



Public Utility Commission

550 Capitol St NE, Suite 215 **Mailing Address:** PO Box 2148 Salem, OR 97308-2148 **Consumer Services** 1-800-522-2404 Local: (503) 378-6600 **Administrative Services** (503) 373-7394

September 25, 2008

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

RE: <u>Docket No. UW 129</u> - In the Matter of OLD SHEEP RANCH WATER ASSOCIATION Establish General Rates.

Enclosed for electronic filing in the above-captioned docket is Staff's Direct Testimony in Docket UW 129.

(sf Lois Meerdink) Lois Meerdink Regulatory Operations Division Filing on Behalf of Public Utility Commission Staff (503) 378-8959 Email: Lois.Meerdink@state.or.us

c: UW 129 Service List (parties)

PUBLIC UTILITY COMMISSION OF OREGON

UW 129

STAFF DIRECT TESTIMONY OF

Renee Sloan

In the Matter of OLD SHEEP RANCH WATER ASSOCIATION Application to Establish Rates

September 25, 2008

CASE: UW 129 WITNESS: Renee Sloan

PUBLIC UTILITY COMMISSION OF OREGON

STAFF EXHIBIT 100

Direct Testimony

September 25, 2008

1	Q. PLEASE
2	A. My name
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10	Q. WHO AR
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14	Q. WHAT IS
15	A. My testin
16	Parties.
17	Q. DID YOU
18	A. Yes. Sta
19 20 21 22 23	Revenue Summary Plant and Residenti Rate Imp

Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.

 A. My name is Renee Sloan. I am a Utility Analyst assigned to the Corporate Analysis and Water Regulation Section of the Utility Program with the Public Utility Commission of Oregon (Commission). My business address is 550 Capitol Street NE Suite 215, Salem, Oregon 97308-2148.

Q. PLEASE DESCRIBE YOUR WORK EXPERIENCE.

A. I have been employed with the Commission since 1986 and have participated in numerous water utility dockets involving rate filings, rulemakings, and various tariff filings.

Q. WHO ARE THE PARTIES IN THIS DOCKET?

A. The parties to this docket are: Old Sheep Ranch Water Association, (OSRWA or Association), Commission Staff (Staff), and Marc D. Edwards, Intervenor (inclusively referred to as Parties).

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

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

Staff/101, page 1

Staff/101, page 2

Staff/101, page 3

Staff/101, page 4

Staff/101, page 5

Q. DID YOU PREPARE AN EXHIBIT FOR THIS DOCKET?

A. Yes. Staff/101 contains the following five documents:

19	Revenue Requirement
20	Summary of Adjustments
21	Plant and Depreciation
22	Residential Rate Design
23	Rate Impact

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A. My testimony is organized as follows:

Q. HOW IS YOUR TESTIMONY ORGANIZED?

Issue 1, Description and Regulatory History of OSRWA	2
Issue 2, Summary of OSRWA's Rate Application	
Issue 3, Staff's Analysis of OSRWA's Filing	
Issue 4, Summary of the Stipulation	

ISSUE 1, DESCRIPTION AND REGULATORY HISTORY OF OSRWA

Q. PLEASE DESCRIBE OLD SHEEP RANCH WATER ASSOCIATION.

 A. OSRWA is a nonprofit, small water association with members located near Langlois, Oregon. The Association provides domestic residential water service to approximately 33 members.

Q. PLEASE EXPLAIN HOW OSRWA BECAME A RATE REGULATED PUBLIC WATER UTILITY.

A. Under ORS 757.063, the Commission regulates any association of individuals that furnishes water to members of the association if 20 percent or more of the association members file a petition with the Commission requesting such regulation.

On December 3, 2007, the Commission received petitions from 10 OSRWA members requesting utility regulation. Ten petitions represent approximately 30 percent of the membership, exceeding the statutory threshold of 20 percent. The requirement for Commission regulation was met as of January 3, 2008. Subsequently, on January 27, 2008, the Commission issued Order No. 08-111, memorializing regulatory jurisdiction of OSRWA and ordering the Association to file tariffs with the Commission.

