

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 100

Opening Testimony

May 26, 2023

1 **Q. Please state your name, occupation, and business address.**

2 A. My name is Russ Beitzel. I am a senior utility analyst employed in the Finance
3 and Accounting Section of the Safety, Utility Performance and Economic
4 Regulation Program of the Public Utility Commission of Oregon (OPUC). My
5 business address is 201 High Street SE, Suite 100, Salem, Oregon 97301.

6 **Q. Please describe your educational background and work experience.**

7 A. My witness qualification statement is found in Exhibit Staff/101.

8 **Q. What is the purpose of your testimony?**

9 A. I support the allegations against Sun Country Water, LLC, in the Notice of
10 Proposed Penalties sent to the Company on March 21, 2023.¹

11 **Q. Did you prepare any exhibits for this docket?**

12 A. Yes. I prepared the following supporting exhibits:

- 13 Exhibit Staff/101. Witness Qualifications
- 14 Exhibit Staff/102. Billing Examples
- 15 Exhibit Staff/103. Letter to Sun Country Water, LLC

16 **Q. How is your testimony organized?**

17 A. My testimony is organized as follows:

- 18 Issue 1. Failure to Timely File a General Rate Case..... 2
- 19 Issue 2. Failure to Accurately Bill Customers..... 6
- 20 Issue 3. The Potential for a Regency 8

¹ Staff/103, Notice of Proposed Penalties (March 21, 2023).

1 **ISSUE 1. FAILURE TO TIMELY FILE A GENERAL RATE CASE**

2 **Q. Please summarize Staff’s position on this issue.**

3 A. Per Order 22-462² in which the Oregon Public Utility Commission (OPUC or
4 Commission) asserted rate regulation over Sun Country Water, LLC. (SCW or
5 Company), SCW was required to file a general rate case (GRC) by
6 March 1, 2023. The Company has failed to file the GRC as of this filing.

7 **Q. What is Sun Country Water, LLC?**

8 A. SCW is a privately owned, community water system that provides water
9 service to approximately 110 customers in Bend, Oregon. The owner is
10 Dean “Butch” Rogers. All SCW customers are currently served through meters
11 with a diameter of one inch or less.

12 **Q. Please explain the process for asserting rate regulation over a water
13 utility.**

14 A. Under ORS 757.061, water utilities are subject to rate regulation if certain
15 criteria are met: (1) the utility meets the definition of “public utility,” (2) the water
16 utility serves less than 500 customers, (3) the water utility proposes to charge a
17 rate for water service that exceeds the maximum rate threshold established by
18 the Commission under ORS 757.061(5)(a), and (4) 20 percent or more of the
19 customers of the water utility file a petition with the Commission requesting that
20 the water utility be subject to rate regulation. The maximum rate threshold
21 established by the Commission for metered customers served with a meter

² See *In the Matter of Sun Country Water, LLC, An Investigation Pursuant to ORS 756.515 to Determine Jurisdiction*, WJ 45, Order No. 22-462 (December 1, 2022).

1 diameter of one inch or less is an annual average monthly charge of \$45 per
2 customer.³

3 **Q. When did the Commission assert rate regulation over SCW?**

4 A. On August 22, 2022, SCW notified its customers of its intention to raise rates
5 and the customers' right to petition the Commission for rate regulation. SCW
6 proposed to increase the Monthly Base Fee from \$37.50 to \$63.50 and the
7 Usage Rate from \$1.00 per cubic foot to \$2.00 cubic foot. This proposed rate
8 increase would have exceeded the maximum rate threshold established by the
9 Commission. Subsequently, 60 out of 110 SCW customers petitioned the
10 Commission to assert rate regulation of SCW. Upon receipt of these petitions,
11 Staff prepared and filed a Public Meeting Memorandum recommending the
12 Commission assert rate regulation over SCW.

13 The Commission adopted Staff's recommendation at its
14 November 22, 2022 Regular Public Meeting, asserting rate regulation over
15 SCW and ordering SCW to file a general rate revision consistent with
16 OAR 860-036-2020 within 90 days of the date of the order. The Commission
17 issued its Final Order on December 1, 2022.

18 **Q. What is a general rate revision under OAR 860-036-2020?**

19 A. A general rate revision under ORS 860-036-2020 is a filing by a water utility
20 that affects all or some of the water utility's rate schedules. To file a general
21 rate revision, a rate-regulated water utility must submit a rate case application,
22 including tariffs and an Advice Letter, as required by OAR 860-036-2010.

³ OAR 860-036-1910(2).

1 **Q. Did SCW comply with the Commission Order No. 22- 462 and make an**
2 **Advice Filing with a general rate revision within 90 days of the Final**
3 **Order?**

4 A. No. As noted above, the 90-day period expired on March 1, 2023. SCW still
5 has not filed a general rate revision (aka General Rate Case or GRC).

6 **Q. Did SCW violate the requirement of Order No. 22-462?**

7 A. Yes.

8 **Q. Are customers benefited by the fact SCW has not increased its rates as it**
9 **originally intended?**

10 A. It does not appear so. SCW has indicated it has a revenue shortfall and must
11 increase its rates to meet the shortfall. However, SCW has not yet taken the
12 appropriate steps to increase its rates. From a financial perspective it means
13 that the utility could potentially become insolvent or create additional financial
14 burdens by being unable to properly manage the finances.

15 Furthermore, the petitions for rate regulation filed by customers include
16 statements of dissatisfaction with the amounts they are paying for the level of
17 service provided by SCW. Allowing SCW to continue to operate without
18 regulating the rates it charges appears to pose some risk to customers.

