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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

WA 59

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

ORDER

DISPOSITION: APPLICATION GRANTED

On February 25, 2000, Storlie Water Company (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 an investor owned utility that provides water service to approximately 17 customers in the vicinity of McGrath Road, Terry Drive, and Cindy Court in the Deschutes County 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 had one closed complaint on Storlie. A January 2002 Commission survey was sent to the fifteen (excluding the family ownership) customers listed as current customers by the utility to determine the level of service quality being provided. Eleven responses were received with five complainants giving the following ratings.

	Below Average	Unacceptable
Water Quality	1	
Water Pressure	4	1
Timely and Accurate Billings	1	
Customer Confidence in Management/Operator	1	
Communication Between Utility and Customers	1	
Timely Resolution of Service Complaints	1	

The water pressure complaint percentage of the customer base would warrant a Commission condition in the approval order for testing and report issuance. However, in a July 9, 2002 letter response to a staff data request, we were informed that a new pump had been purchased and installed to help even out the water pressure. A recent follow-up to the five customers regarding water pressure showed the problems were corrected.

2) Water Quality

There were six coliform reporting and one initial tap sampling violations recorded from April 1992 through October 1993. Sixty-one chemical nonreporting violations are recorded from January 1996 through December 1998. There were three coliform reporting violations recorded since. The enforcement history shows four return to compliance notations. The systemic reporting problem has been corrected.

- 3) **Water Capacity**
Storlie has an unmetered residential customer base. The utility has right 4101386A to a well that has a 15,840-gallon per day maximum pumping capacity and a concrete cistern storage capacity of 16,000 gallons. It appears that Storlie has sufficient capacity to provide adequate service to its customers.
- 4) **Technical Ability**
The owner built and has operated the system since 1975. Per the Drinking Water Program Operator Certification section, he has attended annual Oregon technical and management conferences that suffice for the water operator certification exemption.
- 5) **Exclusive Service**
A property tax statement showing ownership of the utility lot by the Storlie family trust was submitted.
- 6) **Reasonable Rates**
The average customer charges for the two years listed in the application were \$17.22 and \$18.00.

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 Storlie Water Company 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

ORDER NO. 03-212

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 Storlie Water Company's exclusive service territory:

The SW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 22, T. 17 S., R. 13 W., W.M. Deschutes County, Oregon and
Tax Lots 00200 and 00202 Section 22, T. 17 S., R. 13 W., W.M. Deschutes County
,Oregon.