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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UW 73

In the Matter of the Tariff Sheets)
Filed by SOUTH COAST WATER) ORDER
DISTRICT For Water Service.)
Advice No. 00-1.)

**DISPOSITION: STIPULATION APPROVED/RATE INCREASE
AUTHORIZED**

On March 7, 2000, South Coast Water District (South Coast) filed tariff sheets in Advice No. 00-1 to be effective April 13, 2000. The company requested an increase of \$12,983, or 68.8 percent above actual 1999 revenues, resulting in total annual revenues of \$31,860. The current average monthly residential rate is approximately \$27.83. South Coast proposes a \$45 average monthly rate. South Coast asserted that the increase is necessary to operate the system in compliance with Oregon Health Division Drinking Water Section guidelines.

On April 11, 2000, the Public Utility Commission of Oregon issued Order No. 00-193 suspending the advice pending an investigation. On July 7, 2000, the Commission issued Order No. 00-351 extending the suspension period for an additional three months to January 12, 2001.

On April 13, 2000, Kathryn Logan, an Administrative Law Judge for the Commission, held a prehearing conference and public comment session in Florence, Oregon. Three customers attended and provided written or oral comments. No customer requested party status. A schedule for the remainder of the proceeding was established.

On November 13, 2000, Allen Scott, an Administrative Law Judge for the Commission, held a public comment meeting and evidentiary hearing in Florence, Oregon. Staff and South Coast offered a stipulation resolving all issues in the case. Several customers attended. No customer expressed an objection to the stipulation.

DISCUSSION

The stipulation and Staff testimony and exhibits are attached to and incorporated in this order. They are summarized below.

Results of Operations

Staff and South Coast agree that a revenue increase of \$10,829 or 55 percent, is warranted. This increase will produce total annual revenues of \$30,533. Staff and South Coast agree on a flat monthly residential rate of \$43.32 per month.

Conditions

The stipulation provides that the tariffs will not go into effect until the following three conditions are met:

1. The company's affiliated interest arrangements are approved by the Commission.
2. The Oregon Health Division (OHD) lifts the "boil water notice" imposed upon the water system since 1998. To lift the boil water notice, OHD requires the company to install an OHD-approved filtration system and demonstrate that it is operating properly, thus providing adequate filtration and disinfection of the water.
3. The company installs an OHD-approved corrosion control filtering system and submits one round of lead and copper test results to OHD demonstrating that the corrosion control system is operating properly and meets OHD standards for lead and copper.

DISPOSITION

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

CONCLUSIONS

1. The adjustment stipulated to by staff and the company as shown in the attached stipulation are reasonable and should be adopted. South Coast should be

allowed to file revised rate schedules consistent with those adjustments and with the conditions set out in the stipulation.

- 2. The rates set out in the stipulation are reasonable and just.
- 3. The conditions set out in the stipulation are appropriate.

ORDER

IT IS ORDERED that:

- 1. The rate schedules proposed by South Coast Water District are permanently suspended.
- 2. The stipulation, Appendix A to this order, is adopted.
- 3. The rates set out in the stipulation may become effective only when the company has met the conditions set out in the stipulation in 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 with 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 to a court pursuant to applicable law.