



VIA ELECTRONIC FILING

September 30, 2020

Public Utility Commission of Oregon
Attn: Filing Center
201 High St SE, Suite 100
Post Office Box 1088
Salem, Oregon 97308-1088

Re: Advice Letter No. 20-1 – General Rate Revision Filing

To Whom It May Concern:

Salmon Valley Water Company (“Salmon Valley” or the “Company”) hereby files the enclosed general rate revision, Advice Letter No. 20-1.

The purpose of this filing is to increase water service rate tariffs filed with the Public Utility Commission of Oregon. Salmon Valley is seeking the above increases in rates because current revenues are insufficient to cover the ongoing cost of continuing to provide safe, reliable and adequate service while allowing an opportunity for a reasonable return on the Company’s needed capital investment.

This Advice Letter filing consists of this letter and the attached Application, which contains the required Brief, Customer Notice, Water Utility Testimony and Tariff Sheets (redlined and clean). Together, this filing includes the information required in OAR 860-036-2010(2).

Please address correspondence on this matter as follows:

Michael Bowman
General Manager
Salmon Valley Water Company
PO Box 205
Welches, Oregon 97067
Telephone: 503.622.4083
Email: michael@thesvwc.com

Eric Nelsen
Senior Regulatory Attorney
NW Natural
250 SW Taylor Street
Portland, Oregon 97204
Telephone: 503.610.7618
Email: eric.nelsen@nwnatural.com

eFiling
Rates and Regulatory Affairs
NW Natural
250 SW Taylor Street
Portland, Oregon 97204
Telephone: 503.610.7330
Email: eFiling@nwnatural.com

The effect of the proposed changes in this filing is to increase the Company’s annual revenues, phased in over two years, effective November 1, 2020 (“YEAR 1”) and November 1, 2021 (“YEAR 2”), by \$104,413 in YEAR 1 above the \$328,906 we collected in 2019, and by an additional \$152,997 in YEAR 2 above the amount to be collected in YEAR 1, for a total amount of additional revenue of \$257,410.

The monthly bill of the average residential customer served will increase from \$24.99 per month to \$32.98 in YEAR 1 and then to \$44.68 per month in YEAR 2. The monthly bill of each commercial customer served will increase from present to YEAR 1 and then to YEAR 2 depending on the size of that customer’s meter, as set forth in the customer notice.

In compliance with OAR 860-036-2010, the Company states that the number of customers affected by the proposed change is 860 residential customers and 61 commercial customers. In compliance with OAR 860-036-2030, copies of this letter and the filing made herewith are available in the Company’s main office in Oregon and on its website at www.thesvwc.com.

Sincerely,

Salmon Valley Water Company

/s/ Michael Bowman

Michael Bowman
General Manager

Attachments

PLEASE RETURN THIS AS PAGE 1 OF THE COMPLETED APPLICATION

PLEASE FILL IN ALL BLANKS

TO: PUBLIC UTILITY COMMISSION OF OREGON
PO BOX 1088
SALEM OR 97308-1088

FROM:

Salmon Valley Water Company
(Company name)

PO Box 205
(Address)

Welches, OR 97067
(City, State, Zip)

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

In the Matter of Tariffs for Water Service)
in the State of Oregon filed by) BRIEF
Salmon Valley Water Company)
(Company name))
NW Natural Water Company, LLC

(Name of utility owner)

In accordance with Oregon Revised Statutes 757.205 and 757.220, herewith files tariff sheets designated as PUC Oregon No. 4, Original Tariff Sheets No. 1 through 27 to become effective in two phases: YEAR 1, for service rendered on and after November 1, 2020 (i.e., at least 30 days after PUC receives the filing); and YEAR 2, for service rendered on and after November 1, 2021. The purpose of this filing is to:

- 1) Establish rates resulting in total annual revenues of \$433,319 for YEAR 1 and total annual revenues of \$586,316 for YEAR 2.
- 2) For YEAR 1, this is an increase or decrease to the utility's total annual revenues from \$328,906 to \$433,319, resulting in a net increase of \$104,413 or 31.75 percent. After deducting for operating expenses, the projected revenues will produce a 7.25 percent return on a rate base of \$705,304.

For YEAR 2, this is an increase or decrease to the utility's YEAR 1 total annual revenues from \$433,319 to \$586,316, resulting in a net increase of \$152,997 or 35.31 percent. After deducting for operating expenses, the projected revenues will produce a 7.25 percent return on a rate base of \$1,248,692.

The attached testimony summarizes the utility's financial operations, the effects of current rates on the individual classes of customers, and the effects of the YEAR 1 AND YEAR 2 proposed rates on the individual classes of customers for the 12-month test period ending on December 31, 2019.

_____/s/
(Signature of utility owner or officer)
Justin Palfreyman
(Printed name of owner or officer)
Salmon Valley Water Company
(Legal name of Utility)

_____September 30, 2020
(Date)
President
(Title or position)



250 SW Taylor Street
Portland, OR 97204

503-226-4211
nwnaturalwater.com

CUSTOMER NOTICE

ANNOUNCEMENT OF PROPOSED CHANGES TO WATER SERVICE RATE TARIFFS FILED WITH THE PUC

Date: October , 2020

Salmon Valley Water Company submitted a general rate filing to the Commission on September 30, 2020. We are seeking to increase our annual revenues, phased in over two years, effective November 1, 2020 ("YEAR 1") and November 1, 2021 ("YEAR 2"), by \$104,413 in YEAR 1 above the \$328,906 we collected in 2019, and by an additional \$152,997 in YEAR 2 above the amount to be collected in YEAR 1, for a total amount of additional revenue of \$257,410. The purpose of this announcement is to provide you with general information regarding the proposed rates and the effect the filing may have on you.

We anticipate the increase will change average monthly water service rates as follows:

| Line Size | Current Ave Monthly Bill | YEAR 1 Proposed Ave Monthly Bill | YEAR 2 Proposed Ave Monthly Bill |
|--------------------|--------------------------|--|--|
| Residential | | | |
| 5/8" & 3/4" | \$24.99 | \$32.98 | \$44.68 |
| Non-metered | \$32.47 | \$42.85 | \$58.07 |
| Commercial | | | |
| 5/8" & 3/4" | \$39.56 | \$52.22 | \$70.75 |
| 1" | \$65.69 | \$86.70 | \$117.49 |
| 1.5" | \$117.30 | \$154.81 | \$209.78 |
| 2" | \$637.28 | \$841.07 | \$1,139.69 |

1. Salmon Valley Water Company is seeking the above increases in rates because current revenues are insufficient to cover the ongoing cost of continuing to provide safe, reliable and adequate service while allowing an opportunity for a reasonable return on the Company's needed capital investment.
2. Copies of the utility's application, testimony, and exhibits are available at:
SVWC 24525 E Welches Road, Welches, OR 97067.
3. Salmon Valley Water Company can provide additional information about the rate filing.
If you are interested, please contact: Michael Bowman 503-622-4083.
4. To request to receive notices of the time and place of hearings on the matter, contact:
PUC at 1-800-522-2404; TTY 711, or mail request to:
PUBLIC UTILITY COMMISSION OF OREGON
ADMINISTRATIVE HEARINGS DIVISION
PO BOX 1088
SALEM OR 97308-1088
5. "This notice is to inform customers that Salmon Valley Water Company filed a general rate revision with the Public Utility Commission. This notice provides general information regarding the utility's proposed changes and the effect it will have on customers' bills if approved by the Commission. Customers may request to receive notice of the time and place of any hearing on the matter by contacting the OPUC, Administrative Hearings Division, at 503-378-6678. The calculations and statements contained in the water utility's filing and this notice are not binding on the Commission."

cc: PUC Administrative Hearings Division, PO Box 1088, Salem OR 97308-1088

ATTACH A COPY OF NOTICE

WATER UTILITY TESTIMONY

1. Q. PROVIDE THE FOLLOWING INFORMATION REGARDING THE WATER UTILITY:

A.

| | | | |
|------------------|-----------------------------|------------------|--|
| Legal Name | Salmon Valley Water Company | | |
| Business Address | PO Box 205 | | |
| City, State, Zip | Welches, OR 97067 | | |
| Telephone Number | 503.622.4083 | Emergency Number | 503.887.0991 |
| Fax Number | | Email Address | thesvwco@frontier.com |

2. Q. PROVIDE THE FOLLOWING INFORMATION IF DIFFERENT FROM QUESTION #1.

A.

| | | | |
|------------------|------------------------|------------------|--|
| Name | Michael Bowman | | |
| Title | General Manager | | |
| Address | 10316 SE Bristol Ct | | |
| City, State, Zip | Happy Valley, OR 97086 | | |
| Telephone Number | 503.887.0991 | Emergency Number | |
| Fax Number | | Email Address | michael@thesvwc.com |

3. Q. PROVIDE THE FOLLOWING INFORMATION REGARDING THE SYSTEM OPERATOR.

A.

| | | | |
|---|------------------------|---------------------------|--|
| Operator Name | Lon Goff | | |
| Address | PO Box 1170 | | |
| City, State, Zip | Welches, OR 97067 | | |
| Telephone # | 503.622.4083 | E-Mail Address | lon@thesvwc.com |
| Certified Operator <input checked="" type="checkbox"/> yes <input type="checkbox"/> no | Certification Level II | Registration Number D6438 | |

4. Q. PROVIDE THE FOLLOWING INFORMATION REGARDING THE WATER UTILITY ACCOUNTANT OR BOOKKEEPER.

A. The utility's accountant or bookkeeper is:

| | | | |
|------------------|---|--|--|
| Name | Michael Bowman | | |
| Address | PO Box 205 | | |
| City, State, Zip | Welches, OR 97067 | | |
| Telephone Number | 503.622.4083 | | |
| E-Mail Address | thesvwco@frontier.com ; michael@thesvwc.com | | |

5. Q. PROVIDE THE NAME, ADDRESS, AND TELEPHONE NUMBERS OF ALL THE UTILITY OWNERS.

A. The utility owners are:

| | | | |
|------------------|-------------------------------|--|--|
| Name | NW Natural Water Company, LLC | | |
| Address | 250 SW Taylor Street | | |
| City, State, Zip | Portland, OR 97204 | | |
| Telephone Number | 503.226.4111 | | |

6. Q. PLEASE LIST ALL UTILITY OFFICERS AND PROVIDE THE FOLLOWING INFORMATION.

A. The utility officers are listed below. Additional information will be provided upon request.

| | |
|------------------|--|
| Name | Justin Palfreyman |
| Title | President |
| Address | 250 SW Taylor Street |
| City, State, Zip | Portland, OR 97204 |
| Phone Number | 503.610.7315 |
| E-Mail Address | Justin.Palfreyman@nwnatural.com |

| | |
|------------------|--|
| Name | Brody Wilson |
| Title | Treasurer |
| Address | 250 SW Taylor Street |
| City, State, Zip | Portland, OR 97204 |
| Phone Number | 503.757.0975 |
| E-Mail Address | Brody.Wilson@nwnatural.com |

| | |
|------------------|--|
| Name | Shawn Filippi |
| Title | Corporate Secretary |
| Address | 250 SW Taylor Street |
| City, State, Zip | Portland, OR 97204 |
| Phone Number | 503.220.2435 |
| E-Mail Address | shawn.filippi@nwnatural.com |

7. Q. WHAT IS YOUR AFFILIATION WITH THE WATER UTILITY? DESCRIBE YOUR CURRENT WATER UTILITY RESPONSIBILITIES.

A. My affiliation with the water utility and current responsibilities are: General management and bookkeeper of Salmon Valley Water Company.

8. Q. ARE YOU ENGAGED IN OTHER BUSINESS IN ADDITION TO THE WATER UTILITY?

- A. No, I am not engaged in other business.
 Yes, I am engaged in other business, they are

9. Q. DID YOU PREPARE THE EXHIBITS IN THIS TESTIMONY OR WERE THEY PREPARED UNDER YOUR SUPERVISION?

- A. Yes, the exhibits in this testimony were prepared by me or under my supervision.
 No, I did not prepare the exhibits in this testimony. The exhibits were prepared by:

| | |
|------------------|--|
| Name | |
| Address | |
| City, State, Zip | |
| Telephone Number | |
| E-Mail Address | |

SUMMARY OF THE UTILITY'S PROPOSED RATE REQUEST

10. Q. WHAT CHANGE IN ANNUAL REVENUES IS THE UTILITY SEEKING?

- A. The utility's most recent calendar year revenues are \$328,906. The utility seeks a phased-in rate increase, as follows:
- For YEAR 1, an increase of \$104,413 or 31.75 percent in current annual revenues, resulting in total annual revenues of \$433,319.
 - For YEAR 2, an additional increase of \$152,997 or 35.31 percent in YEAR 1 annual revenues, resulting in total annual revenues of \$586,316.

 - A decrease of \$ _____ or _____ percent in current annual revenues, resulting in total annual revenues of \$ _____.

11. Q. SUMMARIZE WHY THE UTILITY IS SEEKING THE PROPOSED CHANGE IN RATES.

- A. Salmon Valley's current rates became effective on July 1, 2014, over six (6) years ago (UW 158). Since that time, Salmon Valley has done very well to manage its operating expenses in the face of inflation. As stated in the Amended Application for the Sale of Salmon Valley Water Company, filed in UP 362 on June 22, 2018, Salmon Valley is in need of capital investment, which NW Natural Water Company, LLC ("NW Natural Water") intends to provide over time, therefore benefiting Salmon Valley's customers. Salmon Valley is seeking changes in rates because current revenues are insufficient to cover the ongoing cost of continuing to provide safe, reliable and adequate service while allowing an opportunity for a reasonable return on the Company's needed capital investment.

For background, Commission Order No. 14-243 in UW 158 approved a Stipulation between Staff and the Company by which Salmon Valley was to file a rate case with the Commission on or before July 1, 2017. Salmon Valley did not file that rate case, as NW Natural Water and the sole shareholder of Salmon Valley executed a Stock Purchase Agreement, dated December 17, 2017. On January 17, 2018, NW Natural filed an application with the Commission requesting approval of the sale of Salmon Valley to NW Natural Water. By Order No. 18-358 in UP 362, entered September 26, 2018, the Commission adopted Staff's recommendation to approve that transaction. Commission-adopted Condition 6 states that "Salmon Valley will not file a general rate case prior to one year after the closing date of the transaction." The transaction closed November 1, 2018, meaning that Salmon Valley could not file a rate case before November 1, 2019. Salmon Valley and NW Natural Water have been evaluating the filing of a rate case since that stay-out period expired.

Since the transaction closed, we have made substantial investment in Salmon Valley's system and completed several key infrastructure projects that enhance service. To date, this includes:

- Installing a new billing system, which will soon allow our customers to receive letter size bills, set up AutoPay, go paperless, view their entire account history, and pay on-line.
- Proceeding to increase staff, which helps facilitate faster customer service responses, improved system maintenance and quicker system repairs.
- Well conditioning, which has increased the amount of water we can take from our wells that have little to no iron.
- Installing a Geographic Information System (GIS), which dramatically reduces the time needed to find and repair leaks, resulting in much shorter water shut-off times.
- Installing a SCADA (telemetry) system, which allows our operators to view and monitor the water system in real time – which is critical to ensuring safe system operations. It also allows us to micromanage the system, and move water around to help minimize the iron in the system.

Another major investment is the addition of a new well, which will replace a well permit lost on the Sandy River, substantially reduce the need to pull water from our iron-rich well, and help maintain current reliability of service. We also are starting to test and replace older meters, and explore wireless read meters, since winter snowfalls often make meter reading impossible for several months of the year. And, a master plan is in the works that takes a comprehensive look at all aspects of the water system, and identifies in detail how the system operates to continue providing safe and reliable water to the community.

Salmon Valley and NW Natural Water acknowledge that this rate case is being filed as we still are in the midst of the novel coronavirus (COVID-19) global health pandemic and economic hardship resulting from the pandemic. But now more than ever, our customers are depending on us for their water service. The critical investments in our system will ensure this is possible. In recognition of these extraordinary times, Salmon Valley and NW Natural Water have decided to take the extraordinary measure to seek to recover its investment and necessary incremental operating expenses by phasing in new rates over a two-year period. By phasing in rates over a two-year period, Salmon Valley and NW Natural Water hope to show its customers, the Commission and other interested stakeholders that we are tone attuned to our current environment.

12. Q. WHAT HISTORICAL 12-MONTH PERIOD IS THE UTILITY SELECTING AS ITS TEST YEAR FOR THIS RATE PROCEEDING?

A. The Test Year the utility selected is January 1, 2019 to December 31, 2019.

13. Q. WHAT IS THE UTILITY'S AMOUNT OF RATE BASE? (*Rate base is Utility Plant minus accumulated depreciation and other contra plant accounts, plus working cash and materials inventory*)

A. The utility rate base at the end of the Test Year is \$407,236.

14. Q. WHAT IS THE RATE OF RETURN THE UTILITY IS PROPOSING IN THIS RATE PROCEEDING AND WHY?

A. The utility is seeking a 7.25 percent rate of return on rate base because it is a usual, customary and reasonable return based on the level of risk involved in the water industry. These risks include global climate changes, environmental changes, local and global weather fluctuations, natural disasters, changes in the regulatory and legal environments at the national, state and local levels, customer usage variations, and volatility of the housing market; all of which have a disproportionately large impact on smaller utilities such as Salmon Valley. Without the requested increase in base rates, Salmon Valley would expect to earn a return of only 1.04 percent in the Test Year.

In compliance with Condition 16 approved by the Commission in Order No. 18-358, Salmon Valley is not advocating for a higher cost of capital than would have prevailed for Salmon Valley absent NW Natural Water ownership.

