

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UW 194

In the Matter of

CROOKED RIVER RANCH WATER
COMPANY

Request for a General Rate Revision.

ORDER

DISPOSITION: STIPULATION ADOPTED

I. SUMMARY

In this order, we adopt an uncontested stipulation between Crooked River Ranch Water Company (CRRW) and Staff of the Oregon Public Utilities Commission. The stipulation resolves all issues in this proceeding. As a result of the stipulation, CRRW's annual revenues will increase from \$1,015,402 to \$1,334,551, an increase of \$319,149 or 31.43 percent. The revenue requirement includes an agreed-upon 1.88 percent rate of return. Four additional parties to this proceeding, intervenors Barbra Oakley, Todd Hill, Jeff Murtaugh, and the Crooked River Ranch Club & Maintenance Association, have chosen not to join this stipulation, but all agreed not oppose the stipulation.

II. BACKGROUND AND PROCEDURAL HISTORY

CRRW is a non-profit water company located in Terrebonne, Oregon, and serves approximately 1,650 residential and commercial customers. On February 16, 2023, CRRW filed a request for a general rate revision with the Commission. It sought to increase its revenues from \$1,015,402 to \$1,385,973, an increase of 36 percent that included a proposed rate of return of 1.2 percent.

In its filing, CRRW asserted that the increased rates were necessary due to the loss of a private contractor that formerly provided support for CRRW field staff for mainline repairs, night and weekend emergencies, and other projects. The company hired additional field staff, added the position of field supervisor, and purchase additional, necessary equipment.

On February 23, 2023, Chief Administrative Law Judge Nolan Moser issued Order No. 23-050 suspending the effective date of March 24, 2023 of the tariff sheets in Advice No. 23-03, for a period not to exceed nine months.

On April 26, 2023, the Administrative Law Judge held a public comment hearing and a prehearing conference. Petitions to intervene were filed by Barbra Oakley, Todd Hill, Jeff Murtaugh, and the Crooked River Ranch Club & Maintenance Association. All petitions for intervention were granted.

On July 31, 2023, Staff notified the commission that it had reached a stipulation with the company resolving all issues in this case. The Stipulation, supporting testimony, and exhibits were filed on August 4, 2023. Staff's errata to the Stipulation and associated attachments were filed on August 21, 2023. A copy of the Stipulation is attached to this order as Appendix A.

III. THE STIPULATION

The stipulation presents a comprehensive settlement of all issues. The company's new revenue requirement would be \$1,334,551, an increase of \$319,149 or 31.43 percent. The revenue requirement includes an agreed-upon 1.88 percent rate of return on a total rate base of \$4,974,011. The new rates show monthly base rates of \$42.16 to \$3,372.67, depending on the size of the connection, and a commodity rate of \$1.15 per 100 cubic feet for all customers.

The stipulating parties seek an effective date of September 22, 2023.

IV. RESOLUTION

We reviewed the stipulation, its attachments, and the supporting testimony and exhibits. We find that the stipulation is a reasonable resolution of all issues presented in the docket. We take notice of and appreciate the participation of the company's intervenor customers in these proceeding, including the multiple settlement conferences held after the public comment hearing.

In accordance with the Stipulation, the company is directed to make a compliance filing containing revised tariff pages reflecting the terms and conditions agreed to in this Stipulation within three business dates from the date of this order.


V. ORDER

IT IS ORDERED that:

1. Advice No. 23-01 filed by Crooked River Ranch Water Company is permanently suspended.
2. The Stipulation between Crooked River Ranch Water Company and Staff of the Public Utility Commission of Oregon, attached as Appendix A, is adopted.

3. Crooked River Ranch Water Company must file tariff sheets in compliance with this order with an effective date no later than three business days after the date of this order.

Made, entered, and effective Sep 20 2023.



Megan W. Decker
Chair



Letha Tawney
Commissioner



Mark R. Thompson
Commissioner



A party may request rehearing or reconsideration of this order under 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 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.

BEFORE THE PUBLIC UTILITY COMMISSION
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UW 194

In the Matter of

CROOKED RIVER RANCH WATER
COMPANY.