1		ISSUE 2. SUMMARY OF OSRWA'S RATE APPLICATION
2	Q.	PLEASE DESCRIBE OSRWA'S RATE PROPOSAL AS FILED IN ITS
3		APPLICATION.
4	A.	On May 16, 2008, OSRWA filed a rate case application in compliance with
5		Order No. 08-111. In its application, the Association proposed to establish
6		rates that would collect the same annual revenues as the Association collected
7		in 2007. In addition, OSRWA proposed to keep the current rate design which
8		consists of a monthly \$30 base rate that includes 15,000 gallons plus \$2.00 per
9		1,000 gallons above 15,000 gallons.
10	Q.	HOW DID OSRWA DETERMINE THE TEST YEAR AND PROPOSED
11		REVENUES?
12	A.	Although the application proposed no increase in revenues, the revenue
13		amount is misleading. The test year and proposed revenue amounts shown
14		in the application were calculated by taking the \$30 monthly base rate times
15		33 customers times 12 months. The resulting \$11,880 does not include
16		revenues from water usage.
17	Q.	WHAT DID OSRWA'S PREVIOUS BOARD ¹ REPORT AS TEST YEAR
18		REVENUES?
19	A.	According to the application, the previous Board of Directors determined that
20		test year revenues were \$12,763.

¹ The previous Board of Directors was replaced by the current Board in April 2008.

1	Q.	WHAT RATE	OF RETURN	DID THE ASS	OCIATION	PROPOSE	IN ITS	
2		APPLICATION	N?					
3	A.	OSRWA proposed a zero percent rate of return on a \$27,390 rate base						
4		because of the	Association's	s status as a do	mestic nonp	rofit mutual	benefit	
5		corporation wit	h members.					
6		ISSU	JE 3, STAFF'	S ANALYSIS C	F OSRWA'	<u>S FILING</u>		
7	Q.	PLEASE DES		ESULTS OF	STAFF'S AN	NALYSIS O	F	
8		OSRWA'S FIL	ING.					
9	A.	Staff's review of	of the Applicat	ion shows that	OSRWA sho	ould collect	\$12,356 in	
10		revenues. Add	litionally, Staff	"s analysis resu	ilted in total	revenue deo	ductions of	
11		\$12,356.						
12	Q.	PLEASE EXP	LAIN THE DI	FFERENCE BI	ETWEEN O	SRWA'S PI	ROPOSED	
13		RATE BASE	AND STAFF'S	S RATE BASE	RESULTS.			
14	A.	A comparison	of the Associa	tion's proposed	l rate base a	and Staff's ra	ate base is	
15		shown in Table	e 1 below.					
16		Table 1 – Rate	Base Compa	arison			1	
			Utility Plant In Service	Depreciation Reserve	Net Utility Plant	Working Cash	Total Rate Base	
		OSRWA's Proposed	\$26,400	\$0	\$26,400	\$990	\$27,390	
		Staff's Proposed	\$26,400	\$4,848	\$21,552	\$958	\$22,510	
		Toposed	φ20,400	Ψ+,Ο+Ο	Ψ21,002	φ 330	ψ22,010	
17		Staff used t	he National As	ssociation of Re	egulatory Uti	lity Commis	sioners	
18	(NARUC) Depreciation Service Lives to determine the \$4,848 depreciation						ciation	
19		reserve. Worki	ing cash was o	calculated as 1/	12 of the tot	al operating	expenses.	

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Q. WHY DOES STAFF'S ANALYSIS RECOMMEND NO RETURN ON THE ASSOCIATION'S RATE BASE?

A. Staff recommends a zero return on rate base due to OSRWA's status as a nonprofit association and because the Association has no debt.

Q. IN UW 126, STAFF ALLOWED A SYSTEM PROGRAM FUND EXPENSE TO COUNTER THE ZERO RETURN ON RATE BASE. PLEASE EXPLAIN WHY STAFF DOES NOT PROPOSE A SIMILAR EXPENSE FOR OSRWA.

 A. A System Program Fund expense is a contingency fund or reserve account. Through its bylaws, the Association has established and maintains a reserve fund to provide for repairs and maintenance to the system. Under the bylaws, the fund amount should be at least \$50,000 but not more than \$120,000.
 Since the current fund balance is approximately \$64,000, Staff does not recommend a System Program Fund expense for OSRWA as the current balance is between the bylaw requirements.

