

WILLAMETTE WATER COMPANY

"A Water Utility"

January 2, 2008

RE: Request for Interim Rate Adjustment

Dear Ms. Sloan,

Willamette Water Company requests an interim rate adjustment while the PUC is evaluating our current rate filing, and to make the interim rates effective February 1, 2008.

The rate filing shows that in our test year, the Company is spending about \$21,600 more in operating expenses than it is collecting from our current schedule of water rates. As a result, the Company is losing money each month of operation. We therefore request an immediate across the board increase of 12 percent for each of the base and commodity rates:

Meter Size or Type	Monthly Tariffs by Meter Size		Change	
	Current	Proposed	\$	%
3/4	\$23.85	\$26.71	\$2.86	12%
1	37.21	41.68	4.47	12%
1 1/2	57.23	64.10	6.87	12%
2	99.75	111.72	11.97	12%
3	214.69	240.45	25.76	12%
6	476.99	534.23	57.24	12%
8	1,001.77	1,121.98	120.21	12%
DM1	23.85	26.71	2.86	12%
DM2	37.21	41.68	4.47	12%
DM3	47.70	53.42	5.72	12%
SP1	11.57	12.96	1.39	12%
SP2	23.14	25.92	2.78	12%
H	11.57	12.96	1.39	12%
Commodity (\$/ccf)	\$1.34	\$1.50	\$0.16	12%

Note: The base and commodity rates apply equally to residential, commercial, and industrial customers.

These rate adjustments will produce approximately \$21,000 of additional revenue per year. The reasons for the continuing operating loss are threefold. Eugene Water and Electric Board has increased their rates 27 percent in the recent past which increases our cost of water that we resell to our customers. Second, one of our major industrial customers reduced production and as a result decreased its water use which accounted for about 20 percent of our total sales. Third, in

2006, our test year, the Company received over \$15,000 in non-rate revenues that will no longer be available.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Demers". The signature is written in a cursive style with a large, looping initial "J".

Jeff Demers

Secretary

Director of Operations

WILLAMETTE WATER COMPANY

"A Water Utility"

January 2, 2008

Vikie Bailey-Goggins, Administrator
Regulatory Operations Division
Public Utility Commission of Oregon
PO Box 2148
Salem, OR 97308-2148

RE: Willamette Water Company
Revised Rate Case Filing

Dear Vikie,

Attached is the revised rate case filing for Willamette Water Company. The filing is the same as the original filed on December 19, 2007, with the exception of changes on the following pages:

<u>Cover Page</u>	<u>Testimony</u>	<u>Exhibit A</u>
Brief 1	5	5
Brief 2	9	
	11	
	17	
	22	
	27	

Please let me know if you have any questions.

Sincerely,



Jeff Demers
Secretary
Director of Operations

PLEASE RETURN THIS AS PAGE 1 OF THE COMPLETED APPLICATION

PLEASE FILL IN ALL BLANKS

19 December 2007 Filing
2 January 2008 Corrections

**TO: VIKIE BAILEY-GOGGINS, ADMINISTRATOR
REGULATORY OPERATIONS DIVISION
PUBLIC UTILITY COMMISSION OF OREGON
PO BOX 2148
SALEM OR 97308-2148**

**FROM: JEFF DEMERS, SECRETARY
WILLAMETTE WATER COMPANY
25275 LOTEN WAY
VENETA, OREGON 97487**

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

In the Matter of Tariffs for Water Service)
in the State of Oregon filed by) BRIEF
Willamette Water Company)

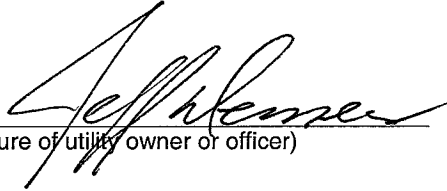
Greg Demers
(name of utility owner)

In accordance with Oregon Revised Statutes 757.205 and 757.220, herewith files tariff sheets designated as PUC Oregon No. 1, Original Tariff Sheets No. 1 through 6, to become effective for service rendered on and after March 1, 2008—60 days from the date of the filing. The purpose of this filing is to:

- 1) Establish rates resulting in total annual revenues of \$_____, or
- 2) Increase or decrease the utility's total annual revenues from \$192,726 (\$177,678 in water rate revenues) to \$214,744 (in water rate revenues), resulting in a

net increase/decrease of \$22,018, or 11.4% percent. After deducting for operating expenses, the projected revenues will produce a 10% return on a rate base of \$89,819.

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 proposed rates on the individual classes of customers for the 12-month test period ending December 31, 2006.



(signature of utility owner or officer)

January 2, 2008

(date)

Jeff Demers

(printed name of owner or officer)

Secretary

(title or position)

Willamette Water Company

(legal name of utility)

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EXHIBITS

Exhibit A	Tariffs
Exhibit B	Plant Information

ATTACHMENT

Attachment 1	PUC Order No. 07-436, PUC Approved Contracts between the Utility and Its Owners and Affiliated Interests
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UTILITY COMPANY TESTIMONY

PLEASE FILL IN ALL BLANKS

COMPANY INFORMATION

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

A.

Legal Name	Willamette Water Company		
Business Address	25275 Loten Way		
City, State, Zip	Veneta, OR 97487		
Telephone #	(541) 935-1050		
Fax #	(541) 935-1990		
Emergency Contacts			
Randy Reitz	Ravin Group	Telephone #	(541) 953-7616
Jeff Demers	Willamette Water Company	Telephone #	(541) 514-4243 (541) 484-4462

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

A.

Name	Jeff Demers
Title	Secretary
Business Address	25275 Loten Way
City, State, Zip	Veneta, OR 97487
Telephone #	(541) 935-1050

Fax #	(541) 935-1990
Email Address	jeffd@frllc.com

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

A.

Operator Name	Kevin Hunt, Ravin Group		
Address	36 Irving Rd		
City, State, Zip	Eugene, OR 97404		
Telephone #	(541) 689-3177	Email Address	kehunt@deltaesi.com
Certified Operator <input checked="" type="checkbox"/> yes <input type="checkbox"/> no	Certification Level: 1		Registration Number: 6685

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

A. The utility's accountant or bookkeeper is:

Name	Debbie Chamberlain
Address	25275 Loten Way
City, State, Zip	Veneta, OR 97487
Telephone #	(541) 935-1050
E-Mail Address	debc@frllc.com

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

A. The utility's sole owner is:

Name	Greg Demers
Address	25275 Loten Way

City, State, Zip	Veneta, OR 97487
Telephone #	(541) 935-1050

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

A.

Name	Greg Demers		
Title	President		
Address	25275 Loten Way		
City, State, Zip	Veneta, OR 97487		
Hours Worked	See Attachment 1, PUC Order No. 07-436	Annual Salary	\$ NA
Phone Number	(541) 935-1050		
E-Mail Address	gd9825@aol.com		

Name	Jeff Demers		
Title	Secretary		
Address	25275 Loten Way		
City, State, Zip	Veneta, OR 97487		
Hours Worked	See Attachment 1, PUC Order No. 07-436	Annual Salary	\$ NA
Phone Number	(541) 935-1050		
E-Mail Address	jeffd@frllc.com		

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

A. I, Jeff Demers, am Director Of Operations of Willamette Water Company and direct the daily activities of the utility. I helped prepare this rate case.

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

- A. **No**, I am not engaged in other business.
 Yes, Frontier Resources

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

- 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:

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 \$192,726.
The utility seeks a rate increase or decrease of \$22,018, or 11.4%
in current annual revenues, resulting in total annual revenues of \$214,744.

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

- A. The utility is seeking this change in rates because of increases in operating costs particularly for purchased water, loss of a large commercial customer, and changes in management and operating procedures. Also, the utility proposes to eliminate certain tariffs and to replace them with new tariffs.

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

- A. The test period the utility selected is January 1, 2006 through December 31, 2006.

13. Q. WHAT IS THE UTILITY'S AMOUNT OF RATE BASE (UTILITY PLANT MINUS ACCUMULATED DEPRECIATION AND OTHER CONTRA PLANT ACCOUNTS, PLUS WORKING CASH AND MATERIALS INVENTORY)?

- A. The utility rate base is \$89,819.

14. Q. WHAT RATE OF RETURN ON RATE BASE (INVESTMENT) IS THE UTILITY PROPOSING IN THIS RATE PROCEEDING AND WHY?

- A. The utility is seeking a 10% rate of return on the rate base because it is the current return on equity and the return needed to attract future capital investments.

GENERAL UTILITY INFORMATION

15. Q. HOW IS THE UTILITY LEGALLY ORGANIZED AND IN WHAT YEAR WAS IT ORGANIZED.

A. The water utility was legally organized on March 13, 1964, under the laws of the State of Oregon as a:

Proprietorship Partnership Corporation LLC Other

16. Q. PLEASE STATE THE YEAR THE WATER SYSTEM WAS ORIGINALLY CONSTRUCTED AND THE MONTH/YEAR IT BEGAN PROVIDING WATER SERVICE.

A. The system was originally constructed in 1972 and began providing service in 1972.

17. Q. PLEASE PROVIDE THE MONTH AND YEAR THE UTILITY WAS ACQUIRED BY ITS CURRENT OWNER(S) AND HOW IT WAS ACQUIRED.

A. In August 2006 the utility was:

Purchased Constructed Received through donation Inherited

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 **do not exist** between the utility and its owners and affiliated interests.

