



# Oregon

Theodore R. Kulongoski, Governor

## Public Utility Commission

550 Capitol Street 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

February 26, 2009

OREGON PUBLIC UTILITY COMMISSION

ATTENTION: FILING CENTER

PO BOX 2148

SALEM OR 97308-2148

RE: Docket No. UW 132 - In the Matter of RUNNING Y UTILITIES, INC.  
Request for a General Rate Increase.

Enclosed for electronic filing in the above-captioned docket is Staff's Direct  
Testimony in Docket UW 132.

*/s/ Kay Barnes*

Kay Barnes

Regulatory Operations Division

Filing on Behalf of Public Utility Commission Staff

(503) 378-5763

Email: [Kay.Barnes@state.or.us](mailto:Kay.Barnes@state.or.us)

c: UW 132 Service List (parties)



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**PUBLIC UTILITY COMMISSION  
OF OREGON**

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**UW 132**

**STAFF TESTIMONY  
OF**

**Renee Sloan**

**In the Matter of  
RUNNING Y UTILITIES, INC.  
Request for a General Rate Increase.**

**February 26, 2009**

CASE: UW 132  
WITNESS: Renee Sloan

**PUBLIC UTILITY COMMISSION  
OF  
OREGON**

**STAFF EXHIBIT 100**

**Direct Testimony  
In Support of  
The Stipulation**

**February 26, 2009**

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

3 A. My name is Renee Sloan. I am a Utility Analyst assigned to the Corporate  
4 Analysis and Water Regulation Section of the Utility Program with the Public  
5 Utility Commission of Oregon (Commission). My business address is  
6 550 Capitol Street NE Suite 215, Salem, Oregon 97308-2148.

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

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

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

12 A. The Parties in this docket are Staff and the Company.

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

14 A. The purpose of my Testimony is to introduce and support the Stipulation  
15 entered into by Staff and Running Y Utilities, Inc. (RYU or Company).

16 **Q. DID THE PARTIES STIPULATE TO AN EFFECTIVE DATE FOR THE NEW**  
17 **RATES?**

18 A. No, the Parties did not stipulate to an effective date for the new rates; however,  
19 the Company did express its desire for an expedited order with the new rates  
20 effective for service on and after March 21, 2009, to coincide with the date the  
21 Company reads meters. As such, the Stipulation contains a provision that the  
22 Company agrees to read the meters on March 20, 2009, and that the bills

1 associated with those meter readings will be charged at current rates, not the  
2 new rates recommended for Commission adoption.

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

4 A. Yes. Staff/101 contains the following nine documents:

5	Revenue Requirement	Staff/101, Sloan/1
6	Summary of Adjustments	Staff/101, Sloan/2
7	Revenue Sensitive Costs	Staff/101, Sloan/3
8	Residential / Commercial / Irrigation Rate Design	Staff/101, Sloan/4-5
9	Rate Impacts (Residential / Commercial / Irrigation)	Staff/101, Sloan/6-15
10	Golf Course Rate Design	Staff/101, Sloan/16
11	Rate Impact (Golf Course)	Staff/101, Sloan/17
12	Plant and Depreciation	Staff/101, Sloan/18-19
13	Excess Capacity Calculation	Staff/101, Sloan/20-21

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

15 A. My testimony is organized as follows:

16	Summary of RYU's Rate Application .....	2
17	Staff's Analysis of RYU's Filing .....	4
18	Staff's Adjustments to RYU's Filing.....	5
19	Summary of the Stipulation Agreed to by Staff and RYU.....	7

**SUMMARY OF RYU'S RATE APPLICATION**

20 **Q. PLEASE SUMMARIZE THE COMPANY'S GENERAL RATE FILING.**

21 A. On November 12, 2008, RYU filed an application requesting to increase  
22 revenues from \$427,828 to \$510,280, or 19.3 percent over 2007 revenues.

23 In addition, the Company requested an 8 percent return on a rate base of  
24 \$3,927,255.

25 **Q. PLEASE DESCRIBE THE COMPANY'S PROPOSED RATES.**

26 A. RYU serves residential, commercial, irrigation, and golf course customers  
27 at Running Y Ranch Resort as well as residential, commercial, and irrigation

1 customers in the RidgeWater community.<sup>1</sup> The Company's current rate design  
 2 allows no consumption in the base rate. The variable rate design for residential  
 3 and commercial customers is comprised of two tiers: Tier 1 includes usage up  
 4 to 30,000 gallons and Tier 2 includes usage above 30,000 gallons. Variable  
 5 rates are charged per 1,000 gallons used. In its application, RYU did not  
 6 propose a two-tiered variable rate structure for residential and commercial  
 7 customers, but requested Staff's assistance in developing a rate design for  
 8 each customer class. Tables 1 through 4 below contain current rates as shown  
 9 in the application and RYU's proposed rates for each customer class and meter  
 10 size within each class.

**TABLE 1: Residential**

<b>Meter Size</b>	<b>Current Base</b>	<b>Proposed Base</b>	<b>Current Tier 1</b>	<b>Proposed Tier 1</b>	<b>Current Tier 2</b>	<b>Proposed Tier 2</b>
3/4" & 5/8"	\$33.00	\$32.00	\$1.353	\$2.16	\$1.7841	N/A

**TABLE 2: Commercial**

<b>Meter Size</b>	<b>Current Base</b>	<b>Proposed Base</b>	<b>Current Tier 1</b>	<b>Proposed Tier 1</b>	<b>Current Tier 2</b>	<b>Proposed Tier 2</b>
3/4" & 5/8"	\$34.00	\$30.50	\$1.345	\$3.71	\$1.7758	N/A
1"	\$93.00	\$36.63	\$1.345	\$3.71	\$1.7758	N/A
1.5"	\$170.00	\$176.90	\$1.345	\$3.71	\$1.7758	N/A
2"	\$404.00	\$317.19	\$1.345	\$3.71	\$1.7758	N/A
3"	\$716.00	\$638.17	\$1.345	\$3.71	\$1.7758	N/A

**TABLE 3: Non-Golf Irrigation**

<b>Meter Size</b>	<b>Current Base</b>	<b>Proposed Base</b>	<b>Current Variable</b>	<b>Proposed Variable</b>
3/4" & 5/8"	\$11.50	\$32.40	\$0.376	\$0.397
1"	\$22.00	\$16.95	\$0.376	\$0.397
1.5"	\$22.00	\$42.35	\$0.376	\$0.397
2"	\$46.34	\$50.50	\$0.376	\$0.397

<sup>1</sup> Running Y Ranch Resort and RidgeWater are separate water systems served by Running Y Utilities, Inc. The systems are located about five miles apart, and could be connected in the future.

**TABLE 4: Golf Course**

<b>Meter Size</b>	<b>Current Base</b>	<b><i>Proposed Base</i></b>	<b>Current Variable</b>	<b><i>Proposed Variable</i></b>
12"	\$3,780.00	\$4,132.58	\$0.2094	\$0.2337

1 **Q. WHEN WAS THE COMPANY'S LAST RATE INCREASE?**

2 A. RYU's last rate case application was filed January 17, 2006. On June 1, 2006,  
3 the Commission issued Order No. 06-265 approving an 8.98 percent increase  
4 in revenues, resulting in total revenues of \$397,194 with a 4.86 percent rate of  
5 return on a rate base of \$3,090,688.

6 **Q. DOES RYU SERVE MORE CUSTOMERS NOW THAN IT SERVED IN 2006?**

7 A. Yes. The Company currently provides water service to over 600 customers,  
8 compared to around 500 customers served in 2006.

9 **STAFF'S ANALYSIS OF THE COMPANY'S RATE FILING**

10 **Q. WHAT ARE THE RESULTS OF STAFF'S ANALYSIS OF THE COMPANY'S**  
11 **APPLICATION FOR A RATE INCREASE?**

12 A. Staff's review of the Company's application results in a recommended annual  
13 revenue requirement of \$510,280 with a 3.736 percent return on a rate base of  
14 \$4,067,337. Additionally, Staff's analysis resulted in total revenue deductions  
15 of \$358,337 resulting in a net income of \$151,944.

16 **Q. HOW WAS THE STIPULATED RATE OF RETURN DETERMINED?**

17 A. Based on Staff's analysis supporting a rate base of \$4,067,337, assuming a  
18 revenue requirement of \$510,280 results in a 3.736 percent rate of return. Staff  
19 supports this level based on its analysis of the Company's application, even





1 the U. S. Department of Labor Consumer Price Index figures from 2002 through  
2 2008, to calculate the recommended \$20,063 for this expense.<sup>2</sup>

3 **Q. DID STAFF MAKE ADJUSTMENTS TO UTILITY PLANT IN SERVICE?**

4 A. Yes. After reviewing the Company's Corporate Book of Depreciation, the plant  
5 recorded in UW 112, and analyzing responses to data requests, Staff  
6 determined that RYU's utility plant in service is \$12,386,383, an upward  
7 adjustment of \$46,982 over the test year amount shown in the application.

8 **Q. DID STAFF MAKE ADJUSTMENTS TO ACCUMULATED DEPRECIATION?**

9 A. Yes. Staff calculated accumulated depreciation using Average Service Lives  
10 consistent with the method that was originally developed by the National  
11 Association of Regulatory Utility Commissioners. This calculation resulted in  
12 an accumulated depreciation amount of \$846,491 rather than the test year  
13 amount of \$2,066,379 shown in the application.

14 **Q. WERE THERE ANY ADJUSTMENTS TO NET UTILITY PLANT?**

15 A. Yes. Subtracting accumulated depreciation and excess capacity from Staff's  
16 adjusted utility plant in service of \$12,386,383 resulted in net utility plant of  
17 \$4,051,452. The adjusted amount is \$141,222 above the test year amount  
18 of \$3,910,230 shown in the application.

19 **Q. WHY DID STAFF MAKE EXCESS CAPACITY ADJUSTMENTS TO UTILITY  
20 PLANT IN SERVICE?**

21 A. Typically, if a water system is completely built but serves only a portion of the  
22 potential customers, the unused portion of the investment in the system may be

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<sup>2</sup> If RYU believes it needs more funds for Management and Office Services, Staff recommends the Company file a revised Agreement for Commission review.

1 considered to be not used and useful. That is the case with RYU; therefore,  
2 Staff made an excess capacity adjustment to utility plant as described below  
3 and shown in Staff/101, Sloan/18-19.