GENERAL UTILITY INFORMATION

15. Q. IN WHAT YEAR WAS THE UTILITY ORGANIZED AND HOW WAS IT FORMED?

A. The water utility was legally organized on 6/1968, under the laws of the State of Oregon as a:
 Proprietorship Partnership Corporation LLC Other: _____

16. Q. WHAT YEAR WAS THE WATER SYSTEM ORIGINALLY CONSTRUCTED AND WHEN (MONTH/YEAR) DID IT BEGIN PROVIDING WATER SERVICE?

A. The system was originally constructed in 1962, began providing service on 1962.

17. Q. HOW AND WHEN WAS THE UTILITY ACQUIRED BY ITS CURRENT OWNER?

A. The utility was: Purchased Constructed Inherited Other on 11/2018 (mo./yr.).

18. Q. DO ORAL OR WRITTEN CONTRACTS EXIST BETWEEN THE UTILITY AND PERSONS AFFILIATED WITH THE COMPANY? IF YES, PLEASE PROVIDE COPIES OF EACH CONTRACT.

A. No, oral or written contracts **exist** between the utility and its owners and affiliated interests.
 Yes, PUC approved contracts exist between the utility and its owners and affiliated interests.
 Approval found in PUC Order No. 20-111.
 Yes, oral or written contracts do exist, but have not been approved by PUC

19. Q. DOES THE UTILITY HAVE A PUC APPROVED SERVICE TERRITORY?

A. No, the utility has not filed an application with PUC for an approved service territory.
 Yes, the utility's service territory is approved by the PUC, per Order No. 03-698.

20. Q. IS THE UTILITY AN AFFILIATE OF A PARENT CORPORATION OR HOLDING COMPANY?

A. No, the utility is **not a subsidiary** of a parent corporation or holding company.
 Yes, the utility is a subsidiary of a parent corporation or holding company.
 Attached are the parent/holding company's balance sheet/income statements for the last calendar year.

21. Q. HOW MANY FULL OR PART-TIME EMPLOYEES DOES THE UTILITY CURRENTLY EMPLOY?

A. The utility currently employs 2 full-time and N/A part-time employees.

22. Q. PROVIDE INFORMATION FOR ALL EMPLOYEES. (If a position is currently vacant but will be filled within a year, include information for that position.)

A. Current employee detail is listed below. Additional information will be provided upon request.

| Name | Position | Responsibilities | Schedule | Wage/Salary |
|----------------|-----------------|-------------------------|-----------------|--------------------|
| Michael Bowman | Gen Mgr | Admin/Bookkeeper | all | |
| Lon Goff | WO II | water system management | all | |
| TOTAL | | | | \$150,150 |

23. Q. IS THE UTILITY PROPOSING TO ADD ANY FULL OR PART TIME EMPLOYEES WITHIN THE CONTEXT OF THIS RATE FILING OR DURING THE NEXT YEAR?

- A. No, the utility does not propose adding any full- or part-time employees.
 Yes, the utility proposes to add 1 full-time and/or N/A part-time employees as described below:

| Proposed Position | Responsibilities/Duties | Schedule | Wage/ Salary |
|-------------------|---|----------|--------------|
| Utility Worker I | System maintenance, meter tests and changeout, locates, meter reads, customer service and mainline flushing | M-F 8-5 | \$49,920 |
| | | | \$ |
| | | | \$ |

24. Q. PLEASE IDENTIFY ANY INDEPENDENT CONTRACTORS THE UTILITY HIRES.

- A. No, the utility does not contract for any services.
 Yes, the utility contracts for the following services:

| Name of Independent Contractors | Description of Services | Annual Charges |
|---------------------------------|--------------------------------|----------------|
| Engineering | new well, system modifications | \$204,774 |
| Accounting | | \$ |
| Legal | | \$ |
| Management | | \$ |
| Water Testing /Sampling | | \$ |
| Labor | Construction | \$2,500 |
| Billing and Collection | Fulfillment | \$4,000 |
| Meter Reading | | \$ |
| Other (specify) | | \$ |

25. Q. PLEASE PROVIDE THE UTILITY’S CURRENT CAPITAL STRUCTURE.

- A. The utility’s capital structure as of December 31, 2019 is 100% equity. For the purpose of this rate case filing, Salmon Valley is using a hypothetical capital structure of 50% debt (at the 4% rate of its previous SBA loan) and 50% equity (at a 10.50% return), producing a 7.25 percent overall rate of return on rate base.

OPERATING REVENUES

26. Q. IN COLUMN A PROVIDE UTILITY'S HISTORICAL TEST YEAR ACTUAL REVENUE. IN COLUMN B PROVIDE THE PROPOSED ADJUSTMENTS (INCREASE OR DECREASE). IN COLUMN C PROVIDE THE TOTAL OF COLUMN A AND B.

A. Test period revenues, proposed revenue adjustments, and proposed revenue results are below:

| Acct # | OPERATING REVENUE | Test Year \$ | YEAR 1 Proposed Adj. | (A + B = C) \$ | YEAR 2 Proposed Adj. | (C + D = E) \$ |
|----------------------|--|------------------|-------------------------|------------------|-------------------------|------------------|
| 460 | Unmetered Water Sales | \$390 | \$124 | \$514 | \$183 | \$697 |
| 461 | Metered Residential Water Sales | \$257,558 | \$82,363 | \$339,921 | \$120,686 | \$460,607 |
| 461 | Metered Commercial/Industrial Water Sales | \$68,564 | \$21,926 | \$90,490 | \$32,128 | \$122,618 |
| 461 | Metered Sales to Public Authorities | \$ | \$ | \$ | \$ | \$ |
| 461 | Metered Sales to Multiple Family Dwellings | \$ | \$ | \$ | \$ | \$ |
| 461 | Metered Sales to Multiple Commercial Unit/Bldg | \$ | \$ | \$ | \$ | \$ |
| 461 | Sales to Water Hauling Services | \$ | \$ | \$ | \$ | \$ |
| 462 | Fire Protection Sales Revenue | \$ | \$ | \$ | \$ | \$ |
| 464 | Special Contract Water Sales to Public Authorities | \$ | \$ | \$ | \$ | \$ |
| 465 | Irrigation Water Sales | \$ | \$ | \$ | \$ | \$ |
| 466 | Water Sales for Resale | \$ | \$ | \$ | \$ | \$ |
| 467 | Golf Course Revenue | \$ | \$ | \$ | \$ | \$ |
| 468 | Special Contract Revenue | \$ | \$ | \$ | \$ | \$ |
| 471 | Miscellaneous Services – Disconnect Fees | \$662 | \$ | \$662 | \$ | \$662 |
| | Other – Late Fees | \$1,732 | \$ | \$1,732 | \$ | \$1,732 |
| TOTAL REVENUE | | \$328,906 | \$104,413 | \$433,319 | \$152,997 | \$586,316 |

27. Q. PLEASE PROVIDE LINE ITEM REVENUES FOR OTHER THAN WATER SALES.

A. The following is an itemized list of all revenues other than water sales:

| DESCRIPTION OF REVENUE OTHER THAN WATER SALES | ANNUAL AMOUNT |
|---|----------------|
| Miscellaneous Fees (i.e. late fees, disconnections, field visits, etc.) | \$2,394 |
| Backflow Prevention Device Services (if offered) | \$ |
| Rents from Water Property Acct 472 | \$ |
| Other (specify) | \$ |
| TOTAL | \$2,394 |

OPERATING EXPENSES

28. Q. IN COLUMN A: ACTUAL ANNUAL EXPENSE FOR TEST YEAR. IN COLUMN B: PROPOSED ADJUSTMENTS (INCREASE OR DECREASE) FOR THE COMING YEAR. IN COLUMN C: PROVIDE THE TOTAL OF COLUMN A PLUS COLUMN B.

A. Test period expenses, proposed expense adjustments, and proposed expense results for YEAR 1 and YEAR 2.

| Acct # | OPERATING EXPENSES | Test Year \$ | YEAR 1 Proposed Adj. | (A + B = C) \$ | YEAR 2 Proposed Adj. | (C + D = E) \$ |
|--------|--|--------------|-------------------------|----------------|-------------------------|----------------|
| 601 | Salaries & Wages – Employees | \$145,973 | \$4,379 | \$150,352 | \$49,920 | \$200,272 |
| 603 | Salaries & Wages – Officers, Directors | \$ | \$ | \$ | \$ | \$ |
| 604 | Employee Pensions and Benefits | \$29,333 | \$(11,036) | \$18,297 | \$9,148 | \$27,445 |
| 610 | Purchased Water | \$ | \$ | \$ | \$ | \$ |
| 611 | Telephone/Communications | \$11,859 | \$(6,241) | \$5,618 | \$ | \$5,618 |
| 615 | Purchased Power | \$21,824 | \$3,520 | \$25,344 | \$ | \$25,344 |
| 616 | Fuel for Power Production | \$ | \$ | \$ | \$ | \$ |
| 617 | Utility Services (garbage, gas) | \$275 | \$40 | \$315 | \$ | \$315 |
| 618 | Chemicals/Treatment Expense | \$ | \$1,050 | \$1,050 | \$ | \$1,050 |
| 619 | Office Supplies | \$2,106 | \$ | \$2,106 | \$ | \$2,106 |
| 619.1 | Postage | \$2,974 | \$1,561 | \$4,535 | \$ | \$4,535 |
| 620 | Materials/Supplies (O&M) | \$ | \$3,212 | \$3,212 | \$ | \$3,212 |
| 621 | Repairs to Water Plant | \$4,026 | \$ | \$4,026 | \$ | \$4,026 |
| 631 | Contractual Services – Engineering | \$98 | \$ | \$98 | \$ | \$98 |
| 632 | Contractual Services – Accounting | \$4,800 | \$2,500 | \$7,300 | \$ | \$7,300 |
| 633 | Contractual Services – Legal | \$ | \$5,000 | \$5,000 | \$ | \$5,000 |
| 634 | Contractual Services – Mgmt Fees | \$ | \$ | \$ | \$ | \$ |
| 635 | Contractual Services – Testing | \$7,888 | \$(3,500) | \$4,388 | \$ | \$4,388 |
| 636 | Contractual Services – Labor | \$ | \$ | \$ | \$ | \$ |
| 637 | Contractual Services – Billing/Collect | \$ | \$2,400 | \$2,400 | \$ | \$2,400 |
| 638 | Meter reading | \$6,405 | \$ | \$6,405 | \$(6,405) | \$0 |
| 639 | Contract Svcs – Other | \$ | \$3,550 | \$3,550 | \$ | \$3,550 |
| 639B | Contract Svcs – Other | \$ | \$1,035 | \$1,035 | \$ | \$1,035 |
| 641 | Rental of Building/Real Property | \$9,720 | \$243 | \$9,963 | \$ | \$9,963 |
| 642 | Rental of Equipment | \$630 | \$(30) | \$600 | \$ | \$600 |
| 643 | Small Tools | \$ | \$ | \$ | \$ | \$ |
| 648 | Computer/Electronic Expense | \$1,955 | \$ | \$1,955 | \$ | \$1,955 |
| 650 | Transportation Expense | \$3,555 | \$ | \$3,555 | \$1,495 | \$5,050 |
| 656 | Insurance – Vehicle | \$737 | \$ | \$737 | \$ | \$737 |
| 657 | Insurance – General Liability | \$1,903 | \$ | \$1,903 | \$ | \$1,903 |

| Acct # | OPERATING EXPENSES | Test Year \$ | YEAR 1 Proposed Adj. | (A + B = C) \$ | YEAR 2 Proposed Adj. | (C + D = E) \$ |
|--------|--------------------------------------|------------------|----------------------|------------------|----------------------|------------------|
| 658 | Insurance – Workers’ Compensation | \$ | \$ | \$ | \$750 | \$750 |
| 659 | Insurance – Other | \$13,374 | \$(6,008) | \$7,366 | \$ | \$7,366 |
| 660 | Public Relations/Advertising Expense | \$ | \$ | \$ | \$ | \$ |
| 666 | Amortization of Rate Case Expense | \$ | \$ | \$ | \$ | \$ |
| 667 | Gross Revenue Fee | \$1,059 | \$458 | \$1,517 | \$535 | \$2,052 |
| 668 | WMCP | \$ | \$2,000 | \$2,000 | \$ | \$2,000 |
| 671 | Cross Connection Control Program | \$ | \$ | \$ | \$ | \$ |
| 670 | Bad Debt Expense | \$ | \$ | \$ | \$ | \$ |
| 673 | Training and Certification Expense | \$355 | \$ | \$355 | \$ | \$355 |
| 674 | Consumer Confidence Report | \$ | \$ | \$ | \$ | \$ |
| 675 | Miscellaneous Expenses | \$8,105 | \$ | \$8,105 | \$ | \$8,105 |
| OE1 | Shared Services | \$ | \$14,110 | \$14,110 | \$ | \$14,110 |
| OE2 | OHA Fee | \$ | \$1,125 | \$1,125 | \$ | \$1,125 |
| 401 | TOTAL OPERATING EXPENSES | \$278,954 | \$19,368 | \$298,322 | \$55,444 | \$353,766 |

| Acct # | OTHER REVENUE DEDUCTIONS | Test Year | YEAR 1 Proposed Adj. | (A + B = C) | YEAR 2 Proposed Adj. | (C + D = E) |
|--------|---|------------------|----------------------|------------------|----------------------|------------------|
| 403 | Depreciation Expense | \$19,485 | \$14,965 | \$34,450 | \$29,998 | \$64,448 |
| 406 | Amortization of Plant/ Acquisition Adj. | \$ | \$ | \$ | \$ | \$ |
| 407 | Amortization Expense | \$ | \$ | \$ | \$ | \$ |
| 408.11 | Property tax | \$12,816 | \$9,767 | \$22,583 | \$17,607 | \$40,190 |
| 408.12 | Payroll taxes | \$12,981 | \$ | \$12,981 | \$ | \$12,981 |
| 408.13 | Other | \$150 | \$ | \$150 | \$ | \$150 |
| 409.10 | Federal Income Tax | \$266 | \$9,577 | \$9,843 | \$7,583 | \$17,426 |
| 409.11 | Oregon Income Tax | \$ | \$3,855 | \$3,855 | \$2,970 | \$6,825 |
| 409.13 | Extraordinary Items Income Tax | \$ | \$ | \$ | \$ | \$ |
| | TOTAL REVENUE DEDUCTIONS | \$324,652 | \$57,532 | \$382,184 | \$113,602 | \$495,786 |

29. Q PROVIDE LINE ITEMS COMPONENTS OF MISCELLANEOUS EXPENSE.

A. The following is an itemized list of all miscellaneous expenses:

| DESCRIPTION OF MISCELLANEOUS EXPENSES | ANNUAL COST |
|--|--------------------|
| Bank Fees | \$2,033 |
| Water Treatment | \$1,050 |
| Backflow Inspections | \$1,100 |
| Meter Testing | \$1,380 |
| Other Operating Expenses | \$958 |
| Payroll Processing Fees | \$1,584 |
| TOTAL | \$8,105 |

UTILITY CURRENT RATES AND SCHEDULES

30. Q. PLEASE DESCRIBE THE UTILITY'S CURRENT RATES.

A. The utility's current rate structure is described below:

CURRENT RATES FOR RESIDENTIAL SERVICE

| Line or Meter Size | Check One | Monthly Base or Flat Rate | Residential Consumption Included in Base Rate | Current Residential Monthly Commodity/Usage Rate |
|--------------------|---|---------------------------|--|--|
| 3/4" or 5/8" | <input checked="" type="checkbox"/> M <input type="checkbox"/> F | \$20.36 | 5,512,817 <input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal | Tier 1 - \$1.02 Per CCF Tier 2 - \$ Per Up to: Above: |
| Non-metered | <input type="checkbox"/> M <input checked="" type="checkbox"/> F | \$32.47 | <input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal | Tier 1 - \$ Per Tier 2 - \$ Per Up to: Above: |

CURRENT RATES FOR COMMERCIAL SERVICE

| Line or Meter Size | Check One | Monthly Base or Flat Rate | Commercial Consumption Included in Base Rate | Current Commercial Monthly Commodity/Usage Rate |
|--------------------|---|---------------------------|--|--|
| 3/4" or 5/8" | <input checked="" type="checkbox"/> M <input type="checkbox"/> F | \$20.36 | 455,454 <input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal | Tier 1 - \$1.02 Per CCF Tier 2 - \$ Per Up to: Above: |
| 1" | <input checked="" type="checkbox"/> M <input type="checkbox"/> F | \$35.05 | 553,041 <input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal | Tier 1 - \$1.02 Per CCF Tier 2 - \$ Per Up to: Above: |
| 1 1/2" | <input checked="" type="checkbox"/> M <input type="checkbox"/> F | \$75.12 | 513,190 <input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal | Tier 1 - \$1.02 Per CCF Tier 2 - \$ Per Up to: Above: |
| 2" | <input checked="" type="checkbox"/> M <input type="checkbox"/> F | \$500.77 | 349,846 <input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal | Tier 1 - \$1.02 Per CCF Tier 2 - \$ Per Up to: Above: |

31. Q. PLEASE PROVIDE THE FOLLOWING FOR EACH CUSTOMER CLASS FOR THE MOST RECENT COMPLETED CALENDAR YEAR OF 2019.

(Count each dwelling unit, such as each mobile home, each side of the duplex, each condominium as a customer.)