19 **Q. What remedies does the Commission have to address SCW's ongoing**
20 **noncompliance with Order No. 22-462?**

21 A. One remedy is to impose penalties for SCW's non-compliance as proposed by
22 Staff. Penalties will not actually force SCW to file a GRC, but hopefully will
23 make it difficult for SCW to do otherwise. The Commission could also

1 investigate and establish SCW's rates on its own motion under ORS 756.515.
2 Staff recommends that any such investigation consider whether the level of
3 service provided by SCW is commensurate with the amounts paid by
4 customers.

5 In addition to or instead of investigating SCW's rates, the Commission
6 could initiate an investigation into whether to appoint a regent to operate SCW.
7 Staff discusses this option more thoroughly in the third section of this
8 testimony.

ISSUE 2. FAILURE TO ACCURATELY BILL CUSTOMERS**Q. Please summarize Staff's position on this issue.**

A. Staff has received numerous complaints from SCW's customers about late, missing, or inaccurate bills. This recent spate of complaints is not new. Staff has been receiving similar complaints off and on for over a decade. Some of the individual complaints may not seem egregious, but in aggregate form a pattern of mishandling a very important aspect of running the utility.

Staff notes that there is tension between the customers and the utility which further exacerbates the communication related to billing issues.

Q. Please describe some of the billing issues that have been sent to Consumer Services.

A. There are a few different types of billing issues that Staff has noted from the customers.

The first billing issue is the overuse of estimated bills. OAR 860-036-1400(3) requires that a meter be read at least once every four months, which allows up to three consecutive months of estimated bills to be issued at just the base rate in situations where weather prevents an actual meter reading. SCW resides in Bend, Oregon where weather can prevent a safe meter reading during the winter months.

The second billing issue is incorrect billing. Some customers have noted that even when meters are read that their bills reflect inaccurate information. Staff does not know of any situation where the Company has refused to correct the bill when notified of an error.

1 Additionally, Staff notes when reviewing the past 12 months of bills
2 provided by a customer that the total days billed for the 12 bills was 389, which
3 is 24 days beyond a full year. The customer that provided the bills to Staff
4 noted that some of the bills did not arrive until one to three months after the
5 billing date as well.

6 **Q. Was Staff able to determine if more than three months were estimated?**

7 A. Based on the information provided by the 12 consecutive bills, Staff concludes
8 that five consecutive months were estimated.

9 **Q. How did Staff arrive at this conclusion?**

10 A. The "Current" meter reading column for the months ending October 24, 2022,
11 November 30, 2022, January 4, 2023, and February 8, 2023⁴ are all marked
12 with an "E," and the Commodity (usage) amounts were all credited back to the
13 customer on the bill ending on April 1, 2023,⁵ which would match a situation
14 where they were estimated. The bill ending on March 1, 2023⁶ had no
15 Commodity amount, which would match a situation where the meter was not
16 read. If both of those statements are true, then that would mean five
17 consecutive months of estimation.

18 **Q. What are some of the issues related to excessive use of estimated**
19 **billing?**

20 A. Customers deserve to understand their actual usage when possible and
21 unnecessary estimating allows for potential water issues to go unrecognized.

⁴ Staff/102, Beitzel/6-9.

⁵ Staff/102, Beitzel/11.

⁶ Staff/102, Beitzel/10.

ISSUE 3. THE POTENTIAL FOR A REGENCY

Q. Please summarize Staff's position on this issue.

A. The overall financial health of SCW is of considerable concern to Staff. In addition to not filing the GRC and the noted billing issues there is evidence of several large outstanding debts, both private and tax related. Additionally, the utility has allowed its LLC status to fall into "administrative dissolution" by the Oregon Secretary of State for the third time in the past three years,⁷ and there are frequent water disruptions reported by customers.

Q. Is this the first time Staff has raised concerns regarding operation of SCW?

A. No. For the period August 2013 through August 2018, SCW was operated under a regency established by the Commission in Order No. 13-293 in Docket No. UM 1598. The regency was established in an investigation opened to review complaints regarding SCW's billing practices including a failure to bill monthly and a failure to bill accurately.

The customer complaints addressed in Docket No. 1598 were initially resolved by a Stipulation between Staff and SCW under which SCW "agree[d] to bill its customers on a monthly basis, using accurate meter readings, and a correct billing format beginning with the June 1, 2012, billing for service rendered during the month of May 2012."⁸ The Stipulation also provided that

⁷ In Oregon, "administrative dissolution" means the Oregon Secretary of State's office has listed the business as "inactive."

⁸ *In the Matter of SUN COUNTRY WATER INC, Request to open an investigation into the billing practices and approve a Stipulation to resolve the billing issues*, UM 1598, Order No. 12-189, App B (May 23, 2012).

1 "[i]f SCW fails to comply with the Stipulation, Staff will take further legal actions
2 including, but not limited to, requesting that the Commission appoint a regent to
3 correctly bill and collect for water service."⁹

4 In August 2013, Staff asked the Commission to re-open Docket No. UM
5 1598 and appoint a regent to operate SCW. Staff reported in connection with
6 that request that following the Commission's May 2012 order adopting the
7 stipulation regarding billing, SCW had issued bills in June, July, August, and
8 September. However, SCW but did not issue bills to at least many of the
9 customers for the rest of 2012. Staff reported that it had engaged with the
10 owner/operator of SCW, Butch Rogers, since January 2013 to attempt to get
11 Mr. Rogers to bill customers consistently with administrative rules and had
12 been unable to do so. Staff noted that it was concerned that the poor billing
13 practices would lead to insufficient operating revenue, causing the system to
14 fall into disrepair.¹⁰

15 The Commission approved Staff's recommendation in August 2013 and
16 authorized a regency over SCW and directed its Chief Operating Officer to
17 enter into an agreement with Avion Water Company to perform the duties of a
18 water company for SCW.¹¹ The agreement executed by Avion Water
19 Company and the OPUC was for a term of five years.

