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DEPARTMENT OF JUSTICE  
DIVISION

December 9, 2016

Oregon Public Utility Commission  
ATTN: Filing Center  
201 High Street SE, Suite 100  
Salem, OR 97301

RE: OPUC Docket UW 166 – Errata Filing  
In the Matter of Roats Water System, Inc., Request for a General Rate Revision

Dear Filing Center:

Enclosed for electronic filing please find the following errata pages, which correct the following:

- Corrections to Intervenors' positions on page 1;
- Clarifications to paragraph 1.A. on page 2;
- Removing a line of text behind the table on page 3;
- Including Attachment A which was inadvertently omitted from the original filing.

Sincerely,

Sommer Moser  
Assistant Attorney General  
Business Activities Section

Enclosures

PJR/pjr/#7917556

1 **BEFORE THE PUBLIC UTILITY COMMISSION**  
2 **OF OREGON**

3 UW 166

4 In the Matter of  
5 ROATS WATER SYSTEM, INC.,  
6 Request for a General Rate Revision  
7

PARTIAL STIPULATION

8 This Partial Stipulation is among Roats Water System, Inc. (Roats or Company)  
9 appearing by and through its President, William Roats, and the Public Utility Commission of  
10 Oregon Staff (Staff), appearing by and through its attorney, Sommer Moser, Assistant Attorney  
11 General (hereafter, collectively referred to as the Stipulating Parties). The other parties to this  
12 case are intervenors William Burton, Pat McCabe, James Pease, James Powell, Richard Rotondi,  
13 and Avion Water Company. Intervenors Avion Water Company and James Powell support this  
14 Partial Stipulation. Intervenors James Pease, Pat McCabe, and Richard Rotondi take no position  
15 on this Partial Stipulation. At the time that this Stipulation was filed, William Burton had not  
16 indicated his position on the Partial Stipulation.

17 **I. INTRODUCTION**

18 On March 15, 2016, Roats filed a Request for a General Rate Revision, seeking to  
19 increase its revenue requirement, to include in rates costs and revenues related to its proposed  
20 acquisition of the Juniper Utility system from the City of Bend, the establishment of rates for  
21 irrigation service, and for approval of a power cost adjustment tariff.

22 The parties reviewed the Company's filing and data responses, and held several  
23 workshops and settlement conferences to understand and address the issues in this case. As a  
24 result of those discussions, the Company and Staff have reached an agreement on all but one  
25 issue in this case, as set forth below. The implementation date for new rates remains a contested  
26

1 issue in this case. The Stipulating Parties respectfully request that the Commission issue an  
2 order adopting this Partial Stipulation.

## 3 II. TERMS OF STIPULATION

4 1. The Stipulating Parties agree to recommend and support the revenue requirements  
5 included in Attachment A to this Partial Stipulation, which shows revenue requirements both  
6 inclusive of and without the Juniper Utility system acquisition. The Stipulating Parties agree on  
7 the following timelines for implementing new rates in this case:

8 A. If the Juniper Utility system acquisition closes prior to the rate effective date,  
9 Roats agrees to charge newly acquired domestic customers pursuant to its  
10 current tariffs until new rates, inclusive of the Juniper acquisition, become  
11 effective. For standard irrigation service, and irrigation and domestic service  
12 for The Pines and Crown Villa, Roats agrees to make an advice filing with the  
13 Commission requesting standard irrigation rates for Juniper customers and  
14 domestic rates and irrigation for The Pines and Crown Villa be approved,  
15 subject to refund, equivalent to the “with Juniper” rates agreed to by the  
16 Stipulating Parties.

17 B. If the sale has not closed by the rate effective date, Roats agrees to charge  
18 current customers stipulated rates without the Juniper acquisition. If the sale  
19 closes after the rate effective date but before September 1, 2017, Roats agrees  
20 to file compliance tariffs to implement stipulated rates inclusive of the Juniper  
21 acquisition within three business days of the date of the closure.

22 C. If Roats proceeds with the purchase but it does not close prior to September 1,  
23 2017, Roats agrees that it will file a new general rate case in order to include  
24 the Juniper acquisition in rates no later than three months following the  
25 closing date of the sale.

