



Oregon

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Public Utility Commission

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June 11, 2008

OREGON PUBLIC UTILITY COMMISSION
ATTENTION: FILING CENTER
PO BOX 2148
SALEM OR 97308-2148

RE: Docket No. UW 127 - In the Matter of CLINE BUTTE UTILITY COMPANY
Request for a General Rate Increase.

Enclosed for electronic filing in the above-captioned docket is Staff's Direct
Testimony in Docket UW 127.

/s/ Kay Barnes

Kay Barnes

Regulatory Operations Division

Filing on Behalf of Public Utility Commission Staff

(503) 378-5763

Email: Kay.Barnes@state.or.us

c: UW 127 Service List (parties)

**PUBLIC UTILITY COMMISSION
OF OREGON**

UW 127

**STAFF TESTIMONY
OF**

Renee Sloan

**In the Matter of
CLINE BUTTE UTILITY COMPANY
Request for a General Rate Increase**

June 11, 2008

CASE: UW 127
WITNESS: Renee Sloan

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 100

**Direct Testimony
In Support of the
Stipulation**

June 11, 2008

1 **Q. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS**
2 **ADDRESS.**

3 A. My name is Renee Sloan. My business is located at 550 Capitol Street NE
4 Suite 215, Salem, Oregon 97301-2551.

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am employed as a utility analyst with the Public Utility Commission of Oregon
7 (PUC or Commission). My assignments over the past six years have included
8 reviewing regulated water utility general rate case filings, rulemaking dockets,
9 and various tariff filings.

10 **Q. WHO ARE THE PARTIES IN THIS DOCKET?**

11 A. Cline Butte Utility Company (CBUC or Company) and Commission Staff (Staff)
12 are the Parties in this docket.

13 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

14 A. My testimony introduces and supports the Stipulation entered into by the
15 Parties.

16 **Q. DID YOU PREPARE AN EXHIBIT FOR THIS DOCKET?**

17 A. Yes. I prepared Exhibit Staff/101, consisting of 26 pages.

18 **Q. HOW IS YOUR TESTIMONY ORGANIZED?**

19 A. My testimony is organized as follows:

20	1. Description of Cline Butte Utility Company	2
21	2. Summary of CBUC's Rate Application.....	3
22	3. Staff's Analysis of CBUC's Filing	5
23	4. Summary of the Stipulation.....	8

1 **1. DESCRIPTION OF CLINE BUTTE UTILITY COMPANY**

2 **Q. PLEASE DESCRIBE CLINE BUTTE UTILITY COMPANY.**

3 A. CBUC is located within Eagle Crest Resort, near Redmond, Oregon. The
4 Company provides water and wastewater services to approximately 1,482
5 customers (residential, commercial, non-golf Irrigation, and golf irrigation).

6 **Q. DOES THE COMMISSION REGULATE CBUC'S WASTEWATER?**

7 A. No. Per ORS 757.061(3) Commission regulation of wastewater applies only to
8 utilities located within city limits.

9 **Q. DOES THE COMPANY ALLOCATE OPERATING EXPENSES BETWEEN**
10 **WATER AND WASTEWATER SERVICES?**

11 A. Yes. The Company allocated test year expenses at 25 percent to water and
12 75 percent to wastewater.

13 **Q. IN UW 127, DID CBUC PROPOSE TO CHANGE THE ALLOCATION OF**
14 **EXPENSES BETWEEN WATER AND WASTEWATER?**

15 A. Yes. Based on a 2007 Employee Time Evaluation, CBUC proposed that
16 expenses be allocated 60 percent to water and 40 percent to wastewater.

17 **Q. DOES CBUC HAVE ANY AFFILIATED INTEREST AGREEMENTS?**

18 A. Yes. The Commission approved CBUC's affiliated interest agreement with
19 Eagle Crest, Inc. in Order No. 02-581 (UI 202), issued August 23, 2002.
20 Under the agreement, Eagle Crest, Inc. provides office space to CBUC as well
21 as the following services: customer communications; management; finance;
22 accounting and tax; legal and regulatory; office services; purchasing services;

1 risk management; information systems support; corporate services, and
2 miscellaneous service expenses.

3 **2. SUMMARY OF CBUC'S RATE APPLICATION**

4 **Q. PLEASE SUMMARIZE CBUC'S GENERAL RATE FILING AS SHOWN IN**
5 **ITS APPLICATION.**

6 A. On March 6, 2008, CBUC filed a general rate case with the Commission. The
7 Application showed test year revenues of \$787,676 and requested a \$122,766
8 revenue increase resulting in proposed total annual revenues of \$910,442, or a
9 15.9 percent increase. The Company also requested a 2.5 percent rate of
10 return on a rate base of \$4,360,815.

11 **Q. PLEASE EXPLAIN WHY THE COMPANY'S TEST YEAR REVENUES AND**
12 **PROPOSED ADJUSTMENTS AS SHOWN IN THE APPLICATION DO NOT**
13 **MATCH THE COMPANY'S TEST YEAR REVENUES AND PROPOSED**
14 **ADJUSTMENTS IN STAFF/101, SLOAN/1, COLUMNS A AND B?**

15 A. During the analysis of the filing, Staff found that the Company's test year
16 revenues did not include \$41,071 in revenues from fees associated with
17 Backflow Testing.¹ Because CBUC's Backflow Testing tariff requires
18 customers to opt out if they choose someone other than CBUC to perform
19 the testing, the revenues are included in total test year revenues and the
20 backflow services are an above-the-line utility activity.

¹ CBUC Schedule No. 7, Cross Connection Control Program & Backflow Prevention Device Services Fees.

1 CBUC's \$8,929 Proposed Adjustment in Backflow Testing revenue is based on
2 the Company's anticipated customer growth.

3 **Q. PLEASE EXPLAIN WHY THE COMPANY'S TEST YEAR TOTAL**
4 **REVENUE DEDUCTIONS AS SHOWN IN THE APPLICATION DO NOT**
5 **MATCH THE COMPANY'S TEST YEAR TOTAL REVENUE DEDUCTIONS**
6 **IN STAFF/101, SLOAN/1, COLUMNS A AND B?**

7 A. In the Application, CBUC did not include amounts for state and federal taxes,
8 even though the Company has a tax liability. In order for taxes to calculate
9 correctly in Staff's Proposed Results (Staff/101, Sloan/1, Column G), Staff
10 calculated test year taxes and added the amounts to the Company's test year
11 Total Revenue Deductions.

12 **Q. PLEASE DESCRIBE CBUC'S CURRENT AND PROPOSED RATES.**

13 A. Tables 1 through 4 show the Company's current and proposed rates.

TABLE 1: RESIDENTIAL

Meter Size	Current Base Rate	CBUC Proposed Base Rate
5/8" or 3/4"	\$25.81	\$27.08
1"	\$27.10	\$35.83
1 1/2"	\$28.39	NA
2"	\$30.97	\$35.83
Usage Rate per 100 cf	\$1.34	\$1.60

TABLE 2: COMMERCIAL

Meter Size	Current Base Rate	CBUC Proposed Base Rate
5/8" or 3/4"	\$16.90	\$21.14
1"	\$25.36	\$109.25
1 1/2"	\$84.49	\$182.08
2"	\$135.18	\$213.95
3"	\$253.47	NA
Usage Rate per 100 cf	\$1.01	\$1.22

TABLE 3: NON-GOLF IRRIGATION

Meter Size	Current Base Rate	CBUC Proposed Base Rate
5/8" or 3/4"	\$6.03	\$10.46
1"	\$15.08	\$8.77
1 1/2"	\$30.15	\$40.14
2"	\$48.25	\$60.88
4"	\$150.77	\$175.58
6"	\$301.55	\$210.75
Usage Rate per 100 cf	\$0.25	\$0.16

TABLE 4: GOLF IRRIGATION

Meter Size	Current Base Rate	CBUC Proposed Base Rate
4"	\$1,026.10	\$1,037.92
6"	\$2,052.20	\$1,911.92
8"	\$3,283.52	\$2,512.83
Usage Rate per 100 cf	\$0.21	\$0.14

1 As the above tables indicate, there is considerable variation in the base
2 rates and commodity rates of the residential, commercial, and non-golf
3 irrigation customers. These differences in rates will be discussed in more
4 detail later in testimony.

5 **Q. WHEN WAS THE COMPANY'S LAST RATE INCREASE?**

6 A. Per Order No. 05-810, CBUC's current rates became effective July 1, 2005.

7 **3. STAFF'S ANALYSIS OF CBUC'S UW 127 FILING**

8 **Q. WHAT ARE THE RESULTS OF STAFF'S ANALYSIS OF CBUC'S FILING?**

9 A. Staff's investigation of CBUC's Application indicates a 15.8 percent increase
10 in total revenues is warranted. This compares to the overall 15.9 percent
11 increase the Company requested in its filing.

1 **Q. DID STAFF MAKE ANY ADJUSTMENTS TO THE COMPANY'S TEST**
2 **PERIOD REVENUES AND EXPENSES?**

3 A. Yes. Staff/101, Sloan/2 and 3 contains Staff's adjustments and a summary
4 description of each.

5 **Q. DID STAFF USE THE COMPANY'S PROPOSED ALLOCATION OF**
6 **EXPENSES BETWEEN WATER AND WASTEWATER?**

7 A. No. Staff's review of the Company's 2007 Employee Time Evaluation
8 determined that wage related expenses should be allocated 55.17 / 44.83
9 between water and wastewater rather than 60 / 40 as proposed by CBUC.

10 **Q. HOW DID STAFF DETERMINE THE ALLOCATION FOR EXPENSES THAT**
11 **ARE NOT WAGE RELATED?**

12 A. To determine the allocation for other expenses, Staff developed a three-factor
13 allocation that applied equal weightings to water and wastewater test year Net
14 Plant, Revenues, and Income. This resulted in a 50.9 / 49.1 split between
15 water and wastewater. This compares to the 60 / 40 split proposed by CBUC
16 and results in the reduction of numerous shared costs (management contract,
17 building rental) to water customers.

18 **Q. DID STAFF MAKE ANY ADJUSTMENTS TO PLANT IN SERVICE?**

19 A. Yes. After reviewing the Company's 2007 Annual Report B, Plant information
20 provided with the Application, and reclassifying some expense items as Plant,
21 Staff determined that total Plant in Service should be \$6,601,501 instead of the
22 \$6,588,758 shown in the Application.

1 **Q. DID STAFF MAKE ANY EXCESS CAPACITY ADJUSTMENTS TO PLANT**
2 **IN SERVICE?**

3 A. Yes. Typically, if a water system is completely built but serves only a fraction
4 of the potential customers, some of the investment in the system may be
5 considered to be not completely used and useful. In the case of CBUC, only
6 a portion of the residential, commercial, and non-golf irrigation transmission
7 and distribution plant is presently used and useful. As a result, Staff made
8 a \$1,324,134 Excess Capacity Adjustment to Net Plant.

9 **Q. HOW WAS THE EXCESS CAPACITY ADJUSTMENT DETERMINED?**

10 A. To determine excess capacity, Staff relied on the Company's April 21, 2008,
11 Residential Construction Update. The percentage of excess capacity was
12 calculated by dividing the number of lots completed by the number of lots
13 platted for each phase shown in the report. Staff's calculation of Excess
14 Capacity percentages is shown in Staff/101, Sloan/7.

15 **Q. WHAT IS THE EFFECT OF THE EXCESS CAPACITY ADJUSTMENT ON**
16 **UTILITY PLANT IN SERVICE?**

17 A. Subtracting the \$1,324,134 Excess Capacity from the \$6,601,501 in total Plant
18 in Service results in \$5,277,367 of "Used and Useful" Plant.

