

ITEM NO. CA14

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: April 21, 2009

REGULAR _____ CONSENT X EFFECTIVE DATE May 1, 2009

DATE: April 8, 2009

TO: Public Utility Commission

FROM: Renee Sloan

THROUGH: Lee Sparling, Marc Hellman, and Michael Dougherty

SUBJECT: WILLAMETTE WATER COMPANY: (Advice No. 09-12) Revises
Schedule No. 7, Purchased Water Cost Adjustment.

STAFF RECOMMENDATION:

Pursuant to ORS 757.210 and ORS 757.220, Staff recommends the Commission approve Willamette Water Company's (WWC or Company) proposed revisions to Schedule No. 7, Purchased Water Cost Adjustment, effective May 1, 2009.

DISCUSSION:

History

At its June 19, 2008, public meeting, the Commission approved Advice No. 08-29, an Automatic Adjustment Clause (AAC)¹ tariff for water WWC purchases from the Eugene Water and Electric Board (EWEB).

As approved in Advice No. 08-29, the Company's Schedule No. 7 defines procedures for periodic rate revision due to changes in the Company's purchased water cost (reflected in the previous year's May to April EWEB invoices), to describe how a rate change for purchased water cost is calculated, and to identify any other requirements. The purchased water cost adjustment applies to Schedules 1, 2, 3, 4, and 5 contained in the Company's tariffs.

Charges under the applicable schedules are subject to increases that may be made without prior hearing to reflect the changes in the Company's purchased water costs

¹ Schedule No. 7 is an AAC as defined in ORS 757.210(b).

resulting from adjustments in the rate EWEB charges to WWC. Per Schedule No. 7, WWC may file purchased water cost adjustments annually to be effective upon the date EWEB implements rate changes.

Current Filing

On March 17, 2009, EWEB's commissioners approved an 18.3 percent increase in rates for water purchased by WWC. The new rates will go into effect May 1, 2009.

Subsequently, on April 6, 2009, WWC filed Advice No. 09-12 to revise the adjustment rates in Schedule No. 7. The Company requested a May 1, 2009, effective date to coincide with the date of EWEB's rate increase. Because WWC's requested effective date is less than 30 days from the tariff filing date, the Company also filed the required LSN Form.

Staff and the Company worked together to determine the 2009 rate using the steps outlined in Schedule No. 7 and agree that the adjustment rate should be \$0.597. Adding \$0.597 to the tariffed variable rate of \$1.80 per 100 cubic feet results in an adjusted variable rate of \$2.397.²

In addition to the proposed adjustment rates, the Company proposes two housekeeping changes to Schedule No. 7, Sheet No. 10A. The first proposed revision replaces the word "power" with the word "water" in paragraph two, relating to Purpose. The other revision removes the word "the" from the title just above Year 1.³ Staff agrees with the proposed housekeeping changes.

Advice No. 09-12 is filed in compliance with Order No. 08-256 and meets the conditions approved by the Commission in Advice No. 08-29.

PROPOSED COMMISSION MOTION:

Pursuant to ORS 757.210 and ORS 757.220 Willamette Water Company's proposed revisions to Schedule No. 7 be approved with an effective date of May 1, 2009.

² The 2008 adjusted variable rate was \$2.052.

³ Description of Purchased Water Cost Adjustment Calculation for the Year 1 (May 2008 through April 2009).