



# Oregon

John A. Kitzhaber, MD, Governor

## Public Utility Commission

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August 3, 2012

### ***Via Electronic Filing***

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

**RE: Docket No. UW 151 – In the Matter of CHARBONNEAU WATER COMPANY, LLC  
Request for a General Rate Revision.**

Enclosed for electronic filing in the above-captioned docket is Staff's Direct Testimony in Support of Stipulation in Docket UW 151.

*/s/ Mark D. Brown*

Mark Brown

Utility Program

Filing on Behalf of Public Utility Commission Staff

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Email: mark.brown@state.or.us

cc: UW 151 Service List (parties)

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**PUBLIC UTILITY COMMISSION  
OF OREGON**

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**UW 151**

**STAFF TESTIMONY  
OF  
BRITTANY ANDRUS**

**In the Matter of  
CHARBONNEAU WATER COMPANY, LLC  
Request for a General Rate Revision.**

**August 3, 2012**

CASE: UW 151  
WITNESS: Brittany Andrus

**PUBLIC UTILITY COMMISSION  
OF  
OREGON**

**STAFF EXHIBIT 100**

**Direct Testimony  
In Support of the Stipulation**

**August 3, 2012**

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

3     A. My name is Brittany Andrus. My business address is 550 Capitol Street NE,  
4     Suite 215, Salem, Oregon 97301-2551.

5     **Q. PLEASE DESCRIBE YOUR RELEVANT WORK EXPERIENCE.**

6     A. Please see Exhibit 101.

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

8     A. Staff testimony is organized as follows:

9         Issue 1: CWC Description and Regulatory History  
10        Issue 2: CWC's Proposed Filing  
11        Issue 3: Staff's Analysis of the Company's Filing  
12        Issue 4: Staff's Adjustments  
13        Issue 5: Customer and Affiliated Interest Concerns  
14        Issue 6: The Stipulated Revenue Requirement and Rates  
15        Issue 7: Other Stipulated Issues  
16

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

18    A. Staff testimony introduces and supports the Stipulation agreed to by the parties  
19       in Docket UW 151.

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

21    A. The parties in this docket are: Charbonneau Water Company LLC (CWC or  
22       Company), Commission Staff (Staff), Richard Miller and Susan Stevens  
23       (Intervenors), collectively referred to as the Parties.

24

1                    **Issue 1: CWC Description and Regulatory History**

2        **Q. PLEASE DESCRIBE CWC.**

3        A. CWC was formed in May 2008 as a subsidiary of Charbonneau Golf Course,  
4            Inc. (Golf Course). CWC's purpose is to provide nonpotable, irrigation water to  
5            15 customers. The customers include 11 homeowner associations (HOAs) with  
6            833 homeowners; Charbonneau Village consisting of commercial businesses;  
7            Illahee, an apartment complex; Charbonneau Country Club; and the Golf  
8            Course.

9            The water system was originally constructed in the 1970's. It was  
10          purchased in 1990 by certain, but not all, residents. The Golf Course provided  
11          irrigation water to the customers prior to the formation of CWC.

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

14       A. On April 24, 2009, CWC petitioned the Commission requesting rate regulation.  
15          The Commission asserted jurisdiction pursuant to ORS 757.005 and  
16          ORS 757.061 in Order No. 09-171, dated May 13, 2009.

17       **Q. PLEASE PROVIDE A SUMMARY OF RATE CASES TO DATE.**

18       A. CWC filed its first rate case (UW 136) in July 2009, and the stipulated rates  
19          took effect April 1, 2010. The UW 136 stipulation supported a revenue  
20          requirement of \$283,547, with net income of \$75,788 at a rate of return of  
21          8.9 percent on a rate base of \$851,552. CWC submitted this current rate filing  
22          (UW 151) on March 26, 2012, to take effect October 1, 2012.

1     **Q. ARE ANY EXPENSES SHARED BY BOTH CWC AND THE GOLF**  
2     **COURSE?**

3     A. Yes. Certain shared costs are allocated between CWC and the Golf Course  
4     using three allocation factors developed in the Company's first rate case. The  
5     three factors used to allocate overall Golf Course costs to CWC are: 1) the  
6     time-based general expense allocation factor of 19.3 percent for shared labor  
7     and administrative-related expenses; 2) the physical asset-based allocation  
8     factor of 26 percent used for insurance, property taxes, and HOA fees/building  
9     rental; and, 3) the income-based allocation factor of 30 percent for accounting  
10    expenses. More detail about how these factors were derived is found in  
11    Docket No. UW 136. Because no changes have occurred since the last rate  
12    case that would substantially impact the allocations, the same factors were  
13    applied in this case.

14  
15                     **Issue 2: CWC's Proposed Filing**

16    **Q. PLEASE DESCRIBE CWC'S CURRENT REQUEST FOR AN INCREASE**  
17    **AS STATED IN ITS APPLICATION.**

18    A. In its application, CWC requested a 30 percent increase from estimated test  
19    year revenues of \$212,641, or \$62,779, resulting in revenues of \$275,420, with  
20    a 10.5 percent return on a rate base of \$793,305. Because the Company  
21    submitted its application prior to the close of its fiscal year, the actual revenues  
22    and expenses were adjusted slightly after final year-end numbers were  
23    received.

1 **Q. AFTER UPDATING THE COMPANY INFORMATION, WHAT WERE THE**  
2 **COMPANY TEST PERIOD REVENUES?**

3 A. The actual test period revenues were \$210,404.

4 **Q. WHAT REVENUES WILL BE CAPTURED BY THE COMPANY'S**  
5 **PROPOSED RATES?**

6 A. The Company's proposed rates will capture \$276,363 which is different than  
7 the Company's forecast which was \$275,420. The actual proposed percentage  
8 increase in revenues is 31.3 percent, which is \$276,363 divided by \$210,404,  
9 minus 1.

10 **Q. WHAT TEST YEAR PERIOD DID THE COMPANY USE IN ITS**  
11 **APPLICATION?**

12 A. CWC used the test year period April 1, 2011 through March 31, 2012. This  
13 coincides with the Company's fiscal year.

14 **Q. PLEASE DESCRIBE THE COMPANY'S CURRENT RATES.**

15 CWC charges a commodity rate of \$1.47 per unit. One unit is equal to 748  
16 gallons. In addition, it charges a monthly base rate which varies by service  
17 meter size, as shown below in Table 1.

18 **Table 1. CWC Current Base and Commodity Rates.**

Service Meter Size	Monthly Base Rate
1 inch	\$21.05
1 ½ inches	\$42.10
2 inches	\$67.36
3 inches	\$126.30
6 inches	\$421.00

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

2     A. To achieve its proposed revenue requirement, CWC proposes raising its  
3       commodity rate by \$0.38, from \$1.47 to \$1.85 per unit, resulting in a  
4       25.9 percent increase. In addition, CWC proposes increasing monthly base  
5       rates by 39.3 percent as shown in Table 2 below.

