

CASE: UW 177  
WITNESS: RUSSELL BEITZEL

**PUBLIC UTILITY COMMISSION  
OF  
OREGON**

**STAFF EXHIBIT 100**

**Testimony in Support of the Stipulation**

**October 31, 2019**

1 **Q. Please state your name, occupation, and business address.**

2 A. My name is Russ Beitzel. I am a Senior Utility Analyst employed in the  
3 Telecommunications and Water Division of the Public Utility Commission of  
4 Oregon (OPUC). My business address is 201 High Street SE. Suite 100,  
5 Salem, Oregon 97301.

6 **Q. Please describe your educational background and work experience.**

7 A. My witness qualification statement is found in Exhibit Staff/101.

8 **Q. What is the purpose of your testimony?**

9 A. The purpose of Staff's testimony is to introduce and support the stipulation  
10 agreed to by the parties in Docket No. UW 177, Clearwater Source, LLC's  
11 request for a general rate revision.

12 **Q. Who is testifying in this docket?**

13 A. I am testifying as the Staff witness in Docket No. UW 177.

14 **Q. Did you prepare any exhibits for this docket?**

15 A. Yes. I prepared Exhibit Staff/101, consisting of one page, Exhibit Staff/102,  
16 consisting of seven pages, and Exhibit Staff/103, consisting of one page.

17 **Q. Who are the parties to Docket No. UW 177?**

18 A. The parties are Clearwater Source, LLC (Clearwater or Company); and  
19 Commission Staff (Staff).

20 **Q. Did the parties reach a settlement in Docket No. UW 177?**

21 A. Yes. The Stipulation entered into by Clearwater and Staff (the Stipulating  
22 Parties) settles all issues in this docket.

23 **Q. How is your testimony organized?**

1 A. My testimony is organized as follows:

2	Issue 1, Summary Recommendation .....	3
3	Issue 2, Clearwater's Description and Regulatory History .....	4
4	Issue 3, Application for a Rate Increase .....	4
5	Issue 4, Revenue Requirement Issues .....	7
6	Issue 5, Resolved Rate Issues.....	13
7	Exhibit 101, Witness Qualification.....	Beitzel/1
8	Exhibit 102, Revenue Requirement - Water.....	Beitzel/1
9	Exhibit 102, Revenue Requirement – Waste.....	Beitzel/2
10	Exhibit 102, Revenue Requirement Adjustments – Water.....	Beitzel/3
11	Exhibit 102, Revenue Requirement Adjustments – Waste.....	Beitzel/4
12	Exhibit 102, Cost of Capital – Water.....	Beitzel/5
13	Exhibit 102, Cost of Capital - Waste.....	Beitzel/5
14	Exhibit 102, Rate Design - Water.....	Beitzel/6
15	Exhibit 102, Rate Design - Waste.....	Beitzel/6
16	Exhibit 102, Plant Utility – Water.....	Beitzel/7
17	Exhibit 102, Plant Utility – Waste.....	Beitzel/7
18	Exhibit 102, Summary of Rates, Bills and Revenue.....	Beitzel/7
19	Exhibit 103, Data Responses.....	Beitzel/1

1

**ISSUE 1, SUMMARY RECOMMENDATION**

2

**Q. Briefly summarize the Stipulating Parties' recommendation in this case.**

3

A. The Stipulating Parties recommend that the Commission adopt the Stipulation

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agreed to by the Stipulating Parties in Docket No. UW 177. The Stipulating

5

Parties agreed to a revenue requirement of \$24,184. The revenue requirement

6

results in a 90 percent increase over the 2018 test period revenues. It reflects an

7

opportunity to earn a 9.5 percent rate of return on a rate base of \$24,983, and

8

reflects a negative acquisition adjustment that reduces the net book value of

9

plant in rate base to \$1, which is the purchase price paid for the utility. The

10

Parties also agreed to implementation of a Purchased Water Adjustment (PWA)

11

as an "automatic adjustment clause" allowed under ORS 757.210(b) regarding

12

the Company's purchase of water and wastewater services from the City of

13

Salem (City).

14

**Q. Please explain the necessity for the size of the rate increase the**

15

**Stipulating Parties agreed to in this Stipulation.**

16

A. The Stipulating Parties agreed upon these increases after an in-depth review of

17

the Company's expenses and capital investment. Several key factors drove

18

the general size of the agreed increase, including adjustments to better reflect

19

the expenses required to operate the Company, the rate case cost, and

20

providing the Company a return on its investment in light of increased

21

expenses. The Company has not increased its rates in over ten years since the

22

increase granted in Docket No. UW 130, which was effective in June of 2009.

23

Since that time, charges from the City of Salem for water and waste water

1 services, the Company's largest single expense, have more than doubled. In  
2 order to mitigate the effect on customers, the Stipulating Parties have agreed to  
3 a negative acquisition adjustment, which reduces the net book value of plant in  
4 rate base to \$1, which is the purchase price paid for the utility.<sup>1</sup>

## 5 **ISSUE 2, CLEARWATER'S**

### 6 **DESCRIPTION AND REGULATORY HISTORY**

#### 7 **Q. Please describe Clearwater.**

8 A. Clearwater is located in Salem, Oregon and is a privately owned, for-profit,  
9 water utility. Clearwater provides water and wastewater service to  
10 approximately 22 customers living primarily in one developed mobile home  
11 park. As discussed above, Clearwater purchases its water and wastewater  
12 services from the City.

#### 13 **Q. Please describe Clearwater's regulatory history.**

14 A. Clearwater is a rate-regulated water utility under the jurisdiction of the  
15 Commission. Clearwater filed a petition with the Commission requesting  
16 regulation on July 9, 2008. The Company filed its first general rate increase on  
17 September 25, 2008, and rates were approved in resulting docket UW 130 on  
18 May 4, 2009, by Commission Order No. 09-158.

## 19 **ISSUE 3, APPLICATION FOR A RATE INCREASE**

20 **Q. Please describe Clearwater's current application for a general rate**  
21 **increase.**

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<sup>1</sup> Order 18-195, Appendix A, page 3.

1 A. Clearwater's current owner, Alain Cailler, filed an application for a general rate  
2 increase on June 18, 2019, using a January 1, 2018 through December 31,  
3 2018 test year. Clearwater proposed an overall increase of 115 percent, or a  
4 \$14,632 increase over test period revenues of \$12,733, resulting in an annual  
5 revenue requirement of \$27,365. The information and proposals in the  
6 Company's application would have translated to a proposed a rate base of  
7 \$61,570 with a 5.64 percent rate of return.

8 Mr. Cailler purchased the utility for \$1.00, as the prior owner did not see a value  
9 for the utility aside from serving the associated mobile home community.<sup>2</sup> Mr.  
10 Cailler also purchased the mobile home community served by the utility. The  
11 net book value of the utility assets at the time of purchase was \$40,129. Mr.  
12 Cailler has since invested \$25,000.

