

1 **BEFORE THE PUBLIC UTILITY COMMISSION**
2 **OF OREGON**

3 UW 120

4 In the Matter of

5 CROOKED RIVER RANCH WATER
6 COMPANY

7 Request for Rate increase resulting in total
8 annual revenues of \$868,453.

STAFF MOTION TO COMPEL

9 **INTRODUCTION**

10 On May 6, 2008, the Public Utility Commission of Oregon (Staff) sent Data Request
11 Nos. 166 through 175 to Crooked River Ranch Water Company (CRRWC or Company). The
12 CRRWC's responses were due May 21, 2008. The CRRWC did not provide full and complete
13 answers to Data Request Nos. 166, 167, 170, 171, 173, 174, and 175.

14 Pursuant to OAR 860-014-0070(3), Staff files this motion to compel production and
15 respectfully requests a ruling or order requiring CRRWC to provide full and complete answers.

16 Consistent with OAR 860-014-0070(3), Staff has attempted to confer with counsel for
17 CRRWC and we have not resolved this matter.

18 **DISCUSSION**

19 **Data Request Nos. 166 and 167**

20 Data Request No. 166 requests copies of all legal invoices for the time period of
21 November 2007 through March 2008. Data Request No. 167 requests an explanation of legal
22 services performed by five legal firms during the November 2007 through March 2008
23 timeframe. The CRRWC replied "CRRWC objects – attorney/client privilege" to both data
24 requests. Examining information concerning the costs of utility service, including attorney costs,
25 is standard practice by Staff and consistent with the Commission's authority to establish just and
26 reasonable rates.

1 This requested information is also necessary in light of Commission Order No. 08-242,
2 which states on page 7:

3 In a general rate case, the Commission looks at all financial aspects of a utility's
4 operations, including its cash reserves. In this case Crooked River withheld
5 information regarding these accounts (and, possibly, other accounts). These funds
6 were not accounted for in Order No. 07-527.

7 The rate case is reopened to consider the ratemaking treatment of the Company's
8 surplus capital (in excess of the amount recognized in Order No. 07-527). That
9 action will be coordinated with the accounting of the surcharge balance as
10 addressed above. With its comments of the Company's assessment fund balance,
11 the Staff also shall make a recommendation for the ratemaking treatment of the
12 remaining funds.

13 In addition, during the four-month period of December 2007 through March 2008, the
14 CRRWC has spent approximately \$29,159 on legal fees. At an average of \$7,290 per month
15 (\$87,480 per year), the Company is exhausting approximately 17 percent of its Commission
16 UW 120 (Order No. 07-527) approved revenue requirement, \$490,605, on legal fees.

17 **Data Request Nos. 170, 173, 174, and 175**

18 Data Request Nos. 170, 173, 174, and 175 request information concerning the CRRWC's
19 Board of Directors, Board minutes and resolutions, and Board elections. The CRRWC
20 responded to each data request by stating, "Outside PUC jurisdiction." These documents are
21 required to determine the actions of the Board. The CRRWC's By-laws, as Amended September
22 24, 2004,¹ state:

23 The Board shall have general supervision and control over and shall manage and
24 conduct the affairs and business of the Corporation, and shall make all necessary
25 rules and regulations, not inconsistent with law or with the Bylaws of Articles of
26 Incorporation, for the management of the Corporation and the guidance of the
27 officers, employees and agents of the Corporation.²

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31 ¹ Although the Company issues revised Bylaws as a Cooperative on June 30, 2006, Commission Order No. 06-642
32 states: CRRWC's efforts to reorganize as a cooperative under ORS Chapter 62 are without legal effect. However,
33 the June 30, 2006, Bylaws state the same as the quoted only replacing "Corporation" with "Cooperative."

34 ² Bylaws for Crooked River Ranch Water Company, Bylaw 4.7.

1 **CERTIFICATE OF SERVICE**

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3 I certify that on June 6, 2008, I served the foregoing upon all parties of record in this
4 proceeding by delivering a copy by electronic mail and by mailing a true and exact copy by
5 postage prepaid first class mail or by hand delivery/shuttle mail.

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