19 **Q. PLEASE EXPLAIN STAFF'S ADJUSTMENTS TO ACCUMULATED**
20 **DEPRECIATION.**

21 A. Staff's calculation of Accumulated Depreciation of the "Used and Useful" Plant
22 using Average Service Lives consistent with the method that was originally
23 developed by the National Association of Regulatory Utility Commissioners

1 recommended 15.8 percent is the result of rounding and does not represent a
2 material difference in revenues.

3 **Q. HOW WAS THE STIPULATED RATE OF RETURN DETERMINED?**

4 A. The Commission has adopted a 10 percent return on equity (ROE) in recent
5 water cases as reasonable for rate-regulated water companies. Because most
6 of the Company's capital structure is equity (80.9 percent), CBUC's calculated
7 rate of return (ROR) equals 9.24 percent. However, because the Company
8 was sensitive to increasing rates too greatly for its customers, it requested a
9 lower 2.5 percent ROR on a rate base of \$4,360,815.

10 Although the Company only requested a 2.5 percent ROR, Staff proposed
11 an upward adjustment of the ROR to 6.42 percent, as it is the maximum level
12 while remaining within the Company's application and notice to customers.
13 As a result, this recommended ROR achieves roughly the same total revenue
14 requirement as requested by the Company. In other words, Staff's numerous
15 adjustments to revenue requirement brought about the same effect of keeping
16 rates as low as possible as the Company's proposed lower ROR. Staff
17 supports this level even though it results in rates that do not provide the
18 calculated 9.24 percent return on rate base for the reasons noted above.

19 **Q. PLEASE DESCRIBE THE STIPULATED REVENUE SPREAD.**

20 A. The Parties agreed that CBUC should collect \$752,587 from Residential,
21 commercial, and non-golf irrigation customers; \$161,119 from golf irrigation
22 customers; \$1,964 through a special contract with Eagle Crest Management

1 Association (ECMA);² and \$44,370 through fees for testing backflow prevention
2 devices.³

3 **Q. PLEASE EXPLAIN HOW STAFF DETERMINED THE AMOUNT OF**
4 **REVENUE CBUC SHOULD COLLECT FROM GOLF IRRIGATION.**

5 A. During the analysis of the Company's filing, Staff was concerned that the golf
6 irrigation test-year revenue was understated based on the Company's current
7 rates. In order to verify the correct revenue allocation to the golf irrigation,
8 Staff performed a cost of service analysis based on plant, billing units, and
9 consumption. The cost of service analysis resulted in a 17.1 percent allocation
10 of water sales to the golf irrigation.

11 During Staff's cost of service analysis, the Company provided additional
12 information showing that test-year golf irrigation revenue was, as Staff
13 suspected, understated. Once the correct revenue was inputted into revenue
14 requirement, the actual calculated golf irrigation revenue accounted for
15 17.6 percent of water sales. As a result, Staff was not required to make any
16 additional adjustments to golf irrigation revenue as the difference between
17 actual water sales percent revenue and calculated cost of service water sales
18 percent revenue was less than one percent.

19 **Q. PLEASE DESCRIBE THE STIPULATED RATE DESIGNS FOR THE**
20 **RESIDENTIAL, COMMERCIAL, AND NON-GOLF IRRIGATION**
21 **CUSTOMERS.**

² Schedule No. 5, ECMA Special Contract for Irrigation and Standby Fire and Domestic Service.

³ Schedule No. 7, Cross Connection Control Program & Backflow Prevention Device Services Fees.

- 1 A. The Parties agreed to a 60 / 40 split of revenues between base and commodity
 2 (usage) rates for residential, commercial, and non-golf irrigation customers
 3 in order to collect the \$752,587 in stipulated revenues from these customer
 4 classes. Tables 5 through 7 summarize the stipulated rates.⁴

TABLE 5: Residential Rate Design

Meter Size	Stipulated Rates
5/8" x 3/4"	\$27.20
1"	\$39.44
1.5"	\$42.16
2"	\$43.25
Usage Rate per 100 cf	\$1.24

TABLE 6: Commercial Rate Design

Meter Size	Stipulated Rates
5/8" x 3/4"	\$27.20
1"	\$40.80
1.5"	\$108.80
2"	\$190.39
Usage Rate per 100 cf	\$1.24

TABLE 7: Non-Golf Irrigation Rate Design

Meter Size	Stipulated Rates
5/8" x 3/4"	\$10.88
1"	\$21.76
1.5"	\$43.52
2"	\$87.04
4"	\$174.07
6"	\$348.15
Usage Rate per 100 cf	\$0.52

⁴ The stipulated rate designs for residential, commercial, and non-golf irrigation customers are shown in Staff/101, Sloan/8-9 and the stipulated rate design for Golf Irrigation customers is shown in Staff/101, Sloan/23.

1 **Q. PLEASE DESCRIBE THE RATE DESIGN STIPULATED TO BY THE**
 2 **PARTIES FOR GOLF IRRIGATION CUSTOMERS.**

3 A. The Parties agreed that the stipulated \$161,119 in golf irrigation revenues
 4 should be collected using a 43.5 / 56.5 split between commodity and base
 5 rates. Table 8 summarizes the stipulated golf irrigation rates.

TABLE 8: Golf Irrigation Rate Design

Meter Size	Stipulated Rates
4"	\$1,167.08
6"	\$2,334.16
8"	\$4,084.78
Usage Rate per 100 cf	\$0.213

6 Staff proposed the greater weighting on the commodity rate to maintain the
 7 commodity rate at the same price as the current rate. If Staff would have used
 8 a 40 / 60 split, the proposed commodity rate would be less than the current
 9 commodity rate.

10 **Q. PLEASE EXPLAIN THE RESIDENTIAL, COMMERCIAL AND NON-GOLF**
 11 **IRRIGATION RATES.**

12 A From a cost of service perspective, there should be no differences in the
 13 residential, commercial, and non-golf irrigation rates since each class uses
 14 potable water. These customers are served from the same wells, same mains,
 15 and same service lines. However current rates were structured in a way that
 16 the 5/8" x 3/4" residential customers were potentially subsidizing the other
 17 classes of customers. Although Staff recognized this deficiency, it could not
 18 move all the rates to the same base rate and commodity rate without placing

1 incredible cost burdens on some classes of customers. To partially remedy the
2 inequality in rates, Staff performed the following:

- 3 ▪ Set the 5/8" x 3/4" residential and commercial customers base rate
4 at the same rate;
- 5 ▪ Set the residential and commercial commodity rate for all size
6 meters at the same rate;
- 7 ▪ Slightly increased AWWA factors for greater than 5/8" x 3/4" meters
8 for residential customers in order to promote fairness in the overall
9 rate structure without increasing rates for larger meter residential
10 customers too dramatically;
- 11 ▪ Decreased AWWA factors for greater than 5/8" x 3/4" meters for
12 commercial customers so not too increase rates for larger meter
13 commercial customers too dramatically; and
- 14 ▪ Increased base rates and commodity rate for non-golf irrigation
15 customers to increase this class of customer cost sharing without
16 causing a greater than 100 percent increase for any size meter.
17
18
19
20
21

22 **Q. PLEASE EXPLAIN WHY STAFF PROPOSED A MODIFICATION OF THE**
23 **AWWA⁵ FACTORS CURRENTLY USED TO ALLOCATE BASE RATES BY**
24 **METER SIZE.**

25 A. In the instance where a company has different meter sizes, Staff's practice is
26 to apply AWWA factors, or modified factors to the different size meters. The
27 proposed CBUC water rates are based upon a cost of service rate structure
28 which includes the cost of providing water and operating and maintaining the
29 water system. The effect of using the AWWA factors is to increase the base
30 rates charged to customers with larger meters. From a conceptual standpoint,
31 increasing the rates to customers with larger meters is reasonable because
32 those customers place a greater potential demand on the water system. The

⁵ American Water Works Association

1 AWWA factors are multiplied to the base rate of the 5/8-inch and 3/4-inch meter
2 size to obtain the base rate of larger size meters. As an example, if using the
3 AWWA factors, the base rate of a 1-inch meter would be 2.5 times greater than
4 the base rate of 5/8-inch or 3/4-inch meter.

5 **Q. DOES STAFF PROPOSE RATES BASED ON A STRICT APPLICATION**
6 **OF AWWA FACTORS?**

7 A. No. Staff felt that using full factors would result in increases that would cause
8 rate shock for some customers. To soften the base rate increases, Staff
9 applied modified factors to meters larger than 5/8-inch and 3/4-inch for the
10 residential customers. Because Staff increased the 5/8" x 3/4" base rates for
11 both commercial and irrigation customers, Staff's proposed factors are actually
12 lower than the current factors for these classes of customers. Although the
13 factors have been lowered, the base rates for these customers are higher than
14 current base rates because of the increases to the 5/8" x 3/4" base rates

15 Table 9 compares the full AWWA factors to those currently in use and those
16 proposed by Staff in UW 127.

TABLE 9: AWWA Factors Comparison

Meter Size	Actual AWWA Factor	UW 109 Factor	Staff Modified Factor
Residential			
5/8" or 3/4"	1.00	1.00	1.00
1"	2.50	1.05	1.50
1.5"	5.00	1.10	1.55
2"	8.00	1.20	1.59
Commercial			
5/8" or 3/4"	1.00	1.00	1.00
1"	2.50	2.00	1.50
1.5"	5.00	5.00	4.00
2"	8.00	8.00	7.00

Non-Golf Irrigation	Actual AWWA Factor	UW 109 Factor	Staff Modified Factor
5/8" or 3/4"	1.00	1.00	0.40
1"	2.50	2.50	0.80
1.5"	5.00	5.00	1.60
2"	8.00	8.00	3.20
4"	25.00	25.00	6.40
6"	50.00	50.00	12.80

1
2 The Parties agree that using Staff's proposed modified factors is reasonable
3 because the use of modified AWWA factors still takes into account that larger
4 meters do place a greater potential demand on the water system, and
5 customers with larger meters should pay higher base rates because of this
6 potential demand.

7 **Q. PLEASE EXPLAIN WHY STAFF PROPOSED USING LOWER AWWA**
8 **FACTORS FOR THE RESIDENTIAL CUSTOMERS WITH 1 1/2-INCH AND**
9 **2-INCH METERS THAN FOR THE COMMERCIAL CUSTOMERS WITH**
10 **1 1/2-INCH AND 2-INCH METERS.**

11 A. Staff's comparison of the average annual consumption between the residential
12 customers with 2-inch meters and commercial customers with 2-inch meters
13 showed that the average consumption of the residential customers was
14 significantly lower than the average consumption by the commercial customers.
15 Therefore, Staff and the Company agreed to slightly increase the AWWA
16 factors for these customers in order to promote fairness in the overall rate
17 structure without increasing rates for larger meter residential customers too
18 dramatically.

1 **Q. PLEASE EXPLAIN WHY STAFF PROPOSED USING LOWER AWWA**
2 **FACTORS FOR THE COMMERCIAL CUSTOMERS.**

3 A. Because Staff raised the commercial 5/8" x 3/4" base rate to the same level
4 of the residential 5/8" x 3/4" base rate, Staff was required to slightly lower the
5 AWWA factors for larger meters to prevent an excessive increase for these
6 customers. Although the factors have been lowered, the base rates for these
7 customers are higher than current base rates because of the increases to the
8 5/8" x 3/4" base rates. Staff and the Company will continue to move the
9 residential, commercial, and non-golf rates to a uniform rate with each
10 subsequent rate filing by the Company.

11 **Q. PLEASE EXPLAIN WHY STAFF PROPOSED USING LOWER AWWA**
12 **FACTORS FOR THE NON-GOLF IRRIGATION CUSTOMERS.**

13 A As mentioned above, there should be no differences between the residential,
14 commercial, and non-golf irrigation rates since each class uses potable water.
15 These customers are served from the same wells, same mains, and same
16 service lines. However, the non-golf irrigation rates were previously set
17 artificially low. As a result, Staff was confronted with the issue of raising rates
18 without causing excessive rate shock to this class of customers.