13 **Q. What reason did the Company give for seeking a rate increase?**

14 A. The Company stated in its application: "The utility is seeking this change in  
15 rates because the company is presently running a chronic and lasting financial  
16 deficit due to rates set more than 11 years ago, cost of capital improvements,  
17 and to allow Clearwater to continue dependable service to his customers."<sup>3</sup>

18 **Q. What are Clearwater's current rates?**

19 A. The Company currently provides service to residential customers only.

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<sup>2</sup> Order 18-195, Appendix A, page 3.

<sup>3</sup> Clearwater Source, LLC Rate Case Application at 4.

1 For water, Clearwater currently charges all customers a base rate of \$17.24  
2 and a commodity rate of \$3.73 per each 100 cubic feet of water use. According  
3 to the Company, the current average monthly bill is \$26.52.

4 For wastewater, Clearwater currently charges all customers a base rate of  
5 \$14.13 and a commodity rate of \$3.05 per each 100 cubic feet of water use.  
6 According to the Company, the current average monthly bill is \$21.71.

7 **Q. What rates did Clearwater propose in its general rate filing?**

8 A. For water, the Company proposed tariffs include a residential base rate of  
9 \$37.05 and a commodity rate of \$8.02 per each 100 cubic feet of water use.  
10 According to the Company, the proposed average monthly bill would be  
11 \$56.99.

12 For wastewater, the Company proposed tariffs include a residential base rate of  
13 \$30.37 and a commodity rate of \$6.56 per each 100 cubic feet of water use.  
14 According to the Company, the proposed average monthly bill would be  
15 \$46.67.

16 **Q. What procedural actions in this docket have taken place since**  
17 **Clearwater filed its application for a rate increase?**

18 A. Since the filing of the application in June 2019, the following procedural actions  
19 have taken place:

- 20 1. An open house and prehearing conference were held on July 29, 2019, in  
21 Salem, OR;
- 22 2. A settlement conference was held in Salem, OR on September 11, 2019.

**ISSUE 4, REVENUE REQUIREMENT ISSUES**

**Q. Please summarize the Stipulating Parties' recommendation for the revenue requirement associated with a rate increase in this case.**

A. The Stipulating Parties have agreed that an overall revenue requirement of \$24,184 is warranted. The overall revenue requirement results in a 90 percent, or \$ 11,451, increase over the test period revenues. The revenue requirement reflects an opportunity to earn a 9.5 percent rate of return on a rate base of \$24,983, and reflects a negative acquisition adjustment that reduces the net book value of the plant in rate base associated with Mr.Callier's purchase of the utility to \$1, the purchase price paid for the utility.

**Q. Please describe the issues Staff investigated.**

A. Staff's investigation and analysis of Clearwater's general rate filing included a comprehensive examination of the Company's revenues, expenses, proposed adjustments, rate spread and rate design, rate base, capital improvements, and cost of capital.

**Q. Please describe Staff's adjustments to Clearwater's test period.**

A. All of the agreed-upon adjustments are listed in Exhibit 102 and explained below.

1. Purchased Water (A/C 610): Stipulating Parties agreed that using an annualized amount of the most current rates for the City of Salem water bill was most appropriate to determine the correct expense. During Settlement, Staff annualized the February 2019 bill for a yearly expense total of \$8,901, which resulted in an increase of \$501.



- 1           2. Telephone/Communications (A/C 611): In its response to Staff's Data  
2           Request 09,<sup>4</sup> concerning the details of the Telephone expense account, the  
3           Company indicated that the use of the business phone was 85 percent  
4           related to the utility. The Company provided an invoice with its application  
5           which allowed Staff to calculate the annual expense. Staff added \$550  
6           based on the information provided by the following formula -  $\$55 \times 85\% \times 12$   
7           months = ~\$550.
- 8           3. Office Supplies (A/C 619): In its response to Staff's Data Request 07,<sup>5</sup>  
9           concerning the details of the Office Supplies expense account, the  
10          Company indicated that its total Office Supplies expense is \$1,812. Staff's  
11          net adjustment of <\$1,080> was a result of several items (Postage, Internet,  
12          Computer backup and security) being adjusted to their appropriate expense  
13          account. The remaining amount of \$720 is based on Clearwater's projection  
14          for miscellaneous office supplies.
- 15          4. Postage (A/C 619.1): In its response to Staff's Data Request 07,<sup>6</sup>  
16          concerning the details of the Postage expense account, the Company  
17          indicated its Postage expense is \$150. Staff's adjustment was based on first  
18          class stamps costing \$.55 and the Company having 22 customers, resulting  
19          in the following formula -  $\$.55 \times 22 \times 12 = \sim\$150$ .
- 20          5. Contract Services – Accounting (A/C 632): The Company provided, in its  
21          application, an invoice for accounting services that represented its annual

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<sup>4</sup> See Exhibit Staff/103, Beitzel/1, Clearwater's response to Staff Data Request 09.

<sup>5</sup> See Exhibit Staff/103, Beitzel/1, Clearwater's response to Staff Data Request 07.

<sup>6</sup> See Exhibit Staff/103, Beitzel/1, Clearwater's response to Staff Data Request 07.

1 expense of \$425. The Company inadvertently excluded that expense from  
2 its proposed expenses. Staff corrected that error and adjusted the expense  
3 account by \$425.

4 6. Contract Services – Testing (A/C 635): In its response to Staff’s Data  
5 Request 08,<sup>7</sup> the Company indicated that its Testing expense is estimated  
6 to be \$110 per year. Staff’s adjustment of \$110 was based on the  
7 Company’s estimate.

8 7. Computer/Electronics Expenses (A/C 648): In its response to Staff’s Data  
9 Request 07,<sup>8</sup> concerning the details of the Computer account, the Company  
10 provided amounts for its Computer expenses. Staff’s adjustment of \$942  
11 was based on the Company provided invoices for Internet Connection  
12 (\$720), Computer Backup system (\$112) and Computer Security program  
13 (\$110).

14 8. Amortization of Rate Case (A/C 666): Stipulating Parties agreed to add  
15 \$550 based on the Company’s owner having to travel to Salem from  
16 California multiple times during the rate case process. The amount reflects  
17 \$2,750 amortized over five years.

18 9. Depreciation Expense (A/C 403): As a general concept, an asset is  
19 depreciated over its useful life – the period of time that the asset will be in  
20 service. The Company has some discretion in estimating the useful life(s)  
21 for calculating its depreciation expense. Stipulating Parties discussed the

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<sup>7</sup> See Exhibit Staff/103, Beitzel/1, Clearwater’s response to Staff Data Request 08.

