

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: May 23, 2006**

REGULAR X CONSENT _____ EFFECTIVE DATE June 5, 2006

DATE: May 10, 2006

TO: Public Utility Commission

FROM: Renee Sloan

THROUGH: Lee Sparling, Marc Hellman, and Michael Dougherty

SUBJECT: PETES MT WATER COMPANY INC: (Docket No. UW 117/Advice No. 06-21) Requests a general rate increase of \$101,221.

STAFF RECOMMENDATION:

Pursuant to ORS 757.215, Staff recommends the proposed tariffs filed with Petes Mt Water Company Inc's (Company) request for a general rate increase of \$101,221 be suspended for six months effective June 5, 2006.

DISCUSSION:

Pete's Mt Water Company Inc provides water service to 90 residential customers in an area of West Linn, Oregon, locally known as Pete's Mountain.

On May 5, 2006, the Company filed a general rate case requesting to increase total annual revenues from \$111,079 to \$212,300. The Company notified its customers in writing of its proposal to increase the monthly base rate from \$30 to \$75 and increase the variable rate from \$3.25 to \$5.50 for every 100 cubic feet over the 600 cubic feet included in the base rate. The application states that the average monthly consumption is 2,857 cubic feet.¹ Based on the average consumption and the Company's proposed rates, the average monthly bill would increase from \$103.35 to \$199.14 (92.68 percent).

The Company's last rate increase was granted in Order No. 87-604 (UW 13), entered June 1, 1987. At that time the Company served 37 customers. The Company states the proposed rate increase is necessary to recover the cost of drilling a new well and to cover increased expenses, such as power.

¹ 2,857 cubic feet equals 21,372 gallons.

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Staff requests a six-month suspension of the tariffs to allow sufficient time to analyze the Company's filing.

PROPOSED COMMISSION MOTION:

Pursuant to ORS 757.215, proposed tariffs filed by Pete's Mt Water Company Inc be suspended for six months, effective June 5, 2006.