



Oregon

Kate Brown, Governor

Public Utility Commission

201 High St SE Suite 100

Salem, OR 97301-3398

Mailing Address: PO Box 1088

Salem, OR 97308-1088

503-373-7394

August 11, 2020



BY EMAIL

Avion Water Company

Adam Jackson

adam@avionwater.com

RE: Advice No. 20-03

At the public meeting on August 11, 2020, the Commission adopted Staff's recommendation in this matter docketed as ADV 1146. The Staff Report and a receipted copy of the sheets in your advice filing are attached.

Nolan Moser

Chief Administrative Law Judge

Public Utility Commission of Oregon

(503) 378-3098

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: August 11, 2020**

REGULAR CONSENT EFFECTIVE DATE August 12, 2020

DATE: July 27, 2020

TO: Public Utility Commission

FROM: Stephanie Yamada

THROUGH: Bryan Conway, Michael Dougherty, and Bruce Hellebuyck **SIGNED**

SUBJECT: AVION WATER COMPANY:
(Docket No. ADV 1146/Advice No. 20-03)
Revises Schedule 12 of Avion's tariff to update and align its provisions with Schedule 7.

STAFF RECOMMENDATION:

Staff recommends that the Public Utility Commission of Oregon (Commission) allow Avion Water Company's (Avion or Company) proposed changes to its Schedule 12 to go into effect for service rendered on and after August 12, 2020.

DISCUSSION:

Issue

Whether the Commission should allow Avion's filed tariff sheets to become effective.

Applicable Rule or Law

Under ORS 757.205(1)-(2), a rate-regulated water utility must file schedules showing all rates, tolls, and charges for any service performed by it within the state and all rules and regulations that in any manner affect its rates. The Commission may approve tariff changes if they are deemed to be fair, just, and reasonable. ORS 757.210. Tariff revisions may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-036-2010.

Filings that propose any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the change. ORS 757.220.

Analysis

Background

Avion is a rate-regulated water utility serving approximately 14,000 domestic water and 790 irrigation customers in the vicinity of Bend, Oregon. With this filing, Avion proposes to update Schedule 12 of its tariff, which specifies the System Impact Fees (SIF) applicable to developers in Woodriver Village. The filing was submitted on July 9, 2020, with a proposed effective date of August 12, 2020.

The changes proposed with this filing are primarily housekeeping changes. This filing resulted from Avion's proposal to increase its standard System Development Charges (SDCs), which reside in Schedule 7 of the Company's tariff. That proposal is addressed separately in Docket No. ADV 1131. During conversations with regard to that request, Staff and Avion became aware that changes to the SDCs listed in Schedule 7 would also necessitate modifications to Avion's Schedule 12. Specifically, developers are required to pay standard Schedule 7 SDCs under Section B of the current Schedule 12, and the Schedule 7 SDCs are currently listed there explicitly. Consequently, as the tariff is currently written, any changes made to the Schedule 7 SDCs would need to be reproduced in Schedule 12 as well. The present filing replaces the explicit listing of Schedule 7 SDCs in Schedule 12 with a general reference to Schedule 7—as such, any future changes made to Schedule 7 will not require a corresponding change to Schedule 12.

This filing also removes language regarding the SIFs applicable to developers of the first 20 lots in Woodriver Village, as this language is no longer relevant. The first 20 lots have been developed and the system improvements contemplated in Schedule 12 have been completed; the project is now in the ten-year line share phase following project completion. Avion's proposed changes retain the provisions that apply to the current phase of the project.

The present filing does not result in any changes to the Company's rates and is not expected to have a material impact on customers.

Conclusion

Staff finds that Avion's proposed revisions to its Schedule 12 comply with applicable statutes and Commission rules, and should be approved.

Avion ADV 1146
July 27, 2020
Page 3

PROPOSED COMMISSION MOTION:

Allow Avion's revised Schedule 12 to become effective for service rendered on and after August 12, 2020.

Avion ADV 1146 PMM

SCHEDULE NO. 12

WOODRIVER VILLAGE TARIFF – SYSTEM IMPACT FEE

PURPOSE: To reimburse those developers who contributed to certain line improvements that also benefit future developers in Woodriver Village.

AVAILABLE: To customers of the Utility at Deschutes and Crook Counties, Oregon, and vicinity.

APPLICABLE: To developers of projects in Woodriver Village, Bend, Oregon using the Company’s water service.

The mainline contemplated by the previous version of this tariff was fully funded by developers and was put in service in December 2018. In order to provide equitable reimbursement as per the original agreement, the following line share agreement is in effect:

Refunds – Ten Year Line Share Agreement:

The system impact fee will be charged at the standard SDC rate as provided by Schedule 7. From the collected funds, \$458.64 will be evenly distributed among the original participants as required in the original PUC approved version of this tariff. The remaining funds will be CIAC.

Refunds will only occur for the ten year period following completion or until 120 units are developed from the original date of implementation of this Schedule 12. The ten year period will be complete January 1, 2029 and this tariff will no longer be in effect.

SPECIAL CONDITIONS:

1. All Woodriver Village funds will be maintained in a separate account.
2. Avion will provide annual construction / construction funds update to Commission Staff by February 1 of each year for the ten-year line share agreement duration.

Issue Date		Effective for Service on or after	August 12, 2020
Issued By	AVION WATER COMPANY, INC. Received		

Filing Center
JUL 09 2020

THIS PAGE INTENTIONALLY LEFT BLANK

Issue Date		Effective for Service on or after	August 12, 2020
Issued By	AVION WATER COMPANY, INC.		

Received
Filing Center
JUL 09 2020