⁹ *Id.*

¹⁰ *In the Matter of Investigation under ORS 756.515 into Sun Country Water, Inc.'s, Billing Practices, UM 1598, Order No. 13-293 (August 14, 2013).*

¹¹ *Id.*

1 In June 2018 after the five-year term of the Avion regency expired, the
2 Commission approved Staff's request to continue the regency and authorized
3 Staff to initiate a procurement process to find a new regent to operate SCW.¹²

4 On March 13, 2019, in Order No. 19-086, the Commission approved
5 Staff's recommendation to terminate the regency and allow Mr. Rogers to once
6 again perform the administrative, operational, maintenance, and billing
7 functions of SCW.¹³ In support of the recommendation, Staff noted that
8 Mr. Rogers had been performing these functions since the 2013 regency had
9 expired in 2019. The Commission also directed Mr. Rogers to provide
10 quarterly reports for one year and then annual reports for two years.

11 In July 2020, the Commission adopted Staff's recommendation to extend
12 the annual reporting requirement by an additional two years, until the end of
13 2023.¹⁴ In its Public Meeting Memorandum explaining the request, Staff
14 explained that Mr. Rogers had not provided the quarterly reports mandated by
15 Order No. 19-086 and had not continued to bill SCW customers. However, the
16 Staff Report also noted that around January 2020, Mr. Rogers had employed
17 his son and daughter-in-law to take over the administrative and meter reading
18 functions for SCW. As a result of those operational changes, significant recent
19 improvements had occurred, which caused Staff to believe that Mr. Roger's

¹² *In the Matter of SUN COUNTRY WATER, INC, Request to Appoint a Regent to Continue the Administration, and Operations.* UM 1598 Order No. 18-232 (June 19, 2018).

¹³ *In the Matter of SUN COUNTRY WATER, INC., Staffs Request to Remove the Regency and to Return Operation of the System to Dean Rogers, Owner,* UM 1598, Order No. 19-086 (March 13, 2019).

¹⁴ *In the Matter of SUN COUNTRY WATER, LLC, Status Report on Compliance with Order No. 19-086 and Response to Order No. 20-092,* UM 1598, Order No. 20-241 (July 30, 2020).

1 past non-compliance with Order No. 19-086 would be cured in the future.

2 Accordingly, Staff was not pursuing any other remedy at that time.¹⁵

3 **Q. Do the current allegations regarding SCW's failure to file a rate case**
4 **and bill consistently with OARs, as alleged, suggest reverting to the**
5 **regency may be appropriate to ensure the continued operation of**
6 **SCW?**

7 A. Yes. In addition, Staff is concerned that SCW's outstanding debts also put
8 SCW's financial viability at risk.

9 **Q. Please describe the known debts owed by the utility.**

10 A. Staff does not have a complete picture of all the debts because a GRC has not
11 been filed but does know of two major debts related to work done on a
12 non-working well (approximately \$40,000) and taxes owed to Deschutes
13 County (approximately \$45,000).

14 **Q. How could these debts impact the financial health of the utility?**

15 A. Staff is unsure how these debts will be repaid given that the utility initially
16 requested a rate increase that was not implemented based on the OPUC
17 asserting rate regulation and no GRC has been filed. However, the amount
18 owed to Deschutes County is outstanding from over 12 years and a foreclosure
19 could happen at any time, based on a conversation Staff had with the County
20 tax department.

¹⁵ *Id.*, App.

1 **Q. Is Staff requesting that the Commission appoint a regent to operate**
2 **SCW?**

3 A. Not in this docket. The allegations at issue in this docket concern the
4 allegations in the March 21, 2023 notice regarding proposed penalties issued
5 to SCW. Staff hopes that SCW's response to these allegations and reasons
6 for failing to comply with them will shed light on the need for a regent. As has
7 been the case since 2012, communications with the owner of SCW are
8 sporadic and Staff fails to understand why SCW cannot comply with the
9 Commission's direct orders.

10 **Q. Please summarize your recommendations.**

11 A. Staff's position on the GRC issue is clear. It has not been filed, despite several
12 reminders and offers of help by Staff. Given that Staff's communications and
13 offers of help are apparently insufficient to get SCW to comply with the
14 Commission Order No. 22-462, Staff recommends the Commission impose
15 penalties. The proposed financial penalties issued to SCW were \$100.00 per
16 day starting 91 days after Commission order directing SCW to file a GRC in
17 90 days.¹⁶ The ninety-first day was March 1, 2023.

18 Staff's position on the billing issue is that more care and consistency is
19 needed related to billing. Customers are receiving bills related to each month
20 of the year but are often estimated beyond what is allowed by OAR 860-036-
21 1400(3), are incorrect and cover periods longer than a month. For only

¹⁶ See Exhibit 103, Letter to Sun Country Water, LLC.

1 110 customers, consistent meter readings and bill accuracy should be
2 achievable.

3 The Proposed Financial Penalties issued to SCW were \$100 per billing
4 period since January 1, 2023.¹⁷

5 **Q. Does Staff recommend the Commission impose the full amount of**
6 **penalties permitted under the Notice of Proposed Penalties?**

7 A. Not necessarily. As discussed above, the financial viability of the utility is in
8 question and large penalties will not necessarily be in the interests of
9 customers. However, Staff's efforts to convince SCW to file the GRC as
10 required and to bill in accordance with administrative rules and as ordered
11 have been futile. It is possible that financial penalties will be the only thing that
12 can motivate SCW to comply with the Commission's orders.