19 In UW 118, (Commission Order No. 06-678), Staff was able to resolve the
20 movement of non-golf irrigation rates by setting the base rates the same as the
21 residential and commercial customers and only lowering the commodity rate.
22 However, because CBUC's non-golf Irrigation rates were excessively low, Staff

1 set both the base and commodity rates lower than that of the residential and
2 commercial customers due to rate shock considerations.

3 Staff's proposed commodity rate is \$0.52, which is approximately double
4 the current rate, but only approximately 42 percent of the proposed residential
5 and commercial commodity rate of \$1.24. Staff's proposed 5/8" x 3/4" base
6 rate is \$10.88, which is approximately 80 percent greater than the current rate,
7 but only 40 percent of the proposed residential and commercial base rate of
8 \$27.20.

9 Although this rate structure moves the non-golf Irrigation rates closer to the
10 residential and commercial rates, it is structured to prevent the average usage
11 of any size meter to exceed a 100 percent increase in rates. Staff and the
12 Company will continue to move the residential, commercial, and non-golf rates
13 to a uniform rate with each subsequent rate filing by the Company.

14 **Q. PLEASE DESCRIBE THE RATE IMPACTS OF THE STIPULATED RATES**
15 **FOR RESIDENTIAL, COMMERCIAL, NON-GOLF IRRIGATION, AND**
16 **GOLF IRRIGATION CUSTOMERS?**

17 A. Tables 10 through 13 show a comparison of current, Company proposed, and
18 stipulated average monthly bills.⁶

⁶ Staff/101, Sloan/10 through 22 and Staff/101, Sloan/24 through 26, contain the rate impacts of the stipulated rates for each meter size.

TABLE 10: Residential Average Monthly Bill

Meter Size and Ave Monthly Usage	Current Ave Monthly Bill	CBUC Proposed Ave Monthly Bill	Stipulated Ave Monthly Bill
5/8" x 3/4" 996 cf	\$39.12	\$43.06	\$39.54
1" 1,102 cf	\$41.83	\$53.51	\$53.09
1.5" NA	NA	NA	NA
2" 1,479 cf	\$50.74	\$59.56	\$61.56

TABLE 11: Commercial Average Monthly Bill

Meter Size and Ave Monthly Usage	Current Ave Monthly Bill	CBUC Proposed Ave Monthly Bill	Stipulated Ave Monthly Bill
5/8" x 3/4" 778 cf	\$24.78	\$30.62	\$36.84
1" 9,222 cf	\$118.81	\$221.66	\$155.02
1.5" 10,717 cf	\$193.09	\$312.71	\$241.53
2" 9,212 cf	\$228.53	\$326.23	\$304.49

TABLE 12: Non-Golf Irrigation Average Monthly Bill

Meter Size and Ave Monthly Usage	Current Ave Monthly Bill	CBUC Proposed Ave Monthly Bill	Stipulated Ave Monthly Bill
5/8" x 3/4" 3,572 cf	\$14.99	\$16.35	\$29.45
1" 1,117 cf	\$17.88	\$10.61	\$27.57
1.5" 10,670 cf	\$56.91	\$57.72	\$99.00
2" 16,667 cf	\$90.05	\$88.34	\$173.71
4" 34,300 cf	\$236.79	\$232.09	\$352.43
6" 453,233 cf	\$1,438.26	\$957.50	\$2,704.96

TABLE 13: Golf Irrigation Average Monthly Bill

Meter Size and Ave Monthly Usage	Current Ave Monthly Bill	CBUC Proposed Ave Monthly Bill	Stipulated Ave Monthly Bill
4" 417,728 cf	\$1,915.86	\$1,610.33	\$2,055.19
6" 1,329,675 cf	\$4,884.41	\$3,733.97	\$5,161.12
8" 999,733 cf	\$5,412.95	\$3,882.76	\$6,210.27

1 As Table 10 indicates, the calculated increase for the average 5/8" x 3/4"
2 residential meter is approximately 1.07 percent. As previously mentioned,
3 based on the current rate structure, this class of customer was potentially
4 subsidizing other classes and a smaller increase promotes fairness and equity
5 for this class of customer.

1 **Q. ARE THE RESULTING RATES FAIR AND REASONABLE TO CBUC'S**
2 **CUSTOMERS?**

3 A. Yes. Based on Staff's investigation and the documented costs provided
4 by CBUC, the Parties believe the stipulated revenue requirement generates
5 rates that are just and reasonable.

6 **Q. WHAT IS YOUR RECOMMENDATION REGARDING THE STIPULATION?**

7 A. I recommend that the Commission admit the Stipulation into the UW 127 record
8 and adopt the Stipulation in its entirety.

9 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

10 A. Yes.

CASE: UW 127
WITNESS: Renee Sloan

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 101

**Exhibits in Support
Of Direct Testimony**

June 11, 2008

Cline Butte Utility Company
UW 127
Test Year: 2007

Company Case
15.9%

Staff
15.8%

Acct. No.	REVENUES	A	B	C	D	E	F	G	
		Balance Per Application Test Year: 2007	Proposed Company Adjustments	Adjusted Results (A+B=C)	Proposed Staff Adjustments	Adjusted Results (A+D=E)	Staff Proposed Rev Changes	Proposed Results (E+F=G)	
1	461.1	Res/Com/Irr Water Sales	590,942	91,890	682,832	110,435	701,377	51,210	752,587
2	461.2	Commercial / Industrial Water Sales	30,802	14,720	45,522	(30,802)	0	0	0
3	465	Irrigation - Non GC	58,695	11,547	70,242	(58,695)	0	0	0
4	462	Irrigation - Golf Courses	105,273	3,980	109,253	44,883	150,156	10,963	161,119
5	475	Cross Connection Control Program	41,071	8,929	50,000	3,299	44,370	0	44,370
6	468	Special Contracts	1,964	629	2,593	0	1,964	0	1,964
7		TOTAL REVENUE	828,747	131,695	960,442	69,119	897,866	62,174	960,041
8									
9		OPERATING EXPENSES							
10	601	Salaries and Wages - Employees	54,911	77,089	132,000	55,351	110,262		110,262
11	603	Salaries and Wages - Officers			0	0	0		0
12	604	Employee Pension & Benefits	7,129	24,503	31,632	8,872	16,001		16,001
13	610	Purchased Water	1,954	0	1,954	(1,954)	0		0
14	611	Telephone/Communications	1,019	(259)	760	(259)	760		760
15	615	Purchased Power	96,107	(21,107)	75,000	0	96,107		96,107
16	618	Chemical / Treatment Expense			0	0	0		0
17	619	Office Supplies	7,941	(341)	7,600	(5,398)	2,543		2,543
18	619.1	Postage			0	5,565	5,565		5,565
19	620	O&M Materials/Supplies	33,453	(6,289)	27,164	(11,702)	21,751		21,751
20	621	Repairs to Water Plant	0	0	0	8,115	8,115		8,115
21	631	Contract Svcs - Engineering	11,469	(2,969)	8,500	(2,969)	8,500		8,500
22	632	Contract Svcs - Accounting	48,779	17,221	66,000	(48,779)	0		0
23	633	Contract Svcs - Legal	6,955	(6,409)	546	(6,955)	0		0
24	634	Contract Svcs - Management Fees			0	43,720	43,720		43,720
25	635	Contract Svcs - Testing	242	118	360	2,892	3,134		3,134
26	636	Contract Svcs - Labor			0	0	0		0
27	637	Contract Svcs - Billing/Collection			0	0	0		0
28	638	Contract Svcs - Meter Reading			0	0	0		0
29	639	Contract Svcs - Other			0	2,411	2,411		2,411
30	641	Rental of Building/Real Property	1,500	2,100	3,600	1,248	2,748		2,748
31	642	Rental of Equipment			0	88	88		88
32	643	Small Tools	1,039	461	1,500	331	1,370		1,370
33	648	Computer/Electronic Expenses	0	1,400	1,400	0	0		0
34	650	Transportation	1,705	2,255	3,960	3,094	4,799		4,799
35	656	Vehicle Insurance	2,250	3,232	5,482	2,635	4,885		4,885
36	657	General Liability Insurance	7,783	2,370	10,153	(4,112)	3,671		3,671
37	658	Workers' Comp Insurance	331	(331)	0	400	731		731
38	659	Insurance - Property	342	(342)	0	354	696		696
39	660	Public Relations/Advertising	3,413	(3,413)	0	(3,413)	0		0
40	666	Amortz. of Rate Case			0	1,050	1,050		1,050
41	667	Gross Revenue Fee (PUC)	2,463	125	2,588	(1,413)	1,050	155	1,205
42	668	Water Resource Conservation			0	1,954	1,954		1,954
43	670	Bad Debt Expense	2,281	(2,281)	0	(2,281)	0		0
44	671	Cross Connection Control Program	30,649	(18,049)	12,600	(19,226)	11,423		11,423
45	672	System Capacity Dev Program			0	0	0		0
46	673	Training and Certification	5,847	(3,367)	2,480	(3,367)	2,480		2,480
47	674	Consumer Confidence Report			0	0	0		0
48	675	General Expense	4,908	1,592	6,500	4,224	9,132		9,132
49		TOTAL OPERATING EXPENSE	334,470	67,309	401,779	30,475	364,945	155	365,101
50									
51		OTHER REVENUE DEDUCTIONS							
52	403	Depreciation Expense	331,186	0	331,186	(188,191)	142,995		142,995
53	407	Amortization Expense			0	0	0		0
54	408.11	Property Tax			0	43,000	43,000		43,000
55	408.12	Payroll Tax			0	8,786	8,786		8,786
56	408.13	Other	54,278	7,784	62,062	(54,278)	0		0
57	409.11	Oregon Income Tax*	3,878	3,726	7,604	15,254	19,132	4,083	23,215
58	409.10	Federal Income Tax*	51,260	49,262	100,522	37,262	88,522	18,892	107,414
59		TOTAL REVENUE DEDUCTIONS	775,072	128,082	903,153	(107,691)	667,381	23,130	690,511
60		NET OPERATING INCOME	53,675	3,613	57,289	176,810	230,485	37,652	268,137
61									
62	101	Utility Plant in Service	6,588,758	0	6,588,758	12,743	6,601,501		6,601,501
63		Less:							
64		Excess Capacity				1,324,134	1,324,134		1,324,134
65	108.1	Depreciation Reserve	2,261,425		2,261,425	(1,131,615)	1,129,810		1,129,810
66	271	Contributions in Aid of Const			0	0	0		0
67	272	Amortization of CIAC			0	0	0		0
68	281	Accumulated Deferred Income Tax			0	0	0		0
69		Net Utility Plant	4,327,333	0	4,327,333	(179,776)	4,147,557	0	4,147,557
70		Plus: (working capital)							
71	151	Materials and Supplies Inventory		0	0	0	0		0
72		Working Cash (Total Op Exp /12)	27,873	5,609	33,482	2,539	30,412	0	30,412
73		TOTAL RATE BASE	4,355,206	5,609	4,360,815	(177,237)	4,177,969	0	4,177,969
74		Rate of Return	1.23%		1.31%		5.52%		6.42%

* Oregon & Federal Income Taxes in Columns A, B & C were calculated by Staff.

