

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UW 129

In the Matter of	)	
	)	
OLD SHEEP RANCH WATER	)	ORDER
ASSOCIATION	)	
	)	
Proposed Tariff for Water Service.	)	
Advice No. 08-28	)	

**DISPOSITION: TARIFF SHEETS SUSPENDED**

On May 16, 2008, OLD SHEEP RANCH WATER ASSOCIATION filed tariff sheets in Advice No. 08-28 to be effective July 1, 2008. The terms of the proposed tariff sheets are set forth in the Staff Report dated June 2, 2008, attached as the Appendix to this order.

At its June 10, 2008, 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. 08-28 filed by OLD SHEEP RANCH WATER ASSOCIATION is suspended for a period of time not to exceed six months from July 1, 2008, the effective date of the tariff sheets.

Made, entered, and effective JUN 17 2008.



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.

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PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: June 10, 2008

REGULAR  X  CONSENT \_\_\_\_\_ EFFECTIVE DATE  July 1, 2008

DATE: June 2, 2008

TO: Public Utility Commission

FROM: Renee Sloan *RS*

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

SUBJECT: OLD SHEEP RANCH WATER ASSOCIATION: (Docket No. UW 129/  
Advice No. 08-28) Request to establish rates.

**STAFF RECOMMENDATION:**

Pursuant to ORS 757.215, Staff recommends that proposed tariffs filed with Old Sheep Ranch Water Association's (Old Sheep Ranch or Association) application requesting to establish rates be suspended for six months effective July 1, 2008.

**DISCUSSION:**

Old Sheep Ranch Water Association is located in the vicinity of Langlois, Oregon, and provides water service to 33 members<sup>1</sup> of the Association.

On December 3, 2007, the Commission received petitions from around 30 percent of the membership, exceeding the statutory threshold of 20 percent. Therefore, pursuant to ORS 757.063, Old Sheep Ranch met the requirement for Commission regulation.

On January 27, 2008, the Commission issued Order No. 08-111 (WJ 17) asserting jurisdiction over Old Sheep Ranch and ordering the Association to file tariffs with the Commission.

On May 16, 2008, Old Sheep Ranch complied with Order No. 08-111 by filing, an application to establish rates resulting in total annual revenues of \$11,880, an \$883

<sup>1</sup> The application states that 24 of the 33 members are full-time residents.

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decrease from 2007 annual revenues reported by the previous Board of Directors.<sup>2</sup> According to the application, even though Old Sheep Ranch proposes a slight rate decrease in revenues, the Association proposes that rates remain the same.<sup>3</sup>

In the application, Old Sheep Ranch requests zero percent rate of return on rate base because the Association is a domestic nonprofit mutual benefit corporation with members.

Even though Old Sheep Ranch is requesting a slight decrease in annual revenue, this is the first rate case for the Association, and Staff needs adequate time to complete its normal investigation of the revenues, expenses, plant rate base, and rate design.

**PROPOSED COMMISSION MOTION:**

Pursuant to ORS 757.215, the proposed tariffs filed by Old Sheep Ranch Water Association be suspended for six months, effective July 1, 2008.

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<sup>2</sup> According to the application, the new Board of Directors has been able to verify only \$11,880 of the \$12,763 test year revenues reported by the previous Board of Directors.

<sup>3</sup> The current rate design consists of a \$30 per month base rate that includes 15,000 gallons and \$2.00 per 1,000 gallons used above 15,000 gallons.