

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 June 8, 2007, the Public Utility Commission of Oregon Staff (Staff) served data
11 requests 76-94 on Crooked River Ranch Water Company (CRRWC or Company). On June 22,
12 2007, Staff served data requests 101-105 on CRRWC. On July 3, 2007, Staff served data
13 requests 106-112 on CRRWC. On July 5, 2007, Staff served data requests 113-118 on CRRWC.
14 On July 6, Staff served data request 119 on CRRWC. On July 11, 2007, Staff served data
15 request 120 on CRRWC. On July 17, Staff served data requests 121-126 on CRRWC. In
16 addition, CRRWC was ordered to provide responses within five days to requests 14, 20, 36, and
17 50; and adequate responses to requests 3, 15, 28, 30, 40, 47, 49, 51, 52, 53, 60, 67, and 68
18 pursuant to a ruling issued June 26, 2007.

19 Pursuant to OAR 860-014-0070(3), Staff files this motion to compel production and
20 respectfully requests a ruling or order requiring CRRWC to provide full and complete answers.
21 The response dates for these requests have already passed, and in some cases, involve responses
22 that were ordered to be produced by Administrative Law Judge, Patrick Power, long ago.
23 Therefore, Staff also requests that CRRWC be ordered to provide these full and complete
24 responses in a timely fashion.

25 Consistent with OAR 860-014-0070(3), Staff has attempted to confer with counsel for
26 CRRWC. On the date of this filing around noon, a message was left with counsel for CRRWC

1 regarding a request to confer on a motion to compel. A follow-up email was sent to counsel at
2 approximately 2:30 p.m. on the date of this filing in an attempt to confer. While counsel has not
3 had much time to respond to Staff's attempts to confer, Staff does not anticipate resolution of
4 these disputes informally. In addition, Staff wants to serve this motion expeditiously,
5 considering that CRRWC has not complied with the ruling granting Staff's previous motion to
6 compel.

7 **DISCUSSION**

8 As of August 9, 2007, Staff has not received the information included in the Motion to
9 Compel, issued on June 26, 2007, even though the order specifically required responses within
10 five days.

11 Furthermore, the Company has not been forthcoming with additional data requests.

12 These data requests are:

13 **Data Request No. 81**

14 This question requests copies of certain reports for the years 2004 and 2005. The reports
15 requested are:

- 16 ▪ Water Pumped, Water Used Report
- 17 ▪ All Pumps Usage Report
- 18 ▪ Usage Breakdown Report
- 19 ▪ Usage Summary Report
- 20 ▪ Year End Usage reports

21 These reports are required by Staff in order to compare and, if necessary, normalize
22 consumption data. The Company's response was, "Before Jurisdiction." Currently, Staff only
23 has 2006 reports to calculate consumption data. Staff will normally review multiple years of
24 consumption data to ensure the test year follows normal usage trends. An abnormally wet or dry
25 year will skew variable rates, resulting in possible over- or under-earning by a company.

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1 **Data Request No. 84**

2 This question requests the current loan document for the building loan. The Company's
3 reply was, "The only information that is in the office was included in the last request (No. 10) –
4 current balance as of June 1, 2007 was \$37,937.08." The information provided in Staff's data
5 request No. 10 was a Promissory Note that expired September 30, 2006. This date is prior to the
6 in-service date of the building. Staff finds it implausible that a Company would be paying a note
7 for which it does not have documentation. Staff requires this information to accurately calculate
8 the Company's Cost of Capital. In its response to a subsequent data request (No. 127), the
9 Company provided the current balance; however, it has not yet provided a copy of the
10 promissory note.

11 **Data Request 101a**

12 This question requests insurance information concerning settlements or payments for the
13 years 2004, 2005, and 2006. The Company's response was, "Prior to Jurisdiction." As a result
14 of numerous lawsuits, Staff believes this information is important in order to trend costs over a
15 period of time. Additionally, insurance payments may off-set other costs incurred and reported
16 by the Company. The settlement in question concerned the Board's fiduciary responsibility.
17 Staff is requesting this information to determine if the settlement had any effect on self-insurance
18 (deductible) and insurance premium costs. Additionally, the data request requests information
19 for the years 2004 and 2005 that were previously requested, but not provided.

20 **Data Request 102b**

21 This question requests information on an ongoing legal case (06CV0055). The
22 Company's response was, "A bogus claim." Whether the Company believes this case is bogus
23 or not, the Company has incurred considerable legal expenses in regards to this case. Staff
24 requires this information to determine if these costs should be included in rates.

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1 **Data Request 103b**

2 This question requests 2006 and 2007 Board meeting dates. The Company did not
3 answer this question. Again, Staff needs to review this information to determine if certain meals
4 and entertainment expenses were related to Board meetings.

