

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UW 112

In the Matter of)	
)	
RUNNING Y UTILITY COMPANY)	ORDER
)	
Proposed Tariff for Water Service.)	
Advice No. 06-6)	

DISPOSITION: TARIFF SHEETS SUSPENDED

On January 17, 2006, RUNNING Y UTILITY COMPANY filed tariff sheets in Advice No. 06-6 to be effective April 1, 2006. The terms of the proposed tariff sheets are set forth in the Staff Report dated February 21, 2006, attached as the Appendix to this order.

At its March 7, 2006, 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. 06-6 filed by RUNNING Y UTILITY COMPANY is suspended for a period of time not to exceed six months from April 1, 2006, the effective date of the tariff sheets.

Made, entered, and effective MAR 13 2006



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 by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.

ITEM NO. 5

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT

PUBLIC MEETING DATE: March 7, 2006

REGULAR CONSENT EFFECTIVE DATE April 1, 2006

DATE: February 21, 2006

TO: Public Utility Commission

FROM: Renee Sloan *RS*

THROUGH: *LS* Lee Sparling, *MH* Marc Hellman, and *MD* Michael Dougherty

SUBJECT: RUNNING Y UTILITY COMPANY: (Docket No. UW 112/Advice No. 06-6)
Requests a general rate increase in the amount of \$61,976, or 20 percent.

STAFF RECOMMENDATION:

Pursuant to ORS 757.215, Staff recommends the proposed tariffs filed by Running Y Utility Company (RYUC or Company) requesting a general rate increase be suspended for six months effective April 1, 2006.

DISCUSSION:

Running Y Utility Company provides water service to customers at Running Y Ranch Resort, located approximately nine miles west of Klamath Falls, Oregon. Customers include 443 residential, 20 commercial, 40 non-golf course irrigation, and 1 golf course irrigation.

On January 16, 2006, RYUC filed proposed tariffs with an effective date of April 1, 2006, to increase revenues by \$61,976, or 20 percent above the \$309,881 revenues collected in 2005.

RYUC states that the proposed rates would increase the average residential monthly bill from \$34.84 to \$37.77. According to the Company, the average monthly rate for a commercial customer with a 3/4 inch meter would increase from \$41.10 to \$43.50.

In its application, the Company states that increased revenues are necessary to recover increased costs of operations in order to improve profitability of the Company.

Running Y (Advice 06-6)
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RYUC's last rate case (UW 92) was concluded September 23, 2003, with the issuance of Order No. 03-569.

Despite this request for a six-month suspension of RYUC's proposed tariffs, Staff anticipates the analysis will be completed by mid-March. A settlement conference in this docket is scheduled for March 31, 2006.

PROPOSED COMMISSION MOTION:

Pursuant to ORS 757.215, proposed tariffs filed by Running Y Utility Company be suspended for six months, effective April 1, 2006, to allow Staff adequate time to investigate the Company's rate proposal.

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