4 **Q. HOW IS THE EXCESS CAPACITY ADJUSTMENT DETERMINED?**

5 A. To determine excess capacity, Staff relied on RYU's Residential Construction  
6 Update. The percentage of excess capacity was calculated by dividing the  
7 number of lots completed by the number of lots platted for each phase shown  
8 in the report. Where possible, Staff applied a specific percentage to each  
9 phase based on the number of lots completed in each phase. To determine  
10 the current excess capacity amount for other plant, Staff used an average of all  
11 phases. Staff/101, Sloan/20-21 shows Staff's calculation of excess capacity  
12 percentages.

13 **SUMMARY OF THE STIPULATION AGREED TO BY THE PARTIES**

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

16 A. The Parties stipulated to a 19.3 percent increase in total revenue requirement  
17 from the 2007 test year amounts. This results in a revenue requirement of  
18 \$510,280 and total revenue deductions of \$358,337. In addition, the Parties  
19 stipulated that the Company will have the opportunity to earn a 3.736 percent  
20 overall rate of return on a total rate base of \$4,067,337.<sup>3</sup> Staff/101, Sloan/1  
21 shows the stipulated Revenue Requirement.

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<sup>3</sup> Rate Base equals Net Utility Plant plus Materials & Supplies Inventory and Working Cash.

1 **Q. PLEASE EXPLAIN THE STIPULATED RATE SPREAD.**

2 A. The Parties agreed the Company should collect \$408,964 in revenues from  
3 residential, commercial, and non-golf irrigation customers, \$79,031 from golf  
4 course irrigation, and \$22,285 from the Cross Connection Program.

5 **Q. PLEASE EXPLAIN THE STIPULATED RESIDENTIAL, COMMERCIAL AND**  
6 **NON-GOLF IRRIGATION RATES.**

7 A From a cost of service perspective, there should be no differences in the  
8 residential, commercial, and non-golf irrigation rates since each class uses  
9 potable water. These customers are served from the same wells, same mains,  
10 and same service lines. However, under the current rate structure, the  
11 residential and commercial customers were potentially subsidizing the non-golf  
12 irrigation customers. Although Staff recognized this deficiency, it could not  
13 move all the rates to the same base rate and variable rate without placing  
14 incredible cost burdens on non-golf irrigation customers. To partially remedy  
15 the inequality in rates, Staff performed the following:

- 16       ▪ Set the 5/8" x 3/4" residential and commercial customers base rate  
17       at the same rate;
- 18       ▪ Decreased meter size factors used in UW 112 for commercial  
19       1-inch, 2-inch, and 3-inch customers to actual AWWA<sup>4</sup> factors in  
20       order to promote fairness in the overall rate structure;
- 21       ▪ Set the residential and commercial variable rate for all size meters  
22       at the same rate;
- 23       ▪ Set the residential and commercial variable rate for all size meters  
24       at the same rate;
- 25       ▪ Increased base rates and variable rate for non-golf irrigation  
26       customers to increase this class of customer cost sharing without  
27       causing a greater than 100 percent increase for any size meter.  
28  
29

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<sup>4</sup> American Water Works Association

1     **Q. PLEASE EXPLAIN THE EFFECT OF USING THE AWWA FACTORS TO**  
2     **ALLOCATE BASE RATES BY METER SIZE.**

3     A. In the instance where a company has different meter sizes, Staff's practice is  
4     to apply AWWA factors, or modified factors to the differently sized meters. The  
5     stipulated RYU water rates are based upon a cost of service rate structure that  
6     includes the cost of providing water and operating and maintaining the water  
7     system. The effect of using the AWWA factors is to increase the base rates  
8     charged to customers with larger meters. From a conceptual standpoint,  
9     increasing the rates to customers with larger meters is reasonable because  
10    those customers place a greater potential demand on the water system. The  
11    AWWA factors are multiplied to the base rate of the 5/8-inch and 3/4-inch meter  
12    size to obtain the base rate of larger size meters. As an example, if using the  
13    AWWA factors, the base rate of a 1-inch meter would be 2.5 times greater than  
14    the base rate of 5/8-inch or 3/4-inch meter.

15    **Q. DOES STAFF PROPOSE RATES BASED ON A STRICT APPLICATION**  
16    **OF AWWA FACTORS FOR NON-GOLF IRRIGATION CUSTOMERS?**

17    A. No. Staff felt that using the full factors would result in increases that could  
18    cause rate shock for some customers. To soften the base rate increases for  
19    the non-golf irrigation customers, Staff applied modified factors to all meters  
20    for the non-golf irrigation customers. Because Staff decreased the AWWA  
21    factor for the 5/8" x 3/4" non-golf irrigation meters, Staff's proposed base rate  
22    for those customers is actually lower than the rate the Company proposed for  
23    those customers.

1           Table 5 below compares the full AWWA factors to those used to develop  
2           current rates in use and those proposed by Staff in UW 132.

**TABLE 5: AWWA Factors Comparison**

<b>Meter Size</b>	<b>Actual AWWA Factor</b>	<b>UW 112 Factor</b>	<b>Staff Modified Factor</b>
<b>Residential</b>			
5/8" or 3/4"	1.00	1.00	1.00
<b>Commercial</b>			
5/8" or 3/4"	1.00	1.00	1.00
1"	2.50	2.74	2.50
1.5"	5.00	5.00	5.00
2"	8.00	11.88	8.00
3"	15.00	21.06	15.00
4"	25.00	25.00	25.00
<b>Non-Golf Irrigation</b>			
5/8" or 3/4"	1.00	NA	0.60
1"	2.50	NA	1.15
1.5"	5.00	NA	1.32
2"	8.00	NA	2.60
3"	25.00	NA	5.20

3           The Parties agree that using Staff’s proposed modified factors for non-golf  
4           irrigation customers is reasonable because the use of modified AWWA factors  
5           still takes into account that larger meters do place a greater potential demand  
6           on the water system, and customers with larger meters should pay higher base  
7           rates because of this potential demand.

8           **Q. PLEASE EXPLAIN WHY STAFF PROPOSED USING LOWER AWWA**  
9           **FACTORS FOR THE NON-GOLF IRRIGATION CUSTOMERS.**

10          A. As mentioned above, there should be no differences between the residential,  
11          commercial, and non-golf irrigation rates since each class uses potable water.  
12          These customers are served from the same wells, same mains, and same  
13          service lines. However, the non-golf irrigation rates were previously set

1       artificially low. As a result, Staff was confronted with the issue of raising rates  
2       without causing excessive rate shock to this class of customers.

3             In UW 118 (Order No. 06-678), Staff was able to resolve the movement of  
4       non-golf irrigation rates by setting the base rates the same as the residential  
5       and commercial customers and only lowering the variable rate. In UW 127  
6       (Order No. 08-338), the non-golf Irrigation rates were excessively low, so Staff  
7       set both the base and variable rates lower than that of the residential and  
8       commercial customers due to rate shock considerations.

9             Staff's proposed variable rate is \$0.602, which is about 63 percent above  
10       the current rate, but only about 39 percent of the proposed residential and  
11       commercial Tier 1 variable rate of \$1.542 and approximately 30 percent of the  
12       proposed residential and commercial Tier 2 variable rate of \$1.992.

13            Staff's proposed 5/8" x 3/4" base rate is \$19.80, approximately 58 percent  
14       greater than the current rate, but only 60 percent of the proposed residential  
15       and commercial base rate of \$33.00.

16            Although this rate structure moves the non-golf Irrigation rates closer to the  
17       residential and commercial rates, it is structured to prevent the average usage  
18       of any size meter to exceed a 100 percent increase in rates. Staff and the  
19       Company will continue to move the residential, commercial, and non-golf rates  
20       to a uniform rate with each subsequent rate filing by the Company.

1 **Q. PLEASE DISCUSS THE SPLIT BETWEEN BASE AND VARIABLE RATES**  
2 **AGREED TO BY THE PARTIES.**

3 A. The Commission's long-standing policy regarding water utility rate design has  
4 been to apply an approximate 40/60 split for collection of variable and base rate  
5 revenues. In UW 112, the Parties stipulated to a 22/78 split for residential  
6 customers, a 28/72 split for commercial customers, a 34/66 split for non-golf  
7 irrigation customers, and a 40/60 split for the golf course.

8 In this case, the Parties stipulated to a 40/60 split for golf course irrigation  
9 rates; however, because Staff combined residential, commercial, and non-golf  
10 irrigation revenues, using a 40/60 split could result in rate shock for some of  
11 those customer classes. Therefore, the Parties agreed with Staff's proposal to  
12 use a 26/74 (rounded) split for residential, commercial, and non-golf irrigation  
13 customers. The proposed 26/74 split moves the split closer to Staff's base line  
14 split of 40/60 without causing any major increases in variable rates. Staff and  
15 the Company will continue to move the split closer to the 40/60 baseline with  
16 each subsequent rate filing by the Company.

17 **Q. PLEASE DESCRIBE THE STIPULATED RATE DESIGNS FOR THE**  
18 **RESIDENTIAL, COMMERCIAL, AND NON-GOLF IRRIGATION**  
19 **CUSTOMERS.**

20 A. In the application, RYU's proposed rate design consisted of a base rate and  
21 single tiers for residential, commercial, and non-golf irrigation variable rates.  
22 The current rate design for residential and commercial customers consists of a  
23 base rate and two-tiered variable rates. The Parties agreed to continue using a

1 two-tiered variable rate design for those customers; however, the Parties also  
 2 agreed to lower the level of consumption in Tier 1 from 30,000 gallons to  
 3 25,000 gallons, with all usage above 25,000 gallons charged at Tier 2 rates.

4 The current rate design for non-golf irrigation customers consists of a base  
 5 rate and a single-tiered variable rate. The Parties stipulated to continue using a  
 6 single tiered variable rate for the non-golf irrigation customers.

7 **Q. PLEASE COMPARE TEST YEAR, RYU PROPOSED, AND STIPULATED**  
 8 **RATES FOR THE RESIDENTIAL, COMMERCIAL, AND NON-GOLF**  
 9 **IRRIGATION CUSTOMERS.**

10 A. A comparison of the rates is shown in Tables 6 - 8 below.

**TABLE 6: Residential Rate Design**

<b>Residential Rate Design</b>	<b>Current Rates</b>	<b><i>RYU Proposed Rates</i></b>	<b>Stipulated Rates</b>
Base 3/4" and 5/8"	\$33.00	\$32.00	\$33.00
Tier 1 Variable (per 1,000 gal)	\$1.3530	\$2.16	\$1.542
Tier 2 Variable (per 1,000 gal)	\$1.7841	N/A	\$1.992
Total Average Monthly Bill <sup>5</sup>	\$41.96	\$46.30	\$43.21

**TABLE 7: Commercial Rate Design**

<b>Commercial Rate Design</b>	<b>Current Rates</b>	<b><i>RYU Proposed Rates</i></b>	<b>Stipulated Rates</b>
Base 3/4" and 5/8"	\$34.00	\$30.50	\$33.00
Base 1"	\$93.00	\$36.63	\$82.50
Base 1.5"	\$170.00	\$176.90	\$165.00
Base 2"	\$404.00	\$317.19	\$264.00
Base 3"	\$716.00	\$683.17	\$495.00
Variable (per 1,000 gal) Tier 1	\$1.3450	\$3.71	\$1.542
Variable (per 1,000 gal) Tier 2	\$1.7758	N/A	\$1.992
Average Monthly Bill (5/8" & 3/4") <sup>6</sup>	\$38.20	\$42.08	\$37.81

<sup>5</sup>Residential average monthly bill is based on an average monthly usage of 6,622 gallons.

