

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: August 6, 2002**

REGULAR **CONSENT** **EFFECTIVE DATE** _____

DATE: July 31, 2002

TO: John Savage through Marc Hellman and Rebecca Hathhorn

FROM: Kathy Miller

SUBJECT: SEAVY LOOP WATER COMPANY: (UM 1057) Staff request to open adequacy of service investigation pursuant to ORS 756.515 and Commission order for compliance.

STAFF RECOMMENDATION:

Staff recommends the Commission open an investigation into Seavy Loop Water Company's adequacy of service and order the company to comply with OAR 860-036-0015(9) and (10).

DISCUSSION:

On July 25, 2002, Seavy Loop Water Company (SLWC), a public utility under ORS 757.005, experienced a water outage. A customer notified the on-site system manager (Ms. Trammel) of a main line break at approximately 1:00 p.m. Ms. Trammell called the company owners (company), but there was no answer. SLWC is located near Eugene. The owners of the company reside in Bend. Ms. Trammell contacted the PUC Consumer Services (CS) at 2:02 p.m. to report the water outage stating that she had no water and "did not know who to call."

CS's attempts to reach the company were unsuccessful. The company did not answer the phone and there was no recording device to leave messages. CS then brought the matter to the attention of the Utility Program water staff. Staff alerted the Department of Human Services Drinking Water Program (DWP) and attempted to contact the company all afternoon. At 6:18 p.m., the company answered the phone and staff reported the main line break. The company stated that it was unaware of the problem. The next morning, staff was separately notified by a customer and the company that the main line had been repaired and that water service had been restored.

SLWC has a long history of poor communication with its customers. The July 25, 2002, incident is one of many in which the customers and PUC staff has not been able to reach the company. CS has received numerous complaints that the company does not return customer calls and is not reachable by telephone. In addition, there have been adequacy of service issues staff and the DWP have jointly worked on with the company since an e-coli detection in May 1999. These issues include proper chlorination, adequate water pressure, proper equipment and facilities, timely repairs, reservoir leaks, billing and collection, proper maintenance, the company lack of availability by telephone, company response time, and required water testing.

Staff met with the company in Bend in June 2000, and also attended many customer meetings in Eugene. DWP and staff have inspected the water system and each made arrangements for circuit riders to perform independent evaluations of the system. Staff and the Department of Justice (DOJ) have sent nine letters to the company outlining PUC and DWP's rules and regulations and compliance requirements.

DOJ's January 9, 2002, letter to the company, stated that the company was in violation of OAR 860-036-0015 and must maintain a regular water utility telephone number where customers can call with complaints, inquiries, and emergencies pursuant to OAR 860-036-0015(9) and (10). The letter also stated that the company was in violation of OAR 860-036-0315 to maintain adequate water pressure. The company was given until January 25, 2002, to be in full compliance. The company appeared at that time to make a substantial effort to meet the letter's requirements.

The incident of July 25, 2002, and resulting customer complaints demonstrate that the company continues to be out of compliance with respect to maintaining a water utility telephone number. On July 25, for over five hours, the site manager, the customers, PUC Consumer Services, and PUC water staff could not reach the company.

OAR 860-036-0015:

(9) Each water utility shall maintain a business location and a regular telephone number at which it may be contacted directly by customers, applicants, or the commission during its regular business hours. The water utility shall respond to nonemergency customer inquiries, complaints, and service problems within a reasonable time period. For purposes of this rule, a reasonable time period is considered to be within 24 hours.

OAR 860-036-0015:

(10) The water utility shall provide a means by which it may be contacted at any hour in the event of a service failure or emergency or at which a customer or applicant may leave a message reporting such failure or emergency. The water utility shall respond to emergency calls or messages within one hour of the time of the call or message, unless extenuating circumstances exist that prevent such response. The water utility may be required to justify extenuating circumstances to the Commission's satisfaction.

The customers' recent complaints also include concerns regarding other water issues, such as water quality and water testing. Staff seeks to open an investigation into the customers' continuing allegation of inadequate and unsafe water service by SLWC. Staff also seeks a Commission order to direct the company to provide a means where it may be contacted at any hour and order the company to respond to customer complaints, inquiries, and emergencies as required pursuant to OAR 860-036-0015.

PROPOSED COMMISSION MOTION:

Pursuant to ORS 756.040, Seavy Loop Water Company be ordered to comply with OAR 860-036-0015(9) and (10). In addition, pursuant to ORS 756.515, an investigation be opened on Seavy Loop Water Company's provision of safe and adequate water service.