	Company	Staff
number of customers	1,479	1,479
op/exp/cust/year	\$272	\$247
Cash Flow	388,475	411,132

Cline Butte Utility Company						
Test Year: 2007						
SUMMARY OF ADJUSTMENTS						
				Staff		
				Adjustments		
				to Rev Req		
				Column C	Results Reason	
REVENUES						
1	461.1	Res/Com/Irr Water Sales	590,942	\$110,435	701,377	Based on COS split
2	461.2	Commercial / Industrial Water Sales	30,802	(\$30,802)	0	Based on COS split
3	465	Irrigation - Non GC	58,695	(\$58,695)	0	Based on COS split
4	462	Irrigation - Golf Courses	105,273	\$44,883	150,156	Based on COS split
5	475	Cross Connection Control Program	41,071	\$3,299	44,370	Based on CBUC est of new construction and Staff's review of customer count and current charges.
6		Special Contracts	1,964	\$0	1,964	
7		TOTAL REVENUE	828,747	\$69,119	897,866	
8						
9		OPERATING EXPENSES				
10	601	Salaries and Wages - Employees	54,911	\$55,351	110,262	Reflects allocation change from 25% to 55.17%; Acct 601 reduced by percent of employees time spend on duties that charge a service fee; and reflects one less employee than test year.
11	603	Salaries and Wages - Officers	0	\$0	0	
12	604	Employee Pension & Benefits	7,129	\$8,872	16,001	Reflects change in allocation from 25% to 55.17%
13	610	Purchased Water	1,954	(\$1,954)	0	Moved to Acct 668, Water Resource Conservation Exp.
14	611	Telephone/Communications	1,019	(\$259)	760	Decreased at Company Request
15	615	Purchased Power	96,107	\$0	96,107	Response to DR 7 revised request to 2007 cost.
16	618	Chemical / Treatment Expense	0	\$0	0	
17	619	Office Supplies	7,941	(\$5,398)	2,543	Moved Postage to Acct. 619.1; Moved \$34.64 from O&M.
18	619.1	Postage	0	\$5,565	5,565	Separated from Office Supplies and increased due to 5/12/08 USPS rate increase
19	620	O&M Materials/Supplies	33,453	(\$11,702)	21,751	Moved \$7,672.11 to Repairs, \$596.55 to Small Tools, \$3,558.07 to Plant. Moved \$435.92 from Small Tools; \$950 from Professional Fees (CBUC Acct); \$318.50 from General Expense.
20	621	Repairs to Water Plant	0	\$8,115	8,115	\$7,672.11 moved from O&M; \$442.50 moved from Professional Fees (CBUC acct)
21	631	Contract Svcs - Engineering	11,469	(\$2,969)	8,500	Moved to Accts 639 & 666.
22	632	Contract Svcs - Accounting	48,779	(\$48,779)	0	Moved to Acct 634
23	633	Contract Svcs - Legal	6,955	(\$6,955)	0	Legal is included in Management Agreement so Acct 633 should be \$0. Moved \$1,954 to Acct 668; moved remainder to Acct 639.
24	634	Contract Svcs - Management Fees	0	\$43,720	43,720	Per AI Agreement; Moved from Acct 632 and changed allocation to 50.9%
25	635	Contract Svcs - Testing	242	\$2,892	3,134	3-year average of testing expense
26	636	Contract Svcs - Labor	0	\$0	0	
27	637	Contract Svcs - Billing/Collection	0	\$0	0	
28	638	Contract Svcs - Meter Reading	0	\$0	0	
29	639	Contract Svcs - Other	0	\$2,411	2,411	Moved from Acct 631 (One Call Concepts & Resort Resources).
30	641	Rental of Building/Real Property	1,500	\$1,248	2,748	Reflects change in allocation from 25% to 50.9%
31	642	Rental of Equipment	0	\$88	88	Moved from Transportation Expense
32	643	Small Tools	1,039	\$331	1,370	Moved \$435.92 to O&M; Moved \$93.52 to Office Supplies; Moved \$596.55 from O&M; Disallowed \$17.77; increased allocation to 50.9%.
33	648	Computer/Electronic Expenses	0	\$0	0	Requested amount was for future purchase of printer and computer. Items will be added to Plant when acquired.
34	650	Transportation	1,705	\$3,094	4,799	Reflects change in allocation from 25% to 50.9% for expenses: truck lease (revised from \$1,310 to \$2,585.03); \$395 misc maint (-\$87.90 moved to Equip Rental) and adj to \$312.54; Moved \$327.94 fuel reimbursement for personal vehicle use from Acct 673 and revised to \$333.74; Moved \$1,540.62 vehicle repair & maintenance from Acct 620 and adj to \$1,567.89.
35	656	Vehicle Insurance	2,250	\$2,635	4,885	Reflects allocation change from 25% to 50.9%.
36	657	General Liability Insurance	7,783	(\$4,112)	3,671	Reduced at Company request. Reflects 50.9% of actual amount.
37	658	Workers' Comp Insurance	331	\$400	731	Applied 55.17% allocation to Test Year amount per Company response to Data Request.
38	659	Insurance - Property	342	\$354	696	Reflects 50.9% Allocation of billed amount
39	660	Public Relations/Advertising	3,413	(\$3,413)	0	2007 one-time cost was related to advertising for Utility Manager
40	666	Amortz. of Rate Case	0	\$1,050	1,050	\$3,150 moved from Acct 631; amortized over 3 years.
41	667	Gross Revenue Fee (PUC)	2,463	(\$1,413)	1,050	Calculated
42	668	Water Resource Conservation	0	\$1,954	1,954	Moved from Purchased Water (Was previously in Legal)
43	670	Bad Debt Expense	2,281	(\$2,281)	0	Removed at Company Request
44	671	Cross Connection Control Program	30,649	(\$19,226)	11,423	Based on CBUC est of new construction and Staff's review of customer count and current charges. Reflects removal of Test Year expense to outsource Backflow Testing.
45	672	System Capacity Dev Program	0	\$0	0	
46	673	Training and Certification	5,847	(\$3,367)	2,480	Amount requested by Company
47	674	Consumer Confidence Report	0	\$0	0	
48	675	General Expense	4,908	\$4,224	9,132	Moved \$318.50 to O&M; Moved Meters to Plant; Moved \$6,260 OWRD Permit Fees from Acct 408, Taxes - Other.
49		TOTAL OPERATING EXPENSE	334,470	\$30,475	364,945	

50						
51		OTHER REVENUE DEDUCTIONS				
52	403	Depreciation Expense	331,186	(\$188,191)	142,995	Amount is based on NARUC Depreciation Schedules
53	407	Amortization Expense	0	\$0	0	
54	408	Property Tax	0	\$43,000	43,000	Actual (Moved from Taxes - Other)
55	408	Payroll Tax	0	\$8,786	8,786	Moved from Taxes - Other and applied 55.17% allocation
56	408.13	Other	54,278	(\$54,278)	0	Moved to Property and Payroll Taxes and General Expense
57	409.11	Oregon Income Tax*	3,878	\$15,254	19,132	Calculated
58	409.1	Federal Income Tax*	51,260	\$37,262	88,522	Calculated
59		TOTAL REVENUE DEDUCTIONS	775,072	(\$107,691)	667,381	
60		NET OPERATING INCOME	53,675	\$176,810	230,485	
61						
62	101	Utility Plant in Service	6,588,758	\$12,743	6,601,501	Moved from \$3,558 from O&M; included \$20,101 Land; removed \$14,000 (1/2 Kubota that is split between w / ww)
63		Less:				
64		Excess Capacity		\$1,324,134	1,324,134	Plant above what CBUC needs to fulfill current demand. Based on CBUC Residential Construction Update.
65	108.1	Depreciation Reserve	2,261,425	(\$1,131,615)	1,129,810	From Plant Spreadsheet; based on NARUC Depreciation Schedules.
66	271	Contributions in Aid of Const	0	\$0	0	
67	272	Amortization of CIAC	0	\$0	0	
68	281	Accumulated Deferred Income Tax	0	\$0	0	
69		Net Utility Plant	4,327,333	(\$179,776)	4,147,557	
70		Plus: (working capital)		\$0	0	
71	151	Materials and Supplies Inventory	0	\$0	0	
72		Working Cash (Total Op Exp /12)	27,873	\$2,539	30,412	
73		TOTAL RATE BASE	4,355,206	(\$177,237)	4,177,969	
74		Rate of Return	\$0		\$0	

