers.
- 4) **Technical Ability**  
The former owner and assistant held Water Distribution I certifications. There was a computerized post card billing system. The new owner has several other operating water utilities.
- 5) **Exclusive Service**  
A warranty deed for the lot containing the well and storage tank was submitted.
- 6) **Reasonable Rates**  
The average monthly rates for the two years in the application were \$17.49 and \$20.95.

## **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.

Under ORS 758.305 (4) the Commission may decrease an exclusive service territory upon a showing that the water utility is not providing adequate service to its customers. If the Commission may decrease an exclusive territory because a water utility fails to provide adequate service, it is only fair that the Commission declare, to the extent possible, the level of service it expects when it acts on a petition for designated exclusive service territory. The Commission, therefore, has authority to set service quality standards when it grants a petition.

**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**

1. IT IS ORDERED that the application of College Park Water Corporation for exclusive service territory as allocated to the applicant and set forth in Appendix A is granted.
2. The new owner of College Park Water Corporation is admonished to recognize that there is a significant percentage of the customer base that has problems with the service provided, as mentioned on page 2 under Service Quality in this Order. The applicant shall resolve, within sixty days, these problems and provide the Commission with a written report on the actions taken.

Made, entered, and effective \_\_\_\_\_

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**Roy Hemmingway**  
Chairman

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**Lee Beyer**  
Commissioner

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**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 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 College Park Water Corporation's exclusive service territory:

All the tracts of land located in College Park Estates No. 3 Subdivision as filed in Section 8, Township 7 S, Range 2 W W.M., in Marion County, Oregon, AND

All the tracts of land located in Village East Subdivision as filed in Section 8, Township 7 S, Range 2 W W.M., in Marion County, Oregon, AND

The following tracts of land located in College Park Estates No. 2 Subdivision as filed in Section 8, Township 7 S, Range 2 W W.M., in Marion County, Oregon. All the Lots in Block 3;

Lot 1 of Block 4;

Lots 5 thru 8 in Block 1;

Lots 33 thru 39 in Block 2, AND

Tax Lots 2400,2401,2402 and 2500 as currently located in Section 8, Township 7 S, Range 2 W W.M., Marion County, Oregon.