<sup>6</sup> Staff used 5/8" and 3/4" for illustrative purposes. The commercial average monthly bill is based on an average monthly usage of 3,122 gallons. The commercial average monthly bill for each size meter will differ. See Staff/101, Sloan/5.



**TABLE 8: Non-Golf Irrigation Rate Design**

<b>Irrigation Rate Design</b>	<b>Current Rates</b>	<b><i>Ryu</i> Proposed Rates</b>	<b>Stipulated Rates</b>
Base 3/4 & 5/8"	\$11.50	\$32.40	\$19.80
Base 1"	\$22.00	\$16.95	\$37.95
Base 1.5"	\$22.00	\$42.35	\$43.56
Base 2"	\$46.34	\$50.50	\$85.80
Variable (per 1,000 gal)	\$0.376	\$0.397	\$0.602
Average Monthly Bill (5/8" & 3/4") <sup>7</sup>	\$28.78	\$50.62	\$47.44

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

2 A. Staff/101, Sloan/6 shows the rate impacts for various consumption amounts for  
3 residential customers; Staff/101, Sloan/7-11 shows the rate impacts for various  
4 consumption amounts for commercial customers; and the rate impacts for non-  
5 golf irrigation customers are shown in Staff/101, Sloan/12-15.

6 **Q. WHAT ARE THE STIPULATED GOLF COURSE IRRIGATION RATES?**

7 A. The Parties stipulated to a 40/60 split for collection of variable and base rate  
8 revenues for the golf course customer. See Staff/101, Sloan/16. The following  
9 table compares current golf course irrigation rates, RYU's proposed rates, and  
10 the rates stipulated to by Staff and the Company:

**TABLE 9: Golf Course Rate Design**

<b>Golf Course Rate Design</b>	<b>Current Rates</b>	<b><i>Ryu</i> Proposed Rates</b>	<b>Stipulated Rates</b>
Base 12"	\$3,780.00	\$4,132.58	\$3,951.55
Variable (per 1,000 gal)	\$0.2094	\$0.2337	\$0.2235

11 Staff/101, Sloan/17 shows the rate impacts of the stipulated golf course rates.

<sup>7</sup> Staff used 5/8" and 3/4" for illustrative purposes. The non-golf irrigation average monthly bill is based on an average monthly usage of 45,903 gallons. The non-golf irrigation average monthly bill for each size meter will differ. See Staff/101, Sloan/5.

1     **Q. DID THE PARTIES STIPULATE TO ANY MISCELLANEOUS FEES?**

2     A. Yes. The Parties stipulated to the miscellaneous service charges set forth in  
3     Schedule No. 5 in Attachment B to the Stipulation.

4     **Q. DID THE PARTIES STIPULATE TO THE FEES IN THE COMPANY'S**  
5     **CROSS CONNECTION CONTROL PROGRAM AND BACKFLOW**  
6     **PREVENTION DEVICE SERVICES FEES TARIFF?**

7     A. Yes. The Parties stipulated to the cross connection control program and  
8     backflow prevention device services fees set forth in Schedule No. 6, in  
9     Attachment B to the Stipulation.

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

11    A. Yes.

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

13    A. I recommend that the Commission admit the Stipulation into the UW 132 record  
14    and adopt the Stipulation in its entirety.

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

16    A. Yes.

CASE: UW 132  
WITNESS: Renee Sloan

**PUBLIC UTILITY COMMISSION  
OF  
OREGON**

**STAFF EXHIBIT 101**

**Exhibits in Support  
Of Direct Testimony**

**February 26, 2009**

Running Y Utility Company  
UW 132  
Test Year: 2007

Company Case  
19.3%

Staff  
19.3%

		A	B	C	D	E	F	G	
Acct. No.	REVENUES	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)	Difference between Staff & Company
1 461.1	Res/Com/Irr Water Sales*	236,983	46,659	283,642	145,160	382,143	26,820	408,964	\$125,322
2 461.2	Commercial Water Sales	71,916	14,200	86,116	(71,916)	0	0	0	-\$86,116
3 465	Irrigation - Non GC	28,761	10,341	39,102	(28,761)	0	0	0	-\$39,102
4 462	Irrigation - GC	73,848	8,804	82,652	0	73,848	5,183	79,031	-\$3,621
5 471	Misc. Revenues			0	0	0	0	0	\$0
6	Backflow Testing	16,320	2,448	18,768	5,965	22,285	0	22,285	\$3,517
7	TOTAL REVENUE	427,828	82,452	510,280	50,448	478,276	32,004	510,280	\$32,004
8				510,280	50,448	478,276		510,280	
9	<b>OPERATING EXPENSES</b>								
10 601	Salaries and Wages - Employees	50,267	6,244	56,511	6,238	56,505		56,505	-\$6
11 603	Salaries and Wages - Officers			0	0	0		0	\$0
12 604	Employee Pension & Benefits	12,293	2,950	15,243	858	13,151		13,151	-\$2,092
13 610	Purchased Water			0	0	0		0	\$0
14 611	Telephone/Communications	583	(63)	520	(63)	520		520	\$0
15 615	Purchased Power	52,196	6,804	59,000	8,818	61,014		61,014	\$2,014
16 618	Chemical / Treatment Expense			0	0	0		0	\$0
17 619	Office Supplies	507	162	669	162	669		669	\$0
18 619.1	Postage	883	(544)	339	(544)	339		339	\$0
19 620	O&M Materials/Supplies	17,831	(16,602)	1,229	(14,017)	3,814		3,814	\$2,585
20 621	Repairs to Water Plant	3,401	(401)	3,000	(401)	3,000		3,000	\$0
21 631	Contract Svcs - Engineering	4,735	1,002	5,737	1,002	5,737		5,737	\$0
22 632	Contract Svcs - Accounting	30,112	903	31,015	(10,049)	20,063		20,063	AI -\$10,952
23 633	Contract Svcs - Legal			0	0	0		0	\$0
24 634	Contract Svcs - Management Fees			0	0	0		0	\$0
25 635	Contract Svcs - Testing	2,820	(1,620)	1,200	(1,048)	1,772		1,772	\$572
26 636	Contract Svcs - Labor I/C	5,510	171	5,681	171	5,681		5,681	\$0
27 637	Contract Svcs - Billing/Collection			0	0	0		0	\$0
28 638	Contract Svcs - Meter Reading			0	0	0		0	\$0
29 639	Contract Svcs - Other			0	0	0		0	\$0
30 641	Rental of Building/Real Property		1,001	1,001	1,800	1,800		1,800	\$799
31 642	Rental of Equipment		58	58	58	58		58	\$0
32 643	Small Tools	174	(152)	22	(152)	22		22	\$0
33 648	Computer/Electronic Expenses			0	348	348		348	\$348
34 650	Transportation	3,093	(1,395)	1,698	(1,157)	1,936		1,936	\$238
35 656	Vehicle Insurance	1,400	1,000	2,400	1,000	2,400		2,400	\$0
36 657	General Liability Insurance	878	(278)	600	(196)	683		683	\$83
37 658	Workers' Comp Insurance	274	55	329	(62)	212		212	-\$117
38 659	Insurance - Other	757	(104)	653	(34)	723		723	\$70
39 660	Public Relations/Advertising	70	25	95	25	95		95	\$0
40 666	Amortz. of Rate Case		3,000	3,000	2,796	2,796		2,796	-\$204
41 667	Gross Revenue Fee (PUC)	1,174		1,174	0	1,174	80	1,254	\$80
42 668	Water Resource Conservation			0	0	0		0	\$0
43 670	Bad Debt Expense			0	0	0		0	\$0
44 671	Cross Connection Control Program			0	3,132	3,132		3,132	\$3,132
45 672	System Capacity Dev Program			0	0	0		0	\$0
46 673	Training and Certification	1,944	(694)	1,250	(825)	1,119		1,119	-\$131
47 674	Consumer Confidence Report			0	0	0		0	\$0
48 675	General Expense	3,264	(1,665)	1,599	(1,401)	1,863		1,863	\$264
49	TOTAL OPERATING EXPENSE	194,166	(143)	194,023	(3,542)	190,624	80	190,704	AI -\$3,319
50				194,023	(3,542)	190,624		190,704	
51	<b>OTHER REVENUE DEDUCTIONS</b>								
52 403	Depreciation Expense	286,407		286,407	(160,131)	126,276		126,276	-\$160,131
53 407	Amortization Expense			0	0	0		0	\$0
54 408.11	Property Tax			0	17	17		17	\$17
55 408.12	Payroll Tax			0	4,964	4,964		4,964	\$4,964
56 408.13	Other	4,608	373	4,981	(4,608)	0		0	-\$4,981
57 409.11	Oregon Income Tax			0	4,004	4,004	2,107	6,111	6,111
58 409.10	Federal Income Tax			0	19,830	19,830	10,436	30,266	30,266
59	TOTAL REVENUE DEDUCTIONS	485,181	230	485,411	(139,467)	345,714	12,623	358,337	358,337 -\$127,074
60	NET OPERATING INCOME	(57,353)	82,222	24,869	189,915	132,562	19,381	151,944	151,944 \$127,075
61				24,869	189,915	132,562			
62 101	Utility Plant in Service	12,339,401		12,339,401	46,982	12,386,383		12,386,383	12,386,383 \$46,982
63	Less:								
64	Excess Capacity	6,362,792		6,362,792	1,125,648	7,488,440		7,488,440	
65 108.1	Depreciation Reserve	2,066,379		2,066,379	(1,219,888)	846,491		846,491	846,491 -\$1,219,888
66 271	Contributions in Aid of Const			0	0	0		0	\$0
67 272	Amortization of CIAC			0	0	0		0	\$0
68 281	Accumulated Deferred Income Tax			0	0	0		0	\$0
69	Net Utility Plant	3,910,230	0	3,910,230	141,222	4,051,452	0	4,051,452	4,051,452 \$141,222
70	Plus: (working capital)			3,910,230	141,222	4,051,452		4,051,452	
71 151	Materials and Supplies Inventory			0	0	0		0	\$0
72	Working Cash (Total Op Exp /12)	17,025	(12)	17,013	(1,140)	15,885	0	15,885	15,885 -\$1,128
73	TOTAL RATE BASE	3,927,255	(12)	3,927,243	140,082	4,067,337	0	4,067,337	4,067,337 \$140,094
74	Rate of Return	-1.46%		0.63%		3.26%		3.736%	Plugged
					140,082	4,067,337			\$510,280