Request for a General Rate Revision

STIPULATION

This Stipulation is among Crooked River Ranch Water Company (CRRWater or the Company) and the Public Utility Commission of Oregon Staff (Staff), hereafter collectively referred to as the Stipulating Parties. At the time this Stipulation was filed there were four other parties to this proceeding, intervenors Barbra Oakley, Todd Hill, Jeff Murtaugh, and the Crooked River Ranch Club & Maintenance Association, who have chosen not to join this Stipulation but who also confirmed with the Stipulating Parties that they do not oppose this Stipulation.

I. INTRODUCTION

On February 16, 2023 CRRWater filed a request for a General Rate Revision. In its application, the Company sought to increase its adjusted test period revenues from \$1,015,402 to \$1,385,973, an increase of 36.5 percent. In Order No. 23-050, Chief Administrative Law Judge (ALJ) Moser suspended the effective date for a period of time not to exceed nine months, expiring on December 24, 2023. The test year for the Company’s filing is the year ending December 31, 2022 (Test Year).

The Stipulating Parties reviewed the Company’s filing and responses to data requests from Staff and held multiple settlement conferences to discuss and address the issues in this case. As a result of those discussions, the Stipulating Parties have reached agreement on all issues as set forth in this Stipulation. The Stipulating Parties respectfully request that the Commission issue an order adopting this Stipulation.

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II. TERMS OF THE STIPULATION

3 The Stipulating Parties agree as follows:

4 1. Revenue Requirement. The Stipulating Parties agree to recommend and support a
5 total revenue requirement of \$1,334,551, as shown in Attachment A, to be collected in rates as
6 set forth in Attachment B to this Stipulation. This revenue requirement includes an agreed-upon
7 1.88% percent rate of return on a total rate base of \$4,974,011 and represents a 31.43 percent
8 increase over 2022 test period revenues. The stipulated revenue requirement and adjustments are
9 included as Attachment A to this Stipulation.

10 2. Rate Effective Date. The Stipulating Parties agree to and support rates being
11 effective for service rendered on and after September 22, 2023, or three business days after the
12 date the Commission issues an order adopting this Stipulation, whichever is later.

13 3. Rate Base and Accumulated Depreciation. The Stipulating Parties agree that
14 stipulated rates in this case reflect rate base additions from the Company's last rate case through
15 the Test Year, and accumulated depreciation through the Test Year associated with these rate
16 base assets. The Stipulating parties have further agreed to include one service truck purchased in
17 January 2023, and shortening the asset life of the Company's water reservoir from 50 to 40 years
18 to align the asset life with the USDA loan repayment term as part of these rate base assets and
19 depreciation terms.

20 6. Commodity Rate. The Stipulating parties agree that the base fee will be updated
21 to allow for a commodity rate allocation percentage split of 69/31.

22 7. Audits. The Stipulating parties agree that CRRWater will have two different
23 audits completed: 1) an independent financial audit conducted for the 2023 calendar year, which
24 will review and confirm the Company's financial standing and adherence to Generally Accepted
25 Accounting Principles; and 2) a compliance audit, conducted by one of the Commission's
26 Consumer Services Compliance Specialists, which will review and confirm the Company's

1 compliance with Oregon statutes, Commission Rules, and Company Tariffs. For both audits, the
2 Company will prepare and file a report with the Commission in this docket no later than April 1,
3 2024. If additional time is required to finalize either of these audit reports, the Company will file
4 a request for extension of the deadline no later than March 15, 2024. The extension should
5 include the reason for the delay and an expected date to be filed.

6 7. The Stipulating Parties agree that this Stipulation is in the public interest and, in
7 the unique circumstances present in this case, will result in rates that are fair, reasonable, and
8 will meet the standard set forth in ORS 756.040.

9 8. The Stipulating Parties have negotiated this Stipulation in good faith and
10 recommend that the Commission adopt the Stipulation in its entirety.