A.

| Customer Class | Number of Customers at Start of Year | Number of Customers at End of Year | Total Annual Revenues | Total Annual Consumption | Cubic Feet or Gal |
|---------------------------|--------------------------------------|------------------------------------|-----------------------|--------------------------|--|
| Residential – Metered | | 859 | \$257,558 | 5,512,817 | <input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal |
| Residential – Non-metered | | 1 | \$390 | | <input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal |
| Commercial/Industrial | | 61 | \$68,564 | 1,871,531 | <input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal |
| TOTAL | | 921 | \$326,512 | 7,384,348 | <input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal |

UTILITY PROPOSED RATES AND SCHEDULES

32. Q. PLEASE DESCRIBE THE RATE STRUCTURE THE UTILITY IS PROPOSING IN THIS RATE PROCEEDING?

A. The utility is proposing the following rate structure for YEAR 1:

PROPOSED RATES FOR RESIDENTIAL SERVICE (YEAR 1)

| Line or Meter Size | Check One | Monthly Base or Flat Rate | Residential Consumption Included in Base Rate | Proposed Residential Monthly Commodity/Usage Rate | | |
|--------------------|---|---------------------------|---|--|---|------------------|
| 3/4" or 5/8" | <input checked="" type="checkbox"/> M <input type="checkbox"/> F | \$25.96 | 5,512,817 | <input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal | Tier 1 - \$1.35 Per CCF Tier 2 - Per | Up to: Above: |
| Non-metered | <input type="checkbox"/> M <input checked="" type="checkbox"/> F | \$42.85 | | <input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal | Tier 1 - \$ Per Tier 2 - \$ Per | Up to: Above: |

PROPOSED RATES FOR COMMERCIAL SERVICE (YEAR 1)

| Line or Meter Size | Check One | Monthly Base or Flat Rate | Commercial Consumption Included in Base Rate | Proposed Commercial Monthly Commodity/Usage Rate | | |
|--------------------|---|---------------------------|--|--|--|------------------|
| 3/4" or 5/8" | <input checked="" type="checkbox"/> M <input type="checkbox"/> F | \$25.96 | 455,454 | <input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal | Tier 1 - \$1.35 Per CCF Tier 2 - \$ Per | Up to: Above: |
| 1" | <input checked="" type="checkbox"/> M <input type="checkbox"/> F | \$53.96 | 553,041 | <input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal | Tier 1 - \$1.35 Per CCF Tier 2 - \$ Per | Up to: Above: |
| 1 1/2" | <input checked="" type="checkbox"/> M <input type="checkbox"/> F | \$110.40 | 513,190 | <input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal | Tier 1 - \$1.35 Per Tier 2 - \$ Per | Up to: Above: |
| 2" | <input checked="" type="checkbox"/> M <input type="checkbox"/> F | \$709.88 | 349,846 | <input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal | Tier 1 - \$1.35 Per CCF Tier 2 - \$ Per | Up to: Above: |

PROPOSED RATE FOR OTHER SERVICE NOT COVERED ABOVE (YEAR 1)

(State what the service is and explain the monthly charge(s).)

| Specify Service | Check One | Estimated Annual Consumption | Monthly Rate | Annual Revenue |
|--------------------------|---|--|---------------------------|----------------|
| Commercial Water Hauling | <input checked="" type="checkbox"/> M <input type="checkbox"/> F | <input checked="" type="checkbox"/> CF Unknown <input type="checkbox"/> Gal | \$1.35 per 100 cu. ft. | Unknown |

The utility is proposing the following rate structure for YEAR 2:

PROPOSED RATES FOR RESIDENTIAL SERVICE (YEAR 2)

| Line or Meter Size | Check One | Monthly Base or Flat Rate | Residential Consumption Included in Base Rate | Proposed Residential Monthly Commodity/Usage Rate | | |
|--------------------|---|---------------------------|---|--|---|------------------|
| 3/4" or 5/8" | <input checked="" type="checkbox"/> M <input type="checkbox"/> F | \$35.18 | 5,512,817 | <input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal | Tier 1 - \$1.83 Per CCF Tier 2 - Per | Up to: Above: |
| Non-metered | <input type="checkbox"/> M <input checked="" type="checkbox"/> F | \$58.07 | | <input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal | Tier 1 - \$ Per Tier 2 - \$ Per | Up to: Above: |

PROPOSED RATES FOR COMMERCIAL SERVICE (YEAR 2)

| Line or Meter Size | Check One | Monthly Base or Flat Rate | Commercial Consumption Included in Base Rate | Proposed Commercial Monthly Commodity/Usage Rate | | |
|--------------------|---|---------------------------|--|--|--|------------------|
| 3/4" or 5/8" | <input checked="" type="checkbox"/> M <input type="checkbox"/> F | \$ 35.18 | 455,454 | <input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal | Tier 1 - \$1.83 Per CCF Tier 2 - \$ Per | Up to: Above: |
| 1" | <input checked="" type="checkbox"/> M <input type="checkbox"/> F | \$ 73.11 | 553,041 | <input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal | Tier 1 - \$1.83 Per CCF Tier 2 - \$ Per | Up to: Above: |
| 1 1/2" | <input checked="" type="checkbox"/> M <input type="checkbox"/> F | \$ 149.60 | 513,190 | <input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal | Tier 1 - \$1.83 Per Tier 2 - \$ Per | Up to: Above: |
| 2" | <input checked="" type="checkbox"/> M <input type="checkbox"/> F | \$ 961.92 | 349,846 | <input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal | Tier 1 - \$1.83 Per CCF Tier 2 - \$ Per | Up to: Above: |

PROPOSED RATE FOR OTHER SERVICE NOT COVERED ABOVE (YEAR 2)

(State what the service is and explain the monthly charge(s).)

| Specify Service | Check One | Estimated Annual Consumption | Monthly Rate | Annual Revenue |
|--------------------------|---|--|---------------------------|----------------|
| Commercial Water Hauling | <input checked="" type="checkbox"/> M <input type="checkbox"/> F | <input checked="" type="checkbox"/> CF Unknown <input type="checkbox"/> Gal | \$1.83 per 100 cu. ft. | Unknown |

33. Q. IF THE UTILITY’S RATE PROPOSAL WERE ADOPTED, PROVIDE THE FOLLOWING FOR EACH CUSTOMER CLASS AT THE SPECIFIED METER OR LINE SIZE.

A. For YEAR 1, the utility’s **PROPOSED** number of customers, and average customer monthly bill and consumption for each customer class annual revenues, is shown below.

| Customer Class | Number of Customers | YEAR 1 Average Monthly Bill | YEAR 1 Average Monthly Consumption | YEAR 1 Total Annual Revenue |
|--------------------------|----------------------------|------------------------------------|---|------------------------------------|
| Residential 5/8” or 3/4” | 859 | \$32.98 | 459,401 | \$339,920 |
| Non-metered Residential | 1 | \$42.85 | | \$514 |

| Customer Class | YEAR 1 Number of Customers | YEAR 1 Average Monthly Bill | YEAR 1 Average Monthly Consumption | YEAR 1 Total Annual Revenue |
|-------------------------|-----------------------------------|------------------------------------|---|------------------------------------|
| Commercial 5/8” or 3/4” | 26 | \$52.22 | 37,955 | \$16,291 |
| Commercial 1” | 19 | \$86.70 | 46,087 | \$19,768 |
| Commercial 1 ½” | 13 | \$154.81 | 42,766 | \$24,151 |
| Commercial 2” | 3 | \$841.07 | 29,154 | \$30,279 |

For YEAR 2, the utility’s **PROPOSED** number of customers, and average customer monthly bill and consumption for each customer class annual revenues, is shown below.

| Customer Class | YEAR 2 Number of Customers | YEAR 2 Average Monthly Bill | YEAR 2 Average Monthly Consumption | YEAR 2 Total Annual Revenue |
|--------------------------|-----------------------------------|------------------------------------|---|------------------------------------|
| Residential 5/8” or 3/4” | 859 | \$44.68 | 459,401 | \$460,605 |
| Non-metered Residential | 1 | \$58.07 | | \$697 |

| Customer Class | YEAR 2 Number of Customers | YEAR 2 Average Monthly Bill | YEAR 2 Average Monthly Consumption | YEAR 2 Total Annual Revenue |
|-------------------------|-----------------------------------|------------------------------------|---|------------------------------------|
| Commercial 5/8” or 3/4” | 26 | \$70.75 | 37,955 | \$22,075 |
| Commercial 1” | 19 | \$117.49 | 46,087 | \$26,787 |
| Commercial 1 ½” | 13 | \$209.78 | 42,766 | \$32,726 |
| Commercial 2” | 3 | \$1,139.69 | 29,154 | \$41,029 |

UTILITY PLANT

34. Q. HAS THE UTILITY MADE ANY CAPITAL IMPROVEMENTS, ADDITIONS, OR EXTENSIONS TO ITS WATER SYSTEM DURING THE LAST FIVE (5) YEARS OR SINCE ITS LAST RATE CASE?

- A. No, the utility has made no improvements, additions, or extensions to its water system in the last five (5) years or since its last rate case.
- Yes, the utility has made the following improvements, additions, or extensions to its water system in the last five (5) years or since its last rate case as detailed below:

| Capital Improvement/ Plant Description | Date Purchased Or Constructed | Cost (including labor) | In Service Date |
|---|----------------------------------|---------------------------|--------------------|
| Foxglove7 wellhead | 7/20 | \$152,503 | 3/21 |
| Scada Replacement | 6/20 | \$68,478 | 6/20 |
| GIS | 11/19 | \$3,550 | 11/19 |
| WMCP | 12/18 | \$28,621 | 12/18 |
| System Mods | 12/18 | \$12,767 | 12/18 |
| Meter replacement | 9/19 | \$755 | 9/19 |
| Billing System (CUSI) | 12/19 | \$13,200 | 6/20 |
| Professional Services | N/A | \$118,743 | N/A |
| Well conditioning | 2/19 | \$19,994 | 2/19 |

35. Q. DOES THE UTILITY PROPOSE ANY CAPITAL IMPROVEMENT, ADDITIONS, OR EXTENSIONS TO ITS WATER SYSTEM WITHIN THE NEXT 12 MONTHS?

- A. No, the utility does not propose any improvements, additions, or extensions to system plant in the next six months.
- Yes, the utility proposes the following improvements, additions, or extensions to system plant in the next 12 months.

| Future Plant Description | Estimated Cost (including labor) | Est. Date In Service |
|------------------------------------|-------------------------------------|-------------------------|
| Foxglove7 connections | \$320,000 | 3/21 |
| AMR meters & software/hardware | \$80,932 | 6/21 |
| Well conditioning | \$20,000 | 3/21 |
| Master Plan | \$68,300 | 6/21 |
| Professional services (Foxglove 7) | \$86,031 | 3/21 |
| SCADA (Foxglove 7) | \$37,176 | 3/21 |

36. Q. HAS THE UTILITY APPLIED FOR FUNDS FROM THE SAFE DRINKING WATER STATE REVOLVING FUND TO IMPROVE THE WATER SYSTEM? IF YES, DESCRIBE THE IMPROVEMENTS AND AMOUNT REQUESTED.

- A. No, the utility has not applied for funds from the Safe Drinking Water State Revolving Fund.
- Yes, the utility has applied for funds from the Safe Drinking Water State Revolving Fund.

37. Q. PROVIDE THE FOLLOWING INFORMATION ON UTILITY PLANT IN SERVICE.

You may attach a plan/depreciation schedule if available. In a separate schedule include all plant or cash donated or contributed to the utility by a developer or by customers that is not intended to be repaid.

A. Utility plant is shown below:

| ACCT # | UTILITY PLANT ACCOUNTS | IN SERVICE DATE | ORIGINAL COST |
|---------------|------------------------------------|------------------------|----------------------|
| 301 | Organization | | \$ |
| 302 | Franchises | | \$ |
| 303 | Land & Land Rights | Various | \$43,272 |
| 304 | Structures & Improvements | Various | \$41,688 |
| 305 | Collecting/Impounding/Reservoirs | | \$ |
| 306 | Lake, River & Other Intakes | | \$ |
| 307 | Wells & Spring | Various | \$253,897 |
| 308 | Infiltration Galleries & Tunnels | | \$ |
| 309 | Supply Mains | Various | \$13,311 |
| 310 | Power Generation Equipment | | \$ |
| 311 | Pumping Equipment | Various | \$146,012 |
| 320 | Water Treatment Equipment | | \$ |
| 330 | Distribution/Reservoirs/Standpipes | Various | \$297,629 |
| 331 | Transmission & Distribution Mains | Various | \$238,945 |
| 333 | Services | | \$ |
| 334 | Meters & Meter Installation | Various | \$24,845 |
| 335 | Hydrants | Various | \$6,026 |
| 336 | Cross Connections (Utility Owned) | | \$ |
| 339 | Miscellaneous Plant & Equipment | 2019 | \$13,200 |
| 340 | Office Furniture & Equipment | Various | \$9,680 |
| 341 | Transportation Equipment | Various | \$18,566 |
| 343 | Tools, Shop & Garage Equipment | | \$ |
| 344 | Laboratory Equipment | | \$ |
| 345 | Power Operated Equipment | | \$ |
| 346 | Communication Equipment | | \$ |
| 347 | Electronic/Computer Equipment | | \$ |
| 348 | Miscellaneous Equipment | 2019 | \$460 |
| TOTAL | | | \$1,107,532 |

38. Q. IN COLUMN A: PROVIDE ACTUAL PLANT TOTAL FOR TEST YEAR. IN COLUMN B: PROVIDE THE PROPOSED ADJUSTMENTS (INCREASE OR DECREASE) FOR THE COMING YEAR. IN COLUMN C PROVIDE THE TOTAL OF COLUMN A PLUS COLUMN B.

A. Rate Base elements are shown below:

| UTILITY PLANT | Test Year | YEAR 1 Proposed Adjustments | (A + B = C) | YEAR 2 Proposed Adjustments | (C + D = E) |
|---|------------------|--|--------------------|--|--------------------|
| Total Utility Plant (from above) | \$1,107,532 | \$339,724 | \$1,447,256 | \$612,439 | \$2,059,695 |
| SUBTRACT Accumulated Depreciation of Utility Plant In Service | \$661,748 | \$25,673 | \$687,421 | \$60,069 | \$747,490 |
| SUBTRACT Accumulated Amortization of Utility Plant In Service | \$ | \$ | \$ | \$ | \$ |
| SUBTRACT Advances For Construction | \$134,001 | \$(9,571) | \$124,430 | \$(9,571) | \$114,859 |
| SUBTRACT Accumulated Deferred Income Taxes | \$(72,207) | \$27,168 | \$(45,039) | \$23,173 | \$(21,866) |
| SUB TOTAL | \$383,990 | \$296,454 | \$680,444 | \$538,768 | \$1,219,212 |
| ADD Plant Material/Supplies Inventory | \$ | \$ | \$ | \$ | \$ |
| ADD Working Cash (1/12 total operating expense) | \$23,246 | \$1,614 | \$24,860 | \$4,620 | \$29,480 |
| TOTAL | \$407,236 | \$298,068 | \$705,304 | \$543,388 | \$1,248,692 |

39. Q. DOES THE UTILITY HAVE A MASTER METER AT ITS WATER SUPPLY SOURCE? IF SO, PROVIDE THE TOTAL AMOUNT OF WATER PUMPED DURING THE LAST CALENDAR YEAR.

- A. No, the utility does not have a master meter at its water supply source.
 Yes, the utility has a master meter at its water supply source. The total amount of water pumped during the last calendar year was 7,384,348 gallons or cubic feet.

40. Q. DOES THE UTILITY HAVE WATER RIGHT PERMITS OR CERTIFICATED WATER RIGHTS AS REQUIRED BY THE OREGON WATER RESOURCES DEPARTMENT?

- A. Water Right Information: Please see Q/A 41.

41. Q. PLEASE DESCRIBE THE UTILITY’S SOURCE OF WATER SUPPLY.

- A. The utility’s source of ground water supply is: Please see below.
 Well logs are attached.

| | WELL No. 1 | WELL No. 2 | WELL No. 3 | WELL No. 4 | WELL No. 5 |
|--|-------------------|------------------------|------------------------|------------|-----------------------|
| WELL NAME OR IDENTIFYING NO. | SALMON RIVER ROAD | RIVER BLUFF PARK NORTH | RIVER BLUFF PARK SOUTH | ROUTLEDGE | FOXGLOVE7 |
| YEAR CONSTRUCTED | 1961 | 1972 | 1987 | 1996 | 2020 |
| WATER RIGHT PERMIT OR CERTIFICATION NUMBER | G-11335 | G11422 | G-11422 | G-11534 | T-10240 UNDER G-11534 |
| HYDRAULICALLY CONNECTED TO SURFACE WATER (YES OR NO) | No | No | No | No | No |
| WELL DEPTH | 165 | 100 | 121 | 100 | 197 |
| WELL DIAMETER | 10 | 8 | 6 | 8 | 8 |
| PUMPING CAPACITY – GPM | 80 | 100 | 57 | 130 | 300 |
| PUMP MOTOR – HP | 15 | 5 | 3.5 | 15 | 75 |
| YIELDS OF WELL IN GPD | 49,565 | 65,220 | 51,059 | 58,575 | 247,500 |
| WELL CONSTRUCTION | STEEL | STEEL | STEEL | STEEL | STEEL |
| CASING | STEEL | STEEL | STEEL | STEEL | STEEL |

42. Q. PLEASE DESCRIBE THE UTILITY’S PUMPING SYSTEM FOR DISTRIBUTION, INCLUDING THE RANGE OF PRESSURE AT WHICH THE WATER IS PUMPED INTO THE DISTRIBUTION SYSTEM AND DELIVERED TO THE CUSTOMERS.

