

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UW 139

In the Matter of)
)
WHISPERING PINES ESTATES WATER) ORDER
)
Proposed Tariff for Water Service.)
Advice No. 09-23)

DISPOSITION: TARIFF SHEETS SUSPENDED

On November 9, 2009, WHISPERING PINES ESTATES WATER filed tariff sheets in Advice No. 09-23 to be effective December 31, 2009. The terms of the proposed tariff sheets are set forth in the Staff Report dated November 16, 2009, attached as the Appendix to this order.

At its November 24, 2009, 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. 09-23 filed by WHISPERING PINES ESTATES WATER is suspended for a period of time not to exceed six months from December 31, 2009, the effective date of the tariff sheets.

Made, entered, and effective DEC 02 2009.



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.

UW 139susp

ITEM NO. 4

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 24, 2009

REGULAR X CONSENT EFFECTIVE DATE December 31, 2009

DATE: November 16, 2009

TO: Public Utility Commission

FROM: Renee Sloan *RS*

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

SUBJECT: WHISPERING PINES ESTATES WATER: (Docket No. UW 139/Advice No. 09-23) Requests a general rate revision.

STAFF RECOMMENDATION:

Pursuant to ORS 757.215, Staff recommends that proposed tariffs filed by Whispering Pines Estates Water (Whispering Pines or Company) requesting a general rate increase be suspended for six months effective December 31, 2009.

DISCUSSION:

Whispering Pines is a small investor-owned water utility in Shady Cove that provides service to approximately 21 residential customers.

On or around July 22, 2009, the Commission received petitions from 20 percent or more of the customers requesting Commission oversight and rate regulation of the Company. The regulatory requirement for petitions in ORS 757.061 is 20 percent or more of a company's customers. Therefore, pursuant to ORS 757.061, Whispering Pines met the requirement for Commission regulation.

On August 12, 2009, the Commission issued Order No. 09-312 (WJ 23) finding it in the public interest to regulate Whispering Pines, asserting jurisdiction over Whispering Pines, and ordering the Company to file tariffs.

On August 12, 2009, the Company requested interim rate relief to help offset the cost of purchased water. On September 10, 2009, in Order No. 09-357, the Commission granted the Company's request for interim rate relief effective September 11, 2009.

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On September 29, 2009, the Company requested an extension until November 5, 2009, to file the tariffs required by Order No. 09-312. The Commission granted the extension in Order No. 09-380 issued September 30, 2009.

On November 9, 2009, Whispering Pines complied with Commission Order Nos. 09-312 and 09-380 by filing an application to establish rates resulting in total annual revenues of \$24,534, a \$12,507 increase from 2008 revenues. The Company also requests a 10 percent rate of return on a rate base of \$65,649.

The current rate design is comprised of a \$40 base rate that includes 5,000 gallons and \$0.003 per gallon for pumped (not purchased) water. Under the interim rates, the base rate is \$40; however, the commodity rate is \$0.0325 per gallon for usage above 5,000 gallons for purchased and delivered water, subject to refund.

In the application, Whispering Pines proposes a \$58.41 base rate with no consumption allowance and a commodity rate of \$0.0066 per gallon. According to the application, the average monthly bill will increase from \$42.72 to \$97.36.

Because this is the Company's first general rate case, Staff requests the Commission suspend the proposed tariffs for six months to allow Staff adequate time to complete a thorough investigation of the Company's revenues, expenses, plant rate base, and rate design.

PROPOSED COMMISSION MOTION:

Pursuant to ORS 757.215, the proposed tariffs filed by Whispering Pines Estates Water be suspended for six months, effective December 31, 2009.

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