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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

	UW 86	
	UI 168	
In the Matter of)	
)	
SUNRIVER WATER, LLC)	
)	
Application for Water Service in the State of)	ORDER
Oregon (UW 86))	
)	
Application requesting Approval of the)	
Sunriver Management Agreement with)	
Sunriver Resort Limited Partnership (UI 168))	

DISPOSITION: STIPULATION APPROVED; APPLICATION GRANTED

On March 13, 2002, Sunriver Water LLC (Sunriver) filed tariff sheets in Advice No. 02-2 to be effective April 12, 2002. Sunriver requested an increase of \$194,633 (24 percent) in annual revenues. The current average monthly residential bill is approximately \$11.22, which would increase to approximately \$15.20 under the Sunriver filing. Sunriver claims that the additional revenue is needed to cover operating cost increases and return on capital investments made since 1990.

On April 5, 2002, the Public Utility Commission of Oregon suspended the advice pending an investigation. *See* Order No. 02-238.

Also on March 13, 2002, Sunriver filed an affiliated interest application seeking approval of the Sunriver Management Agreement with Sunriver Resort Limited Partnership. That filing was docketed as UI 186, and consolidated with Sunriver's general rate filing, docketed as UW 86.

On August 8 and 9, 2002, Administrative Law Judge (ALJ) Kathryn Logan held a public comment meeting and consolidated evidentiary hearing in Sunriver, Oregon. James Paine, attorney, appeared on behalf of Sunriver. Gary Fiebick appeared on behalf of the Sunriver Owners Association. Jason Jones, Assistant Attorney General, appeared on behalf of Staff. At the hearing, the parties submitted a stipulation resolving all issues in the case.

Stipulation

The stipulation is attached as Appendix A and incorporated by reference. In the agreement, the parties agree that Sunriver will be allowed to increase rates by 13.05 percent, resulting in total revenues of \$940,571 with a 10 percent rate of return on a rate base of \$1,318,134. Under the stipulation, the current average monthly residential bill will increase from \$11.22 to \$12.45 per month.

The parties also agree that the Sunriver Management Services Contract, submitted for approval in docket UI 168 and revised on July 23, 2002, should be approved.

DISCUSSION

UW 86

After reviewing the stipulation and supporting testimony, the Commission concludes that the stipulation is an appropriate resolution of all the issues and that the rates established are just and reasonable. We adopt the stipulation in its entirety.

UI 168

Sunriver is a public utility subject to the jurisdiction of the Commission. An affiliated interest relationship exists between Sunriver and Sunriver Resort Limited Partnership. The proposed management services contract is fair, reasonable, and not contrary to the public interest. ORS 757.495(3).

ORDER

IT IS ORDERED that:

1. Advice No. 02-2 is permanently suspended.
2. The stipulation, attached as Appendix A, is adopted in its entirety.
3. The rates set out in the stipulation become effective upon entry of this order.

4. The Sunriver Management Agreement with Sunriver Resort Limited Partnership, submitted in UI 168 and as revised on July 23, 2002, is approved, subject to any conditions contained in the stipulation.

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.