Yes, PUC approved contracts **do exist** between the utility and its owners and affiliated interests. See Attachment 1, PUC Order No. 07-436.

Yes, oral or written contracts **do exist, but have not been approved by PUC**, between the utility and its owners and affiliated interests. I have attached a copy of these contracts, along with a cover letter requesting approval of these contracts.

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. 03-633.
- Application has been filed and is pending.
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 has no employees.
22. **Q. PROVIDE THE FOLLOWING INFORMATION FOR ALL EMPLOYEES.**
- A. The utility currently has no employees.
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 _____ full-time and/or _____ part-time employees as described below:

24. Q. DOES THE UTILITY USE INDEPENDENT CONTRACTORS FOR LABOR, LEGAL, ACCOUNTING, MANAGEMENT, WATER TESTING, AND/OR ANY OTHER SERVICES?

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

Name of Independent Contractors	Description of Contract Services	Annual Charges
Labor – Ravin Group, Inc.	Certified Water Operator, locator, 1 st response, minor repair, water sampling	\$15,000 plus overtime & repairs
Legal – Larry O. Gildea, Attorney	Legal Counsel	\$11,000
Management – Frontier Resource	Management, accounting, utility billing & records, customer services, record-keeping	\$ 86,313

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

- A. The utility’s capital structure is:

Debt	Original Balance	Outstanding Balance	Loan Terms	Interest Rate (%)
NA	\$	\$		
Equity	\$	\$		Cost (%)
	\$ 137,115	\$ 73,920		100%
TOTALS	\$ 137,115	\$ 73,920	NA	

OPERATING REVENUES

26. Q. IN COLUMN A BELOW, PROVIDE THE UTILITY'S ACTUAL ANNUAL REVENUE FOR ITS CHOSEN TEST YEAR. IN COLUMN B BELOW, PROVIDE THE UTILITY'S PROPOSED ADJUSTMENTS (INCREASE OR DECREASE) TO COLUMN A FOR THE COMING YEAR FOR EACH APPLICABLE ACCOUNT. COLUMN C IS THE TOTAL OF COLUMNS A AND B.

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

OPERATING REVENUE

Acct No	Description	A	B	C
		2006 Test Year \$	Proposed Adjustments \$	Proposed Results (A + B = C) \$
461.1	Residential Water Sales Revenue	49,654	13,432	63,086
461.2	Commercial/Industrial Water Sales Revenue	120,620	6,084	126,704
462.1	Fire Protection Sales Revenue, Public	6,840	13,876	20,716
462.2	Fire Protection Sales Revenue, Private	564	3,674	4,238
464	Water Sales to Public Authorities			0
465	Irrigation Water Sales Revenue			0
465.1	Non-Potable Irrigation Revenue			0
466	Water Sales for Resale			0
467	Interdepartmental Sales			0
468	Special Contract/Agreement Revenues		0	0
470	Other	15,048	(15,048)	0
	TOTAL REVENUE	192,726	22,018	214,744

27. Q. PLEASE PROVIDE DETAIL FOR ALL INDIVIDUAL LINE ITEMS THAT MAKE UP THE TOTAL REVENUES 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
NA	
Total	\$ 0

OPERATING EXPENSES

28. Q. IN COLUMN A BELOW, PROVIDE THE UTILITY'S ACTUAL ANNUAL EXPENSE FOR ITS CHOSEN TEST YEAR, USING THE APPROPRIATE ACCOUNT FOR EACH EXPENSE. IN COLUMN B, PROVIDE THE UTILITY'S PROPOSED ADJUSTMENTS (INCREASE OR DECREASE) FOR THE COMING YEAR. COLUMN C IS THE TOTAL OF COLUMN A PLUS COLUMN B. COLUMN C (PROPOSED RESULTS) IS THE TOTAL FOR EACH EXPENSE THE UTILITY IS REQUESTING IN THIS APPLICATION.

A. Test period expenses, proposed expense adjustments and proposed expense results are shown below:

Acct No		A Test Year \$ (2006)	B Proposed Adjustments \$	C Proposed Results (A + B = C) \$
601	Salaries and Wages - Employees	40,038	(40,038)	0
603	Salaries and Wages - Officers	22,000	(22,000)	0
604	Employee Pensions and Benefits	6,195	(6,195)	0
610	Purchased Water	66,536	(1,884)	64,652
611	Telephone/Communications	2,648	(1,048)	1,600
615	Purchased Power			0
616	Fuel for Power Production			0
618	Chemicals	825	(825)	0
619	Office Supplies Expense	479	21	500
619.1	Postage	1409	(409)	1,000
620	Materials and Supplies - O&M	1,160		1,160
621	Repairs to Water Plant	1,554	2,446	4,000
631	Contractual Services - Engineering	18	1,482	1,500
632	Contractual Services - Accounting	7,955	(6,005)	1,950
633	Contractual Services - Legal	12,091	(1,091)	11,000
634	Contractual Services -Management	18,555	67,758	86,313
635	Contractual Services -Testing	825	(315)	510
636	Contractual Services - Labor (Raven)	458	14,542	15,000
637	Contractual Services - Billing/Collections		630	630
638	Contractual Services - Meter Reading	5,000	(5,000)	0
641	Rental of Bldg/Real Property	4,625	(4,625)	0
642	Rental of Equipment		400	400
643	Small Tools		38	38
648	Computer/Electronic Expense			0
650	Transportation Expense	1,395	(1,395)	0
656	Insurance - Vehicle			0
657	Insurance - General Liability	2,236	(241)	1,995

		A	B	C
Acct No		Test Year \$ (2006)	Proposed Adjustments \$	Proposed Results (A + B = C) \$
658	Insurance - Workman's Comp	636	(636)	0
659	Insurance - Other			0
660	Public Relations/Advertising Expense			0
666	Amortization of Rate Case Expense	520	3,870	4,390
667	Regulatory Comm. Expense (Gross Revenue Fee)	437	28	465
668	Water Resource Conservation Expense			0
670	Bad Debt Request	80	710	790
671	Cross Connection Program Expense	75		75
672	System Capacity Development Expense			0
673	Training and Certification Expense	300	248	548
674	Consumer Confidence Report		250	250
675	Miscellaneous Expense (Itemize on Separate Schedule)	531	50	582
401	TOTAL OPERATING EXPENSES	198,582	766	199,348

OTHER REVENUE DEDUCTIONS

		A	B	C
Acct No	Description	2006 Test Year \$	Proposed Adjustments \$	Proposed Results (A + B = C) \$
403	Depreciation Expense	2,523		2,523
406	Amortization of Utility Plant Acquisition Expense			0
407	Amortization Expense			0
408	Taxes Other Than Income	1,433	35	1,468
409.11	Oregon Income Tax	0	753	753
409.10	Federal Income Tax	0	1,598	1,598
409.13	Extraordinary Items Income Tax			0
434	TOTAL OTHER REVENUE DEDUCTIONS	3,956	2,386	6,342
	TOTAL REVENUE DEDUCTIONS	\$202,538	\$3,152	\$205,690

29. Q PLEASE ITEMIZE THE SEPARATE COMPONENTS OF MISCELLANEOUS EXPENSE, ACCOUNT 675, IN QUESTION 30.

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

Description of Expenses	Annual Cost
Bank Fees	\$ 161
Oregon AWWA membership	\$ 306
Oregon Association of Water Utilities	\$ 115
TOTAL	\$582

UTILITY CURRENT RATES AND SCHEDULES

30. Q. PLEASE DESCRIBE THE UTILITY'S CURRENT RATE STRUCTURES.

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

CURRENT RATES FOR RESIDENTIAL SERVICE

Line or Meter Size	Check One	Current Monthly Base	Consumption Included in Base Rate		Current Monthly Commodity/Usage Rate		
5/8" or 3/4"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$23.85	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.34 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited Up to: Above:	
1"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$37.21	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.34 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited Up to: Above:	
1 1/2"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$57.23	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.34 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited Up to: Above:	
DM1	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$ 23.85	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.34 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited Up to: Above:	

CURRENT RATES FOR COMMERCIAL SERVICE

Line or Meter Size	Check One	Current Monthly Base	Consumption Included in Base Rate		Current Monthly Commodity/Usage Rate		
5/8" or 3/4"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$ 23.85	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.34 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited Up to: Above:	
1"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$ 37.21	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.34 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited Up to: Above:	
1 1/2"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$ 57.23	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.34 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited Up to: Above:	
2"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$ 99.75	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.34 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited Up to: Above:	

Line or Meter Size	Check One	Current Monthly Base	Consumption Included in Base Rate		Current Monthly Commodity/Usage Rate	
DM1	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$ 23.85	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.34 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited Up to: Above:
DM2	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$ 37.21	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.34 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited Up to: Above:
DM3	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$ 47.70	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.34 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited Up to: Above:

CURRENT RATES FOR INDUSTRIAL SERVICE

Line or Meter Size	Check One	Current Monthly Base	Consumption Included in Base Rate		Current Monthly Commodity/Usage Rate	
¾"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$ 23.85	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.34 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited Up to: Above:
1"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$ 37.21	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.34 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited Up to: Above:
1 ½"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$ 57.23	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.34 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited Up to: Above:
3"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$ 214.69	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.34 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited Up to: Above:
6"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$ 476.99	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.34 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited Up to: Above:
8"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$ 1,001.77	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$1.34 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited Up to: Above:

CURRENT RATES FOR IRRIGATION SERVICE

Line or Meter Size	Check One	Current Monthly Base	Consumption Included in Base Rate	Current Monthly Commodity/Usage Rate
NA	<input type="checkbox"/> M <input type="checkbox"/> F	\$	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per Tier 3 - \$ Per

CURRENT RATE FOR FIRE PROTECTION OR HYDRANT SERVICE

Type of Service	# of Customers	Monthly Rate
Fire Protection (Public)	1 customer 47 hydrants	\$ 11.57
Private Fire Protection (SP1)	5	\$ 11.57
Private Fire Protection (SP2)	2	\$ 23.14

CURRENT RATE(S) FOR SPECIAL CONTRACT

Special Contract Company/Person	Monthly Rate
NA	\$

CURRENT RATE FOR OTHER SERVICE NOT COVERED ABOVE

Specify Service	Check One	Current Charges
NA	<input type="checkbox"/> M <input type="checkbox"/> F	\$

31. Q. PLEASE PROVIDE THE FOLLOWING INFORMATION FOR EACH CUSTOMER CLASS FOR THE MOST RECENT COMPLETED CALENDAR YEAR OF 2006.

