


PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: February 9, 2016

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE February 19, 2016

DATE: January 26, 2016

TO: Public Utility Commission

FROM: Greg Miller 

THROUGH: Jason Eisdorfer, Bryan Conway, and Bruce Hellebuyck 

SUBJECT: WILLAMETTE WATER COMPANY: (Docket No. ADV 195/Advice No.16-01) Revises Schedule No. 8, Purchased Water Cost Adjustment.

**STAFF RECOMMENDATION:**

Staff recommends that the Public Utility Commission (Commission) allow Willamette Water Company's (Willamette or Company) proposed revisions to Schedule No. 8, Purchased Water Cost Adjustment, to go into effect as filed in Advice No. 16-01, effective with meter readings on and after February 19, 2016.

**ISSUE:**

Willamette requests Commission approval for annual revision in commodity rates due to changes in the Company's purchased water costs.

**RULE:**

On January 8, 2016, Willamette filed proposed revisions to Schedule No. 8, Purchased Water Cost Adjustment, pursuant to ORS 757.210 and ORS 757.220.

**ANALYSIS:**

History

On April 19, 2015, the Commission approved in Order No. 15-111 (UW 161), an Automatic Adjustment Clause (AAC)<sup>1</sup> tariff for water that Willamette purchases from the Eugene Water and Electric Board (EWEB).

<sup>1</sup> Schedule No. 8 is an AAC as defined in ORS 757.210(b).

As approved in Order No. 15-111, the Company's Schedule No. 8 defines procedures for periodic rate revision due to changes in the Company's purchased water cost (reflected in the previous year's February to January EWEB invoices), describes how a rate change for purchased water cost is calculated, and identifies other requirements. The purchased water cost adjustment applies to Schedules 1, 2, 3, 4, 5 and 6 contained in the Company's tariffs.

Charges under the applicable schedules are subject to increases that may be made without prior hearing to reflect the changes in the Company's purchased water costs resulting from adjustments in the rate EWEB charges to Willamette. Per Schedule No. 8, the Company may file purchased water cost adjustments annually to be effective upon the date EWEB implements rate changes.

#### Current Filing

On December 9, 2015, EWEB notified Willamette that EWEB's commissioners had approved a 3.6 percent increase in rates for water purchased by Willamette. The new EWEB rates went into effect January 1, 2016, with the new rate applying to January consumption.

Subsequently, on January 8, 2016, Willamette filed Advice No. 16-01 to revise the adjustment rates in Schedule No. 8. The Company requested a February 19, 2016, effective date to coincide with the first full billing cycle after the date of EWEB's rate increase.

Willamette determined the 2016 rate using the steps outlined in Schedule No. 8, and Staff agrees that the adjustment rate should be \$0.129.

Staff notes that the percentage of the Company's proposed annual variable rate increase differs from the percentage of the EWEB rate increase because there are two components of the calculation, the EWEB change in rates and the 2016 projected consumption. Again, it is not expected that the Company's variable rate would increase at precisely the same percentage as EWEB's rates.

#### **CONCLUSION:**

Advice No. 16-01 is filed in accordance with the adjustment methodology outlined in Order No. 15-111 and meets the conditions approved by the Commission.

**PROPOSED COMMISSION MOTION:**

Pursuant to ORS 757.210 and ORS 757.220, Willamette's proposed revisions to Schedule No. 8 be allowed to go into effect as filed, with an effective date for meters read on and after February 19, 2016.

Advice 16-01 Willamette