

ITEM NO. 5

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

REGULAR X **CONSENT** **EFFECTIVE DATE** December 20, 2002

DATE: December 9, 2002

TO: John Savage through Marc Hellman and Rebecca Hathhorn

FROM: Carla Owings

SUBJECT: CEDAR TREE PARK: (Docket No. UW 90/Advice No. 02-12) Requests a general rate increase in the amount of \$7,200, or 100 percent.

STAFF RECOMMENDATION:

Staff recommends that rates filed by Cedar Tree Park (Company) to collect an increase of revenues in the amount of \$ 7,200 or \$ 14,400 total annual revenues be suspended for six months effective December 20, 2002.

DISCUSSION:

Cedar Tree Park is a privately owned water company that provides water service to 28 residential customers, a total population of 85 customers near St. Helens, Oregon.

Customers were originally notified by the Company of a possible rate increase to become effective June 1, 2002. In that notice, customers were informed of their right to petition the Commission to request an investigation. No rate increase has yet gone into effect.

On May 10, 2002, the Commission received a petition from over 20% of the customers requesting an investigation of the proposed rate increase.

The proposed rate increase would cause the average monthly residential rate to exceed the Commission's threshold of \$24 per month, as established in OAR 860-036-0030 and would raise the rate from \$24 per month to \$48 per month. There is no variable in the rate proposed.

On May 14, 2002, Staff notified the Company that it was required to file tariffs with the Commission.

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On November 20, 2002 Cedar Tree Park filed tariffs to establish rates that will collect annual revenues of \$14,400, or 100 percent above test year revenues. This is the first rate filing Cedar Tree Park has submitted to the Commission.

PROPOSED COMMISSION MOTION:

Pursuant to ORS 757.215, tariffs filed by Cedar Tree Park will be suspended for six months, effective December 20, 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.

UW90/PMMEMO