13 **Q. Does this conclude your testimony?**

14 A. Yes.

¹⁷ Id.

CASE: UM 2280
WITNESS: RUSS BEITZEL

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 101

Witness Qualification Statement

May 26, 2023

WITNESS QUALIFICATIONS STATEMENT

NAME: Russell (Russ) Beitzel

EMPLOYER: Public Utility Commission of Oregon

TITLE: Senior Utility Analyst
Telecommunications and Water Division

ADDRESS: 201 High Street SE, Suite 100
Salem, OR. 97301

EDUCATION: Bachelor of Science in Accounting, Otterbein University

EXPERIENCE:

I have been employed with the Public Utility Commission of Oregon since 2018. I am currently a Senior Utility Analyst in the Rates and Telecommunications Section of the Rates, Safety, and Utility Performance Program. Regarding water utilities, I have analyzed and addressed numerous issues including tariff changes, property sales, affiliated interest transactions, revenue requirement calculations, deferred tax calculations, rate spread, and rate design. I have also served as case manager on multiple water rate cases, and have provided testimony in UW 185, UW 182, UW 175, UW 177, UE 374, and UG 388.

Additionally, I worked at Ashland, Inc. for twenty years as a manufacturing and corporate accountant and business analyst for a business unit with approximately one billion dollars in global annual sales. My accountant duties included product cost analysis, general ledger account analysis, SOX compliance, and internal and external audit compliance. My analyst duties

included budgeting, forecasting, financial statement analysis, acquisition tracking, and division financial support for a global business unit.

CASE: UM 2280
WITNESS: Russ Beitzel

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 102

Billing Examples

May 26, 2023

SUN COUNTRY WATER **541-788-5103**
 22648 NELSON ROAD
 BEND, OR 97701
 541-408-5103

**PLEASE REMIT THIS STUB
 WITH PAYMENT**

Remember - You can now view and pay your bills online at www.ub-pay.com the municipal is SunCountryWater

JOHN BLANKFORT
 63555 BRIDLE LN
 BEND, OR 97703

DUE DATE	ACCT NUMBER
06/05/2022	50
BY DUE DATE	AFTER DUE DATE
\$37.50	\$62.50

AMOUNT DUE

SERVICE ADDRESS > 63555 BRIDLE LN Residential



KEEP THIS PORTION FOR YOUR RECORDS

SUN COUNTRY WATER 22648 NELSON ROAD
541-788-5103
 541-408-5103 BEND, OR 97701

ACCOUNT NUMBER		BILLING DATE
50		05/08/2022
CURRENT	PREVIOUS	USAGE
E599461	599302	159 cf
FROM	TO	DAYS
04/08/2022	05/05/2022	27

SERVICE ADDRESS	DUE DATE
63555 BRIDLE LN	06/05/2022
DESCRIPTION	AMOUNT DUE

Prior Balance	76.63
Payment(s)	-76.63
Water	37.50
Total:	37.50

Minimum Chg. = \$37.50

AMOUNT DUE

BY DUE DATE	AFTER DUE DATE
\$37.50	\$62.50

Account: 50
JOHN BLANKFORT
 63555 BRIDLE LN
 BEND, OR 97703

SUN COUNTRY WATER 541-788-5103
22648 NELSON ROAD
BEND, OR 97701
541-408-5103



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JOHN BLANKFORT
63555 BRIDLE LN
BEND, OR 97703

DUE DATE	ACCT NUMBER
07/05/2022	50
BY DUE DATE	AFTER DUE DATE
\$97.64	\$122.64



SERVICE ADDRESS > 63555 BRIDLE LN Residential

KEEP THIS PORTION FOR YOUR RECORDS

SUN COUNTRY WATER 22648 NELSON ROAD
541-788-5103
541-408-5103 BEND, OR 97701

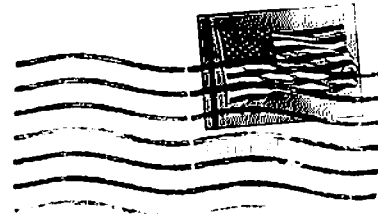
SERVICE ADDRESS	DUE DATE
63555 BRIDLE LN	07/05/2022
DESCRIPTION	AMOUNT DUE

ACCOUNT NUMBER		BILLING DATE
50		06/08/2022
CURRENT	PREVIOUS	USAGE
602225	599461	2764 cf
FROM	TO	DAYS
05/05/2022	06/06/2022	32

Prior Balance	37.50
Payment(s)	-0.00
Water	60.14
Total:	97.64

Minimum Chg. = \$37.50
2264@1.00 per 100=\$22.64

SUN COUNTRY WATER 541-788-5103
22648 NELSON ROAD
BEND, OR 97701
541-408-5103



Account: 50
JOHN BLANKFORT
63555 BRIDLE LN
BEND, OR 97703

977039180 R012



SUN COUNTRY WATER **541-788-5103**
 22648 NELSON ROAD
 BEND, OR 97701
 541-408-5103

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JOHN BLANKFORT
 63555 BRIDLE LN
 BEND, OR 97703

DUE DATE	ACCT NUMBER
08/19/2022	50
BY DUE DATE	AFTER DUE DATE
\$57.09	\$82.09

AMOUNT DUE →

SERVICE ADDRESS > 63555 BRIDLE LN Residential



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SUN COUNTRY WATER 22648 NELSON ROAD
541-788-5103
 541-408-5103 BEND, OR 97701