\*Revenues are combined for UW 132 Revenue Requirement

	Company	Staff
number of customers	627	627
op/exp/cust/year	\$309	\$304
Cash Flow	311,276	278,220

Running Y Utility Company						
Test Year: 2007						
SUMMARY OF ADJUSTMENTS						
			Staff Adj	Results	Reason	
			to Rev Req			
			Column D			
<b>REVENUES</b>						
1	461	Res/Com/Irr Water Sales*	236,983	145,160	382,143	Adjusted to reflect 2007 revenue plus revenue from additional customers
2	461	Commercial Water Sales	71,916	(71,916)	0	Adjusted to reflect 2007 revenue plus revenue from additional customers
3	465	Irrigation - Non GC	28,761	(28,761)	0	Adjusted to reflect 2007 revenue plus revenue from additional customers
4	462	Irrigation - GC	73,848	0	73,848	
5	471	Misc. Revenues	0	0	0	
6		Backflow Testing	16,320	5,965	22,285	Adjusted to reflect 2007 revenue plus revenue from additional customers
7		<b>TOTAL REVENUE</b>	<b>427,828</b>	<b>50,448</b>	<b>478,276</b>	
8						
9	<b>OPERATING EXPENSES</b>					
10	601	Salaries and Wages - Employees	50,267	6,238	56,505	Includes raises and compensation for on-call time
11	603	Salaries and Wages - Officers	0	0	0	
12	604	Employee Pension & Benefits	12,293	858	13,151	
13	610	Purchased Water	0	0	0	
14	611	Telephone/Communications	583	(63)	520	Reduced at company request
15	615	Purchased Power	52,196	8,818	61,014	2007 amount increased by 10 percent to account for PacifiCorp rate increases.
16	618	Chemical / Treatment Expense	0	0	0	
17	619	Office Supplies	507	162	669	2007 amount increased for inflation and additional customers
18	619	Postage	883	(544)	339	Co Adj to correct accounting entries
19	620	O&M Materials/Supplies	17,831	(14,017)	3,814	Removed \$5,109 backflow devices (sold to builders, so is not an expense); Moved \$8,908 meters to Plant
20	621	Repairs to Water Plant	3,401	(401)	3,000	Based on invoices; reduced at company request
21	631	Contract Svcs - Engineering	4,735	1,002	5,737	Increased to cover estimated additional engineering costs
22	632	Contract Svcs - Accounting	30,112	(10,049)	20,063	Amount allowed in UI 206 increased by CPI
23	633	Contract Svcs - Legal	0	0	0	
24	634	Contract Svcs - Management Fees	0	0	0	
25	635	Contract Svcs - Testing	2,820	(1,048)	1,772	3-year avg based on info from Umpqua Research
26	636	Contract Svcs - Labor I/C	5,510	171	5,681	Amount is TY contract for after hours monitoring + inflation adj.
27	637	Contract Svcs - Billing/Collection	0	0	0	
28	638	Contract Svcs - Meter Reading	0	0	0	
29	639	Contract Svcs - Other	0	0	0	
30	641	Rental of Building/Real Property	0	1,800	1,800	\$150 x 12 months
31	642	Rental of Equipment	0	58	58	
32	643	Small Tools	174	(152)	22	
33	648	Computer/Electronic Expenses	0	348	348	Annual Maintenance Agreement with Continental Utility Solutions
34	650	Transportation	3,093	(1,157)	1,936	Removed vehicle lease cost (no longer applies)
35	656	Vehicle Insurance	1,400	1,000	2,400	\$400 x 12 months allocated 50/50
36	657	General Liability Insurance	878	(196)	683	Annual premium allocated 50/50
37	658	Workers' Comp Insurance	274	(62)	212	Based on actual costs
38	659	Insurance - Other	757	(34)	723	Includes 50/50 allocation of property insurance and wellness program
39	660	Public Relations/Advertising	70	25	95	
40	666	Amortz. of Rate Case	0	2,796	2,796	3-year amortization of RRI charges for rate case expense
41	667	Gross Revenue Fee (PUC)	1,174	0	1,174	Calculated
42	668	Water Resource Conservation	0	0	0	
43	670	Bad Debt Expense	0	0	0	
44	671	Cross Connection Control Program	0	3,132	3,132	
45	672	System Capacity Dev Program	0	0	0	
46	673	Training and Certification	1,944	(825)	1,119	OAWU conf; operator renewals; Backflow related training is now recorded in Acct 671
47	674	Consumer Confidence Report	0	0	0	
48	675	General Expense	3,264	(1,401)	1,863	Removed amount for GRF; added \$300 for DHS Sanitary Survey (\$900 amortized 3 years)
49		<b>TOTAL OPERATING EXPENSE</b>	<b>194,166</b>	<b>(3,542)</b>	<b>190,624</b>	
50						
51	<b>OTHER REVENUE DEDUCTIONS</b>					
52	403	Depreciation Expense	286,407	(160,131)	126,276	Based on NARUC Depreciation Schedules
53	407	Amortization Expense	0	0	0	
54	408	Property Tax	0	17	17	Actual (Moved from Taxes Other)
55	408	Payroll Tax	0	4,964	4,964	Moved from Taxes Other; Increased PR Tax for additional employee
56	408	Other	4,608	(4,608)	0	Moved to Payroll and Property Tax accounts.
57	409	Oregon Income Tax	0	4,004	4,004	Calculated
58	409	Federal Income Tax	0	19,830	19,830	Calculated
59		<b>TOTAL REVENUE DEDUCTIONS</b>	<b>485,181</b>	<b>(139,467)</b>	<b>345,714</b>	
60		<b>NET OPERATING INCOME</b>	<b>(57,353)</b>	<b>189,915</b>	<b>132,562</b>	
61						
62	101	Utility Plant in Service	12,339,401	46,982	12,386,383	Includes meters and other plant from UW 112
63		Less:				
64		Excess Capacity	6,362,792	1,125,648	7,488,440	Based on number of lots platted vs lots filled (50.21% RY & 83.83% RW)
65	108	Depreciation Reserve	2,066,379	(1,219,888)	846,491	Based on NARUC Depreciation Schedules
66	271	Contributions in Aid of Const	0	0	0	
67	272	Amortization of CIAC	0	0	0	
68	281	Accumulated Deferred Income Tax	0	0	0	
69		Net Utility Plant	3,910,230	141,222	4,051,452	Total Plant less Excess Capacity less Accumulated Depreciation
70		Plus: (working capital)	0	0	0	
71	151	Materials and Supplies Inventory	0	0	0	
72		Working Cash (Total Op Exp /12)	17,025	(1,140)	15,885	Operating Expense divided by 12 months
73		<b>TOTAL RATE BASE</b>	<b>3,927,255</b>	<b>140,082</b>	<b>4,067,337</b>	
74		Rate of Return	(\$0)		\$0	









Running Y Utility  
UW 132

**RATE IMPACT - RESIDENTIAL 2 TIER (3/4 x 5/8)**

Test Year Tier 2  
> 30000

Commodity Rate - 1st Tier < 25,000 gal 1.54  
Commodity Rate - 2nd Tier > 25,000 gal 1.99

Monthly Customer Usage	Current Base Rate	Current Commodity Rate		Proposed Customer Base Rate	Proposed Commodity Rate		Proposed Commodity Rate 2nd Tier	Proposed Commodity Rate 1st Tier	Proposed Commodity Rate 2nd Tier	Total Proposed Monthly Rate	Difference	Percentage Difference
		1st Tier	2nd Tier		1st Tier	2nd Tier						
0	\$33.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	1.99	\$1.54	1.99	\$33.00	\$0.00	0.00%
1000	\$33.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	1.99	\$1.54	1.99	\$34.54	\$0.19	0.55%
2000	\$33.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	1.99	\$1.54	1.99	\$36.08	\$0.38	1.06%
3000	\$33.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	1.99	\$1.54	1.99	\$37.63	\$0.57	1.53%
4000	\$33.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	1.99	\$1.54	1.99	\$39.17	\$0.76	1.97%
5000	\$33.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	1.99	\$1.54	1.99	\$40.71	\$0.95	2.38%
6000	\$33.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	1.99	\$1.54	1.99	\$42.25	\$1.13	2.76%
<b>6622</b>	<b>\$33.00</b>	<b>\$1.35</b>	<b>\$1.78</b>	<b>\$33.00</b>	<b>\$1.54</b>	<b>1.99</b>	<b>1.99</b>	<b>\$1.54</b>	<b>1.99</b>	<b>\$43.21</b>	<b>\$1.25</b>	<b>2.98% Res Avg</b>
7000	\$33.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	1.99	\$1.54	1.99	\$43.79	\$1.32	3.12%
8000	\$33.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	1.99	\$1.54	1.99	\$45.34	\$1.51	3.45%
9000	\$33.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	1.99	\$1.54	1.99	\$46.88	\$1.70	3.77%
10000	\$33.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	1.99	\$1.54	1.99	\$48.42	\$1.89	4.06%
20000	\$33.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	1.99	\$1.54	1.99	\$63.84	\$3.78	6.29%
25000	\$33.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	1.99	\$1.54	1.99	\$71.55	\$4.73	7.07%
30000	\$33.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	1.99	\$1.54	1.99	\$81.51	\$7.92	10.76%
50000	\$33.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	1.99	\$1.54	1.99	\$121.35	\$12.08	11.06%