Cline Butte Utility Company
UW 127
PLANT & DEPRECIATION

Acct No.	Account Description	Date Acquired	Utility Plant Orig Cost	Less Excess Capacity Adj to Plant	Total Adj Plant	NARUC Asset Life	Annual Deprec	Final Month of Deprec	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Accum Depr thru 2008	Remaining Plant 2008	Depr Exp 2008		
303	Land and Land Rights																												
	Land and Land Rights	Jan 1993	11,530		11,530	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,530	0		
	Land and Land Rights	Jan 1996	3,235		3,235	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,235	0		
	Land and Land Rights	Jan 1997	336		336	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	336	0		
	Land for Wells 6 & 7 (35% to Golf)	Jan 2002	5,000		5,000	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,000	0		
304	Structures and Improvements																												
	ER Pump Station	Mar 1996	7,954		7,954	35	227	Mar 2031	0	0	0	189	227	227	227	227	227	227	227	227	227	227	227	227	227	2,913	5,041	227	
	Chain Link Fence	Jan 1999	2,244		2,244	35	64	Jan 2034	0	0	0	0	0	0	64	64	64	64	64	64	64	64	64	64	64	640	1,604	64	
307	Wells and Springs																												
	Wells and Springs	Jan 1994	202,613		202,613	25	8,105	Dec 2018	0	675	8,105	8,105	8,105	8,105	8,105	8,105	8,105	8,105	8,105	8,105	8,105	8,105	8,105	8,105	8,105	114,145	88,468	8,105	
	Wells and Springs	Jan 1997	49,971		49,971	25	1,999	Dec 2021	0	0	0	167	1,999	1,999	1,999	1,999	1,999	1,999	1,999	1,999	1,999	1,999	1,999	1,999	1,999	22,156	27,815	1,999	
	Well #8	Jun 1999	224,276		224,276	25	8,971	May 2024	0	0	0	0	0	0	5,981	8,971	8,971	8,971	8,971	8,971	8,971	8,971	8,971	8,971	8,971	86,720	137,556	8,971	
	Well #8	Jun 1999	57,299		57,299	25	2,292	May 2024	0	0	0	0	0	0	1,528	2,292	2,292	2,292	2,292	2,292	2,292	2,292	2,292	2,292	2,292	22,156	35,143	2,292	
	Well #8 Automation	Oct 2001	21,194		21,194	25	848	Sep 2026	0	0	0	0	0	0	0	283	848	848	848	848	848	848	848	848	848	6,219	14,975	848	
	Well #8 Add'l	Apr 2003	5,738		5,738	25	230	Mar 2028	0	0	0	0	0	0	0	0	192	230	230	230	230	230	230	230	230	1,342	4,396	230	
	Well #9	Jan 2004	417,762		417,762	25	16,710	Dec 2028	0	0	0	0	0	0	0	0	0	0	0	1,393	16,710	16,710	16,710	16,710	16,710	68,233	349,529	16,710	
	Well #9 Add'l	Jan 2005	11,635		11,635	25	465	Dec 2029	0	0	0	0	0	0	0	0	0	0	0	0	39	465	465	465	465	1,434	10,201	465	
309	Supply Main																												
	Supply Mains	Sep 1996	167,836		167,836	50	3,357	Sep 2046	0	0	0	1,119	3,357	3,357	3,357	3,357	3,357	3,357	3,357	3,357	3,357	3,357	3,357	3,357	3,357	41,403	126,433	3,357	
311	Pumping Equipment																												
	Elec Pumping Equip	Jan 1994	93,253		93,253	20	4,663	Dec 2013	0	389	4,663	4,663	4,663	4,663	4,663	4,663	4,663	4,663	4,663	4,663	4,663	4,663	4,663	4,663	4,663	65,671	27,582	4,663	
	Pumping Equip	Aug 1995	1,183		1,183	20	59	Aug 2015	0	0	25	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	792	391	59
	Elec Pumping Equip	Jan 1997	2,098		2,098	20	105	Dec 2016	0	0	0	0	9	105	105	105	105	105	105	105	105	105	105	105	105	1,164	934	105	
	Elec Pumping Equip	Mar 1997	2,036		2,036	20	102	Feb 2017	0	0	0	0	94	102	102	102	102	102	102	102	102	102	102	102	102	1,216	820	102	
	Booster Pump	Jan 2004	16,048		16,048	20	802	Dec 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	67	802	802	802	3,275	12,773	802	
330	Distribution Reservoir and Standpipes																												
	Distribution Reservoir	Jan 1997	211,761		211,761	50	4,235	Dec 2046	0	0	0	0	353	4,235	4,235	4,235	4,235	4,235	4,235	4,235	4,235	4,235	4,235	4,235	4,235	46,938	164,823	4,235	
331	Transmission and Distribution Mains																												
	Transmission	Jan 1997	160,258		160,258	50	3,205	Dec 2046	0	0	0	0	267	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205	35,522	124,736	3,205	
	Golf MTC Water Distribution	Jun 1997	20,924		20,924	50	418	May 2047	0	0	0	0	279	418	418	418	418	418	418	418	418	418	418	418	418	418	4,877	16,047	418
	Phase 1 Lots Water Distribution	Jan 1997	35,261	7,711	27,550	50	551	Dec 2046	0	0	0	0	46	551	551	551	551	551	551	551	551	551	551	551	551	551	6,107	21,443	551
	Phase 1 Lots Water Distribution	Aug 1997	1,933	423	1,510	50	30	Jul 2047	0	0	0	0	15	30	30	30	30	30	30	30	30	30	30	30	30	30	345	1,165	30
	Phase 2 Lots Water Distribution	Mar 1997	87,234	0	87,234	50	1,745	Feb 2047	0	0	0	0	1,600	1,745	1,745	1,745	1,745	1,745	1,745	1,745	1,745	1,745	1,745	1,745	1,745	20,795	66,439	1,745	
	Phase 2 Lots (SF) Water Distribution	Sep 1997	43,084	0	43,084	50	862	Aug 2047	0	0	0	0	359	862	862	862	862	862	862	862	862	862	862	862	862	862	9,841	33,243	862
	Phase 3 Lots Water Distribution	Mar 1997	82,953		82,953	50	1,659	Mar 2047	0	0	0	1,383	1,659	1,659	1,659	1,659	1,659	1,659	1,659	1,659	1,659	1,659	1,659	1,659	1,659	19,632	63,321	1,659	
	Phase 3 Lots (PENN) Water Distribution	Sep 1997	53,525		53,525	50	1,071	Aug 2047	0	0	0	0	446	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	12,227	41,298	1,071	
	Phase 4 Lots Water Distribution	Jun 1997	225,765	10,272	215,493	50	4,310	May 2047	0	0	0	0	2,873	4,310	4,310	4,310	4,310	4,310	4,310	4,310	4,310	4,310	4,310	4,310	4,310	50,283	165,210	4,310	
	Phs 16 Distribution	Sep 1997	565	51	514	50	10	Aug 2047	0	0	0	0	4	10	10	10	10	10	10	10	10	10	10	10	10	10	114	400	10
	Phs 17 Distribution	Nov 1997	73,928	17,602	56,326	50	1,127	Oct 2047	0	0	0	0	282	1,127	1,127	1,127	1,127	1,127	1,127	1,127	1,127	1,127	1,127	1,127	1,127	12,679	43,647	1,127	
	Phs 25 Distribution (Falls)	Jan 1999	55,909	12,423	43,486	50	870	Dec 2048	0	0	0	0	0	0	73	870	870	870	870	870	870	870	870	870	870	7,903	35,583	870	
	Phs 18 Distribution	Jan 1999	146,170	30,550	115,620	50	2,312	Dec 2048	0	0	0	0	0	193	2,312	2,312	2,312	2,312	2,312	2,312	2,312	2,312	2,312	2,312	2,312	21,001	94,619	2,312	
	Phs 18 Distribution	Jan 1999	58,128	12,149	45,979	50	920	Dec 2048	0	0	0	0	0	0	77	920	920	920	920	920	920	920	920	920	920	920	8,357	37,622	920
	ER Spts Ctr Wtr Distribution	Jan 1999	14,811		14,811	50	296	Dec 2048	0	0	0	0	0	0	25	296	296	296	296	296	296	296	296	296	296	296	2,689	12,122	296
	Phs 20 Distribution	Jun 1999	61,826	17,948	43,878	50	878	Jun 2049	0	0	0	0	0	0	512	878	878	878	878	878	878	878	878	878	878	878	8,414	35,464	878
	ECVC Distribution	Jun 1999	8,507		8,507	50	170	Jun 2049	0	0	0	0	0	0	99	170	170	170	170	170	170	170	170	170	170	1,629	6,878	170	
	Phs 26/27 Distribution	Aug 1999	44,007	9,778	34,229	50	685	Aug 2049	0	0	0	0	0	0	285	685	685	685	685	685	685	685	685	685	685	685	6,450	27,779	685
	Phs 26/27 Distribution (add'l)	May																											

Cline Butte Utility Company
UW 127
Excess Capacity By Phase

ACCOUNT & ITEM	Date Acquired	Utility Plant Orig Cost	Excess Capacity (C-E)	Total Adj (C x I)	F # Cust.	G Platted	H Lots in Phase	I Lots Filled	Capacity (F/G)	Excess Capacity	
331 The Ridge at EC2 (Ph 1, 4, 5, 6, 16-23, 33)											
Phase 1 Lots Water Distribution	Jan-97	35,261	7,711	27,550	50	64	64	78.13%		21.87%	
Phase 1 Lots Water Distribution	Aug-97	1,933	423	1,510	50	64	64	78.13%		21.87%	
Phase 4 Lots Water Distribution	Jun-97	225,765	10,272	215,493	21	22	22	95.45%		4.55%	
Phs 16 Distribution	Sep-97	565	51	514	10	11	11	90.91%		9.09%	
Phs 17 Distribution	Nov-97	73,928	17,602	56,326	16	21	21	76.19%		23.81%	
Phs 18 Distribution	Jan-99	146,170	30,550	115,620	53	67	67	79.10%		20.90%	
Phs 18 Distribution	Jan-99	58,128	12,149	45,979	53	67	67	79.10%		20.90%	
Phs 20 Distribution	Jun-99	61,826	17,948	43,878	22	31	31	70.97%		29.03%	
Phs 21 Wtr Distribution	May-00	62,866	21,506	41,360	25	38	38	65.79%		34.21%	
Phs 22 Wtr Distribution	Aug-00	87,317	20,790	66,527	16	21	21	76.19%		23.81%	
Phs 33 ResClub Wtr Dist	Aug-00	45,559	13,668	31,891	14	20	20	70.00%		30.00%	
Phs 23 Wtr Dist	Oct-01	97,489	26,585	70,904	24	33	33	72.73%		27.27%	
Phs 33 Residence Club Distribution	Jan-05	1,110	333	777	14	20	20	70.00%		30.00%	
TOTALS		753,758	179,588	614,757	307	405	405	75.80%		24.20%	
331 The Ridge at EC3 (Phases 36 - 41)											
Phs 37 Wtr Dist	Jul-03	58,151	58,151	0	0	8	8	0.00%		100.00%	
Phs 38 Wtr Dist	Jan-04	192,124	128,089	64,035	36	108	108	33.33%		66.67%	
Phs 39 Wtr Dist	Sep-04	176,641	126,175	50,466	26	91	91	28.57%		71.43%	
EC3 Phase 41 Distribution	Jan-05	142,184	115,098	27,086	12	63	62	19.05%		80.95%	
EC3 Common Wtr Dist	Nov-04	432,859	288,933	143,926	128	385	385	33.25%		66.75%	
TOTALS		1,001,960	716,446	285,513	128	385	385	33.25%		66.75%	
331 WORLDMARK											
Phs 18 Distribution Worldmark	Jan-99	146,170	0	146,170	31	31	31	100.00%		0.00%	
Phs 18 Distribution Worldmark	Jan-99	58,128	0	58,128	31	31	31	100.00%		0.00%	
TOTALS		204,298	0	204,298	31	31	31	100.00%		0.00%	
331 The Falls (Phases 24-28)											
Phs 25 Distribution (Falls)	Jan-99	55,909	12,423	43,486							
Phs 26/27 Distribution The Falls	Aug-99	44,007	9,778	34,229							
Phs 26/27 Distribution The Falls	May-00	32,646	7,254	25,392							
Phs 26B Wtr Distribution The Falls	May-00	34,189	7,597	26,592							
Phs 27B The Falls Wtr Dist	Feb-02	61,372	13,637	47,735							
The Falls Distribution	Jan-06	76,427	16,982	59,445							
TOTALS		132,562	67,671	103,107	147	189	189	77.78%		22.22%	
331 Eagle Creek (Phases 3, 7, 42)											
Phase 3 Lots Water Distribution Eagle Creek	Mar-97	82,953	0	82,953	4	4	4	100.00%		0.00%	
Phase 3 Lots Water Distribution Pennbrook	Sep-97	53,525	0	53,525	4	4	4	100.00%		0.00%	
Phs 3 Water Line	Sep-03	95,394	0	95,394	4	4	4	100.00%		0.00%	
TOTALS		231,873	0	231,872	4	4	4	100.00%		0.00%	
331 High Density											
Phs 31 Pennebrook Duplx Dist	Aug-00	48,742	0	48,742	108	108	108	100.00%		0.00%	
Sunforest Wtr Distribution	Aug-00	56,725	0	56,725	148	148	148	100.00%		0.00%	
Desert Sky Wtr Dist	Jan-04	188,355	43,340	145,015	87	113	113	76.99%		23.01%	
Creekside Wtr Dist	Jan-04	47,222	2,626	44,596	204	216	216	94.44%		5.56%	
Highland Park Wtr Dist	Apr-04	67,344	9,853	57,491	35	41	41	85.37%		14.63%	
Desert Sky Distribution	Jan-05	79,939	18,394	61,545	87	113	113	76.99%		23.01%	
Creekside Distribution Addtl	Jan-06	44,304	2,463	41,841	204	216	216	94.44%		5.56%	
Creekside Distribution	Jul-06	29,845	1,659	28,186	204	216	216	94.44%		5.56%	
Vista Rim Distribution	Jul-06	130,050	65,025	65,025	25	50	50	50.00%		50.00%	
Phase 2 Lots Water Distribution Sunforest	Mar-97	87,234	0	87,234	148	148	148	100.00%		0.00%	
Phase 2 Lots Water Distribution Sunforest	Sep-97	43,084	0	43,084	148	148	148	100.00%		0.00%	
TOTALS		532,631	143,360	455,955	655	724	724	90.47%		9.53%	
333 The Ridge at EC3 (Phases 36 - 41)											
Phs 38 Water Services	Jan-04	82,052	54,704	27,348	36	108	108	33.33%		66.67%	
Phs 39 Water Service	Sep-04	61,031	43,594	17,437	26	91	91	28.57%		71.43%	
Phase 41 Water Service	Jan-05	31,783	25,728	6,055	12	63	63	19.05%		80.95%	
TOTALS		174,866	124,026	50,840	128	385	385	33.25%		66.75%	
333 High Density											
Creekside Water Services	Jan-04	147,669	6,897	140,772	204	214	214	95.33%		4.67%	
Highland Park Water Service	Apr-04	20,079	2,938	17,141	35	41	41	85.37%		14.63%	
Desert Sky Water Service	Jan-05	21,715	4,997	16,718	87	113	113	76.99%		23.01%	
Creekside Water Service	Jan-06	60,329	2,817	57,512	204	214	214	95.33%		4.67%	
Creekside Water Service	Jul-06	20,054	936	19,118	204	214	214	95.33%		4.67%	
Vista Rim Water Service	Jul-06	64,319	32,159	32,160	25	50	50	50.00%		50.00%	
TOTALS		269,846	50,744	251,261	655	724	724	90.47%		9.53%	
333 The Falls (Phases 24-28)											
The Falls Water Service	Jan-06	51,146	11,365	39,781	147	189	189	77.78%		22.22%	
TOTALS		51,146	11,365	39,781	147	189	189	77.78%		22.22%	
335 The Ridge at EC3 (Phases 36 - 41)											
Phase 41 Hydrants	Jan-05	29,408	19,630	9,778							
TOTALS		29,408	19,630	9,778	128	385	385	33.25%		66.75%	
335 High Density											
Desert Sky Hydrants	Jan-05	6,273	1,444	4,829	87	113	113	76.99%		23.01%	
Creekside Hydrants	Jan-06	15,084	839	14,245	204	216	216	94.44%		5.56%	
Vista Rim Hydrants	Jul-06	11,338	5,669	5,669	25	50	50	50.00%		50.00%	
TOTALS		32,695	7,952	24,743	655	724	724	90.47%		9.53%	
335 The Falls (Phases 24-28)											
The Falls Hydrants	Jan-06	15,084	3,352	11,732							
TOTALS		15,084	3,352	11,732	147	189	189	77.78%		22.22%	
Excess Capacity:					Total Customers		1,272				
Equipment above what the firm needs to fulfill current demand.					Total Lots Platted		1,738				
					Lots Filled		1,738		73.19%		26.81%

