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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UW 76

In the Matter of ODELL WATER)
COMPANY's Tariffs for Water) ORDER
Service in the State of Oregon.)

DISPOSITION: STIPULATION ADOPTED; RATE INCREASE APPROVED

On January 9, 2001, the Odell Water Company (Odell) filed for an increase in annual revenues of \$46,850, or 122 percent. Odell's total requested revenue requirement was \$85,252. At its February 6, 2001, Public Meeting, the Commission adopted Staff's recommendation to suspend Odell's proposed tariffs for six months effective February 8, 2001, to allow adequate time to investigate the rate filing.

On February 22, 2001, the Public Utility Commission of Oregon (Commission) held a public comment hearing and prehearing conference in this matter in Odell, Oregon. Commission Staff and representatives of Odell attended. At the conference, parties adopted a schedule for the remainder of the docket.

The parties convened for a settlement conference on May 3, 2001. Odell and Commission Staff were able to reach settlement and submitted prefiled testimony and a stipulation as to Odell's revenue requirements and rates on June 7, 2001.

A further public comment hearing was held on June 14, 2001. On June 15, 2001, Ruth Crowley, an Administrative Law Judge for the Commission, held an evidentiary hearing in Odell, Oregon. Jason Jones, Assistant Attorney General, appeared for Staff. Phillip Davis and Jack Davis, system owners, appeared for Odell. At the hearing, Staff's prefiled testimony in support of the stipulation and the stipulation itself were entered into evidence.

We have reviewed the stipulation and supporting testimony, attached as Appendix A to this order and incorporated herein by reference. The stipulation allows Odell to increase revenues from \$38,402 to \$57,824, or 50.6 percent. This will result in a flat residential rate of \$25.95 per month, and a variable rate to commercial customers depending on their consumption category. The stipulation also establishes utility rules and miscellaneous fees.

The discrepancy between Odell's original request and the stipulated amount of total annual revenues is attributable to a substantial capital project that will not be completed when rates go into effect.

The stipulation signed by the parties provides that the tariffs will not go into effect until the Commission approves an affiliated interest arrangement involving equipment labor use from a company related to Odell, as required by ORS 757.495. That approval was granted at the Commission’s Public Meeting of June 26, 2001. Tariffs are thus effective on signing of this order.

We conclude that the stipulation is just and reasonable. The stipulation should be adopted.

ORDER

IT IS ORDERED that:

1. The stipulation set forth in Appendix A to this order is adopted. Odell Water Company is authorized to increase revenues by \$19,422, or 50.6 percent, resulting in total annual revenues of \$57,824.
2. Effective on signing of this order, Odell Water Company shall charge rates in accordance with the rate schedules set forth in tariff sheets designated PUC Oregon No. 1, Sheet No. 1 through Sheet No. 17.

Made, entered, and effective _____.

Roy Hemmingway
Chairman

Roger Hamilton
Commissioner

Joan H. Smith
Commissioner

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. The request must be filed with the Commission within 60 days of the date of service of this order and 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.