<sup>8</sup> See Exhibit Staff/103, Beitzel/1, Clearwater’s response to Staff Data Request 07.

1 use, materials, and potential for replacement or repair of Meters and Pipes  
2 and agreed to set the asset lives of Meters to 10 years and Pipes to 30  
3 years. In addition, to fully recognize the timing of the recent investment in  
4 the utility (2018 and 2019), Stipulating Parties agreed to use the full yearly  
5 depreciation for both assets instead of the depreciation amount in the test  
6 year. These agreements resulted in a yearly depreciation amount of \$1,347.

7 10. Utility Plant in Service (A/C 101): Stipulating Parties agree that Meters  
8 (\$7,700) and Pipes (\$17,300), which were put into service in 2018 and  
9 2019 respectively, are used and useful as well as prudent. The Stipulating  
10 Parties agree that, for ratemaking purposes, a negative acquisition  
11 adjustment will value the assets originally purchased by the current owner  
12 at the purchase price of \$1.00, which effectively removes \$40,128 in net  
13 book value from rate base and the associated depreciation from  
14 depreciation expense. The subsequent investments, such as those  
15 described above, will be valued at their net book value and included in rate  
16 base.

17 11. Accumulated Depreciation of Plant (A/C 108): Staff added \$1,652 to match  
18 the appropriate depreciated value of the plant assets. Staff recalculated the  
19 accumulated depreciation to reflect adjusted asset life agreed to by the  
20 Stipulating Parties.

21 **Q. Please explain why the Stipulating Parties agree that a negative**  
22 **acquisition adjustment is appropriate under the circumstances of**  
23 **this case.**

1 A. Staff recognizes that the Commission's long-standing policy has been that  
2 following the sale of a utility, rate base has been calculated in the  
3 following general rate case based on net book value, and not the  
4 purchase price paid. OAR 860-036-2130 is the administrative rule that  
5 addresses acquisition adjustments. Pursuant to subsection (1) of that rule,  
6 "[w]hen seeking to acquire all or part of a water utility, the applicant may  
7 request that some or all of the difference between the net book value and  
8 the purchase price be included in the purchasing utility's rate base."  
9 Subsection (2) provides that the Commission will consider any such  
10 request based on "the benefit to the customers being acquired and the  
11 public interest on a case-by-case basis." A negative acquisition occurs  
12 when the purchase price is less than the net book value of the plant in  
13 service, which results in a reduction to rate base (and therefore, a  
14 reduction to utility rates). A positive acquisition adjustment occurs when  
15 the purchase price of the utility is greater than the net book value of plant,  
16 and the applicant seeks to include the delta above the purchase price in  
17 rate base as goodwill.

18 In this case, the current owner purchased the utility for \$1, and  
19 repeatedly stated that his objective was to mitigate the rate increase to  
20 customers, while still receiving revenues that would allow for the return of  
21 and on his invested capital as well as the operating costs of the utility. In  
22 recognition of this desire, the Stipulating Parties have agreed on a non-  
23 precedential, one-time basis based on the specific circumstances in this

1 case, to recommend the Commission adopt a negative acquisition  
2 adjustment. This has the effect of reducing the Company's proposed rates  
3 from \$27,365 to \$24,184, a decrease of \$3,181.

4 Staff considered several options for balancing the rate increase with  
5 ratemaking considerations, but none were sufficient to both ensure that  
6 legal and policy considerations for ratemaking were met.

7 Without the negative acquisition adjustment, assuming a 9.5 percent  
8 Return on Equity, the Company would require \$29,952 in rates. That  
9 amount is above the requested \$27,365 and would result in a 135 percent  
10 increase over current rates. Given Mr. Collier's concerns that a rate  
11 increase of that magnitude would be excessive, Staff and the Company  
12 agreed to a negative acquisition adjustment that would reduce the rate  
13 increase to customers to 90 percent over current rates.

14 **Q. Please explain why a PWA was applied to this case.**

15 A. Clearwater is a water and wastewater company that purchases those services  
16 from the City and then resells them to its customers. A PWA resolves two rate  
17 related issues with its inclusion. First, it allows the utility the ability to adjust  
18 future rates solely based on its largest expense (Salem Water) whenever it  
19 increases. Second, it benefits customers and the Company by delaying the  
20 need for future rate cases. Instead, Clearwater can adjust tariffs when City  
21 increases its wholesale rates. Details regarding the PWA are described in  
22 Schedule No. 4 of the Company's tariffs in Attachment B to the Stipulation. An

1 example showing the calculation of the PWA is provided as Attachment C to  
2 the Stipulation.

### 3 **ISSUE 5, RESOLVED RATE ISSUES**

4 **Q. Please provide a brief explanation of the rate spread and rate design**  
5 **agreed to by the stipulating parties.**

6 A. There is only one class of customers for both water and wastewater service,  
7 Residential 5/8" or 3/4". The rate design remains at a 65/35 split between base  
8 and commodity rates respectively.

9 **Q. What are the effects of the rates agreed to by the stipulating parties on**  
10 **the average customer bill?**

11 A. For Water, the effects of the rates agreed to by the Stipulating Parties on the  
12 average customer's monthly bills will be an increase of the base rate from  
13 \$17.24 to \$26.18 and no increase of the commodity rate (per 100 cubic feet).  
14 With this adjustment, the average monthly water bill would increase from  
15 \$26.52 (provided by the Company) to \$40.28, assuming that the water usage  
16 remains the same as the test year.

17 For Wastewater, the effects of the rates agreed to by the Stipulating Parties on  
18 the average customer's monthly bills will be an increase of the base rate from  
19 \$14.13 to \$33.36 and with an increase of the commodity rate (per 100 cubic  
20 feet) from \$3.05 to \$4.75. With this adjustment, the average monthly  
21 wastewater bill would increase from \$21.71 (provided by the Company) to  
22 \$51.33, assuming that the wastewater usage remains the same as the test  
23 year.

1 **Q. Did all parties agree to and support the rates resulting from the**  
2 **stipulation?**

3 A. Yes.

4 **Q. Did the parties agree to and support an effective date for the new**  
5 **rates?**

6 A. Yes. The Stipulating Parties agree to rates being effective for service rendered  
7 on and after January 1, 2020, if the Commission enters an order adopting this  
8 Stipulation before January 1, 2020.

