



Oregon

Theodore R. Kulongoski, Governor

Public Utility Commission

550 Capitol St NE, Suite 215

Mailing Address: PO Box 2148

Salem, OR 97308-2148

Consumer Services

1-800-522-2404

Local: (503) 378-6600

Administrative Services

(503) 373-7394

September 25, 2008

OREGON PUBLIC UTILITY COMMISSION
ATTENTION: FILING CENTER
PO BOX 2148
SALEM OR 97308-2148

RE: Docket No. UW 129 - In the Matter of OLD SHEEP RANCH WATER ASSOCIATION
Establish General Rates.

Enclosed for electronic filing in the above-captioned docket is Staff's Direct
Testimony in Docket UW 129.

/s/ Lois Meerdink

Lois Meerdink

Regulatory Operations Division

Filing on Behalf of Public Utility Commission Staff

(503) 378-8959

Email: Lois.Meerdink@state.or.us

c: UW 129 Service List (parties)

**PUBLIC UTILITY COMMISSION
OF OREGON**

UW 129

**STAFF DIRECT TESTIMONY
OF**

Renee Sloan

**In the Matter of
OLD SHEEP RANCH WATER ASSOCIATION
Application to Establish Rates**

September 25, 2008

CASE: UW 129
WITNESS: Renee Sloan

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 100

Direct Testimony

September 25, 2008

1 **Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.**

2 A. My name is Renee Sloan. I am a Utility Analyst assigned to the Corporate
3 Analysis and Water Regulation Section of the Utility Program with the Public
4 Utility Commission of Oregon (Commission). My business address is
5 550 Capitol Street NE Suite 215, Salem, Oregon 97308-2148.

6 **Q. PLEASE DESCRIBE YOUR WORK EXPERIENCE.**

7 A. I have been employed with the Commission since 1986 and have participated
8 in numerous water utility dockets involving rate filings, rulemakings, and
9 various tariff filings.

10 **Q. WHO ARE THE PARTIES IN THIS DOCKET?**

11 A. The parties to this docket are: Old Sheep Ranch Water Association, (OSRWA
12 or Association), Commission Staff (Staff), and Marc D. Edwards, Intervenor
13 (inclusively referred to as Parties).

14 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

15 A. My testimony introduces and supports the Stipulation entered into by the
16 Parties.

17 **Q. DID YOU PREPARE AN EXHIBIT FOR THIS DOCKET?**

18 A. Yes. Staff/101 contains the following five documents:

19	Revenue Requirement	Staff/101, page 1
20	Summary of Adjustments	Staff/101, page 2
21	Plant and Depreciation	Staff/101, page 3
22	Residential Rate Design	Staff/101, page 4
23	Rate Impact	Staff/101, page 5

1 **Q. HOW IS YOUR TESTIMONY ORGANIZED?**

2 A. My testimony is organized as follows:

3 Issue 1, Description and Regulatory History of OSRWA..... 2
4 Issue 2, Summary of OSRWA's Rate Application 3
5 Issue 3, Staff's Analysis of OSRWA's Filing..... 4
6 Issue 4, Summary of the Stipulation..... 7

7 **ISSUE 1, DESCRIPTION AND REGULATORY HISTORY OF OSRWA**

8 **Q. PLEASE DESCRIBE OLD SHEEP RANCH WATER ASSOCIATION.**

9 A. OSRWA is a nonprofit, small water association with members located near
10 Langlois, Oregon. The Association provides domestic residential water service
11 to approximately 33 members.

12 **Q. PLEASE EXPLAIN HOW OSRWA BECAME A RATE REGULATED
13 PUBLIC WATER UTILITY.**

14 A. Under ORS 757.063, the Commission regulates any association of individuals
15 that furnishes water to members of the association if 20 percent or more of the
16 association members file a petition with the Commission requesting such
17 regulation.

18 On December 3, 2007, the Commission received petitions from 10 OSRWA
19 members requesting utility regulation. Ten petitions represent approximately
20 30 percent of the membership, exceeding the statutory threshold of 20 percent.
21 The requirement for Commission regulation was met as of January 3, 2008.
22 Subsequently, on January 27, 2008, the Commission issued Order No. 08-111,
23 memorializing regulatory jurisdiction of OSRWA and ordering the Association
24 to file tariffs with the Commission.

