BEFORE THE
PUBLIC UTILITY COMMISSION OF OREGON
UW 209

In the Matter of SALMON VALLEY WATER COMPANY; SUNSTONE WATER, LLC; LAKESHORE WATER COMPANY, LLC; SEAVEY LOOP WATER COMPANY, LLC; and SOUTH COAST WATER COMPANY, LLC Request for a General Rate Revision.

OPENING TESTIMONY OF CARRIE ROSE

July 22, 2026

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My name is Carrie Rose, and I am an Intervenor in this rate case and a customer of Seavey Loop Water Company.

I moved into my neighborhood in 2010 and since that time have had my water provided by the well next door to my property. When I moved in, my water rates were very reasonable and I had no problems with the company that owned the well. In the last decade, though, the well has changed ownership several times, our neighborhood's rates have climbed dramatically, and my neighbors and I have had trouble getting responses to our customer service inquiries and urgent problems. In 2017 I was paying $33/month for water. I am currently paying $98.65, which is approximately 3 times the rate I was paying less than a decade ago.

The Seavey Loop Water Company, of which I am a customer, has repeatedly attempted to get customers to pay for unnecessary and unreasonable expenses, ignored customer inquiries, and hidden relevant information. Given this track record, I am very concerned about the Salmon Valley merger, which could make it easier for the Water Company to overspend and hide the details. Our rates continue to be determined by settlements agreed to in confidential meetings, so the standards of evidence are potentially low and the reasoning behind the rates is at least partially undisclosed to the customers. Given that Salmon Valley is unable to keep their rates in line with what is typical for our area, I would like a very high level of proof required for expenses that will be passed along to customers.

I would like to give four examples of my interactions with Seavey Loop Water Company that demonstrate their unreasonable spending, poor management, and lack of transparency about their activities.

Example 1:
In September of 2024, I returned from a trip to discover that my front yard was flooding. Since the leak was on my property, I assumed that the responsibility for repairs was mine. However, I couldn't get a contractor to give an estimate without turning off the water so the pipe could be examined. I contacted the Water Company with two urgent questions: how could I turn off the water, and whether the leak was potentially making our water unsafe to drink. I initially called the non-emergency phone number during business hours and left a message on an answering machine. After waiting and not hearing back, I tried calling the emergency number and I also reached an answering machine.

When I finally received a call back, the representative told me that they didn't know how to turn off the water, but they would send someone to my house to find out. (I want to note here that customers are paying for a capital expense called system mapping, which I would expect would indicate where emergency shutoff valves are located.) Nobody showed up at my house to locate the shutoff valve, so I called again and was given a new date to expect a representative. After waiting through the weekend and still not having anyone come to address the problem, and with my front yard continuing to be buried in water, I finally called the Oregon Public Utility Commission and asked them for assistance.

The Water Company finally responded to the PUC and answered my questions. I learned that the leak was actually in the Company's pipe and they were responsible for fixing it (and my water was safe to drink, fortunately). They planned for a repair the following week. I find it very concerning that I had to wait weeks for this problem to be addressed and that, without the help of the PUC, it could have taken much longer. (The email sent to me from the PUC is in exhibit 101.)

When the Water Company files a request for a rate increase, one of the questions they must answer, in writing, is about any customer service problems they have experienced. Even though the leak in my yard was such a major customer service failure that I had to get assistance from the PUC, they didn't mention it at all in their filing. This seems like a serious omission to me.

Example 2:
In 2023, the Water Company had a fence built. The fence was partially on my property and interfered with my use of my property. They had not asked permission to build the fence there. When I contacted them about it, they agreed that their fence was in fact on my property and agreed to move it. However, since I had raised issues about the property line, they began discussing the exact location of the divide between our properties. A pre-existing fence was located on the well's property before I bought the adjacent property, and it was set a few feet back from the property line, so I could theoretically walk a small distance onto their property from my own backyard. They seemed concerned about this, although it had never caused any problems, and after considering moving their fence to the exact border of their property, they decided to pay a lawyer to write a document granting me permission to use the few feet of space on my side of their fence.

The document they sent to me made the odd claim that I had erroneously constructed a fence on their property, which they called the "Encroaching Fence," and suggested that they might require me to remove the fence at some point. (I assume that the fence was built on the well's property by the owner of the well at some point.) They also granted me a revocable license to use the sliver of property next to the fence. (The email from the Water Company to me regarding this legal document, and the attached document, are in exhibits 102 and 103.)

This expense seems completely unrelated to providing water to the neighborhood (as well as being generally unnecessary). However, the Water Company included over a thousand dollars in capital expenses for this issue in their following rate case. They were very vague about why these legal fees were paid. I was an Intervenor in that case, and I asked them to provide details about why the legal expenses were necessary. They failed to give a detailed response.

I find it extremely inappropriate that the Water Company attempted to get customers to pay for those unjustified expenses. Those expenses were not included in the rate base after the settlement process, but I wonder what would have happened had I not been an Intervenor with the ability to draw attention to that cost and explain why it wasn't related to providing water to customers. It seemed that their strategy was to include inappropriate expenses in the rate case with only vague explanations, hoping the customers would be forced to pay. This example shows the importance of detailed scrutiny of all the Water Company's expenses.

Example 3:
In the first rate case filed by the Seavey Loop Water Company, as an Intervenor, I submitted a number of questions to the Water Company. They were required to answer these questions within a certain period of time. However, they failed to answer. By the time of the first settlement conference, they had not answered, and the conference was rescheduled. (I had taken unpaid time off work for the settlement conference.) Even after indicating that they were aware of the requirement to answer my questions, they still failed to respond.

I finally had to request assistance from the judge in that rate case to force the Water Company to comply with the legal requirements. When they did eventually respond to my questions, their responses were still very unsatisfactory. (For example, instead of giving an answer, they stated that the answer was contained in one of their previous filings with hundreds of pages, and they didn't give a page number. I was unable to find the answer.)

This is another example of either poor management or deliberate misconduct by the Water Company in responding to customers. They have demonstrated that they will not fulfill their basic responsibilities if not forced.

Example 4:
An issue that has repeatedly come up in rate cases is landscaping costs. During the period of time while they were tripling customers' rates, the Water Company spent many thousands of dollars on capital expenses related to landscaping. Multiple customers have objected to being forced to pay for these costs, since they are unnecessary for providing water. When I purchased my house, the owner of the well had very minimal landscaping expenses, which mostly seemed to be the cost of periodically mowing the grass of the small property. This was perfectly adequate.

After paying large amounts of money for landscaping capital expenses, the newly planted shrubs died. The Water Company replanted and installed irrigation for the new plants. Even after a rate case in which many customers complained about the landscaping, the Company continued to incur further landscaping capital expenses. Perhaps this could have been justified if they had made updates that reduced overall costs, but they continue to claim large monthly maintenance costs in their rate cases (and plants requiring irrigation don't seem low-maintenance).

This is an example of spending on unnecessary expenses, unrelated to providing water, that customers are being forced to pay. The Water Company's justification is that it benefits the neighborhood when the well's property looks attractive. However, this argument rings a bit hollow when they are ignoring the damage from flooding that their well is causing to the adjacent property. This shows the poor management decisions that have been contributing to customers' skyrocketing rates.

I request that the Commission require the Water Companies requesting rate increases to give detailed explanations of the necessity of all expenses that they are asking customers to pay for. I also request that the Water Companies be required to demonstrate a good faith effort to respond to urgent customer communications and manage resources prudently.