A.

Customer Class	Number of Customers at Beginning of Year	Number of Customers at End of Year	Total Annual Revenues	Total Annual Consumption (ccf)	Cubic Feet or Gal
Residential	101	100	51,655	14,257	<input checked="" type="checkbox"/> CCF <input type="checkbox"/> Gal
Commercial	55	54	43,811	13,297	<input checked="" type="checkbox"/> CCF <input type="checkbox"/> Gal
Industrial	10	9	70,432	25,614	<input checked="" type="checkbox"/> CCF <input type="checkbox"/> Gal
Fire Protection (public)	1 customer 47 hydrants	1 customer 47 hydrants	\$6,525	0	<input checked="" type="checkbox"/> CCF <input type="checkbox"/> Gal
Fire Protection (private)	8	8	\$564	0	<input checked="" type="checkbox"/> CCF <input type="checkbox"/> Gal
TOTALS	175 221 ¹	172 218 ²	\$172,987	53,168	<input checked="" type="checkbox"/> CCF <input type="checkbox"/> Gal

¹ Includes the 47 fire hydrants of the Goshen Fire District.

² Includes the 47 fire hydrants of the Goshen Fire District.

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:

PROPOSED RATES FOR RESIDENTIAL SERVICE

Line or Meter Size	Check One	Proposed Monthly Base	Consumption Included in Base Rate	Proposed Monthly Commodity/Usage Rate		
5/8" or 3/4"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$28.31	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited From: Above:
1"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$45.30	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited From: Above:
1 1/2"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$67.95	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited From: Above:
DM1	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$28.31	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited From: Above:

PROPOSED RATES FOR COMMERCIAL SERVICE

Line or Meter Size	Check One	Proposed Monthly Base	Consumption Included in Base Rate	Proposed Monthly Commodity/Usage Rate		
5/8" or 3/4"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$28.31	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited From: Above:
1"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$45.30	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited From: Above:
1 1/2"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$67.95	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited From: Above:
2"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$118.91	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited From: Above:

Line or Meter Size	Check One	Proposed Monthly Base	Consumption Included in Base Rate	Proposed Monthly Commodity/Usage Rate
3"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$257.30	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal Tier 1 - \$ 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per Up to: unlimited From: Above:
4"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$356.71	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal Tier 1 - \$ 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per Up to: unlimited From: Above:
6"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$566.20	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal Tier 1 - \$ 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per Up to: unlimited From: Above:
8"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$1,191.86	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal Tier 1 - \$ 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per Up to: unlimited From: Above:
DM1	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$28.31	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal Tier 1 - \$ 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per Up to: unlimited From: Above:
DM2	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$45.30	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal Tier 1 - \$ 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per Up to: unlimited From: Above:
DM3	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$56.62	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal Tier 1 - \$ 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per Up to: unlimited From: Above:

PROPOSED RATES FOR INDUSTRIAL SERVICE

Line or Meter Size	Check One	Proposed Monthly Base	Consumption Included in Base Rate	Proposed Monthly Commodity/Usage Rate
5/8" or 3/4"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$28.31	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal Tier 1 - \$ 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per Up to: unlimited From: Above:
1"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$45.30	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal Tier 1 - \$ 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per Up to: unlimited From: Above:
1 1/2"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$67.95	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal Tier 1 - \$ 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per Up to: unlimited From: Above:
2"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$118.91	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal Tier 1 - \$ 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per Up to: unlimited From: Above:

Line or Meter Size	Check One	Proposed Monthly Base	Consumption Included in Base Rate	Proposed Monthly Commodity/Usage Rate		
3"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$257.30	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited From: Above:
4"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$356.71	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited From: Above:
6"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$566.20	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited From: Above:
8"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$1,191.86	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited From: Above:
DM1	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$28.31	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited From: Above:
DM2	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$45.30	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited From: Above:
DM3	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$56.62	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ 1.88 Per ccf Tier 2 - \$ Per Tier 3 - \$ Per	Up to: unlimited From: Above:

PROPOSED RATES FOR IRRIGATION SERVICE

Line or Meter Size	Check One	Proposed Monthly Base	Consumption Included in Base Rate	Proposed Monthly Commodity/Usage Rate		
NA	<input type="checkbox"/> M <input type="checkbox"/> F	\$	0	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per Tier 3 - \$ Per	

PROPOSED RATES FOR FIRE PROTECTION OR HYDRANT SERVICE

Type of Service	# of Customers / Hydrants	Proposed Monthly Rate
Fire Protection (Public)		
Flat Fee per Hydrant	1 customer 47 hydrants	\$36.73 per hydrant

Fire Protection (Private)		
FL4	5 customers	\$36.73
FL6	3 customers	\$56.50
FL8	0 customers	\$118.65

PROPOSED RATES FOR SPECIAL CONTRACTS

Special Contract	Proposed Monthly Rate	Proposed Annual Revenue
NA	\$	\$

PROPOSED RATE FOR OTHER SERVICE NOT COVERED ABOVE

Specify Service	Check One	Estimated Annual Consumption	Proposed Monthly Rate	Proposed Annual Revenue
NA	<input type="checkbox"/> M <input type="checkbox"/> F	<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$	\$

33. Q. IF THE UTILITY'S RATE PROPOSAL WERE ADOPTED, PLEASE SHOW THE FOLLOWING INFORMATION FOR EACH CUSTOMER CLASS AT THE SPECIFIED METER OR LINE SIZE.

A. 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	Proposed Number of Customers	Proposed Average Monthly Bill	Proposed Average Monthly Consumption (ccf)	Proposed Total Annual Revenue
Residential 5/8" or 3/4"	87	\$46.27	9.55	\$48,309
Residential 1"	9	\$98.38	28.23	\$10,625
Residential 1 1/2"	1	\$261.12	102.75	\$3,133
Residential DM1	3	\$28.31	0	\$1,019
Commercial 5/8" or 3/4"	21	\$58.28	15	\$14,686
Commercial 1"	19	\$80.51	19	\$18,356
Commercial 1 1/2"	6	\$181.38	60	\$13,059

Customer Class	Proposed Number of Customers	Proposed Average Monthly Bill	Proposed Average Monthly Consumption (ccf)	Proposed Total Annual Revenue
Commercial 2 "	3	\$194.84	40	\$7,014
Commercial DM1	3	\$28.31	0	\$1,019
Commercial DM2	1	\$45.30	0	\$544
Commercial DM3	1	\$56.62	0	\$679
Industrial 5/8 " or 3/4 "	2	\$61.37	17.58	\$1,473
Industrial 1 1/2 "	1	\$133.91	35.08	\$1,607
Industrial 3 "	1	\$1,038.75	415.67	\$12,465
Industrial 6 "	5	\$930.04	193.53	\$55,803
Fire Protection (public)	1 customer 47 hydrants	\$36.73	0	\$20,716
FL4	5	\$36.73	0	\$2,204
FL6	3	\$56.50	0	\$2,034
TOTALS	172			\$214,744

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:

Acct No	Account Description	Capital Improvement/Plant Description	Date Purchased/Constructed	Cost (including labor)	In Service Date
331	Transmission / Distribution Mains	Mainline	2003	\$2,589	2003
331	Transmission / Distribution Mains	Mainline Repair	2007	\$8,148	2007
334	Meters / Meter Installation	Meters	2003	\$1,051	2003
334	Meters / Meter Installation	Meters	2003	\$ 218	2003
334	Meters	Replacement	2003	\$ 1,750	2003
334	Meters	Replacement	2006	\$ 250	2006
334	Meters	Portable hydrant for temporary hydrant	2007	\$ 803	2007
335	Hydrant	New	2003	\$ 434	2003
339	Other Plant	Water Loss—Weyco	2007	\$ 1,400	2007
340	Office Furniture / Equipment	El Dorado Billing Software	2007	\$ 1,393	2007
344	Laboratory Equipment	Testing Equipment	2007	\$ 357	2007
	TOTAL			\$ 18,393	

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 six months.

Acct No	Account Description	Future Plant Description	Estimated Cost (including labor)	Estimated Date in Service
NA				

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. PLEASE PROVIDE THE FOLLOWING INFORMATION ON UTILITY PLANT IN SERVICE.

