

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: January 25, 2005**

REGULAR X **CONSENT** _____ **EFFECTIVE DATE** March 1, 2005

DATE: January 18, 2005

TO: Commissioners Lee Beyer, Ray Baum, and John Savage

FROM: Renee Sloan

THROUGH: Lee Sparling, Marc Hellman and Rebecca Trujillo

SUBJECT: CLINE BUTTE UTILITY COMPANY: (Docket No. UW 105/Advice No. 04-36) Requests a general rate increase in the Company's revenues of \$23,198, or 5 percent overall.

STAFF RECOMMENDATION:

Staff recommends that, pursuant to ORS 757.215, the proposed tariffs filed by Cline Butte Utility Company (Cline Butte or Company) requesting a general rate increase be suspended for six months effective March 1, 2005.

DISCUSSION:

Cline Butte is located near Redmond, Oregon, and provides water service to 679 residential customers, 11 commercial customers, 21 irrigation customers, and a golf course.

Cline Butte filed tariffs on December 23, 2004, to increase its revenues by \$23,198, or 5 percent above the \$463,960 revenues collected in 2004. The Company estimates that the proposed increase would change average monthly bills as follows:

<u>Customer Type</u>	<u>Current Ave Bill</u>	<u>Proposed Ave Bill</u>
Residential	\$37.76	\$39.20
Commercial	\$67.05	\$88.41
Irrigation (non golf)	\$145.33	\$165.76
Golf Irrigation	\$17,143	\$16,428

This is the Company's second rate case. The Commission granted the Company a rate increase in July 2002 (UW 85, Order No. 02-446). The Company is seeking additional revenues in order to cover increased costs for materials, equipment, and labor.

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Staff has begun its review of the case and expects to present its results of analysis at a settlement conference by the end of March 2005.

PROPOSED COMMISSION MOTION:

Pursuant to ORS 757.215, proposed tariffs filed by Cline Butte Utility Company be suspended for six months, effective March 1, 2005, to allow Staff adequate time to investigate the Company's rate proposal.