

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UF 4249(1)

In the Matter of

SEVENTH MOUNTAIN GOLF VILLAGE
WATER COMPANY

Application for retroactive reauthorization
of a note.

ORDER

**DISPOSITION: APPLICATION APPROVED WITH CONDITIONS
AND REPORTING REQUIREMENTS**

On July 16, 2009, Seventh Mountain Golf Village Water Company (SMGV), filed an application with the Public Utility Commission of Oregon (Commission), pursuant to ORS 757.415 and OAR 860-036-0720(3), for reauthorization of the remaining balance of the note approved under Order No. 08-400. The basis for the request is detailed in Staff's Report, attached as Appendix A, and incorporated by reference.

Based on a review of the application and the Commission's records, the Commission finds that this application satisfies applicable statutes and administrative rules. At its public meeting on September 8, 2009, the Commission adopted Staff's recommendation and approved SMGV's request.

ORDER

IT IS ORDERED that the application of Seventh Mountain Golf Village Water Company for reauthorization of the remaining balance of the note approved under Order No. 08-400 is approved, subject to the conditions and reporting requirements specified in Appendix A.

Made, entered, and effective SEP 14 2009



BY THE COMMISSION:

Becky L. Beier

Becky L. 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. CA7

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: September 8, 2009

REGULAR _____ CONSENT X EFFECTIVE DATE _____ NA _____

DATE: August 25, 2009

TO: Public Utility Commission

FROM: Marion Anderson *MSA*

THROUGH: Lee Sparling, Marc Hellman, and Michael Dougherty *W SA M*

SUBJECT: SEVENTH MOUNTAIN GOLF VILLAGE WATER COMPANY: (Docket No. UF 4249(1)) Application for retroactive reauthorization of a note.

STAFF RECOMMENDATION:

Staff recommends the Commission retroactively approve Seventh Mountain Golf Village Water Company's (SMGV or the Company) request to reauthorize a note, subject to the following condition:

1. The Company shall notify the Commission in advance of any substantive changes to the note's terms, including any material change in the principal amount, gross proceeds, payment terms, or interest rate. In the event Staff finds that any such change may in fact be material, Staff will notify the Company and the Company agrees to promptly file an application requesting a supplemental order (or other appropriate format) be issued approving the new terms and conditions.
2. The Commission reserves judgment on the reasonableness for ratemaking purposes of the Company's financing costs. In its next rate proceeding, the Company will be required to show that its capital costs, including embedded expenses and capital structure, are just and reasonable.

DISCUSSION:

This application was filed on July 16, 2009, pursuant to ORS 757.415 and OAR 860-036-0720(3). SMGV is requesting reauthorization of the remaining balance of the note approved under Order No. 08-400, dated July 31, 2008. The approval granted under that order specified the full defrayment of the principal on or before May 12, 2009.

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Thus this is a belated filing. However, principal and interest payments have been ongoing.

This note does not have an expiration date and becomes due and payable in full upon sale of the utility or the sale of Mr. Bernards home. The principal amount has decreased to \$36,717.07 while the interest rate is unchanged at 10% per annum. The collateral remains sufficient.

Based on Staff's review, the application appears fair and reasonable, and not contrary to the public interest.

PROPOSED COMMISSION MOTION:

Seventh Mountain Golf Village Water Company's request to retroactively reauthorize a note be approved with Staff's condition and reporting requirements.

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