

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UW 132

In the Matter of)	
)	
RUNNING Y UTILITIES INC)	ORDER
)	
Proposed Tariff for Water Service.)	
Advice No. 08-40)	

DISPOSITION: TARIFF SHEETS SUSPENDED

On November 12, 2008, RUNNING Y UTILITIES INC filed tariff sheets in Advice No. 08-40 to be effective March 1, 2009. The terms of the proposed tariff sheets are set forth in the Staff Report dated November 17, 2008, attached as the Appendix to this order.

At its November 25, 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. 08-40 filed by RUNNING Y UTILITIES INC is suspended for a period of time not to exceed six months from March 1, 2009, the effective date of the tariff sheets.

Made, entered, and effective NOV 26 2008.



BY THE COMMISSION:

Becky L. Bejer
Becky Bejer
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.

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 25, 2008**

REGULAR X CONSENT _____ EFFECTIVE DATE March 1, 2009

DATE: November 17, 2008

TO: Public Utility Commission

FROM: Renee Sloan *RS*

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

SUBJECT: RUNNING Y UTILITIES INC.: (Docket No. UW 132/Advice No. 08-40)
Requests a general rate increase.

STAFF RECOMMENDATION:

Pursuant to ORS 757.215, Staff recommends that proposed tariffs filed by Running Y Utilities, Inc. (Running Y or Company) requesting a general rate increase for water services be suspended for six months effective March 1, 2009.

DISCUSSION:

Running Y Utilities, Inc. provides water service to Running Y Resort, located near Klamath Falls, Oregon. Running Y's customers include 478 residential, 24 commercial, 57 irrigation, and 1 golf course.

On November 12, 2008, Running Y filed proposed tariffs to increase revenues by \$82,452, or 19.3 percent above the \$427,828 revenues collected in 2007.

Running Y states the proposed rates would increase the average residential monthly bill from \$41.19 to \$45.02. According to the Company, the average monthly bill for a commercial customer with a 5/8 inch meter would increase from \$36.07 to \$44.85.

In the application, the Company requests an 8 percent rate of return on a rate base of \$3,927,255. Running Y states that the increased revenues are necessary because current revenues are insufficient to maintain increasing general operating costs.

Running Y's last rate case (UW 112) was concluded June 1, 2006, with the issuance of Order No. 06-265.

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Due to the various procedural requirements involved in a rate case, Staff may not be able to complete the case before Running Y's requested effective date of March 1, 2009. As a result, Staff requests a six-month suspension of the tariffs, even though Staff intends to complete the case several months before the end of the suspension period.

PROPOSED COMMISSION MOTION:

Pursuant to ORS 757.215, Running Y Utilities, Inc.'s proposed tariffs be suspended for six months, effective March 1, 2009, to allow Staff adequate time to investigate the Company's rate proposal.

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