- A. See Exhibit B, Plant Information.

Acct No	Water Utility Plant Accounts	In Service Date	Original Cost
301	Organization		\$
302	Franchises		\$
303	Land & Land Rights		\$
304	Structures & Improvements		\$
305	Collecting/Impounding/Reservoirs		\$
306	Lake, River & Other Intakes		\$
307	Wells & Spring		\$
308	Infiltration Galleries & Tunnels		\$
309	Supply Mains		\$

Acct No	Water Utility Plant Accounts	In Service Date	Original Cost
310	Power Generation Equipment		\$
311	Pumping Equipment		\$
320	Water Treatment Equipment		\$
330	Distribution/Reservoirs/Standpipes		\$
331	Transmission & Distribution Mains		\$
333	Services		\$
334	Meters & Meter Installation		\$
335	Hydrants		\$
336	Cross Connection Control (Utility Owned)		\$
339	Miscellaneous Plant & Equipment		\$
340	Office Furniture & Equipment		\$
341	Transportation Equipment		\$
343	Tools, Shop & Garage Equipment		\$
344	Laboratory Equipment		\$
345	Power Operated Equipment		\$
346	Communication Equipment		\$
347	Electronic/Computer Equipment		\$
348	Miscellaneous Equipment		\$
TOTALS			\$

Utility Plant	2006 Test Year	Proposed Adjustments	Proposed Results (A + B = C)
Total Utility Plant (from above)	\$ 125,014	\$ 12,101	\$ 137,115
SUBTRACT Accumulated Depreciation of Utility Plant In Service	\$ 63,195	\$	\$ 63,195
SUBTRACT Accumulated Amortization of Utility Plant In Service	\$	\$	\$
SUBTRACT Advances For Construction	\$	\$	\$
SUB TOTAL	\$ 61,819	\$ 12,101	\$ 73,920
ADD Plant Material & Supplies Inventory	\$	\$	\$
ADD Working Cash (1/12 total operating expense)	\$ 15,899	\$	\$ 15,899
TOTALS	\$ 77,718	\$ 12,101	\$ 89,819

38. Q. DOES THE UTILITY HAVE A MASTER METER AT ITS WATER SUPPLY SOURCE? IF SO, STATE 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 45,097,000 gallons cubic feet.

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

- A. See Water Right Information shown in Plant Information, Exhibit B, of this testimony.

40. Q. PLEASE DESCRIBE THE UTILITY'S SOURCE OF WATER SUPPLY.

A. WWC purchases all of its water from the Eugene Water & Electric Board of Eugene, Oregon.

41. 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. See Pumping Information shown in Plant Information, Exhibit B, of this testimony.

42. Q. DESCRIBE THE UTILITY'S WATER STORAGE CAPACITY.

A. See Storage Tank/Reservoir Information shown in Plant Information, Exhibit B, of this testimony.

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

A. No, the utility is not proposing any changes or establishing new rules.

Yes, the utility is proposing to change its existing rules or establish new rules. They are attached to this testimony as the Rules and Regulation tariffs in Exhibit A. The following is a summary of the Utility's proposed changes:

MONTHLY BASE RATES

Meter Size	Base Rate		Proposed Increase	
	Current Rate	2008 Proposed Rate	\$	%
¾ "	23.85	28.31	4.46	19%
1 "	37.21	45.30	8.09	22%
1 ½ "	57.23	67.95	10.72	19%
2 "	99.75	118.91	19.16	19%
3 "	214.69	257.63	42.61	20%
4 "	0	356.71	356.71	NA
6 "	476.99	566.20	89.21	19%
8 "	1001.77	1,191.86	190.09	19%
DM1	23.85	28.31	4.46	19%
DM2	37.21	45.30	8.09	22%
DM3	47.70	56.62	8.92	19%
SP1	11.57	Eliminate	NA	NA
SP2	23.14	Eliminate	NA	NA
FL4	Replace SP1	36.73	NA	NA
FL6	Replace SP2	56.50	NA	NA
FL8	New	118.65	NA	NA
H	11.57	36.73	25.16	217%

COMMODOTY RATE

Rate Per ccf		Proposed Increase	
Current Rate	2008 Proposed Rate	\$	%
\$1.340	\$1.880	\$0.570	43%

SERVICE QUALITY

44. Q. PLEASE DESCRIBE THE TYPE AND NUMBER OF SERVICE PROBLEMS OR CUSTOMER COMPLAINTS THE UTILITY HAS EXPERIENCED IN THE LAST YEAR, INCLUDING BUT NOT LIMITED TO, OUTAGES, LOW PRESSURE, CUSTOMER SERVICE, AND WATER QUALITY. DESCRIBE WHAT ACTIONS, IF ANY, THE UTILITY HAS TAKEN 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:
-

45. 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:
-

46. Q. DOES THE UTILITY ROUTINELY FLUSH ITS WATER LINES?

- A. **No**, the utility does not have a regular flushing schedule.
- Yes**, the utility regularly flushes its lines every _____.

47. Q. ARE THE CUSTOMERS AWARE OF THE UTILITY ROUTINE FLUSHING SCHEDULE, DATE AND TIME?

A. NA

48. 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 47 hydrants located variable feet apart. The utility's fire insurance rating is 5.

49. Q. IS THE UTILITY CURRENT IN ALL OF THE OREGON DEPARTMENT OF HUMAN SERVICES DRINKING WATER PROGRAM REQUIREMENTS, INCLUDING BUT NOT LIMITED TO, TESTING, OPERATION, CONSTRUCTION OF THE WATER SYSTEM, MASTER PLAN, CROSS CONNECTION CONTROL POLICY, AND CONSUMER CONFIDENCE REPORTS?

A. Yes, the utility is current in all its requirements of the Oregon Department of Human Services.

No, the utility is not current with the following Oregon Department of Human Services requirements:

50. 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.

51. Q. WOULD YOU LIKE TO TESTIFY REGARDING OTHER ISSUES?

A. **No.**

Yes, I would like to testify additionally regarding the following (attach pages with additional testimony):

52. Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

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

NAMING RATES FOR

Willamette Water Company, Inc.

(name of utility)

25275 Loten Way

(address)

Veneta, OR 97487

(city, state, zip)

(541) 935-1050

(telephone number)

Serving water in the vicinity of

Goshen, Oregon

Issue Date		Effective Date	February 1, 2008
Issued By	Willamette Water Company	<i>(at least 30 days after PUC receives filing)</i>	
Signature			
Name & Title	Jeff Demers, Secretary		

ADVICE NO. _____
(PUC USE ONLY)

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Issue Date		Effective Date	February 1, 2008
Issued By	Willamette Water Company <i>(at least 30 days after PUC receives filing)</i>		
Signature			
Name & Title	Jeff Demers, Secretary		

ADVICE NO. _____
(PUC USE ONLY)

SCHEDULE NO. 1

RESIDENTIAL METERED RATES

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

Applicable: To residential customers with water meters.

Base Rate

Service Meter Size	Monthly Base Rate	Usage Allowance	Unit of Measure
5/8 " or 3/4 "	\$28.31	0	<input checked="" type="checkbox"/> cubic feet <input type="checkbox"/> gallons
1 "	\$45.30	0	<input checked="" type="checkbox"/> cubic feet <input type="checkbox"/> gallons
1 1/2 "	\$67.95	0	<input checked="" type="checkbox"/> cubic feet <input type="checkbox"/> gallons
DM1	\$28.31	0	<input checked="" type="checkbox"/> cubic feet <input type="checkbox"/> gallons

Commodity Usage Rate

Commodity Rate		Number of Units	Unit of Measure	Base Usage Allowance		Unit of Measure
\$1.88	Per	100	<input checked="" type="checkbox"/> cubic feet <input type="checkbox"/> gallons	Above	0	<input type="checkbox"/> cubic feet <input type="checkbox"/> gallons

Special Provisions:

Issue Date		Effective Date	February 1, 2008
Issued By	Willamette Water Company <i>(at least 30 days after PUC receives filing)</i>		
Signature			
Name & Title	Jeff Demers, Secretary		

ADVICE NO. _____
(PUC USE ONLY)

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 by the utility, and the charges shall be made at specified rates for the amounts so estimated, including monthly minimum meter rates.
3. Whenever an existing water meter serves more than one use, the customer will be charged one base rate for the size water meter, plus the base rate for a $\frac{5}{8}$ x $\frac{3}{4}$ inch meter for each additional use. The customer will be charged the commodity rate for all usage. No new multiple uses on a single meter shall be permitted in the future.

Issue Date		Effective Date	February 1, 2008
Issued By	Willamette Water Company <i>(at least 30 days after PUC receives filing)</i>		
Signature			
Name & Title	Jeff Demers, Secretary		

ADVICE NO. _____
(PUC USE ONLY)

SCHEDULE NO. 2

COMMERCIAL AND INDUSTRIAL METERED RATES

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

Applicable: To commercial and industrial customers with water meters.