9 **Q. Are the resulting rates fair and reasonable?**

10 A. Yes.

11 **Q. Does this conclude your testimony?**

12 A. Yes.

CASE: UW 177  
WITNESS: RUSSELL (RUSS) BEITZEL

**PUBLIC UTILITY COMMISSION  
OF  
OREGON**

**STAFF EXHIBIT 101**

**Witness Qualification Statement**

**October 31, 2019**



**WITNESS QUALIFICATIONS STATEMENT**

NAME: Russell (Russ) Beitzel

EMPLOYER: Public Utility Commission of Oregon

TITLE: Senior Utility Analyst  
Telecommunications and Water Division

ADDRESS: 201 High Street SE. Suite 100  
Salem, OR. 97301

EDUCATION: Bachelor of Science in Accounting, Otterbein University

EXPERIENCE: I am currently a Senior Utility Analyst for the PUC, focused primarily on regulated water companies. I worked at Ashland, Inc for twenty years as a manufacturing and corporate accountant and business analyst for a business unit with approximately one billion dollars in global annual sales. My accountant duties included product cost analysis, general ledger account analysis, SOX compliance, and internal and external audit compliance. My analyst duties included budgeting, forecasting, financial statement analysis, acquisition tracking, and division financial support for a global business unit.

CASE: UW 177  
WITNESS: RUSSELL (RUSS) BEITZEL

**PUBLIC UTILITY COMMISSION  
OF  
OREGON**

**STAFF EXHIBIT 102**

**Exhibits in Support of Testimony**

**October 31, 2019**

Clearwater Source, LLC					Staff/102	
Docket No. UW 177					Beitzel/1	
					Company Proposed Increase	Staff Proposed Increase
<b>Revenue Requirement</b>					0.00%	90%
		<b>Test Year</b>	<b>Company Adjustments</b>	<b>Company Proposed Totals</b>	<b>Staff Adjustments to Company Totals</b>	<b>Staff Proposed Totals</b>
	<b>REVENUES</b>					
460	Unmetered			\$ -		\$ -
461.1	Residential	5,599		\$ 5,599	5,035	\$ 10,634
	<b>Total Revenue</b>	<b>\$ 5,599</b>	<b>\$ -</b>	<b>\$ 5,599</b>	<b>\$ 5,035</b>	<b>\$ 10,634</b>
<b>Acct . OPERATING EXPENSES</b>						
601	Salaries and Wages - Employees			\$ -	\$ -	\$ -
603	Salaries and Wages - Officers		3,600	\$ 3,600	\$ -	\$ 3,600
604	Employee Pension & Benefits			\$ -	\$ -	\$ -
610	Purchased Water	2,520		\$ 2,520	\$ 150	\$ 2,670
611	Telephone/Communications			\$ -	\$ 275	\$ 275
615	Purchased Power			\$ -	\$ -	\$ -
616	Fuel for Power Production			\$ -	\$ -	\$ -
617	Other Utilities			\$ -	\$ -	\$ -
618	Chemical / Treatment Expense			\$ -	\$ -	\$ -
619	Office Supplies	900		\$ 900	\$ (540)	\$ 360
619.1	Postage			\$ -	\$ 75	\$ 75
620	O&M Materials/Supplies			\$ -	\$ -	\$ -
621	Repairs to Water Plant			\$ -	\$ -	\$ -
631	Contract Svcs - Engineering			\$ -	\$ -	\$ -
632	Contract Svcs - Accounting			\$ -	\$ 213	\$ 213
633	Contract Svcs - Legal			\$ -	\$ -	\$ -
634	Contract Svcs - Management Fees			\$ -	\$ -	\$ -
635	Contract Svcs - Testing			\$ -	\$ 110	\$ 110
636	Contract Svcs - Labor			\$ -	\$ -	\$ -
637	Contract Svcs - Billing/Collection	1,800	(1,800)	\$ -	\$ -	\$ -
638	Contract Svcs - Meter Reading			\$ -	\$ -	\$ -
639	Contract Svcs - Other			\$ -	\$ -	\$ -
641	Rental of Building/Real Property			\$ -	\$ -	\$ -
642	Rental of Equipment			\$ -	\$ -	\$ -
643	Small Tools			\$ -	\$ -	\$ -
648	Computer/Electronic Expenses			\$ -	\$ 471	\$ 471
650	Transportation			\$ -	\$ -	\$ -
656	Vehicle Insurance			\$ -	\$ -	\$ -
657	General Liability Insurance			\$ -	\$ -	\$ -
658	Workers' Comp Insurance			\$ -	\$ -	\$ -
659	Insurance - Other			\$ -	\$ -	\$ -
666	Amortz. of Rate Case			\$ -	\$ 275	\$ 275
667	Gross Revenue Fee (PUC)	23		\$ 23	\$ 10	\$ 33
	<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 5,243</b>	<b>\$ 1,800</b>	<b>\$ 7,043</b>	<b>\$ 1,039</b>	<b>\$ 8,081</b>
<b>OTHER REVENUE DEDUCTIONS</b>						
403	Depreciation Expense			\$ -	\$ 1,087	\$ 1,087
406	Amort of Plant Acquisition Adjustment	-		\$ -	\$ -	\$ -
407	Amortization Expense			\$ -	\$ -	\$ -
408.11	Property Tax			\$ -	\$ -	\$ -
408.12	Payroll Tax			\$ -	\$ -	\$ -
408.13	Other			\$ -	\$ -	\$ -
409.10	Federal Income Tax			\$ -	\$ 315	\$ 315
409.11	Oregon Income Tax			\$ -	\$ 106	\$ 106
409.13	Extraordinary Items Income Tax			\$ -	\$ -	\$ -
	<b>TOTAL REVENUE DEDUCTIONS</b>	<b>\$ 5,243</b>	<b>\$ 1,800</b>	<b>\$ 7,043</b>	<b>\$ 2,548</b>	<b>\$ 9,590</b>
	<b>Net Operating Income</b>	<b>\$ 356</b>	<b>\$ (1,800)</b>	<b>\$ (1,444)</b>	<b>\$ 2,487</b>	<b>\$ 1,044</b>
<b>UTILITY RATE BASE</b>						
101	Utility Plant in Service			\$ -	\$ 10,993	\$ 10,993
105	Construction Work in Progress			\$ -	\$ -	\$ -
108	- Accumulated Depreciation of Plant			\$ -	\$ 726	\$ 726
271	- Contributions in Aid of Construction			\$ -	\$ -	\$ -
272	+ Accumulated Amortization of CIAC			\$ -	\$ -	\$ -
281	- Accumulated Deferred Income Tax			\$ -	\$ -	\$ -
	- Excess Capacity			\$ -	\$ -	\$ -
	<b>= NET RATE BASE INVESTMENT</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,266</b>	<b>\$ 10,266</b>
	Plus: (working capital)					
151	Materials and Supplies Inventory			\$ -	\$ -	\$ -
	Working Cash (Total Op Exp /12)			\$ -	\$ 719	\$ 719
	<b>TOTAL RATE BASE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,985</b>	<b>\$ 10,985</b>
	<b>Rate of Return</b>	<b>0.00%</b>		<b>0.00%</b>		<b>9.50%</b>

