

This is an electronic copy. Attachments may not appear.

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UW 83

In the Matter of)	
)	
HILLVIEW WATER)	ORDER
)	
Revised Tariff Schedules.)	

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

On October 26, 2001, Hillview Water (Hillview) filed tariff sheets in Advice No. 01-11 to be effective December 1, 2001. In Order No. 01-993, entered November 21, 2001, the Public Utility Commission of Oregon 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 session and prehearing conference were held in Newberg, Oregon. A schedule for the proceeding was adopted. Two customers, Douglas Gravatt and Larry Gray, filed petitions for intervention, which were approved.

On March 21, 2002, a public comment session and an evidentiary hearing were held in Newberg. Hillview was represented by Melvin Olson, authorized representative. PUC Staff was represented by Jason Jones, Assistant Attorney General. Interveners Douglas Gravatt and Larry Gray, represented themselves.

Staff offered a stipulation entered into by it and all other parties resolving all issues in the case. 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 \$7,510, which is based upon total operating expenses of \$6, 144, a rate base of \$2,423, and a 10 percent overall rate of return.

The residential average monthly rate generated from this revenue requirement is \$56.83. The monthly base rate is \$34.13 (which includes 3,000 gallons of water delivery). The variable rate is \$1.12 per 1,000 gallons for consumption above the 3,000-gallon base.

The variable rate established in the previous rate case was \$0.89 per 750 gallons above the base consumption of 3,750 gallons.

The agreement results in an increase in the average monthly residential rate from \$49.26 to \$56.83 or 15.4 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.

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. Hillview 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 Hillview Water are permanently suspended.
2. The stipulation, Appendix A to this order, is adopted.

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.

UW83order.doc