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DEPARTMENT OF JUSTICE
GENERAL COUNSEL DIVISION

June 30, 2014

Sarah Rowe
Administrative Law Judge
Public Utility Commission of Oregon
3930 Fairview Industrial Dr. SE
Salem, OR 97302-1166

Re: UW 158 Salmon Valley Water Company
CORRECTION TO STAFF ERRATA FILING

Dear ALJ Rowe:

The Public Utility Commission of Oregon Staff (Staff) filed an Errata Filing on Friday, June 27; however, since then it was discovered that page 5 of the testimony was mistakenly included instead of page 3, which included the corrected table.

Attached is a corrected replacement page, in Staff/100; Hari/3 that reflects the errata changes. If you have any questions about this errata filing, please do not hesitate to contact me.

Sincerely,

Jason W. Jones
Assistant Attorney General
Business Activities Section

JWJ:nal/#5499122-v2

Attachments

cc: UW 158 Service List

ISSUE 1, SUMMARY RECOMMENDATION**Q. BRIEFLY SUMMARIZE YOUR RECOMMENDATION.**

A. I recommend that the Commission adopt the Stipulation agreed to by the Parties.

Q. PLEASE EXPLAIN.

A. The proposed rates are based upon total annual water sales revenue of \$324,748. This results in an overall average increase of 32.95 percent over 2012 test year water sales revenue and a rate base of \$324,110 with an opportunity to earn a 7.6 percent rate of return on that rate base. While the Company will see an overall 32.95 percent increase, the impact on the individual customer will vary widely. The Stipulation reflects a restructuring of the rate design to move from a design based on percentages of estimated water use, toward a design based upon actual use and cost of service. Table 1 shows the total revenue, water sales revenues, operating expenses, total deductions, and net income included in 1) Salmon Valley's 2012 test year as filed, 2) Salmon Valley's requested amounts, and 3) the Stipulated amounts.

Table 1 – Revenue Requirement Details

	Salmon Valley 2012 Test Year As Filed	Salmon Valley Requested	Stipulated Amounts
Total Revenues	244,259	339,307	324,748
Water Sales Revenues	241,817	339,307	324,748
Operating Expenses	243,172	262,721	258,315
Total Deductions	282,389	302,239	300,113
Net Income	(38,130)	37,068	24,636

1 **CERTIFICATE OF SERVICE**

2 I certify that on June 30, 2014, I served the foregoing Correction to Staff Errata Filing
3 upon all parties of record in this proceeding by delivering a copy by electronic mail only as all
4 parties waive paper service.

5 **W**
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