

ORDER NO. 00-153

ENTERED MAR 16 2000

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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UW 69

In the Matter of Tariffs for Water Service)	
in the State of Oregon filed by Apache)	ORDER
Water System, Inc.)	

DISPOSITION: STIPULATION APPROVED/RATES AUTHORIZED

On June 17, 1999, PUC Staff notified Apache Water System, Inc., (Apache) that it is subject to rate regulation under ORS 757.061 because it had reached the 500-customer threshold set out in that statute. On August 20, 1999, Apache filed tariffs with the Commission for rates effective September 19, 1999. On September 8, 1999, the Commission issued Order No. 99-533 suspending the tariffs to allow for investigation.

On October 13, 1999, a prehearing conference was held in Bend, Oregon. A schedule was established for the proceeding, including dates for a public informational meeting and evidentiary hearing.

On February 16-17, Allen Scott, an Administrative Law Judge for the Commission, presided over the public informational meeting and hearing in Bend, Oregon. Fred and Beth Schilling, Authorized Representatives, appeared for the Company. Kimberly Cobrain, Assistant Attorney General, appeared for Staff. No customers appeared.

Staff and the Company offered a stipulation at the hearing resolving all issues in the case. Staff also offered testimony in support of the stipulation.

DISCUSSION

The stipulation and attached Staff testimony and exhibits are summarized below.

Results of Operations

The parties agreed on a total revenue requirement of \$150,214. That amount does not include funds to improve the distribution system because the proposed improvements are not yet installed and providing service.

Rates

The current rates provide a flat rate of \$24.00 per month for all customers. The agreed-upon rates will provide variable charges for three blocks as usage increases: a customer with monthly usage of 401 cubic feet will pay \$18.30; a customer who uses 1500 cubic feet per month will pay \$22.92; a customer who uses 2500 cubic feet per month will pay \$30.96.

Other Issues

Staff and the Company also reached agreement on several other issues: meter reading, billings, water hook-up fees, subsidization of plant, low water pressure, fire hydrant problems, lack of water during power outages, customer notification, and service quality in general.

DISPOSITION

The Commission has examined the stipulation and attachments and the entire record. The Commission concludes that the stipulation is an appropriate resolution of all issues in the case and that the rates established therein are just and reasonable. The Commission adopts the stipulation and all attachments.

CONCLUSIONS

1. The adjustments stipulated to by Staff and the Company as shown in the attached stipulation are reasonable and should be adopted. Apache Water System, Inc., should be allowed to file revised rate schedules consistent with those adjustments.
2. The rates set out in the stipulation are reasonable and proper.

ORDER

IT IS ORDERED that:

1. The rate schedules proposed by Apache Water System, Inc., are permanently suspended.
2. The stipulation, Appendix A to this order, is adopted.
3. The rates set out in the stipulation are effective upon issuance of this order.

Made, entered, and effective _____.

Ron Eachus
Chairman

Roger Hamilton
Commissioner

Joan H. Smith
Commissioner

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 of 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. A party may appeal this order to a court pursuant to ORS 756.580.

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