

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

WJ 9

In the Matter of

RICE HILL WATER DISTRICT

Assertion of Jurisdiction pursuant to
ORS 757.

STAFF'S STATUS REPORT

Staff respectfully submits this status report concerning docket WJ 9. As part of this status report, Staff requests the Commission to dismiss this docket. As the Administrative Law Judge (ALJ) correctly points out, no formal action by the parties has taken place in this docket since February 29, 2008. Additionally, on February 4, 2011, the ALJ, acknowledged the withdrawal of counsel for the owner of Rice Hill Water District (RHWD), Daniel Webb.

Staff requests this dismissal as the facts surrounding the case has changed substantially over the past three years. RHWD's water system was conveyed to the Rice Hill West Homeowner's Association (West Association) on June 8, 2007.¹ The West Association currently receives water, free of cost, from the Rice Hill Owners Association (RHOA).²

RHWD was the entity that was subject to customer petitions and to the Commission order asserting jurisdiction.³ Because RHWD no longer is providing water service, it is no longer a public utility. As such, the case should be dismissed.

Counsel for Staff has contacted the attorney for RHOA and RHOA supports Staff's request for dismissal. Staff has also contacted the president of the West Association. The West Association agrees that the circumstances concerning regulation have changed. It is Staff's understanding that the West Association does not oppose the dismissal of WJ 9; however, it has concerns over how it will be handled when Mr. Webb passes away. As Staff's Reply to Application for Reconsideration, Rehearing and Withdrawal of Order No. 06-675, dated March 6, 2007, page 4, points out, the RHOA was delivering water free of charge to Mr. Webb. The West Association

¹ According to the February 29, 2008, letter from the attorney representing RHOA, Daniel Webb conveyed his interest in the water system to the West Association in a bargain and sale deed that was recorded in Douglas County on June 8, 2007.

² To Staff's knowledge, the West Association is not a member of RHOA. As a result, in addition to serving its members, RHOA is also serving the public. However, since water is being provided at no charge, RHOA does not meet the threshold of service regulation pursuant to ORS 757.061(5).

³ Commission Order No. 06-675.

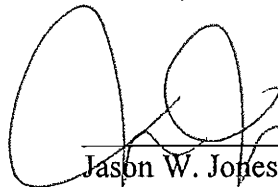
is concerned that RHOA will stop supplying water, or charge West Association a prohibitive price for water.

Staff cannot predict the future relationship between the two associations; however, the West Association will have a means to petition the Commission if water is curtailed or if water costs exceed the thresholds listed in ORS 757.061 and OAR 860-036-0030. In that instance, a new docket could be opened to review the facts of the charges or curtailment. As circumstances change, Staff is committed to working with all parties to ensure adequate resolution of the relationship between the two associations.

DATED this 15 day of February 2011.

Respectfully submitted,

JOHN KROGER
Attorney General

A handwritten signature in black ink, appearing to read 'Jason W. Jones', is written over a horizontal line. The signature is stylized and cursive.

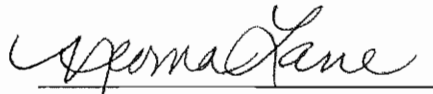
Jason W. Jones, # 000594
Assistant Attorney General
Of Attorneys for PUC Staff

1 **CERTIFICATE OF SERVICE**

2 I certify that on February 15, 2011, I served the foregoing Staff Status Report upon the
3 parties in this proceeding by electronic mail and by sending a true, exact and full copy by regular
4 mail, postage prepaid, or by hand-delivery/shuttle, to the parties accepting paper service.

5 **MCDOWELL RACKNER & GIBSON PC**
6 AMIE JAMIESON
7 ATTORNEY
8 419 SW 11TH AVE., STE 400
9 PORTLAND OR 97205
10 amle@mcd-law.com

11 **PILOT TRAVEL CENTERS LLC**
12 KRISTIN SEABROOK
13 ATTORNEY
14 5508 LONAS RD
15 KNOXVILLE TN 37909
16 kristin.seabrook@pilottravelcenters.com

17 
18 _____
19 Neoma Lane
20 Legal Secretary
21 Department of Justice
22 Business Activities Section