

ITEM NO. 5

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: August 25, 2009

REGULAR CONSENT EFFECTIVE DATE August 31, 2009

DATE: August 18, 2009

TO: Public Utility Commission

FROM: Renee Sloan

THROUGH: Lee Sparling, Marc Hellman, and Michael Dougherty

SUBJECT: SOUTH COAST WATER DISTRICT: (Docket No. UW 134 /Advice No. 09-17) Requests a general rate revision.

STAFF RECOMMENDATION:

Pursuant to ORS 757.215, Staff recommends that the proposed tariffs filed by South Coast Water District (South Coast or Company) requesting a general rate increase be suspended for six months effective August 31, 2009.

DISCUSSION:

South Coast is a small water utility located near Florence that provides water service to approximately 78 residential customers.

On July 20, 2009, South Coast filed a rate case application requesting an increase of \$19,983, or 56.4 percent above 2008 revenues of \$35,415. The Company states the rate increase is necessary to 1) pay for a new water treatment plant; 2) make repairs to distribution and collection lines; 3) construct a new pump house; and 4) cover increased operation and maintenance costs. South Coast has been approved for a \$170,000 loan from the Safe Drinking Water State Revolving Fund to finance the improvements.

According to the Company's calculations, the proposed revenues will cause the average monthly bill to increase from \$43.32 (flat rate) to \$59.19 (metered rate).

The Company's last rate case was filed March 7, 2000, and concluded February 14, 2001, with Order No. 01-173 (UW 73). Because nine years have passed since the Company's last rate case, Staff requests a suspension of the proposed tariffs to allow

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ample 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, South Coast Water District's proposed tariffs be suspended for six months, effective August 31, 2009, to allow Staff sufficient time to investigate the Company's rate proposal