



Oregon

John A. Kitzhaber, MD. Governor

Public Utility Commission

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May 20, 2014

Via Electronic Filing and U.S. Mail

OREGON PUBLIC UTILITY COMMISSION
ATTENTION: FILING CENTER
PO BOX 1088
SALEM OR 97308-1088

**RE: Docket No. UW 158 - In the Matter of SALMON VALLEY WATER
COMPANY INC., Request for a General Rate Revision.**

Enclosed for electronic filing in the above-captioned docket is the Stipulation
between Public Utility Commission and Salmon Valley Water Company.

/s/ Kay Barnes

Kay Barnes

Filing on Behalf of Public Utility Commission Staff

(503) 378-5763

Email: kay.barnes@state.or.us

c: UW 158 Service List.

**PUBLIC UTILITY COMMISSION
OF OREGON**

UW 158

STIPULATION

**Entered into between
Public Utility Commission Staff
And
Salmon Valley Water Company**

In the Matter of

**SALMON VALLEY WATER COMPANY, INC.,
Request for a General Rate Revision.**

May 20, 2014

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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UW 158

In the Matter of)
Salmon Valley Water Company, Inc.) STIPULATION
Application for General Rate Increase)

Salmon Valley Water Company, Inc. (Salmon Valley or the Company) appearing by and through its President and Manager Michael Bowman; and the Public Utility Commission of Oregon Staff (Staff) appearing by and through its attorney, Jason W. Jones, Assistant Attorney General; hereafter collectively referred to as the Parties, enter into this Stipulation in resolution of all issues in the case.

1.

The Parties support entering into evidence, without requiring any Party to lay a foundation for its admission, this Stipulation and Attachments A (revenue requirement) and B (tariffs) to this Stipulation and Staff's written testimony and exhibits marked as Staff/100, Hari/1-25 and Staff/101, Hari/1-11.

2.

The Parties support and recommend the Commission adopt a 32.95 percent increase over 2012 test year revenues. The increase results in a total revenue requirement of \$324,748, total revenue deductions of \$300,113, and a net operating income of \$24,636. Additionally, the Parties support and recommend

1 the Commission adopt a 7.6 percent return on rate base of \$324,110. The
2 stipulated revenue requirement is included as Attachment A to this Stipulation.

3 3.

4 The Parties agree to and support the stipulated rates, fees, rules and
5 regulations contained in Attachment B to this Stipulation, Salmon Valley's tariff
6 sheets designated as PUC Oregon No. 2, Original Sheets Nos. 1 through 22.

7 4.

8 The Parties agree to and support a Nonmetered Residential Customer flat
9 rate, a Metered Residential Customer base rate, a Metered Commercial Customer
10 base rate, and a commodity rate shown in Attachment B to this Stipulation,
11 designated as PUC Oregon No. 2, Schedule Nos. 1,2,3, Original Sheet Nos. 3,4,5,
12 respectively.

13 5.

14 The Parties agree to and support Salmon Valley's Miscellaneous Services
15 Charges according to Schedule No. 4 as set forth in the tariff sheet designated
16 PUC Oregon No. 2, Original Sheet No. 6.

17 6.

18 The Parties agree to and support the following conditions:

- 19 1. Salmon Valley will file a rate case with the Commission on or before July 1,
20 2017.
- 21 2. Salmon Valley will pay all delinquent property taxes within 18 months from the
22 date of the order approving this Stipulation.

1 3. Salmon Valley will secure financing and complete construction of the damaged
2 pump house on or before June 30, 2015.

3 7.

4 The Parties agree to and support the rates being effective for service
5 rendered on and after July 1, 2014.

6 8.

7 By entering into this Stipulation, no Party shall be deemed to have
8 approved, accepted, or consented to the facts, principles, methods, or theories
9 employed by any other Party in arriving to this Stipulation.

10 9.

11 The Parties have negotiated this agreement in good faith and recommend
12 that the Commission adopt this Stipulation in its entirety. The Parties have
13 negotiated this Stipulation as an integrated document. Accordingly, if the
14 Commission rejects all or any material portion of this Stipulation, each Party
15 reserves the right, upon written notice to the Commission and all Parties to this
16 proceeding within 15 days of the date of the Commission's order, to withdraw from
17 the Stipulation and request an opportunity for the presentation of additional
18 evidence and argument.