ACCOUNT NUMBER		BILLING DATE
50		07/08/2022
CURRENT	PREVIOUS	USAGE
604684	602225	2459 cf
FROM	TO	DAYS
06/06/2022	07/15/2022	39

SERVICE ADDRESS	DUE DATE
63555 BRIDLE LN	08/19/2022
DESCRIPTION	AMOUNT DUE

Prior Balance	97.64
Payment(s)	-97.64
Water	57.09
Total:	57.09

Minimum Chg. = \$37.50
1959@1.00 per 100=\$19.59

AMOUNT DUE →

BY DUE DATE	AFTER DUE DATE
\$57.09	\$82.09

Account: 50
JOHN BLANKFORT
 63555 BRIDLE LN
 BEND, OR 97703

SUN COUNTRY WATER **541-788-5103**
 22648 NELSON ROAD
 BEND, OR 97701
 541-408-5103

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JOHN BLANKFORT
 63555 BRIDLE LN
 BEND, OR 97703

DUE DATE	ACCT NUMBER
09/22/2022	50
BY DUE DATE	AFTER DUE DATE
\$117.05	\$142.05

AMOUNT DUE

SERVICE ADDRESS > 63555 BRIDLE LN Residential



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SUN COUNTRY WATER 22648 NELSON ROAD
541-788-5103
 541-408-5103 BEND, OR 97701

ACCOUNT NUMBER		BILLING DATE
50		08/08/2022
CURRENT	PREVIOUS	USAGE
607430	604684	2746 cf
FROM	TO	DAYS
07/15/2022	08/12/2022	28

SERVICE ADDRESS	DUE DATE
63555 BRIDLE LN	09/22/2022
DESCRIPTION	AMOUNT DUE

Prior Balance	57.09
Payment(s)	-0.00
Water	59.96
Total:	117.05

Minimum Chg. = \$37.50
2246@1.00 per 100=\$22.46

AMOUNT DUE

BY DUE DATE	AFTER DUE DATE
\$117.05	\$142.05

Account: 50
JOHN BLANKFORT
 63555 BRIDLE LN
 BEND, OR 97703

SUN COUNTRY WATER 541-788-5103
 22648 NELSON ROAD
 BEND, OR 97701
 541-408-5103

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JOHN BLANKFORT
 63555 BRIDLE LN
 BEND, OR 97703

DUE DATE	ACCT NUMBER
10/19/2022	50
BY DUE DATE	AFTER DUE DATE
\$68.08	\$93.08

AMOUNT DUE

SERVICE ADDRESS > 63555 BRIDLE LN Residential



KEEP THIS PORTION FOR YOUR RECORDS

SUN COUNTRY WATER 22648 NELSON ROAD
541-788-5103
 541-408-5103 BEND, OR 97701

ACCOUNT NUMBER		BILLING DATE
50		09/19/2022
CURRENT	PREVIOUS	USAGE
610988	607430	3558 cf
FROM	TO	DAYS
08/12/2022	09/19/2022	38

SERVICE ADDRESS	DUE DATE
63555 BRIDLE LN	10/19/2022
DESCRIPTION	AMOUNT DUE

Prior Balance	117.05
Payment(s)	-117.05
Water	68.08
Total:	68.08

Minimum Chg. = \$37.50
3058@1.00 per 100=\$30.58

AMOUNT DUE

BY DUE DATE	AFTER DUE DATE
\$68.08	\$93.08

Account: 50
JOHN BLANKFORT
 63555 BRIDLE LN
 BEND, OR 97703

SUN COUNTRY WATER **541-788-5103**
 22648 NELSON ROAD
 BEND, OR 97701
 541-408-5103

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JOHN BLANKFORT
 63555 BRIDLE LN
 BEND, OR 97703

DUE DATE	ACCT NUMBER
11/25/2022	50
BY DUE DATE	AFTER DUE DATE
\$52.94	\$77.94

AMOUNT DUE

SERVICE ADDRESS > 63555 BRIDLE LN Residential



KEEP THIS PORTION FOR YOUR RECORDS

SUN COUNTRY WATER 22648 NELSON ROAD
541-788-5103
 541-408-5103 BEND, OR 97701

ACCOUNT NUMBER		BILLING DATE
50		10/19/2022
CURRENT	PREVIOUS	USAGE
E613032	610988	2044 cf
FROM	TO	DAYS
09/19/2022	10/24/2022	35

SERVICE ADDRESS	DUE DATE
63555 BRIDLE LN	11/25/2022
DESCRIPTION	AMOUNT DUE

Prior Balance	68.08
Payment(s)	-68.08
Water	52.94
Total:	52.94

Minimum Chg. = \$37.50
1544@1.00 per 100=\$15.44

AMOUNT DUE

BY DUE DATE	AFTER DUE DATE
\$52.94	\$77.94

Account: 50
JOHN BLANKFORT
 63555 BRIDLE LN
 BEND, OR 97703

SUN COUNTRY WATER 541-788-5103
 22648 NELSON ROAD
 BEND, OR 97701
 541-408-5103

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 WITH PAYMENT**

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JOHN BLANKFORT
 63555 BRIDLE LN
 BEND, OR 97703

DUE DATE	ACCT NUMBER
12/31/2022	50
BY DUE DATE	AFTER DUE DATE
\$51.97	\$76.97

AMOUNT DUE

SERVICE ADDRESS > 63555 BRIDLE LN Residential



KEEP THIS PORTION FOR YOUR RECORDS

SUN COUNTRY WATER 22648 NELSON ROAD
541-788-5103
 541-408-5103 BEND, OR 97701

ACCOUNT NUMBER		BILLING DATE
50		11/30/2022
CURRENT	PREVIOUS	USAGE
E614979	613032	1947 cf
FROM	TO	DAYS
10/24/2022	11/30/2022	37

