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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UW 87

In the Matter of)	
)	
RUNNING Y UTILITY COMPANY)	ORDER
)	
Proposed Tariffs for Water Service in the)	
State of Oregon.)	

DISPOSITION: STIPULATION APPROVED/RATE INCREASE AUTHORIZED.

In December 2001, Running Y Utility Company (Running Y) notified its customers that rates would be increased effective February 1, 2002. Subsequent to the notification, over 20 percent of the customers filed a petition with the Public Utility Commission of Oregon (Commission), asking for an investigation of the rate increase. On February 11, 2002, the Commission Staff (Staff) notified Running Y that it must file tariffs.

On June 20, 2002, Running Y filed tariff sheets in Advice No. 02-4 to be effective August 1, 2002. Running Y requested an increase of \$44,398 (28.8 percent) in annual revenues, resulting in annual revenues of \$198,736. On July 25, 2003, the Commission suspended the advice pending an investigation. See Order Nos. 02-476 and 03-022.

A public comment hearing was held at the Running Y Ranch Resort on August 7, 2002. On February 26, 2003, Staff and Running Y submitted a Stipulation with supporting testimony that resolved all issues in the case.

Stipulation

The Stipulation is attached as Appendix A and incorporated by reference. In the Stipulation, the parties agree that Running Y will be allowed to increase rates by 22.6 percent, resulting in total revenues of \$198,736 with a 2.11 percent rate of return on a rate base of \$948,635. Under the Stipulation, the monthly residential base rate will increase from \$27.50 to \$33.00 per month, resulting in an average monthly bill of \$43.03.

DISCUSSION

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.

ORDER

IT IS ORDERED that:

1. Advice No. 02-4 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.

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.