ISSUE 2. SUMMARY OF OSRWA'S RATE APPLICATION**Q. PLEASE DESCRIBE OSRWA'S RATE PROPOSAL AS FILED IN ITS APPLICATION.**

A. On May 16, 2008, OSRWA filed a rate case application in compliance with Order No. 08-111. In its application, the Association proposed to establish rates that would collect the same annual revenues as the Association collected in 2007. In addition, OSRWA proposed to keep the current rate design which consists of a monthly \$30 base rate that includes 15,000 gallons plus \$2.00 per 1,000 gallons above 15,000 gallons.

Q. HOW DID OSRWA DETERMINE THE TEST YEAR AND PROPOSED REVENUES?

A. Although the application proposed no increase in revenues, the revenue amount is misleading. The test year and proposed revenue amounts shown in the application were calculated by taking the \$30 monthly base rate times 33 customers times 12 months. The resulting \$11,880 does not include revenues from water usage.

Q. WHAT DID OSRWA'S PREVIOUS BOARD¹ REPORT AS TEST YEAR REVENUES?

A. According to the application, the previous Board of Directors determined that test year revenues were \$12,763.

¹ The previous Board of Directors was replaced by the current Board in April 2008.

1 **Q. WHAT RATE OF RETURN DID THE ASSOCIATION PROPOSE IN ITS**
2 **APPLICATION?**

3 A. OSRWA proposed a zero percent rate of return on a \$27,390 rate base
4 because of the Association's status as a domestic nonprofit mutual benefit
5 corporation with members.

6 **ISSUE 3, STAFF'S ANALYSIS OF OSRWA'S FILING**

7 **Q. PLEASE DESCRIBE THE RESULTS OF STAFF'S ANALYSIS OF**
8 **OSRWA'S FILING.**

9 A. Staff's review of the Application shows that OSRWA should collect \$12,356 in
10 revenues. Additionally, Staff's analysis resulted in total revenue deductions of
11 \$12,356.

12 **Q. PLEASE EXPLAIN THE DIFFERENCE BETWEEN OSRWA'S PROPOSED**
13 **RATE BASE AND STAFF'S RATE BASE RESULTS.**

14 A. A comparison of the Association's proposed rate base and Staff's rate base is
15 shown in Table 1 below.

16 **Table 1 – Rate Base Comparison**

	Utility Plant In Service	Depreciation Reserve	Net Utility Plant	Working Cash	Total Rate Base
OSRWA's Proposed	\$26,400	\$0	\$26,400	\$990	\$27,390
Staff's Proposed	\$26,400	\$4,848	\$21,552	\$958	\$22,510

17 Staff used the National Association of Regulatory Utility Commissioners
18 (NARUC) Depreciation Service Lives to determine the \$4,848 depreciation
19 reserve. Working cash was calculated as 1/12 of the total operating expenses.

1 **Q. WHY DOES STAFF'S ANALYSIS RECOMMEND NO RETURN ON THE**
2 **ASSOCIATION'S RATE BASE?**

3 A. Staff recommends a zero return on rate base due to OSRWA's status as a
4 nonprofit association and because the Association has no debt.

5 **Q. IN UW 126, STAFF ALLOWED A SYSTEM PROGRAM FUND EXPENSE**
6 **TO COUNTER THE ZERO RETURN ON RATE BASE. PLEASE EXPLAIN**
7 **WHY STAFF DOES NOT PROPOSE A SIMILAR EXPENSE FOR OSRWA.**

8 A. A System Program Fund expense is a contingency fund or reserve account.
9 Through its bylaws, the Association has established and maintains a reserve
10 fund to provide for repairs and maintenance to the system. Under the bylaws,
11 the fund amount should be at least \$50,000 but not more than \$120,000.
12 Since the current fund balance is approximately \$64,000, Staff does not
13 recommend a System Program Fund expense for OSRWA as the current
14 balance is between the bylaw requirements.