**\$829.28**

**\$789.12**

Running Y Utility  
UW 132

**RATE IMPACT - COMMERCIAL 2 TIER (5/8 x 3/4)**

Monthly Consumptions Customer Usage	Current Base Rate	Current Commodity Rate		Proposed Customer Base Rate	Proposed Commodity Rate		Proposed Monthly Rate	Proposed Commodity Rate 2nd Tier	Proposed Commodity Rate 1st Tier	Test Year Tier 2 > 30000	Difference	Percentage Difference
		1st Tier	2nd Tier		1st Tier	2nd Tier						
0	\$34.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	\$33.00	1.99	\$1.54		(\$1.00)	-2.94%
1000	\$34.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	\$34.54	1.99	\$1.54		(\$0.80)	-2.27%
2000	\$34.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	\$36.08	1.99	\$1.54		(\$0.61)	-1.65%
<b>3122</b>	<b>\$34.00</b>	<b>\$1.35</b>	<b>\$1.78</b>	<b>\$33.00</b>	<b>\$1.54</b>	<b>1.99</b>	<b>\$37.81</b>	<b>1.99</b>	<b>\$1.54</b>		<b>(\$0.38)</b>	<b>-1.01% C 5/8" avg</b>
4000	\$34.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	\$39.17	1.99	\$1.54		(\$0.21)	-0.54%
5000	\$34.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	\$40.71	1.99	\$1.54		(\$0.01)	-0.04%
6000	\$34.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	\$42.25	1.99	\$1.54		\$0.18	0.43%
6500	\$34.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	\$43.02	1.99	\$1.54		\$0.28	0.66%
7000	\$34.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	\$43.79	1.99	\$1.54		\$0.38	0.87%
8000	\$34.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	\$45.34	1.99	\$1.54		\$0.58	1.29%
10000	\$34.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	\$48.42	1.99	\$1.54		\$0.97	2.04%
15000	\$34.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	\$56.13	1.99	\$1.54		\$1.96	3.61%
20000	\$34.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	\$63.84	1.99	\$1.54		\$2.94	4.83%
25000	\$34.00	\$1.35	\$1.78	\$33.00	\$1.54	1.99	\$71.55	1.99	\$1.54		\$3.93	5.80%
							<b>\$635.66</b>					
							<b>\$627.48</b>					

Running Y Utility Company  
UW 132

**RATE IMPACT - COMMERCIAL 2 TIER (1")**

Test Year Tier 2  
> 30000

Commodity Rate - 1st Tier	<	25,000	gal	\$1.54
Commodity Rate - 2nd Tier	>	25,000	gal	\$1.99

Monthly Consumptions Customer Usage	Current Base Rate	Current Commodity Rate		Proposed Customer Base Rate	Proposed Commodity Rate 1st Tier	Proposed Commodity Rate 2nd Tier	Total Current Average Monthly Rate	Total Proposed Monthly Rate	Difference	Percentage Difference
		1st Tier	2nd Tier							
0	\$93.00	\$1.35	\$1.78	\$82.50	\$1.54	\$1.99	\$93.00	\$82.50	(\$10.50)	-11.29%
1000	\$93.00	\$1.35	\$1.78	\$82.50	\$1.54	\$1.99	\$94.35	\$84.04	(\$10.30)	-10.92%
<b>1155</b>	<b>\$93.00</b>	<b>\$1.35</b>	<b>\$1.78</b>	<b>\$82.50</b>	<b>\$1.54</b>	<b>\$1.99</b>	<b>\$94.55</b>	<b>\$84.28</b>	<b>(\$10.27)</b>	<b>-10.86% Avg C 1"</b>
2000	\$93.00	\$1.35	\$1.78	\$82.50	\$1.54	\$1.99	\$95.69	\$85.58	(\$10.11)	-10.56%
3000	\$93.00	\$1.35	\$1.78	\$82.50	\$1.54	\$1.99	\$97.04	\$87.13	(\$9.91)	-10.21%
4000	\$93.00	\$1.35	\$1.78	\$82.50	\$1.54	\$1.99	\$98.38	\$88.67	(\$9.71)	-9.87%
5000	\$93.00	\$1.35	\$1.78	\$82.50	\$1.54	\$1.99	\$99.73	\$90.21	(\$9.51)	-9.54%
6000	\$93.00	\$1.35	\$1.78	\$82.50	\$1.54	\$1.99	\$101.07	\$91.75	(\$9.32)	-9.22%
7000	\$93.00	\$1.35	\$1.78	\$82.50	\$1.54	\$1.99	\$102.42	\$93.29	(\$9.12)	-8.91%
8000	\$93.00	\$1.35	\$1.78	\$82.50	\$1.54	\$1.99	\$103.76	\$94.84	(\$8.92)	-8.60%
10000	\$93.00	\$1.35	\$1.78	\$82.50	\$1.54	\$1.99	\$106.45	\$97.92	(\$8.53)	-8.01%
15000	\$93.00	\$1.35	\$1.78	\$82.50	\$1.54	\$1.99	\$113.18	\$105.63	(\$7.54)	-6.67%
25000	\$93.00	\$1.35	\$1.78	\$82.50	\$1.54	\$1.99	\$126.63	\$121.05	(\$5.57)	-4.40%

**\$1,206.89**

**\$1,326.22**

Running Y Utility Company  
UW 132

**RATE IMPACT - COMMERCIAL 2 TIER (1.5")**

Test Year Tier 2  
> 30000

Commodity Rate - 1st Tier < 25,000 gal \$1.54  
Commodity Rate - 2nd Tier > 25,000 gal \$1.99

Monthly Consumptions Customer Usage	Current Base Rate	Current Commodity Rate		Proposed Customer Base Rate	Proposed Commodity Rate		Proposed Commodity Rate 2nd Tier	Proposed Commodity Rate 1st Tier	Total Current Average Monthly Rate	Total Proposed Monthly Rate	Difference	Percentage Difference
		1st Tier	2nd Tier		1st Tier	2nd Tier						
0	\$170.00	\$1.35	\$1.78	\$165.00	\$1.54	\$1.99	\$1.99	\$1.54	\$170.00	\$165.00	(\$5.00)	-2.94%
1000	\$170.00	\$1.35	\$1.78	\$165.00	\$1.54	\$1.99	\$1.99	\$1.54	\$171.35	\$166.54	(\$4.80)	-2.80%
5000	\$170.00	\$1.35	\$1.78	\$165.00	\$1.54	\$1.99	\$1.99	\$1.54	\$176.73	\$172.71	(\$4.01)	-2.27%
7000	\$170.00	\$1.35	\$1.78	\$165.00	\$1.54	\$1.99	\$1.99	\$1.54	\$179.42	\$175.79	(\$3.62)	-2.02%
10000	\$170.00	\$1.35	\$1.78	\$165.00	\$1.54	\$1.99	\$1.99	\$1.54	\$183.45	\$180.42	(\$3.03)	-1.65%
20000	\$170.00	\$1.35	\$1.78	\$165.00	\$1.54	\$1.99	\$1.99	\$1.54	\$196.90	\$195.84	(\$1.06)	-0.54%
25000	\$170.00	\$1.35	\$1.78	\$165.00	\$1.54	\$1.99	\$1.99	\$1.54	\$203.63	\$203.55	(\$0.07)	-0.04%
30000	\$170.00	\$1.35	\$1.78	\$165.00	\$1.54	\$1.99	\$1.99	\$1.54	\$210.35	\$213.51	\$3.16	1.50%
<b>35290</b>	<b>\$170.00</b>	<b>\$1.35</b>	<b>\$1.78</b>	<b>\$165.00</b>	<b>\$1.54</b>	<b>\$1.99</b>	<b>\$1.99</b>	<b>\$1.54</b>	<b>\$219.74</b>	<b>\$224.05</b>	<b>\$4.31</b>	<b>1.96%</b>
40000	\$170.00	\$1.35	\$1.78	\$165.00	\$1.54	\$1.99	\$1.99	\$1.54	\$228.11	\$233.43	\$5.33	2.33%
50000	\$170.00	\$1.35	\$1.78	\$165.00	\$1.54	\$1.99	\$1.99	\$1.54	\$245.87	\$253.35	\$7.49	3.05%
60000	\$170.00	\$1.35	\$1.78	\$165.00	\$1.54	\$1.99	\$1.99	\$1.54	\$263.62	\$273.28	\$9.65	3.66%
70000	\$170.00	\$1.35	\$1.78	\$165.00	\$1.54	\$1.99	\$1.99	\$1.54	\$281.38	\$293.20	\$11.82	4.20%
80000	\$170.00	\$1.35	\$1.78	\$165.00	\$1.54	\$1.99	\$1.99	\$1.54	\$299.14	\$313.12	\$13.98	4.67%
90000	\$170.00	\$1.35	\$1.78	\$165.00	\$1.54	\$1.99	\$1.99	\$1.54	\$316.90	\$333.04	\$16.14	5.09%
									<b>\$3,346.57</b>	<b>\$3,396.84</b>		

Running Y Utility Company

UW 132

**RATE IMPACT - COMMERCIAL 2 TIER (2")**

	Test Year Tier 2	
	< 25,000 gal	> 30000
Commodity Rate - 1st Tier	\$1.54	
Commodity Rate - 2nd Tier	\$1.99	

Monthly Consumptions Customer Usage	Current		Proposed		Total Current Average Monthly Rate	Proposed		Total Proposed Monthly Rate	Difference	Percentage Difference
	Commodity Rate 1st Tier	Commodity Rate 2nd Tier	Commodity Rate 1st Tier	Commodity Rate 2nd Tier		Customer Base Rate	Commodity Rate 1st Tier			
0	\$404.00	\$1.78	\$1.54	\$1.99	\$404.00	\$1.54	\$1.99	\$264.00	(\$140.00)	-34.65%
1000	\$404.00	\$1.78	\$1.54	\$1.99	\$405.35	\$1.54	\$1.99	\$265.54	(\$139.80)	-34.49%
5000	\$404.00	\$1.78	\$1.54	\$1.99	\$410.73	\$1.54	\$1.99	\$271.71	(\$139.01)	-33.85%
7000	\$404.00	\$1.78	\$1.54	\$1.99	\$413.42	\$1.54	\$1.99	\$274.79	(\$138.62)	-33.53%
10000	\$404.00	\$1.78	\$1.54	\$1.99	\$417.45	\$1.54	\$1.99	\$279.42	(\$138.03)	-33.06%
20000	\$404.00	\$1.78	\$1.54	\$1.99	\$430.90	\$1.54	\$1.99	\$294.84	(\$136.06)	-31.58%
25000	\$404.00	\$1.78	\$1.54	\$1.99	\$437.63	\$1.54	\$1.99	\$302.55	(\$135.07)	-30.87%
30000	\$404.00	\$1.78	\$1.54	\$1.99	\$446.50	\$1.54	\$1.99	\$312.51	(\$133.99)	-30.01%
<b>41458</b>	<b>\$404.00</b>	<b>\$1.78</b>	<b>\$1.54</b>	<b>\$1.99</b>	<b>\$464.70</b>	<b>\$1.54</b>	<b>\$1.99</b>	<b>\$335.34</b>	<b>(\$129.36)</b>	<b>-27.84%</b>
50000	\$404.00	\$1.78	\$1.54	\$1.99	\$479.87	\$1.54	\$1.99	\$352.35	(\$127.51)	-26.57%
60000	\$404.00	\$1.78	\$1.54	\$1.99	\$497.62	\$1.54	\$1.99	\$372.28	(\$125.35)	-25.19%
70000	\$404.00	\$1.78	\$1.54	\$1.99	\$515.38	\$1.54	\$1.99	\$392.20	(\$123.18)	-23.90%
80000	\$404.00	\$1.78	\$1.54	\$1.99	\$533.14	\$1.54	\$1.99	\$412.12	(\$121.02)	-22.70%
90000	\$404.00	\$1.78	\$1.54	\$1.99	\$550.90	\$1.54	\$1.99	\$432.04	(\$118.86)	-21.58%
100000	\$404.00	\$1.78	\$1.54	\$1.99	\$568.66	\$1.54	\$1.99	\$451.96	(\$116.69)	-20.52%

