

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

WJ 9

In the Matter of)	
)	
RICE HILL WATER DISTRICT)	ORDER
)	
Assertion of Jurisdiction pursuant to ORS 757.)	

**DISPOSITION: RECONSIDERATION GRANTED; ORDER
NO. 06-675 HELD IN ABEYANCE**

On December 19, 2006, the Public Utility Commission of Oregon (Commission) entered Order No. 06-675, asserting jurisdiction over Rice Hill Water District (District) and directing it to file appropriate tariffs. Pursuant to ORS 757.061 and 757.063, the Commission is authorized to regulate the rates of water companies where: (a) the average monthly rate exceeds \$24, and (b) more than 20 percent of the customers have petitioned for Commission review.

On February 20, 2007, the Rice Hill Owner’s Association, Inc. (RHOA), by and through its president, Ellis E. Emory, filed an application for reconsideration of Order No. 06-675. RHOA asserts that there is no defined entity known as the “Rice Hill Water District.” It explains that two entities actually provide water service in the Rice Hill area: RHOA and the “Westside Water System” operated by Mr. Daniel Webb. Although Mr. Webb receives water from RHOA, both water systems operate independently and are recognized as separate entities by state and county agencies.

RHOA requests that the Commission withdraw Order No. 06-675 and grant reconsideration. Upon reconsideration the Commission should rule that neither RHOA nor Mr. Emory are public utilities pursuant to ORS 757.005. Even if RHOA is found to be a public utility, the Commission should find that it is exempt under ORS 757.061. In the alternative, RHOA filed a petition seeking an extension of time to comply with the tariff filing requirements of Order No. 06-675.

On March 6, 2007, the Staff of the Commission (Staff) filed a reply to RHOA's application for reconsideration. Staff does not oppose reconsideration and withdrawal of Order No. 06-675 to the extent that RHOA purports that there is new evidence not available at the time the Order was issued. It does, however, oppose the application to the extent that the application asserts Order No. 06-675 contains errors of law, and opposes withdrawal of the order unless reconsideration and rehearing is granted and the Commission issues a new order.

Staff's reply details its investigation into the District, RHOA, and the interactions between Mr. Emory and Mr. Webb relating to the provision of water service. Although Staff has been unable to find any listing or registration for the District, it observes that the customers who petitioned the Commission received bills and made payments to the District. Staff further asserts that RHOA is subject to Commission jurisdiction because it provides water service to customers who are not members of RHOA.

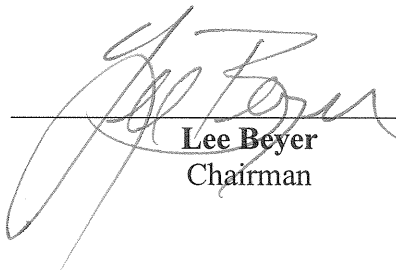
Upon review, the Commission is persuaded that the application for reconsideration should be granted and that Order No. 06-675 should be held in abeyance pending the outcome of our investigation into activities and operations of the District, RHOA, Westside Water System, and Messrs. Emory and Webb. Aside from questions concerning the existence of the District, we agree that there are a number of factual questions that still must be resolved. The case will be assigned to an Administrative Law Judge to determine the procedures necessary to ascertain the facts necessary to properly conclude this matter. Because we have decided to hold Order No. 06-675 in abeyance, it is unnecessary to address RHOA's petition for an extension of time to file tariffs.

ORDER


IT IS ORDERED that:

1. The application for reconsideration filed by RHOA is granted.
2. Order No. 06-675 is held in abeyance pending the outcome of this proceeding.


Made, entered, and effective APR 02 2007.



Lee Beyer
Chairman



John Savage
Commissioner



Ray Baum
Commissioner



A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.