



1 As a result of this foreclosure, numerous scenarios could result. These scenarios include:  
2 right of redemption by the Company before a mandatory expiration date; the Company being the  
3 successful bidder at the property auction; another entity being a successful bidder at the property  
4 auction, or the County being initially unable to sell the property.

5 Any of these scenarios could possibly affect the cost basis (plant investment, depreciation  
6 expense, cost of capital, future property taxes, and income taxes) of the utility. As a result it  
7 would be premature of Staff to recommend revenue and rates based on the Company's cost of  
8 service.

9 Staff was informed by the County on March 18, 2008, that it expects the matter to be  
10 resolved within 30 to 60 days. Staff was also informed by the County that it will not restrict  
11 SMGV's access to the property for service and required maintenance. SMGV does not maintain  
12 an exclusive service territory allocation for the territory it serves. The Company continues to  
13 receive water revenues during this period.

14 Staff has contacted the parties involved in the rate application and notified them of Staff's  
15 intention to request an additional three month suspension. While two of the Intervenor's do not  
16 object to the extension, the third, Tom Clifford, is traveling and has not responded. The  
17 Company opposes Staff's request to extend the suspension period.

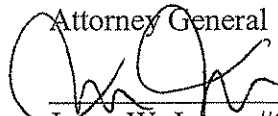
18 CONCLUSION

19 For the foregoing reasons, Staff respectfully requests an order suspending Advice No. 07-  
20 21 for an additional three months.

21 DATED this 21<sup>st</sup> day of March 2008.

22 Respectfully submitted,

23 HARDY MYERS  
24 Attorney General



25 Jason W. Jones, #00059  
26 Assistant Attorney General  
Of Attorneys for the Public Utility Commission  
of Oregon

1 **CERTIFICATE OF SERVICE**

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3 I certify that on March 21, 2008, I served the foregoing upon all parties of record in this  
4 proceeding by delivering a copy by electronic mail and by mailing a copy by postage prepaid  
5 first class mail or by hand delivery/shuttle mail to the parties accepting paper service.

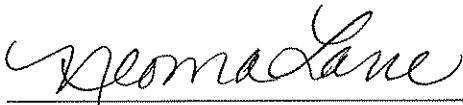
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Legal Secretary  
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Regulated Utility & Business Section