Clearwater Source, LLC					Staff/102	
Docket No. UW 177					Beitzel/2	
					Company Proposed Increase	
					Staff Proposed Increase	
<b>Revenue Requirement</b>					0.00%	
					90%	
	<b>REVENUES</b>	<b>Test Year</b>	<b>Company Adjustments</b>	<b>Company Proposed Totals</b>	<b>Staff Adjustments to Company Totals</b>	<b>Staff Proposed Totals</b>
460	Unmetered			\$ -		\$ -
461.1	Residential	7,134		\$ 7,134	6,416	\$ 13,550
	<b>Total Revenue</b>	<b>\$ 7,134</b>	<b>\$ -</b>	<b>\$ 7,134</b>	<b>\$ 6,416</b>	<b>\$ 13,550</b>
<b>Acct . OPERATING EXPENSES</b>						
601	Salaries and Wages - Employees			\$ -	\$ -	\$ -
603	Salaries and Wages - Officers		3,600	\$ 3,600	\$ -	\$ 3,600
604	Employee Pension & Benefits			\$ -	\$ -	\$ -
610	Purchased Water	5,880		\$ 5,880	\$ 351	\$ 6,231
611	Telephone/Communications			\$ -	\$ 275	\$ 275
615	Purchased Power			\$ -	\$ -	\$ -
616	Fuel for Power Production			\$ -	\$ -	\$ -
617	Other Utilities			\$ -	\$ -	\$ -
618	Chemical / Treatment Expense			\$ -	\$ -	\$ -
619	Office Supplies	900		\$ 900	\$ (540)	\$ 360
619.1	Postage			\$ -	\$ 75	\$ 75
620	O&M Materials/Supplies			\$ -	\$ -	\$ -
621	Repairs to Water Plant			\$ -	\$ -	\$ -
631	Contract Svcs - Engineering			\$ -	\$ -	\$ -
632	Contract Svcs - Accounting			\$ -	\$ 213	\$ 213
633	Contract Svcs - Legal			\$ -	\$ -	\$ -
634	Contract Svcs - Management Fees			\$ -	\$ -	\$ -
635	Contract Svcs - Testing			\$ -	\$ -	\$ -
636	Contract Svcs - Labor			\$ -	\$ -	\$ -
637	Contract Svcs - Billing/Collection	1,800	(1,800)	\$ -	\$ -	\$ -
638	Contract Svcs - Meter Reading			\$ -	\$ -	\$ -
639	Contract Svcs - Other			\$ -	\$ -	\$ -
641	Rental of Building/Real Property			\$ -	\$ -	\$ -
642	Rental of Equipment			\$ -	\$ -	\$ -
643	Small Tools			\$ -	\$ -	\$ -
648	Computer/Electronic Expenses			\$ -	\$ 471	\$ 471
650	Transportation			\$ -	\$ -	\$ -
656	Vehicle Insurance			\$ -	\$ -	\$ -
657	General Liability Insurance			\$ -	\$ -	\$ -
658	Workers' Comp Insurance			\$ -	\$ -	\$ -
659	Insurance - Other			\$ -	\$ -	\$ -
666	Amortz. of Rate Case			\$ -	\$ 275	\$ 275
667	Gross Revenue Fee (PUC)	28		\$ 28	\$ 12	\$ 40
	<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 8,608</b>	<b>\$ 1,800</b>	<b>\$ 10,408</b>	<b>\$ 1,132</b>	<b>\$ 11,539</b>
<b>OTHER REVENUE DEDUCTIONS</b>						
403	Depreciation Expense			\$ -	\$ 260	\$ 260
406	Amort of Plant Acquisition Adjustment	-		\$ -	\$ -	\$ -
407	Amortization Expense			\$ -	\$ -	\$ -
408.11	Property Tax			\$ -	\$ -	\$ -
408.12	Payroll Tax			\$ -	\$ -	\$ -
408.13	Other			\$ -	\$ -	\$ -
409.10	Federal Income Tax			\$ -	\$ 315	\$ 315
409.11	Oregon Income Tax			\$ -	\$ 106	\$ 106
409.13	Extraordinary Items Income Tax			\$ -	\$ -	\$ -
	<b>TOTAL REVENUE DEDUCTIONS</b>	<b>\$ 8,608</b>	<b>\$ 1,800</b>	<b>\$ 10,408</b>	<b>\$ 1,813</b>	<b>\$ 12,220</b>
	<b>Net Operating Income</b>	<b>\$ (1,473)</b>	<b>\$ (1,800)</b>	<b>\$ (3,273)</b>	<b>\$ 4,603</b>	<b>\$ 1,330</b>
<b>UTILITY RATE BASE</b>						
101	Utility Plant in Service			\$ -	\$ 14,007	\$ 14,007
105	Construction Work in Progress			\$ -	\$ -	\$ -
108	- Accumulated Depreciation of Plant			\$ -	\$ 926	\$ 926
271	- Contributions in Aid of Construction			\$ -	\$ -	\$ -
272	+ Accumulated Amortization of CIAC			\$ -	\$ -	\$ -
281	- Accumulated Deferred Income Tax			\$ -	\$ -	\$ -
	- Excess Capacity			\$ -	\$ -	\$ -
	<b>= NET RATE BASE INVESTMENT</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,082</b>	<b>\$ 13,082</b>
	Plus: (working capital)					
151	Materials and Supplies Inventory			\$ -	\$ -	\$ -
	Working Cash (Total Op Exp /12)			\$ -	\$ 916	\$ 916
	<b>TOTAL RATE BASE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,998</b>	<b>\$ 13,998</b>
	<b>Rate of Return</b>	<b>0.00%</b>		<b>0.00%</b>		<b>9.50%</b>