Q. PLEASE EXPLAIN STAFF'S ADJUSTMENTS TO THE ASSOCIATION'S PROPOSAL.

A. Staff's adjustments are shown in Staff/101, Sloan/2. Staff made several adjustments to OSRWA's test year expenses to move expenses into the appropriate accounts, remove duplicate expenses, and other appropriate adjustments based on the documentation provided by the Association.
 Some of the more significant adjustments are explained below:

a. <u>Revenues</u>: Staff changed the Application test year revenues to \$12,763, the amount reported by the previous board. Staff then removed \$407 in

1		imputed revenues for a customer who receives water in lieu of wages for
2		performing system operator duties.
3	b.	Chemicals: Staff's review of a 2007 Audit Report ² showed a test year
4		amount of \$1,023 for soda ash. Staff moved \$45 from postage expense
5		into chemicals expense, because the expense was for delivery of
6		chemicals, resulting in a total of \$1,068. In addition, based on OSRWA's
7		response to Data Request 24 stating the Association had a three-year
8		supply of soda ash on hand, Staff amortized the total over three years
9		for an annual expense of \$356.
10	C.	O&M Materials & Supplies: Staff removed the \$829 test year amount for
11		soda ash because it is duplicated in chemicals expense.
12	d.	Repairs: Based on the 2007 Audit Report, Staff adjusted the test year
13		amount shown in the application from \$1,920 to \$3,861.
14	e.	Engineering: Staff removed \$584 from the test year expense because
15		that amount was for a survey that is included in Plant.
16	f.	Testing: The \$421 reduction in testing expense reflects a three-year
17		average of testing costs.
18	g.	Transportation: Although OSRWA reported zero test year expense for
19		transportation, Staff recommends allowing the \$1,142 proposed by the
20		Association. The amount in this expense is to cover the cost of fuel
21		used when collecting water samples and delivering the samples to the
22		lab and for travel required when purchasing parts and supplies.
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² The newly appointed OSRWA Board was unable to provide Staff with receipts or invoices for test year expenses, but did provide results of a 2007 audit prepared by an accounting firm.

1	Q.	PLEASE EXPLAIN WHY STAFF RECOMMENDS ELIMINATING THE
2		\$10,000 SYSTEM DEVELOPMENT FEE AS DESCRIBED IN OSRWA'S
3		BYLAWS.
4	A.	Prior to coming under Commission jurisdiction, OSRWA charged a \$10,000
5		system development to new customers. Because the Association is now rate
6		regulated, the connection fee must be consistent with the Commission's rules
7		and must be cost based. On a going forward basis, infrastructure charges will
8		be shared proportionally by customers.
9	Q.	PLEASE EXPLAIN WHY STAFF RECOMMENDS ELIMINATING THE \$100
10		ONE TIME MEMBERSHIP FEE AS PROPOSED IN OSRWA'S TARIFFS.
11	A.	New customers will now pay a connection charge for new service according to
12		OSRWA's Schedule 2, Miscellaneous Service Charges. As a result, the \$100
13		membership fee is not necessary.
14		ISSUE 4, SUMMARY OF THE STIPULATION
15	Q.	PLEASE DESCRIBE THE REVENUE REQUIREMENT STIPULATED TO
16		BY THE PARTIES.
17	A.	The Parties stipulated to a 3.2 percent decrease in total revenue requirement.
18		This results in a revenue requirement of \$12,356 and total revenue deductions
19		of \$12,356. The Parties also stipulated that the Association will not receive a
20		rate of return on its total rate base of \$22,510.

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Q. DID THE PARTIES STIPULATE TO ANY CHANGES IN THE CURRENT RATE DESIGN?

A. Yes. The Parties agreed to change the existing rate design by eliminating the 15,000 gallons currently included in the base rate. Under the stipulated rate design, customers will pay for all the water they use.

Q. PLEASE DESCRIBE THE STIPULATED RATE DESIGN.

A. The Parties agreed to a monthly base rate of \$25.70 and a commodity rate of \$1.56 per 1,000 gallons.

Staff generally aims for a 60/40 split between the base rate and usage rate;

however, using a 60/40 split in OSRWA's rate design would have caused the

commodity rate to increase from \$1.56 to \$3.09 per 1,000 gallons. The Parties

agreed that assigning 79.86 percent of the revenue requirement to the base

rate and 20.14 percent to the usage rate will generate reasonable rates.

Q. PLEASE COMPARE THE CURRENT AND STIPULATED RATES.

A. A summary of the rates is shown in Table 2 below.

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Table 2 - Summary of Rates

Current Rates						
Base Rate	\$30.00	Includes 15,000 gallons				
Commodity Rate	\$2.00 per 1,000 gallons	Above 15,000 gallons				

Stipulated Rates						
Base Rate	\$25.70	No usage included in base rate				
Commodity Rate	\$1.56 per 1,000 gallons	For all usage				

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Q. PLEASE DESCRIBE THE RATE IMPACT OF THE STIPULATED RATES.

