

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UW 169

In the Matter of)
) **SUNRIVER OWNERS ASSOCIATION'S**
SUNRIVER WATER, LLC) **INITIAL EXHIBIT LIST AND ISSUES**
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Sunriver Owners Association (SROA) is not submitting prepared testimony. Consistent with the spirit of the scheduling order, however, SROA is providing copies of exhibits it intends, at this time, to use at the hearing. Sunriver Water has not responded to some of SROA's data requests. SROA may supplement these exhibits when it does. In addition, depending on the outcome of SROA's pending motion to compel, SROA may have other exhibits as well. Some of these exhibits are long. SROA intends to use more manageable excerpts at the hearing. The exhibits are as follows:

SROA/100	SW DR 20 Response, Office and Reservoir Lease, UI 355 Documents
SROA/101	SW DR 22 Response, Fidelity Water Rights, Well 15 Groundwater Appropriation
SROA/102	SW DR 27 Response -- Water Rights Operating Expense
SROA/103	SW DR 31 Response, Lease Drafting, Operating Expense
SROA/104	SW DR 35 Response, 2011 Sunriver Water, Water System Master Plan Update
SROA/105	SW DR 35 Response, 2013 Sunriver Water, Water Management and Conservation Plan Update
SROA/106	SW DR 35 Response, 2015 Sunriver Water, Caldera Springs Annexation Water System Master Plan

SROA/107	SW DR 42 Response, Test Well
SROA/108	Pine Forest Development, LLC-Sunriver Resorts LP August 2015 Burden of Proof Statement
SROA/109	Sunriver Utilities, OPUC Order No. 90-1413, UW 29
SROA/110	Sunriver Utilities, OPUC Order No. 98-110, UP 148

At the hearing, SROA intends to argue that the lease rate provided in the office lease and the reservoir lease that are the subjects of UI 355, consistent with OAR 860-036-2230, should be priced at “net book value” —rates which are considerably less than the rates provided in the leases. In the case of the office lease, it appears to SROA that most of the leased property is CIAC property with respect to Sunriver Water and should be valued at \$0 for ratemaking purposes. In Order No. 15-245 (UI 355), the Commission reserved the right to review the leases for reasonableness in any rate proceeding. Appendix A, at 1. SROA/100, SROA/103, SROA/104, SROA/109, SROA/110.

SROA also intends to argue that the investments (CWIP) and expenses associated with the Test Well should not be included in rates (rate base and operating expenses). The Test Well is not “presently used” and is not “used and useful.” ORS 757.355; OAR 860-036-2390. Associated with this argument, SROA may argue that certain investments and expenses associated with the acquisition of water rights and mitigation credits are not “presently used” and are not “used and useful.” From statements made by Sunriver Water’s owner, it appears that Sunriver Water is in an excess capacity situation, and that the primary reason the investments (test well, water rights, and mitigation credits) are being

made and the expenses incurred is to provide water service to the owner's proposed developments (Caldera Springs Annexation/Pine Forest). SROA/101, SROA/102, SROA/104 to SROA/108.

DATED this 7th day of July, 2017.

ESLER, STEPHENS & BUCKLEY

By: /s/ John W. Stephens
John W. Stephens

Of Attorneys for Sunriver Owners Association

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