11 9. The Stipulating Parties agree that the Stipulation represents a compromise in the
12 positions of the Stipulating Parties. By entering into this Stipulation, no Stipulating Party shall
13 be deemed to have approved, accepted, or consented to the facts, principles, methods, or theories
14 employed by any other Stipulating Party in arriving at the terms of this Stipulation.

15 10. The Stipulating Parties agree that without the written consent of all Stipulating
16 Parties, evidence of conduct or statements, including but not limited to term sheets or other
17 documents created solely for use in settlement conferences in this docket, and conduct or
18 statements made at settlement conferences, are confidential and not admissible in this or any
19 subsequent proceeding, unless independently discoverable or offered for other purposes allowed
20 under ORS 40.190.

21 11. The Stipulating Parties support entering into evidence, without requiring any
22 Stipulating party to lay a foundation for its admission, this Stipulation, Stipulation attachments A
23 (revenue requirement) and B (tariffs), Staff's written testimony in support of the Stipulation
24 (Exhibit Staff/100), and additional supporting exhibits Staff /101 (witness qualification
25 statements), Staff/102 (summary tables), Staff/103 (data request responses & attachments), and
26 Staff/104 (customer comments).

1 12. The Stipulating Parties understand that this Stipulation addresses only
2 CRRWater’s request for a general rate increase in this instance, is not binding on the
3 Commission in deciding CRRWater’s application for a general rate increase, and does not
4 foreclose the Commission from addressing any other issues or foreclose a Stipulating Party from
5 raising other issues in a different proceeding.

6 13. The Stipulating Parties have negotiated this Stipulation as an integrated
7 document. Accordingly, if the Commission rejects all or any material portion of this Stipulation,
8 or adds any material condition to any final order that is not consistent with this Stipulation, each
9 Stipulating Party reserves the right, upon written notice to the Commission and all parties to this
10 proceeding within 15 days of the date of the Commission’s final order, to withdraw from the
11 Stipulation and to present additional evidence and argument on the record. However, prior to
12 withdrawal, any Stipulating Party who wishes to withdraw must engage in good faith negotiation
13 with the other Stipulating Party. No Stipulating Party withdrawing from this Stipulation shall be
14 bound to any position, commitment, or condition of this Stipulation. Nothing in this paragraph
15 provides any Stipulating Party the right to withdraw from this Stipulation as a result of the
16 Commission’s resolution of issues that this Stipulation does not resolve.

17 14. The Stipulating Parties agree to support Commission approval of the Stipulation,
18 throughout this proceeding and any subsequent appeal, and to provide witnesses to sponsor
19 testimony. If any other party to this proceeding challenges this Stipulation or if any other
20 interested person objects to this Stipulation in comments, the Stipulating Parties agree to
21 cooperate in responding to bench requests, preparing supplemental testimony, and participating
22 in cross-examination and to put on such a case as they deem appropriate to respond fully to the
23 issues presented, which may include addressing issues incorporated in the settlements embodied
24 in this Stipulation.

ORDER NO. 23-338

Company Name	Crooked River Ranch
Docket No.	UW 194
Test Year	2022

Company Proposed Increase
36.50%

Staff Proposed Increase
31.43%

Revenue Requirement

	Test Year	Company Adjustments	Company Proposed Totals	Staff Adjustments to Company Totals	Staff Proposed Totals
REVENUES					
460	Unmetered		\$ -		\$ -
461.1	Residential	947,181	\$ 366,510	\$ 1,313,691	\$ (62,209)
461.2	Commercial	32,069	14,960	47,029	(2,234)
462	Fire Protection Sales			\$ -	\$ -
465	Irrigation Water Sales			\$ -	\$ -
466	Water Sales for Resale			\$ -	\$ -
471	Miscellaneous Services	11,976	(10,902)	1,074	1,074
472	Cell Tower Lease	19,630	4,550	24,180	13,020
475	Cross Connection Control	4,546	(4,546)	\$ -	\$ -
			\$ -	\$ -	\$ -
	Total Revenue	\$ 1,015,402	\$ 370,572	\$ 1,385,974	\$ (51,423)
					\$ 1,334,551
					\$ 319,149