A. Staff/101, Sloan/5 shows the rate impacts for various consumption amounts. A customer using the average of 4,159 gallons per month will pay \$32.18, which is \$2.18 (or 7.25 percent) greater than current rates.

Q. ARE THE RESULTING RATES FAIR AND REASONABLE?

A. Yes.

Q. DID THE PARTIES STIPULATE TO AN EFFECTIVE DATE FOR THE NEW RATES?

- A. Yes. The Parties support an effective date of November 1, 2008, for the
- stipulated rates.
- **Q. WHAT IS YOUR RECOMMENDATION REGARDING THE STIPULATION?**

A. I recommend that the Commission admit the Stipulation into the UW 129 record and adopt the Stipulation in its entirety.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

CASE: UW 129 WITNESS: Renee Sloan

PUBLIC UTILITY COMMISSION OF OREGON

STAFF EXHIBIT 101

Exhibits in Support Of Direct Testimony

September 25, 2008

OL	D SHEE	P RANCH WATER ASSOCIATION UW 129		Company Case 0.0%		Staff -3.2%			
		Test Year: 2007	А	В	с	D	Е	F	G
			Balance Per	Proposed	Adjusted	Proposed	Adjusted	Staff	Proposed
	Acct.		Application	Company	Results	Staff	Results	Proposed	Results
	No.	REVENUES	Test Year: 2007	Adjustments	(A+B=C)	Adjustments	(A+D=E)	Rev Changes	(E+F+=G
1		Residential Water Sales	12,763	0	12,763	0	12,763	(408)	12,355
2		Other	0	0	0	0	0	0	C
3		TOTAL REVENUE	12,763	0	12,763	0	12,763	(407)	12,356
4		OPERATING EXPENSES							
6	601	Salaries and Wages - Employees	789	(789)	0	(789)	0		0
7		Purchased Power	808	80	888	0	808		808
8		Chemical / Treatment Expense	858	0	858	(502)	356		356
9		Office Supplies	485	0	485	0	485		485
10	619.1	Postage	298	200	498	18	316		316
11		O&M Materials/Supplies	829	0	829	(829)	0	•	C
12	621	Repairs to Water Plant	1,920	0	1,920	1.941	3,861		3,861
13	631	Contract Svcs - Engineering	884	0	884	(584)	300		300
13		Contract Svcs - Accounting	698	(177)	521	(177)	521		521
15		Contract Svcs - Accounting	1.800	(800)		(667)	1,133		1,133
16	635	Contract Svcs - Testing	1,773	(000)	1,773	(421)	1,352		1,352
17		Transportation	0	1,142	1,142	1,142	1,142		1,142
			0	1,172	0	0	0		, <u>-</u>
18	656	General Liability Insurance	954	. 0	954	0	954		954
19	657	Amortz. of Rate Case	304		0	158	158		158
20					0	32	32	(1)	31
21	667	Gross Revenue Fee (PUC)			0	0	0	<u> </u>	C
22	673				0	0	0		C C
23	674		00	20	118	(18)	80		80
24	675	General Expense	98	(324)		(16)	11,499	(1)	11,498
25		TOTAL OPERATING EXPENSE	12,194	(324)	11,070	(095)	11,499	<u> </u>	11,430
26									
27		OTHER REVENUE DEDUCTIONS					1	Lances concerning the second	
28	403	Depreciation Expense			0	848	848		848
29	407	Amortization Expense			0	0	0		C
30	408.11	Property Tax			0	0	0		C
31	408.12	Payroll Tax			0	0	0		C
32	408.13	Other (Business Taxes)	0		0	. 0	0		0
33	409.11	Oregon Income Tax	10		10	0	10	0	10
34	409.10	Federal Income Tax			0	0	0	0	C
35		TOTAL REVENUE DEDUCTIONS	12,204	(324)	11,880	153	12,357	(1)	12,356
36		NET OPERATING INCOME	559	324	883	(153)	406	(406)	C
37									
38	101	Utility Plant in Service	26,400	0	26,400	0	26,400		26,400
39		Less:							
40	108.1	Depreciation Reserve			0	4,848	4,848		4,848
41		Net Utility Plant	26,400	0	26,400	(4,848)	21,552	0	21,552
42		Plus: (working capital)			T				
43	151	Materials and Supplies Inventory		0	0	0	0		C
44		Working Cash (Total Op Exp /12)	990	0	990	(32)	958	0	958
45		TOTAL RATE BASE	27,390	0	27,390	(4,880)	22,510	0	22,510
46		Rate of Return		4					0.00%
				Company	•		Staff		