**Adjustment Summary**

	Company Proposed Totals	Staff Adjustments to Company Totals	Staff Proposed Totals	Explanation of Adjustment
<b>REVENUES</b>				
Unmetered	\$ -	\$ -	\$ -	
Residential	\$ 5,599	\$ 5,035	\$ 10,634	Model adjustment to match parameters
Commercial	\$ -	\$ -	\$ -	
Fire Protection Sales	\$ -	\$ -	\$ -	
Irrigation Water Sales	\$ -	\$ -	\$ -	
Water Sales for Resale	\$ -	\$ -	\$ -	
Miscellaneous Services	\$ -	\$ -	\$ -	
Cross Connection Control	\$ -	\$ -	\$ -	
Other	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	
<b>Total Revenue</b>	<b>\$ 5,599</b>	<b>\$ 5,035</b>	<b>\$ 10,634</b>	
<b>Acct. OPERATING EXPENSES</b>				
601 Salaries and Wages - Employees	\$ -	\$ -	\$ -	
603 Salaries and Wages - Officers	\$ 3,600	\$ -	\$ 3,600	No adjustment
604 Employee Pension & Benefits	\$ -	\$ -	\$ -	
610 Purchased Water	\$ 2,520	\$ 150	\$ 2,670	Settlement annualized Feb 2019
611 Telephone/Communications	\$ -	\$ 275	\$ 275	Answer to Q9 85% business usage
615 Purchased Power	\$ -	\$ -	\$ -	
616 Fuel for Power Production	\$ -	\$ -	\$ -	
617 Other Utilities	\$ -	\$ -	\$ -	
618 Chemical / Treatment Expense	\$ -	\$ -	\$ -	
619 Office Supplies	\$ 900	\$ (540)	\$ 360	Answer to Q7 - Misc 60/month in total
619.1 Postage	\$ -	\$ 75	\$ 75	Answer to Q7 - 22 cust, .55/stamp
620 O&M Materials/Supplies	\$ -	\$ -	\$ -	
621 Repairs to Water Plant	\$ -	\$ -	\$ -	
631 Contract Svcs - Engineering	\$ -	\$ -	\$ -	
632 Contract Svcs - Accounting	\$ -	\$ 213	\$ 213	Answer to Q19 in Suppl appl info - invoice provided
633 Contract Svcs - Legal	\$ -	\$ -	\$ -	
634 Contract Svcs - Management Fees	\$ -	\$ -	\$ -	
635 Contract Svcs - Testing	\$ -	\$ 110	\$ 110	Answer to Q8 - Owner provided estimate
636 Contract Svcs - Labor	\$ -	\$ -	\$ -	
637 Contract Svcs - Billing/Collection	\$ -	\$ -	\$ -	
638 Contract Svcs - Meter Reading	\$ -	\$ -	\$ -	
639 Contract Svcs - Other	\$ -	\$ -	\$ -	
641 Rental of Building/Real Property	\$ -	\$ -	\$ -	
642 Rental of Equipment	\$ -	\$ -	\$ -	
643 Small Tools	\$ -	\$ -	\$ -	
648 Computer/Electronic Expenses	\$ -	\$ 471	\$ 471	Answer to Q7 - security prot, back up serv, internet
650 Transportation	\$ -	\$ -	\$ -	
656 Vehicle Insurance	\$ -	\$ -	\$ -	
657 General Liability Insurance	\$ -	\$ -	\$ -	
658 Workers' Comp Insurance	\$ -	\$ -	\$ -	
659 Insurance - Other	\$ -	\$ -	\$ -	
666 Amort. of Rate Case	\$ -	\$ 275	\$ 275	Settlement 2,750/5 years
667 Gross Revenue Fee (PUC)	\$ 23	\$ 10	\$ 33	Automatically calculated .3% of gross income
670 Bad Debt Expense	\$ -	\$ -	\$ -	
671 Cross Connection Control Program	\$ -	\$ -	\$ -	
673 Training and Certification	\$ -	\$ -	\$ -	
674 Consumer Confidence Report	\$ -	\$ -	\$ -	
675 Miscellaneous Expense	\$ -	\$ -	\$ -	
OE1 Other Expense 1	\$ -	\$ -	\$ -	
OE2 Other Expense 2	\$ -	\$ -	\$ -	
OE3 Other Expense 3	\$ -	\$ -	\$ -	
OE4 Other Expense 4	\$ -	\$ -	\$ -	
OE5 Other Expense 5	\$ -	\$ -	\$ -	
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 7,043</b>	<b>\$ 1,039</b>	<b>\$ 8,081</b>	
<b>OTHER REVENUE DEDUCTIONS</b>				
403 Depreciation Expense	\$ -	\$ 1,087	\$ 1,087	Full yearly depreciation expense
406 Amort of Plant Acquisition Adjustment	\$ -	\$ -	\$ -	
407 Amortization Expense	\$ -	\$ -	\$ -	
408.11 Property Tax	\$ -	\$ -	\$ -	
408.12 Payroll Tax	\$ -	\$ -	\$ -	
408.13 Other	\$ -	\$ -	\$ -	
409.10 Federal Income Tax	\$ -	\$ 315	\$ 315	Automatically calculated 21%
409.11 Oregon Income Tax	\$ -	\$ 106	\$ 106	Automatically calculated 6.6%
409.13 Extraordinary Items Income Tax	\$ -	\$ -	\$ -	
<b>TOTAL REVENUE DEDUCTIONS</b>	<b>\$ 7,043</b>	<b>\$ 2,548</b>	<b>\$ 9,590</b>	
<b>Net Operating Income</b>	<b>\$ (1,444)</b>	<b>\$ 2,487</b>	<b>\$ 1,044</b>	
<b>UTILITY RATE BASE</b>				
101 Utility Plant in Service	\$ -	\$ 10,993	\$ 10,993	Investment from 2018 & 2019
105 Construction Work in Progress	\$ -	\$ -	\$ -	
108 - Accumulated Depreciation of Plant	\$ -	\$ 726	\$ 726	Accum Depr from above investment
271 - Contributions in Aid of Construction	\$ -	\$ -	\$ -	
272 + Accumulated Amortization of CIAC	\$ -	\$ -	\$ -	
281 - Accumulated Deferred Income Tax	\$ -	\$ -	\$ -	
- Excess Capacity	\$ -	\$ -	\$ -	
<b>= NET RATE BASE INVESTMENT</b>	<b>\$ -</b>	<b>\$ 10,266</b>	<b>\$ 10,266</b>	
Plus: (working capital)				
151 Materials and Supplies Inventory	\$ -	\$ -	\$ -	
Working Cash (Total Op Exp /12)	\$ -	\$ 719	\$ 719	Automatically calculated 1/12th of oper expense
<b>TOTAL RATE BASE</b>	<b>\$ -</b>	<b>\$ 10,985</b>	<b>\$ 10,985</b>	
<b>Rate of Return</b>	<b>0.00%</b>	<b>22.64%</b>	<b>9.50%</b>	