**\$6,976.23**

**\$5,013.66**

C 2" Avg

Running Y Utility Company  
UW 132

**RATE IMPACT - COMMERCIAL 2 TIER (3")**

Commodity Rate - 1st Tier < 25,000 gal \$1.54 Test Year Tier 2  
Commodity Rate - 2nd Tier > 25,000 gal \$1.99 > 30000

Monthly Consumptions Customer Usage	Current Base Rate	Current Commodity Rate		Proposed Customer Base Rate	Proposed Commodity Rate		Total Current Average Monthly Rate	Proposed Commodity Rate	Total Proposed Monthly Rate	Difference	Percentage Difference
		1st Tier	2nd Tier		1st Tier	2nd Tier					
0	\$716.00	\$1.35	\$1.78	\$495.00	\$1.54	\$1.99	\$716.00	\$1.54	495.00	(\$221.00)	-30.87%
1000	\$716.00	\$1.35	\$1.78	\$495.00	\$1.54	\$1.99	\$717.35	\$1.54	496.54	(\$220.80)	-30.78%
10000	\$716.00	\$1.35	\$1.78	\$495.00	\$1.54	\$1.99	\$729.45	\$1.54	510.42	(\$219.03)	-30.03%
20000	\$716.00	\$1.35	\$1.78	\$495.00	\$1.54	\$1.99	\$742.90	\$1.54	525.84	(\$217.06)	-29.22%
25000	\$716.00	\$1.35	\$1.78	\$495.00	\$1.54	\$1.99	\$749.63	\$1.54	533.55	(\$216.07)	-28.82%
30000	\$716.00	\$1.35	\$1.78	\$495.00	\$1.54	\$1.99	\$758.50	\$1.54	543.51	(\$214.99)	-28.34%
40000	\$716.00	\$1.35	\$1.78	\$495.00	\$1.54	\$1.99	\$774.11	\$1.54	563.43	(\$210.67)	-27.22%
50000	\$716.00	\$1.35	\$1.78	\$495.00	\$1.54	\$1.99	\$791.87	\$1.54	583.35	(\$208.51)	-26.33%
60000	\$716.00	\$1.35	\$1.78	\$495.00	\$1.54	\$1.99	\$809.62	\$1.54	603.28	(\$206.35)	-25.49%
70000	\$716.00	\$1.35	\$1.78	\$495.00	\$1.54	\$1.99	\$827.38	\$1.54	623.20	(\$204.18)	-24.68%
<b>78142</b>	<b>\$716.00</b>	<b>\$1.35</b>	<b>\$1.78</b>	<b>\$495.00</b>	<b>\$1.54</b>	<b>\$1.99</b>	<b>\$841.84</b>	<b>\$1.54</b>	<b>\$639.42</b>	<b>(\$202.42)</b>	<b>-24.05% C 3" Avg</b>
90000	\$716.00	\$1.35	\$1.78	\$495.00	\$1.54	\$1.99	\$862.90	\$1.54	663.04	(\$199.86)	-23.16%
100000	\$716.00	\$1.35	\$1.78	\$495.00	\$1.54	\$1.99	\$880.66	\$1.54	682.96	(\$197.69)	-22.45%
150000	\$716.00	\$1.35	\$1.78	\$495.00	\$1.54	\$1.99	\$969.45	\$1.54	782.57	(\$186.87)	-19.28%

**\$11,171.64**

**\$8,246.12**

Running Y Utility  
UW 132

**RATE IMPACT - IRRIGATION (5/8 x 3/4)**

Commodity Rate \$0.60 gal

Monthly Consumptions Customer Usage	Current Base Rate	Current Commodity Rate 1st Tier	Current Commodity Rate 2nd Tier	Total Current Average Monthly Rate	Proposed Customer Base Rate	Proposed Commodity Rate 1st Tier	Total Proposed Monthly Rate	Difference	Percentage Difference
0	\$11.50	\$0.38	NA	\$11.50	\$19.80	\$0.60	\$19.80	\$8.30	72.17%
1000	\$11.50	\$0.38	NA	\$11.88	\$19.80	\$0.60	\$20.40	\$8.53	71.79%
3000	\$11.50	\$0.38	NA	\$12.63	\$19.80	\$0.60	\$21.61	\$8.98	71.09%
4000	\$11.50	\$0.38	NA	\$13.01	\$19.80	\$0.60	\$22.21	\$9.20	70.76%
5000	\$11.50	\$0.38	NA	\$13.38	\$19.80	\$0.60	\$22.81	\$9.43	70.46%
8000	\$11.50	\$0.38	NA	\$14.51	\$19.80	\$0.60	\$24.62	\$10.11	69.65%
10000	\$11.50	\$0.38	NA	\$15.26	\$19.80	\$0.60	\$25.82	\$10.56	69.17%
30000	\$11.50	\$0.38	NA	\$22.79	\$19.80	\$0.60	\$37.86	\$15.07	66.14%
<b>45903</b>	<b>\$11.50</b>	<b>\$0.38</b>	<b>NA</b>	<b>\$28.78</b>	<b>\$19.80</b>	<b>\$0.60</b>	<b>\$47.44</b>	<b>\$18.67</b>	<b>64.87% Irr 5/8" Avg</b>
50000	\$11.50	\$0.38	NA	\$30.32	\$19.80	\$0.60	\$49.91	\$19.59	64.62%
75000	\$11.50	\$0.38	NA	\$39.73	\$19.80	\$0.60	\$64.96	\$25.24	63.52%
100000	\$11.50	\$0.38	NA	\$49.13	\$19.80	\$0.60	\$80.01	\$30.88	62.85%
200000	\$11.50	\$0.38	NA	\$86.77	\$19.80	\$0.60	\$140.23	\$53.46	61.61%
				<b>\$349.68</b>			<b>\$577.68</b>		

Running Y Utility  
UW 132

**RATE IMPACT - IRRIGATION (1")**

Commodity Rate \$0.60 gal

Monthly Consumptions Customer Usage	Current		Current		Current		Proposed		Proposed		Total Proposed Monthly Rate	Difference	
	Base Rate	1st Tier Rate	2nd Tier Rate	Commodity Rate	Commodity Rate	Commodity Rate	Customer Base Rate	1st Tier Rate	Commodity Rate	Commodity Rate		Percentage Difference	Percentage Difference
0	\$22.00	\$0.38	NA	NA	NA	\$37.95	\$0.60	\$37.95	\$0.60	\$37.95	\$15.95	72.50%	
1000	\$22.00	\$0.38	NA	NA	NA	\$37.95	\$0.60	\$37.95	\$0.60	\$38.55	\$16.18	72.29%	
3000	\$22.00	\$0.38	NA	NA	NA	\$37.95	\$0.60	\$37.95	\$0.60	\$39.76	\$16.63	71.89%	
4000	\$22.00	\$0.38	NA	NA	NA	\$37.95	\$0.60	\$37.95	\$0.60	\$40.36	\$16.85	71.70%	
5000	\$22.00	\$0.38	NA	NA	NA	\$37.95	\$0.60	\$37.95	\$0.60	\$40.96	\$17.08	71.52%	
8000	\$22.00	\$0.38	NA	NA	NA	\$37.95	\$0.60	\$37.95	\$0.60	\$42.77	\$17.76	71.00%	
10000	\$22.00	\$0.38	NA	NA	NA	\$37.95	\$0.60	\$37.95	\$0.60	\$43.97	\$18.21	70.67%	
<b>14163</b>	<b>\$22.00</b>	<b>\$0.38</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>\$37.95</b>	<b>\$0.60</b>	<b>\$37.95</b>	<b>\$0.60</b>	<b>\$46.48</b>	<b>\$19.15</b>	<b>70.06% Irr 1"</b>	
30000	\$22.00	\$0.38	NA	NA	NA	\$37.95	\$0.60	\$37.95	\$0.60	\$56.01	\$22.72	68.26%	
50000	\$22.00	\$0.38	NA	NA	NA	\$37.95	\$0.60	\$37.95	\$0.60	\$68.06	\$27.24	66.74%	
75000	\$22.00	\$0.38	NA	NA	NA	\$37.95	\$0.60	\$37.95	\$0.60	\$83.11	\$32.89	65.48%	
100000	\$22.00	\$0.38	NA	NA	NA	\$37.95	\$0.60	\$37.95	\$0.60	\$98.16	\$38.53	64.61%	
200000	\$22.00	\$0.38	NA	NA	NA	\$37.95	\$0.60	\$37.95	\$0.60	\$158.38	\$61.11	62.83%	
											<b>\$794.52</b>		
											<b>\$474.23</b>		