15 **Q. PLEASE EXPLAIN STAFF'S ADJUSTMENTS TO THE ASSOCIATION'S**
16 **PROPOSAL.**

17 A. Staff's adjustments are shown in Staff/101, Sloan/2. Staff made several
18 adjustments to OSRWA's test year expenses to move expenses into the
19 appropriate accounts, remove duplicate expenses, and other appropriate
20 adjustments based on the documentation provided by the Association.

21 Some of the more significant adjustments are explained below:

22 a. Revenues: Staff changed the Application test year revenues to \$12,763,
23 the amount reported by the previous board. Staff then removed \$407 in

1 imputed revenues for a customer who receives water in lieu of wages for
2 performing system operator duties.

3 b. Chemicals: Staff's review of a 2007 Audit Report² showed a test year
4 amount of \$1,023 for soda ash. Staff moved \$45 from postage expense
5 into chemicals expense, because the expense was for delivery of
6 chemicals, resulting in a total of \$1,068. In addition, based on OSRWA's
7 response to Data Request 24 stating the Association had a three-year
8 supply of soda ash on hand, Staff amortized the total over three years
9 for an annual expense of \$356.

10 c. O&M Materials & Supplies: Staff removed the \$829 test year amount for
11 soda ash because it is duplicated in chemicals expense.

12 d. Repairs: Based on the 2007 Audit Report, Staff adjusted the test year
13 amount shown in the application from \$1,920 to \$3,861.

14 e. Engineering: Staff removed \$584 from the test year expense because
15 that amount was for a survey that is included in Plant.

16 f. Testing: The \$421 reduction in testing expense reflects a three-year
17 average of testing costs.

18 g. Transportation: Although OSRWA reported zero test year expense for
19 transportation, Staff recommends allowing the \$1,142 proposed by the
20 Association. The amount in this expense is to cover the cost of fuel
21 used when collecting water samples and delivering the samples to the
22 lab and for travel required when purchasing parts and supplies.

² The newly appointed OSRWA Board was unable to provide Staff with receipts or invoices for test year expenses, but did provide results of a 2007 audit prepared by an accounting firm.

1 **Q. PLEASE EXPLAIN WHY STAFF RECOMMENDS ELIMINATING THE**
2 **\$10,000 SYSTEM DEVELOPMENT FEE AS DESCRIBED IN OSRWA'S**
3 **BYLAWS.**

4 A. Prior to coming under Commission jurisdiction, OSRWA charged a \$10,000
5 system development to new customers. Because the Association is now rate
6 regulated, the connection fee must be consistent with the Commission's rules
7 and must be cost based. On a going forward basis, infrastructure charges will
8 be shared proportionally by customers.

9 **Q. PLEASE EXPLAIN WHY STAFF RECOMMENDS ELIMINATING THE \$100**
10 **ONE TIME MEMBERSHIP FEE AS PROPOSED IN OSRWA'S TARIFFS.**

11 A. New customers will now pay a connection charge for new service according to
12 OSRWA's Schedule 2, Miscellaneous Service Charges. As a result, the \$100
13 membership fee is not necessary.

14 **ISSUE 4, SUMMARY OF THE STIPULATION**

15 **Q. PLEASE DESCRIBE THE REVENUE REQUIREMENT STIPULATED TO**
16 **BY THE PARTIES.**

17 A. The Parties stipulated to a 3.2 percent decrease in total revenue requirement.
18 This results in a revenue requirement of \$12,356 and total revenue deductions
19 of \$12,356. The Parties also stipulated that the Association will not receive a
20 rate of return on its total rate base of \$22,510.

1 **Q. DID THE PARTIES STIPULATE TO ANY CHANGES IN THE CURRENT**
2 **RATE DESIGN?**

3 A. Yes. The Parties agreed to change the existing rate design by eliminating the
4 15,000 gallons currently included in the base rate. Under the stipulated rate
5 design, customers will pay for all the water they use.