6     **Table 2. CWC Proposed Base and Commodity Rates.**

Service Meter Size	Monthly Base Rate
1 inch	\$29.33
1 ½ inches	\$58.65
2 inches	\$93.84
3 inches	\$175.95
6 inches	\$586.51

7  
8     **Q. WHAT REASONS DID THE COMPANY GIVE FOR SEEKING A RATE**  
9       **INCREASE?**

10    A. According to CWC, the increase is necessary because billed water usage has  
11       been significantly below the amount assumed in the Company's last rate case.  
12       This reduction in usage is due primarily to three factors: 1) wetter than normal  
13       weather; 2) conservation efforts by customers; and, 3) and an adjustment for  
14       billings that were previously incorrectly attributed to usage by the Golf Course,  
15       referred to as "bleed." The Company also states it is facing increased costs for  
16       maintenance and repairs to ensure continued delivery of water, and increases  
17       in several items due to inflation and other related cost increases. The following  
18       is an excerpt from CWC's application:

19               We are seeking this change in rates because current rates  
20               established by the Commission in Order No. 10-061 have resulted in



1 revenues of \$212,641 which is \$70,906 below the Commission  
2 authorized revenue requirement. Without this increase, the Water  
3 Company will not be able to continue serving its customers and  
4 performing the required repairs, replacements and necessary  
5 improvements to sustain and maintain the service.  
6

7 **Q. WHAT IS THE IMPACT OF CWC'S PROPOSED BASE RATES UPON THE**  
8 **CUSTOMERS?**

9 A. Table 3 on the following page shows the effect of the Company's proposed  
10 base rates on the HOA's, Charbonneau Country Club, Charbonneau Village,  
11 the apartment complex (Illahee), and the Golf Course.

12 **Q. WOULD CWC'S PROPOSED RATES ACHIEVE ITS REQUESTED**  
13 **INCREASE?**

14 A. Yes. CWC requested an increase of \$62,779. The proposed base charge  
15 increases revenues by \$33,962 above current rates when calculated using test  
16 year meter configurations. However, after accounting for meters that were  
17 changed after the test year, the increase in revenues is \$31,358.<sup>1</sup> As for  
18 revenues from the variable charge, the \$0.38 increase produces additional  
19 annual revenues of \$32,046. However, this number will change depending on  
20 the amount of water consumed. There are slight variations between the  
21 requested revenue increase in the application and the increase calculated by  
22 staff due to receipt of final year-end numbers.  
23

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<sup>1</sup> The resulting revenue requirement when this change is incorporated is \$273,759. Staff learned of this change after the settlement discussions had taken place.

**Table 3– CWC’s Proposed Base Rate Changes: Impact on Customers Based on Test Year Meter Configurations**

	Current Base Charge	Proposed Base Charge	Number of Residences	Current Monthly Base Charge per Customer	Proposed Monthly Base Charge per Customer
Arbor Lake	\$ 1,279.84	\$ 1,782.96	258	\$ 4.96	\$ 6.91
Charbonneau Country Club <sup>1</sup>	\$ 740.96	\$ 1,032.27	n/a		
Charbonneau Greens	\$ 84.20	\$ 117.30	48	\$ 1.75	\$ 2.44
Charbonneau HOA <sup>1</sup>	\$ 1,077.76	\$ 1,501.44	228	\$ 4.73	\$ 6.59
Charbonneau Village CVCCA	\$ 244.18	\$ 340.17	n/a		
Edgewater	\$ 130.51	\$ 181.82	44	\$ 2.97	\$ 4.13
Fairway Estates	\$ 126.30	\$ 175.95	35	\$ 3.61	\$ 5.03
Fairway Village Condo	\$ 63.15	\$ 87.99	20	\$ 3.16	\$ 4.40
Fountain Lakes HOA	\$ 261.02	\$ 363.63	59	\$ 4.42	\$ 6.16
Illahee <sup>2</sup>	\$ 42.10	\$ 58.65	n/a		
Lakeside HOA	\$ 134.72	\$ 187.68	41	\$ 3.29	\$ 4.58
Mariners CVCOA <sup>3</sup>	\$ 218.92	\$ 304.98	60	\$ 3.65	\$ 5.08
Village Greens I	\$ 134.72	\$ 187.68	19	\$ 7.09	\$ 9.88
Village Greens II	\$ 134.72	\$ 187.68	21	\$ 6.42	\$ 8.94
Charboneau Golf Club	\$ 2,526.00	\$ 3,519.06	n/a		

<sup>1</sup>Charbonneau HOA shifted one 1.5" meter to Charbonneau Country Club effective March 1, 2012. This had no net effect on Company revenues.

<sup>2</sup>Illahee serves apartments and uses the water system as a back-up supply only. It consumed zero units during the test year.

<sup>3</sup>Mariners changed its meter configuration effective April 1, 2012, which was after the test year. This change reduces base charge revenues going forward.

1     **Q. WHAT VARIABLES ARE DRIVING CHANGES TO WATER CONSUMPTION**  
2     **BY CWC CUSTOMERS?**

3     A. The vast majority of consumption occurs during the irrigation season, which  
4     runs approximately from April through September. This irrigation consumption  
5     varies depending upon weather. In addition, the Company believes that  
6     conservation efforts by its customers have led to decreased consumption.  
7     These conservation efforts have been spurred in large part by the Company's  
8     initial rates under regulation (UW 136, rates effective April 1, 2010).

9  
10

**Issue 3: Staff's Analysis of the Company's Filing**

11    **Q. WHAT WERE THE RESULTS OF STAFF'S REVIEW OF CWC'S**  
12    **PROPOSED RATE INCREASE?**

13    A. Staff concurs with the rates requested by CWC and generally with the  
14    requested revenue requirement. When recalculating revenues using proposed  
15    rates that the Company filed, final test year consumption, and meter  
16    configurations from the test year, revenues are \$276,363. After incorporating  
17    this revenue adjustment, several adjustments to expenses, and small changes  
18    to rate base, and assuming a corporate tax effective rate of 35 percent, the  
19    resulting rate of return is 7.68 percent. In this docket, since the Company has  
20    no debt, the rate of return and return on equity are equivalent.

21    **Q. AFTER REVIEWING THE STIPULATION, DOES STAFF HAVE ANY**  
22    **FURTHER COMMENTS ON THE RESULTING RATE OF RETURN**  
23    **EXPECTED AT THE COMPANY'S REQUESTED RATES?**

1 A. Yes. When current federal corporate tax rates are applied to CWC's projected  
2 taxable income as a stand-alone company, the effective tax rate is  
3 16.9 percent. Given this level of federal taxes, the resulting rate of return is  
4 9.82 percent. This value is still below the Staff recommended ten percent  
5 return on equity.

6 **Q. DOES STAFF AGREE WITH THE COMPANY'S REASONS FOR THE**  
7 **PROPOSED RATE INCREASE? THESE REASONS WERE LISTED AS**  
8 **WEATHER, CONSERVATION, AND BLEED.**

9 A. Yes. The primary driver for the rate increase is the "bleed." CWC has meters  
10 that measure each customer's usage, with the exception of the Golf Course,  
11 where it is impractical to install meters on each of the many locations where it  
12 uses water. In the past, the Company calculated the Golf Course usage as  
13 total water pumped ("vault meter") minus customer metered usage. When the  
14 Company began exploring its billings to the Golf Course in 2010, it learned  
15 that some of the vault meter water was being recirculated to the main pond  
16 fountains. Therefore, this water was counted twice, and this usage was  
17 attributed to the Golf Course. Another place where usage was incorrectly  
18 represented was in the flush filter units, which used water before the meters  
19 and was therefore being incorrectly billed to the Golf Course. CWC  
20 developed a methodology to estimate this bleed and the minimal quantity of  
21 water from flushing the filters. This bleed estimate was then credited to the  
22 Golf Course usage number prior to issuing its bill. A conceptual diagram of  
23 the bleed issue can be found in Staff Exhibit 102/6.

