



**WATER LLC / ENVIRONMENTAL LLC**

**VIA ELECTRONIC FILING**

March 26, 2020

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

**Re: Application to Defer Costs Associated with the COVID-19 Public Health Emergency**

Sunriver Water LLC files herewith an Application 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  
Tel: 503.610.7074  
Fax: 503.220.2579  
Email: [natasha.siores@nwnatural.com](mailto:natasha.siores@nwnatural.com)

eFiling  
NW Natural, Rates & Regulatory Affairs  
250 SW Taylor St.  
Portland, OR 97204  
Tel: 503.610.7330  
Email: [eFiling@nwnatural.com](mailto:eFiling@nwnatural.com)

Sincerely,

Sunriver Water LLC

*/s/ Tim Smith*

Tim Smith  
General Manager

Attachments

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM \_\_\_\_\_**

In the Matter of

SUNRIVER WATER LLC

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

**APPLICATION 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 authorization 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, 2020 through March 25, 2021, for amounts associated with  
6 the 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  
10 the jurisdiction of the Commission regarding rates, service, and accounting  
11 practices. Sunriver Water is wholly owned by NW Natural Water of Oregon, LLC  
12 (“NW Natural Water of Oregon”), which is wholly owned by NW Natural Water  
13 Company, LLC, a wholly-owned subsidiary of Northwest Natural Holding  
14 Company.

1 **B. Statutory Authority.**

2 This application is filed pursuant to ORS 757.259, which empowers the  
3 Commission to authorize the deferral of expenses or revenues of a public utility  
4 for later inclusion in rates.

5 **C. Communications.**

6 Communications regarding this Application should be addressed to:

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

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

23  
24 and

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

33 **D. Description of the Expenses or Revenues for which Deferred**

34 **Accounting is Requested – OAR 860-036-2170 and 860-027-0300(3)(a).**

35 On March 8, 2020, Oregon Governor Brown declared a state of  
36 emergency over the COVID-19 pandemic. Sunriver Water has suspended all

1 service disconnections in order to help limit the impact on customers as they  
2 navigate difficult economic times. The public health emergency is expected to  
3 drive significant accounts receivable write-off expense. Additionally, Sunriver  
4 Water expects to experience other costs related to the emergency that the  
5 Company is currently unable to predict. Sunriver Water will document all costs  
6 known to be incurred as a result of the COVID-19 public health emergency.

7 **E. Reasons for Application for Deferred Accounting – OAR 860-036-2170**  
8 **and 860-027-0300(3)(b).**

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

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

21 Beginning on March 26, 2020, and ending twelve months from this date,  
22 Sunriver Water proposes to account for the expenses incurred as a result of

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<sup>1</sup> *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 COVID-19 by recording a deferral, in Account 186. In the absence of approval of  
2 deferred accounting, Sunriver Water would record costs associated with the  
3 COVID-19 public health emergency to various expense accounts. Sunriver Water  
4 will seek amortization of the deferred costs in a future Commission proceeding.

5 **G. Estimated Accounts Subject to Deferral – OAR 860-036-2170 and**  
6 **860-027-0300(3)(d).**

7 Sunriver Water is unable to predict an estimate of incurred expense  
8 related to COVID-19. The emergency is still fluid and changing rapidly.

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

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

17 Sunriver Water respectfully requests that the Commission issue an order  
18 authorizing the Company to defer the amounts described in this Application associated  
19 with the COVID-19 public health emergency, beginning on March 26, 2020.

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Date this 26<sup>th</sup> day of March, 2020.

Respectfully Submitted,

SUNRIVER WATER LLC

/s/ Eric W. Nelsen  
Senior Regulatory Attorney (OSB #192566)  
250 SW Taylor Street  
Portland, Oregon 97204-3038  
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UM\_\_\_\_\_

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

March 26, 2020

**To All Parties Who Participated in UP 384**

Please be advised that on March 26, 2020 Sunriver Water LLC applied for AUTHORIZATION 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 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 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

I hereby certify that on March 26, 2020, I have served by electronic mail the foregoing NOTICE OF APPLICATION TO DEFER COSTS ASSOCIATED WITH THE COVID-19 PUBLIC HEALTH EMERGENCY upon all parties of record in docket UP 384.

### UP 384

JOHN W STEPHENS  
ESLER STEPHENS & BUCKLEY  
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DATED March 26, 2020, Sunriver, OR.

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