6 **Q. PLEASE DESCRIBE THE STIPULATED RATE DESIGN.**

7 A. The Parties agreed to a monthly base rate of \$25.70 and a commodity rate of
8 \$1.56 per 1,000 gallons.

9 Staff generally aims for a 60/40 split between the base rate and usage rate;
10 however, using a 60/40 split in OSRWA's rate design would have caused the
11 commodity rate to increase from \$1.56 to \$3.09 per 1,000 gallons. The Parties
12 agreed that assigning 79.86 percent of the revenue requirement to the base
13 rate and 20.14 percent to the usage rate will generate reasonable rates.

14 **Q. PLEASE COMPARE THE CURRENT AND STIPULATED RATES.**

15 A. A summary of the rates is shown in Table 2 below.

16 **Table 2 - Summary of Rates**

Current Rates		
Base Rate	\$30.00	Includes 15,000 gallons
Commodity Rate	\$2.00 per 1,000 gallons	Above 15,000 gallons
Stipulated Rates		
Base Rate	\$25.70	No usage included in base rate
Commodity Rate	\$1.56 per 1,000 gallons	For all usage

1 **Q. PLEASE DESCRIBE THE RATE IMPACT OF THE STIPULATED RATES.**

2 A. Staff/101, Sloan/5 shows the rate impacts for various consumption amounts. A
3 customer using the average of 4,159 gallons per month will pay \$32.18, which
4 is \$2.18 (or 7.25 percent) greater than current rates.

5 **Q. ARE THE RESULTING RATES FAIR AND REASONABLE?**

6 A. Yes.

7 **Q. DID THE PARTIES STIPULATE TO AN EFFECTIVE DATE FOR THE NEW**
8 **RATES?**

9 A. Yes. The Parties support an effective date of November 1, 2008, for the
10 stipulated rates.

11 **Q. WHAT IS YOUR RECOMMENDATION REGARDING THE STIPULATION?**

12 A. I recommend that the Commission admit the Stipulation into the UW 129 record
13 and adopt the Stipulation in its entirety.

14 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

15 A. Yes.

CASE: UW 129
WITNESS: Renee Sloan

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 101

**Exhibits in Support
Of Direct Testimony**

September 25, 2008

OLD SHEEP RANCH WATER ASSOCIATION
UW 129
Test Year: 2007

Company Case
0.0%

Staff
-3.2%

		A	B	C	D	E	F	G
	Acct. No.	Balance Per Application Test Year: 2007	Proposed Company Adjustments	Adjusted Results (A+B=C)	Proposed Staff Adjustments	Adjusted Results (A+D=E)	Staff Proposed Rev Changes	Proposed Results (E+F+=G)
REVENUES								
1	461.1	Residential Water Sales	12,763	0	12,763	0	12,763	12,355
2		Other	0	0	0	0	0	0
3		TOTAL REVENUE	12,763	0	12,763	0	12,763	12,356
OPERATING EXPENSES								
6	601	Salaries and Wages - Employees	789	(789)	0	(789)	0	0
7	615	Purchased Power	808	80	888	0	808	808
8	618	Chemical / Treatment Expense	858	0	858	(502)	356	356
9	619	Office Supplies	485	0	485	0	485	485
10	619.1	Postage	298	200	498	18	316	316
11	620	O&M Materials/Supplies	829	0	829	(829)	0	0
12	621	Repairs to Water Plant	1,920	0	1,920	1,941	3,861	3,861
13	631	Contract Svcs - Engineering	884	0	884	(584)	300	300
14	632	Contract Svcs - Accounting	698	(177)	521	(177)	521	521
15	633	Contract Svcs - Legal	1,800	(800)	1,000	(667)	1,133	1,133
16	635	Contract Svcs - Testing	1,773	0	1,773	(421)	1,352	1,352
17	650	Transportation	0	1,142	1,142	1,142	1,142	1,142
18	656	Vehicle Insurance			0	0	0	0
19	657	General Liability Insurance	954	0	954	0	954	954
20	666	Amortz. of Rate Case			0	158	158	158
21	667	Gross Revenue Fee (PUC)			0	32	32	(1)
22	673	Training and Certification			0	0	0	0
23	674	Consumer Confidence Report			0	0	0	0
24	675	General Expense	98	20	118	(18)	80	80
25		TOTAL OPERATING EXPENSE	12,194	(324)	11,870	(695)	11,499	11,498
OTHER REVENUE DEDUCTIONS								
28	403	Depreciation Expense			0	848	848	848
29	407	Amortization Expense			0	0	0	0
30	408.11	Property Tax			0	0	0	0
31	408.12	Payroll Tax			0	0	0	0
32	408.13	Other (Business Taxes)	0		0	0	0	0
33	409.11	Oregon Income Tax	10		10	0	10	10
34	409.10	Federal Income Tax			0	0	0	0
35		TOTAL REVENUE DEDUCTIONS	12,204	(324)	11,880	153	12,357	12,356
36		NET OPERATING INCOME	559	324	883	(153)	406	0
38	101	Utility Plant in Service	26,400	0	26,400	0	26,400	26,400
39		Less:						
40	108.1	Depreciation Reserve			0	4,848	4,848	4,848
41		Net Utility Plant	26,400	0	26,400	(4,848)	21,552	21,552
42		Plus: (working capital)						
43	151	Materials and Supplies Inventory		0	0	0	0	0
44		Working Cash (Total Op Exp /12)	990	0	990	(32)	958	958
45		TOTAL RATE BASE	27,390	0	27,390	(4,880)	22,510	22,510
46		Rate of Return						0.00%