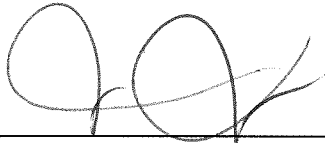
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10.

The Parties understand that this Stipulation is not binding on the Commission in ruling on this application and does not foreclose the Commission from addressing other issues.

DATED this 19th day of May 2014.

Respectfully submitted,
ELLEN ROSENBLUM
Attorney General



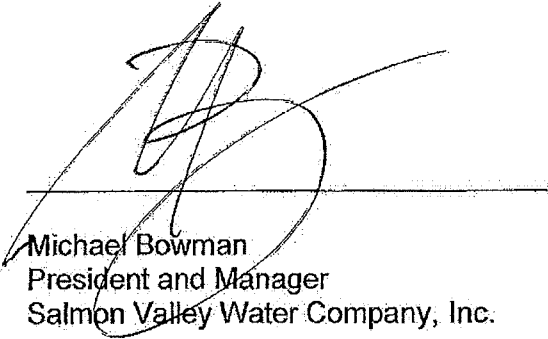
Jason W. Jones, # 00059
Assistant Attorney General
Attorney for PUC Staff

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11.

The Parties understand that this Stipulation is not binding on the Commission in ruling on this application and does not foreclose the Commission from addressing other issues.

DATED this 16 day of May 2014.



Michael Bowman
President and Manager
Salmon Valley Water Company, Inc.