1   **Q.     HOW SIGNIFICANT IS THE IMPACT OF THE BLEED ON THE**  
2       **COMPANY'S REVENUES?**

3   A.     In the April 2010 through March 2011 fiscal year, the bleed was estimated at  
4       the end of the year as 25,967 units, which represents 22.2 percent of the total  
5       of 117,118 units that went through the vault meters that year. In the April  
6       2011 through March 2012 fiscal year, the bleed was estimated monthly,  
7       based on the number of hours that the system was turned on. This number  
8       was provided by the system operator, Mary Rock. The bleed estimate for this  
9       period was 29,854 units, or 26.1 percent. These estimated bleed amounts  
10      provide the bulk of the explanation for why the revenue requirement approved  
11      in the Company's first rate case did not materialize.

12   **Q.     DOES THE COMPANY HAVE A PLAN TO QUANTIFY THIS BLEED**  
13       **AMOUNT WITH MORE PRECISION?**

14   A.     Yes. The Company has acquired a meter to be installed near the pond  
15      fountains. This meter will be installed sometime during the summer of 2012.

16   **Q.     PLEASE EXPLAIN THE EFFECT OF WEATHER AND OF CUSTOMER**  
17       **CONSERVATION EFFORTS.**

18   A.     Because CWC provides only water for irrigation, the weather has a significant  
19      impact on usage, and therefore on revenues. Staff reviewed precipitation  
20      numbers from both Portland and Salem and compared them to test year  
21      usage as well as usage in the prior year. Even though there was less rainfall  
22      in the test year, total usage declined from the previous year, which had higher  
23      rainfall. Both of these years (the two years during which the new rate

1 structure was in effect) had significantly less usage per inch of rainfall than  
2 did the preceding two years. This leads to the conclusion that customers are  
3 conserving water. This conclusion is supported by anecdotal information from  
4 the Utility Manager that HOA's have been working with landscapers to  
5 implement conservation strategies.

6 **Issue 4: Staff's Adjustments**

7 **Q. DID STAFF MAKE ADJUSTMENTS TO THE COMPANY'S TEST PERIOD**  
8 **REVENUES, EXPENSES, AND PLANT?**

9 A. Yes. I have summarized the adjustments below:

- 10 1. Revenue: Staff adjusted revenue based on revised expenses and utility  
11 plant.
- 12 2. Salaries & Wages: Staff accounted for difference between 2010/11 winter  
13 months' maintenance and test year winter months' maintenance, and added  
14 this amount to the test year at an average hourly rate.
- 15 3. Pensions & Benefits: Escalated based on Salaries & Wages.
- 16 4. Purchased Power: Increased power costs by 1.5 percent.
- 17 5. O&M Materials/Supplies: Moved gas and oil expenses to Transportation  
18 Expense; moved \$15,875 of Company's proposed adjustment to CWIP Plant  
19 (see Plant).
- 20 6. Repairs to Water Plant: Revised test year amount and added known planned  
21 repairs.
- 22 7. Rental of Building/Real Property: Increased HOA fees based on 26% of  
23 \$1,899.80 monthly fees; increased rent from \$300 to \$325 per month.

- 1 8. Transportation Expense: Staff added gas and oil expenses (moved from  
2 O&M Materials/Supplies) and escalated 10%; retained truck lease (20%).
- 3 9. Gross Revenue Fee (PUC): Staff calculated based on revised revenue.
- 4 10. Property Tax: Removed Payroll Taxes and put them in their own category.  
5 CWC's share of property taxes were escalated at three percent.
- 6 11. Payroll Tax: Added Payroll Taxes category and calculated them based on the  
7 adjustment to Salaries and Wages.
- 8 12. Federal Income Tax: Allocated to Test Year at standard rates based on the  
9 revenue sensitive calculations.
- 10 13. State Income Tax: Allocated to Test Year at standard rates based on the  
11 revenue sensitive calculations.
- 12 14. Depreciation Expense: The 2011 depreciation expense is \$31,050, which  
13 reflects adjustments to utility plant.

14 **Q. PLEASE DESCRIBE STAFF'S RECOMMENDED RATE DESIGN.**

15 A. Staff generally strives for an allocation of a water company's revenue  
16 generated by rates in which 60 percent are generated by the base rate, and 40  
17 are generated by the variable rate. With current rates, the Company's  
18 revenues were 41.1 percent from the base charge and 58.9 percent from the  
19 variable charge. The Company's proposed rate design, supported by Staff,  
20 generates 43.5 percent of revenues from the base charge, and 56.5 percent  
21 from the variable charge. This design moves the Company closer to the target  
22 base/commodity ratio by increasing the base charge at a higher percentage  
23 (39.3 percent) than the commodity charge increase (25.9 percent).

1     **Q. PLEASE DESCRIBE HOW STAFF DETERMINED APPROPRIATE BASE**  
2     **RATES.**

3     A. UW 136 base rates were set using the American Water Works Associations  
4     (AWWA) standard capacity factors, which represent the relationship of the  
5     maximum rate of use to the average rate of use. The capacity factors  
6     recognize the particular service requirements for total volume of water and  
7     peak rates of use. For example, the capacity of a 1 ½ inch meter is five times  
8     greater than a 5/8 by 3/4 inch meter. CWC has proposed increasing each base  
9     rate by 39.3 percent, retaining the relationship between the various base rates  
10    consistent with the AWWA capacity factors.

11    **Q. PLEASE DESCRIBE HOW STAFF DETERMINED THE COMMODITY**  
12    **RATE.**

13    A. Staff agreed with the Company's proposed commodity rate because it  
14    increases at a lower percentage (25.9 percent) than the base rate  
15    (39.3 percent) (Andrus/5). This moves a greater proportion of revenues to the  
16    base rate, and moves the company closer to the target fixed/variable  
17    relationship of 60/40.

18    **Q. DID STAFF MAKE ANY ADJUSTMENTS TO CWC'S UTILITY PLANT?**

19    A. Staff removed \$18,100 of the \$31,000 in Construction Work In Progress  
20    (CWIP) that was allowed in UW 136 for items that were planned or underway,  
21    but not yet complete. This included work on gate valves, check valves, vaults,  
22    a pump, and an electric panel. Staff also added \$2,660 for additional capital



1 work that was completed in the intervening period. Finally, Staff allowed

2 \$15,875 in new CWIP for five items:

- 3 1) Control system (level control system for well water) to the reservoir;
- 4 2) rebuild the 100 hp river pump and motor;
- 5 3) rebuild two 60 hp motors and pumps;
- 6 4) rebuild four to eight gate valves; and,
- 7 5) well pump check valve for the well vault.

8

9 Table 4 below summarizes Staff's adjustment to Utility Plant in Rate Base.

10

1     **Table 4. Adjustments to CWC Utility Plant.**

Starting Plant from UW 136	\$ 1,340,440
Starting Plant included UW 136 CWIP	\$31,000
CWIP installed between UW 136 & UW 151	<u>-12,900</u>
Subtract the difference not installed	\$18,100
Plus additional plant installed since UW 136	<u>+2,660</u>
Plant currently installed (UW 151)	<b>\$1,325,000</b>
Plus UW 151 CWIP	<u>+ 15,875</u>
Current Plant	<b>\$ 1,340,875</b>
Minus Depreciation	<u>-581,358</u>
Current Plant in Rate Base	<b>\$759,517</b>

2

3     **Q. PLEASE EXPLAIN WHAT CWIP IS AND WHY IT IS ALLOWED IN RATES**  
4     **BEFORE IT IS USED AND USEFUL.**

5     A. CWIP is the term for plant that is under construction, but not yet in service.

6     While traditionally rates include the cost of plant that is used and useful,

7     ORS 757.355(2) gives the Commission authority to allow water utilities to begin

8     recovery of costs before the plant is used and useful. The Legislature found

9     that CWIP may, on occasion, be appropriate to include in rates because of the

10    difficulty water systems experience in attracting capital and the capital intensive

11    nature of the infrastructure. Staff supports inclusion of CWIP in rates in this

12    case consistent with the justification as just noted.