Company

Staff

number of customers	33	33
op/exp/cust/year	\$360	\$348
Cash Flow	883	848

OLD SHEEP RANCH WATER ASSOCIATION						
Test Year: 2007						
SUMMARY OF ADJUSTMENTS						
				Staff		
				Adjustments		
REVENUES				RR Column D	Results	Reason
1	461.1	Residential Water Sales	12,763	0	12,763	
2		Other	0	0	0	
3		TOTAL REVENUE	12,763	0	12,763	
4						
5		OPERATING EXPENSES				
6	601	Salaries and Wages - Employees	789	-789	0	Operator duties are now performed by customer who receives water in lieu of wages.
7	615	Purchased Power	808	0	808	Based on Test Year Audit. Electric Coop told Staff rates would remain the same at least through 2009.
8	618	Chemical / Treatment Expense	858	-502	356	Based on Test Year Audit
9	619	Office Supplies	485	0	485	Based on Test Year Audit
10	619.1	Postage	298	18	316	Estimated cost for monthly billings, vendor payments, quarterly updates, semi-annual ballots based on 2008 USPS rate increase. Moved \$45 delivery charge to Acct 618, Chemicals. Company proposal included estimate for rate case expense, which Staff included in Acct 666.
11	620	O&M Materials/Supplies	829	-829	0	Test year amount for soda ash - Test Year amount was duplicated in Acct 618, Chemicals.
12	621	Repairs to Water Plant	1,920	1,941	3,861	Based on Test Year Audit
13	631	Contract Svcs - Engineering	884	-584	300	Based on Test Year Audit
14	632	Contract Svcs - Accounting	698	-177	521	Company reduced cost by changing Accounting firms
15	633	Contract Svcs - Legal	1,800	-667	1,133	3-year amortization of lawsuit settlement
16	635	Contract Svcs - Testing	1,773	-421	1,352	3-Year Ave of Testing Expense
17	650	Transportation	0	1,142	1,142	Fuel cost for transporting test samples; trips to purchase parts and supplies.
18	656	Vehicle Insurance	0	0	0	
19	657	General Liability Insurance	954	0	954	Based on Test Year Audit
20	666	Amortz. of Rate Case	0	158	158	Cost for copies and postage related to UW 129
21	667	Gross Revenue Fee (PUC)	0	32	32	Calculated
22	673	Training and Certification	0	0	0	
23	674	Consumer Confidence Report	0	0	0	
24	675	General Expense	98	-18	80	Removed donation to Lions Club
25		TOTAL OPERATING EXPENSE	12,194	-695	11,499	
26						
27		OTHER REVENUE DEDUCTIONS				
28	403	Depreciation Expense	0	848	848	Amount is based on NARUC Depreciation Schedules
29	407	Amortization Expense	0	0	0	
30	408	Property Tax	0	0	0	
31	408	Payroll Tax	0	0	0	
32	408.13	Other (Business Taxes)	0	0	0	
33	409.11	Oregon Income Tax	10	0	10	
34	409.1	Federal Income Tax	0	0	0	
35		TOTAL REVENUE DEDUCTIONS	12,204	153	12,357	
36		NET OPERATING INCOME	559	-153	406	
37						
38	101	Utility Plant in Service	26,400	0	26,400	
39		Less:				
40	108.1	Depreciation Reserve	0	4,848	4,848	Based on NARUC Depreciation Schedules
41		Net Utility Plant	26,400	-4,848	21,552	
42		Plus: (working capital)		0	0	
43	151	Materials and Supplies Inventory	0	0	0	
44		Working Cash (Total Op Exp /12)	990	-32	958	
45		TOTAL RATE BASE	27,390	-4,880	22,510	

