

ORDER NO. 04-087

ENTERED FEB 11 2004

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**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

UP 209

In the Matter of	)	
	)	
The ESTATE OF HOWARD STERLING	)	
GASS	)	ORDER
	)	
Application to Approve the Transfer of Utility	)	
Property to WESTLAND ESTATES WATER	)	
SYSTEM, INC.	)	

**DISPOSITION: APPLICATION APPROVED WITH CONDITIONS**

On November 28, 2003, Stephen F. Gass and Margaret "Megan" E. Gass filed an application with the Public Utility Commission of Oregon (Commission) pursuant to ORS 114.305, ORS 757.480, and OAR 860-036-0715, requesting approval to transfer utility property in the City of Hermiston from its deceased owner, Howard Sterling Gass, to Westland Estates Water System, Inc.

Based on a review of the application and the Commission's records, the Commission finds that the application satisfies applicable statutes and administrative rules. At its Public Meeting on February 3, 2004, the Commission adopted Staff's recommendation to approve the sale of assets as proposed. Staff's recommendation is attached as Appendix A and is incorporated by reference.

**OPINION**

Stephen F. Gass and Margaret "Megan" E. Gass are the co-personal representatives of the estate of Howard Sterling Gass.

Under ORS 757.480, any water utility doing business in Oregon shall first obtain Commission approval for any transaction to sell, lease, assign or otherwise dispose of property.

OAR 860-036-0715 specifies the information regarding applications for authority to sell, lease, assign, mortgage, merge, consolidate, terminate, abandon or otherwise dispose of or encumber property. This application contains the necessary information to transfer the utility property.

**ORDER**

IT IS ORDERED that:

1. The application of Stephen F. Gass and Margaret "Megan" E. Gass is approved.
2. Westland Estates Water System, Inc. shall provide the Commission access to all books of account, as well as documents, data, and records that pertain to the transfer.
3. The Commission reserves the right to review for reasonableness all financial aspects of this arrangement in any rate proceeding or earning review under an alternative form of regulation.
4. Westland Estates Water System, Inc. shall notify the Commission in advance of any substantive changes to this agreement, including any material changes in any cost. Any changes to the agreement terms that alter the intent and extent of activities under the agreement from those approved herein shall be submitted for approval in an application for a supplemental order (or other appropriate format) in this docket.

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

BY THE COMMISSION:

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**Becky L. Beier**  
Commission Secretary

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A party may appeal this order to a court pursuant to ORS 756.580.

ITEM NO. CA4

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: FEBRUARY 3, 2004**

**REGULAR** \_\_\_\_\_ **CONSENT**   X   **EFFECTIVE DATE** \_\_\_\_\_   N/A  

**DATE:** January 27, 2004

**TO:** Lee Sparling through Marc Hellman and Rebecca Hathorn

**FROM:** Marion Anderson

**SUBJECT:** WESTLAND ESTATES WATER SYSTEM: (Docket No. UP 209)  
Application for approval to transfer the utility's property located in the City of Hermiston.

**STAFF RECOMMENDATION:**

The Commission should approve the transfer of utility property by the estate of the deceased owner, Howard Sterling Gass, to the corporate entity, Westland Estates Water System, Inc., with the following conditions:

1. Westland Estates Water System, Inc. shall provide the Commission access to all books of account, as well as documents, data, and records that pertain to the transfer.
2. The Commission reserves the right to review for reasonableness all financial aspects of this arrangement in any rate proceeding or earnings review under an alternative form of regulation.
3. Westland Estates Water System, Inc. shall notify the Commission in advance of any substantive changes to this agreement, including any material changes in any cost. Any changes to the agreement terms that alter the intent and extent of activities under the agreement from those approved herein shall be submitted for approval in an application for a supplemental order (or other appropriate format) in this docket.

**DISCUSSION:**

On November 28, 2003, Stephen F. Gass and Margaret "Megan" E. Gass (co-personal representatives of the estate) filed an application pursuant to ORS 114.305(22), ORS

APPENDIX A  
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**DISCUSSION: (continued)**

757.480, and OAR 860-036-0715. Westland Estates Water System (Westland or the Company) is a rate-regulated water company. The most recent rate case, UW 77, took place in 2001 and resulted in Order No. 01-947. The property designated for sale is contained within the award of exclusive service territory as shown in Order No. 02-668, Appendix A. Confirmation of customer notification was received December 24, 2003.

Staff investigated the following issues:

Public Interest Compliance: Utility operations will be maintained under the existing operational team.

Records Availability, Audit Provisions and Reporting Requirements: The proposed ordering condition No. 1 provides the necessary access to Westland's books and records.

With the previously listed conditions, this transfer appears to be fair, reasonable, and not contrary to the public interest.

**PROPOSED COMMISSION MOTION:**

The requested transfer of utility property by the estate of the deceased owner, Howard Sterling Gass, to the corporate entity, Westland Estates Water System, Inc. be approved subject to the conditions stated in this memorandum.

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