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

WA 28

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

ORDER

**DISPOSITION: APPLICATION GRANTED**

On February 22, 2000, Pinecrest Water Company Inc. (applicant) filed under Oregon Administrative Rule 860-036-0900 an application with the Public Utility Commission (Commission) for an allocation of exclusive service 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 28, 2000 as required by Chapter 695, Oregon Laws 1999, Section 2(2). No requests for hearing were filed.

Applicant is a Sub Chapter S corporation that provides water service to approximately 47 customers in the Bly, 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 mailed a survey regarding service quality to all 47 Pinecrest customers on January 18, 2001. The Commission received 25 completed surveys. Analysis of the survey responses indicates no system-wide service problems. The Commission's Consumer Services Division reports no complaints over the past two years.
- 2) **Water Quality:** The Oregon Health Division (OHD) reports no recent water quality violations or other problems.
- 3) **Water Capacity:** Pinecrest has 47 residential customers. The company estimates that its system distributes approximately 750,784 cubic feet per year (approximately 10.69 gpm). Average demand is 2,057 gallons per day (gpd) and peak demand is 5,207 gpd. Pinecrest's water source is a well and the company has water rights permit number G-6349 for 140 gallons per minute (gpm). In addition, the company's pumping capacity is 26,952 gpd and it has a 150,000-gallon storage tank. The company is using approximately 8 percent of its maximum pumping capacity (19 percent at peak demand) and approximately 1 percent of its water right (approximately 3 percent at peak demand). The system appears to have sufficient capacity to serve its customers.
- 4) **Technical Ability:** A system of this size does not require a certified operator. Leslie Thomas is the current system operator and has held that position for seven years. He has six years of experience with the Bly Sanitary District water and wastewater systems. He has held wastewater collection and treatment certifications from Oregon Department of Environmental Quality and attends classes sponsored by the Oregon Association of Water Utilities each year. The system appears to possess sufficient technical ability.
- 5) **Exclusive Service:** The applicant has submitted a deed proving ownership of the land upon which the well and storage facilities are located

- 6) Reasonable Rates: Pinecrest's average monthly residential rate for 1999, computed based on information provided in its application is \$15.94. This is below the Commission's threshold monthly residential rate and is therefore considered reasonable.

## **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 permanent 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 Pinecrest Water Company Inc. for exclusive service territory as allocated to the applicant and set forth in Appendix A is granted.

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

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**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. A party to a hearing may appeal this order to a court pursuant to 756.580.

Appendix A

Description of the Pinecrest Water Company, Inc. exclusive service territory:

Township 36 South, Range 14 East, Section 30. Klamath County, near Bly, Oregon. The service territory includes all lots within the Pinecrest Estates Tract (tract number 1093). Pinecrest Estates Tract consists of 126 developed and undeveloped lots. Pinecrest Estates Tract is crossed by Whitmore Street, Driscoll Street and Pinecrest Drive, among other streets.