Base Rate

Service Meter Size	Monthly Base Rate	Usage Allowance	Unit of Measure
5/8" or 3/4"	\$28.31	0	<input checked="" type="checkbox"/> cubic feet <input type="checkbox"/> gallons
1"	\$45.30	0	<input checked="" type="checkbox"/> cubic feet <input type="checkbox"/> gallons
1 1/2"	\$67.95	0	<input checked="" type="checkbox"/> cubic feet <input type="checkbox"/> gallons
2"	\$118.91	0	<input checked="" type="checkbox"/> cubic feet <input type="checkbox"/> gallons
3"	\$257.30	0	<input checked="" type="checkbox"/> cubic feet <input type="checkbox"/> gallons
4"	\$356.71	0	<input checked="" type="checkbox"/> cubic feet <input type="checkbox"/> gallons
6"	\$566.20	0	<input checked="" type="checkbox"/> cubic feet <input type="checkbox"/> gallons
8"	\$1,191.86	0	<input checked="" type="checkbox"/> cubic feet <input type="checkbox"/> gallons
DM1	\$28.31	0	<input checked="" type="checkbox"/> cubic feet <input type="checkbox"/> gallons
DM2	\$45.30	0	<input checked="" type="checkbox"/> cubic feet <input type="checkbox"/> gallons
DM3	\$56.62	0	<input checked="" type="checkbox"/> cubic feet <input type="checkbox"/> gallons

Issue Date		Effective Date	February 1, 2008
Issued By	Willamette Water Company <i>(at least 30 days after PUC receives filing)</i>		
Signature			
Name & Title	Jeff Demers, Secretary		

ADVICE NO. _____
(PUC USE ONLY)

Commodity Usage Rate

Commodity Rate		Number of Units	Unit of Measure	Base Usage Allowance		Unit of Measure
\$1.88	Per	100	<input checked="" type="checkbox"/> cubic feet <input type="checkbox"/> gallons	Above	0	<input type="checkbox"/> cubic feet <input type="checkbox"/> gallons

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 by the utility, and the charges shall be made at specified rates for the amounts so estimated, including monthly minimum meter rates.
3. Existing $\frac{5}{8}$ and $\frac{3}{4}$ inch meters will be allowed to continue in use at the Schedule 2 rates, however, the minimum size meter for all new commercial and industrial uses will be 1 inch.

Issue Date		Effective Date	February 1, 2008
Issued By	Willamette Water Company <i>(at least 30 days after PUC receives filing)</i>		
Signature			
Name & Title	Jeff Demers, Secretary		

ADVICE NO. _____
(PUC USE ONLY)

SCHEDULE NO. 3

PUBLIC FIRE PROTECTION SERVICE

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

Applicable: To fire hydrant service for public fire protection only.

Base Rate

Service Meter Size	Monthly Base Rate	Usage Allowance	Unit of Measure
Fire Hydrant 4 " or 6 "	\$36.73	0	<input type="checkbox"/> cubic feet <input type="checkbox"/> gallons

Commodity Usage Rate

Commodity Rate		Number of Units	Unit of Measure	Base Usage Allowance	Unit of Measure
\$1.88	Per	100	<input checked="" type="checkbox"/> cubic feet <input type="checkbox"/> gallons	Above	0
					<input type="checkbox"/> cubic feet <input type="checkbox"/> gallons

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 taken under this schedule is to be used only to extinguish fires and for flushing necessary to maintain fire protection equipment. The consumption may be estimated or a meter may be installed and the water use shall be billed at regular metered rates.

Issue Date		Effective Date	February 1, 2008
Issued By	Willamette Water Company <i>(at least 30 days after PUC receives filing)</i>		
Signature			
Name & Title	Jeff Demers, Secretary		

ADVICE NO. _____
(PUC USE ONLY)

SCHEDULE NO. 4

PRIVATE FIRE PROTECTION SERVICE, FLAT RATES

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

Applicable: To customers with automatic sprinkler systems, and fire hydrant service for private fire protection and located on the customer's premises.

Flat Rate

Service Line Size	Monthly Flat Rate	Consumption
4 "	\$36.73	unlimited
6 "	\$56.50	unlimited
8 "	\$118.65	unlimited

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 taken under this schedule is to be used only to extinguish fires and for flushing necessary to maintain fire protection equipment. The consumption may be estimated by the utility or a meter may be installed at the customer's expense and with the utility's preauthorization and approval of the meter to be used. The water use shall be billed at regular metered rates.
3. The minimum size fire protection meter to be billed is 4 inches. At a minimum, the customer shall install a utility approved backflow device and detection meter that is located on the customer's property at the property line, and outside of any building.

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SCHEDULE NO. 5

TEMPORARY HYDRANT METER

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

Applicable: To customers wishing to draw water temporarily from a fire hydrant for such uses as construction.

Flat Rate

Service Line Size	Monthly Flat Rate	Consumption
4 " or 6 " hydrant	\$100.00	unlimited

Commodity Usage Rate

Commodity Rate		Number of Units	Unit of Measure	Base Usage Allowance		Unit of Measure
\$1.88	Per	100	<input checked="" type="checkbox"/> cubic feet <input type="checkbox"/> gallons	Above	0	<input type="checkbox"/> cubic feet <input type="checkbox"/> gallons

Special Provisions:

1. Temporary service from a fire hydrant shall be permitted only from fire hydrants approved by the utility and only when service shall not interfere with the normal operation of the water system (such as during periods of hot dry weather with high water usage and high fire danger). Temporary service from a fire hydrant shall not be permitted in cases where it substitutes for a permanent service.
2. After an appropriate hydrant and meter configuration for the type of use permitted is determined, the Utility shall issue a hydrant permit for temporary service, not to exceed 30 days from the date of approval. Anyone using a hydrant without a permit shall be billed a

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Tampering Charge of at least \$500, plus estimated charges based on the above base rate and commodity usage rate.

3. If damage occurs to the hydrant resulting from its being used as a temporary service, the person responsible for said damage will be billed the cost of repair.

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SCHEDULE NO. 6

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.

<u>Connection Charge for New Service</u> (Rule No. 9)	
Standard 3/4-inch service	\$1,344.00 for short service, \$1,944.00 for long service, or at cost for unusual conditions
Nonstandard 3/4-inch service	At cost
Larger than 3/4-inch	\$450.00 (plus additional costs)
<u>Deposit for Service</u> (Rule No. 5)	Pursuant to OAR 860-036-0050
Pursuant to OAR 860-036-0040(2)	(as of 1/1/07 – 4%)
<u>Meter Test</u> (Rule No. 21)	
First test within 12-month period	N/C
Second test within 12-month period	\$60.00
<u>Pressure Test</u> (Rule No. 40)	
First test within 12-month period	N/C
Second test within 12-month period	\$60.00
<u>Late-Payment Charge</u> (Rule No. 22)	
Charged on amounts more than 30 days past due	Pursuant to OAR 860-036-0130 (as of 1/1/07 – 1.7%)
<u>Returned-Check Charge</u> (Rule No. 23)	\$60.00
<u>Trouble-Call Charge</u> (Rule No. 36)	
During normal office hours	\$60.00
After normal office hours on special request	\$80.00
<u>Disconnect Visit Charge</u> (Rule No. 29)	\$60.00

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<u>Reconnect Charge</u> (Rule No. 29)	
During normal office hours	\$60.00
After normal office hours on special request	\$80.00
<u>Unauthorized Restoration of Service</u> (Rule No. 30)	Reconnection charge plus costs
<u>Damage/Tampering Charge</u> (Rule No. 34)	At cost

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RULES AND REGULATIONS

Rule 1: Jurisdiction of the Commission

The Rules and Regulations herein shall be subject to the rules and regulations of the Public Utility Commission of Oregon.

Rule 2: Definitions

- A. "Utility" shall mean Willamette Water Company.
- B. "Applicant" shall mean any person, business, or organization that applies for service or reapplies for service at a new existing location after service has been discontinued, except as noted in the definition of "Customer."
- C. "Commission" shall mean the Public Utility Commission of Oregon.
- D. "Customer" shall mean any person, business, or organization who has applied for, been accepted to receive, or is currently receiving service. A customer who voluntarily discontinues service at the same or different premises within 20 (twenty) days after discontinuance retains customer status.
- E. "Residential customer premises" shall mean any dwelling and its land including, but not limited to, a house, apartment, condominium, townhouse, cottage, cabin, mobile home, or trailer house.
- F. "Commercial customer premises" shall mean any premises at which a customer carries on any major activity of gaining a livelihood or performing a public service. Such activity may be of a business, industrial, professional, or public nature.
- G. "Main" shall mean the pipe laid in the street, alley, or other right-of-way for the distribution of water to customers. It shall not include service lines.
- H. "Service connection" shall mean the pipe, stops, fittings, meter, and meter box laid from the main to the property line of the premises served.
- I. "Customer line" shall mean the pipe, stops, and fittings leading from the property line to the premises served.

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J. "Point of Delivery" is the property line or the outlet swivel/union of the meter defining where the service connection stops and the customer line starts.

APPLICATION FOR SERVICE

Rule 3: Customer/Applicant Information (OAR 860-036-0015)

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

- A. Instructions on how to read meters, either in writing or by explanation;
- B. Application and contract forms;
- C. Utility rules and regulations;
- D. Commission rules and regulations;
- E. Approved tariffs;
- F. Rights and Responsibilities Summary for Oregon Utility Consumers;
- G. Notices in foreign languages, if applicable;
- H. The utility's business address, telephone number, and emergency telephone number; and
- I. Notices approved by the Commission.

