

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UW 131

In the Matter of	)	
	)	
MILL MAR ESTATES	)	ORDER
	)	
Proposed Tariff for Water Service.	)	
Advice No. 08-39	)	

**DISPOSITION: TARIFF SHEETS SUSPENDED**

On October 31, 2008, MILL MAR ESTATES filed tariff sheets in Advice No. 08-39 to be effective December 1, 2008. The terms of the proposed tariff sheets are set forth in the Staff Report dated November 4, 2008, attached as the Appendix to this order.

At its November 25, 2008, public meeting, the Public Utility Commission of Oregon found good and sufficient cause exists to investigate the propriety and reasonableness of the tariff sheets pursuant to ORS 757.210 and 757.215. The Commission ordered suspension of the advice pending that investigation.

IT IS ORDERED that Advice No. 08-39 filed by MILL MAR ESTATES is suspended for a period of time not to exceed six months from December 1, 2008, the effective date of the tariff sheets.

Made, entered, and effective NOV 26 2008.



BY THE COMMISSION:

Becky L. Bejer  
Becky Bejer  
Commission Secretary

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 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 by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: November 25, 2008**

REGULAR  CONSENT  EFFECTIVE DATE December 1, 2008

DATE: November 4, 2008

TO: Public Utility Commission

FROM: Michael Dougherty *MD*

THROUGH: *LS* Lee Sparling and *MH* Marc Hellman

SUBJECT: MILL MAR ESTATES WATER INC.: (Docket No. UW 131/Advice No. 08-39) Requests a general rate increase.

**STAFF RECOMMENDATION:**

Pursuant to ORS 757.215, Staff recommends that the proposed tariffs filed by Mill Mar Estates Water, Inc. (Mill Mar or Company) requesting to establish rates, which results in a general rate increase for water services be suspended for six months effective December 1, 2008.

**DISCUSSION:**

Mill Mar is a small investor-owned water utility located in Shady Cove, Oregon, which provides water service to approximately 25 residential customers.

On or around May 15, 2008, the Commission received petitions from ten customers of Mill Mar requesting utility rate regulation. Ten customers equal forty percent of the Company's customer count. The regulatory requirement for petitions in ORS 757.061 is 20 percent or more of a company's customers. Therefore, pursuant to ORS 757.061, Mill Mar met the requirement for Commission regulation.

On July 3, 2008, the Commission issued Order No. 08-354 (WJ 19) ordering the Company to file tariffs with the Commission. On August 26, 2008, the Commission in Order No. 08-432, granted Mill Mar a 45-day extension to file its tariffs.

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On October 31, 2008, Mill Mar complied with Commission Order Nos. 08-354 and 08-432<sup>1</sup> by filing an application to establish rates resulting in total annual revenues of \$20,179, an \$11,179 increase from 2007 revenues. Although the requested increase in revenue is \$11,179 greater than test year revenue, the Company had previously raised its rates from \$30 per month to \$60 per month effective on January 1, 2008. As a result of the January 1, 2008, increase in rates, the requested increase is actually \$2,179 (12.11 percent) above the annualized 2008 revenue of \$18,000.

The Company's \$60 charge consists of:

- \$10 for repair and maintenance;
- \$25 for water;
- \$20 for use of the water system; and
- \$5 for management.

The charge includes 5,000 gallons of water as a consumption allowance. Additional use of water is charged at \$3.00 per 1,000 gallons.

In the application, Mill Mar requests an 8.42 percent rate of return on a rate base of \$50,436. Because this is the first rate case for the Company, Staff requests a suspension of Mill Mar's proposed tariffs to complete a thorough investigation of the Company's revenues, expenses, plant rate base, and rate design.

#### **PROPOSED COMMISSION MOTION:**

Pursuant to ORS 757.215, Mill Mar Estates Water Inc. proposed tariffs be suspended for six months, effective December 1, 2008, to allow Staff sufficient time to investigate the Company's rate proposal.

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<sup>1</sup> Based on the 45-day extension, the filing should have been submitted to the Commission on October 20, 2008. However, the Company had submitted a pre-filed application to water staff and because of delays by water staff in reviewing the pre-filed application, the Company was late in its filing.