

ITEM NO. CA9

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: February 20, 2024**

REGULAR **CONSENT** **EFFECTIVE DATE** March 4, 2024

DATE: February 7, 2024

TO: Public Utility Commission

FROM: Steph Yamada

THROUGH: Bryan Conway and Marc Hellman **SIGNED**

SUBJECT: SUNRIVER WATER LLC:
(Docket No. ADV 1591/Advice No. 24-1)
Implements a Commodity Power Cost Adjustment.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Sunriver Water LLC's (Sunriver or Company) filed tariff sheets, which implement a Commodity Power Cost Adjustment (CPCA), to become effective for service rendered on and after March 4, 2024.

DISCUSSION:

Issue

Whether the Commission should allow Sunriver'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. Pursuant to ORS 757.210, the Commission may approve tariff changes if they are deemed to be fair, just, and reasonable. Tariff revisions may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-036-2010.

Pursuant to ORS 757.220, 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.

Analysis

Background

Sunriver is a rate- and service-regulated water utility serving approximately 5,000 customers in the vicinity of Sunriver, Oregon. With this filing, Sunriver proposes to implement a CPCA, as allowed under Schedule 9 of the Company's current tariff. The filing was submitted on February 2, 2024, which is more than 30 days prior to the proposed effective date of March 4, 2024, in line with applicable requirements.

Analysis

Schedule 9 of Sunriver's current tariff is an "Automatic Adjustment Clause" as defined in ORS 757.210. This schedule enables Sunriver to revise its rate schedules to reflect increases or decreases in the Company's purchased commodity power cost. The adjustments may be shown in or incorporated directly into the applicable rate schedules. If the Company elects to file for power cost increases, it is also obligated to file for decreases in power costs. The present filing represents Sunriver's first implementation of the Schedule 9 CPCA.

With the present filing, Sunriver proposes to add a CPCA of \$0.05 per unit to its tariff under Schedule 1 (Residential, Commercial, and Multi-Family Metered Rates), Schedule 3 (Irrigation Metered Rates), Schedule 5 (Golf Course Irrigation Rates), and Schedule 6 (Rates for Commercial Water Haulers). Sunriver's water is measured in units of 1,000 gallons.

The Company submitted, and Staff reviewed, workpapers calculating the CPCA at \$0.05 per unit. The Company's calculation is based on the per-unit difference in power cost between 2021 and 2024, as summarized in the following table.

	2021	2024	
Water Units Sold	561,823	512,710	
Power Cost	\$74,477	\$93,044	
Cost per Unit	\$0.13	\$0.18	\$0.05 Difference

Staff performed the calculation differently but arrived at the same result of \$0.05 per unit. Staff's calculation uses figures from the Company's most recent rate case (UW 186) to first calculate the amount of power cost embedded in current rates. Staff then calculated the new per-unit power cost using UW 186 consumption and the

estimated 2024 power cost of \$93,044, which was provided by Sunriver’s electric provider, Midstate Electric Cooperative, Inc. This methodology is similar to that used to calculate the CPCA for Avion Water Company as shown in Docket No. ADV 1579. Staff’s calculation also results in a CPCA adjustment of \$0.05 per unit, as summarized in the following table.

UW 186 Account 615 - Purchased Power	\$ 69,748
UW 186 Consumption Units (1000 Gal)	485,403
Current Power Cost Rate per 1000 Gal	\$ 0.14

Revised Cost	\$ 93,044
UW 186 Consumption Units	485,403
Revised Power Cost Rate per 1000 Gal	\$ 0.19

Difference (CPCA Adjustment)	\$ 0.05
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The \$0.05 CPCA adjustment is added to the Company’s variable rates on the tariff schedules cited previously. The adjustment is incorporated directly into the Company’s variable rates, as allowed by the tariff. This filing results in the following rate changes.

Sunriver Variable Rates per 1,000 Gallons

Tariff Schedule	Current	Revised
1 - Residential, Commercial, Multi-Family	\$1.88	\$1.93
3 - Irrigation Metered Rates	\$1.96	\$2.01
5 - Golf Course Irrigation Rates	\$0.50	\$0.55
6 - Rates for Commercial Water Haulers	\$2.20	\$2.25

For a typical Schedule 1 customer (which includes residential customers) using 6.61 units of water per month, this rate change would increase the monthly bill by approximately \$0.33, or 1.1 percent.

The Company has reviewed a draft of this memo and noted no concerns.

Conclusion

Staff reviewed the Company’s cost documentation and proposed calculation methodologies. Staff finds that Sunriver’s requested CPCA rates are allowed under Schedule 9 of the Company’s current tariff and should be allowed to become effective.

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PROPOSED COMMISSION MOTION:

Allow Sunriver's filed tariff sheets to become effective for service rendered on and after March 4, 2024.

Sunriver ADV 1591 – Power Cost Adjustment