- A. Pumping System: Please see below.

| Pump Type & Pump HP | Ave Daily Demand | Annual Peak Demand | Max Pumping Capacity (GPM) | Pressure at Pump | Pressure at Customers’ Property |
|-------------------------|---------------------|---------------------|----------------------------|------------------|---------------------------------|
| Line shaft turbine 15HP | 116,279 | 163,824 | 150 | 80-90 | 35-130 |
| Submersible 15 HP | Combined with above | Combined with above | 180 | 80-90 | 35-130 |
| Submersible 15 HP | 49,565 | 80,628 | 80 | 60-90 | 35-130 |
| Submersible 15 HP | 58,570 | 126,200 | 130 | 100-130 | 35-130 |
| Submersible 75 HP | 60,000 | 247,500 | 300 | 100-130 | 35-130 |

43. Q. PLEASE PROVIDE THE INFORMATION REGARDING THE UTILITY'S WATER STORAGE CAPACITY BELOW.

A.

| STORAGE TANKS/RESERVOIRS | | | | | |
|----------------------------|--|------------------|-----------------------|-------------------|----------------------|
| IDENTIFY EACH SEPARATELY | | | | | |
| NAME OR IDENTIFYING NUMBER | DESCRIPTION I.E.: STEEL, CONCRETE PNEUMATIC | TANK CAPACITY | GROUND OR ELEVATED | DATE INSTALLED | PRESENT CONDITION |
| HUNCHBACK MT | STEEL | 348,000 | ELEVATED | 98 | IN USE, GOOD |
| RIVER BLUFF PARK | CONCRETE | 125,000 | GROUND | 91 | IN USE, GOOD |
| | | | | | |

44. Q. PLEASE FILL IN THE INFORMATION REGARDING THE UTILITY'S WATER TREATMENT FACILITIES BELOW.

A.

| WATER TREATMENT FACILITIES | | | | |
|----------------------------|------|------|-----------------------------|--------------------------|
| NAME OR IDENTIFYING NO. | TYPE | MAKE | GALLONS PER DAY CAPACITY | METHOD OF MEASUREMENT |
| N/A | | | | |
| | | | | |
| | | | | |
| | | | | |

45. Q. IS THE UTILITY ESTABLISHING NEW RULES OR PROPOSING CHANGES TO ITS CURRENT RULES?

- A. The utility is proposing to establish new schedules/rules.
 The utility is not proposing any rule changes.
 The Utility is proposing to change the following schedules/rules (include rule number and a summary of the proposed changes).

The attached tariff is shown in redlined format and clean format to show substantive changes from the *pro forma* tariff provided as part of this Application package.

| SCHEDULE/RULE NUMBER | PROPOSED CHANGE |
|-----------------------------|---|
| Schedule No. 1 | Combine Residential, Commercial and Multi-Family Metered Rates into one rate schedule. Update rates. Add provision consistent with affiliate Sunriver Water's tariff. |
| Schedule No. 2 | Update rate for Nonmetered Flat Rates. |
| Schedule No. 3 (new) | Add new schedule for Rates for Commercial Water Haulers, consistent with Avion Water's tariff. |
| Schedule No. 4 | Update Miscellaneous Service Charges with new Reading Submeters & Preparing Memo Bill charge, consistent with affiliate Sunriver Water's tariff. |
| Schedule No. 5 (new) | Add new schedule for Commodity Power Cost Adjustment, consistent with Avion Water's tariff. |
| 10 | Add language under Main Line Extension Policy, consistent with affiliate Sunriver Water's tariff. |
| 10A (new) | Add Main Line Advances and Refunds Policy, consistent with affiliate Sunriver Water's tariff. |
| 18 | Add language under Utility Meters, consistent with affiliate Sunriver Water's tariff. |
| 22A (new) | Add Master Meter with Memo Bill rule, consistent with affiliate Sunriver Water's tariff. |
| 25 | Add language under Transfer Billings, consistent with affiliate Sunriver Water's tariff. |
| 34A (new) | Add Damages/Tampering rule, consistent with affiliate Sunriver Water's tariff. |
| 41 | Add language under Cross Connection/Backflow Prevention Program, consistent with affiliate Sunriver Water's tariff. |

SERVICE QUALITY

- 46. Q. PLEASE DESCRIBE THE TYPE AND NUMBER OF SERVICE PROBLEMS AND CUSTOMER COMPLAINTS THE UTILITY HAS EXPERIENCED IN THE LAST YEAR. DESCRIBE ANY ACTION TAKEN BY THE UTILITY TO RESOLVE THE PROBLEMS.**
- A. No, the Utility has not experienced any service problems or customer complaints in the last year.
- Yes, the Utility has experienced service problems and/or customer complaints as listed below and has taken the following steps to correct or improve them: **Iron taste and staining along mainline from Routledge to Hunchback Mt gravity tank. Lost payments, line breaks and estimates due to snowfall.**
- 47. Q. DOES THE UTILITY HAVE ANY CURRENT SERVICE PROBLEMS THAT IT PROPOSES TO CORRECT OR IMPROVE IN THE NEXT CALENDAR YEAR?**
- A. No, the utility does not have any service problems that it proposes to correct/improve during the next calendar year.
- Yes, the utility has service problems that it proposes to correct or improve during the next calendar year as described below: **Yield from new Foxglove7 well will replace loss of Permit G-11422 for the months of July and September and reduce iron concentrations in the system and provide for growth.**
- 50. Q. DOES THE UTILITY HAVE ANY FIRE HYDRANTS? IF YES, PLEASE LIST HOW MANY, HOW MANY FEET APART ARE THEY, AND THE UTILITY'S HYDRANT MAINTENANCE SCHEDULE (INCLUDING EXERCISING VALVES). WHAT IS THE UTILITY'S FIRE INSURANCE RATING?**
- A. No, the utility does not have any fire hydrants.
- Yes, the utility does have fire hydrants. There are 69 number of hydrants located (varies) feet apart. The utility's fire insurance rating is 6/8B.
- 51. Q. IS THE UTILITY CURRENT WITH ALL OF THE OREGON DEPARTMENT OF HUMAN SERVICES DRINKING WATER PROGRAM (DWP) REQUIREMENTS? IF NOT, PLEASE DESCRIBE THE REQUIREMENTS THE UTILITY HAS NOT COMPLIED WITH.**
- A. Yes, the utility is current in all its DWP requirements.
- No, the utility is not current all its DWP requirements. It has not complied with _____
- 52. Q. IF YOU HAVE FEWER THAN 200 TOTAL CUSTOMERS, PLEASE ATTACH A CURRENT AND COMPLETE CUSTOMER MAILING LIST. INCLUDE EACH CUSTOMER'S NAME AND MAILING ADDRESS.**
- A. I have over 200 customers.
- I have fewer than 200 customers and have attached a customer mailing list.
- 53. Q. WOULD YOU LIKE TO TESTIFY REGARDING OTHER ISSUES?**
- A. No.
- Yes, I would like to testify additionally regarding the following:

In compliance with Condition 7 adopted by the Commission in Order No. 18-358, Salmon Valley is not seeking rate recovery of an acquisition adjustment (or goodwill) for the price paid for NW Natural Water's acquisition of Salmon Valley.

In compliance with Condition 17 adopted by the Commission in Order No. 18-358, Salmon Valley has tracked and excluded from rates costs related to NW Natural Water's acquisition of Salmon Valley.

By Order No. 20-111 in UI 434, entered April 8, 2020, the Commission adopted Staff's recommendation to approve Salmon Valley's application for approval of a Management and Operations Agreement with NW Natural Water, subject to conditions. The Staff recommendation noted that Salmon Valley's application states that it expects approximately \$24,000 of shared services to be provided to Salmon Valley annually. In this rate proceeding, Salmon Valley has included \$14,110 of shared services costs for services that NW Natural Water has provided to it.

54. Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

**Containing Rules and Regulations
Governing Water Utility Service**

NAMING RATES FOR

SALMON VALLEY WATER COMPANY ~~LEGAL NAME OF~~
WATER COMPANY

PO Box 205 ~~ADDRESS~~
Welches, OR 97067 ~~CITY, STATE, ZIP~~

503.622.4083 ~~TELEPHONE NUMBER~~

Serving water in the vicinity of

Welches, Oregon

| | | | |
|--------------------------|-----------------------------|-----------------------------------|------------------|
| Issue Date / Filing Date | September 30, 2020 | Effective for Service on or after | November 1, 2020 |
| Issued By Utility | SALMON VALLEY WATER COMPANY | | |

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SCHEDULE NO. 1

RESIDENTIAL, COMMERCIAL AND MULTI-FAMILY METERED RATES

Available: To customers of the Utility at Welches, Oregon, and vicinity.

Applicable: To residential, commercial and multi-family premises customers.

Base Rate

| SERVICE METER SIZE | MONTHLY BASE RATE | USAGE ALLOWANCE |
|----------------------|-------------------|-----------------|
| 5/8 inch or 3/4 inch | <u>\$25.96</u> | <u>0</u> |
| 1 inch | <u>\$53.96</u> | <u>0</u> |
| 1½ inches | <u>\$110.40</u> | <u>0</u> |
| 2 inches | <u>\$709.88</u> | <u>0</u> |

Commodity Usage Rate

| COMMODITY RATE | NO. OF UNITS | MEASURING UNIT |
|----------------|--------------|--------------------------------|
| <u>\$1.35</u> | Per Unit | 1 unit = <u>100 cubic feet</u> |

Special Provisions:

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 26, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specified in this schedule. When setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at specified rates for the amounts so estimated.
3. Multi-family customers' monthly water service charge will be assessed at the number of units served times the monthly base rate plus the commodity charge. Example: If the premise serves 8 units, the base charge will be 8 times the base rate plus the commodity charge applied to the amount of water usage.

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SCHEDULE NO. 1

RESIDENTIAL, COMMERCIAL AND MULTI-FAMILY METERED RATES

Available: To customers of the Utility at Welches, Oregon, and vicinity.

Applicable: To residential, commercial and multi-family premises customers.

Base Rate

| SERVICE METER SIZE | MONTHLY BASE RATE | USAGE ALLOWANCE |
|----------------------|-------------------|-----------------|
| 5/8 inch or 3/4 inch | <u>\$35.18</u> | <u>0</u> |
| 1 inch | <u>\$73.11</u> | <u>0</u> |
| 1½ inches | <u>\$149.60</u> | <u>0</u> |
| 2 inches | <u>\$961.92</u> | <u>0</u> |

Commodity Usage Rate

| COMMODITY RATE | NO. OF UNITS | MEASURING UNIT |
|----------------|--------------|--------------------------------|
| <u>\$1.83</u> | Per Unit | 1 unit = <u>100 cubic feet</u> |

Special Provisions:

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 26, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specified in this schedule. When setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at specified rates for the amounts so estimated.
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SCHEDULE NO. 2
NON-METERED FLAT RATES

Available: To customers of the Utility at Welches, Oregon, and vicinity.

Applicable: To non-metered flat rate customers.

FLAT RATES

| |
|-------------------|
| MONTHLY FLAT RATE |
| <u>\$42.85</u> |

Special Provisions:

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 26, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall also be billed at the applicable flat rate shown above.

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SCHEDULE NO. 2
NON-METERED FLAT RATES

Available: To customers of the Utility at Welches, Oregon, and vicinity.

Applicable: To non-metered flat rate customers.

FLAT RATES

| |
|-------------------|
| MONTHLY FLAT RATE |
| <u>\$58.07</u> |

Special Provisions:

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 26, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall also be billed at the applicable flat rate shown above.

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SCHEDULE NO. 3
RATES FOR COMMERCIAL WATER HAULERS

AVAILABLE: To commercial water haulers where the Utility’s facilities and excess capacity exist. Determination of adequacy of facilities and capacity is in the sole discretion of the Utility. Each commercial water truck must be inspected by the Utility and be equipped with a suitable hydrant meter, suitable backflow prevention devices, and a fire hydrant wrench.

APPLICABLE: To all commercial water haulers.

COMMERCIAL WATER HAULERS RATE

| |
|---|
| \$0 _____ 1.35 per _____ 100 cubic feet |
|---|

SPECIAL PROVISIONS:

1. Truck meters must be presented at the Utility's office between the 1st and the 5th of each month. Bills for service are due in accordance with the tariff. Failure to present meter in accordance with this provision will be considered grounds for termination of service under Rule 18 of this Tariff.
2. Commercial water haulers detected not using meters or proper equipment may be denied service for one month for the first offense, and denied service completely for a second offense.
3. Commercial water haulers shall fill only from designated hydrants at designated times that have been determined by the Utility to have excess capacity. Failure to comply with this requirement will be considered grounds for termination of service.
4. Continued use of the Utility’s facilities following termination of service shall be considered theft of services under OAR 860-036-1590.

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RATES FOR COMMERCIAL WATER HAULERS

AVAILABLE: To commercial water haulers where the Utility’s facilities and excess capacity exist. Determination of adequacy of facilities and capacity is in the sole discretion of the Utility. Each commercial water truck must be inspected by the Utility and be equipped with a suitable hydrant meter, suitable backflow prevention devices, and a fire hydrant wrench.

APPLICABLE: To all commercial water haulers.

COMMERCIAL WATER HAULERS RATE

| |
|---------------------------------------|
| \$0 ——— 1.83 per ————— 100 cubic feet |
|---------------------------------------|

SPECIAL PROVISIONS:

1. Truck meters must be presented at the Utility’s office between the 1st and the 5th of each month. Bills for service are due in accordance with the tariff. Failure to present meter in accordance with this provision will be considered grounds for termination of service under Rule 18 of this Tariff.
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SCHEDULE NO. 94

MISCELLANEOUS SERVICE CHARGES

This schedule lists the miscellaneous charges included in the Utility’s Rules and Regulations; refer to the appropriate Rules for an explanation of charges and conditions under which they apply.

Connection Charge for New Service (Rule Nos. 8 & 9)

| | |
|--|---------|
| Standard ¾-inch service | At cost |
| Nonstandard ¾-inch service | At cost |
| Larger than ¾-inch | At cost |
| Irrigation hookup (if provided on separate system) | At cost |

Reading Submeters & Preparing Memo Bill (Rule No. 22A) **\$10.00**

Meter Test (Rule Nos. 19 & 20)

| | |
|------------------------------------|---------|
| First test within 12-month period | N/C |
| Second test within 12-month period | \$25.00 |

Pressure Test (Rule No. 39)

| | |
|------------------------------------|---------|
| First test within 12-month period | N/C |
| Second test within 12-month period | \$25.00 |

Late-Payment Charge (Rule No. 21)

Pursuant to OAR 860-036-1400

Deposit for Service (Rule No. 5)

Pursuant to OAR 860-036-1220

Returned-Check Charge (Rule No. 22)

\$20.00

Trouble-Call Charge (Rule No. 35)

| | |
|--|------------------|
| During normal office hours | \$25.00 per hour |
| After normal office hours on special request | \$35.00 per hour |

Disconnection/Reconnect Charge (Rule Nos. 28 & 29)

| | |
|--|---------|
| During normal office hours | \$25.00 |
| After normal office hours on special request | \$35.00 |

Unauthorized Restoration of Service (Rule No. 30)

Disconnection/Reconnection charge plus costs

Damage/Tampering Charge (Rule No. 28)

At cost

Disconnect Site-Visit Charge (Rule No. 29)

\$20.00

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SCHEDULE NO. 5

COMMODITY POWER COST ADJUSTMENT

Schedule No. 5 is an “Automatic Adjustment Clause” as defined in ORS 757.210. It is subject to review by the Commission at least once every two years.

PURPOSE: To define procedures for periodic revision in rates due to changes in the Utility’s purchased commodity power cost, to describe how a rate change for purchased commodity power cost is calculated, and identify any other requirements.

APPLICABLE: The commodity power cost adjustment applies to the following schedules contained in the Utility’s tariffs: Schedules 1 and 3.

Changes under the applicable schedules are subject to increases or decreases that may be made without prior hearing to reflect the changes in the Utility’s purchased power costs resulting from adjustments in the rate of the Utility’s power suppliers. Such adjustments may be shown in the applicable rate schedules or may be incorporated directly in the applicable rate schedules.

The Utility may file purchased power cost adjustments periodically to be effective upon the date its power suppliers implement rate changes. If the Utility chooses to file for power cost increases, it is obligated to file for decreases in power costs.

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RULES AND REGULATIONS

Rule 1: Jurisdiction of the Commission

Water systems are subject to regulation as provided under ORS [Chapter 757](#)

Rule 2: Definitions

- A. "Applicant" means a person who does not meet the definition of a customer, who applies for service with a water utility.
- B. "Commission" shall mean the Public Utility Commission of Oregon.
- C. "Commercial service" means water service provided by the water utility that the customer uses in the promotion of a business or business product that is a source of revenue or income to the customer or others using the premises.
- D. "Customer" means a person who is currently receiving water service and is entitled to certain rights as a customer under these rules. A residential customer retains customer status for 20 calendar days following voluntary disconnection of service and must be treated as a customer if he or she reapplies for service within that 20 calendar day period.
- E. "Customer's service line" is defined as the facilities used to convey water from the point of connection to the customer's point of usage. The customer owns and maintains the customer service line.
- F. "Residential service" means water service provided for domestic or irrigation purposes in a residential area and is not considered a commercial service.
- G. "Served" for purpose of delivery of any required notice or document, unless otherwise specifically noted, means: delivered in person, by personal contact over the telephone, or in writing delivered to the party's last known address. If delivered by US Mail, the notice is considered served two calendar days after the date postmarked, the date of postage metering, or deposit in the US Mail, excluding Sundays and postal holidays.
- H. "Utility" shall mean: ~~UTILITY NAME~~ SALMON VALLEY WATER COMPANY, INC.
- I. "Water service connection" is defined as the facilities used to connect a water utility's distribution network to the point of connection at the customer's service line. The water utility owns and maintains the water service connection.