13    OAR 860-036-0757 states:

14           The Commission may allow into rates the costs of a specific  
15           capital improvement project in progress if:

16

17           (1) The water utility uses the additional revenues solely for the  
18           purpose of completing the capital improvement project;

1 (2) The water utility demonstrates that its access to capital is  
2 limited and it is in the public interest to provide funding for the  
3 capital improvement through rates; and

4 (3) Such costs are approved through tariffs filed with the  
5 Commission.  
6

7 **Issue 5: Customer and Affiliated Interest Concerns**

8 **Q. DID THE CUSTOMERS EXPRESS ANY CONCERNS?**

9 A. Yes. Customers identified some concerns during the settlement conferences.

10 The Stipulation is supported by all intervenors and as such are resolved for  
11 purposes of this docket.

12 **Q. ARE THERE ANY AFFILIATED INTEREST CONCERNS?**

13 A. In UW 136, CWC indicated that it might rent equipment from the Golf Course in  
14 the future. Because this would be considered an affiliate interest transaction, it  
15 would need to be billed at the lower of cost or market. During the test year,  
16 CWC did not incur equipment rental costs from the Golf Course or other  
17 sources. If the Company does rent equipment from the Golf Course in the  
18 future, the lower of cost or market standard still applies.  
19

1 **Issue 6: The Stipulated Revenue Requirement and Rates**

2 **Q. DID THE PARTIES AGREE WITH STAFF'S RECOMMENDATION?**

3 A. The Parties agree and support Staff's recommendation.

4 **Q. AFTER MAKING THE CHANGES, WHAT IS THE RESULTING REVENUE**  
5 **REQUIREMENT AGREED TO BY THE PARTIES?**

6 A. The Parties stipulated to a revenue requirement of \$276,363. This is an  
7 increase of 31.3 percent above CWC's adjusted revenues. Staff/102, Andrus/1  
8 shows the stipulated revenue requirement. The Parties also agreed that in  
9 addition to its return of expenses, the Company should have an opportunity to  
10 earn a 7.68 percent return on a rate base of \$787,559. Staff/102, Andrus/3  
11 shows CWC's cost of capital and revenue sensitive factors.

12 **Q. PLEASE SUMMARIZE THE DIFFERENCE IN THE COMPANY'S**  
13 **PROPOSED RATE BASE AND THE RATE BASE GENERATED BY THE**  
14 **STIPULATION.**

15 A. Staff has compared CWC's proposed rate base in the application and the  
16 resulting rate base generated by the Stipulation in the table below. Staff/102,  
17 Andrus/5 shows CWC's plant and depreciation schedule.

18 **TABLE 5— RATE BASE COMPARISON**

	Utility Plant In Service	Depre- ciation Reserve	Net Utility Plant	Materials & Supplies Inventory	Working Cash	Total Rate Base
CWC's Proposed	\$1,347,867	\$613,021	\$734,846	\$17,796	\$12,027	\$792,717
Staff Proposed Rate Base	\$1,340,875	\$581,358	\$759,517	\$17,796	\$10,245	\$787,559

**Q. PLEASE SUMMARIZE THE RATES AND RATE DESIGN AGREED TO IN THE STIPULATION.**

A. The Parties agree to the rates proposed by the Company and agreed to by Staff. Staff/101, Andrus/4 shows the rates as stipulated by the Parties. The commodity rate, as stated above, is \$1.85 per unit, and the base rates are shown below.

**TABLE 6— BASE RATES**

Meter Size	1"	1.5"	2"	3"	6"
Base Rates	\$29.33	\$58.65	\$93.84	\$175.95	\$586.51

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

A. Yes.

**Issue 7: Other Stipulated Issues**

**Q. DID THE PARTIES STIPULATE TO ANY OTHER ISSUES?**

A. Yes, the parties stipulated to three additional items. Two of the items address the bleed issue.

**Q. PLEASE EXPLAIN THE FIRST ADDITIONAL ITEM.**

A. Because the bleed is such a significant driver of the need for the proposed rate increase, the parties agreed that there is a need to examine the estimated bleed versus the actual quantity that will be measured once the new meter is installed near the pond fountains. The stipulation states that the Company will timely provide Commission Staff with: 1) monthly meter readings and total units billed to the homeowner associations; 2) meter readings from the new fountain meter measuring the amount of recirculating "bleed;" and, 3) golf course units

1 billed for a period of 12 months after the new rates are in effect. These  
2 readings are to be provided to Staff no later than 30 days after the reading  
3 date.

4 **Q. WHAT IS THE SECOND ADDITIONAL ITEM?**

5 The operating assumption regarding the bleed is that it will account for any  
6 recirculating water, and that the resulting usage calculated for the Golf Course  
7 usage will be both accurate and reasonable. However, the Parties agreed to  
8 address the possibility that the calculation of the vault meter quantity minus the  
9 metered quantities may yield a number that is greater than zero during a month  
10 when the golf course is not irrigating. The Parties agree that contingent on the  
11 Golf Course providing an attestation that the Golf Course was not irrigating  
12 during the billing period, the Company will not bill the Golf Course for any  
13 usage derived from the updated bleed calculation after the fountain meter is  
14 installed (vault meter minus homeowner association meters minus fountain  
15 meter) in months when the golf course is not irrigating and is therefore not  
16 using water. The tariff schedule is revised to reflect this arrangement.

17 **Q. WHAT IS THE LAST ADDITIONAL ITEM?**

18 A. The Parties agreed that Construction Work In Progress (CWIP) items which  
19 have been included in rate base are to be installed within 12 months of the  
20 effective date of the tariff.

21

22

1     **Q. DID THE PARTIES STIPULATE TO AN EFFECTIVE DATE FOR THE NEW**  
2     **RATES?**

3     A. Yes. The Parties support having the tariffs become effective for service  
4     rendered on and after October 1, 2012. This was the requested date in the  
5     Company's original filing. Because the application allowed for sufficient time for  
6     staff review and analysis, the tariff filing was not suspended. Therefore, the  
7     Parties recommend that the rates be put into place on the effective date as  
8     filed.

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

10    A. Staff recommends the Commission admit the Stipulation into the UW 151  
11    record and adopt the Stipulation in its entirety.

12    **Q. DID YOU PREPARE ANY EXHIBITS FOR THIS DOCKET?**

13    A. Yes. Staff/101 contains the following documents in support of Staff testimony:

14	Revenue Requirement	Staff/102, page 1
15	Summary of Staff Adjustments	Staff/102, page 2
16	Revenue Sensitive Costs	Staff/102, page 3
17	Rate Design and Impact	Staff/102, page 4
18	Plant and Depreciation	Staff/102, page 5
19	Conceptual Diagram of Bleed	Staff/102, page 6

20  
21    **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

22    A. Yes.

CASE: UW 151  
WITNESS: Brittany Andrus

**PUBLIC UTILITY COMMISSION  
OF  
OREGON**

**STAFF EXHIBIT 101**

**Witness Qualifications Statement**

**August 3, 2012**



**WITNESS QUALIFICATION STATEMENT**

**NAME:** Brittany Andrus

**EMPLOYER:** Public Utility Commission of Oregon

**TITLE:** Utility Analyst

**ADDRESS:** 550 Capitol Street NE Suite 215  
Salem, Oregon 97301-2148

**EDUCATION:** M.B.A.  
Portland State University, Portland, Oregon

B.A. English  
Michigan State University, East Lansing, Michigan

**EXPERIENCE:** I have been employed at the Oregon Public Utility Commission since September 2011 doing research, analysis, and investigations related to regulated public utilities.

