

ITEM NO. 12

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 20, 2001**

REGULAR X **CONSENT** **EFFECTIVE DATE** December 1, 2001

DATE: November 13, 2001

TO: Phil Nyegaard through Marc Hellman and Rebecca Hathhorn

FROM: Renee Sloan

SUBJECT: HILLVIEW WATER: (Docket No. UW 83/Advice No. 01-11) Requests a general rate increase in the amount of \$2,878, or 43.1 percent.

STAFF RECOMMENDATION:

Staff recommends, pursuant to ORS 757.215, that proposed tariffs filed by Hillview Water requesting a general rate increase be suspended for six months effective December 1, 2001.

DISCUSSION:

Hillview Water (Hillview or Company) is a small investor-owned water utility serving 11 customers. The owner of Hillview also owns and manages Wilderness Canyon Water (Wilderness); both are located in Newberg, Oregon. Wilderness is also filing for a general rate increase (UW 82). On October 25, 2001, Hillview filed an application for a general rate increase of \$2,878 over test year revenues, resulting in total annual revenues of \$9,559 to be effective December 1, 2001. The proposed increase would raise the average residential monthly rate from \$49.00 to \$72.42. Hillview asserts that because current expenses exceed current revenues, the Company is unable to earn a 10 percent return on its investment. The Commission approved Hillview's current rates on February 17, 1999, in Order No. 99-086.

PROPOSED COMMISSION MOTION:

Pursuant to 757.215, proposed tariffs filed by Hillview Water requesting a general rate increase are suspended for six months, effective December 1, 2001, to allow Staff adequate time to investigate the Company's rate proposal.