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APPLICATION FOR SERVICE

Rule 3: Information for Applicants and Customers (OAR 860-036-1100)

The Utility shall provide or be able to provide customers or applicants with the following information:

- A. A copy of its approved tariffs or statement of rates;
- B. A copy of the utility’s rules and regulations applicable to the type of service being provided; and
- C. The option to receive electronic copies of all written notices to be issued on the customer’s account.

Rule 4: Application for Service (OAR 860-036-1200)

Application for water service must be made for each individual property to be served. The application shall identify the name of the applicant, the service address, the billing address, the contact information where the applicant can be reached, the type of water service requested and its intended use, and the name to be used to identify the account, if different than the applicant’s actual name. The applicant shall, at this time, pay any scheduled fees or deposits. An application is a request for service and shall not be accepted until the applicant establishes credit as set forth in OAR 860-036-1210.

An application for service must be made where:

- A. An applicant, who has not previously been served by the Utility, requests service; or
- B. Service has been involuntarily discontinued in accordance with the Utility and Commission rules, and service is requested; or
- C. Service has been voluntarily discontinued and a request to restore service has not been made within 20 days; or
- D. There is a change in the type of use to which the water is put, or the number of premises served.

Rule 5: Establishment of Credit, Surety Agreements, Deposits, Interest, and Refunds of Deposits (OAR 860-036-1210, 1220, 1230, 1240, 1250, and 1260)

The utility may require an applicant or customer to pay a deposit as a guarantee of payment for services provided. Amounts held by a water utility may not exceed one-sixth of the actual or estimated annual billing for the premises. (OAR 860-036-1220)

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The water utility may adjust the deposit amount when a customer moves to a new location within the water utility's service area, and the anticipated bill at the new residence will be at least 20 percent greater than the basis of the existing deposit. (OAR 860-036-1220(5))

The Utility must inform any residential applicant or customer who is required to pay a deposit of the opportunity to provide a written surety agreement in lieu of paying the deposit. A surety agreement obligates another qualifying residential customer of the same utility to pay an amount up to the required deposit if the secured account is later disconnected and a balance remains owing following the due date for the closing charges. To qualify as a surety, the other residential customer must have had 12 months of continuous service with the Utility without a late payment. (OAR 860-036-1230)

The Utility shall pay interest on deposits at the rate established by the Commission. After the customer has paid its water service bills for 12 consecutive months without having had service discontinued for nonpayment, or did not have more than two occasions in which a shut-off notice was issued, and the customer is not then delinquent in the payment of bills, the Utility shall promptly and automatically refund the deposit plus accrued interest by **(check one)** (OAR 860-036-1250 and 1260):

- 1. Issuing the customer a refund check, or
- 2. Crediting the customer's account; however, a customer is entitled to a refund upon request pursuant to OAR 860-036-1260

Rule 6: Customer Service Line (OAR 860-036-1300(2))

The customer shall own and maintain the customer service line and promptly repair all breaks and leaks. For non-metered service, the customer service line begins at the property line or utility-owned shut-off valve. For metered service, the customer service line begins on the customer's side of the meter or utility-owned shut-off valve. The Utility shall not be responsible for any damage or poor service due to inadequacy of the customer service line or any portion of the customer's plumbing. All leaks in the customer service line, faucets, and all other parts of the plumbing owned or controlled by the customer shall be promptly repaired so as not to waste water.

Rule 7: Separate Control of Service

All premises supplied with water will be served through service lines so placed as to enable the Utility to control the supply to each individual premise using a valve placed within and near the line of the street, the Utility right-of-way, or at the meter.

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Rule 8: Water Service Connections (OAR 860-036-1300)

The water service connection is defined as the facilities used to connect the Utility’s distribution network to the point of connection at the customer’s service line. The Utility owns, operates, maintains, and replaces the service connection when necessary and promptly repairs all breaks and leaks. The customer shall not be responsible for any damage or poor service due to inadequacy of the Utility’s service lines or any portion of the Utility’s plumbing.

Rule 9: Service Connection Charge (OAR 860-036-1300(3))

An applicant requesting permanent water service to a premise not previously supplied with permanent service by the Utility may be required to pay the cost of the service connection, including or excluding the meter as provided in Rule No. 8 and the Utility’s Miscellaneous Service Charges in this tariff.

Rule 10: Main Line Extension Policy (OAR 860-036-1310)

A main line extension is defined as the extension of the Utility's main line necessary to provide service to a customer when the property does not currently have main line frontage.

The Utility shall specify the size, character, and location of pipes and appurtenances in any main line extension. Main line extensions shall normally be along streets, roads, highways, or other satisfactory rights-of-way. All construction work shall conform to all applicable rules, regulations, codes, and industry standards. Each main line extension shall normally extend along applicant’s property line to the point the applicant’s service line would be at a 90-degree angle to the street or main line.

Main line extension charges, if any, are stated in the Utility's tariff or statement of rates.

The Utility maintains a main line extension policy that lists all applicable charges; and describes the advance and refund provisions, including a description of the mechanisms for collecting and rebating the amount charged equitably among the customers who paid for the cost of the line, and provides the time period during which the advance and rebate provisions apply.

Rule 10A: Main Line Advances and Refunds Policy

Each new customer requesting a main line extension shall advance the Utility the cost-based amount necessary to extend the main line to provide service. For a period of five years after construction of the requested main line extension, the Utility shall also collect from any additional applicants whose connect to the main line extension an amount per foot equal to the new

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applicant's proportionate share of the main line extension cost for that portion used. The Utility will then refund the share differential amount to those customers who previously shared the cost of said main line extension. Refunds shall not exceed the amount originally advanced.

No part of the distribution system installed prior to the request for a main line extension shall be used to calculate any customer advance or refund.

Rule 11: Types of Use

Water service may be supplied for residential, commercial, irrigation, temporary construction, special contracts, fire prevention, and other uses. The Utility shall file separate rate schedules for each type of use and basis of supply.

Rule 12: Multiple Residences/Commercial Users

An apartment building, mobile home park, motel, trailer camp, duplex, townhouse, or any property consisting of more than one residential/commercial unit, if served through one service line, shall be considered to be equivalent to the number of dwelling units when determining the customer count.

Rule 13: Utility Access to Private Property (OAR 860-036-1370, -1500)

Customers shall provide regular access to Utility-owned service lines that may extend onto the customer's premises for the purposes of reading meters, maintenance, inspections, or removal of Utility property at the time service is to be discontinued. Where the customer does not cooperate in providing reasonable access to the meter or to the premises, as required by law or to determine if a health or safety hazard exists, it is grounds for disconnection.

Rule 14: Restriction on Entering a Customer Residence (OAR 860-036-1330)

No Utility employee shall enter the residence of its customers without proper authorization except in an emergency when life or property is endangered.

REFUSAL OF SERVICE

Rule 15: Refusal of Service Due to Customer Accounts (OAR 860-036-1270)

The Utility may refuse to provide service if:

- A. The applicant has amounts owing under a tariff or statement of rates; or

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- B The applicant for residential service has a roommate with amounts owing under a tariff or statement of rates, and the applicant lived with the roommate at the time the amounts owing were incurred.

Exception: If the applicant for residential service was a former residential customer with amounts owing, was involuntarily disconnected for non-payment, and applies for service within 20 calendar days of the disconnection, the Utility must provide service upon receipt of one-half of the amount owed with the remainder due within 30 calendar days. If the former customer fails to pay the remaining amounts within 30 calendar days, the Utility may disconnect service after issuing a 7-calendar day disconnection notice in accordance with OAR 860-036-1510(4).

If service is disconnected, the Utility may refuse to restore service until it receives full payment of all amounts owing, including reconnection charges allowed under OAR 860-036-1580.

Service shall not be refused for matters not related to water service.

Residential service shall not be refused due to obligations connected with nonresidential service. If service is refused under this rule, the Utility shall inform the applicant or customer of the reasons for the refusal and of the Commission’s dispute resolution process.

Rule 16: Refusal of Service Due to Utility Facilities (OAR 860-036-1270)

The Utility shall not accept an application for service or materially change service to a customer if the Utility does not have adequate facilities, resources or capacity to render the service applied for, or if the desired service is of a character that is likely to unfavorably affect reasonable service to other customers.

For refusal of service under this rule, the Utility shall provide a written letter of refusal to the applicant within seven calendar days, informing applicant that the details upon which the Utility’s decision was based may be requested.

The details will include, but not be limited to:

- A. Provide the information required by OAR 860-036-1100(2);
- B. Explain the specific reasons for refusing water service;
- C. Inform the applicant of the right to request details upon which the Utility's decision was based; and
- D. Inform the applicant of the right to dispute the refusal by contacting the Consumer Services Section at the contact information provided in OAR 860-001-0020(2).

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Rule 17: Refusal of Service Due to Customer Facilities (OAR 860-036-1270)

The Utility will refuse service to an applicant whose facilities do not comply with applicable plumbing codes or, if in the best judgment of the Utility, are of such a character that safe and satisfactory service cannot be given.

If service is refused under this rule, the Utility will provide written notification to the applicant within seven calendar days stating the reason(s) for refusal and providing information regarding the Commission’s complaint process.

METERS

Rule 18: Utility Meters (OAR 860-036-1350)

The Utility purchases, owns, maintains, and operates all meters. Meters placed in service will be adequate in size and design for the type of service, set at convenient locations, accessible to the Utility, subject to the Utility’s control, and placed in a meter box or vault between the street curb and property line. Each meter box or vault will be provided with a suitable cover.

Where additional meters are installed by the Utility or relocated for the convenience of the customer, the actual cost incurred for any meter relocation requested by the customer will be assessed.

The Utility shall have the right to set meters or other devices for the detection and prevention of fraud or waste without notice to the customer.

Each customer shall provide the Utility with regular access to the meter on the customer’s property. For example, access is not provided if a meter is blocked by barriers including vehicles, fences, rocks, bushes, trees or other objects. Failure to permit access at reasonable times and after reasonable notice by the Utility requesting access is grounds for disconnection. (OAR 860-036-1500). In general, 24” is considered sufficient clearance from obstacles to allow meter access.

Should damage result to the meter from molesting, tampering, or willful neglect on the part of the customer, the Utility shall repair or replace the meter and may bill the customer for the reasonable cost.

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Rule 19: Meter Testing (OAR 860-036-1350)

The meter will be tested prior to or within 30 days of installation to determine it is accurate to register not more than two percent error. No meter will be allowed to remain in service if it registers an error in excess of two percent (fast or slow) under normal operating conditions. The Utility will maintain a record of all meter tests and results. Meter test result records will include:

- A. Meter identification number and location;
- B. Reason for making the test;
- C. Method of testing;
- D. The beginning and ending meter readings;
- E. Test results and conclusion; and
- F. All data taken at the time of the test.

Rule 20: Customer-Requested Meter Test (OAR 860-036-1360)

A customer may request that the Utility test the service meter once every 12 months at no cost. Such test shall be made within seven calendar days of the receipt of the request unless the customer fails to provide the Utility reasonable access to the meter. The customer or the customer’s representative has the right to be present during the test, which is to be scheduled at a mutually agreeable time. Within seven calendar days of performing the requested meter test, report shall be provided to the customer stating:

- A. The name of the customer requesting the test and the service address where the meter was tested;
- B. The date the meter test was requested and the date the meter test was performed;
- C. The name of the person performing the test;
- D. The meter identification number and location;
- E. The beginning and ending meter readings; and
- F. The actual test results and conclusion.

If a customer requests a meter test more often than once in any 12-month period, and the test results indicate that the meter is registering within the two percent performance standard, the customer may be assessed a reasonable charge for the test if the charge is included in the Miscellaneous Service Charges Schedule. If the meter registers outside the two percent performance standard, the Utility may not charge the customer for the meter test.

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BILLING

Rule 21: Billing Information and Late-Payment Charge (OAR 860-036 1100(2), 1400, and 1430)

All bills, including closing bills, are due and payable at the Utility office within at least 15 days when rendered by deposit in the mail or other reasonable means of delivery, unless otherwise specified on the bill. The date of presentation is the date on which the Utility mails the bill.

As near as practical, meters shall be read **(check one)** monthly, bimonthly, or quarterly on the corresponding day of each meter reading or billing period. The bill will be rendered immediately thereafter. The Utility will provide its customers with timely billings every month or as indicated in its tariffs or statement of rates.

All water service bills will show:

- A. Separate line items for past due balance, payments and credits, new charges, late fees, and total account balance;
- B. The date new charges are due;
- C. Calculation of new charges including base or flat rate, usage billing tiers and rates, beginning and ending meter readings, the dates the meter was read, rate schedule, billing period, and number of days in the billing period;
- D. The date any late payment charge was applied and an explanation of the terms of the late payment charge; and
- E. Any other information necessary for the computation of the bill.

A late-payment charge may be assessed against any account that has an unpaid balance when the next bill is being prepared. The charge will be computed on the delinquent balance owing at the time of preparing the subsequent month's bill at the late-payment rate specified in the Miscellaneous Service Charges Schedule. The late-payment rate is determined annually by the Commission, and the Utility will be notified of the rate.

If an account is permitted to become delinquent, the Utility may disconnect water service by giving proper notice to the customer as provided in Rules 28 & 29, prior to or after the Utility assesses the late payment charge.

Rule 22: Returned Payment Charge

The Returned Payment Charge listed on the Miscellaneous Service Charges Schedule shall be billed for each occasion a customer submits any type of noncash payment (check, debit, electronic, etc.) that is not honored, for any reason, by a bank or other financial institution.

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Rule 22A: Master Meter with Memo Bill

A customer under special agreement with the Utility may be metered with a master meter. The master meter customer will be responsible for total payment of the master meter water bill.

The Utility will read the sub-meters and send memo bills to the master meter customer and sub-metered tenants. Memo bills are not official bills from the Utility. A memo bill shows the sub-metered tenants' individual water consumption and the Utility's applicable rate for use by the master meter customer when collecting payments from sub-metered tenants.

The total aggregate monthly base charges of all sub-metered accounts shall not exceed the total aggregate monthly base charge of the master meter serving sub metered accounts. There will be a monthly charge for readying and preparing a memo bill for each sub-meter as indicated in Schedule No. 4, Miscellaneous Service Charges. This monthly charge will be the responsibility of the master meter customer.

Rule 23: Prorating of Bills

Initial and final bills will be prorated according to the number of days service was rendered and on the basis of a 31-day month. For metered services, a reasonable effort will be made to read the meter upon opening and closing a customer's account. Consumption will be charged at scheduled rates. Any minimum monthly charge will be prorated.

Rule 24: Adjustment of Bills (OAR 860-036-1440)

When an overbilling occurs, the Utility will refund or credit amounts incorrectly collected. No refund or credit will be issued for incorrect billings which occurred more than three years before the incorrect billing was discovered.

When an underbilling occurs, the Utility will issue a bill to collect amounts owing for the 12-month period ending on the date on which the water utility issued the last incorrect bill. When such under collected amounts are billed to customers, the Utility will provide written notice to the customer detailing:

- A. The circumstances and time period of the billing error;
- B. The corrected bill amount and the amount of the necessary adjustment;
- C. The Commission's consumer complaint process; and

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- D. The right for a current or former customer to enter into a time-payment agreement with the Utility.

The Utility will not bill for services provided more than two years before the underbilling was discovered. No billing adjustment will be required if a meter registers less than two percent error under conditions of normal operation. The Utility may waive rebilling or issuing a refund check when the costs make such action uneconomical.

Rule 25: Transfer Billings (OAR 860-036-1450)

If the Utility determines that a customer owes an amount from a closed account the customer previously held with the Utility, the Utility may transfer the closed account balance to the customer's current account.

The Utility will give the customer prior notice of the transfer, including:

- A. The amount due under the prior account; and
- B. The period when the balance was incurred; and
- C. The service address under which the bill was incurred.

If the customer has an amount remaining on an existing time-payment agreement, the customer may enter into a new time-payment agreement to include the transfer. The Utility will not transfer a balance owing on a non-residential account to a residential account.

This rule also applies to customers who change service locations, and who applied for the new service within 20 days of closing the prior account (thereby retaining customer status).

DISCONNECTION OF WATER SERVICE

Rule 26: Voluntary Discontinuance (OAR 860-036-1560)

A customer requesting disconnection of service must provide the Utility with at least seven calendar days' advance notice. The customer is responsible for all service provided for seven calendar days following the request for disconnection or until service is disconnected, whichever comes first; or if the customer identified a specific date for disconnection in excess of seven calendar days, the customer is responsible for service rendered up to and including the requested date of disconnection.

Rates are based on continuous service. Disconnect and reconnect transactions do not relieve a customer from the obligation to pay the base rate or minimum charge that accumulates during

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the period of time the service is voluntarily disconnected for up to 12 months. Should the customer wish to recommence service within 12 months at the same premise, the customer will be required to pay the accumulated minimum monthly charge or base rate as if service had been continuous. The reconnection charge listed on the Miscellaneous Service Charges Schedule will be applicable at the time of reconnection.

Nothing in this rule prevents the Utility from temporarily interrupting service to protect the health and safety of its customers or to maintain the integrity of its system.

Rule 27: Emergency Disconnection (OAR 860-036-1630)

The Utility may terminate service in emergencies when life or property is endangered without following the procedures set forth in OAR 860-036-1630. Immediately thereafter, the Utility will notify the customer and the Commission. When the emergency termination was through no fault of the customer, the Utility shall not charge the customer for disconnection or restoration of service.

