



MAINTAINING SUNRIVER AS A PREMIER RESIDENTIAL AND RESORT COMMUNITY PROTECTING AND ENHANCING ITS QUALITY OF LIFE,
NATURAL ENVIRONMENT AND PROPERTY VALUES.

March 28, 2017

VIA EMAIL (puc.hearings@state.or.us) **and FIRST CLASS MAIL**

Attn: UW 169
Administrative Hearings Division
Public Utilities Commission of Oregon
P.O. Box 1088
Salem, Oregon 97308-1088

**Re: March 30, 2017 Public Comment Hearing & Prehearing Conference
In the Matter of Sunriver Water LLC (Docket No. UW 169)
The Sunriver Owners Association – Written Comments for Public Comment
Hearing**

Dear Commissioners:

I am the General Manager of The Sunriver Owners Association (“SROA”). SROA is an Oregon nonprofit corporation comprised of approximately 4,175 unit owners. SROA is organized to provide for the management, maintenance, protection, and preservation of the community known as Sunriver, and to promote the health, safety, and welfare of its members, not for profit, but for the mutual advantages to be derived therefrom by the Consolidated Plan of Sunriver. SROA and its members constitute the substantial majority of the customers of applicant Sunriver Water LLC (“Sunriver Water”). The purpose of this letter is to submit written comments on behalf of the SROA for the initial public comment hearing and prehearing conference with respect to Sunriver Water’s request for a general rate revision in the above-referenced proceeding.

SROA was allowed to intervene as a party in Sunriver Water’s last rate proceeding before the Oregon Public Utility Commission (“PUC”) in Docket No. UW 160 and provided written comments in Sunriver Water’s subsequent, related affiliated interest proceedings (Docket Nos. UI 355 and UI 378). Based on Sunriver Water’s rate application in this proceeding, it appears that many of the issues raised, but not resolved, in UW 160, UI 355, and UI 378 may be addressed in UW 169. Accordingly, SROA intends to seek leave to intervene and participate as a party in UW 169 to assure that it and its members receive safe and adequate service from Sunriver Water for fair and reasonable rates.

Of particular concern for SROA will be to assure that this rate proceeding takes into account the issues that it raised in UW 160 and the subsequent affiliated interest proceedings regarding

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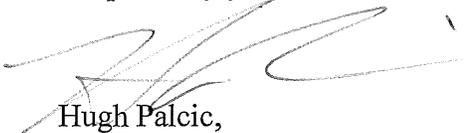
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Sunriver Water's affiliate relationships and the potential for improper cross-subsidization of those affiliates. For instance, SROA provided written comments on the reasonableness of the affiliate agreements approved in UI 355 and UI 378, which Sunriver Water now seeks to include in its rate calculation. Sunriver Water's application also raises concerns about whether existing ratepayers are financing infrastructure and system improvements necessitated by Sunriver Resort, Limited Partnership's development activities outside of Sunriver. SROA may also raise other concerns after a closer review of Sunriver Water's rate application and any discovery in this proceeding.

SROA hopes that the PUC and Sunriver Water are able to adequately address these issues to its satisfaction. Thank you in advance for your consideration. If you have any questions, please direct them to SROA's legal counsel Josh Newton at Karnopp Petersen, LLP, 360 SW Bond Street, Suite 401, Bend, Oregon 97702; phone number: (541) 382-3011; or email: jn@karnopp.com.

Respectfully yours,



Hugh Palcic,
General Manager
Sunriver Owners Association

cc: SROA Board of Directors
Steve Hultberg, attorney for Sunriver Water LLC (shultberg@radlerwhite.com)
Josh Newton (jn@karnopp.com)