number of customers	33	33
op/exp/cust/year	\$360	\$348
Cash Flow	883	848

OL	D SHEE	P RANCH WATER ASSOCIATION				
		Test Year: 2007	-			
	SUM	MARY OF ADJUSTMENTS				
				Staff		
-				Adjustments	-	
		REVENUES		RR Column D	Results	Reason
1		Residential Water Sales	12,763	0	12,763	
2		Other	0	0	0	
3		TOTAL REVENUE	12,763	0	12,763	
4		TOTAL NEVENOL	12,700			
4 5		OPERATING EXPENSES				
6		Salaries and Wages - Employees	789	-789	0	Operator duties are now performed by customer who
Ø	001	Salaries and Wages - Employees	105	-700	Ŭ	receives water in lieu of wages.
_	045	Durch as a d Davier	808	0	808	Based on Test Year Audit. Electric Coop told Staff
7	615	Purchased Power	000	0	000	rates would remain the same at least through 2009.
			050	-502	250	Based on Test Year Audit
8		Chemical / Treatment Expense	858			Based on Test Year Audit
9		Office Supplies	485	0		Estimated cost for monthy billings, vendor payments,
10	619.1	Postage	298	18	316	quarterly updates, semi-annual ballots based on 2008
						quarteriy updates, semi-annual ballots based on 2000
						USPS rate increase. Moved \$45 delivery charge to
						Acct 618, Chemicals. Company proposal included
						estimate for rate case expense, which Staff included in
						Acct 666.
11	620	O&M Materials/Supplies	829	-829	0	Test year amount for soda ash - Test Year amount
						was duplicated in Acct 618, Chemicals.
12	621	Repairs to Water Plant	1,920	1,941		Based on Test Year Audit
13		Contract Svcs - Engineering	884	-584	300	Based on Test Year Audit
14		Contract Svcs - Accounting	698	-177	521	Company reduced cost by changing Accounting firms
15		Contract Svcs - Legal	1,800	-667	1,133	3-year amortization of lawsuit settlement
16		Contract Svcs - Testing	1,773	-421		3-Year Ave of Testing Expense
17		Transportation	0	1,142	1,142	Fuel cost for transporting test samples; trips to
		ndhopor autori				purchase parts and supplies.
18	656	Vehicle Insurance	0	0	0	
19		General Liability Insurance	954	0		Based on Test Year Audit
20		Amortz. of Rate Case	0	158	158	Cost for copies and postage related to UW 129
21		Gross Revenue Fee (PUC)	0	32	32	
22		Training and Certification	0	0	0	
23		Consumer Confidence Report	0	0	0	
23		General Expense	98	-18	80	Removed donation to Lions Club
25	075	TOTAL OPERATING EXPENSE	12,194	-695	11,499	
26		TOTAL OF ERATING EXI LIVEL	12,101			
		OTHER REVENUE DEDUCTIONS				
27	40.0	Depreciation Expense	0	848	848	Amount is based on NARUC Depreciation Schedules
28	403	Amortization Expense	0	040	0+0	
29			0			
30		Property Tax	0	0	0	
31	408	Payroll Tax Other (Business Taxes)	0	0		
32			10	0	10	
33		Oregon Income Tax	0	0		
34	409.1		12,204	153		
35		TOTAL REVENUE DEDUCTIONS				
36		NET OPERATING INCOME	559	-153	406	
37		-			00.400	
38	101	Utility Plant in Service	26,400	0	26,400	
39		Less:				
40			0	4,848		Based on NARUC Depreciation Schedules
41		Net Utility Plant	26,400	-4,848		
42		Plus: (working capital)		0	0	
43		Materials and Supplies Inventory	0	0	0	
44		Working Cash (Total Op Exp /12)	990	-32	958	
		TOTAL RATE BASE	27,390	-4,880	22,510	