Rule 28: Disconnection of Water Service Charge for Cause (OAR 860-036-1500, -1510, -1520, -1530, and 1550)

The Utility may disconnect service when:

- A. A customer fails to pay charges due for services rendered under a water utility tariff or statement of rates;
- B. A customer fails to pay a deposit, fails to timely provide a surety under OAR 860 036-1230 or comply with its terms, or fails to comply with the terms of a deposit installment agreement under OAR 860-036-1240;
- C. A customer fails to comply by the terms of a payment agreement under OAR 860 036-1240(3) or 860-036-1420;
- D. A customer provides false identification to establish or to continue service;
- E. A customer has facilities that do not comply with the applicable codes, rules, regulations, or the best practices governing safe and adequate water service, including compliance with the water utility's Cross Connection Control Program;
- F. A customer fails to provide reasonable access to the meter or premises;
- G. A customer tampers with water utility facilities or engages in theft of service or unauthorized use of water;
- H. A customer fails to comply with water restriction requirements under OAR 860-036-1670;
or
- I. The Commission approves the disconnection of service.

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If the disconnection is due to failure to pay a deposit, secure a surety agreement, abide by a deposit installment agreement, abide by the terms of a payment arrangement, or due to the theft of service, tampering with utility property, diverting water, or unauthorized use of water, the Utility will provide one 7-day written disconnection notice prior to disconnection. For other disconnections, the Utility will provide two written notices in advance of disconnection: one 15-day notice and one 7-day notice.

If the disconnection is due to a customer’s failure to comply with a water use restriction imposed under OAR 860-036-1670, the utility may disconnect the customer without issuing either a 15-calendar day or 7 calendar day disconnection notice.

The notices shall include:

- A. The name, mailing address, telephone number, emergency telephone number, and email address or website of the Utility,
- B. State that the customer’s water service is subject to disconnection on or after a specific date;
- C. Provide the grounds for the proposed disconnection;
- D. State what actions the customer must take in order to avoid disconnection; and
- E. A statement that the customer may dispute the disconnection by contacting the Commission’s Consumer Services Section.

If the disconnection notice is for nonpayment, the notice shall also include:

- A. The amount the customer must pay to avoid disconnection;
- B. Provide information about the customer’s eligibility for a time-payment agreement provided in OAR 860-036-1420 for residential customers, unless the customer is being disconnected for failing to comply with an existing time-payment agreement or has engaged in theft of service, tampering with utility property, diverting water, or unauthorized use of water; and; and
- C. A statement that once service is disconnected, the water utility will reconnect service only after the customer reapplies for service and pays all applicable charges..

The 7-calendar day and 15-calendar day advance written notices of disconnection will be hand-delivered in person to the customer or adult at the premises, or sent by the US Mail to the customer’s billing address and designated representative. Mailed notices are considered served two calendar days after deposited in the US Mail, excluding Sundays and postal holidays. If the customer has requested to receive notices electronically, the Utility will provide an electronic notice in addition to the written notices.

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Within 48 hours of disconnection, the Utility will make a good-faith effort to contact the customer or an adult at the residence and provide notice of the proposed disconnection. If contact is not made, the Utility shall leave a notice in a conspicuous place at the customer’s premise informing the customer that service has been disconnected.

Disconnection of Water Service to Tenants:

- A. If a water utility's records show that a residential billing address is different from the service address, the water utility must mail a duplicate notice to the service address, unless the utility has verified that the service address is occupied by the customer.
- B. If a water utility's records show that the service location is a master-metered, multi-dwelling service address, the water utility must provide a duplicate of the 7-calendar day disconnection notice to each unit at the service address. The disconnection notice must be addressed to "Tenant." The envelope must bear a bold notice stating, "IMPORTANT NOTICE REGARDING DISCONNECTION OF WATER UTILITY SERVICE." Tenant notices may not include the dollar amount owing.
- C. The water utility must notify the Consumer Services Section at least seven calendar days before disconnecting service to a master-metered, multi-dwelling premise.

Time Payment Agreements (OAR 860-036-1420)

Customers who are notified of pending disconnection, due to reasons other than theft of service, tampering, unauthorized use of water, or failure to abide by the terms of a Time Payment Plan, may choose between two Time Payment Agreement options. The Utility will offer such customers a choice of a levelized-payment plan and an equal-pay arrearage plan. The Utility and customer may mutually agree to an alternate payment arrangement provided it be in writing and signed by all parties.

Disconnection for Failure to Comply With a Time Payment Agreement (OAR 860-036-1510(4)(b))

A time-payment agreement disconnection occurs when a customer fails to comply with the terms of a written time-payment agreement between the customer and the Utility, or the Utility permits a time-payment agreement charge to become delinquent. The Utility will give the customer a 7- day written notice before the water service may be disconnected.

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Rule 29: Disconnection, Reconnection and Field Visit Charge (OAR 860-036-1580)

Disconnection and Reconnection Charges

When service was disconnected pursuant to (OAR 860-036-1500), the Utility may charge the disconnect fee and reconnect fee stated in its tariff prior to reconnecting service.

Field Visit Charge

The Utility may assess a field visit charge whenever the Utility visits a residential service address intending to reconnect or disconnect service, but due to customer action, the Utility is unable to complete the reconnection or disconnection at the time of the visit. The field visit charge is listed in the tariff.

Rule 30: Unauthorized Restoration of Service (OAR 860-036-1590)

After the water has been disconnected or shut off at the curb stop or at the meter, if any person not authorized by the Utility should turn it on, the water service line may be disconnected as provided by OAR 860-036-1510.

Rule 31: Unauthorized Use (OAR 860-036-1590)

No person shall be allowed to make connection to the Utility mains, or to make any alteration to service connections, or to turn a curb stop off or on to any premises without written permission of the Utility. If the Utility discovers that a customer tampered with or engaged in unauthorized use of utility property facilities, the Utility shall notify the customer of the violations and may take one or more of the following actions:

- A. Repair or restore the facilities and charge the customer the costs incurred;
- B. Adjust the customer’s prior billing for loss of revenue under applicable tariffs or schedule of rates;
- C. Initiate a service disconnection as provided by OAR 860-036-1510;
- D. Require a new application for service that accurately reflects the customer’s proposed water use; and
- E. Assess a deposit for restored or continued service.

Rule 32: Interruption of Service (OAR 860-036-1630, -1640)

The Utility may perform an unscheduled interruption of service as necessary to protect the health and safety of its customers or to maintain the integrity of its system. If an unscheduled interruption of service is required, the water utility must:

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- A. Make a reasonable effort to notify the customers affected and the Consumer Services Section in advance of the interruption;
- B. Report the unscheduled interruption to the Consumer Services Section at the contact information provided in OAR 860-001-0020(2), and
- C. Restore service as soon as it is reasonably possible after resolving the issue, unless other arrangements are agreed to by the affected customers.

The Utility may schedule water service interruptions for maintenance and repairs in such a manner that reasonably minimizes customer inconvenience. The Utility will provide advance written notice to all customers affected by any scheduled service interruption, and will post the notice in the utility's office and on its website, if available. The notice will include:

- A. The name, mailing address, telephone number, emergency telephone number, and email address or website of the Utility;
- B. The date, time, and estimated duration of the scheduled interruption;
- C. The purpose of the interruption;
- D. A statement cautioning customers to avoid using water during service interruptions to prevent debris in the customers' service lines; and
- E. The contact information for the Consumer Services Section provided in OAR 860 001-0020(2).

Notices of scheduled interruptions of service must be served by a door hanger or personal delivery to an adult at the affected premises at least five calendar days in advance of the service interruption or by US Mail at least ten calendar days prior to the service interruption. In addition electronic notice must be provided to customers who requested to receive notices electronically.

Rule 33: Water Usage Restrictions (OAR 860-036-1670)

The Utility shall exercise due diligence to furnish a continuous and adequate supply of water to its customers. During times of water shortage, the Utility will equitably apportion its available water supply among its customers with regard to public health and safety. In times of water shortages, the Utility may restrict water usage after providing written notice to its customers and the Consumer Services Section. Notice will also be posted in the Utility's office and on its website, if available. The notification must state the reason and nature of the restrictions, the date restrictions will become effective, the estimated date the restrictions end, and that failure to comply with the restrictions is grounds for disconnection.

If a customer fails to comply with the water restrictions after receiving written notification, the Utility will provide a separate written warning letter to the customer including:

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- A. The date;
- B. The name, mailing address, telephone number, emergency telephone number, and email address or website of the Utility;
- C. The customer’s name, account number, mailing address, service address if different;
- D. The water use restrictions and statement of how the customer is violating those restrictions;
- E. A statement that the customer’s water service is subject to disconnection on or after a specific date;
- F. A warning to the customer that failure to immediately comply with the restrictions may result in disconnection of service; and
- G. A statement that the customer may dispute disconnection by contacting the Consumer Services Section. The notice must include the Consumer Services Section’s contact information provided in OAR 860-001-0020(2).

If a customer fails to comply with the water restrictions after receiving written notification and the warning letter, the Utility will consult with the Consumer Services Section to determine if disconnection is appropriate.

Rule 33A: Damages/Tampering

Should damage result to any of the Utility’s property from molesting or willful neglect by the customer to a meter or meter box located in the customer’s building, the Utility will repair or replace such equipment and will bill the customer for the costs incurred.

SERVICE QUALITY

Rule 34: Adequacy of Water Service (OAR 860-036-1600)

The Utility will maintain its facilities according to industry rules, regulations, and standards and in such condition to provide safe, adequate, and continuous service to its customers.

The Utility will not intentionally diminish the quality of service below the level that can reasonably be provided by its facilities.

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Rule 35: Trouble Call

The trouble-call charge listed on the Miscellaneous Service Charges Schedule may be billed whenever a customer requests that the Utility visit the customer’s premises to remedy a service problem and the problem is due to the customer’s facilities.

Rule 36: Water Purity (OAR 860-036-1610)

The Utility will provide a domestic water supply that is free from bodily injurious physical elements and disease-producing bacteria and reasonably free from elements that cause physical damage to customer property, including but not limited to pipes, valves, appliances, and personal property.

Rule 37: Water Pressure (OAR 860-036-1650)

The Utility will maintain adequate water pressure. In general, water pressure measuring between 45 and 80 pounds per square inch in the water mains is considered adequate. However, adequate pressure may vary depending on each individual water system.

The Utility may temporarily reduce or increase water pressure for fire flows, noticed repairs and maintenance, scheduled or emergency flushing, and unscheduled or emergency repairs and outages.

Rule 38: Pressure Surveys (OAR 860-036-1650)

The Utility will maintain permanent pressure recording gauges at various locations to measure the system's water pressure, and will have a portable gauge to measure water pressure in any part of the system. The Utility will maintain all pressure gauges in good operating condition, test periodically for accuracy, and recalibrate or replace when necessary.

Rule 39: Customer-Requested Pressure Test (OAR 860-036-1660)

Upon customer request, the Utility will perform a water pressure test within seven calendar days of the request. The first pressure test in any 12- month period will be at no charge. If the customer requests an additional pressure test within any 12-month period at the same premises, the Utility will assess the customer a charge in accordance with the service charges set forth in Schedule 4 of the tariff. The pressure will be measured at a point adjacent to the meter on the customer service line or other reasonable point most likely to reflect the actual service pressure.

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The Utility will provide a written report to the customer within seven calendar days of the pressure test. The report will include:

- A. The name, mailing address, telephone number, emergency telephone number, and email address or website of the Utility;
- B. The customer’s name and service address where the pressure was tested;
- C. The date the pressure test was requested and the date the pressure test was performed;
- D. The name of the company or employee performing the test;
- E. The place where the pressure was measured;
- F. The actual pressure reading; and
- G. The conclusion based on the test result.

Rule 40: Utility Line Location (One Call Program)

The Utility and its customers will comply with the requirements of OAR 952-001-0010 through and including OAR 952-001-0090 (One Call Program) regarding identification and notification of underground facilities.

Rule 41: Cross Connection/Backflow Prevention Program (OAR 860-036-1680)

All customers must comply with the Utility’s Cross Connection Control Program to protect the water system from contamination. A customer's failure to comply is grounds for disconnection under OAR 860-036-1500.

The Utility will comply with the rules and regulations for the Cross Connection/Backflow Prevention Program, as provided in ORS Chapter 333 and the Utility’s approved Backflow Prevention tariff or statement of rates.

Inspections will be made by certified personnel where there is a reasonable cause to believe that a cross connection or a potential cross connection exists on the customer’s premise.

A customer that has another water supply that cross connects with the Utility’s system or has conditions that present the possibility of contamination or pollution to the Utility’s water supply must either eliminate the cross connection or install a cross connection control device (device).

The device and its installation or the elimination of the cross connection shall be in accordance with standard practices pertaining to cross connection control approved by the Oregon Health Authority and the National Safe Drinking Water Act.

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The entire cost of the installation and equipment will be at the expense of the customer. Any corrective measure, disconnection, or change on the customer’s property shall be at the sole expense of the person in control of said property.

The Utility will regulate the location, installation and testing of all devices. The Utility will inspect the installation prior to providing water service. The annual testing of the device shall be by licensed/certified personnel. All devices in service must be tested annually.

The Utility will determine the frequency of testing based upon the severity of the hazard. Customer failure to install, maintain, and test the device as required are grounds for disconnection of water service.

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**Containing Rules and Regulations
Governing Water Utility Service**

NAMING RATES FOR

SALMON VALLEY WATER COMPANY

PO Box 205

Welches, OR 97067

503.622.4083

Serving water in the vicinity of

Welches, Oregon

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SCHEDULE NO. 1

RESIDENTIAL, COMMERCIAL AND MULTI-FAMILY METERED RATES

Available: To customers of the Utility at Welches, Oregon, and vicinity.

Applicable: To residential, commercial and multi-family customers.

Base Rate

| SERVICE METER SIZE | MONTHLY BASE RATE | USAGE ALLOWANCE |
|----------------------|-------------------|-----------------|
| 5/8 inch or 3/4 inch | \$25.96 | 0 |
| 1 inch | \$53.96 | 0 |
| 1½ inches | \$110.40 | 0 |
| 2 inches | \$709.88 | 0 |

Commodity Usage Rate

| COMMODITY RATE | NO. OF UNITS | MEASURING UNIT |
|----------------|--------------|-------------------------|
| \$1.35 | Per Unit | 1 unit = 100 cubic feet |

Special Provisions:

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 26, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specified in this schedule. When setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at specified rates for the amounts so estimated.
3. Multi-family customers' monthly water service charge will be assessed at the number of units served times the monthly base rate plus the commodity charge. Example: If the premise serves 8 units, the base charge will be 8 times the base rate plus the commodity charge applied to the amount of water usage.

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SCHEDULE NO. 1**RESIDENTIAL, COMMERCIAL AND MULTI-FAMILY METERED RATES**

Available: To customers of the Utility at Welches, Oregon, and vicinity.

Applicable: To residential, commercial and multi-family customers.

Base Rate

| SERVICE METER SIZE | MONTHLY BASE RATE | USAGE ALLOWANCE |
|----------------------|-------------------|-----------------|
| 5/8 inch or 3/4 inch | \$35.18 | 0 |
| 1 inch | \$73.11 | 0 |
| 1½ inches | \$149.60 | 0 |
| 2 inches | \$961.92 | 0 |

Commodity Usage Rate

| COMMODITY RATE | NO. OF UNITS | MEASURING UNIT |
|----------------|--------------|-------------------------|
| \$1.83 | Per Unit | 1 unit = 100 cubic feet |

Special Provisions:

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 26, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specified in this schedule. When setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at specified rates for the amounts so estimated.
3. Multi-family customers' monthly water service charge will be assessed at the number of units served times the monthly base rate plus the commodity charge. Example: If the premise serves 8 units, the base charge will be 8 times the base rate plus the commodity charge applied to the amount of water usage.

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**SCHEDULE NO. 2
NON-METERED FLAT RATES**

Available: To customers of the Utility at Welches, Oregon, and vicinity.

Applicable: To non-metered flat rate customers.

FLAT RATES

| |
|-------------------|
| MONTHLY FLAT RATE |
| \$42.85 |

Special Provisions:

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 26, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall also be billed at the applicable flat rate shown above.

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SCHEDULE NO. 2
NON-METERED FLAT RATES

Available: To customers of the Utility at Welches, Oregon, and vicinity.

Applicable: To non-metered flat rate customers.

FLAT RATES

| |
|-------------------|
| MONTHLY FLAT RATE |
| \$58.07 |

Special Provisions:

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 26, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall also be billed at the applicable flat rate shown above.

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SCHEDULE NO. 3
RATES FOR COMMERCIAL WATER HAULERS

AVAILABLE: To commercial water haulers where the Utility’s facilities and excess capacity exist. Determination of adequacy of facilities and capacity is in the sole discretion of the Utility. Each commercial water truck must be inspected by the Utility and be equipped with a suitable hydrant meter, suitable backflow prevention devices, and a fire hydrant wrench.

APPLICABLE: To all commercial water haulers.

COMMERCIAL WATER HAULERS RATE

| |
|---------------------------|
| \$1.35 per 100 cubic feet |
|---------------------------|

SPECIAL PROVISIONS:

1. Truck meters must be presented at the Utility's office between the 1st and the 5th of each month. Bills for service are due in accordance with the tariff. Failure to present meter in accordance with this provision will be considered grounds for termination of service under Rule 18 of this Tariff.
2. Commercial water haulers detected not using meters or proper equipment may be denied service for one month for the first offense, and denied service completely for a second offense.
3. Commercial water haulers shall fill only from designated hydrants at designated times that have been determined by the Utility to have excess capacity. Failure to comply with this requirement will be considered grounds for termination of service.
4. Continued use of the Utility’s facilities following termination of service shall be considered theft of services under OAR 860-036-1590.

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SCHEDULE NO. 3
RATES FOR COMMERCIAL WATER HAULERS

AVAILABLE: To commercial water haulers where the Utility’s facilities and excess capacity exist. Determination of adequacy of facilities and capacity is in the sole discretion of the Utility. Each commercial water truck must be inspected by the Utility and be equipped with a suitable hydrant meter, suitable backflow prevention devices, and a fire hydrant wrench.