Salmon Valley Water Company, Inc.
UW 158
Test Year: 2012

Company Proposed
Increase Above Test
Year Revenue 38.91%

Staff Proposed
Increase Above Test
Year Revenues 32.95%

Revenue Requirement

	A	B	C	D	E	F	G	H
	Company	Company	Company	Staff	Staff	Staff	Staff	Total
			A+B=C		C+D=E		D+F=G	C+G=H
REVENUES	Balance per Application	Proposed Company Adjustments	Proposed Company Totals	Staff Adjustments	Staff Adjusted Results	Revenue-Sensitive Adjustments	Staff Total Adjustments	Staff Proposed Results
Residential Water Sales	173,200	69,827	243,027	37,488	280,515	(5,343)	32,145	275,172
Commercial Water Sales	68,617	27,663	96,280	(44,587)	51,693	(2,117)	(46,704)	49,576
Public Fire Protection	0	0	0	0	0	0	0	0
Water Sales to Public Authorities	0	0	0	0	0	0	0	0
Irrigation -	0	0	0	0	0	0	0	0
Sales for Resale	0	0	0	0	0	0	0	0
Golf Course	0	0	0	0	0	0	0	0
Special Contracts	0	0	0	0	0	0	0	0
Misc. Revenues	2,442	(2,442)	0	0	0	0	0	0
Cross Connection Control Revenue	0	0	0	0	0	0	0	0
Other - Specify	0	0	0	0	0	0	0	0
Other - Specify	0	0	0	0	0	0	0	0
TOTAL REVENUE	244,259	95,048	339,307	(7,100)	332,207	(7,459)	(14,559)	324,748
OPERATING EXPENSES								
Salaries and Wages - Employees	61,000	1,830	62,830	4,170	67,000		4,170	67,000
Salaries and Wages - Officers	72,000	2,160	74,160	(1,160)	73,000		(1,160)	73,000
Employee Pension & Benefits	22,989	1,839	24,828	(154)	24,674		(154)	24,674
Purchased Water	0	0	0	0	0		0	0
Telephone/Communications	5,728	0	5,728	2,819	8,547		2,819	8,547
Purchased Power	16,682	834	17,516	173	17,689		173	17,689
Fuel for Power Production	0	0	0	0	0		0	0
Other Utilities	0	0	0	165	165		165	165
Chemical / Treatment Expense	979	500	1,479	(576)	903		(576)	903
Office Supplies	575	21	596	(196)	400		(196)	400
Postage	2,131	200	2,331	429	2,760		429	2,760
O&M Materials/Supplies	710	21	731	6,197	6,928		6,197	6,928
Repairs to Water Plant	5,332	2,575	7,907	(843)	7,064		(843)	7,064
Contract Svcs - Engineering	0	0	0	0	0		0	0
Contract Svcs - Accounting	8,454	1,500	9,954	(468)	9,486		(468)	9,486
Contract Svcs - Legal	0	2,500	2,500	0	2,500		0	2,500
Contract Svcs - Management Fees	0	0	0	0	0		0	0
Contract Svcs - Testing (3 yr. average)	5,137	154	5,291	(3,167)	2,124		(3,167)	2,124
Contract Svcs - Labor	0	0	0	90	90		90	90
Contract Svcs - Billing/Collection	0	0	0	915	915		915	915
Contract Svcs - Meter Reading	0	0	0	0	0		0	0
Contract Svcs - Other	0	0	0	1,392	1,392		1,392	1,392
Rental of Building/Real Property	8,844	0	8,844	(1,259)	7,585		(1,259)	7,585
Rental of Equipment	1,060	0	1,060	0	1,060		0	1,060
Small Tools	0	0	0	0	0		0	0
Computer/Electronic Expenses	0	500	500	234	734		234	734
Transportation	2,101	949	3,050	626	3,676		626	3,676
Vehicle Insurance	0	0	0	0	0		0	0
General Liability Insurance	12,121	750	12,871	(750)	12,121		(750)	12,121
Workers' Comp Insurance	726	0	726	1,536	2,262		1,536	2,262
Insurance - Other	0	0	0	750	750		750	750
Public Relations/Advertising	0	0	0	0	0		0	0
Amortz. of Rate Case (3 yrs.)	1,100	0	1,100	(733)	367		(733)	367
Gross Revenue Fee (PUC)	650	224	874	0	0	(62)	(62)	812
Water Resources Conservation	0	0	0	0	0		0	0
Bad Debt Expense	0	750	750	0	750		0	750
Cross Connection Control Program	1,358	500	1,858	(525)	1,333		(525)	1,333
System Capacity Development	0	0	0	0	0		0	0
Training and Certification	450	0	450	0	450		0	450
Consumer Confidence Report	497	0	497	0	497		0	497
Miscellaneous Expense	12,548	1,742	14,290	(14,010)	280		(14,010)	280
Other Expense 1	0	0	0	0	0		0	0
Other Expense 2	0	0	0	0	0		0	0
Other Expense 3	0	0	0	0	0		0	0
TOTAL OPERATING EXPENSE	243,172	19,549	262,721	(4,344)	257,503	(62)	(4,406)	258,315
OTHER REVENUE DEDUCTIONS								
Depreciation Expense	12,350	0	12,350	657	13,007		657	13,007
Amort of Plant Acquisition Adjustment	0	0	0	0	0		0	0
Amortization Expense	0	0	0	0	0		0	0
Property Tax	9,588	164	9,752	0	9,752		0	9,752
Payroll Tax	12,506	137	12,643	0	12,643		0	12,643
Other	500	0	500	(500)	0		(500)	0
Federal Income Tax	1,368	0	1,368	0	0	2,979	2,979	4,347
Oregon Income Tax	2,905	0	2,905	0	0	(857)	(857)	2,048
Extraordinary Items Income Tax	0	0	0	0	0		0	0
TOTAL REVENUE DEDUCTIONS	282,389	19,850	302,239	(4,187)	292,905	2,060	(2,126)	300,113
NET OPERATING INCOME	(38,130)	75,198	37,068	(2,913)	39,302	(9,519)	(12,432)	24,636
UTILITY RATE BASE								
Utility Plant in Service	873,436	0	873,436	11,450	884,886		11,450	884,886
Amortization of CIAC	0	0	0	0	0		0	0
Less:								
Depreciation Reserve	583,061	0	583,061	(826)	582,235		(826)	582,235
Contributions in Aid of Const	0	0	0	0	0		0	0
Accumulated Deferred Income Tax	0	0	0	0	0		0	0
Net Utility Plant	290,375	0	290,375	12,276	302,651	0	12,276	302,651
Plus: (working capital)								
Materials and Supplies Inventory	0	0	0	0	0		0	0
Working Cash (Total Op Exp /12)	20,264	1,629	21,893	(435)	21,459		(435)	21,459
TOTAL RATE BASE	310,639	1,629	312,268	11,841	324,110	0	11,841	324,110
Rate of Return	(0)		11.87%					7.60%

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

NAMING RATES FOR

**SALMON VALLEY WATER COMPANY, INC.
PO BOX 205
WELCHES OR 97067**

503-622-4083

Serving water in the vicinity of
Welches, Oregon

Issue Date / Filing Date		Effective for Service on or after	July 1, 2013
Issued By Utility	Salmon Valley Water Company, Inc.		