Rule 4: Application for Service (OAR 860-036-0035)

Application for water service must be made for each individual service. The application shall identify the applicant, the premises to be served, the billing address if different, the type of use to which the water is to be put, and an agreement to conform to the Rules and Regulations of the utility as a condition for receiving such service. The applicant shall, at this time, pay any scheduled fees or deposits. An application is a request for water utility service and shall not be accepted until the applicant establishes credit as set forth in OAR 860-036-0040.

An application for water service must be made where:

- A. An applicant who has not previously been served by the water utility requests service;
- B. Service has been involuntarily discontinued in accordance with the utility and Commission rules, and service is sought;

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- 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 identity of a customer, the type of use to which the water is put, or the number of premises served.

Rule 5: Deposit for Service (OAR 860-036-0040)

In accordance with the Commission's rules for credit establishment and deposit waiver, an applicant or a customer may be required to make a deposit to secure payment of bills for service. The deposit shall not exceed one-sixth (1/6) the amount of reasonable estimated billings for one year's use of service at the premises during the prior year or upon the type and size of the customer's equipment that will use the service. (OAR 860-036-0040)

The utility shall pay interest on deposits at the rate established by the Commission. After the customer has paid bills for service for 12 consecutive months without having had service discontinued for nonpayment, or 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):

- 1) issuing the customer a refund check
- 2) crediting the customer's account; however, a customer is entitled to a refund upon request pursuant to OAR 860-036-0055.

Rule 6: Customer Service Line

The customer shall own and maintain the customer service line and promptly repair all breaks and leaks. The utility shall not be responsible for any damage or poor service due to inadequacy of the customer line or any portion of the customer's plumbing. All leaks in the customer 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. The customer may install a shut-off valve on customer side of meter to allow for repairs to customer service line or interior plumbing. If the customer calls the utility to request water service shut off to allow for repairs on customer side of meter, customer shall be billed for a trouble call charge.

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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. Each single family residence shall have its own service connection to the utility's water line.

MULTI-FAMILY RESIDENTIAL CUSTOMER

The multi-family residential customer is a dwelling premise consisting of more than one residential dwelling unit with multiple dwellings in a single building, e.g., duplex, triplex, apartment building. The water utility may charge the owner of the premise a base rate for the meter size installed on the premises for the first dwelling unit and a $\frac{5}{8}$ x $\frac{3}{4}$ inch base charge per dwelling unit for all of the other dwelling units and a commodity rate for the total water consumed through a master meter.

MULTI-UNIT COMMERCIAL CUSTOMER

The water utility will charge the owner of the commercial complex a base rate for each commercial unit receiving water service. This means that the individual unit has water plumbed to the unit for purposes other than fire protection. The utility will charge the commercial complex customer a base rate for each individual unit in the complex receiving water service and a commodity rate for the water consumed for non-fire purposes.

If the unit has only fire protection (including sprinklers), but no other water service, the water utility will charge a fire protection fee. The commercial complex owner would not be charged a base rate for commercial units without water (other than fire protection) plumbed directly to the unit.

In the case of a commercial complex that has multi-buildings and multi-units in the buildings and the buildings have water service, but not all units have water service, the water utility will charge the commercial complex customer a base rate for the size meter installed for the first building or unit, plus a 1-inch base rate for each of the other individual buildings or units in the complex receiving water service, plus a commodity rate for water consumed.

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MIXED RESIDENTIAL-COMMERCIAL USE CUSTOMER

The water utility will charge a base rate for the size water meter serving the commercial use (1-inch minimum) plus a 5/8 x 3/4 inch base rate for each residential use in the same building, plus the commodity rate for water used.

Rule 8: Service Connections (OAR 860-036-0060)

The utility shall furnish and install at its own expense all necessary trenching, pipe, valves, and fittings between its main line and the customer's service line. Such installation shall be designated as the service connection. The utility shall own, operate, maintain, and replace the service connection when necessary and promptly repair all breaks and leaks. The customer shall not be responsible for any damage or poor service due to inadequacy of the service lines or any portion of the utility's plumbing.

Rule 9: Service Connection Charge

An applicant requesting permanent water service to premises not previously supplied with permanent water service by the utility shall be required to pay the service connection charge listed in the utility's Miscellaneous Service Charges Schedule. The minimum meter size for commercial or industrial use is 1 inch.

Rule 10: Main Line Extension Policy (OAR 860-036-0065)

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. The minimum mainline extension charge shall be for 100 feet.

Rule 11: Main Line Advances and Refunds Policy

Each new customer requesting a main line extension shall advance the utility the cost-base amount necessary to extend the main line to provide service.

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The utility may require advance payment for expenses to prepare design and cost estimates for property development plans, speculative main extension inquiries, or for additional design and cost estimates requested by the developer/customer. Upon completion of the design and cost estimates, if the total engineering expenses are less than charged, the overcharge shall be refunded. If the total engineering expenses are more than charged, the customer shall pay the undercharge.

The design and cost estimates shall be based on the complete and approved property development plans submitted by the developer/customer. Plans submitted shall include grade information, streets and sidewalk areas, sewer, landscaping, any available locations of other utility services, and an estimate of water service requirements, including fire flow requirements. If the developer-customer changes any plans and constructs the development in a manner other than originally stated, the developer/customer may be billed for any additional cost incurred by the utility.

The utility shall specify size, character, and location of pipes and appurtenances and all construction work shall conform to recognized standards of the water utility industry.

For a period of 2 years after construction of the requested main line extension, the utility shall also collect from any additional applicants whose service connections or service lines shall connect to said main line extension an amount per foot equal to the new 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 12: 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.

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Rule 13: Multiple Residences

An apartment building, mobile home park, motel, trailer camp, duplex, townhouse, or any other property consisting of more than one residential 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 14: Utility Access to Private Property (OAR 860-036-0120(3)(b) and OAR 860-036-0205(3))

Customers shall provide access during reasonable hours to utility-owned service lines that extend onto the premises of the customer 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. The utility may inspect all adjoining property and improvements that the customer or property owner or their associates has an interest in. This inspection will be permitted to allow the utility to determine if there is an unauthorized use of water, or if a cross connection exists.

Rule 15: Restriction on Entering a Customer Residence (OAR 860-036-0085)

No water 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 16: Refusal of Service Due to Customer Accounts (OAR 860-036-0080(1-3))

The utility may refuse to serve an applicant until receipt of full payment of overdue amounts, or other obligations related to a prior account of the applicant with the utility, when the following circumstances exist:

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- A. An overdue amount remains outstanding by a customer at the service address;
- B. The applicant resided at the service address indicated in (A) during the time the overdue charges were incurred; and
- C. The person indicated in (A) will reside at the location to be served under the new application. (OAR 860-036-0080)

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. Service shall not be refused for matters not related to water service. Residential service shall not be refused due to obligations connected with non-residential service.

Rule 17: Refusal of Service Due to Utility Facilities (OAR 860-036-0080(7))

The utility shall not accept an application for service or materially change service to a customer if the utility does not have adequate facilities or water resources 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 informing applicant that the details upon which the utility's decision was based may be requested. A copy of such notice will be sent to the Commission. The details will include, but not be limited to:

- A. Current capacity and load measured in gallons or cubic feet per minute;
- B. Current capacity and load measured in pounds per square inch;
- C. Cost to the utility for additional capacity in order to provide the additional service; and
- D. Information regarding the appeal process of the utility's refusal to provide service is available through the Commission's dispute resolution process pursuant to OAR 860-036-0025.

Rule 18: Refusal of Service Due to Customer Facilities (OAR 860-036-0080(4-6))

The utility shall refuse service to an applicant or customer 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.

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If service is refused under this rule, the utility will provide written notification to the customer within 10 working days stating the reason(s) for refusal and providing information regarding the Commission's complaint process. A copy of the notification will also be sent to the Commission.

METERS

Rule 19: Utility Meters (OAR 860-036-0105)

The utility shall own, maintain, and operate all meters. Meters placed in service shall 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 shall be provided with a suitable cover.

Where additional meters are furnished by the utility or relocated for the convenience of the customer, a reasonable charge may be made in accordance with a schedule approved by the Commission.

The water 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. Failure to permit access at reasonable times and after reasonable notice by the utility requesting access is grounds for disconnection. (OAR 860-036-0120) 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. (OAR 860-036-0105(6))

Rule 20: Meter Testing (OAR 860-036-0110)

The meter shall be tested prior to or within 30 days of installation to determine it is accurate to register not more than 2 percent error. No meter shall be allowed to remain in service if it registers an error in excess of 2 percent under normal operating conditions. The utility shall maintain a record of all meter tests and results. Meter test result records shall include:

- A. Information necessary to identify the meter;
- B. Reason for making the test;
- C. Date of test;
- D. Method of testing;

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- E. Meter readings;
- F. Test results; and
- G. Any other information required to permit convenient checking of methods employed.

Rule 21: Customer-Requested Meter Test (OAR 860-036-0115)

A customer may request that the utility test the service meter; such test shall be made within 20 working days of the receipt of such request at no cost to the customer. The customer has the right to be present during said test, which is to be scheduled at a mutually agreeable time. A written report shall be provided to the customer stating:

- A. Customer's name;
- B. Date of the customer's request;
- C. Address at which the meter has been installed;
- D. Meter identification number;
- E. Date of actual test; and
- F. Test results.

If a customer requests a meter test more often than once in any 12-month period, the deposit listed on the Miscellaneous Service Charges Schedule may be required to recover the cost of the test. If the meter is found to register more than 2 percent fast under conditions of normal operation, the utility shall refund the deposit to the customer.