APPLICABLE: To all commercial water haulers.

COMMERCIAL WATER HAULERS RATE

| |
|---------------------------|
| \$1.83 per 100 cubic feet |
|---------------------------|

SPECIAL PROVISIONS:

1. Truck meters must be presented at the Utility's office between the 1st and the 5th of each month. Bills for service are due in accordance with the tariff. Failure to present meter in accordance with this provision will be considered grounds for termination of service under Rule 18 of this Tariff.
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SCHEDULE NO. 4**MISCELLANEOUS SERVICE CHARGES**

This schedule lists the miscellaneous charges included in the Utility's Rules and Regulations; refer to the appropriate Rules for an explanation of charges and conditions under which they apply.

Connection Charge for New Service (Rule Nos. 8 & 9)

| | |
|--|---------|
| Standard ¾-inch service | At cost |
| Nonstandard ¾-inch service | At cost |
| Larger than ¾-inch | At cost |
| Irrigation hookup (if provided on separate system) | At cost |

Reading Submeters & Preparing Memo Bill (Rule No. 22A) \$10.00

Meter Test (Rule Nos. 19 & 20)

| | |
|------------------------------------|---------|
| First test within 12-month period | N/C |
| Second test within 12-month period | \$25.00 |

Pressure Test (Rule No. 39)

| | |
|------------------------------------|---------|
| First test within 12-month period | N/C |
| Second test within 12-month period | \$25.00 |

Late-Payment Charge (Rule No. 21)

Pursuant to OAR 860-036-1400

Deposit for Service (Rule No. 5)

Pursuant to OAR 860-036-1220

Returned-Check Charge (Rule No. 22)

\$20.00

Trouble-Call Charge (Rule No. 35)

| | |
|--|------------------|
| During normal office hours | \$25.00 per hour |
| After normal office hours on special request | \$35.00 per hour |

Disconnection/Reconnect Charge (Rule Nos. 28 & 29)

| | |
|--|---------|
| During normal office hours | \$25.00 |
| After normal office hours on special request | \$35.00 |

Unauthorized Restoration of Service (Rule No. 30)

Disconnection/Reconnection charge plus costs

Damage/Tampering Charge (Rule No. 28)

At cost

Disconnect Site-Visit Charge (Rule No. 29)

\$20.00

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SCHEDULE NO. 5

COMMODITY POWER COST ADJUSTMENT

Schedule No. 5 is an “Automatic Adjustment Clause” as defined in ORS 757.210.
It is subject to review by the Commission at least once every two years.

PURPOSE: To define procedures for periodic revision in rates due to changes in the Utility’s purchased commodity power cost, to describe how a rate change for purchased commodity power cost is calculated, and identify any other requirements.

APPLICABLE: The commodity power cost adjustment applies to the following schedules contained in the Utility’s tariffs: Schedules 1 and 3.

Changes under the applicable schedules are subject to increases or decreases that may be made without prior hearing to reflect the changes in the Utility’s purchased power costs resulting from adjustments in the rate of the Utility’s power suppliers. Such adjustments may be shown in the applicable rate schedules or may be incorporated directly in the applicable rate schedules.

The Utility may file purchased power cost adjustments periodically to be effective upon the date its power suppliers implement rate changes. If the Utility chooses to file for power cost increases, it is obligated to file for decreases in power costs.

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RULES AND REGULATIONS

Rule 1: Jurisdiction of the Commission

Water systems are subject to regulation as provided under ORS [Chapter 757](#)

Rule 2: Definitions

- A. "Applicant" means a person who does not meet the definition of a customer, who applies for service with a water utility.
- B. "Commission" shall mean the Public Utility Commission of Oregon.
- C. "Commercial service" means water service provided by the water utility that the customer uses in the promotion of a business or business product that is a source of revenue or income to the customer or others using the premises.
- D. "Customer" means a person who is currently receiving water service and is entitled to certain rights as a customer under these rules. A residential customer retains customer status for 20 calendar days following voluntary disconnection of service and must be treated as a customer if he or she reapplies for service within that 20 calendar day period.
- E. "Customer's service line" is defined as the facilities used to convey water from the point of connection to the customer's point of usage. The customer owns and maintains the customer service line.
- F. "Residential service" means water service provided for domestic or irrigation purposes in a residential area and is not considered a commercial service.
- G. "Served" for purpose of delivery of any required notice or document, unless otherwise specifically noted, means: delivered in person, by personal contact over the telephone, or in writing delivered to the party's last known address. If delivered by US Mail, the notice is considered served two calendar days after the date postmarked, the date of postage metering, or deposit in the US Mail, excluding Sundays and postal holidays.
- H. "Utility" shall mean: SALMON VALLEY WATER COMPANY, INC.
- I. "Water service connection" is defined as the facilities used to connect a water utility's distribution network to the point of connection at the customer's service line. The water utility owns and maintains the water service connection.

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APPLICATION FOR SERVICE

Rule 3: Information for Applicants and Customers (OAR 860-036-1100)

The Utility shall provide or be able to provide customers or applicants with the following information:

- A. A copy of its approved tariffs or statement of rates;
- B. A copy of the utility’s rules and regulations applicable to the type of service being provided; and
- C. The option to receive electronic copies of all written notices to be issued on the customer’s account.

Rule 4: Application for Service (OAR 860-036-1200)

Application for water service must be made for each individual property to be served. The application shall identify the name of the applicant, the service address, the billing address, the contact information where the applicant can be reached, the type of water service requested and its intended use, and the name to be used to identify the account, if different than the applicant’s actual name. The applicant shall, at this time, pay any scheduled fees or deposits. An application is a request for service and shall not be accepted until the applicant establishes credit as set forth in OAR 860-036-1210.

An application for service must be made where:

- A. An applicant, who has not previously been served by the Utility, requests service; or
- B. Service has been involuntarily discontinued in accordance with the Utility and Commission rules, and service is requested; or
- C. Service has been voluntarily discontinued and a request to restore service has not been made within 20 days; or
- D. There is a change in the type of use to which the water is put, or the number of premises served.

Rule 5: Establishment of Credit, Surety Agreements, Deposits, Interest, and Refunds of Deposits (OAR 860-036-1210, 1220, 1230, 1240, 1250, and 1260)

The utility may require an applicant or customer to pay a deposit as a guarantee of payment for services provided. Amounts held by a water utility may not exceed one-sixth of the actual or estimated annual billing for the premises. (OAR 860-036-1220)

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The water utility may adjust the deposit amount when a customer moves to a new location within the water utility's service area, and the anticipated bill at the new residence will be at least 20 percent greater than the basis of the existing deposit. (OAR 860-036-1220(5))

The Utility must inform any residential applicant or customer who is required to pay a deposit of the opportunity to provide a written surety agreement in lieu of paying the deposit. A surety agreement obligates another qualifying residential customer of the same utility to pay an amount up to the required deposit if the secured account is later disconnected and a balance remains owing following the due date for the closing charges. To qualify as a surety, the other residential customer must have had 12 months of continuous service with the Utility without a late payment. (OAR 860-036-1230)

The Utility shall pay interest on deposits at the rate established by the Commission. After the customer has paid its water service bills for 12 consecutive months without having had service discontinued for nonpayment, or did not have more than two occasions in which a shut-off notice was issued, and the customer is not then delinquent in the payment of bills, the Utility shall promptly and automatically refund the deposit plus accrued interest by **(check one)** (OAR 860-036-1250 and 1260):

- 1. Issuing the customer a refund check, or
- 2. Crediting the customer's account; however, a customer is entitled to a refund upon request pursuant to OAR 860-036-1260

Rule 6: Customer Service Line (OAR 860-036-1300(2))

The customer shall own and maintain the customer service line and promptly repair all breaks and leaks. For non-metered service, the customer service line begins at the property line or utility-owned shut-off valve. For metered service, the customer service line begins on the customer's side of the meter or utility-owned shut-off valve. The Utility shall not be responsible for any damage or poor service due to inadequacy of the customer service line or any portion of the customer's plumbing. All leaks in the customer service line, faucets, and all other parts of the plumbing owned or controlled by the customer shall be promptly repaired so as not to waste water.

Rule 7: Separate Control of Service

All premises supplied with water will be served through service lines so placed as to enable the Utility to control the supply to each individual premise using a valve placed within and near the line of the street, the Utility right-of-way, or at the meter.

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Rule 8: Water Service Connections (OAR 860-036-1300)

The water service connection is defined as the facilities used to connect the Utility's distribution network to the point of connection at the customer's service line. The Utility owns, operates, maintains, and replaces the service connection when necessary and promptly repairs all breaks and leaks. The customer shall not be responsible for any damage or poor service due to inadequacy of the Utility's service lines or any portion of the Utility's plumbing.

Rule 9: Service Connection Charge (OAR 860-036-1300(3))

An applicant requesting permanent water service to a premise not previously supplied with permanent service by the Utility may be required to pay the cost of the service connection, including or excluding the meter as provided in Rule No. 8 and the Utility's Miscellaneous Service Charges in this tariff.

Rule 10: Main Line Extension Policy (OAR 860-036-1310)

A main line extension is defined as the extension of the Utility's main line necessary to provide service to a customer when the property does not currently have main line frontage.

The Utility shall specify the size, character, and location of pipes and appurtenances in any main line extension. Main line extensions shall normally be along streets, roads, highways, or other satisfactory rights-of-way. All construction work shall conform to all applicable rules, regulations, codes, and industry standards. Each main line extension shall normally extend along applicant's property line to the point the applicant's service line would be at a 90-degree angle to the street or main line.

Main line extension charges, if any, are stated in the Utility's tariff or statement of rates.

The Utility maintains a main line extension policy that lists all applicable charges; and describes the advance and refund provisions, including a description of the mechanisms for collecting and rebating the amount charged equitably among the customers who paid for the cost of the line, and provides the time period during which the advance and rebate provisions apply.

Rule 10A: Main Line Advances and Refunds Policy

Each new customer requesting a main line extension shall advance the Utility the cost-based amount necessary to extend the main line to provide service. For a period of five years after construction of the requested main line extension, the Utility shall also collect from any additional applicants whose connect to the main line extension an amount per foot equal to the new

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applicant’s proportionate share of the main line extension cost for that portion used. The Utility will then refund the share differential amount to those customers who previously shared the cost of said main line extension. Refunds shall not exceed the amount originally advanced.

No part of the distribution system installed prior to the request for a main line extension shall be used to calculate any customer advance or refund.

Rule 11: Types of Use

Water service may be supplied for residential, commercial, irrigation, temporary construction, special contracts, fire prevention, and other uses. The Utility shall file separate rate schedules for each type of use and basis of supply.

Rule 12: Multiple Residences/Commercial Users

An apartment building, mobile home park, motel, trailer camp, duplex, townhouse, or any property consisting of more than one residential/commercial unit, if served through one service line, shall be considered to be equivalent to the number of dwelling units when determining the customer count.

Rule 13: Utility Access to Private Property (OAR 860-036-1370, -1500)

Customers shall provide regular access to Utility-owned service lines that may extend onto the customer’s premises for the purposes of reading meters, maintenance, inspections, or removal of Utility property at the time service is to be discontinued. Where the customer does not cooperate in providing reasonable access to the meter or to the premises, as required by law or to determine if a health or safety hazard exists, it is grounds for disconnection.

Rule 14: Restriction on Entering a Customer Residence (OAR 860-036-1330)

No Utility employee shall enter the residence of its customers without proper authorization except in an emergency when life or property is endangered.

REFUSAL OF SERVICE

Rule 15: Refusal of Service Due to Customer Accounts (OAR 860-036-1270)

The Utility may refuse to provide service if:

- A. The applicant has amounts owing under a tariff or statement of rates; or

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- B The applicant for residential service has a roommate with amounts owing under a tariff or statement of rates, and the applicant lived with the roommate at the time the amounts owing were incurred.

Exception: If the applicant for residential service was a former residential customer with amounts owing, was involuntarily disconnected for non-payment, and applies for service within 20 calendar days of the disconnection, the Utility must provide service upon receipt of one-half of the amount owed with the remainder due within 30 calendar days. If the former customer fails to pay the remaining amounts within 30 calendar days, the Utility may disconnect service after issuing a 7-calendar day disconnection notice in accordance with OAR 860-036-1510(4).

If service is disconnected, the Utility may refuse to restore service until it receives full payment of all amounts owing, including reconnection charges allowed under OAR 860-036-1580.

Service shall not be refused for matters not related to water service.

Residential service shall not be refused due to obligations connected with nonresidential service. If service is refused under this rule, the Utility shall inform the applicant or customer of the reasons for the refusal and of the Commission’s dispute resolution process.

Rule 16: Refusal of Service Due to Utility Facilities (OAR 860-036-1270)

The Utility shall not accept an application for service or materially change service to a customer if the Utility does not have adequate facilities, resources or capacity to render the service applied for, or if the desired service is of a character that is likely to unfavorably affect reasonable service to other customers.

For refusal of service under this rule, the Utility shall provide a written letter of refusal to the applicant within seven calendar days, informing applicant that the details upon which the Utility’s decision was based may be requested.

The details will include, but not be limited to:

- A. Provide the information required by OAR 860-036-1100(2);
- B. Explain the specific reasons for refusing water service;
- C. Inform the applicant of the right to request details upon which the Utility's decision was based; and
- D. Inform the applicant of the right to dispute the refusal by contacting the Consumer Services Section at the contact information provided in OAR 860-001-0020(2).

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Rule 17: Refusal of Service Due to Customer Facilities (OAR 860-036-1270)

The Utility will refuse service to an applicant whose facilities do not comply with applicable plumbing codes or, if in the best judgment of the Utility, are of such a character that safe and satisfactory service cannot be given.

If service is refused under this rule, the Utility will provide written notification to the applicant within seven calendar days stating the reason(s) for refusal and providing information regarding the Commission’s complaint process.

METERS

Rule 18: Utility Meters (OAR 860-036-1350)

The Utility purchases, owns, maintains, and operates all meters. Meters placed in service will be adequate in size and design for the type of service, set at convenient locations, accessible to the Utility, subject to the Utility’s control, and placed in a meter box or vault between the street curb and property line. Each meter box or vault will be provided with a suitable cover.

Where additional meters are installed by the Utility or relocated for the convenience of the customer, the actual cost incurred for any meter relocation requested by the customer will be assessed.

The Utility shall have the right to set meters or other devices for the detection and prevention of fraud or waste without notice to the customer.

Each customer shall provide the Utility with regular access to the meter on the customer’s property. For example, access is not provided if a meter is blocked by barriers including vehicles, fences, rocks, bushes, trees or other objects. Failure to permit access at reasonable times and after reasonable notice by the Utility requesting access is grounds for disconnection. (OAR 860-036-1500). In general, 24” is considered sufficient clearance from obstacles to allow meter access.

Should damage result to the meter from molesting, tampering, or willful neglect on the part of the customer, the Utility shall repair or replace the meter and may bill the customer for the reasonable cost.

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Rule 19: Meter Testing (OAR 860-036-1350)

The meter will be tested prior to or within 30 days of installation to determine it is accurate to register not more than two percent error. No meter will be allowed to remain in service if it registers an error in excess of two percent (fast or slow) under normal operating conditions. The Utility will maintain a record of all meter tests and results. Meter test result records will include:

- A. Meter identification number and location;
- B. Reason for making the test;
- C. Method of testing;
- D. The beginning and ending meter readings;
- E. Test results and conclusion; and
- F. All data taken at the time of the test.

Rule 20: Customer-Requested Meter Test (OAR 860-036-1360)

A customer may request that the Utility test the service meter once every 12 months at no cost. Such test shall be made within seven calendar days of the receipt of the request unless the customer fails to provide the Utility reasonable access to the meter. The customer or the customer’s representative has the right to be present during the test, which is to be scheduled at a mutually agreeable time. Within seven calendar days of performing the requested meter test, report shall be provided to the customer stating:

- A. The name of the customer requesting the test and the service address where the meter was tested;
- B. The date the meter test was requested and the date the meter test was performed;
- C. The name of the person performing the test;
- D. The meter identification number and location;
- E. The beginning and ending meter readings; and
- F. The actual test results and conclusion.

If a customer requests a meter test more often than once in any 12-month period, and the test results indicate that the meter is registering within the two percent performance standard, the customer may be assessed a reasonable charge for the test if the charge is included in the Miscellaneous Service Charges Schedule. If the meter registers outside the two percent performance standard, the Utility may not charge the customer for the meter test.

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BILLING

Rule 21: Billing Information and Late-Payment Charge (OAR 860-036 1100(2), 1400, and 1430)

All bills, including closing bills, are due and payable at the Utility office within at least 15 days when rendered by deposit in the mail or other reasonable means of delivery, unless otherwise specified on the bill. The date of presentation is the date on which the Utility mails the bill.

As near as practical, meters shall be read **(check one)** monthly, bimonthly, or quarterly on the corresponding day of each meter reading or billing period. The bill will be rendered immediately thereafter. The Utility will provide its customers with timely billings every month or as indicated in its tariffs or statement of rates.

All water service bills will show:

- A. Separate line items for past due balance, payments and credits, new charges, late fees, and total account balance;
- B. The date new charges are due;
- C. Calculation of new charges including base or flat rate, usage billing tiers and rates, beginning and ending meter readings, the dates the meter was read, rate schedule, billing period, and number of days in the billing period;
- D. The date any late payment charge was applied and an explanation of the terms of the late payment charge; and
- E. Any other information necessary for the computation of the bill.

A late-payment charge may be assessed against any account that has an unpaid balance when the next bill is being prepared. The charge will be computed on the delinquent balance owing at the time of preparing the subsequent month’s bill at the late-payment rate specified in the Miscellaneous Service Charges Schedule. The late-payment rate is determined annually by the Commission, and the Utility will be notified of the rate.

