

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UW 204

In the Matter of

GOVERNMENT CAMP WATER
COMPANY, INC.,Request for a General Rate Revision.

ORDER

DISPOSITION: STIPULATION ADOPTED

I. SUMMARY

In this order, we adopt an uncontested all-party stipulation resolving all issues related to the application for a general rate revision by Government Camp Water Company, Inc. (Government Camp). As a result of the stipulation, Government Camp's annual revenues will increase from \$242,970 to \$309,038, representing an increase of approximately 27.2 percent. The resulting new rates will be effective August 1, 2025. The stipulation allows Government Camp to earn a rate of return of 8.81 percent on a total rate base of \$538,400.

II. BACKGROUND AND PROCEDURAL HISTORY

Government Camp is a Class C water utility providing service to 462 customers (527 units) near Government Camp, Oregon. On December 31, 2025, Government Camp filed an application for a general rate revision, based on a calendar year 2023 test year, including tariff sheets in Advice No. 24-01 to be effective February 1, 2025.

Government Camp's initial request proposed an increase in annual revenues from \$242,970 to \$369,368, representing a 52.12 percent proposed increase. Its initial request reflected a Rate of Return (ROR) of 9.43 percent on a rate base of \$554,860.

In its filing, Government Camp asserted that an increase in rates was needed because the Commission last approved a rate increase in 2018; the cost of operating the system, materials, and supplies have increased; and current rates do not generate enough revenue to cover the costs of operating the system while giving the Company an opportunity to earn a reasonable return on its investment. Further, Government Camp's initial filing

asserts it has made capital improvements to its system since its last rate increase, including meter installations, emergency leak repairs, and main extensions.

On December 31, 2024, Chief Administrative Law Judge Lackey suspended Advice No. 24-01 for up to nine months from February 1, 2025, to conduct a comprehensive examination of the company's revenues, expenses, proposed adjustments, rate base, capital improvements, and cost of capital, as well as rate spread and design.¹ A public comment hearing was held on March 3, 2025 and the public had an opportunity to submit comments outside of the public comment hearing. Staff's testimony summarizes the one written public comment received.²

On June 2, 2025, Staff and Government Camp filed an all-party stipulation resolving all issues in these proceedings with supporting testimony and exhibits. A copy of the stipulation, including its attachments, is attached, as Appendix A, to this order.

III. THE STIPULATION

The stipulation presents a comprehensive settlement of all issues in these proceedings and incorporates adjustments to Government Camp's original filing agreed to by all parties.

The stipulating parties recommend and request that we approve the stipulation in its entirety. The stipulation provides for a total revenue requirement of \$309,038, as shown in Appendix A, Attachment A, to be collected as rates as set forth in the illustrative tariffs. This revenue requirement includes a rate of return of 8.81 percent, based on a capital structure of 34.92 percent debt and 65.71 percent equity, a cost of debt of 7.50 percent, and a return on equity of 9.50 percent. The stipulating parties agree to a rate base of \$538,400. The stipulating parties agree to a rate effective date of August 1, 2025, or three business dates after the date the Commission issues an order adopting the Stipulation, whichever is later.

Under the stipulation, the new rates include a monthly base charge of \$28.32 and a usage rate of \$2.10 per 100 cubic feet of water used for a residential customer with a 5/8-inch meter. This represents an increase to the residential month base charge of \$3.44 per month, or an approximately 13.8 percent increase, and an increase to the usage rate of \$0.41 per 100 cubic feet of water used for a residential customer with a 5/8-inch meter, or an approximately 24.3 percent increase.

The parties agree that the stipulated rates under the stipulation reflect rate base additions since Government Camp's last general rate case and accumulated depreciation through December 31, 2024. In addition, the stipulating parties agree that Government Camp's

¹ Order No. 24-478 (Dec. 31, 2024).

² Stipulating Parties/103, Bartholomew/1.

capital additions listed in the stipulation's attachment A are prudent and used and useful as of the requested rate effective date in these proceedings.

As part of the stipulation, the stipulating parties agree to an Automatic Adjustment Clause (AAC) to allow Government Camp the opportunity to recover costs associated with converting its flat rate customers to metered customers. Government Camp will invest approximately \$20,000 in new meters in 2025 and will file an attestation in this docket by November 1, 2025, confirming that this occurred. Staff will analyze and investigate Government Camp's filing and prepare a memo for the Commission's consideration with a recommendation for a proposed rate adjustment to be effective on January 1, 2026. Testimony supportive of the stipulation indicates this process would occur annually until all 235 flat rate customers are converted to metered customers. The stipulating parties agree that Government Camp will convert all customers to metered customers within ten years.³

The stipulating parties also agree that Government Camp does not have to return the additional amount collected in Account 666 related to amortization of rate case expenses. Testimony supportive of the stipulation indicates that although Government Camp collected \$15,000 from ratepayers in 2024 due to the Commission's granting an extension to Government Camp to file its general rate case as required by Order No. 18-488,⁴ Staff conducted an earnings test and concluded it was prudent to allow Government Camp to keep these funds instead of refunding them to customers because of the undue financial burden it would cause the company.⁵

IV. RESOLUTION

We reviewed the stipulation, its attachments, and the supporting testimony and exhibits. We find that the stipulation is supported by sufficient evidence and is a reasonable resolution of all issues presented in the docket. We also conclude that the stipulation will result in fair, just and reasonable rates, and contribute to an overall settlement in the public interest. We adopt the stipulation in its entirety, with a clarification.