OLD SHEEP RANCH WATER ASSOCIATION
UW 129
PLANT & DEPRECIATION

Acct No	Account Description	Date Acquired	Utility Plant Original Cost	Asset Life	Final Month Annual Deprec	Final Year of Deprec	2,000	2001	2002	2003	2004	2005	2006	2007	2008	Accum Depr thru 2008	Remaining Plant 2008	Depr Exp 2009	
304	Structures and Improvements																		
	Enlarge Pump House	Jul 2000	2,700	35	77	Jul 2035	39	77	77	77	77	77	77	77	77	655	2,045	77	
	Fence / Lawyer / Survey	Jul 2005	13,000	35	371	Jul 2040	0	0	0	0	0	186	371	371	371	1,299	11,701	371	
307	Wells and Springs																		
	System purchased in 1997 for \$1			25	0		0	0	0	0	0	0	0	0	0	0	0	0	0
309	Supply Main																		
	PV Extension	Jul 2000	4,500	50	90	Jun 2050	53	90	90	90	90	90	90	90	90	773	3,727	90	
320	Water Treatment Equipment																		
	Stenner 60,000 Gallon Soda Ash System	Jul 2000	3,500	20	175	Jun 2020	102	175	175	175	175	175	175	175	175	1,502	1,998	175	
330	Distribution Reservoir and Standpipes																		
	36,000 Gallon Steel Tank (\$1)	Jul 1989		50	0	Jun 2039	0	0	0	0	0	0	0	0	0	0	0	0	0
331	Transmission and Distribution Mains																		
	System purchased in 1997 for \$1	Jul 1989		50	0	Jun 2039	0	0	0	0	0	0	0	0	0	0	0	0	0
334	Meters and Meter Installations																		
	3 In-Line Meters	Jul 2004	2,700	20	135	Jun 2024	0	0	0	0	79	135	135	135	135	619	2,081	135	
	TOTALS		26,400				194	342	342	342	421	663	848	848	848	4,848	21,552	848	

Original Plant in Service Cost 26,400
Less Accum Depreciation 4,848
NET PLANT 21,552