26 2. All rate spread and rate design issues are settled as follows:

A. Rates inclusive of the Juniper acquisition were determined by allocating costs driven by irrigation customers to that class and in consideration of the seasonal nature of these customers. Overall revenue requirement is allocated 20.32% to irrigation customers, and 79.68% to domestic customers. Rates inclusive of the Juniper acquisition for each customer class are as follows:

Rate Summary		
Rate	Domestic	Irrigation
Resi/Comm 3/4" and 5/8" Base Rate	\$33.45	
Resi/Comm 1" Base Rate	\$48.17	
Resi/Comm 1 1/2" Base Rate	\$57.80	
Resi/Comm 2" Base Rate	\$74.26	
Resi/Comm 3" Base Rate	\$501.75	
Resi/Comm 4" Base Rate	\$836.26	
Resi/Comm 6" Base Rate	\$1,672.51	
Resi/Comm Commodity Rate	\$0.95	
The Pines/Crown Villa Base Rate	\$17.58	
The Pines/Crown Villa Commodity Rate	\$1.86 <sup>1</sup>	
4" Private Fire	\$5.34	
6" Private Fire	\$10.67	
8" Private Fire	\$17.07	
10" Private Fire	\$24.54	
12" Private Fire	\$33.94	
Public Fire	\$0.46	
Irrigation - Standard		\$48.80
Irrigation - Pines/Crown Villa		\$23.16

<sup>1</sup> The Pines/Crown Villa commodity rate will change in accordance with rate changes for bulk water from the City of Bend.

Roats Water System Inc.  
Docket # UW 166  
Test Year: Oct 1, 2014 to Sept 30, 2015