SERVICE ADDRESS	DUE DATE
63555 BRIDLE LN	12/31/2022
DESCRIPTION	AMOUNT DUE

Prior Balance	52.94
Payment(s)	-52.94
Water	51.97
Total:	51.97

Minimum Chg. = \$37.50
1447@1.00 per 100=\$14.47

AMOUNT DUE

BY DUE DATE	AFTER DUE DATE
\$51.97	\$76.97

Account: 50
JOHN BLANKFORT
 63555 BRIDLE LN
 BEND, OR 97703

SUN COUNTRY WATER **541-788-5103**
 22648 NELSON ROAD
 BEND, OR 97701
 541-408-5103

**PLEASE REMIT THIS STUB
 WITH PAYMENT**

Remember - You can now view and pay your bills online at www.ub-pay.com the municipal is SunCountryWater

JOHN BLANKFORT
 63555 BRIDLE LN
 BEND, OR 97703

DUE DATE	ACCT NUMBER
01/31/2023	50
BY DUE DATE	AFTER DUE DATE
\$45.49	\$70.49

AMOUNT DUE →

SERVICE ADDRESS > 63555 BRIDLE LN Residential



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SUN COUNTRY WATER 22648 NELSON ROAD
541-788-5103
 541-408-5103 BEND, OR 97701

ACCOUNT NUMBER		BILLING DATE
50		12/30/2022
CURRENT	PREVIOUS	USAGE
E616375	614979	1396 cf
FROM	TO	DAYS
11/30/2022	01/04/2023	35

SERVICE ADDRESS	DUE DATE
63555 BRIDLE LN	01/31/2023
DESCRIPTION	AMOUNT DUE

Prior Balance	51.97
Payment(s)	-52.94
Water	46.46
Total:	45.49

Minimum Chg. = \$37.50
896@1.00 per 100=\$8.96

AMOUNT DUE →

BY DUE DATE	AFTER DUE DATE
\$45.49	\$70.49

Account: 50
JOHN BLANKFORT
 63555 BRIDLE LN
 BEND, OR 97703

SUN COUNTRY WATER 541-788-5103
 22648 NELSON ROAD
 BEND, OR 97701
 541-408-5103

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JOHN BLANKFORT
 63555 BRIDLE LN
 BEND, OR 97703

DUE DATE	ACCT NUMBER
03/05/2023	50
BY DUE DATE	AFTER DUE DATE
\$37.71	\$62.71

AMOUNT DUE

SERVICE ADDRESS > 63555 BRIDLE LN Residential



KEEP THIS PORTION FOR YOUR RECORDS

SUN COUNTRY WATER 22648 NELSON ROAD
541-788-5103
 541-408-5103 BEND, OR 97701

ACCOUNT NUMBER		BILLING DATE
50		01/30/2023
CURRENT	PREVIOUS	USAGE
E617544	616375	1169 cf
FROM	TO	DAYS
01/04/2023	02/08/2023	35

SERVICE ADDRESS	DUE DATE
63555 BRIDLE LN	03/05/2023
DESCRIPTION	AMOUNT DUE
Prior Balance	45.49
Payment(s)	-51.97
Water	44.19
Total:	37.71

Minimum Chg. = \$37.50
669@1.00 per 100=\$6.69

AMOUNT DUE

BY DUE DATE	AFTER DUE DATE
\$37.71	\$62.71

Account: 50
JOHN BLANKFORT
 63555 BRIDLE LN
 BEND, OR 97703

SUN COUNTRY WATER **541-788-5103**
 22648 NELSON ROAD
 BEND, OR 97701
 541-408-5103

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JOHN BLANKFORT
 63555 BRIDLE LN
 BEND, OR 97703

DUE DATE	ACCT NUMBER
03/28/2023	50
BY DUE DATE	AFTER DUE DATE
\$37.50	\$62.50

AMOUNT DUE

SERVICE ADDRESS > 63555 BRIDLE LN Residential



KEEP THIS PORTION FOR YOUR RECORDS

SUN COUNTRY WATER 22648 NELSON ROAD
541-788-5103
 541-408-5103 BEND, OR 97701

ACCOUNT NUMBER		BILLING DATE
50		02/28/2023
CURRENT	PREVIOUS	USAGE
617544	617544	0 cf
FROM	TO	DAYS
02/08/2023	03/01/2023	21

SERVICE ADDRESS	DUE DATE
63555 BRIDLE LN	03/28/2023
DESCRIPTION	AMOUNT DUE

Prior Balance	37.71
Payment(s)	-37.71
Water	37.50
Total:	37.50

Minimum Chg. = \$37.50

AMOUNT DUE

BY DUE DATE	AFTER DUE DATE
\$37.50	\$62.50

Account: 50
JOHN BLANKFORT
 63555 BRIDLE LN
 BEND, OR 97703

SUN COUNTRY WATER 541-788-5103
 22648 NELSON ROAD
 BEND, OR 97701
 541-408-5103

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JOHN BLANKFORT
 63555 BRIDLE LN
 BEND, OR 97703

DUE DATE	ACCT NUMBER
04/30/2023	50
BY DUE DATE	AFTER DUE DATE
\$34.55	\$59.55

AMOUNT DUE

SERVICE ADDRESS > 63555 BRIDLE LN Residential



KEEP THIS PORTION FOR YOUR RECORDS

SUN COUNTRY WATER 22648 NELSON ROAD
541-788-5103
 541-408-5103 BEND, OR 97701

ACCOUNT NUMBER		BILLING DATE
50		03/28/2023
CURRENT	PREVIOUS	USAGE
614499	613488	1011 cf
FROM	TO	DAYS
03/01/2023	04/01/2023	31