5 **Data Request 104c**

6 This question requests information on a political donation for a County Commissioner
7 candidate. The Company's response was, "Before Jurisdiction." Staff requires this information
8 to ensure that this amount is not included in rates.

9 **Data Request 110**

10 This question requests information concerning the \$8 per month surcharge. The
11 Company's response was, "Previously Answered." That is not the case. Information on the
12 surcharge was previously requested in data request No. 3. Data request No. 3 is included in the
13 Motion to Compel, issued on June 26, 2007. Member customers have paid \$324,898 into this
14 fund as of December 2006. To date, the Company has refused to provide any detailed
15 accounting (bank statements, processed checks, etc.) concerning this fund.

16 **Data Request 113b**

17 This question requests an estimate of future legal costs for UW 120. The Company's
18 response was, "Have no idea." UW 120 still has pending settlement and hearings. An estimate
19 of future costs is required to properly determine the amortization of rate case expenses.

20 **Data Requests 114**

21 This question requests copies of responses to Intervenor data requests. Intervenor data
22 requests are routinely reviewed by Staff to verify information provided to Staff by the Company.
23 Additionally, responses to Intervenors data requests may lead to adjustments or lead to further
24 discovery.

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1 **Data Request 115**

2 This question requests invoices for Contract Services – Accounting. The Company, in its
3 response, copied the response to data request 28. The response generally speaks of services, but
4 did not include invoices. Staff requested invoices to verify test year and adjusted costs.

5 **Data Request 119**

6 This question requests specific information on certain office expenses. Staff requires this
7 information to determine if these costs should be included in rates.

8 **Data Request 120**

9 This question requests information concerning the personnel use of Company equipment
10 (dump truck) for a two-week period, which included towing a rather large sailboat. The
11 Company’s response was, “This has nothing to do with data request #46.” Company equipment
12 belongs to the members of the association. Staff requested this information to determine if rental
13 income should be imputed for the use of Company equipment.

14 **Data Request 121(d)**

15 This question requests copies of checks and bank records that demonstrate how an
16 assessment fund of \$30,347.95 was used to purchase land. The Company has stated that funds
17 were transferred from the capital account to the general fund to reimburse for the purchase of
18 land for a new well. Without such documentation to show the transfer, it is possible that
19 customers paid for the land twice, once at the in-service date and once with the assessment fund.

20 **Data Request 122(d)**

21 This question requests copies of checks and bank records to demonstrate how an
22 assessment fund of \$15,200 was used for the purchase and maintenance of a crane. The
23 Company has stated that funds were transferred from the capital account to the general fund to
24 reimburse the purchase costs of a crane. Without such documentation to show the transfer, it is
25 possible that customers paid for the crane twice, once at the in-service date and once with the

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1 assessment fund. The Company provided payment checks for the maintenance of the crane, but
2 did not provide documentation on the transfer of funds.

3 **CONCLUSION**

4 For the foregoing reasons, Staff respectfully requests that CRRWC be compelled to
5 produce the information discussed herein.

6 DATED this 9th day of August 2007.

7 Respectfully submitted,

8 **HARDY MYERS**
9 Attorney General

10 s/Jason W. Jones
11 Jason W. Jones, #00059
12 Assistant Attorney General
13 Of Attorneys for the Public Utility Commission
14 of Oregon

1 **CERTIFICATE OF SERVICE**

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3 I certify that on August 9, 2007, I served the foregoing upon all parties of record in this
4 proceeding by delivering a copy by electronic mail and by mailing a copy by postage prepaid
5 first class mail or by hand delivery/shuttle mail to the parties accepting paper service.

6 STEVEN COOK
7 PO BOX 1111
8 TERREBONNE OR 97760
9 sewfab4u@hotmail.com

10 CHARLES G NICHOLS
11 PO BOX 1594
12 REDMOND OR 97756
13 charlien@blazerind.com

14 CRAIG SOULE
15 11953 SW HORNY HOLLOW
16 TERREBONNE OR 97760
17 cby_64@yahoo.com

CROOKED RIVER RANCH WATER CO
BRIAN ELLIOTT
PRESIDENT, BOARD OF DIRECTORS
PMP 313 - 1604 S HWY 97 #2
REDMOND OR 97756

CROOKED RIVER RANCH WATER COMPANY
JAMES R ROOKS
GENERAL MANAGER
PO BOX 2319
TERREBONNE OR 97760
jr@crrwc.com

PUBLIC UTILITY COMMISSION OF OREGON
MICHAEL DOUGHERTY
550 CAPITOL ST NE - STE 215
SALEM OR 97301
michael.dougherty@state.or.us

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21
22
23
24
25
26


Neoma Lane
Legal Secretary
Department of Justice
Regulated Utility & Business Section