Advice No. _____
(FOR PUC USE ONLY)

Table of Contents

<u>Schedule No.</u>		<u>Page No.</u>
	Title Page	1
	Index	2
1	Residential Metered Rates	3
2	3/4" by 5/8" Commercial Metered Rates	4
3	Flat Rates	5
4	1" Commercial Metered Rates	6
5	1 1/2" Commercial Metered Rates	7
6	2" Commercial Metered Rates	8
7	Reserved for Future Use	9
8	Miscellaneous Service Charges	10
	Rules and Regulations	11

Issue Date / Filing Date		Effective for Service on or after	July 1, 2013
Issued By Utility	Salmon Valley Water Company, Inc.		

Advice No. _____
 (FOR PUC USE ONLY)

SCHEDULE NO. 1
RESIDENTIAL NONMETERED RATES

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

Applicable: To residential customers.

Residential Nonmetered Rate

CUSTOMERS	MONTHLY BASE RATE
Nonmetered Flat Rate	\$32.47

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. 28, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specified in this schedule. When setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at specified rates for the amounts so estimated.

Issue Date / Filing Date		Effective for Service on or after	July 1, 2013
Issued By Utility	Salmon Valley Water Company, Inc.		

Advice No. _____
(FOR PUC USE ONLY)

**SCHEDULE NO. 2
 RESIDENTIAL METERED RATES**

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

Applicable: To residential customers.

Base Rate

CUSTOMERS	MONTHLY BASE RATE	USAGE ALLOWANCE
5/8 by 3/4 inch	\$20.36	0
Condominium	\$20.36	0
Resort Villa	\$20.36	0

Commodity Usage Rate

COMMODITY RATE	NO. OF UNITS	MEASURING UNIT
\$1.02	Per unit	1 unit = 100 cubic feet

Special Provisions:

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 28, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specified in this schedule. When setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at specified rates for the amounts so estimated.

Issue Date / Filing Date		Effective for Service on or after	July 1, 2013
Issued By Utility	Salmon Valley Water Company, Inc.		

Advice No. _____
 (FOR PUC USE ONLY)

SCHEDULE NO. 3
COMMERCIAL METERED RATES

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

Applicable: To 5/8" by 3/4" commercial customers.

Base Rate

CUSTOMERS	MONTHLY BASE RATE	USAGE ALLOWANCE
3/4" Commercial	\$20.36	0
1" Commercial	\$35.05	0
1 1/2" Commercial	\$75.12	0
2" Commercial	\$500.77	0

Commodity Usage Rate

COMMODITY RATE	NO. OF UNITS	MEASURING UNIT
\$1.02	Per unit	1 unit = 100 cubic feet

Special Provisions:

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 28, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specified in this schedule. When setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at specified rates for the amounts so estimated.

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SCHEDULE NO. 4
MISCELLANEOUS SERVICE CHARGES

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

<u>Connection Charge for New Service</u> (Rule Nos. 8 & 9)	
Standard 3/4-inch service	At cost
Nonstandard 3/4 inch service	At cost
Larger than 3/4-inch	At cost
Irrigation hookup (if provided on separate system)	At cost
<u>Meter Test</u> (Rule No. 21)	
First test within 12-month period	N/C
Second test within 12-month period	\$25
<u>Pressure Test</u> (Rule No. 42)	
First test within 12-month period	N/C
Second test within 12-month period	\$25
<u>Late-Payment Charge</u> (Rule No. 22)	Pursuant to OAR 860-036-0130 (as of 1/1/14 – 1.8%)
<u>Interest Rate on Deposit for Service</u> (Rule No. 5)	Pursuant to OAR 860-036-0050 (as of 1/1/14 – 0.1%)
Pursuant to OAR 860-036-0040(2)	
<u>Returned-Check Charge</u> (Rule No. 23)	\$20
<u>Trouble-Call Charge</u> (Rule No. 38)	
During normal office hours	\$25 per hour
After normal office hours on special request	\$35 per hour
<u>Disconnection/Reconnect Charge</u> (Rule Nos. 30 & 31)	
During normal office hours	\$25
After normal office hours on special request	\$35
<u>Unauthorized Restoration of Service</u> (Rule No. 32)	Reconnection charge plus costs
<u>Damage/Tampering Charge</u> (Rule No. 36)	At cost
<u>Disconnect Field-Visit Charge</u> (Rule No. 31)	\$20

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Issued By Utility	Salmon Valley Water Company, Inc.		