If an account is permitted to become delinquent, the Utility may disconnect water service by giving proper notice to the customer as provided in Rules 28 & 29, prior to or after the Utility assesses the late payment charge.

Rule 22: Returned Payment Charge

The Returned Payment Charge listed on the Miscellaneous Service Charges Schedule shall be billed for each occasion a customer submits any type of noncash payment (check, debit, electronic, etc.) that is not honored, for any reason, by a bank or other financial institution.

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Rule 22A: Master Meter with Memo Bill

A customer under special agreement with the Utility may be metered with a master meter. The master meter customer will be responsible for total payment of the master meter water bill.

The Utility will read the sub-meters and send memo bills to the master meter customer and sub-metered tenants. Memo bills are not official bills from the Utility. A memo bill shows the sub-metered tenants' individual water consumption and the Utility's applicable rate for use by the master meter customer when collecting payments from sub-metered tenants.

The total aggregate monthly base charges of all sub-metered accounts shall not exceed the total aggregate monthly base charge of the master meter serving sub metered accounts. There will be a monthly charge for readying and preparing a memo bill for each sub-meter as indicated in Schedule No. 4, Miscellaneous Service Charges. This monthly charge will be the responsibility of the master meter customer.

Rule 23: Prorating of Bills

Initial and final bills will be prorated according to the number of days service was rendered and on the basis of a 31-day month. For metered services, a reasonable effort will be made to read the meter upon opening and closing a customer's account. Consumption will be charged at scheduled rates. Any minimum monthly charge will be prorated.

Rule 24: Adjustment of Bills (OAR 860-036-1440)

When an overbilling occurs, the Utility will refund or credit amounts incorrectly collected. No refund or credit will be issued for incorrect billings which occurred more than three years before the incorrect billing was discovered.

When an underbilling occurs, the Utility will issue a bill to collect amounts owing for the 12-month period ending on the date on which the water utility issued the last incorrect bill. When such under collected amounts are billed to customers, the Utility will provide written notice to the customer detailing:

- A. The circumstances and time period of the billing error;
- B. The corrected bill amount and the amount of the necessary adjustment;
- C. The Commission's consumer complaint process; and

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- D. The right for a current or former customer to enter into a time-payment agreement with the Utility.

The Utility will not bill for services provided more than two years before the underbilling was discovered. No billing adjustment will be required if a meter registers less than two percent error under conditions of normal operation. The Utility may waive rebilling or issuing a refund check when the costs make such action uneconomical.

Rule 25: Transfer Billings (OAR 860-036-1450)

If the Utility determines that a customer owes an amount from a closed account the customer previously held with the Utility, the Utility may transfer the closed account balance to the customer's current account.

The Utility will give the customer prior notice of the transfer, including:

- A. The amount due under the prior account; and
- B. The period when the balance was incurred; and
- C. The service address under which the bill was incurred.

If the customer has an amount remaining on an existing time-payment agreement, the customer may enter into a new time-payment agreement to include the transfer. The Utility will not transfer a balance owing on a non-residential account to a residential account.

This rule also applies to customers who change service locations, and who applied for the new service within 20 days of closing the prior account (thereby retaining customer status).

DISCONNECTION OF WATER SERVICE

Rule 26: Voluntary Discontinuance (OAR 860-036-1560)

A customer requesting disconnection of service must provide the Utility with at least seven calendar days' advance notice. The customer is responsible for all service provided for seven calendar days following the request for disconnection or until service is disconnected, whichever comes first; or if the customer identified a specific date for disconnection in excess of seven calendar days, the customer is responsible for service rendered up to and including the requested date of disconnection.

Rates are based on continuous service. Disconnect and reconnect transactions do not relieve a customer from the obligation to pay the base rate or minimum charge that accumulates during

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the period of time the service is voluntarily disconnected for up to 12 months. Should the customer wish to recommence service within 12 months at the same premise, the customer will be required to pay the accumulated minimum monthly charge or base rate as if service had been continuous. The reconnection charge listed on the Miscellaneous Service Charges Schedule will be applicable at the time of reconnection.

Nothing in this rule prevents the Utility from temporarily interrupting service to protect the health and safety of its customers or to maintain the integrity of its system.

Rule 27: Emergency Disconnection (OAR 860-036-1630)

The Utility may terminate service in emergencies when life or property is endangered without following the procedures set forth in OAR 860-036-1630. Immediately thereafter, the Utility will notify the customer and the Commission. When the emergency termination was through no fault of the customer, the Utility shall not charge the customer for disconnection or restoration of service.

Rule 28: Disconnection of Water Service Charge for Cause (OAR 860-036-1500, -1510, -1520, -1530, and 1550)

The Utility may disconnect service when:

- A. A customer fails to pay charges due for services rendered under a water utility tariff or statement of rates;
- B. A customer fails to pay a deposit, fails to timely provide a surety under OAR 860 036-1230 or comply with its terms, or fails to comply with the terms of a deposit installment agreement under OAR 860-036-1240;
- C. A customer fails to comply by the terms of a payment agreement under OAR 860 036-1240(3) or 860-036-1420;
- D. A customer provides false identification to establish or to continue service;
- E. A customer has facilities that do not comply with the applicable codes, rules, regulations, or the best practices governing safe and adequate water service, including compliance with the water utility's Cross Connection Control Program;
- F. A customer fails to provide reasonable access to the meter or premises;
- G. A customer tampers with water utility facilities or engages in theft of service or unauthorized use of water;
- H. A customer fails to comply with water restriction requirements under OAR 860-036-1670;
or
- I. The Commission approves the disconnection of service.

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If the disconnection is due to failure to pay a deposit, secure a surety agreement, abide by a deposit installment agreement, abide by the terms of a payment arrangement, or due to the theft of service, tampering with utility property, diverting water, or unauthorized use of water, the Utility will provide one 7-day written disconnection notice prior to disconnection. For other disconnections, the Utility will provide two written notices in advance of disconnection: one 15-day notice and one 7-day notice.

If the disconnection is due to a customer’s failure to comply with a water use restriction imposed under OAR 860-036-1670, the utility may disconnect the customer without issuing either a 15-calendar day or 7 calendar day disconnection notice.

The notices shall include:

- A. The name, mailing address, telephone number, emergency telephone number, and email address or website of the Utility,
- B. State that the customer’s water service is subject to disconnection on or after a specific date;
- C. Provide the grounds for the proposed disconnection;
- D. State what actions the customer must take in order to avoid disconnection; and
- E. A statement that the customer may dispute the disconnection by contacting the Commission’s Consumer Services Section.

If the disconnection notice is for nonpayment, the notice shall also include:

- A. The amount the customer must pay to avoid disconnection;
- B. Provide information about the customer’s eligibility for a time-payment agreement provided in OAR 860-036-1420 for residential customers, unless the customer is being disconnected for failing to comply with an existing time-payment agreement or has engaged in theft of service, tampering with utility property, diverting water, or unauthorized use of water; and; and
- C. A statement that once service is disconnected, the water utility will reconnect service only after the customer reapplies for service and pays all applicable charges..

The 7-calendar day and 15-calendar day advance written notices of disconnection will be hand-delivered in person to the customer or adult at the premises, or sent by the US Mail to the customer’s billing address and designated representative. Mailed notices are considered served two calendar days after deposited in the US Mail, excluding Sundays and postal holidays. If the customer has requested to receive notices electronically, the Utility will provide an electronic notice in addition to the written notices.

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Within 48 hours of disconnection, the Utility will make a good-faith effort to contact the customer or an adult at the residence and provide notice of the proposed disconnection. If contact is not made, the Utility shall leave a notice in a conspicuous place at the customer’s premise informing the customer that service has been disconnected.

Disconnection of Water Service to Tenants:

- A. If a water utility's records show that a residential billing address is different from the service address, the water utility must mail a duplicate notice to the service address, unless the utility has verified that the service address is occupied by the customer.
- B. If a water utility's records show that the service location is a master-metered, multi-dwelling service address, the water utility must provide a duplicate of the 7-calendar day disconnection notice to each unit at the service address. The disconnection notice must be addressed to "Tenant." The envelope must bear a bold notice stating, "IMPORTANT NOTICE REGARDING DISCONNECTION OF WATER UTILITY SERVICE." Tenant notices may not include the dollar amount owing.
- C. The water utility must notify the Consumer Services Section at least seven calendar days before disconnecting service to a master-metered, multi-dwelling premise.

Time Payment Agreements (OAR 860-036-1420)

Customers who are notified of pending disconnection, due to reasons other than theft of service, tampering, unauthorized use of water, or failure to abide by the terms of a Time Payment Plan, may choose between two Time Payment Agreement options. The Utility will offer such customers a choice of a levelized-payment plan and an equal-pay arrearage plan. The Utility and customer may mutually agree to an alternate payment arrangement provided it be in writing and signed by all parties.

Disconnection for Failure to Comply With a Time Payment Agreement (OAR 860-036-1510(4)(b))

A time-payment agreement disconnection occurs when a customer fails to comply with the terms of a written time-payment agreement between the customer and the Utility, or the Utility permits a time-payment agreement charge to become delinquent. The Utility will give the customer a 7- day written notice before the water service may be disconnected.

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Rule 29: Disconnection, Reconnection and Field Visit Charge (OAR 860-036-1580)

Disconnection and Reconnection Charges

When service was disconnected pursuant to (OAR 860-036-1500), the Utility may charge the disconnect fee and reconnect fee stated in its tariff prior to reconnecting service.

Field Visit Charge

The Utility may assess a field visit charge whenever the Utility visits a residential service address intending to reconnect or disconnect service, but due to customer action, the Utility is unable to complete the reconnection or disconnection at the time of the visit. The field visit charge is listed in the tariff.

Rule 30: Unauthorized Restoration of Service (OAR 860-036-1590)

After the water has been disconnected or shut off at the curb stop or at the meter, if any person not authorized by the Utility should turn it on, the water service line may be disconnected as provided by OAR 860-036-1510.

Rule 31: Unauthorized Use (OAR 860-036-1590)

No person shall be allowed to make connection to the Utility mains, or to make any alteration to service connections, or to turn a curb stop off or on to any premises without written permission of the Utility. If the Utility discovers that a customer tampered with or engaged in unauthorized use of utility property facilities, the Utility shall notify the customer of the violations and may take one or more of the following actions:

- A. Repair or restore the facilities and charge the customer the costs incurred;
- B. Adjust the customer’s prior billing for loss of revenue under applicable tariffs or schedule of rates;
- C. Initiate a service disconnection as provided by OAR 860-036-1510;
- D. Require a new application for service that accurately reflects the customer’s proposed water use; and
- E. Assess a deposit for restored or continued service.

Rule 32: Interruption of Service (OAR 860-036-1630, -1640)

The Utility may perform an unscheduled interruption of service as necessary to protect the health and safety of its customers or to maintain the integrity of its system. If an unscheduled interruption of service is required, the water utility must:

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- A. Make a reasonable effort to notify the customers affected and the Consumer Services Section in advance of the interruption;
- B. Report the unscheduled interruption to the Consumer Services Section at the contact information provided in OAR 860-001-0020(2), and
- C. Restore service as soon as it is reasonably possible after resolving the issue, unless other arrangements are agreed to by the affected customers.

The Utility may schedule water service interruptions for maintenance and repairs in such a manner that reasonably minimizes customer inconvenience. The Utility will provide advance written notice to all customers affected by any scheduled service interruption, and will post the notice in the utility's office and on its website, if available. The notice will include:

- A. The name, mailing address, telephone number, emergency telephone number, and email address or website of the Utility;
- B. The date, time, and estimated duration of the scheduled interruption;
- C. The purpose of the interruption;
- D. A statement cautioning customers to avoid using water during service interruptions to prevent debris in the customers' service lines; and
- E. The contact information for the Consumer Services Section provided in OAR 860 001-0020(2).

Notices of scheduled interruptions of service must be served by a door hanger or personal delivery to an adult at the affected premises at least five calendar days in advance of the service interruption or by US Mail at least ten calendar days prior to the service interruption. In addition electronic notice must be provided to customers who requested to receive notices electronically.

Rule 33: Water Usage Restrictions (OAR 860-036-1670)

The Utility shall exercise due diligence to furnish a continuous and adequate supply of water to its customers. During times of water shortage, the Utility will equitably apportion its available water supply among its customers with regard to public health and safety. In times of water shortages, the Utility may restrict water usage after providing written notice to its customers and the Consumer Services Section. Notice will also be posted in the Utility's office and on its website, if available. The notification must state the reason and nature of the restrictions, the date restrictions will become effective, the estimated date the restrictions end, and that failure to comply with the restrictions is grounds for disconnection.

If a customer fails to comply with the water restrictions after receiving written notification, the Utility will provide a separate written warning letter to the customer including:

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- A. The date;
- B. The name, mailing address, telephone number, emergency telephone number, and email address or website of the Utility;
- C. The customer’s name, account number, mailing address, service address if different;
- D. The water use restrictions and statement of how the customer is violating those restrictions;
- E. A statement that the customer’s water service is subject to disconnection on or after a specific date;
- F. A warning to the customer that failure to immediately comply with the restrictions may result in disconnection of service; and
- G. A statement that the customer may dispute disconnection by contacting the Consumer Services Section. The notice must include the Consumer Services Section’s contact information provided in OAR 860-001-0020(2).

If a customer fails to comply with the water restrictions after receiving written notification and the warning letter, the Utility will consult with the Consumer Services Section to determine if disconnection is appropriate.

Rule 33A: Damages/Tampering

Should damage result to any of the Utility’s property from molesting or willful neglect by the customer to a meter or meter box located in the customer’s building, the Utility will repair or replace such equipment and will bill the customer for the costs incurred.

SERVICE QUALITY

Rule 34: Adequacy of Water Service (OAR 860-036-1600)

The Utility will maintain its facilities according to industry rules, regulations, and standards and in such condition to provide safe, adequate, and continuous service to its customers.

The Utility will not intentionally diminish the quality of service below the level that can reasonably be provided by its facilities.

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Rule 35: Trouble Call

The trouble-call charge listed on the Miscellaneous Service Charges Schedule may be billed whenever a customer requests that the Utility visit the customer’s premises to remedy a service problem and the problem is due to the customer’s facilities.

Rule 36: Water Purity (OAR 860-036-1610)

The Utility will provide a domestic water supply that is free from bodily injurious physical elements and disease-producing bacteria and reasonably free from elements that cause physical damage to customer property, including but not limited to pipes, valves, appliances, and personal property.

Rule 37: Water Pressure (OAR 860-036-1650)

The Utility will maintain adequate water pressure. In general, water pressure measuring between 45 and 80 pounds per square inch in the water mains is considered adequate. However, adequate pressure may vary depending on each individual water system.

The Utility may temporarily reduce or increase water pressure for fire flows, noticed repairs and maintenance, scheduled or emergency flushing, and unscheduled or emergency repairs and outages.

Rule 38: Pressure Surveys (OAR 860-036-1650)

The Utility will maintain permanent pressure recording gauges at various locations to measure the system's water pressure, and will have a portable gauge to measure water pressure in any part of the system. The Utility will maintain all pressure gauges in good operating condition, test periodically for accuracy, and recalibrate or replace when necessary.

Rule 39: Customer-Requested Pressure Test (OAR 860-036-1660)

Upon customer request, the Utility will perform a water pressure test within seven calendar days of the request. The first pressure test in any 12- month period will be at no charge. If the customer requests an additional pressure test within any 12-month period at the same premises, the Utility will assess the customer a charge in accordance with the service charges set forth in Schedule 4 of the tariff. The pressure will be measured at a point adjacent to the meter on the customer service line or other reasonable point most likely to reflect the actual service pressure.

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The Utility will provide a written report to the customer within seven calendar days of the pressure test. The report will include:

- A. The name, mailing address, telephone number, emergency telephone number, and email address or website of the Utility;
- B. The customer’s name and service address where the pressure was tested;
- C. The date the pressure test was requested and the date the pressure test was performed;
- D. The name of the company or employee performing the test;
- E. The place where the pressure was measured;
- F. The actual pressure reading; and
- G. The conclusion based on the test result.

Rule 40: Utility Line Location (One Call Program)

The Utility and its customers will comply with the requirements of OAR 952-001-0010 through and including OAR 952-001-0090 (One Call Program) regarding identification and notification of underground facilities.

Rule 41: Cross Connection/Backflow Prevention Program (OAR 860-036-1680)

All customers must comply with the Utility’s Cross Connection Control Program to protect the water system from contamination. A customer's failure to comply is grounds for disconnection under OAR 860-036-1500.

The Utility will comply with the rules and regulations for the Cross Connection/Backflow Prevention Program, as provided in ORS Chapter 333 and the Utility’s approved Backflow Prevention tariff or statement of rates.

Inspections will be made by certified personnel where there is a reasonable cause to believe that a cross connection or a potential cross connection exists on the customer’s premise.

A customer that has another water supply that cross connects with the Utility’s system or has conditions that present the possibility of contamination or pollution to the Utility’s water supply must either eliminate the cross connection or install a cross connection control device (device).

The device and its installation or the elimination of the cross connection shall be in accordance with standard practices pertaining to cross connection control approved by the Oregon Health Authority and the National Safe Drinking Water Act.

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The entire cost of the installation and equipment will be at the expense of the customer. Any corrective measure, disconnection, or change on the customer’s property shall be at the sole expense of the person in control of said property.

The Utility will regulate the location, installation and testing of all devices. The Utility will inspect the installation prior to providing water service. The annual testing of the device shall be by licensed/certified personnel. All devices in service must be tested annually.

The Utility will determine the frequency of testing based upon the severity of the hazard. Customer failure to install, maintain, and test the device as required are grounds for disconnection of water service.

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