Acct . OPERATING EXPENSES

601	Salaries and Wages - Employees	257,789	123,929	\$ 381,718	\$ 5,037	\$ 386,755
603	Salaries and Wages - Officers			\$ -	\$ -	\$ -
604	Employee Pension & Benefits	20,036	39,489	\$ 59,525	\$ 3,013	\$ 62,538
610	Purchased Water			\$ -	\$ -	\$ -
611	Telephone/Communications	12,949	(2,203)	\$ 10,746	\$ -	\$ 10,746
615	Purchased Power	96,571	6,415	\$ 102,986	\$ -	\$ 102,986
616	Fuel for Power Production	594	146	\$ 740	\$ -	\$ 740
617	Other Utilities	1,879	180	\$ 2,059	\$ -	\$ 2,059
618	Chemical / Treatment Expense			\$ -	\$ -	\$ -
619	Office Supplies	6,557	(871)	\$ 5,686	\$ -	\$ 5,686
619.1	Postage	962	40	\$ 1,002	\$ -	\$ 1,002
620	O&M Materials/Supplies	4,879	(2,084)	\$ 2,795	\$ -	\$ 2,795
621	Repairs to Water Plant	27,466		\$ 27,466	\$ -	\$ 27,466
631	Contract Svcs - Engineering	2,036	4,780	\$ 6,816	\$ -	\$ 6,816
632	Contract Svcs - Accounting	5,100	666	\$ 5,766	\$ 7,500	\$ 13,266
633	Contract Svcs - Legal	2,313	8,557	\$ 10,870	\$ -	\$ 10,870
634	Contract Svcs - Management Fees			\$ -	\$ -	\$ -
635	Contract Svcs - Testing	2,036	1,442	\$ 3,478	\$ -	\$ 3,478
636	Contract Svcs - Labor			\$ -	\$ -	\$ -
637	Contract Svcs - Billing/Collection	13,897	834	\$ 14,731	\$ -	\$ 14,731
638	Contract Svcs - Meter Reading	9,774	(774)	\$ 9,000	\$ -	\$ 9,000
639	Contract Svcs - Other	74,340	(34,926)	\$ 39,414	\$ -	\$ 39,414
641	Rental of Building/Real Property			\$ -	\$ -	\$ -
642	Rental of Equipment	1,958		\$ 1,958	\$ -	\$ 1,958
643	Small Tools	8,015		\$ 8,015	\$ -	\$ 8,015
648	Computer/Electronic Expenses	32,655	1,214	\$ 33,869	\$ -	\$ 33,869
650	Transportation	15,603	20,996	\$ 36,599	\$ -	\$ 36,599
656	Vehicle Insurance			\$ -	\$ -	\$ -
657	General Liability Insurance	27,366	6,000	\$ 33,366	\$ -	\$ 33,366
658	Workers' Comp Insurance	1,907		\$ 1,907	\$ -	\$ 1,907
659	Insurance - Other			\$ -	\$ -	\$ -
666	Amortz. of Rate Case			\$ -	\$ -	\$ -
667	Gross Revenue Fee (PUC)	4,373	1,601	\$ 5,974	\$ (235)	\$ 5,739
670	Bad Debt Expense			\$ -	\$ -	\$ -
671	Cross Connection Control Program	80	80	\$ 160	\$ -	\$ 160
673	Training and Certification	1,204	3,461	\$ 4,665	\$ -	\$ 4,665
674	Consumer Confidence Report	200		\$ 200	\$ -	\$ 200
675	Miscellaneous Expense	21,529		\$ 21,529	\$ 3,719	\$ 25,248
OE1	PR Advertising			\$ -	\$ -	\$ -
OE2	Cell Tower lease payment to HOA			\$ -	\$ 13,020	\$ 13,020
OE3	USDA Replacement Reserve Sort Lived Assets	23,042		\$ 23,042	\$ -	\$ 23,042
OE4	USDA Annual Loan Payment w/interest	175,224		\$ 175,224	\$ (175,224)	\$ -
OE5	Contingency Deposit	140,000	(125,000)	\$ 15,000	\$ 15,000	\$ 30,000
	TOTAL OPERATING EXPENSE	\$ 992,334	\$ 53,972	\$ 1,046,306	\$ (128,170)	\$ 918,136