RULES AND REGULATIONS

Rule 1: Jurisdiction of the Commission

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

Rule 2 Definitions

- A. "Utility" shall mean: **SALMON VALLEY WATER COMPANY, INC.**
- B. "Applicant" shall mean any person, business, or organization that applies for service or reapplies for service at a new or 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.
- 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.

Issue Date / Filing Date		Effective for Service on or after	July 1, 2013
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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 or statement of rates, whichever is applicable;
- 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;
- 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 service and shall not be accepted until the applicant establishes credit as set forth in OAR 860-036-0040.

An application for service must be made where:

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

Issue Date / Filing Date		Effective for Service on or after	July 1, 2013
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(FOR PUC USE ONLY)

Rule 5: Establishment of Credit and Deposits (OAR 860-036-0040, 0045, 0050, and 0055)

In accordance with the Commission's rules for credit establishment and deposits, an applicant for new service or a customer seeking continued service 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 and 0045)

The Utility shall pay interest on deposits at the rate established by the Commission. After the customer has paid its water service bills for 12 consecutive months without having had service discontinued for nonpayment, or did not have more than two occasions in which a shut-off notice was issued, and the customer is not then delinquent in the payment of bills, the Utility shall promptly and automatically refund the deposit plus accrued interest by the following method (OAR 860-036-0050 and 0055):

- 1. Issue the customer a refund check, or
- 2. Credit the customer's account. (The customer is entitled to a refund check upon request.)

Rule 6: Customer Service Line

The customer shall own and maintain the customer service line and promptly repair all breaks and leaks. For non-metered service, the customer service line begins at the property line or utility-owned shut off valve. For metered service, the customer service line begins on the customer's side of the meter or utility-owned shut off valve. The Utility shall not be responsible for any damage or poor service due to inadequacy of the customer 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.

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.

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

The service connection is that portion of the water system between the Utility's main line and the customer's property line, including all material and installation (hot tap, pipes, fittings, meter, etc.) necessary to provide water service to the customer. 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 Utility's service lines or any portion of the Utility's plumbing.

Issue Date / Filing Date		Effective for Service on or after	July 1, 2013
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- A. The Utility may pay for and install the service connection and meter and, generally all materials and labor are included in rate base; or
- B. The Utility may purchase and install the service connection and charge the customer the cost of the service connection less the cost of the meter. Generally, the cost of the meter is included in rate base; or
- C. The customer may pay for the meter and contribute or gift the meter to the Utility. Contributions of this type are generally excluded from rate base.
- D. In special cases and upon approval by the Commission, a customer may purchase and install the service connection (including meter, meter box, parts, and all excavation and plumbing) and contribute or gift the entire service connection to the Utility. Contributions of this type are generally excluded from rate base.

Rule 9: Service Connection Charge

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

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

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.

Rule 11: Main Line Advances and Refunds Policy

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

For a period of 10 years after construction of the requested main line extension, the Utility shall also collect from any additional applicants whose connect to the main line extension an amount per foot equal to the new 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.

Issue Date / Filing Date		Effective for Service on or after	July 1, 2013
Issued By Utility	Salmon Valley Water Company, Inc.		

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.

Rule 13: Multiple Residences/Commercial Users

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

Rule 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 may 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.

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:

- A. An overdue amount remains outstanding by the applicant at this or another service address; and
- 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)

Issue Date / Filing Date		Effective for Service on or after	July 1, 2013
Issued By Utility	Salmon Valley Water Company, Inc.		

Except for irrigation customers or applicants who were disconnected for theft of service, a water utility shall provide service to the irrigation customer or applicant upon receipt of payment equal to at least one-half of any overdue amount. The balance of the amount owed to the utility shall be paid within 30 days of the date service is initiated.

Service shall not be refused for matters not related to irrigation water service. Irrigation service shall not be refused due to obligations connected with nonirrigation service.

If service is refused under this rule, the Utility shall inform the applicant or customer of the reasons for the refusal and of the Commission's dispute resolution process.

Rule 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.

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.

Issue Date / Filing Date		Effective for Service on or after	July 1, 2013
Issued By Utility	Salmon Valley Water Company, Inc.		

METERS

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

The Utility shall purchase, 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(7))

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

The meter shall be tested prior to or within 30 (thirty) 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 (fast or slow) 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;
- E. Meter readings;
- F. Test results; and
- G. Any other information required to permit convenient checking of methods employed.