A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	Cline Butte Utility Company												
2	Test Year: 2007												
3	RESIDENTIAL/ COMMERCIAL / IRRIGATION												
4													
5	Proposed Revenues of:		\$752,587										
6													
7	Base/Commodity Split												
8	Variable Rate	Proposed Rev	\$752,587										
9	40.00%	=	\$301,035										
10													
11	Base Rate	Proposed Rev	\$752,587										
12	60.00%	=	\$451,552										
13			\$752,587										
14													
15	BASE RATE												
16													
17			Staff										
18		Number of Customers		Staff Total Annual Revenues	CBUC Proposed Base Rate	Revenue at Current Rates		Customer Class	Meter Size	Present rates	Factors Used	Rate Required	AWWA Factors
19	Size of Line												
20	Residential							Residential					
21	5/8" or 3/4"	1,310	\$27.20	\$427,569	\$27.08	\$405,733	1,266	1,310	5/8" or 3/4"	\$25.81	1	\$27.20	1
22	1"	4	\$39.44	\$1,893	\$35.83	\$1,301	4	4	1"	\$27.10	1.5	\$39.44	2.5
23	1.5"	0	\$42.16	\$0		\$0		0	1.5"	\$28.39	1.55	\$42.16	5
24	2"	2	\$43.25	\$1,038	\$35.83	\$743	2	2	2"	\$30.97	1.59	\$43.25	8
25													
26	Commercial							Commercial					
27	5/8" or 3/4"	14	\$27.20	\$4,569	\$21.14	\$2,839	14	14	5/8" or 3/4"	\$16.90	1	\$27.20	1
28	1"	5	\$40.80	\$2,448	\$109.25	\$1,522	5	5	1"	\$25.36	1.5	\$40.80	2.5
29	1.5"	2	\$108.80	\$2,611	\$182.08	\$2,028	2	2	1.5"	\$84.49	4	\$108.80	5
30	2"	5	\$190.39	\$11,424	\$213.95	\$8,111	5	5	2"	\$135.18	7	\$190.39	8
31													
32													
33	Irrigation							Irrigation					
34	5/8" or 3/4"	94	\$10.88	\$12,272	\$10.46	\$6,802	94	94	5/8"	\$6.03	0.4	\$10.88	1
35	1"	4	\$21.76	\$1,044	\$8.77	\$724	4	4	1"	\$15.08	0.8	\$21.76	2.5
36	1.5"	7	\$43.52	\$3,656	\$40.14	\$2,533	7	7	1.5"	\$30.15	1.6	\$43.52	5
37	2"	30	\$87.04	\$31,333	\$60.88	\$17,370	30	30	2"	\$48.25	3.2	\$87.04	8
38	4"	1	\$174.07	\$2,089	\$175.58	\$1,809	1	1	4"	\$150.77	6.4	\$174.07	25
39	6"	1	\$348.15	\$4,178	\$210.75	\$3,619	1	1	6"	\$301.55	12.8	\$348.15	50
40													
41													
42	TOTALS	1,479		\$451,552		\$422,277							
43													
44			6.9%										
45			PERCENT										
46													
47													
48													

AVERAGE RESIDENTIAL BILL

Cline Butte Utility

UW 127

RATE IMPACT - Residential (3/4" x 5/8")

Commodity Rate	\$1.24											
Consumptions	Current	Current	Total	Proposed	Usage	Total	Proposed	Percentage				
Customer	Base Rate	Commodity	Average	Customer	Factor	Monthly	Monthly	Difference				
Usage	Rate	Rate	Monthly	Base Rate	Per	Rate	Rate	Difference				
			Rate	Rate	100	Per	Per					
			100	cf								
0	\$25.81	\$1.34	\$25.81	\$27.20	0	\$1.24	\$27.20	\$1.39				5.38%
996	\$25.81	\$1.34	\$39.12	\$27.20	9.96	\$1.24	\$39.54	\$0.41				1.06% 3/4" Ave
1000	\$25.81	\$1.34	\$39.18	\$27.20	10	\$1.24	\$39.58	\$0.41				1.05%
2000	\$25.81	\$1.34	\$52.54	\$27.20	20	\$1.24	\$51.97	(\$0.57)				-1.08%
3000	\$25.81	\$1.34	\$65.91	\$27.20	30	\$1.24	\$64.36	(\$1.55)				-2.35%
4000	\$25.81	\$1.34	\$79.27	\$27.20	40	\$1.24	\$76.74	(\$2.53)				-3.19%
5000	\$25.81	\$1.34	\$92.64	\$27.20	50	\$1.24	\$89.13	(\$3.51)				-3.79%
6000	\$25.81	\$1.34	\$106.00	\$27.20	60	\$1.24	\$101.51	(\$4.49)				-4.23%
8000	\$25.81	\$1.34	\$132.73	\$27.20	80	\$1.24	\$126.28	(\$6.45)				-4.86%
10000	\$25.81	\$1.34	\$159.46	\$27.20	100	\$1.24	\$151.05	(\$8.41)				-5.27%
			\$633.19				\$616.31					

Cline Butte Utility Company
 UW 127

RATE IMPACT - Residential (1")

Commodity Rate \$1.24

Monthly Consumptions Customer Usage	Current Base Rate	Current Commodity Rate	Total Current Average Monthly Rate	Proposed Customer Base Rate	Proposed Commodity Rate Per 100 cf	Usage Factor	Total Proposed Monthly Rate	Difference	Percentage Difference
0	\$27.10	\$1.34	\$27.10	\$39.44	\$1.24	0	\$39.44	\$12.34	45.53%
1000	\$27.10	\$1.34	\$40.47	\$39.44	\$1.24	10	\$51.82	\$11.36	28.07%
1102	\$27.10	\$1.34	\$41.83	\$39.44	\$1.24	11.02	\$53.09	\$11.26	26.92% 1" Ave
2000	\$27.10	\$1.34	\$53.83	\$39.44	\$1.24	20	\$64.21	\$10.38	19.28%
3000	\$27.10	\$1.34	\$67.20	\$39.44	\$1.24	30	\$76.60	\$9.40	13.99%
4000	\$27.10	\$1.34	\$80.56	\$39.44	\$1.24	40	\$88.98	\$8.42	10.45%
5000	\$27.10	\$1.34	\$93.93	\$39.44	\$1.24	50	\$101.37	\$7.44	7.92%
6000	\$27.10	\$1.34	\$107.29	\$39.44	\$1.24	60	\$113.75	\$6.46	6.02%
8000	\$27.10	\$1.34	\$134.02	\$39.44	\$1.24	80	\$138.52	\$4.50	3.36%
10000	\$27.10	\$1.34	\$160.75	\$39.44	\$1.24	100	\$163.29	\$2.54	1.58%
			\$646.21				\$727.78		

Cline Butte Utility Company

UW 127

RATE IMPACT - Residential (2")

Commodity Rate		\$1.24											
Monthly Consumptions	Current Base Rate	Current Commodity Rate	Total Current Average Monthly Rate	Proposed Customer Base Rate	Proposed Commodity Rate Per 100 cf	Usage Factor	Total Proposed Monthly Rate	Difference	Percentage Difference				
0	\$30.97	\$1.34	\$30.97	\$43.25	\$1.24	0	\$43.25	\$12.28	39.64%				
1000	\$30.97	\$1.34	\$44.34	\$43.25	\$1.24	10	\$55.63	\$11.30	25.48%				
1479	\$30.97	\$1.34	\$50.74	\$43.25	\$1.24	14.79	\$61.56	\$10.83	21.34% 2" Ave				
2000	\$30.97	\$1.34	\$57.70	\$43.25	\$1.24	20	\$68.02	\$10.32	17.88%				
3000	\$30.97	\$1.34	\$71.07	\$43.25	\$1.24	30	\$80.40	\$9.34	13.14%				
4000	\$30.97	\$1.34	\$84.43	\$43.25	\$1.24	40	\$92.79	\$8.36	9.90%				
5000	\$30.97	\$1.34	\$97.80	\$43.25	\$1.24	50	\$105.17	\$7.38	7.55%				
6000	\$30.97	\$1.34	\$111.16	\$43.25	\$1.24	60	\$117.56	\$6.40	5.76%				
8000	\$30.97	\$1.34	\$137.89	\$43.25	\$1.24	80	\$142.33	\$4.44	3.22%				
10000	\$30.97	\$1.34	\$164.62	\$43.25	\$1.24	100	\$167.10	\$2.48	1.51%				
			\$686.08				\$766.72						

Cline Butte Utility

UW 127

RATE IMPACT - Commercial (3/4" x 5/8")

Commodity Rate \$1.24

Monthly Consumptions	Current Usage Base Rate	Current Commodity Rate	Total Current Average Monthly Rate	Proposed Customer Base Rate	Proposed Commodity Rate Per 100 cf	Usage Factor	Total Proposed Monthly Rate	Difference	Percentage Difference
0	\$16.90	\$1.01	\$16.90	\$27.20	\$1.24	0	\$27.20	\$10.30	60.94%
778	\$16.90	\$1.01	\$24.78	\$27.20	\$1.24	7.78	\$36.84	\$12.05	48.63% 3/4" Ave
1000	\$16.90	\$1.01	\$27.03	\$27.20	\$1.24	10	\$39.58	\$12.55	46.43%
2000	\$16.90	\$1.01	\$37.17	\$27.20	\$1.24	20	\$51.97	\$14.80	39.83%
3000	\$16.90	\$1.01	\$47.30	\$27.20	\$1.24	30	\$64.36	\$17.06	36.06%
4000	\$16.90	\$1.01	\$57.43	\$27.20	\$1.24	40	\$76.74	\$19.31	33.62%
5000	\$16.90	\$1.01	\$67.57	\$27.20	\$1.24	50	\$89.13	\$21.56	31.91%
6000	\$16.90	\$1.01	\$77.70	\$27.20	\$1.24	60	\$101.51	\$23.81	30.65%
8000	\$16.90	\$1.01	\$97.96	\$27.20	\$1.24	80	\$126.28	\$28.32	28.91%
10000	\$16.90	\$1.01	\$118.23	\$27.20	\$1.24	100	\$151.05	\$32.82	27.76%
			\$453.84				\$613.61		