I was previously employed for 17 years by the Bonneville Power Administration, a wholesale power marketing agency within the federal Department of Energy. My duties included energy conservation program management and planning, long term load and revenue forecasting, power sales contracts, rates analysis, short-term load forecasting, power and transmission scheduling, and management of load forecasting system information technology projects.

CASE: UW 151  
WITNESS: Brittany Andrus

**PUBLIC UTILITY COMMISSION  
OF  
OREGON**

**STAFF EXHIBIT 102**

**Exhibits in Support  
Of Stipulation**

**August 3, 2012**

Charbonneau Water Co. LLC

DOCKET NO. UW 151

Test Year: Apr 1, 2011 - Mar 31, 2012

Company Case

29.5%

Staff

31.3%

Above adjusted current rates

		A	B	C	D	E	F	G
		Test Year Per Application Amended with EOY Actuals Test Year: Apr 1, 2011 - Mar 31, 2012	Company Proposed Adjustments	Company Adjusted Results (A+B=C)	Staff Proposed Adjustments	Staff Adjusted Results (A+D=E)	Staff Proposed Rev Changes	Staff Proposed Results (E+F=G)
Acct. No.	REVENUES							
465	Irrigation - HOA's	212,755	62,665	275,420	(2,351)	210,404	65,959	276,363
462	Irrigation - Golf Course							
	TOTAL REVENUE	212,755	62,665	275,420	(2,351)	210,404	65,959	276,363
OPERATING EXPENSES					(2,351)	210,404		276,363
601	Salaries and Wages - Employees	47,582	13,444	61,026	6,045	53,627		53,627
604	Employee Pension & Benefits	5,256	1,184	6,440	532	5,788		5,788
611	Telephone/Communications	1,170	29	1,199	29	1,199		1,199
615	Purchased Power	22,942	100	23,042	344	23,286		23,286
618	Chemical / Treatment Expense	1,982	282	2,264	282	2,264		2,264
619	Office Supplies	720	288	1,008	72	792		792
619.1	Postage	1,200	100	1,300	100	1,300		1,300
620	O&M Materials/Supplies	2,196	16,000	18,196	(569)	1,627		1,627
621	Repairs/Maintenance	2,252	900	3,152	1,706	3,958		3,958
632	Contract Svcs - Accounting	4,544	0	4,544	0	4,544		4,544
633	Contract Svcs - Legal	164	250	414	250	414		414
637	Contract Svcs - Billing/Collection	6,180	200	6,380	200	6,380		6,380
641	Rental of Building/Real Property	7,680	300	7,980	2,147	9,827		9,827
648	Computer/Electronic Expenses	420	60	480	60	480		480
650	Transportation	720	200	920	924	1,644		1,644
656	Vehicle Insurance	660	10	670	10	670		670
657	General Liability Insurance	2,740	60	2,800	60	2,800		2,800
658	Workers' Comp Insurance	1,429	100	1,529	100	1,529		1,529
666	Amortz. of Rate Case		100	100	100	100		100
667	Gross Revenue Fee (PUC)	532	157	689	(6)	526	165	691
675	Misc Exp (was "General Expense")	187	0	187	0	187		187
	TOTAL OPERATING EXPENSE	110,556	33,764	144,320	12,387	122,943	165	123,108
OTHER REVENUE DEDUCTIONS					12,387			123,108
403	Depreciation Expense		31,746	31,746	31,050	31,050		31,050
407	Amortization Expense			0	0	0		0
408.11	Property Tax (taxes other than income)	22,561	2,788	25,349	(6,904)	15,657		15,657
408.12	Payroll Tax			0	6,952	6,952		6,952
409.11	Oregon Income Tax		2,688	2,688	2,231	2,231	4,342	6,573
409.10	Federal Income Tax		5,705	5,705	11,050	11,050	21,508	32,558
	TOTAL REVENUE DEDUCTIONS	133,117	76,691	209,808	56,766	189,883	26,016	215,899
	NET OPERATING INCOME	79,638	(14,026)	65,612	(59,117)	20,521	39,944	60,465
					(59,117)	20,521	39,944	60,465
101	Utility Plant in Service	1,347,867		1,347,867	(6,992)	1,340,875		1,340,875
	Less:							
108.1	Depreciation Reserve	582,159	30,862	613,021	(801)	581,358		581,358
271	Contributions in Aid of Const			0	0	0		0
272	Amortization of CIAC			0	0	0		0
281	Accumulated Deferred Income Tax			0	0	0		0
	Net Utility Plant	765,708	(30,862)	734,846	(6,191)	759,517	0	759,517
	Plus: (working capital)			734,846	(6,191)	759,517		
151	Materials and Supplies Inventory	17,796	0	17,796	0	17,796		17,796
	Working Cash	9,213	2,814	12,027	1,032	10,245		10,245
	TOTAL RATE BASE	792,717		792,717	(5,158)	787,559		787,559
	Rate of Return	10.05%		8.28%		2.61%		7.68%

Charbonneau Water Co. LLC

Test Year: Apr 1, 2011 - Mar 31, 2012

SUMMARY OF ADJUSTMENTS

		Staff Adjustments to Rev Req Column D	Results	Reason
465 Irrigation - HOA's	\$212,755	\$63,608	\$276,363	Adjusted based on revised expenses, utility plant, and return
462 Irrigation - Golf Course	\$0	(\$2,351)	-\$2,351	
<b>TOTAL REVENUE</b>	\$212,755	(\$2,351)	\$210,404	
<b>OPERATING EXPENSES</b>				
601 Salaries and Wages - Employees	\$47,582	\$6,045	\$53,627	Increased by an amount equal to the difference between maintenance hours in 2010/11 winter months and test year winter months, multiplied by hourly rate
604 Employee Pension & Benefits	\$5,256	\$532	\$5,788	Escalated proportionate to Salaries & Wages
611 Telephone/Communications	\$1,170	\$29	\$1,199	
615 Purchased Power	\$22,942	\$344	\$23,286	Increased power costs by 1.5 percent
618 Chemical / Treatment Expense	\$1,982	\$282	\$2,264	
619 Office Supplies	\$720	\$72	\$792	
619 Postage	\$1,200	\$100	\$1,300	
620 O&M Materials/Supplies	\$2,196	(\$569)	\$1,627	Removed \$840 gas and oil expenses; moved \$15,875 of Company's proposed adjustment to CWIP Plant (see Plant
621 Repairs/Maintenance	\$2,252	\$1,706	\$3,958	Revised test year amount and added known planned repairs
632 Contract Svcs - Accounting	\$4,544	\$0	\$4,544	
633 Contract Svcs - Legal	\$164	\$250	\$414	
637 Contract Svcs - Billing/Collection	\$6,180	\$200	\$6,380	
641 Rental of Building/Real Property	\$7,680	\$2,147	\$9,827	Increased HOA fees based on 26% allocation of \$1,899.80 monthly fees; increased rent from \$300 to \$325 per month
648 Computer/Electronic Expenses	\$420	\$60	\$480	
650 Transportation	\$720	\$924	\$1,644	Added gas and oil expenses from O&M Materials/Supplies; and escalated 10%; retained truck lease
656 Vehicle Insurance	\$660	\$10	\$670	
657 General Liability Insurance	\$2,740	\$60	\$2,800	
658 Workers' Comp Insurance	\$1,429	\$100	\$1,529	
666 Amortz. of Rate Case	\$0	\$100	\$100	
667 Gross Revenue Fee (PUC)	\$532	(\$6)	\$526	Calculated at 0.0025 percent based on revised revenue
675 Misc Exp (was "General Expense")	\$187	\$0	\$187	
<b>TOTAL OPERATING EXPENSE</b>	\$110,556	\$12,387	\$122,943	
<b>OTHER REVENUE DEDUCTIONS</b>				
403 Depreciation Expense	\$0	\$30,896	\$30,896	See Plant, Depreciation Schedule
407 Amortization Expense	\$0	\$0	\$0	
408 Property Tax (taxes other than income	\$22,561	(\$6,904)	\$15,657	Staff removed Payroll Taxes and put them in their own category
408 Payroll Tax	\$0	\$6,952	\$6,952	Staff added Payroll Taxes from Property Taxes category
409 Oregon Income Tax	\$0	\$2,241	\$2,241	Calculation (6.6%)
409 Federal Income Tax	\$0	\$11,100	\$11,100	Calculation (35%)
<b>TOTAL REVENUE DEDUCTIONS</b>	\$133,117	\$56,673	\$189,790	
<b>NET OPERATING INCOME</b>	\$79,638	(\$59,024)	\$20,614	
101 Utility Plant in Service	\$1,347,867	(\$6,992)	\$1,340,875	See Plant
Less:				
108 Depreciation Reserve	\$582,159	(\$1,263)	\$580,896	See Plant, Depreciation Schedule
271 Contributions in Aid of Const	\$0	\$0	\$0	
272 Amortization of CIAC	\$0	\$0	\$0	
281 Accumulated Deferred Income Tax	\$0	\$0	\$0	
<b>Net Utility Plant</b>	\$765,708	(\$5,729)	\$759,979	Plant less Depreciation
Plus: (working capital)		\$0	\$0	
151 Materials and Supplies Inventory	\$17,796	\$0	\$17,796	
Working Cash	\$9,213	\$1,032	\$10,245	Calculation 1/12 of Total Operating Expense
<b>TOTAL RATE BASE</b>	\$792,717	(\$4,696)	\$788,021	Calculation