SERVICE ADDRESS	DUE DATE
63555 BRIDLE LN	04/30/2023
DESCRIPTION	AMOUNT DUE
Prior Balance	37.50
Payment(s)	-0.00
Water	42.61
Water Adjustment	-15.44
Water Adjustment	-14.47
Water Adjustment	-6.69
Water Adjustment	-8.96
Total: 34.55	

Minimum Chg. = \$37.50
511@1.00 per 100=\$5.11

AMOUNT DUE

BY DUE DATE	AFTER DUE DATE
\$34.55	\$59.55

Account: 50
JOHN BLANKFORT
 63555 BRIDLE LN
 BEND, OR 97703

Current Charges



Listed below are the current charges, and a summary of your current bill, last payment amount, and outstanding balance. If you wish to make a payment simply fill in the form below. You will be redirected to our secure payment site. Once complete your payment will post to your account within 3 business days. **Note:** A fee will apply to this transaction.

Billed Charges:

Previous Balance:	\$37.50	
Payment(s):	-\$0.00	
04/02/2023	10/24/2022 Water Adjustment	\$-15.44
04/02/2023	11/30/2022 Water Adjustment	\$-14.47
04/02/2023	02/08/2023 Water Adjustment	\$-6.69
04/02/2023	01/04/2023 Water Adjustment	\$-8.96
03/28/2023	Water	\$42.61

Enter Payment Information

Name: BLANKFORT,JOHN
 Acct#: 50

Payment Type: Credit/Debit Card E-Check

Amount:

Billed Balance: \$34.55

Current Charges:

Current Balance: \$34.55

Yearly History



Current Years Billings

Posted	Description	Amount
04/08/2022	Bill	\$39.13
05/08/2022	Bill	\$37.50
06/08/2022	Bill	\$60.14
07/08/2022	Bill	\$57.09
08/08/2022	Bill	\$59.96
09/19/2022	Bill	\$68.08
10/19/2022	Bill	\$52.94
11/30/2022	Bill	\$51.97
12/30/2022	Bill	\$46.46
01/30/2023	Bill	\$44.19
02/28/2023	Bill	\$37.50
03/28/2023	Bill	\$-2.95

Current Years Payments

Posted	Description	Amount
05/05/2022	Payment	\$39.13
05/05/2022	Payment	\$37.50
06/29/2022	Payment	\$97.64
09/08/2022	Payment	\$117.05
10/24/2022	Payment	\$68.08
11/28/2022	Payment	\$52.94
12/19/2022	Payment	\$52.94
01/13/2023	Payment	\$51.97
03/15/2023	Payment	\$37.71

SUN COUNTRY WATER 541-788-5103
 22648 NELSON ROAD
 BEND, OR 97701
 541-408-5103

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 WITH PAYMENT**

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JOHN BLANKFORT
 63555 BRIDLE LN
 BEND, OR 97703

DUE DATE	ACCT NUMBER
05/30/2023	50
BY DUE DATE	AFTER DUE DATE
\$79.02	\$104.02

AMOUNT DUE

SERVICE ADDRESS > 63555 BRIDLE LN Residential



KEEP THIS PORTION FOR YOUR RECORDS

SUN COUNTRY WATER 22648 NELSON ROAD
541-788-5103
 541-408-5103 BEND, OR 97701

ACCOUNT NUMBER		BILLING DATE
50		04/28/2023
CURRENT	PREVIOUS	USAGE
615696	614499	1197 cf
FROM	TO	DAYS
04/01/2023	05/02/2023	31

SERVICE ADDRESS	DUE DATE
63555 BRIDLE LN	05/30/2023
DESCRIPTION	AMOUNT DUE
Prior Balance	34.55
Payment(s)	-0.00
Water	44.47
Total:	79.02

Minimum Chg. = \$37.50
697@1.00 per 100=\$6.97

AMOUNT DUE

BY DUE DATE	AFTER DUE DATE
\$79.02	\$104.02

Account: 50
JOHN BLANKFORT
 63555 BRIDLE LN
 BEND, OR 97703

Water Tracking

Billing Date	Reading Date	Days	Starting Meter	Ending Meter	CuFt	Amount	Rate 100CF Est
5/8/22	5/8/2022	30	599302	599461	159	\$37.50	\$0.000
6/8/22	6/6/2022	29	599461	602225	2,764	\$60.14	\$1.000
7/8/22	7/15/2022	39	602225	604684	2,459	\$57.09	\$1.000
8/8/22	8/12/2022	28	604684	607430	2,746	\$59.96	\$1.000
9/19/22	9/19/2022	38	607430	610988	3,558	\$68.08	\$1.000
10/19/22	10/24/2022	35	610988	613032	2,044	\$52.94	\$1.000 Est
11/30/22	11/30/2022	37	613032	614979	1,947	\$51.97	\$1.000 Est
12/30/22	1/4/2023	35	614979	616375	1,396	\$46.46	\$1.000 Est
1/30/23	2/8/2023	35	616375	617544	1,169	\$44.19	\$1.000 Est
2/28/23	3/1/2023	21	617544	617544	0	\$37.50	\$0.000 ??
3/28/23	4/1/2023	31	613488	614499	1,011		-\$7.339
4/28/23	5/2/2023	31	614499	615696	1,197	\$44.47	\$1.000

Notes

No Invoice Received DL'ed 8-8-22

No Invoice Received DL'ed 8-8-22

8-22 608467

No Invoice Received DL'ed 10-9-22

No Invoice Received by 10-27 DL'ed

Asked for paper copy and got it.