OLD SHEEP RANCH WATER ASSOCIATION UW 129 PLANT & DEPRECIATION

Ă Ă Ĉ		Date	Utility Plant Original	Asset											5 4 6 5	Depr Thru 2008	Remaining Plant 2008	Depr Exp 2009
	Account Description	Acquired	Cost	Life	Deprec	Deprec	2 000 2	12 1002	2002 2002	2003 20	2004 20	N7 CNN7	-	-	-		2002	2004
304 Stru	Structures and Improvements		002 0	35	77	111 2035	39	27	17	77	177	77	11	177	77	655	2,045	17
Len	Enilarge r unit rivuse Fence / Lawyer / Survey	Jul 2005	13,000	35	371	Jul 2040	0	0	0	0	0	186	371	371	371	1,299	11,701	371
307 Wel	Wells and Springs							ľ	-	ŀ		4	4	-	-	c		
Sys	System purchased in 1997 for \$1			25	0		0	0	0	0	0	5	5	5	5	0	0	
309 Sup	Supply Main																	
	PV Extension	Jul 2000	4,500	50	60	90 Jun 2050	53	06	06	06	06	06	06	06	06	773	3,727	6
320 Wat	Water Treatment Equipment																	
	Stenner 60,000 Gallon Soda Ash System	Jul 2000	3,500	20	175	175 Jun 2020	102	175	175	175	175	175	175	175	175	1,502	1,998	175
330 Dist	330 Distribution Reservoir and Standpipes																	
36,(36,000 Gallon Steel Tank (\$1)	Jul 1989		50	0	0 Jun 2039	0	0	0	0	0	0	0	0	0	0	0	0
331 Trai	Transmission and Distribution Mains																	
Sys	System purchased in 1997 for \$1	Jul 1989		50	0	0 Jun 2039	0	0	0	0	0	0	0	0	0	0	0	
334 Met	Meters and Meter Installations	–																
3 In	3 In-Line Meters	Jul 2004	2,700	20	135	135 Jun 2024	0	0	0	0	79	135	135	135	135	619	2,081	135
	TOTALS		26,400				194	342	342	342	421	663	848	848	848	4,848	21,552	848

