



Oregon

Theodore R. Kulongoski, Governor

Public Utility Commission

550 Capitol Street NE, Suite 215

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Consumer Services

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October 23, 2007

UW 120 Service List

RE: Notice of *Ex Parte* Communication

On October 12, 2005, James Rooks, on behalf of the Crooked River Ranch Water Company (CRRWC), sent certified mail to each of the three Public Utility Commissioners. 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.

Because the mail packets sent to each Commissioner constituted *ex parte* communications under OAR 860-012-0015, Chief Administrative Law Judge Michael Grant published notice to all parties of the receipt of the letter.

On October 16, 2007, Harry Brown sent a letter to each of the three Commissioners that commented on the letter from Mr. Rooks. The purpose of this memorandum likewise is to notify all parties in docket UW 120 of the communication in compliance with our rules. A copy of the letter is attached for your review.

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.

PUBLIC UTILITY COMMISSION OF OREGON

Samuel J. Petrillo for
Chief Administrative Law Judge Michael Grant

Mailed at Salem, Oregon, October 23, 2007

Mr. Harry Brown
6223 SW Rim Rd
Crooked River Ranch, OR 97760

October 16, 2007

Mr. Lee Beyer, Chairman P.U.C.
P.O. Box 2148
Salem, Oregon 97308-2148

Dear Mr. Beyer,

Having just received a copy of a letter sent to you (enclosed) from James Rooks, General Manager and Director Crooked River Ranch Water Company Board of Directors. I find much misinformation.

(1) I have before me 24 pages headlined "Rebuttal to P.U.C. Testimony" which is by James Rooks, General Manager dated 9/20/07 so if I have it, everyone has access to it.

(2) Mr. Rooks complains about the "20% of members being allowed to set the standard for the majority". He fails to mention that we members were not allowed a write in vote when he was "elected" to the Board and his name was the only one allowed on the ballot. Also while we were collecting these 20%, many were reluctant to sign due to their concern of retaliation. In fact Mr. Rooks was charged and found guilty of careless driving after terrorizing three ladies by driving at them with a back hoe with the bucket lowered while they were out soliciting signatures.

(3) Thousands of dollars - yes, he is paying David Glenn and Tim Gassner many many dollars to defend him in the above mentioned driving incident, a law suit as the result of this (which is continuing), and, I believe is the charge, criminal mischief for tearing out trees on Ranch property.

(4) \$25,000.00 was spent on a rock hammer that just happens to fit on a track hoe he bought through the Water Company for himself while the Water Company owns two rock hammers for their two back hoes. \$1,100.00 was spent from Water Co. funds on insurance on his track hoe.

An assessment of \$8.00 per month is being charged since June, 2004 for a proposed new well that was to be drilled the summer of 2005. This well has not been drilled and much of the money has been spent otherwise.

(5) Michael Dougherty has to reply on records to determine rates. However it appears Mr. Rooks is reluctant to turn over records. Maybe he has something to hide which is one of the reasons we need the P.U.C. for oversight of this operation.

Mr. Rooks mentions the Water Co. C.P.A. (Wes Price by name). Funny, but Wes Price says we need \$620,000.00 to operate the Water Co. yet Mr. Rooks is asking for \$868,453.00. Why the need for the extra \$248,453.00?

(6) 30 year history of managing this company. Members of the Water Company requested P.U.C. oversight some 5 or 6 years ago and we have a copy of a Water Company Newsletter of April, 1999 stating that "The Public Utility Commission (PUC) has designated the Crooked River Ranch Water Company a public utility and the company has been placed under the jurisdiction and direction of the Public Utility Commission. This act will be become effective in approximately 60 days".

(7) Harassment, he knows much about this word.

(8) After much information that has come out, there would be many more sign the petition that was hesitant to sign before.

Sincerely,

Harry Brown

Harry Brown
A member of CRRWC

Cc: Mr. John Savage
Mr. Ray Baum

enclosure



October 10, 2007

RECEIVED

2007 OCT 19 A 8:42

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

P.U.C.

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.

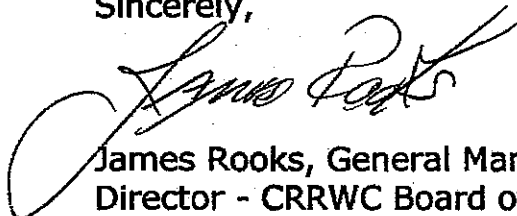
According to Brad and Dunstreet, the CRRWC is in the top 2% of water company's our size. We have a ~~30-year history of managing this company efficiently~~. We will not succumb to Mr. Dougherty's complete inability to do his job.

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,



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