

ITEM NO. 4

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 24, 2009

REGULAR CONSENT EFFECTIVE DATE December 31, 2009

DATE: November 16, 2009

TO: Public Utility Commission

FROM: Renee Sloan

THROUGH: Lee Sparling, Marc Hellman, and Michael Dougherty

SUBJECT: WHISPERING PINES ESTATES WATER: (Docket No. UW 139/Advice No. 09-23) Requests a general rate revision.

STAFF RECOMMENDATION:

Pursuant to ORS 757.215, Staff recommends that proposed tariffs filed by Whispering Pines Estates Water (Whispering Pines or Company) requesting a general rate increase be suspended for six months effective December 31, 2009.

DISCUSSION:

Whispering Pines is a small investor-owned water utility in Shady Cove that provides service to approximately 21 residential customers.

On or around July 22, 2009, the Commission received petitions from 20 percent or more of the customers requesting Commission oversight and rate regulation of the Company. The regulatory requirement for petitions in ORS 757.061 is 20 percent or more of a company's customers. Therefore, pursuant to ORS 757.061, Whispering Pines met the requirement for Commission regulation.

On August 12, 2009, the Commission issued Order No. 09-312 (WJ 23) finding it in the public interest to regulate Whispering Pines, asserting jurisdiction over Whispering Pines, and ordering the Company to file tariffs.

On August 12, 2009, the Company requested interim rate relief to help offset the cost of purchased water. On September 10, 2009, in Order No. 09-357, the Commission granted the Company's request for interim rate relief effective September 11, 2009.

On September 29, 2009, the Company requested an extension until November 5, 2009, to file the tariffs required by Order No. 09-312. The Commission granted the extension in Order No. 09-380 issued September 30, 2009.

On November 9, 2009, Whispering Pines complied with Commission Order Nos. 09-312 and 09-380 by filing an application to establish rates resulting in total annual revenues of \$24,534, a \$12,507 increase from 2008 revenues. The Company also requests a 10 percent rate of return on a rate base of \$65,649.

The current rate design is comprised of a \$40 base rate that includes 5,000 gallons and \$0.003 per gallon for pumped (not purchased) water. Under the interim rates, the base rate is \$40; however, the commodity rate is \$0.0325 per gallon for usage above 5,000 gallons for purchased and delivered water, subject to refund.

In the application, Whispering Pines proposes a \$58.41 base rate with no consumption allowance and a commodity rate of \$0.0066 per gallon. According to the application, the average monthly bill will increase from \$42.72 to \$97.36.

Because this is the Company's first general rate case, Staff requests the Commission suspend the proposed tariffs for six months to allow Staff adequate time to complete a thorough investigation of the Company's revenues, expenses, plant rate base, and rate design.

PROPOSED COMMISSION MOTION:

Pursuant to ORS 757.215, the proposed tariffs filed by Whispering Pines Estates Water be suspended for six months, effective December 31, 2009.