



WATER LLC / ENVIRONMENTAL LLC

VIA ELECTRONIC FILING

March 25, 2021

Public Utility Commission of Oregon
Attn: Filing Center
201 High St SE, Suite 100
Post Office Box 1088
Salem, Oregon 97308-1088

Re: UM 2071 - Application for Reauthorization to Defer Costs Associated with the COVID-19 Public Health Emergency

Sunriver Water LLC files herewith an Application for reauthorization to use deferred accounting for costs associated with the COVID-19 public health emergency.

Please address correspondence on this matter as follows:

Natasha Siores
Manager, Regulatory Compliance
NW Natural
250 SW Taylor St.
Portland, OR 97204
Telephone: 503-610-7074
Fax: 503-220-2579
Email: natasha.siores@nwnatural.com

eFiling
NW Natural, Rates & Regulatory Affairs
250 SW Taylor St.
Portland, OR 97204
Telephone: 503-610-7330
Email: eFiling@nwnatural.com

Sincerely,

Sunriver Water LLC

/s/ Tim Smith

Tim Smith
General Manager

Attachments

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2071

In the Matter of

SUNRIVER WATER LLC

For Reauthorization to Defer Certain
Expenses or Revenues Pursuant to
ORS 757.259

**APPLICATION FOR
REAUTHORIZATION TO DEFER
COSTS ASSOCIATED WITH THE
COVID-19 PUBLIC HEALTH
EMERGENCY**

1 Sunriver Water LLC (“Sunriver Water” or the “Company”), hereby files with
2 the Public Utility Commission of Oregon (the “Commission”) this application
3 (“Application”) seeking reauthorization to use deferred accounting pursuant to ORS
4 757.259, OAR 860-036-2170 and OAR 860-027-0300, for the 12-month period
5 beginning March 26, 2021 through March 25, 2022, for amounts associated with the
6 COVID-19 public health emergency.

7 In support of this Application, Sunriver Water states:

8 **A. Sunriver Water.**

9 Sunriver Water is a public utility in the State of Oregon and is subject to the
10 jurisdiction of the Commission regarding rates, service, and accounting practices.
11 Sunriver Water is wholly owned by NW Natural Water of Oregon, LLC (“NW Natural
12 Water of Oregon”), which is wholly owned by NW Natural Water Company, LLC, a
13 wholly-owned subsidiary of Northwest Natural Holding Company.

14 **B. Statutory Authority.**

15 This application is filed pursuant to ORS 757.259, which empowers the

1 Commission to authorize the deferral of expenses or revenues of a public utility for
2 later inclusion in rates.

3 **C. Communications.**

4 Communications regarding this Application should be addressed to:

5 NW Natural
6 e-Filing for Rates & Regulatory Affairs
7 250 SW Taylor Street
8 Portland, Oregon 97204
9 Tel: (503) 610-7330
10 Fax: (503) 220-2579
11 Email: eFiling@nwnatural.com;

12
13 Natasha Siores
14 Manager, Regulatory Compliance
15 NW Natural
16 250 SW Taylor Street
17 Portland, OR 97204
18 Tel: (503) 610-7074
19 Fax: (503) 220-2579
20 Email: natasha.siores@nwnatural.com;

21
22 and

23
24 Tim Smith
25 General Manager
26 NW Natural Water of Oregon
27 PO Box 3699
28 Sunriver, Oregon 97707
29 Tel: (971) 285-4025
30 Email: tsmith@sunriverutilities.com

31 **D. Description of the Expenses or Revenues for which Deferred**
32 **Accounting is Requested – OAR 860-036-2170 and 860-027-0300(3)(a).**

33
34 On March 8, 2020, Oregon Governor Brown declared a state of emergency
35 over the COVID-19 pandemic. The public health emergency is expected to continue
36 to drive significant accounts receivable write-off expense. Additionally, Sunriver

1 Water expects to continue experiencing other costs related to the emergency that
2 the Company is currently unable to predict.

3 On November 3, 2020, the Oregon Commission held a Public Meeting, at
4 which Staff requested the Commission’s approval to adopt a stipulation incorporating
5 the Water Term Sheet developed during the Commission’s investigation under
6 docket UM 2120, Order No. 20-400. The Term Sheet describes the types of
7 revenues and expenses that can be deferred related to COVID-19.

8 The Company will continue to provide the Commission with reports that
9 itemize the utility costs, savings, and benefits resulting from COVID-19 as described
10 in the Term Sheet.

11 **E. Reasons for Application for Reauthorization of Deferred Accounting –**
12 **OAR 860-036-2170 and 860-027-0300(3)(b).**

13
14 ORS 757.259 is a “statutorily authorized exception to the general prohibition
15 against retroactive ratemaking” that allows a “means to address utility expenses or
16 revenues outside of the utility’s general rate case proceeding.”¹ Under ORS
17 757.259(2)(e), the Commission has discretion to authorize a deferral of “[i]dentifiable
18 utility expenses or revenues, the recovery or refund of which the commission finds
19 should be deferred in order to minimize the frequency of rate changes . . . or to
20 match appropriately the costs borne by and benefits received by rate payers.” Due
21 to the unpredictable and unprecedented nature of the emergency, these costs are
22 not currently recovered in rates, outside normal business risk, and, accordingly,

¹ *In re Matter Public Utility Commission of Oregon Staff Request to Open Investigation Related to Deferred Accounting*, Docket UM 1147, Order No. 05-1070 at 2 (Oct. 5, 2005).

