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**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

UW 82

In the Matter of	)	
	)	
WILDERNESS CANYON WATER	)	ORDER
COMPANY	)	
	)	
Revised Tariff Schedules.	)	

**DISPOSITION: STIPULATION APPROVED/RATES AUTHORIZED/  
CONDITIONS IMPOSED**

On October 26, 2001, Wilderness Canyon Water Company (Wilderness) filed tariff sheets in Advice. No. 01-10 to be effective December 1, 2001. In Order No. 01-992, entered November 21, 2001, the Commission found good and sufficient cause to investigate the propriety and reasonableness of the tariff sheets and suspended the advice pending that investigation.

On December 19, 2001, a public comment hearing and prehearing conference were held in Newberg, Oregon. A schedule for the proceeding was adopted. Two customers appeared and filed applications to intervene in the proceeding. The applications were granted.

On March 21, 2002, a public information and comment meeting and an evidentiary hearing were held in Newberg. Wilderness was represented by Melvin Olson, authorized representative. PUC Staff was represented by Jason Jones, Assistant Attorney General. Intervener Caleb Frobige represented himself. Intervener Howard Hamilton did not appear.

Staff offered a stipulation between it and Wilderness resolving all issues in the case. Intervener Caleb Frobige agreed to the stipulation. Staff also offered testimony explaining and supporting the stipulation.

**DISCUSSION**

The stipulation (attached) and Staff testimony and exhibits are summarized below.

**Results of Operations**

The parties agreed to a total revenue requirement of \$9,864, which is based upon total operating expenses of \$7,997, a rate base of \$5,877, and a 10 percent overall rate of return.

The residential average monthly rate generated from this revenue requirement is \$54.76. The monthly base rate is \$32.88 (which includes 3,000 gallons of water delivery), and the variable rate for consumption above the 3,000-gallon base is \$2.16 for 1,000 gallons.

The variable rate established in the previous rate case for Wilderness was \$1.38 per 750 gallons above a base consumption of 3,750 gallons.

Under the provisions of the stipulation, the average monthly residential rate will increase from \$37.60 to \$54.76 or 46 percent.

### **Conditions**

The stipulation contains several conditions requiring the company to do the following:

1. Clean the pumphouse floors regularly.
2. Flush the water mains annually.
3. Notify customers on billing statements as to the date and time the system will be flushed. If the specific time cannot be provided, then morning or afternoon should be indicated.
4. Have the tanks cleaned annually by a professional service. The cost to perform the function is provided for in the rate case underlying the stipulation.
5. Maintain a 24-hour time line for responding to complaints.
6. Notify customers immediately (by phone or in person) when it is necessary to chlorinate or otherwise chemically treat water for health reasons.

### **Additional Agreement**

Intervener Caleb Frobig requested that Commission Staff agree that it would look into Contributions in Aid of Construction (CIAC) during the next rate case. Staff agreed to this additional provision. The company did not object to it. Staff then submitted a letter setting out the agreement as follows: "Commission Staff agrees that it will reexamine the issue of the appropriate CIAC amount during Wilderness Canyon Water's next rate filing."

### **DISPOSITION**

The Commission has examined the stipulation and attachments and the entire record in this case. The Commission concludes that the stipulation is an appropriate resolution of all issues and that the rates established therein are just and reasonable. The Commission adopts the stipulation and all attachments.

**CONCLUSIONS**

1. The adjustments stipulated to by Staff and the Company as shown in the attached stipulation are reasonable and should be adopted. Wilderness should be allowed to file revised rate schedules consistent with those adjustments.
2. The rates set out in the stipulation are reasonable and proper.
3. The conditions set out in the stipulation are appropriate and are adopted.

**ORDER**

IT IS ORDERED that:

1. The rate schedules proposed by Wilderness Canyon Water Company are permanently suspended.
2. The stipulation, Appendix A to this order, is adopted.

Made, entered, and effective \_\_\_\_\_.

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**Roy Hemmingway**  
Chairman

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**Lee Beyer**  
Commissioner

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**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.

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