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2 **BEFORE THE PUBLIC UTILITY COMMISSION**
3 **OF OREGON**
4 UW 194

5 In the Matter of

6 CROOKED RIVER RANCH WATER
7 COMPANY.

8 Request for a General Rate Revision

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STIPULATION

8 This Stipulation is among Crooked River Ranch Water Company (CRRWater or the
9 Company) and the Public Utility Commission of Oregon Staff (Staff), hereafter collectively
10 referred to as the Stipulating Parties. At the time this Stipulation was filed there were four other
11 parties to this proceeding, intervenors Barbra Oakley, Todd Hill, Jeff Murtaugh, and the Crooked
12 River Ranch Club & Maintenance Association, who have chosen not to join this Stipulation but
13 who also confirmed with the Stipulating Parties that they do not oppose this Stipulation.

14 **I. INTRODUCTION**

15 On February 16, 2023 CRRWater filed a request for a General Rate Revision. In its
16 application, the Company sought to increase its adjusted test period revenues from \$1,015,402 to
17 \$1,385,973, an increase of 36.5 percent. In Order No. 23-050, Chief Administrative Law Judge
18 (ALJ) Moser suspended the effective date for a period of time not to exceed nine months,
19 expiring on December 24, 2023. The test year for the Company's filing is the year ending
20 December 31, 2022 (Test Year).

21 The Stipulating Parties reviewed the Company's filing and responses to data requests
22 from Staff and held multiple settlement conferences to discuss and address the issues in this case.
23 As a result of those discussions, the Stipulating Parties have reached agreement on all issues as
24 set forth in this Stipulation. The Stipulating Parties respectfully request that the Commission
25 issue an order adopting this Stipulation.
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3 **II. TERMS OF THE STIPULATION**

4 The Stipulating Parties agree as follows:

5 1. Revenue Requirement. The Stipulating Parties agree to recommend and support a
6 total revenue requirement of \$1,334,551, as shown in Attachment A, to be collected in rates as
7 set forth in Attachment B to this Stipulation. This revenue requirement includes an agreed-upon
8 1.88% percent rate of return on a total rate base of \$4,974,011 and represents a 31.43 percent
9 increase over 2022 test period revenues. The stipulated revenue requirement and adjustments are
10 included as Attachment A to this Stipulation.

11 2. Rate Effective Date. The Stipulating Parties agree to and support rates being
12 effective for service rendered on and after September 22, 2023, or three business days after the
13 date the Commission issues an order adopting this Stipulation, whichever is later.

14 3. Rate Base and Accumulated Depreciation. The Stipulating Parties agree that
15 stipulated rates in this case reflect rate base additions from the Company’s last rate case through
16 the Test Year, and accumulated depreciation through the Test Year associated with these rate
17 base assets. The Stipulating parties have further agreed to include one service truck purchased in
18 January 2023, and shortening the asset life of the Company’s water reservoir from 50 to 40 years
19 to align the asset life with the USDA loan repayment term as part of these rate base assets and
20 depreciation terms.

21 6. Commodity Rate. The Stipulating parties agree that the base fee will be updated
22 to allow for a commodity rate allocation percentage split of 69/31.

23 7. Audits. The Stipulating parties agree that CRRWater will have two different
24 audits completed: 1) an independent financial audit conducted for the 2023 calendar year, which
25 will review and confirm the Company’s financial standing and adherence to Generally Accepted
26 Accounting Principles; and 2) a compliance audit, conducted by one of the Commission’s
Consumer Services Compliance Specialists, which will review and confirm the Company’s

1 compliance with Oregon statutes, Commission Rules, and Company Tariffs. For both audits, the
2 Company will prepare and file a report with the Commission in this docket no later than April 1,
3 2024. If additional time is required to finalize either of these audit reports, the Company will file
4 a request for extension of the deadline no later than March 15, 2024. The extension should
5 include the reason for the delay and an expected date to be filed.

6 7. The Stipulating Parties agree that this Stipulation is in the public interest and, in
7 the unique circumstances present in this case, will result in rates that are fair, reasonable, and
8 will meet the standard set forth in ORS 756.040.

9 8. The Stipulating Parties have negotiated this Stipulation in good faith and
10 recommend that the Commission adopt the Stipulation in its entirety.

11 9. The Stipulating Parties agree that the Stipulation represents a compromise in the
12 positions of the Stipulating Parties. By entering into this Stipulation, no Stipulating Party shall
13 be deemed to have approved, accepted, or consented to the facts, principles, methods, or theories
14 employed by any other Stipulating Party in arriving at the terms of this Stipulation.

15 10. The Stipulating Parties agree that without the written consent of all Stipulating
16 Parties, evidence of conduct or statements, including but not limited to term sheets or other
17 documents created solely for use in settlement conferences in this docket, and conduct or
18 statements made at settlement conferences, are confidential and not admissible in this or any
19 subsequent proceeding, unless independently discoverable or offered for other purposes allowed
20 under ORS 40.190.

21 11. The Stipulating Parties support entering into evidence, without requiring any
22 Stipulating party to lay a foundation for its admission, this Stipulation, Stipulation attachments A
23 (revenue requirement) and B (tariffs), Staff's written testimony in support of the Stipulation
24 (Exhibit Staff/100), and additional supporting exhibits Staff /101 (witness qualification
25 statements), Staff/102 (summary tables), Staff/103 (data request responses & attachments), and
26 Staff/104 (customer comments).

1 12. The Stipulating Parties understand that this Stipulation addresses only
2 CRRWater’s request for a general rate increase in this instance, is not binding on the
3 Commission in deciding CRRWater’s application for a general rate increase, and does not
4 foreclose the Commission from addressing any other issues or foreclose a Stipulating Party from
5 raising other issues in a different proceeding.

6 13. The Stipulating Parties have negotiated this Stipulation as an integrated
7 document. Accordingly, if the Commission rejects all or any material portion of this Stipulation,
8 or adds any material condition to any final order that is not consistent with this Stipulation, each
9 Stipulating Party reserves the right, upon written notice to the Commission and all parties to this
10 proceeding within 15 days of the date of the Commission’s final order, to withdraw from the
11 Stipulation and to present additional evidence and argument on the record. However, prior to
12 withdrawal, any Stipulating Party who wishes to withdraw must engage in good faith negotiation
13 with the other Stipulating Party. No Stipulating Party withdrawing from this Stipulation shall be
14 bound to any position, commitment, or condition of this Stipulation. Nothing in this paragraph
15 provides any Stipulating Party the right to withdraw from this Stipulation as a result of the
16 Commission’s resolution of issues that this Stipulation does not resolve.

17 14. The Stipulating Parties agree to support Commission approval of the Stipulation,
18 throughout this proceeding and any subsequent appeal, and to provide witnesses to sponsor
19 testimony. If any other party to this proceeding challenges this Stipulation or if any other
20 interested person objects to this Stipulation in comments, the Stipulating Parties agree to
21 cooperate in responding to bench requests, preparing supplemental testimony, and participating
22 in cross-examination and to put on such a case as they deem appropriate to respond fully to the
23 issues presented, which may include addressing issues incorporated in the settlements embodied
24 in this Stipulation.