1 deferred accounting treatment will match appropriately the costs borne by and the
 2 benefits received by customers.

3 **F. Accounting – OAR 860-036-2170 and 860-027-0300(3)(c).**

4 Beginning on March 26, 2021, and ending 12 months from this date, Sunriver
 5 Water proposes to account for the expenses incurred as a result of COVID-19 by
 6 recording a deferral, in Account 186. In the absence of approval of deferred
 7 accounting, Sunriver Water would record costs associated with the COVID-19 public
 8 health emergency to various expense accounts. Sunriver Water will seek
 9 amortization of the deferred costs in a future Commission proceeding.

10 **G. Estimated Amounts Subject to Deferral – OAR 860-036-2170 and**
 11 **860-027-0300(3)(d).**

12 Sunriver Water is unable to predict an estimate of incurred expense related to
 13 COVID-19. The emergency is still fluid and the magnitude of the impact to
 14 customers is hard to predict.

16 **H. Entries into deferred account during past 12 months – OAR 860-036-**
 17 **2170 and OAR 860-027-0300(4)(a).**

18 Deferred costs in calendar year 2020 are below:

Sunriver Water LLC		
COVID-19 Costs and Benefits		
For March 1, 2020 - December 31, 2020		
UM 2120		Costs and Benefits
Agreement Paragraph 15	COVID-19 Itemization	3/1/20-12/31/20
Item a	Direct Costs (personal protective equipment and cleaning supplies)	\$1,335.28
Item b	Late Payment Fees Not Assessed	unknown
Item c	Bad Debt Expense Above Baseline	-
Item d	Forgone Reconnection and Field Visit Charges	unknown
Item e	Forgone Reconnection Charges Related to Disconnections Prior to March 13, 2020	-
Item f	Deferral Balance	-
	Total	\$1,335.28

1 **I. Reason for Continued Deferral – OAR 860-027-0300(4)(b).**

2 The Company continues to incur net expenses related to the COVID-19
3 pandemic.

4 **J. Notice – OAR 860-036-2170 and 800-027-0300(6).**

5 A notice of this Application has been served to all parties who participated in
6 UP 384, the proceeding in which NW Natural Water of Oregon acquired Sunriver
7 Water, and is attached to this Application. Sunriver Water has noticed the UP 384
8 service list because it will more closely represent interested parties to this
9 Application; the service list of Sunriver Water's last general rate case (UW 169) was
10 filed in 2017 and is outdated, as such, Sunriver Water respectfully requests the
11 Commission waive the requirements of OAR 800-027-0300(6).

12 Sunriver Water respectfully requests that the Commission issue an order
13 reauthorizing the Company to defer the amounts described in this Application
14 associated with the COVID-19 public health emergency, beginning on March 26,
15 2021.

16 Dated this 25th day of March, 2021.

17 Respectfully Submitted,

18 SUNRIVER WATER LLC

19 /s/ Eric W. Nelsen

20 Senior Regulatory Attorney (OSB #192566)

21 250 SW Taylor Street

22 Portland, Oregon 97204-3038

23 Phone: (503) 610-7618

24 Email: eric.nelsen@nwnatural.com



UM 2071

**NOTICE OF APPLICATION FOR REAUTHORIZATION TO DEFER COSTS ASSOCIATED
WITH THE COVID-19 PUBLIC HEALTH EMERGENCY**

March 25, 2021

To All Parties Who Participated in UP 384

Please be advised that on March 25, 2021 Sunriver Water LLC applied for REAUTHORIZATION TO DEFER COSTS ASSOCIATED WITH THE COVID-19 PUBLIC HEALTH EMERGENCY.

This is not a rate case. The purpose of this Notice is to inform parties who participated in docket UP 384 that a Deferral Reauthorization Application has been filed.

Parties who desire more information or who wish to obtain a copy of the filing, or notice of the time and place of any hearing, if scheduled, should contact NW Natural Water of Oregon or the Commission as follows:

**NW Natural Water of Oregon
Attn: Tim Smith
PO Box 3699
Sunriver, OR 97707
Telephone: (971) 285-4025**

**Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
PO Box 1088
Salem, Oregon 97308-1088
Telephone: (503) 378-6678**

Any person may submit to the Commission written comments on this matter within 25 days of the date of this filing. The granting of this Deferral Reauthorization Application will not authorize a change in rates, but will permit the Company to defer amounts in rates to a subsequent proceeding.

* * * * *

**CERTIFICATE OF SERVICE
UM 2071**

I hereby certify that on March 25, 2021, I have served by electronic mail the foregoing NOTICE OF APPLICATION FOR REAUTHORIZATION TO DEFER COSTS ASSOCIATED WITH THE COVID-19 PUBLIC HEALTH EMERGENCY upon all parties of record in docket UP 384.

UP 384

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DATED March 25, 2021, Sunriver, OR.

/s/ Tim Smith
Tim Smith
General Manager
NW Natural Water of Oregon