Issue Date / Filing Date		Effective for Service on or after	July 1, 2013
Issued By Utility	Salmon Valley Water Company, Inc.		

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 the request. The customer or the customer's representative has the right to be present during the test, which is to be scheduled at a mutually agreeable time. 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.

The first meter test in a twelve-month period is at no cost to the customer. If a customer requests a meter test more often than once in any 12-month period, the fee 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 or slow under conditions of normal operation, the Utility shall refund the fee to the customer.

BILLING

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

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

As near as practical, meters shall be read 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. However, a Utility may request, upon application, special authority from the Commission to bill at intervals other than monthly.)

The Utility will keep at least 10 years of all billings records (flat or metered rates) and three years of meter readings. The Utility shall make a reasonable effort 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. When requested, the Utility shall demonstrate to the Commission the reason for the estimated billing.

Issue Date / Filing Date		Effective for Service on or after	July 1, 2013
Issued By Utility	Salmon Valley Water Company, Inc.		

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.

All bills become delinquent if not paid within 15 days of the date the Utility mailed or delivered the bill. (OAR 860-036-0125 requires a minimum of 15 days.)

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

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

Rule 23: Returned Payment Charge

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

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 31-day month. For metered services, a reasonable effort will be made to read the meter upon opening and closing a customer's account. Consumption will be charged at scheduled rates. Any minimum monthly charge will be prorated.

Issue Date / Filing Date		Effective for Service on or after	July 1, 2013
Issued By Utility	Salmon Valley Water Company, Inc.		

Advice No. _____
(FOR PUC USE ONLY)

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

When an underbilling 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 rebill the undercharge for no more than six months' usage. In no event shall an overbilling or underbilling 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 underbilling, 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.

Rule 26: Application of Partial Payments (860-036-0140)

Partial payments or one payment for more than one type of service, absent written instructions from the customer, must be applied in the following order:

- A. Past due regulated tariffed services;
- B. Currently due regulated tariffed services;
- C. Non-regulated services.

Rule 27: Transfer Billings (860-036-0140)

If a water utility identifies a balance a customer owes from the customer's prior account for Oregon service, the water utility shall have the option to transfer the amount to the customer's current account. The water utility will give the customer prior notice of the transfer, including:

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

The utility has the option to send a separate notice to the customer giving the same information, but collecting the amount for the prior account separately from the customer's current account. If the customer has an amount remaining on an existing time-payment agreement, the customer may enter into a new time-payment agreement to include the transfer.

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

Issue Date / Filing Date		Effective for Service on or after	July 1, 2013
Issued By Utility	Salmon Valley Water Company, Inc.		

DISCONNECTION OF WATER SERVICE

Rule 28: Voluntary Discontinuance (OAR 860-036-0210)

Except for emergencies, customers who (for any reason) wish to have service discontinued shall provide the Utility at least five business-days' advance notice of the requested to discontinue service. The customer is responsible to identify the date of disconnection and for all service rendered until the Utility receives the customer's notice and the service is discontinued on the requested date.

Rates are based on continuous service. Disconnect and reconnect transactions do not relieve a customer from the obligation to pay the base rate or minimum charge that accumulates during the period of time the service is voluntarily disconnected for up to 12 months. Should the customer wish to recommence service within 12 months at the same premise, the customer will be required to pay the accumulated minimum monthly charge or base rate as if service had been continuous. The reconnection charge listed on the Miscellaneous Service Charges Schedule will be applicable at the time of reconnection.

Rule 29: 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 notify the customer and the Commission. When the emergency termination was through no fault of the customer, the utility shall not charge the customer for disconnection or restoration of service.

Rule 30: 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 irrigation services to become delinquent (except for nonpayment of a time-payment agreement), the Utility shall give at least five business days' written notice before water service 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 Utility intends 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

Issue Date / Filing Date		Effective for Service on or after	July 1, 2013
Issued By Utility	Salmon Valley Water Company, Inc.		

informing the customer that service has been or is about to be disconnected. The Utility shall document its efforts to contact the customer or an adult at the premises 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 irrigation service due to the failure to pay or meet obligations associated with nonirrigation service. (OAR 860-036-0225)

Residential customers who are notified of pending disconnection may choose between two Time Payment Agreement options. The Utility will offer such customers a choice of a levelized-payment plan and an equal-pay arrearage plan. A Utility and customer may mutually agree to an alternate payment arrangement provided it be in writing and signed by all parties. NOT APPLICABLE TO COMMERCIAL IRRIGATION CUSTOMERS.