**Adjustment Summary**

	Company Proposed Totals	Staff Adjustments to Company Totals	Staff Proposed Totals	Explanation of Adjustment
<b>REVENUES</b>				
Unmetered	\$ -	\$ -	\$ -	
Residential	\$ 7,134	\$ 6,416	\$ 13,550	Model adjustment to match parameters
Commercial	\$ -	\$ -	\$ -	
Fire Protection Sales	\$ -	\$ -	\$ -	
Irrigation Water Sales	\$ -	\$ -	\$ -	
Water Sales for Resale	\$ -	\$ -	\$ -	
Miscellaneous Services	\$ -	\$ -	\$ -	
Cross Connection Control	\$ -	\$ -	\$ -	
Other	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	
<b>Total Revenue</b>	<b>\$ 7,134</b>	<b>\$ 6,416</b>	<b>\$ 13,550</b>	
<b>Acct. OPERATING EXPENSES</b>				
601 Salaries and Wages - Employees	\$ -	\$ -	\$ -	
603 Salaries and Wages - Officers	\$ 3,600	\$ -	\$ 3,600	No adjustment
604 Employee Pension & Benefits	\$ -	\$ -	\$ -	
610 Purchased Water	\$ 5,880	\$ 351	\$ 6,231	Settlement annualized Feb 2019
611 Telephone/Communications	\$ -	\$ 275	\$ 275	Answer to Q9 85% business usage
615 Purchased Power	\$ -	\$ -	\$ -	
616 Fuel for Power Production	\$ -	\$ -	\$ -	
617 Other Utilities	\$ -	\$ -	\$ -	
618 Chemical / Treatment Expense	\$ -	\$ -	\$ -	
619 Office Supplies	\$ 900	\$ (540)	\$ 360	Answer to Q7 - Misc 60/month in total
619.1 Postage	\$ -	\$ 75	\$ 75	Answer to Q7 - 22 cust, .55/stamp
620 O&M Materials/Supplies	\$ -	\$ -	\$ -	
621 Repairs to Water Plant	\$ -	\$ -	\$ -	
631 Contract Svcs - Engineering	\$ -	\$ -	\$ -	
632 Contract Svcs - Accounting	\$ -	\$ 213	\$ 213	Answer to Q19 in Suppl appl info - invoice provided
633 Contract Svcs - Legal	\$ -	\$ -	\$ -	
634 Contract Svcs - Management Fees	\$ -	\$ -	\$ -	
635 Contract Svcs - Testing	\$ -	\$ -	\$ -	Answer to Q8 - Owner provided estimate
636 Contract Svcs - Labor	\$ -	\$ -	\$ -	
637 Contract Svcs - Billing/Collection	\$ -	\$ -	\$ -	
638 Contract Svcs - Meter Reading	\$ -	\$ -	\$ -	
639 Contract Svcs - Other	\$ -	\$ -	\$ -	
641 Rental of Building/Real Property	\$ -	\$ -	\$ -	
642 Rental of Equipment	\$ -	\$ -	\$ -	
643 Small Tools	\$ -	\$ -	\$ -	
648 Computer/Electronic Expenses	\$ -	\$ 471	\$ 471	Answer to Q7 - security prot, back up serv, internet
650 Transportation	\$ -	\$ -	\$ -	
656 Vehicle Insurance	\$ -	\$ -	\$ -	
657 General Liability Insurance	\$ -	\$ -	\$ -	
658 Workers' Comp Insurance	\$ -	\$ -	\$ -	
659 Insurance - Other	\$ -	\$ -	\$ -	
666 Amortz. of Rate Case	\$ -	\$ 275	\$ 275	Settlement 2,750/5 years
667 Gross Revenue Fee (PUC)	\$ 28	\$ 12	\$ 40	Automatically calculated .3% of gross income
670 Bad Debt Expense	\$ -	\$ -	\$ -	
671 Cross Connection Control Program	\$ -	\$ -	\$ -	
673 Training and Certification	\$ -	\$ -	\$ -	
674 Consumer Confidence Report	\$ -	\$ -	\$ -	
675 Miscellaneous Expense	\$ -	\$ -	\$ -	
OE1 Other Expense 1	\$ -	\$ -	\$ -	
OE2 Other Expense 2	\$ -	\$ -	\$ -	
OE3 Other Expense 3	\$ -	\$ -	\$ -	
OE4 Other Expense 4	\$ -	\$ -	\$ -	
OE5 Other Expense 5	\$ -	\$ -	\$ -	
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 10,408</b>	<b>\$ 1,132</b>	<b>\$ 11,539</b>	
<b>OTHER REVENUE DEDUCTIONS</b>				
403 Depreciation Expense	\$ -	\$ 260	\$ 260	Full yearly depreciation expense
406 Amort of Plant Acquisition Adjustment	\$ -	\$ -	\$ -	
407 Amortization Expense	\$ -	\$ -	\$ -	
408.11 Property Tax	\$ -	\$ -	\$ -	
408.12 Payroll Tax	\$ -	\$ -	\$ -	
408.13 Other	\$ -	\$ -	\$ -	
409.10 Federal Income Tax	\$ -	\$ 315	\$ 315	Automatically calculated 21%
409.11 Oregon Income Tax	\$ -	\$ 106	\$ 106	Automatically calculated 6.6%
409.13 Extraordinary Items Income Tax	\$ -	\$ -	\$ -	
<b>TOTAL REVENUE DEDUCTIONS</b>	<b>\$ 10,408</b>	<b>\$ 1,813</b>	<b>\$ 12,220</b>	
<b>Net Operating Income</b>	<b>\$ (3,273)</b>	<b>\$ 4,603</b>	<b>\$ 1,330</b>	
<b>UTILITY RATE BASE</b>				
101 Utility Plant in Service	\$ -	\$ 14,007	\$ 14,007	Investment from 2018 & 2019
105 Construction Work in Progress	\$ -	\$ -	\$ -	
108 - Accumulated Depreciation of Plant	\$ -	\$ 926	\$ 926	Accum Depr from above investment
271 - Contributions in Aid of Construction	\$ -	\$ -	\$ -	
272 + Accumulated Amortization of CIAC	\$ -	\$ -	\$ -	
281 - Accumulated Deferred Income Tax	\$ -	\$ -	\$ -	
- Excess Capacity	\$ -	\$ -	\$ -	
<b>= NET RATE BASE INVESTMENT</b>	<b>\$ -</b>	<b>\$ 13,082</b>	<b>\$ 13,082</b>	
Plus: (working capital)				
151 Materials and Supplies Inventory	\$ -	\$ -	\$ -	
Working Cash (Total Op Exp /12)	\$ -	\$ 916	\$ 916	Automatically calculated 1/12th of oper expense
<b>TOTAL RATE BASE</b>	<b>\$ -</b>	<b>\$ 13,998</b>	<b>\$ 13,998</b>	
<b>Rate of Return</b>	<b>0.00%</b>	<b>32.88%</b>	<b>9.50%</b>	

Clearwater Source, LLC					Staff/102
Docket No. UW 177					Beitzel/5
<b>Cost of Capital - Water</b>					
	Amount	Cap Struct	Cost	Wtd. Cost	
		0.00%		0.00%	
		0.00%		0.00%	
		0.00%		0.00%	
<b>Total Debt</b>	-	<b>0.00%</b>		<b>0.00%</b>	
Original Investment	0	0.00%	9.50%	0.00%	
Working Cash	719	6.14%	9.50%	0.58%	
Recent Investment	10,993	93.86%	9.50%	8.92%	
<b>Total Equity</b>	<b>11,712</b>	<b>100.00%</b>		<b>9.50%</b>	<b>ROE</b>
<b>Total Debt + Equity</b>	<b>11,712</b>	<b>100.00%</b>		<b>9.50%</b>	<b>ROR</b>

