

**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

UW 110

In the Matter of	)	
	)	
LONG BUTTE WATER SYSTEM INC	)	ORDER
	)	
Proposed Tariff for Water Service.	)	
Advice No. 05-32	)	

**DISPOSITION: TARIFF SHEETS SUSPENDED**

On April 13, 2005, LONG BUTTE WATER SYSTEM INC filed tariff sheets in Advice No. 05-32 to be effective August 1, 2005. On May 31 and June 13, 2005, the company filed replacement sheets. The terms of the proposed tariff sheets are set forth in the Staff Report dated June 14, 2005, attached as the Appendix to this order.

At its June 29, 2005, public meeting, the Public Utility Commission of Oregon found good and sufficient cause exists to investigate the propriety and reasonableness of the tariff sheets pursuant to ORS 757.210 and 757.215. The Commission ordered suspension of the advice pending that investigation.

IT IS ORDERED that Advice No. 05-32 filed by LONG BUTTE WATER SYSTEM INC is suspended for a period of time not to exceed six months from August 1, 2005, the effective date of the tariff sheets.

Made, entered, and effective JUN 30 2005



BY THE COMMISSION:

Becky L. Beier  
Becky Beier  
Commission Secretary

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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ITEM NO. 5

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: June 29, 2005

REGULAR  X  CONSENT \_\_\_\_\_ EFFECTIVE DATE  August 1, 2005

DATE: June 14, 2005

TO: Public Utility Commission

FROM: Renee Sloan

THROUGH: Lee Sparling, Marc Hellman, and Michael Dougherty

SUBJECT: LONG BUTTE WATER SYSTEM INC: (Docket No. UW 110/Advice No. 05-32) Requests a general rate increase in the amount of \$97,354, or 78 percent.

**STAFF RECOMMENDATION:**

Pursuant to ORS 757.215, Staff recommends that the proposed tariffs filed by Long Butte Water System Inc (Long Butte or Company) requesting a general rate increase be suspended for six months effective August 1, 2005.

**DISCUSSION:**

Long Butte Water System Inc is located in Bend, Oregon, and provides domestic water service to 244 residential customers.

The Company filed tariffs on April 13, 2005, requesting to increase revenues by \$77,625, or 62 percent above 2004 revenues. The Company withdrew those tariffs because the revenues requested were not sufficient to cover expenses shown in the filing. Subsequently, on May 31, 2005, the Company filed an amended application requesting to increase revenues by \$97,354, or 78 percent above 2004 revenues.

Long Butte Water System Inc has not had a rate increase since rates were first established in 1992 when it served one customer. As a result of a customer petition, the Commission opened an investigation (UW 48) in 1994 to review the Company's service and rates. Upon investigation, Staff determined that rates being charged then were reasonable and should remain in effect. Staff and the Company stipulated to that finding and it was adopted in Order No. 95-1166.

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Long Butte is seeking this revenue increase to cover the growing costs of operations and maintenance. The Company estimates that the proposed increase will raise the average residential monthly bill from \$42.70 to \$72.29 per month.

Staff has begun its review of Long Butte's current filing and expects to present its results of analysis at a Settlement Conference by mid-October 2005.

**PROPOSED COMMISSION MOTION:**

Pursuant to ORS 757.215, proposed tariffs filed by Long Butte Water System Inc be suspended for six months, effective August 1, 2005, to allow Staff adequate time to investigate the Company's rate proposal.

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