

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: September 17, 2002**

**REGULAR**  X  **CONSENT**       **EFFECTIVE DATE**      September 18, 2002

**DATE:** September 9, 2002

**TO:** John Savage through Marc Hellman and Rebecca Hathhorn

**FROM:** Renee Sloan

**SUBJECT:** SQUAW CREEK CANYON DEVELOPMENT: (Docket No. UW 88/Advice No. 02-6) Request to establish rates in the amount of \$45,500.

**STAFF RECOMMENDATION:**

Staff recommends, that pursuant to ORS 757.215, rates filed by Squaw Creek Canyon Development (Squaw Creek or Company) to collect revenues of \$45,500 be suspended for six months effective September 18, 2002; and pursuant to ORS 757.215(5) and OAR 860-036-0410, the rates and charges currently in effect be deemed interim rates during Staff's investigation.

**DISCUSSION:**

Squaw Creek Canyon Development is a privately owned water company that provides water service to 100 residential customers near Sisters, Oregon.

On March 1, 2002, the Company notified customers that rates would increase April 1, 2002. The notice also informed customers of their right to petition the Public Utility Commission (PUC or Commission) by April 30 for rate regulation. The customers did not petition the PUC for rate regulation; consequently, by letter dated May 8, 2002, the PUC informed Squaw Creek Canyon Development that it could increase its residential rates and fees effective April 30, 2002.

Subsequent to the rate increase, over 20 percent of Squaw Creek's customers filed a petition with the PUC asking for an investigation of the new rates. As a result of the petition, Staff notified the Company on June 18, 2002, that it was required to file tariffs with the Commission. Pursuant to OAR 860-036-0410(8), the rates and charges in effect when Commission jurisdiction began on June 18, 2002, are deemed interim rates during the pendency of the tariff fling application.

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On June 20, 2002, Squaw Creek filed tariffs to establish rates that will collect annual revenues of \$45,500, or 30 percent above test year revenues. This is the first rate filing Squaw Creek has submitted to the Commission.

**PROPOSED COMMISSION MOTION:**

Pursuant to ORS 757.215, tariffs filed by Squaw Creek Canyon Development be suspended for six months, effective September 18, 2002, to allow Staff adequate time to investigate whether the Company's rates are just and reasonable; and pursuant to ORS 757.215(5) and OAR 860-036-0410, the rates and charges currently in effect be deemed interim rates during the pendency of the investigation.

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