Running Y Utility  
UW 132

**RATE IMPACT - IRRIGATION (1.5")**

Commodity Rate \$0.60 gal

Monthly Consumptions Customer Usage	Current Base Rate	Current Commodity Rate 1st Tier	Current Commodity Rate 2nd Tier	Total Current Average Monthly Rate	Proposed Customer Base Rate	Proposed Commodity Rate 1st Tier	Proposed Commodity Rate 2nd Tier	Total Proposed Monthly Rate	Percentage Difference
0	\$22.00	\$0.38	NA	\$22.00	\$43.56	\$0.60	\$0.00	\$43.56	98.00%
1000	\$22.00	\$0.38	NA	\$22.38	\$43.56	\$0.60	\$0.00	\$44.16	97.36%
3000	\$22.00	\$0.38	NA	\$23.13	\$43.56	\$0.60	\$0.00	\$45.37	96.15%
4000	\$22.00	\$0.38	NA	\$23.51	\$43.56	\$0.60	\$0.00	\$45.97	95.57%
5000	\$22.00	\$0.38	NA	\$23.88	\$43.56	\$0.60	\$0.00	\$46.57	95.01%
8000	\$22.00	\$0.38	NA	\$25.01	\$43.56	\$0.60	\$0.00	\$48.38	93.43%
10000	\$22.00	\$0.38	NA	\$25.76	\$43.56	\$0.60	\$0.00	\$49.58	92.45%
30000	\$22.00	\$0.38	NA	\$33.29	\$43.56	\$0.60	\$0.00	\$61.62	85.11%
40000	\$22.00	\$0.38	NA	\$37.05	\$43.56	\$0.60	\$0.00	\$67.65	82.56%
<b>55438</b>	\$22.00	<b>\$0.38</b>	<b>NA</b>	<b>\$42.86</b>	<b>\$43.56</b>	<b>\$0.60</b>	<b>\$0.00</b>	<b>\$76.94</b>	<b>79.50% Irr 1 1/2"</b>
75000	\$22.00	\$0.38	NA	\$50.23	\$43.56	\$0.60	\$0.00	\$88.72	76.64%
100000	\$22.00	\$0.38	NA	\$59.63	\$43.56	\$0.60	\$0.00	\$103.77	74.02%
200000	\$22.00	\$0.38	NA	\$97.27	\$43.56	\$0.60	\$0.00	\$163.99	68.59%

**\$886.28**

**\$486.00**

Company  
UW 132

**RATE IMPACT - IRRIGATION (2")**

Commodity Rate \$0.60 gal

Monthly Customer Usage	Current		Current		Proposed		Proposed		Total Proposed Monthly Rate	Difference	Percentage Difference
	Customer Base Rate	Commodity Rate	Commodity Rate	Commodity Rate	Customer Base Rate	Commodity Rate	Commodity Rate	Commodity Rate			
0	\$46.34	\$0.38	NA	NA	\$85.80	\$0.60	\$0.00	\$0.00	\$85.80	\$39.46	85.15%
1000	\$46.34	\$0.38	NA	NA	\$85.80	\$0.60	\$0.00	\$0.00	\$86.40	\$39.69	84.95%
3000	\$46.34	\$0.38	NA	NA	\$85.80	\$0.60	\$0.00	\$0.00	\$87.61	\$40.14	84.55%
4000	\$46.34	\$0.38	NA	NA	\$85.80	\$0.60	\$0.00	\$0.00	\$88.21	\$40.36	84.36%
5000	\$46.34	\$0.38	NA	NA	\$85.80	\$0.60	\$0.00	\$0.00	\$88.81	\$40.59	84.17%
8000	\$46.34	\$0.38	NA	NA	\$85.80	\$0.60	\$0.00	\$0.00	\$90.62	\$41.27	83.62%
10000	\$46.34	\$0.38	NA	NA	\$85.80	\$0.60	\$0.00	\$0.00	\$91.82	\$41.72	83.26%
<b>59823</b>	<b>\$46.34</b>	<b>\$0.38</b>	<b>NA</b>	<b>NA</b>	<b>\$85.80</b>	<b>\$0.60</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$121.82</b>	<b>\$52.97</b>	<b>76.93% Irr 2"</b>
30000	\$46.34	\$0.38	NA	NA	\$85.80	\$0.60	\$0.00	\$0.00	\$103.86	\$46.23	80.23%
50000	\$46.34	\$0.38	NA	NA	\$85.80	\$0.60	\$0.00	\$0.00	\$115.91	\$50.75	77.89%
75000	\$46.34	\$0.38	NA	NA	\$85.80	\$0.60	\$0.00	\$0.00	\$130.96	\$56.40	75.63%
100000	\$46.34	\$0.38	NA	NA	\$85.80	\$0.60	\$0.00	\$0.00	\$146.01	\$62.04	73.88%
200000	\$46.34	\$0.38	NA	NA	\$85.80	\$0.60	\$0.00	\$0.00	\$206.23	\$84.62	69.58%

**\$1,444.06**

**\$807.84**

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	Running Y Utility Company													
2	Test Year: 2007													
3	<b>GOLF COURSE RATE DESIGN</b>													
4	Proposed Revenues of:													
5							\$79,031							
6														
7	Base/Commodity Split	Proposed Rev												
8	Variable Rate	\$79,031	=				\$31,612							
9														
10														
11	Base Rate	Proposed Rev												
12		\$79,031	=				\$47,419							
13														
14							\$79,031							
15	<b>BASE RATE</b>													
16														
17														
18														
19														
20														
21	Size of Line	Number of Customers	Current Monthly Base Rate	Staff Monthly Base Rate	Company Proposed Base Rate	Staff Total Annual Revenues	Revenue at Current rates							
22	Golf Irrigation													
23	4"		\$790.31	\$790.31	\$790.31	\$0	\$0							
24	6"		\$790.31	\$790.31	\$790.31	\$0	\$0							
25	8"		\$1,975.78	\$1,975.78	\$1,975.78	\$0	\$0							
26	12"	1	\$3,780	\$3,951.55	\$4,132.58	\$47,419	\$45,360							
27														
28														
29														
30														
31														
32														
33														
34	COMMODITY RATE		\$0.2235 per 1000 gal.											
35														
36														
37	Proposed Revenue	\$31,612	divided by	Consumption	141,459	average rate	\$0.2235	Previous Rates	\$0.2094					
38														
39														
40														
41														
42														
43														
44														
45														
46														
47														
48														
49	Meter Size	Average rates Current	Proposed Rates	Staff Proposed Rates	Percent Increase	Annual Revenue								
50	Golf Irrigation													
51	4"	\$0.00	\$0.00	\$0.00	0.00%	\$6,585.92								
52	6"	\$0.00	\$0.00	\$0.00	0.00%	12								
53	8"	\$0.00	\$0.00	\$0.00	0.00%	\$79,031								
54	12"	\$6,248.46	\$6,585.92	\$6,585.92	5.40%									
55														
56														

\$47,419

\$49,591 \$47,419 \$45,360

4.5%  
PERCENT  
% increase

Company Proposed \$0.2337

average rate \$0.2235 per 1,000 gal

Consumption 141,459

141,459,000 Proposed Consumption per Application  
0 - base consumpt ("free" water x cust x 12 months)  
141,459,000 divided by unit of measure 1,000 Gallons  
141,459

Consumption Golf Irrigation (Test Year)  
4" 4" 141,459,000  
6" 6" 141,459,000  
8" 8" 141,459,000  
12" 12" 141,459,000

11,788,250

Running Y Utility Company  
UW 132

**RATE IMPACT - GOLF COURSE**

Commodity Rate \$0.2235 gal

Monthly Consumptions Customer Usage	Current		Proposed		Usage Factor	Proposed		Total Monthly Rate	Difference	Percentage Difference
	Base Rate	Commodity Rate	Customer Base Rate	Commodity Rate Per 1,000 gal		Customer Base Rate	Commodity Rate Per 1,000 gal			
0	\$3,780.00	\$0.21	\$3,951.55	\$0.22	0	\$3,951.55	\$0.22	\$3,951.55	\$171.55	4.54%
1000000	\$3,780.00	\$0.21	\$3,951.55	\$0.22	1000	\$3,951.55	\$0.22	\$4,175.02	\$185.62	4.65%
2000000	\$3,780.00	\$0.21	\$3,951.55	\$0.22	2000	\$3,951.55	\$0.22	\$4,398.50	\$199.70	4.76%
3000000	\$3,780.00	\$0.21	\$3,951.55	\$0.22	3000	\$3,951.55	\$0.22	\$4,621.97	\$213.77	4.85%
4000000	\$3,780.00	\$0.21	\$3,951.55	\$0.22	4000	\$3,951.55	\$0.22	\$4,845.45	\$227.85	4.93%
5000000	\$3,780.00	\$0.21	\$3,951.55	\$0.22	5000	\$3,951.55	\$0.22	\$5,068.92	\$241.92	5.01%
6000000	\$3,780.00	\$0.21	\$3,951.55	\$0.22	6000	\$3,951.55	\$0.22	\$5,292.39	\$255.99	5.08%
7000000	\$3,780.00	\$0.21	\$3,951.55	\$0.22	7000	\$3,951.55	\$0.22	\$5,515.87	\$270.07	5.15%
8000000	\$3,780.00	\$0.21	\$3,951.55	\$0.22	8000	\$3,951.55	\$0.22	\$5,739.34	\$284.14	5.21%
9000000	\$3,780.00	\$0.21	\$3,951.55	\$0.22	9000	\$3,951.55	\$0.22	\$5,962.82	\$298.22	5.26%
<b>11788250</b>	<b>\$3,780.00</b>	<b>\$0.21</b>	<b>\$3,951.55</b>	<b>\$0.22</b>	<b>11788</b>	<b>\$3,951.55</b>	<b>\$0.22</b>	<b>\$6,585.92</b>	<b>\$337.46</b>	<b>5.40%</b>
15000000	\$3,780.00	\$0.21	\$3,951.55	\$0.22	15000	\$3,951.55	\$0.22	\$7,303.66	\$382.66	5.53%
20000000	\$3,780.00	\$0.21	\$3,951.55	\$0.22	20000	\$3,951.55	\$0.22	\$8,421.03	\$453.03	5.69%
21000000	\$3,780.00	\$0.21	\$3,951.55	\$0.22	21000	\$3,951.55	\$0.22	\$8,644.50	\$467.10	5.71%
								<b>\$80,526.93</b>		
									<b>\$76,537.86</b>	