Clearwater Source, LLC					Staff/102
Docket No. UW 177					Beitzel/5
<b>Cost of Capital - Waste</b>					
	Amount	Cap Struct	Cost	Wtd. Cost	
		0.00%		0.00%	
		0.00%		0.00%	
		0.00%		0.00%	
<b>Total Debt</b>	-	<b>0.00%</b>		<b>0.00%</b>	
Original Investment	1	0.00%	9.50%	0.00%	
Working Cash	916	6.14%	9.50%	0.58%	
Recent Investment	14,007	93.86%	9.50%	8.92%	
<b>Total Equity</b>	<b>14,924</b>	<b>100.00%</b>		<b>9.50%</b>	<b>ROE</b>
<b>Total Debt + Equity</b>	<b>14,924</b>	<b>100.00%</b>		<b>9.50%</b>	<b>ROR</b>

Clearwater Source, LLC						Staff/102
Docket No. UW 177						Beitzel/6
<b>Rate Design</b>						
<b>Water</b>					Revenue Allocation:	<b>10,634</b>
					Allocated to Base Rates:	65.00%
					Allocated to Commodity Rates:	35.00%
<b>Base Rates</b>						
					Revenue Allocation:	<b>6,912</b>
Meter Size	Customers	Factors	Customer Equivalency	% of Total	Revenue Allocation	Base Rate
5/8"	22	1.0	22	100.00%	\$ 6,912	\$ 26.18
TOTAL	22		22	100.00%	\$ 6,912	
<b>Commodity Rate</b>						
					Revenue Allocation:	<b>3,722</b>
Annual Consumption	33,914	Gallons				
Unit of Measurement	100	CF				
Annual Units of Consumption	45	Units				
Commodity Rate:	\$ 3.73	per unit				

Clearwater Source, LLC						Staff/102
Docket No. UW 177						Beitzel/6
<b>Rate Design</b>						
<b>Waste</b>					Revenue Allocation:	<b>13,550</b>
					Allocated to Base Rates:	65.00%
					Allocated to Commodity Rates:	35.00%
<b>Base Rates</b>						
					Revenue Allocation:	<b>8,808</b>
Meter Size	Customers	Factors	Customer Equivalency	% of Total	Revenue Allocation	Base Rate
5/8"	22	1.0	22	100.00%	\$ 8,808	\$ 33.36
TOTAL	22		22	100.00%	\$ 8,808	
<b>Commodity Rate</b>						
					Revenue Allocation:	<b>4,743</b>
Annual Consumption	33,914	Gallons				
Unit of Measurement	100	CF				
Annual Units of Consumption	45	Units				
Commodity Rate:	\$ 4.75	per unit				



Clearwater Source, LLC												Staff/102
Docket No. UW 177												Beitzel/7
WATER												
Invested Plant												
Acct No.	Asset Description	Date Acquired	Utility Plant Orig Cost	Total Adj Plant	Asset Life	Annual Deprec	Final Month of Deprec	2018	2019	2020	Accum. Deprec.	Remaining Plant
331	Pipes	4/2019	7,607	7,607	30	254	Apr 2049	-	191	254	191	7,416
334	22 meters	6/2018	3,386	3,386	10	339	Jun 2028	198	339	339	537	2,849
<b>TOTALS</b>		Various	10,993	10,993		593		198	530	593	727	10,265

Clearwater Source, LLC												Staff/102
Docket No. UW 177												Beitzel/7
WASTE												
Invested Plant												
Acct No.	Asset Description	Date Acquired	Utility Plant Orig Cost	Total Adj Plant	Asset Life	Annual Deprec	Final Month of Deprec	2018	2019	2020	Accum. Deprec.	Remaining Plant
331	Pipes	4/2019	9,693	9,693	30	323	Apr 2049	-	242	323	242	9,451
334	22 meters	6/2018	4,314	4,314	10	431	Jun 2028	251	431	431	682	3,632
<b>TOTALS</b>		Various	14,007	14,007		754		251	673	754	925	13,083

Clearwater Source, LLC												Staff/102		
Docket No. UW 177												Beitzel/7		
Summary of Rates, Bills and Revenues														
Line Type & Size	Total Projected Customers	Total Projected Consumption	BASE RATES			COMMODITY RATES			AVERAGE BILLS			REVENUE		
			Current Rate	Staff Proposed Rate	Difference %	Current Rate	Staff Proposed Rate	Difference (%)	Current Rate	Staff Proposed Rate	Difference (%)	Base Rate	Commodity Rate	Total
<b>Water - METERED-- Residential/Commercial</b>														
5/8" or 3/4"	22	45	\$17.24	\$26.18	51.87%	\$3.73	\$3.73	0.04%	\$26.52	\$40.28	51.91%	\$6,912.10	\$3,721.90	\$10,634.00
<b>Waste Water - METERED-- Residential/Commercial</b>														
5/8" or 3/4"	22	45	\$14.13	\$33.36	136.11%	\$3.05	\$4.75	55.89%	\$21.71	\$51.33	136.37%	\$8,807.59	\$4,742.55	\$13,550.14
<b>TOTAL Revenue</b>											\$15,719.70	\$8,464.45	\$24,184.15	

CASE: UW 177  
WITNESS: RUSSELL (RUSS) BEITZEL

**PUBLIC UTILITY COMMISSION  
OF  
OREGON**

**STAFF EXHIBIT 103**

**Exhibits in Support of Testimony**

**October 31, 2019**

**OPUC Data Request 07**

Please provide a detailed projected expense per month for Office Supplies (A/C 619) for future years.

**Response to OPUC Data Request 07**

7. Projected office expenses (being noted that utility testing is addressed in the next question):

- a. Internet connection and fax landline \$720
  - b. Postage, mailing \$150
  - c. Computer backup system (as paragraph above) \$111.99
  - d. Security program (as paragraph above) \$109.99
  - e. Strictly office items \$720
- Total: \$1,812

**OPUC Data Request 08**

Please provide a list of all required Utility testing (A/C 635) for the next three years and the approximate cost of each.

**Response to OPUC Data Request 08**

8. Utility testing:  
Was for 2018: \$103  
Estimated to be about \$110 for the next 3 years

**OPUC Data Request 09**

For the telephone expense listed in the application Q28 and the Verizon invoice provided in the Supplemental Information attachment to the application, please provide the percentage of time this telephone is used for Utility service purposes.

**Response to OPUC Data Request 09**

9. Telephone use:  
In addition to a landline, I own a different phone for all personal calls and the business phone is used at 85% for the business aspect. Therefore, I can reasonably estimate the proration being for business use in dollar being  $\$55 \times 0.85 = \$46$  a month, or \$550 a year.