OLD SHEEP RANCH
UW 129
RATE IMPACT - RESIDENTIAL (3/4 x 5/8) - 1 TIER

Commodity Rate		\$1.56										
Monthly	Current	Current	Current	Total Current	Proposed	Proposed	Proposed	Proposed	Proposed	Total	Percentage	
Consumptions	Usage	Base Rate	Commodity Rate	Average Monthly Rate	Customer Base Rate	Commodity Rate	Usage Factor	Commodity Rate	Usage Factor	Proposed Monthly Rate	Difference	
Customer Usage	Base Rate	Rate	per 1000 gal	Monthly Rate	Base Rate	Rate	Factor	Rate	Factor	Monthly Rate	Difference	
			>15,000 gal			1,000						
						Gallons						
0	\$30.00	\$2.00	\$30.00	\$30.00	\$25.70	\$1.56	0	\$25.70	0	\$25.70	(\$4.30)	-14.35%
1000	\$30.00	\$2.00	\$30.00	\$30.00	\$25.70	\$1.56	1	\$25.70	1	\$27.25	(\$2.75)	-9.15%
2000	\$30.00	\$2.00	\$30.00	\$30.00	\$25.70	\$1.56	2	\$25.70	2	\$28.81	(\$1.19)	-3.96%
3000	\$30.00	\$2.00	\$30.00	\$30.00	\$25.70	\$1.56	3	\$25.70	3	\$30.37	\$0.37	1.23%
4159	\$30.00	\$2.00	\$30.00	\$30.00	\$25.70	\$1.56	4	\$25.70	4	\$32.18	\$2.18	7.25%
5000	\$30.00	\$2.00	\$30.00	\$30.00	\$25.70	\$1.56	5	\$25.70	5	\$33.49	\$3.49	11.62%
6000	\$30.00	\$2.00	\$30.00	\$30.00	\$25.70	\$1.56	6	\$25.70	6	\$35.04	\$5.04	16.81%
8000	\$30.00	\$2.00	\$30.00	\$30.00	\$25.70	\$1.56	8	\$25.70	8	\$38.16	\$8.16	27.20%
10000	\$30.00	\$2.00	\$30.00	\$30.00	\$25.70	\$1.56	10	\$25.70	10	\$41.28	\$11.28	37.59%
15000	\$30.00	\$2.00	\$30.00	\$30.00	\$25.70	\$1.56	15	\$25.70	15	\$49.07	\$19.07	63.56%
16000	\$30.00	\$2.00	\$30.00	\$32.00	\$25.70	\$1.56	16	\$25.70	16	\$50.62	\$18.62	58.20%
18000	\$30.00	\$2.00	\$30.00	\$36.00	\$25.70	\$1.56	18	\$25.70	18	\$53.74	\$17.74	49.28%
20000	\$30.00	\$2.00	\$30.00	\$40.00	\$25.70	\$1.56	20	\$25.70	20	\$56.86	\$16.86	42.14%
22000	\$30.00	\$2.00	\$30.00	\$44.00	\$25.70	\$1.56	22	\$25.70	22	\$59.97	\$15.97	36.30%
24000	\$30.00	\$2.00	\$30.00	\$48.00	\$25.70	\$1.56	24	\$25.70	24	\$63.09	\$15.09	31.44%
26000	\$30.00	\$2.00	\$30.00	\$52.00	\$25.70	\$1.56	26	\$25.70	26	\$66.21	\$14.21	27.32%
28000	\$30.00	\$2.00	\$30.00	\$56.00	\$25.70	\$1.56	28	\$25.70	28	\$69.32	\$13.32	23.79%
30000	\$30.00	\$2.00	\$30.00	\$60.00	\$25.70	\$1.56	30	\$25.70	30	\$72.44	\$12.44	20.73%
				\$668.00						\$833.59		24.79%

CERTIFICATE OF SERVICE

UW 129

I certify that I have this day served the foregoing document upon all parties of record in this proceeding by delivering a copy in person or by mailing a copy properly addressed with first class postage prepaid, or by electronic mail pursuant to OAR 860-13-0070, to the following parties or attorneys of parties.

Dated at Salem, Oregon, this 25th day of September, 2008.



Lois Meerdink
Public Utility Commission
Regulatory Operations
550 Capitol St NE Ste 215
Salem, Oregon 97301-2551
Telephone: (503) 378-8959

**UW 129
Service List (Parties)**

DEPARTMENT OF JUSTICE JASON W JONES ASSISTANT ATTORNEY GENERAL	REGULATED UTILITY & BUSINESS SECTION 1162 COURT ST NE SALEM OR 97301-4096 jason.w.jones@state.or.us
OLD SHEEP RANCH WATER ASSOCIATION MARC EDWARDS VICE PRESIDENT	PO BOX 231 LANGLOIS OR 97450 marcjoan@harborside.com
RAY TODD PRESIDENT	PO BOX 1016 LANGLOIS OR 97450 troll.bridge@dishmail.net