

ORDER NO. 01-1010

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**BEFORE THE PUBLIC UTILITY COMMISSION**  
**OF OREGON**

WA 14

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

ORDER

**DISPOSITION: APPLICATION GRANTED**

On February 24, 2000, Charles Tracts 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 29, 2000, 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 62 customers in the area north of Hermiston, 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

A Commission survey was sent to the sixty-two customers listed as current customers by the utility to determine the level of service quality being provided. Twenty-six responses were received with no system-wide service quality problems indicated. Four customer responses rated various categories as below average or unacceptable. Explanatory letters on the required procedure for consumer complaints were sent. The Commission Consumer Services section has no record of complaints on Charles Tracts.

2) Water Quality

A review of the Oregon Health Division's web site shows no violations recorded since August 1994.

3) Water Capacity

Charles Tracts has thirty-three residential and twenty-nine commercial/industrial customers. Average demand is 43,500 gallons per day (gpd). Peak demand is 216,000 gpd. The utility owns the water rights to 648,000 gpd of ground water, drawn from three wells. During times of average demand, approximately 7 percent of the available water rights is in use.

4) Technical Ability

The Oregon Health Department does not require a certified operator for this size of utility. The manager has operated the system since 1981 and takes at least one continuing education course annually.

5) Exclusive Service

Photocopies of the maps for the three wells supplying water to Charles Tracts and the wells' tax receipts were submitted. This documentation shows that the owner of Charles Tracts also owns the wells.

6) Reasonable Rates

All but three residential and two commercial customers are metered. The metered rates are \$12.00 for the first 3,000 gallons and \$1.00 for each 1,000 gallons thereafter. The unmetered charges approximate the metered. This is a reasonable rate structure with an average bill of \$24.28.

**OPINION**

**Jurisdiction**

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

**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 Charles Tracts Water Company for exclusive service territory as allocated to the applicant and set forth in Appendix A is granted.

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

\_\_\_\_\_  
**Phil Nyegaard**  
Acting 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 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 Charles Tracts Water Company's exclusive service territory:

The location is approximately 2 miles north of Hermiston, Oregon on U.S. Highway 395. Map 5N 28E Sections 27 and 34. The north boundary is Bensel Road. The west boundary is a platted county road named Sunshine Lane. The east boundary is four blocks east of Highway 395. The south boundary is Baggett Lane except for tax lots 300, 401, 402, 403 and 601 in Section 34. This is an area south of Baggett Lane down Kik Road with these five lots being to the west of Kik Road.