



Oregon

Theodore R. Kulongoski, Governor

Public Utility Commission

550 Capitol Street NE, Suite 215

Mailing Address: PO Box 2148

Salem, OR 97308-2148

Consumer Services

1-800-522-2404

Local: 503-378-6600

Administrative Services

503-373-7394

October 16, 2007

To: UW 120 Service List

RE: Notice of *Ex Parte* Communication

On October 12, 2007, James Rooks, on behalf of the Crooked River Ranch Water Company (CRRWC), sent certified mail to each of the three Public Utility Commissioners of Oregon. The mail contained a two-page cover letter that discussed the status of the pending rate proceeding and referenced the company's rebuttal testimony, a copy of which was included.

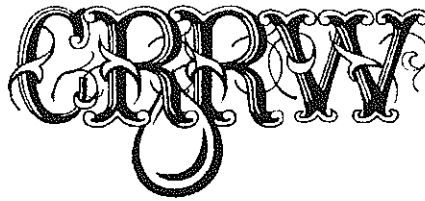
The mail packets sent to each Commissioner constitute *ex parte* communications under OAR 860-012-0015. The purpose of this memorandum is to notify all parties in docket UW 120 of the communication in compliance with our rules.

A copy of the cover letter is attached for your review. A copy of CRRWC's testimony has already been provided by the company to all parties.

Pursuant to OAR 860-012-0015(7), any party may file a written rebuttal to the *ex parte* communication, with service to other parties to the proceeding.

Michael Grant
Chief Administrative Law Judge
Public Utility Commission of Oregon

Attach.



October 10, 2007

Lee Beyer, Commission Chairman
PUC
550 Capitol St. NE #215
Salem, OR 97308-2148

Re: Rate Case UW 120

Dear Mr. Beyer:

As I am sure you are aware, the PUC has asserted jurisdiction over the Crooked River Ranch Water Co-op, and we are currently involved in a rate setting case. The Board of Directors of this Co-op have serious concerns about how this case has, and is, being handled, and we question whether the co-op's rebuttal testimony will be provided to the Commissioners when it is time for you to deliberate and deliver a finding on our case. Therefore, we are providing you with a copy of the rebuttal testimony that we submitted, and which, by the way, has never been posted on the PUC's website.

This company has felt all along that the law you had passed in 2003 allowing 20% of an "associations" members to petition for PUC jurisdiction was unconstitutional. You effectively have allowed the minority to set the standard for the majority, without having no hearing or allowing for a vote by all the members. This will ultimately be decided in the courts, but in the meantime, it is costing the members of our co-op thousands of dollars in legal fees as well as taking up the time of the employees to try to meet your requirements and demands.

We see the PUC job as two fold: to protect the consumer, and to also protect the company. In this case, there is truly no protection needed for the consumer. Our rates are more than fair and reasonable, and we have the best water around. The company is almost debt free, which has been the goal of the Board of Directors. In our case, however, we see the actions of PUC staff as being out to ruin this company, and potentially cause us to go into debt in order to perform the necessary repairs and upkeep of the system. So, in the long run, you are not protecting the customer, either. Obviously, rates will need to increase should that happen.

It appears that Michael Dougherty, who has the lead on our case, relies on

the management of the water company's and their CPA's because he's unqualified to do his job. Even when the CPA presents the appropriate way to determine plant, etc., the man wants to argue with him, and Mr. Dougherty has no degree in accounting. Which person would you assume is the most knowledgeable?

Mr. Dougherty has stated repeatedly that the "burden of proof" is on the company. This is a complete cop out. Where is his burden of responsibility? He makes accusations and sides with an out of control activist group that make no sense, and has no proof to back them up. If the PUC wishes to exert authority over this co-operative, it's the responsibility of the PUC to show that the company is being managed irresponsibly. This has not been done. However, he continues to use your out of control administrative process, which includes an ALJ that is not a licensed attorney in the state of Oregon, and the most ridiculous orders continue to be issued.

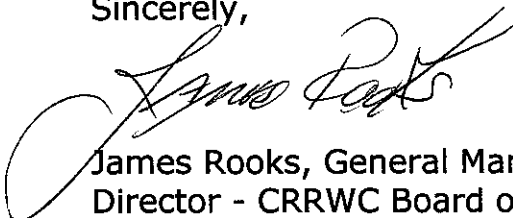
According to Brad and Dunstreet, the CRRWC is in the top 2% of water company's our size. We have a 30 year history of managing this company efficiently. We will not succumb to Mr. Dougherty's complete inability to do his job.

This company already operates under many governmental agencies and has a very good rapport with all of them, county, state and federal. All of which who have conducted themselves in a professional manner. This is not the case with the PUC. We, the people of this community, will not be subjected to the type of harassment coming from the PUC staff.

We have been told several times that we are up against a "stacked deck". Well, that's probably true, but we believe we are right, and will continue to fight for the rights of the majority of our customers who did not sign the illegal petition. It is quite apparent that in order for the company to receive a fair hearing, we need to get the case out of the hands of the PUC and the administrative process, and into the courts where there will be a truly impartial decision rendered.

We hope that you will take the time to review our information and respect that it is being presented with the best of intentions.

Sincerely,

A handwritten signature in black ink, appearing to read "James Rooks", written in a cursive style.

James Rooks, General Manager and
Director - CRRWC Board of Directors