Cline Butte Utility
 UW 127

RATE IMPACT - Commercial (1")

Commodity Rate \$1.24

Monthly Consumptions Customer Usage	Current Base Rate	Current Commodity Rate	Total Current Average Monthly Rate	Proposed Customer Base Rate	Proposed Commodity Rate Per 100 cf	Usage Factor	Total Proposed Monthly Rate	Difference	Percentage Difference
0	\$25.36	\$1.01	\$25.36	\$40.80	\$1.24	0	\$40.80	\$15.44	60.88%
1000	\$25.36	\$1.01	\$35.49	\$40.80	\$1.24	10	\$53.18	\$17.69	49.84%
2000	\$25.36	\$1.01	\$45.63	\$40.80	\$1.24	20	\$65.57	\$19.94	43.71%
3000	\$25.36	\$1.01	\$55.76	\$40.80	\$1.24	30	\$77.96	\$22.20	39.81%
4000	\$25.36	\$1.01	\$65.89	\$40.80	\$1.24	40	\$90.34	\$24.45	37.10%
5000	\$25.36	\$1.01	\$76.03	\$40.80	\$1.24	50	\$102.73	\$26.70	35.12%
6000	\$25.36	\$1.01	\$86.16	\$40.80	\$1.24	60	\$115.11	\$28.95	33.61%
8000	\$25.36	\$1.01	\$106.42	\$40.80	\$1.24	80	\$139.88	\$33.46	31.44%
9222	\$25.36	\$1.01	\$118.81	\$40.80	\$1.24	92.22	\$155.02	\$36.21	30.48% 1" Ave
10000	\$25.36	\$1.01	\$126.69	\$40.80	\$1.24	100	\$164.65	\$37.96	29.97%

\$496.74

\$685.57

Cline Butte Utility

UW 127

RATE IMPACT - Commercial (1.5")

Commodity Rate \$1.24

Monthly Consumptions Customer Usage	Current Base Rate	Current Commodity Rate	Total Current Average Monthly Rate	Proposed Customer Base Rate	Proposed Commodity Rate Per 100 cf	Usage Factor	Total Proposed Monthly Rate	Percentage Difference
0	\$84.49	\$1.01	\$84.49	\$108.80	\$1.24	0	\$108.80	28.77%
1000	\$84.49	\$1.01	\$94.62	\$108.80	\$1.24	10	\$121.18	28.07%
2000	\$84.49	\$1.01	\$104.76	\$108.80	\$1.24	20	\$133.57	27.50%
3000	\$84.49	\$1.01	\$114.89	\$108.80	\$1.24	30	\$145.95	27.04%
4000	\$84.49	\$1.01	\$125.02	\$108.80	\$1.24	40	\$158.34	26.65%
5000	\$84.49	\$1.01	\$135.16	\$108.80	\$1.24	50	\$170.72	26.32%
6000	\$84.49	\$1.01	\$145.29	\$108.80	\$1.24	60	\$183.11	26.03%
8000	\$84.49	\$1.01	\$165.55	\$108.80	\$1.24	80	\$207.88	25.57%
10000	\$84.49	\$1.01	\$185.82	\$108.80	\$1.24	100	\$232.65	25.20%
10717	\$84.49	\$1.01	\$193.09	\$108.80	\$1.24	107.17	\$241.53	25.09%

\$969.78

\$1,229.55

Cline Butte Utility
UW 127

RATE IMPACT - Commercial (2")

Commodity Rate \$1.24

Monthly Consumptions Customer Usage	Current Base Rate	Current Commodity Rate	Total Current Average Monthly Rate	Proposed Customer Base Rate	Proposed Commodity Rate Per 100 cf	Usage Factor	Total Proposed Monthly Rate	Difference	Percentage Difference
0	\$135.18	\$1.01	\$135.18	\$190.39	\$1.24	0	\$190.39	\$55.21	40.84%
1000	\$135.18	\$1.01	\$145.31	\$190.39	\$1.24	10	\$202.78	\$57.47	39.55%
2000	\$135.18	\$1.01	\$155.45	\$190.39	\$1.24	20	\$215.16	\$59.72	38.42%
3000	\$135.18	\$1.01	\$165.58	\$190.39	\$1.24	30	\$227.55	\$61.97	37.43%
4000	\$135.18	\$1.01	\$175.71	\$190.39	\$1.24	40	\$239.94	\$64.22	36.55%
5000	\$135.18	\$1.01	\$185.85	\$190.39	\$1.24	50	\$252.32	\$66.48	35.77%
6000	\$135.18	\$1.01	\$195.98	\$190.39	\$1.24	60	\$264.71	\$68.73	35.07%
8000	\$135.18	\$1.01	\$216.24	\$190.39	\$1.24	80	\$289.48	\$73.23	33.87%
9212	\$135.18	\$1.01	\$228.53	\$190.39	\$1.24	92.12	\$304.49	\$75.96	33.24% 2" Ave
10000	\$135.18	\$1.01	\$236.51	\$190.39	\$1.24	100	\$314.25	\$77.74	32.87%

\$1,375.30

\$1,882.33

Cline Butte Utility Company

UW 127

RATE IMPACT - IRRIGATION (5/8" x 3/4")

Commodity Rate	\$0.52											
Consumptions Customer Usage	Current Base Rate	Current Commodity Rate	Total Current Average Monthly Rate	Proposed Customer Base Rate	Proposed Commodity Rate Per 100 cf	Usage Factor	Total Proposed Monthly Rate	Difference	Percentage Difference			
0	\$6.03	\$0.25	\$6.03	\$10.88	\$0.52	0	\$10.88	\$4.85	80.43%			
1000	\$6.03	\$0.25	\$8.54	\$10.88	\$0.52	10	\$16.08	\$7.54	88.33%			
2000	\$6.03	\$0.25	\$11.05	\$10.88	\$0.52	20	\$21.28	\$10.23	92.65%			
3000	\$6.03	\$0.25	\$13.55	\$10.88	\$0.52	30	\$26.48	\$12.93	95.36%			
3572	\$6.03	\$0.25	\$14.99	\$10.88	\$0.52	35.72	\$29.45	\$14.47	96.51% 3/4" Ave			
4000	\$6.03	\$0.25	\$16.06	\$10.88	\$0.52	40	\$31.68	\$15.62	97.23%			
5000	\$6.03	\$0.25	\$18.57	\$10.88	\$0.52	50	\$36.88	\$18.31	98.60%			
6000	\$6.03	\$0.25	\$21.08	\$10.88	\$0.52	60	\$42.08	\$21.00	99.64%			
8000	\$6.03	\$0.25	\$26.09	\$10.88	\$0.52	80	\$52.48	\$26.39	101.12%			
10000	\$6.03	\$0.25	\$31.11	\$10.88	\$0.52	100	\$62.88	\$31.77	102.12%			
			\$135.96					\$267.29				

Cline Butte Utility Company
UW 127

RATE IMPACT - IRRIGATION (1")

Commodity Rate		0.52									
Monthly Consumptions Customer Usage	Current Base Rate	Current Commodity Rate	Total Current Average Monthly Rate	Proposed Customer Base Rate	Proposed Commodity Rate Per 100 cf	Usage Factor	Total Proposed Monthly Rate	Difference	Percentage Difference		
0	\$15.08	\$0.25	\$15.08	\$21.76	\$0.52	0	\$21.76	\$6.68	44.29%		
1000	\$15.08	\$0.25	\$17.59	\$21.76	\$0.52	10	\$26.96	\$9.37	53.28%		
1117	\$15.08	\$0.25	\$17.88	\$21.76	\$0.52	11.17	\$27.57	\$9.69	54.17%	1" Ave	
2000	\$15.08	\$0.25	\$20.10	\$21.76	\$0.52	20	\$32.16	\$12.06	60.03%		
3000	\$15.08	\$0.25	\$22.60	\$21.76	\$0.52	30	\$37.36	\$14.76	65.28%		
4000	\$15.08	\$0.25	\$25.11	\$21.76	\$0.52	40	\$42.56	\$17.45	69.48%		
5000	\$15.08	\$0.25	\$27.62	\$21.76	\$0.52	50	\$47.76	\$20.14	72.92%		
6000	\$15.08	\$0.25	\$30.13	\$21.76	\$0.52	60	\$52.96	\$22.83	75.78%		
8000	\$15.08	\$0.25	\$35.14	\$21.76	\$0.52	80	\$63.36	\$28.22	80.28%		
10000	\$15.08	\$0.25	\$40.16	\$21.76	\$0.52	100	\$73.76	\$33.60	83.66%		
			\$211.25				\$352.44				

Cline Butte Utility Company
 UW 127

RATE IMPACT - IRRIGATION (1.5")

Commodity Rate	\$0.52									
Consumptions Customer Usage	Current Base Rate	Current Commodity Rate	Total Current Average Monthly Rate	Proposed Customer Base Rate	Proposed Commodity Rate Per 100 cf	Usage Factor	Total Proposed Monthly Rate	Difference	Percentage Difference	
0	\$30.15	\$0.25	\$30.15	\$43.52	\$0.52	0	\$43.52	\$13.37	44.34%	
1000	\$30.15	\$0.25	\$32.66	\$43.52	\$0.52	10	\$48.72	\$16.06	49.18%	
2000	\$30.15	\$0.25	\$35.17	\$43.52	\$0.52	20	\$53.92	\$18.75	53.33%	
3000	\$30.15	\$0.25	\$37.67	\$43.52	\$0.52	30	\$59.12	\$21.44	56.92%	
4000	\$30.15	\$0.25	\$40.18	\$43.52	\$0.52	40	\$64.32	\$24.14	60.07%	
5000	\$30.15	\$0.25	\$42.69	\$43.52	\$0.52	50	\$69.52	\$26.83	62.84%	
6000	\$30.15	\$0.25	\$45.20	\$43.52	\$0.52	60	\$74.72	\$29.52	65.31%	
8000	\$30.15	\$0.25	\$50.21	\$43.52	\$0.52	80	\$85.12	\$34.90	69.51%	
10000	\$30.15	\$0.25	\$55.23	\$43.52	\$0.52	100	\$95.52	\$40.29	72.95%	
10670	\$30.15	\$0.25	\$56.91	\$43.52	\$0.52	106.7	\$99.00	\$42.09	73.96%	

\$313.93 **\$498.95**

Cline Butte Utility Company

UW 127

RATE IMPACT - IRRIGATION (2")

Commodity Rate	\$0.52									
Consumptions Customer Usage	Current Base Rate	Current Commodity Rate	Total Current Average Monthly Rate	Proposed Customer Base Rate	Proposed Commodity Rate Per 100 cf	Usage Factor	Total Proposed Monthly Rate	Difference	Percentage Difference	
0	\$48.25	\$0.25	\$48.25	\$87.04	\$0.52	0	\$87.04	\$38.79	80.39%	
1000	\$48.25	\$0.25	\$50.76	\$87.04	\$0.52	10	\$92.24	\$41.48	81.72%	
2000	\$48.25	\$0.25	\$53.27	\$87.04	\$0.52	20	\$97.44	\$44.17	82.93%	
3000	\$48.25	\$0.25	\$55.77	\$87.04	\$0.52	30	\$102.64	\$46.86	84.02%	
4000	\$48.25	\$0.25	\$58.28	\$87.04	\$0.52	40	\$107.84	\$49.56	85.03%	
5000	\$48.25	\$0.25	\$60.79	\$87.04	\$0.52	50	\$113.04	\$52.25	85.95%	
6000	\$48.25	\$0.25	\$63.30	\$87.04	\$0.52	60	\$118.24	\$54.94	86.79%	
8000	\$48.25	\$0.25	\$68.31	\$87.04	\$0.52	80	\$128.64	\$60.32	88.30%	
10000	\$48.25	\$0.25	\$73.33	\$87.04	\$0.52	100	\$139.04	\$65.71	89.60%	
16667	\$48.25	\$0.25	\$90.05	\$87.04	\$0.52	166.67	\$173.71	\$83.65	92.90% 2" Ave	