Charbonneau Water Co. LLC

UW 151

Revenue Sensitive Costs

Test Year: Apr 1, 2011 - Mar 31, 2012

REVENUE SENSITIVE COSTS		
Revenues		1.0000
O&M - Uncollectibles		0.0000
Franchise Fees		0.0000
OPUC Fee		0.0025
Short-term Interest		0.0000
State Taxable Income		0.9975
<b>State Income Tax @</b>	<b>6.60%</b>	<b>0.0658</b>
Federal Taxable Income		0.9317
<b>Federal Income Tax @</b>	<b>35.00%</b>	<b>0.3261</b>
Total Income Taxes		0.3919
Total Revenue Sensitive Costs		0.3944
Utility Operating Income		0.6056
<b>Net-to-Gross Factor</b>		<b>1.6513</b>

COST OF CAPITAL				
		Capital Structure	Cost	Weighted Cost
<b>DEBT</b>	\$0	0.0000%	0.0000%	0.0000%
	\$0			0.0000%
<b>EQUITY</b>	\$200,000	100.0000%	7.68%	7.6775%
		0.0000%		0.0000%
		0.0000%		0.0000%
		0.0000%		0.0000%
	\$200,000	100.0000%		7.6775%
			<b>Rate of Return</b>	<b>7.68%</b>

Charbonneau Water Co. LLC  
DOCKET NO. UW 151  
RATE DESIGN  
Test Year: Apr 1, 2011 - Mar 31, 2012

Meter Sizes - TEST YEAR	1"	1.5"	2"	3"	6"
Arbor Lake		16	9		
Charbonneau Country Club	6	4	1	3	
Charbonneau Greens		2			
Charbonneau HOA		16	6		
Charbonneau Village CVCCA		1	3		
Edgewater	1	1	1		
Fairway Estates				1	
Fairway Village Condo	3				
Fountain Lakes HOA			2	1	
Illahee		1			
Lakeside HOA			2		
Mariners CVCOA		2	2		
Village Greens I			2		
Village Greens II		0	2		
Charboneau Golf Club					6
	88	Total			

BASE RATES					
Current	\$ 21.05	\$ 42.10	\$ 67.36	\$ 126.30	\$ 421.00
Co. Proposed	\$ 29.33	\$ 58.65	\$ 93.84	\$ 175.95	\$ 586.51
Increase	39.3%	39.3%	39.3%	39.3%	39.3%
Staff Proposed	\$ 29.33	\$ 58.65	\$ 93.84	\$ 175.95	\$ 586.51
Increase	39.3%	39.3%	39.3%	39.3%	39.3%

VARIABLE RATE	
Current	\$ 1.47
Co. Proposed	\$ 1.85
Increase	25.9%
Staff Proposed	\$ 1.85
Increase	25.9%

	Current Base Charge	Proposed Base Charge	Number of Residences	Current Monthly Base Charge per Customer	Proposed Monthly Base Charge per Customer
Arbor Lake	\$ 1,279.84	\$ 1,782.96	258	\$ 4.96	\$ 6.91
Charbonneau Country Club	\$ 740.96	\$ 1,032.27	0		
Charbonneau Greens	\$ 84.20	\$ 117.30	48	\$ 1.75	\$ 2.44
Charbonneau HOA	\$ 1,077.76	\$ 1,501.44	228	\$ 4.73	\$ 6.59
Charbonneau Village CVCCA	\$ 244.18	\$ 340.17	0		
Edgewater	\$ 130.51	\$ 181.82	44	\$ 2.97	\$ 4.13
Fairway Estates	\$ 126.30	\$ 175.95	35	\$ 3.61	\$ 5.03
Fairway Village Condo	\$ 63.15	\$ 87.99	20	\$ 3.16	\$ 4.40
Fountain Lakes HOA	\$ 261.02	\$ 363.63	59	\$ 4.42	\$ 6.16
Illahee	\$ 42.10	\$ 58.65	0		
Lakeside HOA	\$ 134.72	\$ 187.68	41	\$ 3.29	\$ 4.58
Mariners CVCOA	\$ 218.92	\$ 304.98	60	\$ 3.65	\$ 5.08
Village Greens I	\$ 134.72	\$ 187.68	19	\$ 7.09	\$ 9.88
Village Greens II	\$ 134.72	\$ 187.68	21	\$ 6.42	\$ 8.94
Charboneau Golf Club	\$ 2,526.00	\$ 3,519.06	833	\$ 3.03	\$ 4.22
	\$ 7,199.10	\$ 10,029.26			

	Current	Proposed
<b>Base Rate</b>		
Revenues	\$ 86,389	\$ 120,351
Percent of Total	41.1%	43.5%
<b>Variable Rate</b>		
Revenues (based on test year usage)	\$ 123,967	\$ 156,012
Percent of Total	58.9%	56.5%
<b>Total</b>	\$ 210,356	\$ 276,363

