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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1036

In the Matter of an Investigation Pursuant to ORS)	
756.515 to Determine Whether CROOKED)	
RIVER RANCH WATER COMPANY is)	ORDER
Subject to the Jurisdiction of the Public Utility)	
Commission of Oregon.)	

DISPOSITION: FORMAL INVESTIGATION OPENED

At its September 11, 2001 public meeting, the Public Utility Commission of Oregon (Commission) opened an investigation to determine whether Crooked River Ranch Water Company is subject to the jurisdiction of the Commission.

The need for the investigation is described in the attached Staff report. (Appendix A)

ORDER

IT IS ORDERED THAT, pursuant to ORS 756.515, a formal investigation of Crooked River Ranch Water Company, is hereby opened.

Made, entered and effective _____.

Roy Hemmingway
Chairman

Lee Beyer
Commissioner

Joan H. Smith
Commissioner

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A party may appeal this order to a court pursuant to ORS 756.580.

ITEM NO. 4

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: September 11, 2001**

REGULAR **CONSENT** **EFFECTIVE DATE** _____

DATE: September 5, 2001

TO: Phil Nyegaard through Marc Hellman and Mike Myers

FROM: Kathy Miller

SUBJECT: Crooked River Ranch Water Company

SUMMARY RECOMMENDATION:

I recommend the Commission open an investigation pursuant to ORS 756.515 to determine whether Crooked River Ranch Water Company (CRR or Company) is subject to the jurisdiction of the Public Utility Commission of Oregon.

DISCUSSION:

Crooked River Ranch Water Company is organized as a nonprofit water company. Public Utility Commission (PUC) records show the company was serving 1,008 customers in 1995. CRR provides water through its piped system to most of the one to three acre properties in Crooked River Ranch, which is located 12 miles northwest of Redmond off US Highway 97. Other properties not within the water company's service area require an individual well or cistern. Sewage disposal is by individual septic systems.

Crooked River Ranch Water Company was investigated in 1999 for jurisdiction due to customer claims that the company was selling water to nonmembers, in particular, water haulers. A water hauler is a customer that hauls water from CRR to its cistern. The water hauler may be a residential customer or a commercial water hauler customer. In a letter dated January 12, 2000, staff notified the management of Crooked River Ranch Water Company that the PUC would defer a recommendation regarding assertion of jurisdiction over the Company but would revisit the issue after the Board of Directors elections of 2001. In the interim, customers were to receive safe and adequate and nondiscriminatory service.

The letter also informed CRR management that in reevaluating the issue, Staff would determine if all customers have been accorded the rights and privileges of membership in the Company. For example,

Staff will determine if all users were given notices of board meetings, were informed that they could participate and vote on issues before the membership, etc.

Since January 12, 2000, the PUC has continued to receive complaints from members of the Company who state members are not being accorded the full rights and privileges of membership. These complaints include such matters as illegally changing the bylaws, members not being allowed to attend meetings, and members not receiving a ballot.

The election for 2001 Board of Directors for CRR is complete, and the complaints and correspondence received from customers raise a substantial question of whether the Crooked River Ranch Water Company is actually operating as a members-only water company.

STAFF RECOMMENDATIONS:

I recommend the Commission open an investigation pursuant to ORS 756.515 to determine whether Crooked River Ranch Water Company is subject to the jurisdiction of the Public Utility Commission of Oregon.