Asked for paper copy and got it.

Most likely estimated

Disputed Biils in Yellow

CASE: UM 2280
WITNESS: Russ Beitzel

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 103

**Letter to Sun Country Water, LLC proposing
fines and potential reagency**

May 26, 2023



DEPARTMENT OF JUSTICE
GENERAL COUNSEL DIVISION

March 21, 2023

Dean "Butch" Rodgers
Sun Country Water, Inc.
2264 Nelson Road
Bend, OR 97701

Re: Sun Country Water, Inc.

This letter is to inform you that the Oregon Public Utility Commission (Commission) Staff is pursuing financial penalties under OAR 860-036-1720,¹ ORS 757.994, and OAR 860-36-1700 against Sun Country Water, Inc. (SCW) for its failure to comply with the Commission orders and Oregon Administration Regulations as follows.

(1) SCW has failed to comply with Order No. 22-462 to make a rate case filing with the Commission within 90 days of November 30, 2022.

On December 1, 2022, the Commission issued Order No. 22-462 asserting rate regulation over SCW and ordering SCW to file a general rate revision consistent with OAR 860-036-2020 within 90 days of the date of the order.² SCW has not filed a general rate revision as ordered. SCW violated the rate filing requirement of Order No. 22-462 to make a rate case filing with the Commission within 90 days of December 1, 2022.

Staff intends to pursue penalties for the continuing violation of Order No. 22-462 in the amount of \$500 per day starting the 91st day after Order No. 22-462.

(2) SCW has failed to comply with Order Nos. 12-189 and 19-086 requiring monthly billing.

On May 23, 2012, the Commission issued Order No. 12-189 under which SCW is required to bill its customers monthly using accurate meter readings and a correct billing format.³ In 2013, after SCW did not comply with the requirement to read meters and bill monthly, the adopted Staff's

¹ OAR 860-036-1720 provides, in pertinent part:

In addition to any other penalty provided by law, the Commission may impose a civil penalty not to exceed \$500 per day for each violation of Commission statute, rule, or order as provided in ORS 757.994.

² *In the Matter of Sun Country Water, LLC, An investigation Pursuant to ORS 756.515 to Determine Jurisdiction*, WJ 45, Order No. 22-462 (December 1, 2022).

³ *See In the Matter of Sun Country Water, Inc., Investigation under ORS 756.515 into Sun Country Water, Inc.'s Billing Practices*, Docket No. UM 1598, Order No. 12-189 (May 23, 2012).

recommendation to appoint a regent to operate SCW. In 2019, the Commission issued Order No. 19-086 reinstating Mr. Rogers as the operator of SCW, based in part on several commitments made by SCW, including his commitment to bill customers monthly.⁴ While SCW may use estimates to bill for usage in winter months when meter reading is difficult, SCW is still required to bill monthly for base usage.⁵

The Consumer Services Division has received multiple customer complaints that SCW is not billing monthly. Specifically, the Consumer Division received a customer complaint in June 2022 and in August 2022, and two complaints in February 2023. The June 2022 complaint indicates SCW does not use the correct billing format. While SCW may use estimates to bill for usage in winter months, to be trued up for actual meter reads when non-winter weather returns, SCW is still required to bill monthly for base usage.

SCW has violated Order No. 12-189 and 19-086 requiring monthly billing.

Staff intends to pursue penalties for the continuing violation of Order No. 12-189 and 19-086 in the amount of \$100 per day starting January 1, 2023.

You may request a hearing to challenge the proposed financial penalties. The request for hearing must be in writing and be received by the Commission within 20 calendar days of the date the notice was served. The request must comply with the requirements set forth in OAR 860-001-0140 and 860-001-0170.

If you do not request a hearing within the time allowed, or if the water utility requesting a hearing fails to appear at the scheduled hearing, the Commission may issue a final order by default imposing the proposed penalty.

Appointment of Regent under OAR 860-036-1700

In addition to financial penalties discussed above, Staff is investigating the need for a Commission order appointing a regent to operate SCW under OAR 860-036-1700. OAR 860-036-1700 provides:

If the Commission determines that a water utility's ownership or management results in inadequate service, threatens the health or safety of the customers, or threatens the financial viability of the water utility, then the Commission may appoint a regent to operate and manage the water utility.

⁴ See *In the Matter of Sun Country Water, Inc., Staff's Request to Remove Regency and to Return Operation of System Dean Rogers*, Docket No. UM 1598, Order No. 19-086, App. A. (March 13, 2019).

⁵ *Id.*, pp. 3-4.

SCW's violation of Commission orders requiring monthly billing and a rate filing, raises questions regarding SCW's management and ability to maintain operations of SCW. Further, SCW owes more than \$40,000 to the County of Deschutes for taxes. SCW's failure to comply with Commission orders regarding rates and billing and its failure to pay its tax obligations raises significant concerns regarding the financial viability of SCW.

Please be aware that Staff's investigation of the need for a regent and the financial penalties addressed above are separate matters. Staff will send separate correspondence regarding its conclusions regarding the regency. You should not wait for resolution of Staff's investigation regarding the regency to respond to this notice of financial penalties.

Please contact Russ Beitzel of Commission Staff to discuss steps SCW may take to avoid Staff's recommending the Commission issue an order appointing a regent. Mr. Beitzel by e-mail at russell.beitzel@puc.oregon.gov or by phone at 971-209-0533.

Sincerely,

Stephanie Andrus
Sr. Assistant Attorney General
Business Activities Section
stephanie.andrus@doj.state.or.us

SSA/pjr/#36330767