Charbonneau Water Co. LLC  
DOCKET NO. UW 151  
FOR SETTLEMENT PURPOSES ONLY

Acct No.		Date Acquired	Utility Plant Orig Cost	Less Excess Capacity Adj to Plant	Total Adj Plant	NARUC Asset Life	Annual Deprec	Final Month of Deprec	1990	2010	2011	Accum Depr thru 2011	Remaining Plant End of 2011
<b>304</b>	<b>Structures and Improvements</b>												
	Power Cabinet	Apr 1999	9,837		9,837	35	281	Apr 2034	0	281	281	3,583	6,254
<b>305</b>	<b>Collecting and Impounding Reservoirs</b>												
	Not used in UW 136; appears on Co. application				0	50	0		0	0	0	0	0
<b>306</b>	<b>Lake, River and Other Intakes</b>												
	River Controls	Apr 1998	6,558		6,558	35	187	Mar 2033	0	187	187	2,587	3,971
	Water Meter	Apr 1999	3,279		3,279	35	94	Mar 2034	0	94	94	1,206	2,073
<b>307</b>	<b>Wells and Springs</b>												
	Well Controls	Apr 1999	3,279		3,279	25	131	Mar 2024	0	131	131	1,681	1,598
	Water Meter (Well)	Apr 1999	3,279		3,279	25	131	Mar 2024	0	131	131	1,681	1,598
<b>309</b>	<b>Supply Main</b>												
	10" PVC River Supply Line	May 1990	63,940		63,940	50	1,279	Apr 2040	959	1,279	1,279	27,818	36,122
	Foot Valve	May 1990	1,639		1,639	50	33	Apr 2040	25	33	33	718	921
	Rail System	Apr 1999	4,918		4,918	50	98	Mar 2049	0	98	98	1,258	3,660
	10" AC Well Supply Line	May 1990	52,464		52,464	50	1,049	Apr 2040	787	1,049	1,049	22,816	29,648
	Supply Control Panel + VDL	Apr 1999	32,790		32,790	50	656	Mar 2049	0	656	656	8,419	24,371
	Vaults	Apr 1999	49,185		49,185	50	984	Mar 2049	0	984	984	12,628	36,557
X	Vaults rebuild/resurface - UW 136 was CWIP \$5,000	Nov 2010	742		742	50	15	Oct 2060	0	4	15	19	723
X	Vault Gate & Check Valves - UW 136 was CWIP \$8	Apr 2012	1,540		1,540	50	31	Mar 2062	0	0	0	0	1,540
X	Gate Isolation Valves rebuilt - UW 136 was CWIP \$7,000-not dor		0		0	50	0		0	0	0	0	0
<b>311</b>	<b>Pumping Equipment</b>												
	River Pump	Apr 1999	9,837		9,837	20	492	Mar 2019	0	492	492	6,314	3,523
	100 HP Motor (River)	May 1999	40,987		40,987	20	2,049	Apr 2019	0	2,049	2,049	26,125	14,862
	40 HP Motor (Well)	Apr 1999	4,918		4,918	20	246	Mar 2019	0	246	246	3,157	1,761
	25 HP PMP Pump Motors (PO \$1550)	Apr 1999	3,279		3,279	20	164	Mar 2019	0	164	164	2,105	1,174
	PMP Pump	Apr 1999	3,279		3,279	20	164	Mar 2019	0	164	164	2,105	1,174
	60 HP Var Pump Motors	Apr 1999	4,918		4,918	20	246	Mar 2019	0	246	246	3,157	1,761
	60 HP CS Pump Motors	Apr 1999	8,197		8,197	20	410	Mar 2019	0	410	410	5,262	2,935
	Large 60 HP Pumps	Apr 1999	19,674		19,674	20	984	Mar 2019	0	984	984	12,628	7,046
	Sump Pumps	Apr 1999	1,639		1,639	20	82	Mar 2019	0	82	82	1,052	587
	Pump Valve	May 1990	1,639		1,639	20	82	Apr 2010	62	19	0	1,639	0
	Well Pump	Apr 1999	1,639		1,639	20	82	Mar 2019	0	82	82	1,052	587
X	Large Pumps 60hp rebuilt - was CWIP \$6,000	May 2010	7,782		7,782	20	389	Apr 2030	0	292	389	681	7,101
X	Pump #9 motor replacement - added in UW 152	Aug 2011	2,660		2,660								
	Rebuild River Pump 2393.98 parts + 684 labor	Jan 2009	3,078		3,078	20	154	Jan 2029	0	154	154	462	2,616
	Replace Pump Motor 6 1550 parts + 60 labor	Aug 2008	1,610		1,610	20	81	Aug 2028	0	81	81	277	1,333
	Rebuild Pump #5 2422.81 pts + 724 labor	Apr 2009	3,147		3,147	20	157	Mar 2029	0	157	157	445	2,702
	Rebuild Pump #4 1145 pts + 734 labor	Apr 2009	1,879		1,879	20	94	Mar 2029	0	94	94	266	1,613
	Motor Sleeves/Turn from Purch Orders	Feb 2008	1,791		1,791	20	90	Jan 2028	0	90	90	360	1,431
	River Pump Filter Motor & Switch Box/Filter (PO)	Aug 2008	1,045		1,045	20	52	Jul 2028	0	52	52	182	863
	Sleeve Flange Set From Purchase Orders	Jan 2009	1,753		1,753	20	88	Jan 2029	0	88	88	264	1,489
	River Pump Panel & Pump #4 from Pur Orders	Jul 2008	5,179		5,179	20	259	Jul 2028	0	259	259	907	4,272
	Hydrotronics ?? Date and Plant Unknown	Jan 2008	3,862		3,862	20	193	Dec 2027	0	193	193	595	3,267
<b>320</b>	<b>Water Treatment Equipment</b>												
	Filter	May 1990	32,790		32,790	20	1,639	Apr 2010	1,229	420	0	32,790	0
	Filters (Screens)	Apr 1999	1,639		1,639	20	82	Mar 2019	0	82	82	1,052	587
<b>330</b>	<b>Distribution Reservoir and Standpipes</b>												
	Gate Isolation Valves	May 1990	32,790		32,790	50	656	Apr 2040	492	656	656	14,268	18,522
	Pond Liner & Labor	Jan 1990	204,936		204,936	50	4,099	Dec 2039	342	4,099	4,099	86,421	118,515
	Replace East Gate Valve 1093 parts+331 labor	Feb 2009	1,424		1,424	50	28	Feb 2059	0	28	28	82	1,342
	End Bearing Cap from Purchase Orders	Mar 2009	585		585	50	12	Mar 2059	0	12	12	34	551
	6" Gate Valve w/Accessories from Purchase Orders	Nov 2008	731		731	50	15	Nov 2058	0	15	15	48	683
	8" Mainline Gate Val PO&WO 1078 parts + 463 labor	Jul 2008	1,541		1,541	50	31	Jul 2058	0	31	31	109	1,432
	Lining Pond	Dec 2009	555		555	5	111	Nov 2014	0	111	111	241	314
<b>331</b>	<b>Transmission and Distribution Mains</b>												
	4" PVC Laterals	May 1990	245,923		245,923	50	4,918	Apr 2040	3,689	4,918	4,918	106,967	138,956
	Vault Gate and Check Valves + Labor	May 1990	90,172		90,172	50	1,803	Apr 2040	1,352	1,803	1,803	39,215	50,957
	6" & 8" PVC Mainline (R&G)	May 1990	218,052		218,052	50	4,361	Apr 2040	3,271	4,361	4,361	94,852	123,200
	8" AC Mainline (Y)	May 1990	111,485		111,485	50	2,230	Apr 2040	1,673	2,230	2,230	48,503	62,982
<b>334</b>	<b>Meters and Meter Installations</b>												
<b>334</b>	<b>*CIAIC Customer Water Meters - \$131,323</b>	Apr 2008	0		0	20	0	Mar 2028	0	0	0	0	0
X	UW 136 CWIP Water Meters for fountains	Apr 2012	2,836		2,836	20	142	Mar 2032	0	0	0	0	2,836
	2 Flowmeters	Apr 2008	5,198		5,198	20	260	Apr 2028	0	260	260	975	4,223
	Flow Meter Installation from Purchase Orders	May 2008	2,598		2,598	20	130	May 2028	0	130	130	477	2,121
<b>339</b>	<b>Other Plant</b>												
	Not used in UW 136; appears on Co. application				0	30	0		0	0	0	0	0
<b>347</b>	<b>Electronic/Computer Equipment</b>												
	Hand Held Meter Wand	Jan 2009	4,500		4,500	5	900	Dec 2013	0	900	900	1,875	2,625
					0	5	0		0	0	0	0	0
<b>348</b>	<b>Miscellaneous Equipment</b>												
	Not used in UW 136; appears on Co. application				0	10	0		0	0	0	0	0
<b>TOTALS</b>			1,325,000	0	1,325,000		0		13,881	31,381	31,050	581,358	740,979

