

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UW 81

In the Matter of WILLAMETTE WATER)	
COMPANY's Petition to Increase Rate)	ORDER
Schedules for Water Service.)	
)	

**DISPOSITION: RATE SCHEDULES SUSPENDED;
INTERIM INCREASE ALLOWED**

On September 18, 2001, Willamette Water Company (WWC) filed a rate increase request for \$16,436 in total annual revenues or 10.0 percent. (Advice No. 01-9.) WWC, located near Goshen, Oregon, has fewer than 200 customers. A portion of the request would recover an increase in wholesale water costs from the Eugene Water and Electric Board (EWEB). EWEB is WWC's sole water supplier. The EWEB increase includes a change from a tiered to a flat rate structure. WWC also requested approval of an immediate interim increase of \$9,337 or 5.7 percent to recover the increase in the wholesale cost of water.

Under ORS 757.215(5), the Commission orders suspension of this rate increase to determine the propriety and reasonableness of the proposed rates. While the hearing is pending, we will allow the interim increase to reflect the increased wholesale cost of water. The increase should be allocated in a manner that incorporates EWEB's new rate structure. If, after hearing, we find the interim rates were not justified, we may order a refund.

In the past, we have been wary of allowing interim rate increases for utilities. We recognize, however, the unique circumstances of small water companies that face large increases in the wholesale cost of water. These companies often have little or no ability to absorb large cost increases or extensive experience in making regulatory filings with the Commission. As a result, we find it appropriate, under limited circumstances, to allow these companies to recover increases in the wholesale cost of water through interim rates pending the outcome of the final rate case.

ORDER

IT IS ORDERED that:

1. Advice 01-9 is suspended for six months from November 1, 2001, pending investigation into the propriety and reasonableness of the rates.
2. WWC may file interim rate schedules effective for service on and after November 1, 2001, that would allow it to collect \$9,337, or 5.7 percent in additional revenues.

Made, entered, and effective _____.

Roy Hemmingway
Chairman

Lee Beyer
Commissioner

Joan H. Smith
Commissioner

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order to a court pursuant to applicable law.