### Combined Domestic & Irrigation Revenue Requirement

Acct No.	REVENUES	Test Year	Proposed Company Adjustments	Proposed Company Totals	Total PUC Adjustments	PUC Proposed Results With Juniper	Adjustments to Remove Juniper	PUC Proposed Results Without Juniper
460	Unmetered Water Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
461.1	Residential Water Sales (Domestic)	\$ 790,675	\$ 296,977	\$ 1,087,652	\$ 265,548	\$ 1,353,199	\$ (217,458)	\$ 1,135,742
461.2	Commercial Water Sales (Domestic)	\$ 225,517	\$ 84,704	\$ 310,221	\$ (97,851)	\$ 212,370	\$ 22,117	\$ 234,488
462	Fire Protection (Domestic)	\$ 14,200	\$ 4,797	\$ 18,997	\$ 10,407	\$ 29,404	\$ -	\$ 29,404
	JUNIPER Residential	\$ 220,793	\$ 82,929	\$ 303,722	\$ (303,722)	\$ -	\$ -	\$ -
	The Pines (Domestic)	\$ 49,651	\$ 18,648	\$ 68,299	\$ (68,299)	\$ -	\$ -	\$ -
	Crown Villa (Domestic)	\$ 9,914	\$ 3,724	\$ 13,638	\$ (13,638)	\$ -	\$ -	\$ -
465	JUNIPER Irrigation	\$ -	\$ 399,443	\$ 399,443	\$ 7,281	\$ 406,724	\$ (406,724)	\$ -
	JUNIPER Irrigation - Common Areas	\$ -	\$ 46,008	\$ 46,008	\$ (46,008)	\$ -	\$ -	\$ -
471	Miscellaneous Revenues	\$ 539	\$ (539)	\$ -	\$ -	\$ -	\$ -	\$ -
472	Cell Tower/Rent from Util. Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
475	Cross Connection Control Revenue	\$ 48,988	\$ (48,988)	\$ -	\$ -	\$ -	\$ -	\$ -
0	Juniper Surcharge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL REVENUE</b>	<b>\$ 1,360,277</b>	<b>\$ 887,704</b>	<b>\$ 2,247,981</b>	<b>\$ (246,283)</b>	<b>\$ 2,001,698</b>	<b>\$ (602,064)</b>	<b>\$ 1,399,633</b>
	<b>OPERATING EXPENSES</b>							
601	Salaries and Wages - Employees	\$ 94,570	\$ 95,900	\$ 190,470	\$ 5,077	\$ 195,547	\$ -	\$ 195,547
603	Salaries and Wages - Officers	\$ 217,100	\$ 32,566	\$ 249,666	\$ 16,635	\$ 266,301	\$ -	\$ 266,301
604	Employee Pension & Benefits	\$ 75,469	\$ 15,768	\$ 91,237	\$ 23,466	\$ 114,704	\$ -	\$ 114,704
610	Purchased Water	\$ -	\$ 71,093	\$ 71,093	\$ (10,198)	\$ 60,895	\$ (60,895)	\$ -
611	Telephone/Communications	\$ 11,179	\$ 1,118	\$ 12,297	\$ (798)	\$ 11,499	\$ -	\$ 11,499
615	Purchased Power	\$ 117,321	\$ 119,660	\$ 236,981	\$ (20,790)	\$ 216,191	\$ (98,116)	\$ 118,076
616	Fuel for Power Production	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
617	Other Utilities	\$ 2,032	\$ 203	\$ 2,235	\$ (196)	\$ 2,039	\$ -	\$ 2,039
618	Chemical / Treatment Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
619	Office Supplies	\$ 12,109	\$ 1,211	\$ 13,320	\$ (4,589)	\$ 8,731	\$ (794)	\$ 7,937
619.1	Postage	\$ 977	\$ 1,821	\$ 2,798	\$ (1,028)	\$ 1,770	\$ (878)	\$ 892
620	O&M Materials/Supplies	\$ 26,176	\$ 188,833	\$ 215,009	\$ (1,963)	\$ 213,046	\$ (170,732)	\$ 42,314
621	Repairs to Water Plant	\$ 14,848	\$ 742	\$ 15,590	\$ (737)	\$ 14,854	\$ -	\$ 14,854
631	Contract Svcs - Engineering	\$ 315	\$ 31	\$ 346	\$ (31)	\$ 315	\$ -	\$ 315
632	Contract Svcs - Accounting	\$ 15,289	\$ 1,529	\$ 16,818	\$ (4,064)	\$ 12,754	\$ -	\$ 12,754
633	Contract Svcs - Legal	\$ 9,374	\$ 937	\$ 10,311	\$ (9,564)	\$ 748	\$ -	\$ 748
634	Contract Svcs - Management Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
635	Contract Svcs - Testing	\$ 5,463	\$ (2,535)	\$ 2,928	\$ -	\$ 2,928	\$ -	\$ 2,928
636	Contract Svcs - Labor	\$ 1,022	\$ 109,912	\$ 110,934	\$ (10,085)	\$ 100,849	\$ (99,827)	\$ 1,022
637	Contract Svcs - Billing/Collection	\$ 19,253	\$ 16,286	\$ 35,539	\$ (2,170)	\$ 33,369	\$ (16,753)	\$ 16,616
638	Contract Svcs - Meter Reading	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
639	Contract Svcs - Other	\$ 8,841	\$ 884	\$ 9,725	\$ (1,238)	\$ 8,487	\$ -	\$ 8,487
641	Rental of Building/Real Property	\$ 97,400	\$ 22,857	\$ 120,257	\$ 5,779	\$ 126,036	\$ -	\$ 126,036
642	Rental of Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
643	Small Tools	\$ 948	\$ 95	\$ 1,043	\$ (132)	\$ 910	\$ -	\$ 910
648	Computer/Electronic Expenses	\$ 3,659	\$ 366	\$ 4,025	\$ (366)	\$ 3,659	\$ -	\$ 3,659
650	Transportation	\$ 36,142	\$ 7,228	\$ 43,370	\$ (2,920)	\$ 40,451	\$ -	\$ 40,451
656	Vehicle Insurance	\$ 8,117	\$ 1,000	\$ 9,117	\$ (335)	\$ 8,782	\$ -	\$ 8,782
657	General Liability Insurance	\$ 10,891	\$ 2,739	\$ 13,630	\$ 5,957	\$ 19,587	\$ -	\$ 19,587
658	Workers' Comp Insurance	\$ 5,906	\$ 4,433	\$ 10,339	\$ (136)	\$ 10,203	\$ -	\$ 10,203
659	Insurance - Other	\$ 85	\$ -	\$ 85	\$ (85)	\$ -	\$ -	\$ -
666	Amortz. of Rate Case	\$ -	\$ 2,800	\$ 2,800	\$ 6,667	\$ 9,467	\$ -	\$ 9,467
	Gross Revenue Fee (PUC)	\$ -	\$ 6,744	\$ 6,744	\$ (738)	\$ 6,005	\$ (1,806)	\$ 4,199
670	Bad Debt Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
671	Cross Connection Control Program	\$ 22,495	\$ 2,250	\$ 24,745	\$ (24,745)	\$ -	\$ -	\$ -
673	Training and Certification	\$ 1,570	\$ 658	\$ 2,228	\$ 601	\$ 2,828	\$ -	\$ 2,828
674	Consumer Confidence Report	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
675	Miscellaneous Expense	\$ 13,329	\$ 1,333	\$ 14,662	\$ 5,671	\$ 20,333	\$ (8,043)	\$ 12,290
OE1	Public Relations/Advertising	\$ 189	\$ 19	\$ 208	\$ (19)	\$ 189	\$ -	\$ 189
OE2	Wheeling Fee	\$ 12,589	\$ 1,259	\$ 13,848	\$ (362)	\$ 13,486	\$ -	\$ 13,486
OE3	Meter Change Out	\$ 8,475	\$ (5,650)	\$ 2,825	\$ 6,998	\$ 9,823	\$ (9,823)	\$ -
OE4		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OE5		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 853,133</b>	<b>\$ 704,090</b>	<b>\$ 1,557,223</b>	<b>\$ (20,438)</b>	<b>\$ 1,536,786</b>	<b>\$ (467,666)</b>	<b>\$ 1,069,119</b>
	<b>OTHER REVENUE DEDUCTIONS</b>							
	Depreciation Expense	\$ 136,081	\$ -	\$ 136,081	\$ (49,526)	\$ 86,555	\$ (14,221)	\$ 72,335
406	Amort of Plant Acquisition Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
407	Amortization Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
408.11	Property Tax	\$ 14,759	\$ 22,738	\$ 37,497	\$ (2,512)	\$ 34,985	\$ (21,368)	\$ 13,617
408.12	Payroll Tax	\$ 32,189	\$ 15,720	\$ 47,909	\$ 488	\$ 48,397	\$ -	\$ 48,397
408.13	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
409.1	Federal Income Tax	\$ -	\$ 54,991	\$ 54,991	\$ (1,521)	\$ 53,470	\$ (2,844)	\$ 50,625
409.11	Oregon Income Tax	\$ -	\$ 27,594	\$ 27,594	\$ (14,871)	\$ 12,723	\$ (515)	\$ 12,208
409.13	Extraordinary Items Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL REVENUE DEDUCTIONS</b>	<b>\$ 1,036,162</b>	<b>\$ 825,133</b>	<b>\$ 1,861,295</b>	<b>\$ (88,379)</b>	<b>\$ 1,772,917</b>	<b>\$ (506,615)</b>	<b>\$ 1,266,301</b>