Original Plant In Service Cost Less CIAIC **1,325,000**  
PLUS UW 151 CWIP **15,875**  
Subtotal **1,340,875**  
Less Accum Depreciation **581,358**  
NET PLANT **759,517**

2011 Depreciation Expense **31,050**

Net effect of changes to plant:

Starting Plant from UW 136 \$ 1,340,440  
Starting Plant included UW 136 CWIP \$ 31,000  
CWIP installed between UW 136 & UW 151 \$ 12,900  
Subtract the difference not installed \$ 18,100  
Plus additional plant installed since UW 136 \$ 2,660  
Plant currently installed (UW 151) **\$ 1,325,000**

Plus UW 151 CWIP \$ 15,875  
Current Plant in Rate Base **\$ 1,340,875**

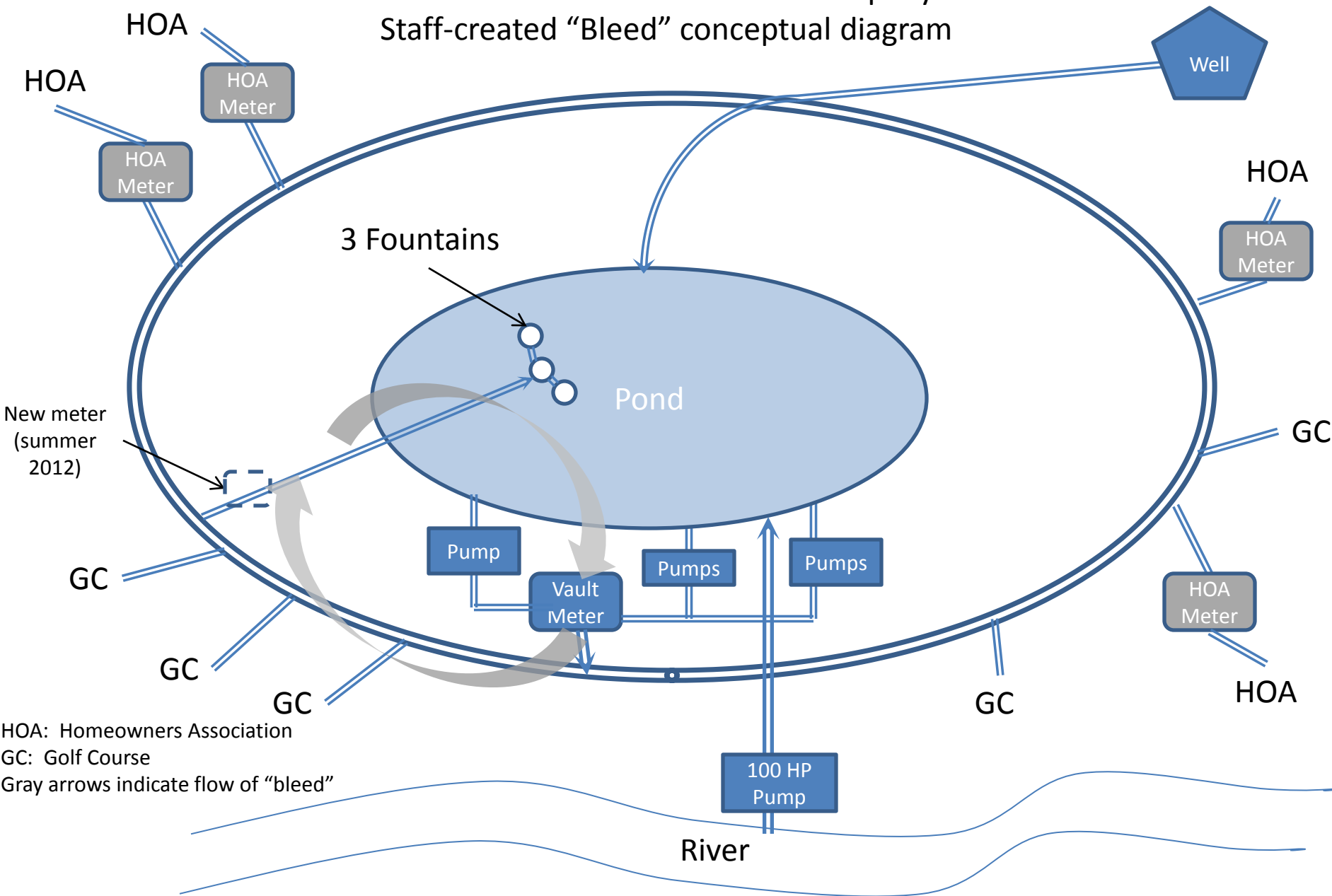
From UW 136

CWIP \$	Date	Item
A \$ 3,000	9/1/2010	CWIP Electrical Panel/Cover
B \$ 5,000	9/1/2010	CWIP Vaults rebuild/resurface
C \$ 8,000	9/1/2010	CWIP Vault Gate & Check Valves
D \$ 7,000	9/1/2010	CWIP Gate Isolation Valves rebuilt
E \$ 6,000	9/1/2010	CWIP Large Pumps 60hp rebuilt
F \$ 2,000	9/1/2010	CWIP Water Meters
\$ 31,000		
\$ 2,660		Plant added (\$2,300 + \$360 align) Pump #9 motor replacement August 2011

UW 151

CWIP \$	Item
\$ 875	Control system (level control system for well water) to the reservoir
\$ 4,125	Rebuild the 100 hp river pump and motor estimated at
\$ 5,375	Rebuild two 60 hp motors and pumps 2 at 2,500
\$ 3,500	Rebuild four to eight Gate Valves at \$500
\$ 2,000	Well Pump check valve for the well vault
\$ 15,875	

UW 151 Charbonneau Water Company  
Staff-created “Bleed” conceptual diagram



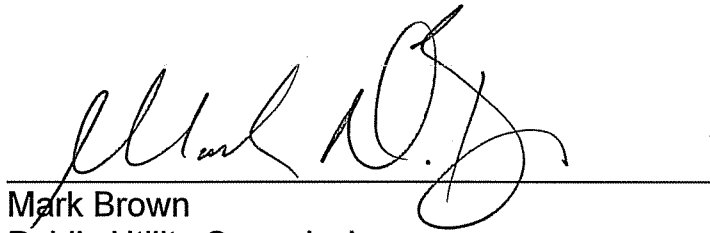


## CERTIFICATE OF SERVICE

**UW 151**

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 860-001-0180, to the following parties or attorneys of parties.

Dated this 3rd day of August, 2012 at Salem, Oregon.

A handwritten signature in black ink, appearing to read 'Mark Brown', is written over a horizontal line.

Mark Brown  
Public Utility Commission  
550 Capitol St NE Ste 215  
Salem, Oregon 97301-2551  
Telephone: (503) 378-82871

# UW 151

## Service List (Parties)

<b>ARBOR LAKE TOWNHOME ASSOCIATION</b>	
RICHARD MILLER	32535 SW ARBOR LAKE DRIVE WILSONVILLE OR 97070 miller2653@comcast.net
<b>CHARBONNEAU COUNTRY CLUB</b>	
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<b>CHARBONNEAU GOLF CLUB</b>	
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