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STAFF/101 SLOAN/3

UW 129

ESIGN Average gal 4.159 \$000 V/ 12356 = \$2,486 = 14,159 \$2000 V/ 12356 = \$2,486 = 14,159 \$2000 V/ 12356 = \$2,486 = 14,159 \$2000 \$2000 12356 = \$2,486 = 14,159 \$2000 <	OLD SHEEP RANCH WATER ASSOCIATION Test Year: 2007	ANCH WATER ASSOC Test Year: 2007	CIATION						Cur	ent Com	Current Company Rates			
Also SY2,336 Also	RESIDENTIA	I RATE DESIGN	-		_						\$30.00	Base	\$30.00	
			-					A	verage gal		\$0.00	Variable	\$0.00	
Proposed Rev Proposed Rev Proposed Company Rates Proposed Company Rates S2000 S2000 </th <th>Proposed Revenues of:</th> <th></th> <th></th> <th>\$12,356</th> <th></th> <th></th> <th></th> <th></th> <th></th> <th>_</th> <th>over 15,000</th> <th>Total</th> <th>\$30.00</th> <th></th>	Proposed Revenues of:			\$12,356						_	over 15,000	Total	\$30.00	
Proposed Rev \$2.468 1	Base/Commodity Split								Prop	osed Con	npany Rates			
20.14% \$12,356 = \$2,488 -	Variable Rate	Propos									\$30.00	Base	\$30.00	
Proposed Rev Interview Proposed Staff Reference (15) Proposed Staff Reference (14) Proposed	20.149		н	\$2,488				<	verage gal	997	\$2.00 over 15.000	Variable	\$0.00	
Table Mark ST2.356 = S2.96V -		Propo												
SE RATE Image of the constraint of the cons	79.869			\$9,86/					5	oposed S	tan kates ≰25 70	Bace	\$25.70	
SE RATE Image: comparison of the comparison				\$ 12,330				A	verage cf	4,159	\$1.56	Variable	\$6.48	
	BASE RATE))			Total	\$32.18	
			Current	Staff		Company	Revenue at							
		Number of	Monthly		-	Monthly	Current							
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	Size of Line	Customers	Base Rate	Base Rate		Base Rate	Rates			Meter	Present		Rate	AWWA
56' 32 53.00 55.70 59.867 50.00 21.520 32 56 50.00 34' 50.00 1-5' 30.00 25.70 50.00 55.70 50.00 24' 50.00 1-5' 30.00 25.70 50.00 50.00 24'' 50.00 1-5' 30.00 51,520 0 1-5' 50.00 0 1-5' 50.00 1-5' 30.00 50.00 50.00 0 1-5' 50.00 1-5' 30.00 50.00 51,520 0 1-5' 50.00 1-5' 30.00 50.00 50.00 0 1-5' 50.00 1-5' 30.00 51.50 51.50 0 1-5' 50.00 0 1-5' 50.00 0 1-5' 50.00 0 1-5' 50.00 0 1-5' 50.00 0 1-5' 51.50 0 0 1-5' 50.00 0							1	œ	esidential	Size	rates	Used	Required	Factors
34 220.00 50 <th< td=""><td>5/8"</td><td>- 32</td><td></td><td></td><td>\$9,</td><td>\$30.00</td><td>\$11,520</td><td></td><td>32</td><td>5/8"</td><td>\$30.00</td><td>~',</td><td>\$25.70</td><td></td></th<>	5/8"	- 32			\$9,	\$30.00	\$11,520		32	5/8"	\$30.00	~',	\$25.70	
1.5° 50.00 50 50 50 50 50 50 50.00 1.5° 32 311,520 0 1.5° 50.00 0 1.5° 50.00 1.6 23 59.867 511,520 0 1.5° 50.00 1.6 23 FERCENT % increase Note: Ore custome receives free water as area 24.3% Note: Ore custome receives free water as area 26.000 <td>3/4"</td> <td>1</td> <td></td> <td>\$25.70</td> <td></td> <td></td> <td>ន្តទ</td> <td></td> <td></td> <td>5/4 1"</td> <td>00.0¢</td> <td>-1</td> <td>00.03</td> <td>25</td>	3/4"	1		\$25.70			ន្តទ			5/4 1"	00.0¢	-1	00.03	25
32 31,320 \$1,320 \$1,1,320 \$1,1,320 $1,1,320$ $1,1,120$ $1,1$	15"	1		\$0.00 \$0.00	່		80		0	1.5"	\$0.00	1	\$0.00	2
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		32			\$9,867		\$11,520							
MODITY FERCENT % increase Note: One customer receives free water as a result of wage MODITY \$1.56 per 1000 gal Mote: One customer receives free water as a result of wage MODITY \$1.56 per 1000 gal Perceives free are only 32 point customers and no wage ATE Consumption average rate 2.000 Perceives free are only 32 point customers and no wage ATE Consumption 2.000 Perceives free are only 32 point customers and no wage Perceives free are only 32 point customers and no wage ATE Consumption 2.000 Perceives free are only 32 point customers and no wage Perceives free are only 32 point customers and no wage ATE Consumption Perceives free are only 32 point customers and no wage Perceives free are only 32 point customers and no wage ATE Dentity Perceives free are only 32 point customers and no wage Perceives free are only 32 point customers and no wage Perceives free are only 32 point customers and no wage ATE Dentity Perceives are				-14.3%			-14.3%							
MODITY \$1.56 per 1000 gal per 1000 gal per 1000 gal per 100 gal per 10 gal				PERCENT			% increase	Z	ote: One custom	ier receives	s free water as a	result of opea	artor services	s. As such
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$								t	iere are only 32 p	aying custo	mers and no wa	ige expense.		
ed Revenue consumption average rate Previous Rates </td <td></td> <td>\$1.36</td> <td>per 1000 gal.</td> <td></td>		\$1 .36	per 1000 gal.											
\$2,488divided by (hided by)1,597=1,588\$2.00=\$2.00=\$2.00=\$2.00=>=>>=>=>===	Proposed Revenue		Consumption		average rate		Previous Rates							
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	\$2 48		1 597		1 558		\$2.00							
1,597,130 Proposed Consumption per Application 0 - base consumpt ("free" water x cust x 12 months) 1,597,130 - base consumpt ("free" water x cust x 12 months) 1,597,130 divided by unit of masure 1000 1,597,130 divided by unit of masure 1000 Alverage rates Proposed Nerage rates Proposed Notering Average rates Norefly Nonthiy Current Rates Nonthiy Consumption None S/8" X 3/4" S32.18 Ave S6.48 Variable 325.70 Base S6.48 Variable S6.4					per 1000 gal		per 1000 gal above 15,000							
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		1,597,130		nsumption pe	r Application									
		0		mpt ("free" w	ater x cust x 13	2 months)								
1.597 1.597 <t< td=""><td></td><td>1,597,130</td><td></td><td>it of measure</td><td>1000</td><td>gal</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>		1,597,130		it of measure	1000	gal								
Average rates Proposed Percent Monthly Consumption No Current Rates Increase Ave Residential (Test) 5/8 S30.00 \$32.18 7.25% 4,159 5/8" x 3/4" 1,597,130 5/8 \$30.00 \$32.18 7.25% 4,159 5/8" x 3/4" 1,597,130 5/8 \$30.00 \$32.18 Nonthly Ave Bill 1,597,130 2 5/8 \$30.01 \$32.18 \$32.18 Anthly Ave Bill 1,597,130 5/8 5/8		/60,1			-									
Current Rates Increase Ave Residential (Test) N \$30.00 \$32.18 7.25% 4,159 5/8" × 3/4" 1,597,130 5/8 \$30.00 \$32.18 Monthly Ave Bill 1,597,130 2a1 5/8 \$30.00 \$32.70 \$32.18 Monthly Ave Bill 1,597,130 2a1 5/8	Meter Size	Average rates			Percent		Monthly	Consu	mption			ပိ	Consumption	_
\$30.00 \$32.18 7.25% 4,159 5/8" x 3/4" 1,597,130 gal \$25.70 \$25.70 \$25.70 \$32.18 \$1,597,130 1 1 \$25.70 \$25.70 \$32.18 \$0nthly Ave Bill 1,597,130 1	Residential	Current			Increase		Ave	Residen	tial (Test)			Resider	Residential (Projected)	ected)
\$25.70 Base \$32.18 Monthly Ave Bill \$25.40 Base \$32.18 Monthly Ave Bill \$2.48 Variable 32 x customers	5/8" x 3/4"	\$30.00	_		7.25%		4,159	5/8" x 3/4"	1,597,130	gal		5/8" × 3/4" 1,597,130 gal	1,597,130	gal
\$25.70 Base \$6.48 Variable									1,597,130				1,597,130	
\$6.48 Variable			\$25.70	Race		\$32.18	Monthly Ave Bill							
		4,159		<u>8</u> Variable		32	k customers							
4.16 \$32.18 Total Ave Monthly Bill 2 x months		4.16		3 Total Ave Mor	ithly Bill	12	k months							

