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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UP 181

In the Matter of the Application of RAVIN)	
GROUP, LLC for Approval of the Sale of)	ORDER
MARINA WATER COMPANY to)	
LAKESHORE WATER DISTRICT, wholly)	
owned subsidiary of RAVIN GROUP, LLC.)	

DISPOSITION: APPLICATION GRANTED

On July 27, 2000, the Public Utility Commission of Oregon (Commission) received an application from Ravin Group LLC requesting approval to sell Marina Water Company to Lakeshore Water District, a wholly owned subsidiary of Ravin Group, LLC.

Based on a review of the application and the Commission's records, the Commission finds that the application satisfies applicable statutes and administrative rules. At its Public Meeting on November 20, 2001, the Commission adopted Staff's recommendation to approve the sale of assets as proposed. Staff's recommendation is attached as Appendix A and is incorporated by reference.

OPINION

Jurisdiction

ORS 757.005 defines a public utility as anyone providing heat, light, water, or power service to the public in Oregon. Marina Water Company and Lakeshore Water District are both considered to be public utilities subject to the Commission's jurisdiction.

Applicable Law

ORS 757.480 provides that, a water utility doing business in Oregon shall first obtain Commission approval for any transaction to sell, lease, assign or otherwise dispose of property of such water utility necessary or useful in the performance of its duties to the public or any part thereof of a value in excess of \$10,000.

OAR 860-036-0710 specifies the information regarding notice and approval requirements relating to the sale, transfer, merger, or disposal of a water utility. This application contains the necessary information.

The proposed transfer involves assets which have a net book value in excess of \$17,000.00. Commission approval of the accounting treatment for this transaction does not constitute approval for ratemaking purposes. There is no indication that the proposed sale will impair Lakeshores Water District's abilities to provide public utility service in Oregon.

CONCLUSIONS

1. These companies are public utilities subject to the jurisdiction of the Public Utility Commission of Oregon.
2. The Company's proposed transaction meets the requirements of ORS 757.480.
3. The application should be granted.

ORDER

IT IS ORDERED that the application of Ravin Group LLC requesting approval to sell Marina Water Company to Lakeshore Water District, a wholly owned subsidiary of Ravin Group, LLC, is granted, as further described in Appendix A.

Made, entered and effective _____.

BY THE COMMISSION:

Rick Willis
Executive Director

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.

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: NOVEMBER 20, 2001**

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

DATE: November 8, 2001

TO: Phil Nyegaard through Marc Hellman and Rebecca Hathhorn

FROM: Marion Anderson

SUBJECT: MARINA WATER COMPANY: (Docket No. UP 181) Application for approval to sell Marina Water Company (Marina) to Lakeshore Water District (Lakeshore), wholly owned subsidiary of Ravin Group, LLC (Ravin).

STAFF RECOMMENDATION:

The Commission should approve the sale of Marina's assets to Lakeshore.

DISCUSSION:

Marina was a rate regulated water utility when it was purchased by Lakeshore, effective May 18, 2000. Per ORS 757.480(5), Commission ex-ante approval is required for the disposal of all utility property. Per a June 12, 2000 letter (received on July 21, 2000) from one of the members of Ravin, ex-post Commission recognition of the asset transfer to Lakeshore was sought. Through oversight, the company failed to comply with the statute. The sale consideration was \$24,500. In UW 53, the last rate case filed by Marina in 1997, the net utility plant was \$17,227.

Ravin is a limited liability company formed by Kevin Hunt of Delta Environmental Services, Inc., and Randy Reitz, President of Oregon Water Services, Inc. Ravin, parent of Lakeshore, was approved for the takeover and operation of Siltcoos Heights Water, Inc. (reorganized as South Coast Water District, Inc. [South Coast]) by Order No. 00-061, dated February 4, 2000. Under docket UI 188, Order No. 01-172, dated February 13, 2001, Ravin was approved as intermediary for the service provision of system administration, operation and maintenance to South Coast. Further, Order No. 01-173,

ORDER NO. 01-1040

dated February 14, 2001, allowed South Coast's stipulated rates to be implemented and noted the water quality improvements made under Ravin. Finally, no

MARINA WATER COMPANY

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DISCUSSION: (continued)

customer complaints have been made since the acquisition date. Staff believes Ravin can execute the duties required of another public utility franchise.

PROPOSED COMMISSION MOTION:

Marina Water Company's sale of all assets to Lakeshore Water District is approved, effective May 18, 2000.