Disconnection for Failure to Comply With a Time Payment Agreement

A time-payment agreement disconnection occurs when a residential customer fails to comply with the terms of a written time-payment agreement between the customer and the Utility, or the Utility permits a time-payment agreement charge to become delinquent. Before the water service may be disconnected, the Utility must give the customer a 15-day' written notice and a 5-business day written notice. NOT APPLICABLE TO COMMERCIAL IRRIGATION CUSTOMERS.

Rule 31: Disconnection and Reconnection of Water Service and Field Visit Charge

Disconnection Charge

When service was disconnected pursuant to OAR 860-036-0245 or OAR 860-036-0250, the water utility may charge the disconnect fee stated in its tariff.

Reconnection Charge

Service must be reconnected after the customer or applicant has requested reconnection, paid all applicable charges, provided necessary credit information, and satisfied all requirements for service when service was disconnected pursuant to OAR 860-036-0245 or OAR 860-036-0250, the water utility may charge the reconnection fee stated in its tariff.

Field Visit Charge

A water utility may assess a field visit charge whenever the water utility visits a customer service address intending to reconnect or disconnect service, but due to customer action, the water utility is unable to complete the reconnection or disconnection at the time of the visit. The field visit charge must be either filed in its tariffs or included in its statement of rates, whichever is applicable.

A field visit charge may not be assessed to a customer for delivery of any disconnect notice when the Utility has a viable address(es) for the customer. If a Utility delivers a disconnect notice, it is responsible to document its efforts to send the disconnect charge by mail and demonstrate to the Commission the reasonableness of delivering any disconnect notice to the customer's residence.

Issue Date / Filing Date		Effective for Service on or after	July 1, 2013
Issued By Utility	Salmon Valley Water Company, Inc.		

Rule 32: 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, charges listed on the Miscellaneous Service Charges Schedule are paid in full.

Rule 33: 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 may result in meter removal. All applicable 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 34: 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 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 35: 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.

Issue Date / Filing Date		Effective for Service on or after	July 1, 2013
Issued By Utility	Salmon Valley Water Company, Inc.		

Rule 36: 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 37: 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.

Rule 38: 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 39: 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. The Utility shall keep a record of all water quality tests, results, monitoring, and reports. NOT APPLICABLE TO IRRIGATION SERVICE.

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 40: Water Pressure (OAR 860-036-0315)

Each water Utility shall maintain pressure at a minimum of 20 pounds per square inch (psi) for health reasons to each customer at all times. The 20 psi standard is not presumed to be adequate service

Issue Date / Filing Date		Effective for Service on or after	July 1, 2013
Issued By Utility	Salmon Valley Water Company, Inc.		

and do not restrict the authority of the Commission to require improvements where water pressure or flow is inadequate.

In general, 40 psi of water pressure in the water mains is usually adequate for the purposes of this rule. However, adequate pressure may vary depending on each individual water system and customers' circumstances. In the case of a dispute, the Commission will determine the appropriate water pressure for the water utility.

Rule 41 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 42 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. The first pressure test in any 12- month period shall be at no charge. 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 than 20 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 bibb or other reasonable point likely to best reflect the actual service pressure.

Rule 43: 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 44: 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.

Issue Date / Filing Date		Effective for Service on or after	July 1, 2013
Issued By Utility	Salmon Valley Water Company, Inc.		

Rule 45: Cross Connection/Backflow Prevention Program

The Utility will comply with the rules and regulations for the Cross Connection/Backflow Prevention Program, as provided for in ORS Chapter 333 and the Utility's approved Backflow Prevention Program.

Issue Date / Filing Date		Effective for Service on or after	July 1, 2013
Issued By Utility	Salmon Valley Water Company, Inc.		

Advice No. _____
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CERTIFICATE OF SERVICE

UW 158

I certify that I have, this day, served the foregoing document upon all parties of record in this proceeding by delivering a copy in person or by mailing a copy properly addressed with first class postage prepaid, or by electronic mail pursuant to OAR 860-001-0180, to the following parties or attorneys of parties.

Dated this 20th day of May, 2014 at Salem, Oregon

Kay Barnes

Kay Barnes
Public Utility Commission
3930 Fairview Industrial Drive SE
Salem, Oregon 97302
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UW 158
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