UW 129

STAFF/101 SLOAN/4

OLD SHEEP RANCH UW 129 RATE IMPACT - RESIDENTIAL (3/4 x 5/8) - 1 TIER

16.81% 27.20% 37.59% 63.56% 58.20% 49.28% 42.14% 36.30% -9.15% -3.96% 1.23% 31.44% 27.32% 23.79% 11.62% Percentage Difference 14.35% 7.25% 20.73% Monthly Rate Difference (\$4.30) (\$2.75) (\$1.19) \$0.37 \$2.37 \$2.18 \$5.04 \$5.04 \$5.04 \$5.04 \$11.28 \$11.28 \$11.28 \$11.28 \$11.28 \$11.28 \$11.74 \$15.97 \$14.21 \$13.32 \$12.44 \$15.09 Proposed \$35.04 \$38.16 \$49.07 \$50.62 \$53.74 \$56.86 \$33.49 \$41.28 \$59.97 \$63.09 \$66.21 \$69.32 \$72.44 \$25.70 \$27.25 \$28.81 \$30.37 \$32.18 Total Commodity Usage Factor 0 3 5 マ Rate Per Proposed 1,000 Gallons \$1.56 \$1.56 \$1.56 \$1.56 \$1.56 \$1.56 \$1.56 \$1.56 \$1.56 \$1.56 \$1.56 \$1.56 \$1.56 \$1.56 \$1.56 \$1.56 \$1.56 Base Rate Proposed Customer \$25.70 \$1.56 Average Monthly Rate **Total Current** \$30.00 \$3 \$52.00 \$56.00 \$60.00 per 1000 gal >15,000 gal Commodity Current \$2.000 \$2.000\$\$2.00 Rate Customer Usage Base Rate Current \$30.00 Commodity Rate Consumptions Monthly

UW 129

STAFF/101 SLOAN/5

24.79%

\$833.59

\$668.00

CERTIFICATE OF SERVICE

UW 129

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 25th day of September, 2008.

Reerduck

Lois Meerdink Public Utility Commission Regulatory Operations 550 Capitol St NE Ste 215 Salem, Oregon 97301-2551 Telephone: (503) 378-8959

UW 129 Service List (Parties)

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