NET OPERATING INCOME		\$	324,115	\$	62,571	\$	386,686	\$	(157,904)	\$	228,781	\$	(95,449)	\$	133,332
<b>UTILITY RATE BASE</b>															
	Utility Plant Invested by Company	\$	5,847,599	\$	-	\$	5,847,599	\$	(1,238,296)	\$	4,609,303	\$	(1,422,080)	\$	3,187,223
271	+ Contributions in Aid of Construction	\$	-	\$	-	\$	-	\$	1,706,782	\$	1,706,782	\$	-	\$	1,706,782
	- Excess Capacity	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	Equals: Total Utility Plant	\$	<b>5,847,599</b>	\$	<b>-</b>	\$	<b>5,847,599</b>	\$	<b>468,486</b>	\$	<b>6,316,085</b>	\$	<b>(1,422,080)</b>	\$	<b>4,894,005</b>
	- Accum. Depreciation—Invested Plant	\$	2,170,031	\$	-	\$	2,170,031	\$	(300,095)	\$	1,869,936	\$	(14,221)	\$	1,855,716
	- Accum. Depreciation—CIAC	\$	-	\$	-	\$	-	\$	545,555	\$	545,555	\$	-	\$	545,555
271	- Contributions in Aid of Construction	\$	-	\$	-	\$	-	\$	1,706,782	\$	1,706,782	\$	-	\$	1,706,782
281	- Accumulated Deferred Income Tax	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
272	+ Accum. Amortization of CIAC	\$	-	\$	-	\$	-	\$	545,555	\$	545,555	\$	-	\$	545,555
	Equals: Net Invested Utility Plant	\$	<b>3,677,568</b>	\$	<b>-</b>	\$	<b>3,677,568</b>	\$	<b>(938,201)</b>	\$	<b>2,739,367</b>	\$	<b>(1,407,859)</b>	\$	<b>1,331,508</b>
	Plus: (working capital)														
151	Materials and Supplies Inventory	\$	50,000	\$	-	\$	50,000	\$	(25,000)	\$	25,000	\$	-	\$	25,000
WrkCash	Working Cash (Total Op Exp /12)	\$	71,094	\$	58,224	\$	129,318	\$	(1,253)	\$	128,065	\$	(38,972)	\$	89,093
	<b>TOTAL RATE BASE</b>	\$	<b>3,798,662</b>	\$	<b>58,224</b>	\$	<b>3,856,886</b>	\$	<b>(964,454)</b>	\$	<b>2,892,432</b>	\$	<b>(1,446,831)</b>	\$	<b>1,445,601</b>
	Rate of Return		8.53%				10.03%				7.91%		1.31%		9.22%