Regarding the AAC, we agree with the stipulating parties that reducing regulatory lag related to the costs of converting flat rate customers to metered customers is in the public interest and is appropriate in this situation. To ensure there is no confusion regarding how the AAC operates, we clarify that, as described in the joint testimony supporting the stipulation, Government Camp is to file an attestation via a compliance filing each year by November 1 describing the incurred costs related to the meter conversion project. After investigation and analysis, Staff will prepare a memo and present it to us at a public

³ Stipulating Parties/100, Bartholomew and Bekins/15-16.

⁴ *Id.* at 14.

⁵ *Id.*

meeting for our consideration. If we approve it, such rates would be effective on January 1 of the following year.

Government Camp must file tariff sheets in compliance with this order with an effective date of August 1, 2025.

V. ORDER

IT IS ORDERED that:

1. Advice No. 24-01 filed by Government Camp Water Company, Inc., is permanently suspended.
2. The stipulation between Government Camp Water Company, Inc., and the Staff of the Public Utility Commission of Oregon, attached as Appendix A, is adopted.
3. Government Camp Water Company, LLC, must file tariff sheets in compliance with this order as soon as practicable with an effective date of August 1, 2025.

Made, entered, and effective July 3, 2025.



Letha Tawney
Chair



Les Perkins
Commissioner



Karin Power
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.

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In the Matter of
GOVERNMENT CAMP WATER
COMPANY INC.
Request for General Rate Revision

STIPULATION

This Stipulation is between Staff of the Oregon Public Utility Commission (Staff) and Government Camp Water Company (GCW or the Company), collectively referred to as the Parties. At the time this Stipulation was filed, there were no other Parties.

I. INTRODUCTION

On December 31, 2024, GCW, filed a request for a General Rate Revision. In its application, GCW sought to increase its annual revenues from \$242,988 to \$369,638 an increase of \$126,650.

The Stipulating Parties reviewed the Company’s filing and responses to data requests from Staff and held 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 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

1. Revenue Requirement. The stipulating Parties agree to recommend and support a total revenue requirement of \$309,038, as shown in Attachment A, to be collected in rates as set forth in Attachment B to this Stipulation. This revenue requirement includes all agreed-upon 8.81 percent rate of return (based upon a capital structure of 34.92 percent debt and 65.71 percent equity, a cost of debt of 7.50 percent and a return on equity of 9.50 percent) on a total rate base of \$538,400 and represents a decrease of \$16,461 from the test year rate base of \$554,861. The stipulated revenue requirement and adjustments are included as Attachment A to this stipulation.

2. Rate Effective Date. Stipulating Parties agree to and support rates being effective for service rendered on and after August 1, 2025, or three business days after the date the Commission issues an order adopting this Stipulation, whichever is later.

3. Rate Base and Accumulated Depreciation. The Stipulating Parties agree that stipulated rates set forth in Attachment A reflect rate base additions from the Company's last general rate case to date and accumulated depreciation through December 31, 2024, associated with these rate base assets. The Stipulating Parties further agree that GCW's capital additions included in Attachment A are prudent and used and useful as of the rate-effective date in this case.

4. Meter Installation and AAC. The Stipulating Parties agree that the Company will convert all 235 flat-rate customers to metered customers. As part of this agreement, the Company has committed to investing approximately \$20,000 in new meters during the summer of 2025 and will file an attestation via a compliance filing related to the amount spent by November 1, 2025. Staff will then analyze and investigate the information provided then file a memo for Commission consideration with a recommendation of the amount of the proposed rate adjustment. If accepted by the Commission, the Company will file a new tariff sheet with the proposed rate and will be able to start collecting new rates on January 1 of the following year.

1 5. UW 174 Deferral of Rate Case Expenses. The Stipulating Parties agree that the
2 Company does not have to return the additional amount collected in Account 666 relating to
3 amortization of rate case expenses.

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

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

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

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

19 10. The Stipulating Parties support entering into evidence, without requiring any
20 Stipulating Party to lay a foundation for its admission, this Stipulation, Stipulation Attachment A
21 (revenue requirement), Attachment B (tariff sheets), and Staff and the Company's jointly written
22 testimony in support of the Stipulation (Exhibit Stipulating Parties/100), and additional
23 supporting exhibits.

24 11. The Stipulating Parties understand that this Stipulation addresses only GCW's
25 request for a general rate increase in this instance, is not binding on the Commission in deciding
26 GCW's application for a general rate increase and does not foreclose the Commission from

1 addressing any other issues or foreclose a Stipulating Party from raising other issues in a
2 different proceeding.

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

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

22 14. This Stipulation may be executed in any number of counterparts, each of which
23 will be an original for all purposes, but all of which taken together will constitute one and the
24 same agreement. The Stipulating Parties further agree that any electronically generated
25 Stipulating Party signatures are valid and binding to the same extent as an original signature.
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15. This Stipulation may not be modified or amended except by written agreement by all Parties who have executed it.

This Stipulation is entered into by each Party on the date entered below such Party's signature.

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

By: /s/ Marli Klass
Marli Klass, OSB No. 223244
Assistant Attorney General
Of Attorneys for PUC Staff

Dated: June 2, 2025

GOVERNMENT CAMP WATER COMPANY

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Dated: 5/29/25