\$458.73

\$847.10

Cline Butte Utility Company
UW 127

RATE IMPACT - IRRIGATION (4")

Commodity Rate \$0.52

Monthly Consumptions Customer Usage	Current Base Rate	Current Commodity Rate	Total Current Average Monthly Rate	Proposed Customer Base Rate	Proposed Commodity Rate Per 100 cf	Usage Factor	Total		Percentage Difference
							Proposed Monthly Rate	Difference	
0	\$150.77	\$0.25	\$150.77	\$174.07	\$0.52	0	\$174.07	\$23.30	15.46%
1000	\$150.77	\$0.25	\$153.28	\$174.07	\$0.52	10	\$179.27	\$26.00	16.96%
2000	\$150.77	\$0.25	\$155.79	\$174.07	\$0.52	20	\$184.47	\$28.69	18.42%
3000	\$150.77	\$0.25	\$158.29	\$174.07	\$0.52	30	\$189.67	\$31.38	19.82%
4000	\$150.77	\$0.25	\$160.80	\$174.07	\$0.52	40	\$194.87	\$34.07	21.19%
5000	\$150.77	\$0.25	\$163.31	\$174.07	\$0.52	50	\$200.07	\$36.76	22.51%
6000	\$150.77	\$0.25	\$165.82	\$174.07	\$0.52	60	\$205.27	\$39.46	23.79%
8000	\$150.77	\$0.25	\$170.83	\$174.07	\$0.52	80	\$215.67	\$44.84	26.25%
10000	\$150.77	\$0.25	\$175.85	\$174.07	\$0.52	100	\$226.07	\$50.22	28.56%
34300	\$150.77	\$0.25	\$236.79	\$174.07	\$0.52	343	\$352.43	\$115.64	48.84% 4" Ave

\$1,278.89

\$1,543.39

Cline Butte Utility Company

UW 127

RATE IMPACT - IRRIGATION (6")

Commodity Rate \$0.52

Monthly Consumptions Customer Usage	Current Base Rate	Current Commodity Rate	Total Current Average Monthly Rate	Proposed Customer Base Rate	Proposed Commodity Rate Per 100 cf	Usage Factor	Total		Percentage Difference
							Monthly Rate	Proposed Monthly Rate	
0	\$301.55	\$0.25	\$301.55	\$348.15	\$0.52	0	\$348.15	\$348.15	15.45%
1000	\$301.55	\$0.25	\$304.06	\$348.15	\$0.52	10	\$353.35	\$353.35	16.21%
2000	\$301.55	\$0.25	\$306.57	\$348.15	\$0.52	20	\$358.55	\$358.55	16.96%
3000	\$301.55	\$0.25	\$309.07	\$348.15	\$0.52	30	\$363.75	\$363.75	17.69%
4000	\$301.55	\$0.25	\$311.58	\$348.15	\$0.52	40	\$368.95	\$368.95	18.41%
5000	\$301.55	\$0.25	\$314.09	\$348.15	\$0.52	50	\$374.15	\$374.15	19.12%
6000	\$301.55	\$0.25	\$316.60	\$348.15	\$0.52	60	\$379.35	\$379.35	19.82%
8000	\$301.55	\$0.25	\$321.61	\$348.15	\$0.52	80	\$389.75	\$389.75	21.19%
10000	\$301.55	\$0.25	\$326.63	\$348.15	\$0.52	100	\$400.15	\$400.15	22.51%
453233	\$301.55	\$0.25	\$1,438.26	\$348.15	\$0.52	4532.33	\$2,704.96	\$1,266.70	88.07% 6" Ave

\$2,485.13

\$2,935.98

Cline Butte Utility Company
Test Year: 2007
GOLF COURSE RATE DESIGN

Proposed Revenues of: \$161,119 \$150,156

Base/Commodity Split
Variable Rate 43.50% Proposed Rev \$161,119 = \$70,087 7.30%

Base Rate 56.50% Proposed Rev \$161,119 = \$91,032
\$161,119

BASE RATE

Golf Course	Size of Line	Number of Customers	Current Monthly Base Rate	Staff		Company Proposed Base Rate	Revenue at Current rates
				Proposed Monthly Base Rate	Staff Total Annual Revenues		
1	4"	1	\$1,026.10	\$1,167.08	\$14,005	\$1,037.92	\$12,313
1	6"	1	\$2,052.20	\$2,334.16	\$28,010	\$1,911.92	\$24,626
1	8"	1	\$3,283.52	\$4,084.78	\$49,017	\$2,512.83	\$39,402
0	12"	0	\$4,104.40	\$7,002.48	\$0		\$0

\$91,032
\$76,342
19.2%
% increase

STAFF COMMODITY RATE \$0.213 per 100 cf
Previous Rates \$0.2130 per 100 cf

Proposed Revenue \$70,087 divided by Consumption 329,656 = average rate 0.21261 per 100 cf
CBUC Proposed \$0.1370 per 100 cf

32,965.632 Proposed Consumption per Application
0 - base consumpt ("free" water x cust x 12 months)
32,965.632 divided by unit of measure 100 cf
329,656

Meter Size	Average rates Current	Company Proposed rates	Staff Proposed rates	Percent Increase
4"	\$1,915.86	\$1,610.33	\$2,055.19	7.27%
6"	\$4,884.41	\$3,733.97	\$5,161.12	5.67%
8"	\$5,412.95	\$3,882.76	\$6,210.27	14.73%
12"	\$0.00	\$0.00	\$0.00	0.00%

Consumption Golf Course (Test)	Ave Use	Consumption Golf Course (Projected)
4" 6,701,524	417,728	5,012,736
6" 15,956,150	1,329,675	15,956,100
8" 11,996,758	999,733	11,996,796
12" 34,654,432		32,965,632

\$91,032

Golf Course	Meter Size	Present rates	Factors Used	Rate Required
1	4"	\$1,026.10	1	\$1,167.08
1	6"	\$2,052.20	2.0	\$2,334.16
1	8"	\$3,283.52	3.5	\$4,084.78
0	12"	\$4,104.40	6	\$7,002.48

Cline Butte Utility
UW 127

RATE IMPACT - GOLF COURSE (4")

Commodity Rate \$0.21

Monthly Consumptions	Current Customer Usage	Current Base Rate	Current Commodity Rate	Total Current Average Monthly Rate	Proposed Customer Base Rate	Proposed Commodity Rate Per 100 cf	Usage Factor	Total Proposed Monthly Rate	Difference	Percentage Difference
0		\$1,026.10	\$0.21	\$1,026.10	\$1,167.08	\$0.21	0	\$1,167.08	\$140.98	13.74%
1000		\$1,026.10	\$0.21	\$1,028.23	\$1,167.08	\$0.21	10	\$1,169.21	\$140.98	13.71%
10000		\$1,026.10	\$0.21	\$1,047.40	\$1,167.08	\$0.21	100	\$1,188.34	\$140.94	13.46%
100000		\$1,026.10	\$0.21	\$1,239.10	\$1,167.08	\$0.21	1000	\$1,379.69	\$140.59	11.35%
250000		\$1,026.10	\$0.21	\$1,558.60	\$1,167.08	\$0.21	2500	\$1,698.59	\$139.99	8.98%
417728		\$1,026.10	\$0.21	\$1,915.86	\$1,167.08	\$0.21	4177.28	\$2,055.19	\$139.33	7.27%
				\$2,054.33				\$2,336.29		

Cline Butte Utility
 UW 127

RATE IMPACT - GOLF COURSE (6")

Commodity Rate \$0.21

Consumptions Customer Usage	Current		Proposed		Usage Factor	Proposed		Total Proposed Monthly Rate	Difference	Percentage Difference
	Base Rate	Commodity Rate	Customer Base Rate	Commodity Rate Per 100 cf		Average Monthly Rate	Commodity Rate Per 100 cf			
0	\$2,052.20	\$0.21	\$2,334.16	\$0.21	0	\$2,052.20	\$0.21	\$2,334.16	\$281.96	13.74%
1000	\$2,052.20	\$0.21	\$2,334.16	\$0.21	10	\$2,054.33	\$0.21	\$2,336.29	\$281.96	13.72%
10000	\$2,052.20	\$0.21	\$2,334.16	\$0.21	100	\$2,073.50	\$0.21	\$2,355.42	\$281.92	13.60%
500000	\$2,052.20	\$0.21	\$2,334.16	\$0.21	5000	\$3,117.20	\$0.21	\$3,397.19	\$279.99	8.98%
1000000	\$2,052.20	\$0.21	\$2,334.16	\$0.21	10000	\$4,182.20	\$0.21	\$4,460.21	\$278.01	6.65%
1329675	\$2,052.20	\$0.21	\$2,334.16	\$0.21	13296.75	\$4,884.41	\$0.21	\$5,161.12	\$276.71	5.67% 6" Ave
						\$4,106.53		\$4,670.45		

Cline Butte Utility

UW 127

RATE IMPACT - GOLF COURSE (8")

Commodity Rate \$0.21

Consumptions Customer Usage	Current Base Rate	Current Commodity Rate	Total Current Average Monthly Rate	Proposed Customer Base Rate	Proposed Commodity Rate Per 100 cf	Usage Factor	Total Proposed Monthly Rate	Difference	Percentage Difference
0	\$3,283.52	\$0.21	\$3,283.52	\$4,084.78	\$0.21	0	\$4,084.78	\$801.26	24.40%
1000	\$3,283.52	\$0.21	\$3,285.65	\$4,084.78	\$0.21	10	\$4,086.91	\$801.26	24.39%
10000	\$3,283.52	\$0.21	\$3,304.82	\$4,084.78	\$0.21	100	\$4,106.04	\$801.22	24.24%
250000	\$3,283.52	\$0.21	\$3,816.02	\$4,084.78	\$0.21	2500	\$4,616.29	\$800.27	20.97%
500000	\$3,283.52	\$0.21	\$4,348.52	\$4,084.78	\$0.21	5000	\$5,147.81	\$799.29	18.38%
999733	\$3,283.52	\$0.21	\$5,412.95	\$4,084.78	\$0.21	9997.33	\$6,210.27	\$797.31	14.73% 8" Ave

\$6,569.17

\$8,171.69

CERTIFICATE OF SERVICE

UW 127

I certify that I have this day served the foregoing document upon all parties of record in this proceeding by delivering a copy in person or by mailing a copy properly addressed with first class postage prepaid, or by electronic mail pursuant to OAR 860-13-0070, to the following parties or attorneys of parties.

Dated at Salem, Oregon, this 11th day of June, 2008.

Kay Barnes

Kay Barnes
Public Utility Commission
Regulatory Operations
550 Capitol St NE Ste 215
Salem, Oregon 97301-2551
Telephone: (503) 378-5763

UW 127
Service List (Parties)

CLINE BUTTE UTILITY CO JERRY E ANDRES PRESIDENT/DIRECTOR	1230 GOLDEN PHEASANT DRIVE REDMOND OR 97756
DEPARTMENT OF JUSTICE JASON W JONES ASSISTANT ATTORNEY GENERAL	REGULATED UTILITY & BUSINESS SECTION 1162 COURT ST NE SALEM OR 97301-4096 jason.w.jones@state.or.us
PUBLIC UTILITY COMMISSION RENEE SLOAN PUC UTILITY WATER SEC	PO BOX 2148 SALEM OR 97308-2148 renee.sloan@state.or.us
RESORT RESOURCES INC LORI BLACK CONSULTANT FOR CLINE BUTTE UTILITY CO	PO BOX 1466 BEND OR 97709 lori@resortresources.com