**\$80,526.93**

**\$76,537.86**





Running Y Utility Company  
UW 132  
EXCESS CAPACITY

Capacity	Excess Capacity
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A	B	C	D (C-E)	E (C x I)	F	G	I (F/G)	
ACCOUNT & ITEM	Date Acquired	Utility Plant Orig Cost	Excess Capacity	Total Adjusted Plant	# Units	Lots Platted	Lots Filled	
304 - RW: Com Well Pump House	Aug 2007	92,768	77,767	15,001	38	235	16.17%	83.83%
307 - RW: Com Well	Aug 2007	330,603	165,996	164,607	38	235	16.17%	83.83%
309 - Supply Mains	Jan 1997	1,100,636	552,629	548,007	599	1,203	49.79%	50.21%
309 - RW Supply Mains Ph. 1 Div. 2	Nov 2007	80,555	67,529	13,026	38	235	16.17%	83.83%
311 - Pump: Merganser Hydromatic	Mar 2006	5,105	4,280	825	38	235	16.17%	83.83%
311 - RW: Com Booster Pump Station	Aug 2007	380,583	319,043	61,540	38	235	16.17%	83.83%
311 - RW: Com Booster Pump Interface	Aug 2007	196,663	164,863	31,800	38	235	16.17%	83.83%
311 - RW: Com Well Pump	Aug 2007	19,586	16,419	3,167	38	235	16.17%	83.83%
311 - RW: Com Booster Pump	Aug 2007	53,929	45,209	8,720	38	235	16.17%	83.83%
311 - RYR: Booster Control Upgrade	Oct 2007	83,964	70,387	13,577	38	235	16.17%	83.83%
330 - RW Reservoir	Aug 2007	464,486	389,379	75,107	38	235	16.17%	83.83%
331 - Phase 1 Distribution	Jan 1997	474,179	238,085	236,094	82	160	51.25%	48.75%
331 - Phase 3 Lots Distribution	Jan 1999	228,415	114,687	113,728	45	107	42.06%	57.94%
331 - Phase 5 Distribution	Jul 1999	427,011	214,402	212,609	39	114	34.21%	65.79%
331 - Phase 6 (Sunforest) Distribution	Jul 1999	112,233	56,352	55,881	72	91	79.12%	20.88%
331 - Phase 5 Distribution	Jan 2002	506	254	252	39	114	34.21%	65.79%
331 - Phase 6 (Sunforest) Distribution	Jan 2002	1,976	992	984	78	97	80.41%	19.59%
331 - Phase 7 Distribution ECVC	Jan 2002	6,223	3,125	3,098	89	89	100.00%	0.00%
331 - Phase 7 Distribution	Jan 2002	2,039	1,024	1,015	89	89	100.00%	0.00%
331 - Phase 8 (Ranch View) Distribution	Jan 2002	83,571	41,961	41,610	58	66	87.88%	12.12%
331 - Phase 9 (Payne Canyon) Distribution	Jan 2002	152,425	76,533	75,892	17	57	29.82%	70.18%
331 - Phase 10 Distribution	Jan 2002	120,889	60,698	60,191	18	44	40.91%	59.09%
331 - Phase 11 Distribution	Dec 2003	646,664	324,690	321,974	18	119	15.13%	84.87%
331 - Phase 12 Distribution	Sep 2004	508,481	255,308	253,173	17	109	15.60%	84.40%
331 - Phase 8 (Ranch View 2nd) Distribution	Dec 2004	146,752	73,684	73,068	58	66	87.88%	12.12%
331 - Phase 6 (Sunforest 3rd) Distribution	Sep 2005	171,670	86,196	85,474	72	91	79.12%	20.88%
331 - Transmission & Distribution Lines - Phase 13	Jun 2006	923,085	463,481	459,604	9	111	8.11%	91.89%
331 - Phase 15 Distribution (Aspen Run)	Jan 2008	77,400	38,863	38,537	8	8	100.00%	0.00%
<b>TOTALS</b>		<b>6,892,397</b>	<b>3,923,835</b>	<b>2,968,562</b>	<b>599</b>	<b>1,203</b>	<b>49.79%</b>	<b>50.21%</b>
<b>RIDGEWATER DISTRIBUTION</b>								
331 - RW Phase 1, Div 1 Distribution	Aug 2007	1,216,223	1,019,560	196,663	14	105	13.33%	86.67%
331 - RW Phase 1, Div 2 Distribution	Aug 2007	498,424	417,829	80,595	1	119	0.84%	99.16%
331 - RW Phase 1, Div 2 Distribution	Nov 2007	1,324,301	1,110,162	214,139	1	119	0.84%	99.16%
331 - RW Phase 1, Div 5 Distribution (Timbers)	Nov 2007	97,893	82,064	15,829	1	11	9.09%	90.91%
<b>TOTALS</b>		<b>3,136,841</b>	<b>2,629,615</b>	<b>5,508,972</b>	<b>38</b>	<b>235</b>	<b>16.17%</b>	<b>83.83%</b>
3-year projection								
331 - Common Water Distribution	May 1999	231,444	77,534	153,910				
331 - Common Water Distribution	Jan 2002	1,720	576	1,144				
331 - Common Water Distribution	Jan 2002	213	71	142				
<b>TOTALS</b>		<b>3,370,218</b>	<b>2,707,796</b>	<b>5,664,168</b>	<b>266</b>	<b>400</b>	<b>66.50%</b>	<b>33.50%</b>

333 - Services - Phases 1&2	Dec-96	4,010	2,013	1,997	82	160	51.25%	48.75%
333 - Services - Phases 1&2	Dec-97	20,049	10,067	9,982	82	160	51.25%	48.75%
333 - Services - Phases 1&2	Dec-98	26,732	13,422	13,310	82	160	51.25%	48.75%
333 - Services - Phase 3	Jan-99	58,581	29,414	29,167	45	107	42.06%	57.94%
333 - Services - Phase 6	Jan-99	4,780	2,400	2,380	72	91	79.12%	20.88%
333 - Services - Phase 4	May-99	25,584	12,846	12,738	89	89	100.00%	0.00%
333 - Services - Phase 5	Jul-99	21,565	10,828	10,737	39	114	34.21%	65.79%
333 - Services - Phases 1&2	Dec-99	5,346	2,684	2,662	82	160	51.25%	48.75%
333 - Services - Phase 3	Dec-99	21,968	11,030	10,938	45	107	42.06%	57.94%
333 - Services - Phase 6	Dec-99	9,559	4,800	4,759	72	91	79.12%	20.88%
333 - Services - Phases 1&2	Dec-00	4,010	2,013	1,997	82	160	51.25%	48.75%
333 - Services - Phase 3	Dec-00	21,968	11,030	10,938	45	107	42.06%	57.94%
333 - Services - Phase 5	Dec-00	16,174	8,121	8,053	39	114	34.21%	65.79%
333 - Services - Phase 6	Dec-00	2,868	1,440	1,428	72	91	79.12%	20.88%
333 - Services - Phases 1&2	Dec-01	5,346	2,684	2,662	82	160	51.25%	48.75%
333 - Services - Phase 3	Dec-01	7,323	3,677	3,646	45	107	42.06%	57.94%
333 - Services - Phase 5	Dec-01	5,391	2,707	2,684	39	114	34.21%	65.79%
331 - Services - Phase 4	Jan-01	1,042	523	519	89	89	100.00%	0.00%
333 - Services - Phases 1&2	Dec-02	10,693	5,369	5,324	82	160	51.25%	48.75%
333 - Services - Phase 3	Dec-02	29,291	14,707	14,584	45	107	42.06%	57.94%
333 - Services - Phase 5	Dec-02	16,174	8,121	8,053	39	114	34.21%	65.79%
<b>TOTALS</b>		<b>318,454</b>	<b>159,896</b>	<b>158,558</b>	<b>599</b>	<b>1,203</b>	<b>49.79%</b>	<b>50.21%</b>

**RIDGEWATER SERVICES**

333 - RW Services Ph 1, Div.1	Aug 2007	155,539	130,388	25,151	14	105	13.33%	86.67%
333 - RW Com Services	Aug 2007	7,676	6,435	1,241	16	235	6.81%	93.19%
333 - RW Services Ph 1, Div.2	Nov 2007	295,552	247,761	47,791	1	119	0.84%	99.16%
333 - RW Services Ph 1, Div.5	Nov 2007	60,886	51,041	9,845	1	11	9.09%	90.91%
<b>TOTALS</b>		<b>519,653</b>	<b>435,625</b>	<b>84,028</b>	<b>38</b>	<b>235</b>	<b>16.17%</b>	<b>83.83%</b>

3-year projection

335 - Hydrants	Dec 1997	35,119	17,633	17,486	599	1,203	<b>49.79%</b>	<b>50.21%</b>
335 - Hydrants	Mar 2004	3,608	1,812	1,796	599	1,203	<b>49.79%</b>	<b>50.21%</b>

**RIDGEWATER HYDRANTS**

RW Hydrants Ph.1 Div.1	Aug 2007	131,189	109,976	21,213				
RW: Com Hydrants	Aug 2007	5,297	4,440	857				
RW Hydrants Ph.1 Div.2	Nov 2007	141,880	118,938	22,942				
RW Hydrants Ph.1 Div.5	Nov 2007	10,127	8,489	1,638				
<b>TOTALS</b>		<b>288,493</b>	<b>241,843</b>	<b>46,650</b>	<b>38</b>	<b>235</b>	<b>16.17%</b>	<b>83.83%</b>

3-year projection

WorldMark								
331 - Transmission & Distribution Lines - Phase 7	Jan 2002	6,223	0	6,223				
331 - Transmission & Distribution Lines - Phase 7	Jan 2002	2,039	0	2,039	89	89	<b>100.00%</b>	<b>0.00%</b>
<b>TOTALS</b>		<b>5,086,063</b>	<b>3,662,164</b>	<b>6,425,645</b>				

Projected 10 new per year over next 3 years Running Y

Total Units Completed	599		
Total Lots Platted		1,203	
Lots Filled			49.79%
			50.21%

Projected 9 new per year over next 3 years RidgeWater

Total Units Completed	38		
Total Lots Platted		235	
Lots Filled			16.17%
			83.83%

Total RidgeWater Plant 5,653,229  
83.83%

Total RidgeWater Excess Capacity 4,739,090

Total Running Y Plant 7,647,293  
50.21%

Running Y Excess Capacity using total units 3,839,539

4,739,090  
3,839,539

Total RYU Excess Capacity using total UNITS 8,578,629

Total RidgeWater Excess Capacity 4,739,090  
Running Y Excess Capacity using Phases 2,749,350  
Staff Proposed Excess Capacity 7,488,440

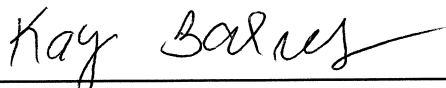


**CERTIFICATE OF SERVICE**

**UW 132**

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 26th day of February, 2009.



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Kay Barnes  
Public Utility Commission  
Regulatory Operations  
550 Capitol St NE Ste 215  
Salem, Oregon 97301-2551  
Telephone: (503) 378-5763

**UW 132  
Service List (Parties)**

LANDY & VIRGINIA RAY	108 FAIRWAY VILLAGE LANE ROSEBURG OR 97470
<b>DEPARTMENT OF JUSTICE</b>  JASON W JONES ASSISTANT ATTORNEY GENERAL	REGULATED UTILITY & BUSINESS SECTION 1162 COURT ST NE SALEM OR 97301-4096 jason.w.jones@state.or.us
<b>PUBLIC UTILITY COMMISSION</b>  RENEE SLOAN PUC UTILITY WATER SEC	PO BOX 2148 SALEM OR 97308-2148 renee.sloan@state.or.us
<b>RESORT RESOURCES INC</b>  LORI BLACK CONSULTANT	PO BOX 1466 BEND OR 97709 lori@resortresources.com