BILLING

Rule 22: Billing Information/Late-Payment Charge (OAR 860-036-0120, OAR 860-036-0125 and OAR 860-036-0130)

Bills are due and payable when rendered by deposit in the mail or other reasonable means of delivery. As near as practical, meters shall be read at monthly intervals on the corresponding day of each meter reading or billing period. The bill shall be rendered immediately thereafter. OAR 860-036-0120(3) requires water utilities to bill at monthly intervals. A utility may request upon application special authority by the Commission to bill at intervals other than monthly.

The utility shall make reasonable efforts to prepare opening and closing bills from actual meter readings. When there is good reason for doing so, estimated bills may be submitted. Any estimated billings shall be clearly designated as such.

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The late-payment charge determined by the Commission and listed on the Miscellaneous Service Charges Schedule shall be applied to all overdue balances at the time of preparing the subsequent months' bill or balances owing that are 30 days old.

All bills become delinquent if not paid within 15 days of the date of transmittal of the bill. OAR 860-036-0125 requires a minimum of 15 days. If permitted to become delinquent, water service may be terminated after proper notice as provided in Rule 29, Reconnection Charge / Disconnection Visit Charge.

All water service bills shall show:

- A. Beginning and ending meter readings for the billing period;
- B. Beginning and ending dates of the period of service to which the bill applies;
- C. For all metered bills, beginning and ending meter readings for the period for which the bill is rendered;
- D. Number of units of service supplied stated in gallons or cubic feet;
- E. Schedule number under which the bill was computed;
- F. Delinquent date of the bill;
- G. Total amount due; and
- H. Any other information necessary for the computation of the bill.

Rule 23: Returned-Check Charge

The returned-check charge listed on the Miscellaneous Service Charges Schedule shall be billed for each occasion a customer submits a check for payment that is not honored, for any reason, by a bank or other financial institution.

Rule 24: 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 30-day month. For metered services, the meter will be read upon opening and closing a customer's account. Consumption will be charged at scheduled rates. Any minimum monthly charge will be prorated.

Rule 25: Adjustment of Bills (860-036-0135)

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When an under billing or overbilling occurs, the utility shall provide written notice to the customer detailing the circumstances, period of time, and the amount of the adjustment. If it can be shown that the error was due to an identifiable cause, the date of which can be fixed, the overcharge or undercharge shall be computed back to such date. If no date can be fixed, the utility shall refund the overcharge or re-bill the undercharge for no more than 6 months' usage. In no event shall an overbilling or under billing be for more than three years' usage. No billing adjustment shall be required if a meter registers less than 2 percent error under conditions of normal operation.

When a customer is required to repay an under billing, the customer shall be entitled to enter into a time-payment agreement without regard to whether the customer already participates in such an agreement. If the customer and the utility cannot agree upon payment terms, the Commission shall establish terms and conditions to govern the repayment obligation. The utility shall provide written notice advising the customer of the opportunity to enter into a time-payment agreement and of the Commission's complaint process.

DISCONNECTION OF WATER SERVICE

Rule 26: Voluntary Discontinuance (OAR 860-036-0210)

Except for emergencies, customers who (for any reason) wish to have service discontinued shall provide the utility with at least 5 days' advance notice of the requested date of discontinuance of service. Until the utility receives such notice, the customer shall be held responsible for all service rendered. Should the customer wish to recommence service within 12 months at the same premises, the customer will be required to pay the customary minimum monthly charge as if service had been continuous. The reconnection charge listed on the Miscellaneous Service Charges Schedule will be applicable at the time of reconnection.

If the service has been voluntarily disconnected for a period of 15 months or more, the utility may choose to remove the meter service. Before meter service is removed, the customer shall be notified that the customer may choose to recommence service or have the meter removed. If the meter is removed, a new meter installation charge must be paid to have the meter re-installed and service recommenced.

Rule 27: Emergency Disconnection (OAR 860-036-0215)

The utility may terminate service in emergencies when life or property is endangered without following the procedures set forth in OAR 860-036-0245. Immediately thereafter, the utility will

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notify the customer and the Commission. When the emergency termination was through no fault of the customer, there shall be no charge made for restoration of service.

Rule 28: Disconnection of Water Service Charge for Cause (OAR 860-036-0205 and 0245)

When a customer fails to comply with the utility's rules and regulations, or permits a bill or charge for regulated services to become delinquent (except for nonpayment of a time-payment agreement*), the utility shall give at least five days' written notice before water may be shut off. The notice shall state:

- A. The reason(s) for the proposed disconnection;
- B. The earliest date for disconnection;
- C. The amount to be paid to avoid disconnection;
- D. An explanation of the time-payment provision of OAR 860-036-0125;
- E. Information regarding the Commission's dispute resolution process; and
- F. The Commission's Consumer Services toll-free number, 1-800-522-2404.

Prior to disconnection on the day that the water utility expects to disconnect service, the utility must make a good-faith effort to physically contact the customer to be disconnected or an adult at the customer's premise to be disconnected to advise the customer or adult 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 or is about to be disconnected. The utility shall document its efforts to provide notice and make that documentation available to the customer upon request.

Service shall not be shut off for non-emergencies on a Friday or the day of a state- or utility-recognized holiday or the day prior to such holiday. (OAR 860-036-0220)

The utility shall not disconnect residential service due to the failure to pay or meet obligations associated with nonresidential service. (OAR 860-036-0225)

A water utility may not disconnect residential service for non-payment if a customer enters into a written time-payment plan. The utility will offer such customers a choice of payment agreements between a levelized-payment plan and an equal-pay arrearage plan or some other mutually agreeable alternate payment arrangement agreed to in writing. (OAR 860-036-0125)

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*When a customer fails to comply with the terms of a written time-payment agreement between the customer, and/or the utility permits a time-payment agreement charge to become delinquent, the utility shall give at least 15 days' written notice before the water may be shut off.

Rule 29: Reconnection Charge / Disconnection Visit Charge (OAR 860-036-0080 and 0245(7))

Service shall not be restored until the utility's rules and regulations are complied with and/or payment is made in the amount overdue and any additional disconnection, reconnection, or disconnection visit charges incurred as listed on the Miscellaneous Service Charges Schedule are paid.

Rule 30: Unauthorized Restoration of Service

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 without notice. Service shall not be reconnected until all arrearages, all cost-of-service disconnection and reconnection, and the reconnection charge listed on the Miscellaneous Service Charges Schedule are paid in full.

Rule 31: Unauthorized Use

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. Meter tampering, diverting service, or any other unauthorized use of service will automatically cause a disconnection of the water service and meter removal. All fees, costs of disconnection and reconnection, past-due billings, and service charges listed on the Miscellaneous Service Charges Schedule must be paid in full before any service is restored. An advance deposit for restoration of service may be required.

Rule 32: Interruption of Service (OAR 860-036-0075)

The utility shall have the right to shut off the water supply temporarily for repairs and other necessary purposes. The utility shall use all reasonable and practicable measures to notify affected customers in advance of such discontinuance of service except in the case of

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emergency repairs. The utility shall not be liable for any inconvenience suffered by the customer or damage to the customer's property arising from such discontinuance of service.

The utility shall keep a record of all service interruptions affecting its whole system or a major section thereof, including the time and date of interruption, duration, and cause or purpose of interruption.

Rule 33: Water Supply/Usage Restrictions (OAR 860-036-0325)

The utility shall exercise due diligence to furnish a continuous and adequate supply of water to its customers. If water restrictions are necessary to equitably apportion its available water supply among its customers with due regard to public health and safety, the utility shall provide written notification to its customers and the Commission including:

- A. Reason for the restriction;
- B. Nature and extent of the restriction;
- C. Effective date of the restriction; and
- D. Probable date of termination of such restriction.

Rule 34: 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 35: System Maintenance (OAR 860-036-0305)

The utility shall have and maintain its entire plant, distribution system, and hydrants in such condition that it will furnish safe, adequate, and reasonable continuous service. The utility shall inspect its facilities in such manner and with such frequency as may be necessary to ensure a reasonably complete knowledge of its condition and adequacy at all times. The utility shall keep such records of all routine maintenance as considered necessary for the proper maintenance of its system, including regular flushing schedules, exercising of valves, and valve inspections.

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Rule 36: 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 37: Water Purity (OAR 860-036-0310)

The utility shall deliver water for domestic purposes free from bodily injurious physical elements and disease-producing bacteria and shall cause such tests to be made and precautions taken as will ensure the constant purity of its supply. A record of all such tests and reports shall be kept.

The utility shall keep a record of all water quality tests, results, monitoring, and reports.

The utility shall deliver domestic water that is reasonably free from elements that cause physical damage to customer property such as pipes, valves, appliances, and personal property. A water supply that causes such damage will be remedied until the conditions are such as to not reasonably justify the necessary investment.

Rule 38: Water Pressure (OAR 860-036-0315)

The utility shall maintain pressure at a minimum of 20 pounds per square inch (psi) for health reasons to each customer at all times and not exceed a maximum of 125 psi.

Rule 39: Pressure Surveys (OAR 860-036-0320)

The utility shall have a permanently placed pressure gauge located on a main that is representative of the system's pressure. A portable gauge in good working condition shall be available for checking pressure conditions in any part of the distribution area.