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OTHER REVENUE DEDUCTIONS

403	Depreciation Expense	288,884	\$	288,884	\$	721	\$	289,605			
406	Amort of Plant Acquisition Adjustment		\$	-	\$	-	\$	-			
407	Amortization Expense		\$	-	\$	-	\$	-			
408.11	Property Tax	724	26	\$	750	\$	-	\$	750		
408.12	Payroll Tax	22,149	10,648	\$	32,797	\$	-	\$	32,797		
408.13	Other			\$	-	\$	-	\$	-		
409.10	Federal Income Tax			\$	-	\$	-	\$	-		
409.11	Oregon Income Tax			\$	-	\$	-	\$	-		
409.13	Extraordinary Items Income Tax			\$	-	\$	-	\$	-		
	TOTAL REVENUE DEDUCTIONS	\$	1,015,207	\$	353,530	\$	1,368,737	\$	(127,449)	\$	1,241,288
	Net Operating Income	\$	195	\$	17,042	\$	17,237	\$	76,026	\$	93,263

UTILITY RATE BASE

101	Utility Plant in Service			\$	-	\$	-	\$	-		
105	Construction Work in Progress			\$	-	\$	-	\$	-		
108	- Accumulated Depreciation of Plant			\$	-	\$	-	\$	-		
271	- Contributions in Aid of Construction			\$	-	\$	-	\$	-		
272	+ Accumulated Amortization of CIAC			\$	-	\$	-	\$	-		
281	- Accumulated Deferred Income Tax			\$	-	\$	-	\$	-		
	Loan Amount	4,900,000		\$	4,900,000			\$	4,900,000		
	- Excess Capacity			\$	-	\$	-	\$	-		
	= NET RATE BASE INVESTMENT	\$	-	\$	-	\$	-	\$	4,900,000		
	Plus: (working capital)										
151	Materials and Supplies Inventory			\$	-	\$	-	\$	-		
	Working Cash (Total Op Exp /12)	87,189		\$	87,189	\$	(13,178)	\$	74,011		
	TOTAL RATE BASE	\$	87,189	\$	-	\$	87,189	\$	(13,178)	\$	4,974,011
	Rate of Return		0.22%				19.77%				1.87%

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Rate Design

Residential/Commercial

Revenue Allocation: **1,296,277**

Allocated to Base Rates: 69.00%
Allocated to Commodity Rates: 31.00%

Base Rates

Revenue Allocation: **894,431**

Meter Size	Customers	Factors	Customer Equivalency	% of Total	Revenue Allocation	Base Rate
5/8"	1,562	1.0	1,562	88.35%	\$ 790,216	\$ 42.16
3/4"		1.5	-	0.00%	\$ -	\$ 63.24
1"	102	1.5	153	8.65%	\$ 77,403	\$ 63.24
1 1/2"	2	2.5	5	0.28%	\$ 2,529	\$ 105.40
2"	12	4.0	48	2.71%	\$ 24,283	\$ 168.63
3"		15.0	-	0.00%	\$ -	\$ 632.37
4"		25.0	-	0.00%	\$ -	\$ 1,053.96
6"		50.0	-	0.00%	\$ -	\$ 2,107.92
8"		80.0	-	0.00%	\$ -	\$ 3,372.67
TOTAL	1,678		1,768	100.00%	\$ 894,431	

Commodity Rate

Revenue Allocation: **401,846**

Annual Consumption	26,558,400	Cubic Feet
Unit of Measurement	100	Cubic Feet
Annual Units of Consumption	265,584	Units

Commodity Rate: **\$ 1.51307** per unit

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Rate Spread

TOTAL REVENUE REQUIREMENT	1,334,551
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REVENUE FROM WATER SALES

Residential	1,251,482
Commercial	44,795

REVENUE FROM SOURCES OTHER THAN WATER SALES

Miscellaneous Services	1,074
Cell Tower Lease	37,200

TOTAL REVENUE (Must equal Total Revenue Requirement) **1,334,551**