Rule 40: Customer-Requested Pressure Test (OAR 860-036-0320)

Upon customer request, the utility will perform a water pressure test within 20 working days of the request at no cost to the customer. If the customer requests more than one pressure test within any 12-month period, a deposit to recover the reasonable cost of the additional test may be required of the customer. The deposit shall be returned if the pressure test indicates less

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than 20 psi or more than 125 psi. The customer or designated representative has the right to be present at the pressure test, and said test shall be conducted at a mutually agreeable time.

For metered service, the pressure will be tested at a point adjacent to the meter on the customer's service line. For non-metered service, the pressure will be tested at the customer's service line or hose bib or other reasonable point likely to best reflect the actual service pressure.

Rule 41: Maps/Records (OAR 860-036-0335)

The utility shall keep on file current maps and records of the entire plant showing size, location, character, and date of installation of major plant items, including shut-off valves.

Rule 42: Utility Line Location (One Call Program) (OAR 860-036-0345)

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 43: Cross Connection / Backflow Prevention Program

(Insert the utility's cross connection/backflow prevention program as required by law.)

The utility will keep on file its current cross connection control program as required by the Oregon Health Division Drinking Water Section. The utility is responsible to determine what constitutes a cross connection hazard and what type of backflow prevention assembly is required to remedy that hazard. The utility shall apply this standard to all customers nondiscriminatory. To require a customer to install and test a backflow prevention assembly, the utility must first notify the customer in writing, identifying the cross connection hazard and the type of backflow prevention assembly required. The utility shall inform the customer that he/she is entitled to choose any qualified person to install and/or test the backflow prevention assembly and must provide the customer with a current list of certified backflow prevention assembly testers in the general area. The utility (if certified) may offer its own installation and testing services to the customer; however, the utility shall inform the customer that he/she is not obligated in any way to use the utility's services. When a backflow prevention assembly is required by the utility, the customer is responsible for its installation annual testing by a certified tester. Failure to install and/or test a required backflow prevention assembly is grounds for

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disconnection. The utility shall keep a record of all backflow prevention assembly installations and tests.

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SUPPLEMENTAL PLANT INFORMATION

SOURCE OF SUPPLY OTHER THAN WELLS			
	source	source	source
Name or Identifying No.	McKenzie River		
Type of Source	Surface Water		
Treatment Type	Filtration		
Number of Intakes	1		
Fish Screening Devices			
Water Right Permit or Certification Number	Permit #S-50877		
Water Yield of Source Report Gallons Per Day (GPD)	345,600 (4 cfs)		

WELLS & WELL PUMPS						
	Well No. 1	Well No. 2	Well No. 3	Well No. 4	Well No. 5	Well No. 6
Well Name or Identifying No.	NA					
Year Constructed						
Water Right Permit or Certification Number						
Hydraulically Connected to Surface Water (Yes or No)						

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Well Depth						
Well Diameter						
Pumping Capacity – GPM						
Pump Motor – HP						
Yields of well in GPD						
Auxiliary power						
Well construction						
Casing						

Pump Type & Pump HP	Average Daily Demand	Annual Peak Demand	Maximum Pumping Capacity	Range of Pressure at Pump	Range of Pressure at Customers' Property
NA					

STORAGE TANKS/RESERVOIRS					
Name or Identifying Number	Description (i.e. steel, concrete pneumatic)	Tank Capacity	Ground or Elevated	Date Installed	Present Condition
NA					

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WATER TREATMENT FACILITIES				
Name or Identifying Number	Type	Make	Gallons per Day Capacity	Method of Measurement
NA				

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PLANT INFORMATION

Acct No.	Account Description	Date Acquired	Utility Plant Orig Cost	Less Excess Capacity Adj to Plant	Total Adj Plant	NARUC Asset Life	Annual Deprec	Final Month of Deprec	2006	Accum Depr thru 2006	Remaining Plant 2006	Depr Exp 2006	
301	Organization				0	0	0		0	0	0	0	
					0	0	0		0	0	0	0	
					0	0	0		0	0	0	0	0
					0	0	0		0	0	0	0	0
302	Franchises				0	0	0		0	0	0	0	
					0	0	0		0	0	0	0	
					0	0	0		0	0	0	0	0
					0	0	0		0	0	0	0	0
303	Land and Land Rights				0	0	0		0	0	0	0	
					0	0	0		0	0	0	0	
					0	0	0		0	0	0	0	0
					0	0	0		0	0	0	0	0
304	Structures and Improvements				0	35	0		0	0	0	0	
					0	35	0		0	0	0	0	
					0	35	0		0	0	0	0	
					0	35	0		0	0	0	0	

EXHIBIT B
PLANT INFORMATION PAGE 4

	Water Mains	Jun 1976	463		463		50	9	Jun 2026		9	266		197		9
	Water Mains	Jun 1977	1,987		1,987		50	40	Jun 2027		40	1,143		844		40
	Water Mains	Jun 1978	16,077		16,077		50	322	Jun 2028		322	8,882		7,195		322
	Water Mains	Jun 1980	1,511		1,511		50	30	Jun 2030		30	768		743		30
	Water Mains	Jun 1983	1,013		1,013		50	20	Jun 2033		20	452		561		20
	Water Mains	Jun 1984	9,009		9,009		50	180	Jun 2034		180	3,885		5,124		180
	Water Mains	Jun 1985	842		842		50	17	Jun 2035		17	350		492		17
	Water Mains	Jun 1986	4,053		4,053		50	81	Jun 2036		81	1,586		2,467		81
	Water Mains	Jun 1987	17,065		17,065		50	341	Jun 2037		341	6,337		10,728		341
	Water Mains	Jun 2000	12,994		12,994		50	260	Jun 2050		260	1,452		11,542		260
	Water Mains, McDougal	Nov 2002	2,569		2,569		50	51	Oct 2052		51	166		2,403		51
	Water Mains	Jun 2003	2,589		2,589		50	52	Jun 2053		52	134		2,455		52
	Water Mains, Weyco Line Replacement Hwy 99	May 2007	8,148		8,148		50	163	Apr 2057		0	0		8,148		0
333	Services						0	0			0	0		0		0
							30	0			0	0		0		0
							30	0			0	0		0		0
							30	0			0	0		0		0
							30	0			0	0		0		0
334	Meters															
	Meters	Jun 1985	240		240		20	12	Jun 2005		0	240		0		0
	Meters	Jun 1986	480		480		20	24	Jun 2006		10	470		10		10
	Meters	Jun 1987	3,600		3,600		20	180	Jun 2007		180	3,345		255		180
	Meters	Jun 1996	875		875		20	44	Jun 2016		44	422		453		44
	Meters	Jun 2000	875		875		20	44	Jun 2020		44	246		629		44
	Meters-Station	Jun 2003	218		218		20	11	Jun 2023		11	28		190		11
	Meters	Jul 2003	1,051		1,051		20	53	Jun 2023		53	137		914		53
	Meters, Station Construction	Dec 2003	1,750		1,750		20	88	Nov 2023		88	191		1,559		88

340	Office Furniture and Equipment	Office Equipment	Jun 1983	895	895	20	45	Jun 2003	0	895	0	0
		Billing software	Jan 2007	1,393	1,393	5	279	Dec 2011	0	0	1,393	0
						20	0		0	0	0	0
						20	0		0	0	0	
341	Transportation Equipment				0	7	0		0	0	0	0
					0	7	0		0	0	0	0
					0	7	0		0	0	0	0
					0	7	0		0	0	0	
343	Tools, Shop, and Garage Equipment				0	15	0		0	0	0	0
					0	15	0		0	0	0	0
					0	15	0		0	0	0	0
					0	15	0		0	0	0	
344	Laboratory Equipment	Testing kit	Mar 2007	357	357	5	71	Feb 2012	0	0	357	0
					0	15	0		0	0	0	0
					0	15	0		0	0	0	0
					0	15	0		0	0	0	
345	Power Operated Equipment				0	10	0		0	0	0	0
					0	10	0		0	0	0	0
					0	10	0		0	0	0	0
					0	10	0		0	0	0	

346	Communication Equipment																				
								0	10	0											
								0	10	0											
								0	10	0											
								0	10	0											
								0	10	0											
347	Electronic/Computer Equipment							0	5	0											
								0	5	0											
								0	5	0											
								0	5	0											
								0	5	0											
								0	5	0											
348	Miscellaneous Equipment																				
	Equipment - General	Jan 1994	70		70		10	7		Dec 2003	0	70		0							
	Equipment - Tapping Machine	Jan 1994	493		493		10	49		Dec 2003	0	493		0							
	Equipment Shop Moving Equipment	Jan 1994	500		500		10	50		Dec 2003	0	500		0							
		Jan 1994	10,008		10,008		10	1,001		Dec 2003	0	10,008		0							
TOTALS			137,115	0	137,115		4,675		2,523		63,195		73,920		2,523						

Total at end of 2006	125,014	125,014	3,721	2,523	63,195	61,819	2,523
Total After 2006	12,101	12,101	954	0	0	12,101	0
Totals	<u>137,115</u>	<u>137,115</u>	<u>4,675</u>	<u>2,523</u>	<u>63,195</u>	<u>73,920</u>	<u>2,523</u>

Original Plant In Service Cost	137,115
Less: Excess Capacity	0
"Used & Useful" Plant	137,115
Less Accum Depreciation	-63,195
NET PLANT	73,920